



S O L T E Q

ANNUAL REPORT 2009

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SOLTEQ IN BRIEF

SOLTEQ PLC IS A SOFTWARE SERVICE COMPANY THAT SPECIALISES IN BUSINESS CRITICAL IT SOLUTIONS. SOLTEQ PROVIDES CUSTOMISED BUSINESS DEVELOPMENT AND ERP SOLUTIONS, COMBINING IN-HOUSE PRODUCTS WITH SYSTEMS MADE BY THE WORLD'S LEADING SOFTWARE COMPANIES.

DATA PROCESSED WITH SOLTEQ'S SOLUTIONS HELPS CUSTOMERS TO LEAD THEIR BUSINESS MORE EFFECTIVELY AND ACHIEVE HIGHER PROFITABILITY.

SOLTEQ WAS FOUNDED IN 1982. THE COMPANY'S SHARES HAVE BEEN QUOTED ON THE HELSINKI STOCK EXCHANGE (NASDAQ OMX HELSINKI) SINCE 1999. SOLTEQ AIMS TO GROW PROFITABLY AND MAINTAIN AN ACTIVE DIVIDENDS POLICY. HEADQUARTERED IN TAMPERE, SOLTEQ ALSO HAS OFFICES IN HELSINKI, LAHTI, HÄMEENLINNA, AND ST. PETERSBURG.

BUSINESS STRUCTURE

In 2009, Solteq's business was divided into five internal business units: Auto Trade, Retail and Wholesale Trade, Industry, Information Management and Application Services.

The financial result was monitored through two business segments. The Retail and Wholesale Trade segment included both the Retail and Wholesale Trade business unit and the Auto Trade business unit. The Industry and Information Management Units belonged to the Industry and Services segment. The Application Services unit operated as an internal service unit within the company.

The Retail and Wholesale Trade unit, which employs nearly 80 employees, is Finland's most experienced trade industry partner. Its solutions improve efficiency in procurements, sales and inventory management of specialised retail, wholesale trade and retail chains. The business unit's strongest suit is the optimisation of solutions by integrating in-house and partner products. Solteq's Retail and Wholesale Trade business unit's partners include SAP, Microsoft, Wincor Nixdorf, IBM, Optiscan and JDA.

Solteq's Auto Trade business unit delivers solutions and services for the entire value chain of the motor vehicle trade and its stakeholders. These solutions enable customers to control their business operations, manage their customer accounts and boost efficiency in financial administration.

Expertise in industrial ERP and maintenance systems is centralised in the Industry and services business unit. The business unit helps customers to control their business operations and ensure uninterrupted production. The strength of the business unit is mastering maintenance, materials management and operative asset management.

The special expertise of the Information Management business unit is harmonising the master data of information systems (product information, customer and supplier information), data collection solutions in investment projects, and outsourced upkeep of basic information. The business unit, which operates in a rapidly growing industry, offers services to Solteq's customer base across all industries they operate in.

The expertise of Microsoft Dynamics NAV and SAP consultants has been centralised in the Application Services business unit. Its 55 employees also attend to the customer and technical support of the systems supplied by Solteq.

KEY FIGURES

TURNOVER BY BUSINESS AREA (EUR MILLION)

	2009	2008	Change
Trade	18,7	19,8	-1,1
Industry and services	9,9	10,6	-0,7
Total	28,8	30,4	-1,8

OPERATING RESULT BY BUSINESS AREA (EUR MILLION)

	2009	2008	Change
Trade	0,1	1,6	-1,5
Industry and services	1,4	-0,1	+1,5
Total	1,5	1,5	0

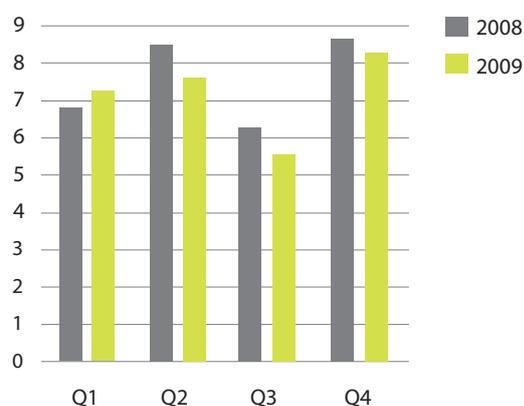
TURNOVER AND OPERATING RESULT BY QUARTER IN 2009 (EUR MILLION)

	Q1	Q2	Q3	Q4
Turnover	7,2	7,5	5,6	8,2
Operating profit	-0,2	0,4	0,5	0,8

TURNOVER BY OPERATION (%)

	2009	2008
Services	65	61
Licenses	26	26
Hardware sales	9	13

QUARTERLY TURNOVER 2008-2009 (EUR MILLION)



	2009	2008
Turnover, (EUR million)	28,6	30,4
Operating profit, (EUR million)	1,5	1,5
Pre-tax result, (EUR million)	1,3	1,1
Return on investments, %	9,1	9,0
Return on equity, %	9,6	9,0
Gross investments in non-current assets, (EUR million)	0,7	0,9
Equity ratio, %	47,2	43,6
Net gearing, %	66,7	58,5
Staff (average)	240	266
Dividends/return of equity per share, EUR	0,06*	0,04
Earnings per share, EUR	0,08	0,07
Own equity per share, EUR	0,84	0,80

*The Board of Directors' proposal for the 2009 financial year.



WE ARE EVEN BETTER PREPARED TO SERVE OUR CUSTOMERS
EFFICIENTLY AND EXPERTLY.

MANAGING DIRECTOR'S REVIEW

DEAR READER

We started the year 2009 in a somewhat uncertain atmosphere. Even the best financial minds could not predict what the year had in store, and inspecting the development of business operations, especially at the end of the year, was challenging. However, the year is in the past now, and at this stage, we can say that Solteq did at least reasonably well. Our turnover decreased by 6%, which could be expected and can be explained by the customers being cautious in acquiring hardware. However, our result remained at the same level as 2008; and, actually, due to favourable interest levels, the profit before tax improved a little.

In the turbulent situation of the beginning of the year, our current customers interrupted some of the more significant information system development projects. The customers were also clearly more careful about starting new projects. However, the situation changed during the summer, as at least some of the faith for the future had been regained. Our strong investment in sales development carried fruit in the lean year, as we did very well in acquiring new customers, and the new customers made up for the slump of the beginning of the year.

As I said in my review a year back, the systematic completion of development projects even during difficult times is important for the long-term development of the company. In 2009, we continued the projects important to us and our customers by, for example, introducing a new ERP system, rearranging our organisation structure to make it more efficient and by continuing strong development work in connection with our partners' and our in-house products. This will certainly bear fruit in the future and benefit our clientele.

Although the financial uncertainty is not completely over, I believe that we are again headed for better times and are even better prepared to serve our customers efficiently and expertly. We are continuing to invest in improving our profitability and predict that our operating profit will settle between 6-8% in the year to come. I would like to take this opportunity to thank especially our loyal customers and our personnel for the past year, 2009, and hope that 2010 is a year of growth and success for all our interest groups.

HANNU AHOLA
Managing Director



SOLTEQ IN 2009

FROM A SUDDEN HALT TO NEW DEVELOPMENT

The beginning of the year was challenging. The global uncertainty, beginning in the autumn of 2008, had an effect on industrial companies, especially at the beginning of the year. The companies had to postpone decision making or phase over investments already decided on.

Although the uncertainty reduced the demand for IT solutions in 2009, the industry as a whole took significantly fewer losses than many other industries. In its market report, the research company Market-Visio estimated that the Finnish IT market was reduced by only 3%.

Out of the Solteq businesses, the effects of the recession were the most intense in Auto Trading, where investments in system development were

clearly frozen. In the beginning of the year, the demand for new solutions in the Industry and Information Management businesses was lower than usually. The Trade business demand level remained relatively good throughout the year.

A visible pick up in the demand for Solteq's services took place in the summer, as the existing customers began to start development projects that had been frozen after the sudden halt of the first quarter of the year. As the clients began to regain their confidence, they prioritised development projects that improve operational efficiency.

The postponed projects at the beginning of the year were also compensated by the new sales, which in 2009 were higher in number than ever before in the company's history.

The operational environment of the St. Peters-

**THE YEAR 2009 PROVED THAT
VERSATILE SOLUTION SELECTION PROVIDES EFFICIENT
PROTECTION FROM ECONOMIC RISKS.**

burg subsidiary, OOO Solteq Russia, was significantly more difficult than in Finland. The recession had a serious effect on the investment decisions in companies, which could be seen as an interruption in sales and partnership projects. Despite the weaker-than-expected development, the market outlook is still very promising. Solteq continued to invest in the market to ensure that when the outlook improves, the company still has the possibility to find significant footing in the area. This can only be achieved by long term presence, as no quick returns can be expected.

NEW STRUCTURE THROUGH RATIONALIZATION

In the uncertain market situation of the beginning of the year, Solteq began co-determination procedures, which aimed at adapting the organisation's cost structure to the weakened demand. As a consequence, 30 employees were made redundant, and fixed costs were cut by, e.g. closing the Kuopio and Imatra offices and utilising the possibilities provided by video conferencing more efficiently. Later in the summer, the Nokia office was merged with the headquarters in Tampere.

It was of utmost importance that despite the economy measures, all the important operational development projects were continued. At the beginning of April, a new ERP system was introduced. The system enables more unified project monitoring, reporting and analysing than before.

The emphasis in product development was on Solax, an enterprise asset management (EAM) solution. The first version of the system was published in October. The software, built on a Microsoft platform, brings a competitive edge, as previously no advanced software solutions for EAM and field maintenance existed in the market.

In addition to Solax, product development focused on the continuous development of existing products with, for example, the possibilities provided by the new cloud computing technologies. The cloud service has brought new solutions to Solteq's in-house Merx and Solteq CD user interfaces and the ability to integrate and connect additional value products.

In the autumn of 2009, the largest organisation overhaul began, in order to improve the com-

petitiveness of the company alongside the rationalisation and product development projects. Consequently Solteq transformed its organisation to correspond with the company's strategic strengths. The new business areas are ERP, EAM, Data and Store. The new organisation structure took effect on the 1st of January, 2010.

The change aims at a more effective cross utilisation of the company resources, ability to react faster and finding better development possibilities in the quickly growing business areas.

RISKS AND RISK MANAGEMENT

The most significant risks for Solteq's business are associated with the general conditions of the national economy. If the outlook quickly weakens instead of improving, the company's customers may postpone their investments. The growth possibilities may also be threatened by spreading unemployment, if it has an effect on consumer demand and through that, on the operational prerequisites of the company's clients. Risks associated with the business trends are decreased by the fact that the company's clientele includes companies from various industries that benefit from different economic cycles.

It is essential for Solteq's success that the existing projects can be finished efficiently and profitably. If project management fails, it may have significant consequences in the profitability of the company's operations. Thus, project management has been one of the company's own leading projects.

Large investments have been made in the company's product development projects. If the company's estimates of the potential demand for, e.g. the Solax software are severely off, the investments will have been unprofitable. Solteq has prepared for this risk by conducting a thorough market analysis of the competing solutions and by involving the clients in the product development.

The year 2009 proved that versatile solution selection provides efficient protection from economic risks. Solutions aiming at optimising and rationalising operations are in demand during difficult economic periods. Solteq's long-term customer relationships that are based on partnerships are also a strength for the company.



RETAIL AND WHOLESALE TRADE

SOLTEQ IS THE MOST EXPERIENCED SOFTWARE SERVICE PARTNER TO INDEPENDENT RETAIL AND WHOLESALE TRADE IN FINLAND. SOLTEQ DELIVERS SOLUTIONS TO ITS CUSTOMERS THAT SMOOTHLY DIRECT THE FLOW IN THE RETAIL AND WHOLESALE INDUSTRY FROM THE IMPORTER TO THE WHOLESALERS, FROM WHOLESALERS TO RETAIL OUTLETS AND FURTHER ON TO THE CONSUMER.

IT PROJECTS ARE NOW MORE OFTEN BUSINESS DEVELOPMENT PROJECTS, IN WHICH THE BUSINESS OPERATIONS MANAGEMENT IS DEEPLY INVOLVED.

Solteq's solutions improve efficiency and flow in procurements, sales and inventory management of specialised retail, wholesale trade and retail chains. In addition, the solutions offer extensive tools for directing the finances of retailers. Our clientele includes the entire range of operators in the sector, from wholesalers to retailers and from stores run by one person to retail chains and multi-outlet retailers with hundreds of users.

Solteq's strength stems from the ability to understand the customers' needs in different circumstances. Once the needs are understood, Solteq brings the customer solutions that best utilise its own and its partners' products. The Retail and Wholesale Trade business unit's partners include SAP, IBM, Microsoft, JDA, CDC, Optiscan and Wincor Nixdorf. In addition, the unit offers service packages customised to fit the customer's needs.

Solteq's solutions enable the stores to make their operations more efficient and create savings. By combining solutions that create savings and efficiency, the stores create the prerequisites for profitable growth in operations.

MARKET SITUATION

The beginning of the year was challenging for Solteq. The uncertainty, beginning at the end of the previous year, caused customers to postpone investment decisions and reschedule projects as well as to divide them into smaller parts.

Due to the uncertainty, only a few new large-scale system projects were started. Instead, the customers were interested in solutions that optimise operations and create savings. Especially business operations management was after speedy returns and savings, as it took a more ac-

tive part in the development projects than before. It can be seen that IT projects are now more often business development projects, in which the business operations management is deeply involved. Respectively, architecture-based transformation projects are expected to be represented less in the future.

The focus of attention for individual stores was to develop the payment transactions. The goal is to make the payment transactions as easy and safe as possible. The Single Euro Payment Area (SEPA), coming into force in 2010, and the PCI standard that improves the data protection of charge cards brought about changes to the retail environment; Solteq helped its customers in realising the changes.

In wholesale projects, the demand focused on developing logistics centres and storage operations. The logistics centres in trade are increasingly moving away from the model favouring several local centres to favouring a system, in which there are only a few or even one logistics centre. Due to the development, the new centres utilise versatile IT solutions that improve storage turnover, optimise purchases and make order picking more efficient.

Small and medium trade chains are concentrating especially on solutions that speed up inventory turnover in their development projects. The seasonal changes require good timing especially in purchases, but also in sales. The increase in the significance of purchases is positive for Solteq, as different selection control as well as supply chain and purchase optimising solutions are at the core of Solteq's know-how.

SOLTEQ'S SOLUTIONS IMPROVE EFFICIENCY AND FLOW IN PROCUREMENTS, SALES AND INVENTORY MANAGEMENT OF SPECIALISED RETAIL, WHOLESALE TRADE AND RETAIL CHAINS.

INVESTMENTS

In the Retail and Wholesale Trade business unit, the development foci have been improving the internal operations model and customer service processes. The development work unified the practices of different units and spread the service models that customers prefer.

In product development, the company invested in developing Solteq HUB. Solteq HUB is a messaging integrating tool that enables cross-using data produced by different systems.

REFERENCES

One of the largest projects for the Retail and Wholesale Trade business unit was the system overhaul realised for Tuko Logistics. Tuko's financial and personnel management were reformed during the project. The new solution is based on a SAP system that was complimented with the Mepco salary calculation software. The reform continued cooperation that has lasted for years between Tuko and Solteq.

The cooperation with Heinon Tukku wholesales was also expanded, as the second phase of the ERP system overhaul began. The reform aims at improv-

ing the inventory turnover speed.

An extensive stock management reform was realized for glue manufacturer Kiilto Oy. Kiilto is now introducing voice-directed order picking, forklift terminals and fixed storage places to its storehouses. The renewal optimises product placement, picking and loading in the storehouse. With the aid of the system extension provided by Solteq, Kiilto simplifies the operations of its storehouses and thus finds new efficiency in the turnover speed and delivery reliability.

The Microsoft Dynamics NAV system was delivered to Respecta, an assisting device manufacturer, for business operations management and customer relations management. In addition to this, a new cooperation began with Suomen Helasto, a company specialised in furniture fittings. The cooperation focuses on developing financial management systems.

OUTLOOK FOR 2010

Solteq expects the rise in demand that began on the last half of 2009 to continue as companies begin to restart their investments after a year-long gap. The

recovery is supported by the companies' improved confidence in their finances and the customers' purchasing power.

The demand for store systems is supported by the companies' desire to improve the efficiency of their operations and to replace their outdated systems with new solutions that are up to the business operations' standards. The demand for store system consultation services will also be increased by the changes that the stores are realising in connection with the increase in the value added tax rate and the introduction of SEPA and PCI standards. Consultation services are a strength at Solteq, as the company has years of experience and thus a deep understanding of the whole value chain in trade.

The SMEs that are challenging larger operators are the leaders in the logistics centre and wholesale store information system investments in 2010. Especially the medium-sized wholesale companies are looking to renew their old systems to improve the efficiency of their operations and their competitiveness.

Solteq estimates that in 2010 the customers will mainly be interested in projects that have short repayment periods in improving business efficiency, bringing savings and optimising operations. Transforming IT projects into business development projects is beneficial for Solteq, as the company has long-term experience in the trade value chain and optimising the different parts of the chain.



AUTO TRADE

SOLTEQ IS AN AUTO TRADE IT SOLUTION SUPPLIER, WHICH CARRIES PRODUCTS AND SERVICES FOR THE ENTIRE VALUE CHAIN OF AUTO TRADE AND ITS STAKEHOLDERS.

The Auto Trade business unit supplies comprehensive ERP systems and services related to them to vehicle dealers and importers. For the auto trade's stakeholders, such as financing and insurance companies, Solteq implements integrated systems that are used to ensure the smooth and real-time utilisation of the stakeholders' services in car dealerships. These solutions enable customers to control their business operations, manage their customer accounts and boost efficiency in financial administration.

The operations of the unit are strongly process-driven. The strengths include understanding the business processes of the car trade and a diverse product selection customised for the requirements of the trade. There are a total of 25 specialists working for the unit.

The turnover generated by the Auto Trade unit is included in the figures for the Retail and Wholesale Trade segment.

THE GOAL IS TO SUPPORT CAR TRADE BUSINESS PROCESSES BETTER THAN BEFORE AND TO PROVIDE BETTER OPPORTUNITIES FOR THE EFFECTIVE UTILISATION OF CUSTOMER INFORMATION.

MARKET SITUATION

According to the Finnish Information Centre of Automobile Sector (AuT), about 90,000 new cars were sold in Finland in 2009, which is 35% less than in 2008. The weakening domestic demand and the prevailing economic uncertainty made the car dealerships' customers cautious as well.

The uncertain situation in the market could also be seen as weak demand for system deliveries. New investments were not made, and Solteq's customers concentrated on developing existing systems. Solteq implemented interfaces between different auto trade interest group services, its own additional value products, and existing systems in the car trade industry.

INVESTMENTS

Solteq's auto trade solutions are based on the company's in-house product development over the past 15 years and on solutions offered by partners. During 2009, the company continued the development project of the Solteq CD electronic resource planning system, which aimed to improve the communication between the applications as well as the message traffic to external systems.

The standardisation of information systems has made integration work easier. In the future, Solteq can significantly help its customers utilise the knowledge in different information systems business operation management.

REFERENCES

The changes in car tax legislation, coming into force from the beginning of April, also brought significant change work for all Solteq's Auto Trade customers' information systems. The new legislation made car taxation more transparent, and the systems were changed to meet the requirements of new pricing. Along with the amendment, the use of car tax-free suggested retail prices were adopted.

OUTLOOK FOR 2010

Solteq expects that the demand for services in car trade will improve a little in comparison to 2009. The volumes are expected to remain at the current levels for a while: The Finnish Central Organisation for Motor Trades and Repairs estimates that, 93,000 new cars will be sold in Finland in 2010.

The caution of the car dealerships' customers still means that the dealerships will not have the possibility to make new large information system overhauls. However, Solteq expects that the service sales will remain at a reasonable level.

The goal is to support car trade business processes better than before and to provide better opportunities for the effective utilisation of customer information.



INDUSTRY

THE INDUSTRY UNIT OPERATES AS A SOLUTION PARTNER OF INDUSTRIAL AND SERVICE INDUSTRY COMPANIES. THE BUSINESS UNIT HELPS CUSTOMERS TO CONTROL THEIR BUSINESS OPERATIONS, IMPROVE EFFICIENCY IN FINANCIAL MANAGEMENT AND ENSURE UNINTERRUPTED PRODUCTION

Solteq has 25 years of experience in industry; therefore, customers can rest assured that the company is capable of supporting them in their business development. Solteq is well versed in the business environment of industry and its special features, and

finds solutions for the development of operations during transitional phases.

The business unit's strengths are its diverse expertise, extensive range of solutions and its continuous investments in developing its in-house soft-

SOLTEQ IS WELL VERSED IN THE BUSINESS ENVIRONMENT OF INDUSTRY AND ITS SPECIAL FEATURES, AND FINDS SOLUTIONS FOR THE DEVELOPMENT OF OPERATIONS DURING TRANSITIONAL PHASES.

ware. The services offered by Solteq are comprised of Solteq's in-house and its partners' software products and added-value solutions that can be built to compliment them. The range of services also includes consulting and support services.

Solteq has a strong position on the market with its products in operative asset management, maintenance and materials management information systems. With Solteq's maintenance solutions, industrial facilities can predict the servicing needs of their production lines, monitor the error history, and manage the material flows related to maintaining the machinery, from purchasing to warehousing.

The solutions offer maintenance companies a tool for planning and optimising maintenance services as well as resource allocation. The solutions are used to manage the whole maintenance process from contracting to servicing and from spare parts to invoicing.

Solteq's maintenance solutions and their related expert services are used by approximately 370 customers in twenty countries. The companies include energy and production facilities, providers in the process and machine shop industry, and maintenance service companies. Maintenance and materials management solutions are based primarily on the in-house software products Solax, Arttu, Artturi and PowerMaint.

Solteq creates customised ERP solutions by combining in-house industrial expertise with the products of its international software partners, SAP and Microsoft.

The most important ERP solutions are SAP and Microsoft Dynamics NAV solutions. In addition, Solteq's products include the SmartCollect infor-

mation gathering solution and the ArtConnect harmonisation solution.

MARKET SITUATION

The operational environment was challenging in many respects for the Industry business unit in 2009. SMEs' volume of orders decreased, and companies started various savings programmes. The economy measures and caution reflected directly on the companies planning information system investments; many of the companies halted or postponed their investments. The trend was most visible in export companies.

The demand for large ERP system investments was especially weak. However, Solteq was successful in this segment due to two significant SAP projects.

Uncertainty spread from large companies to SMEs that started fewer new ERP system projects than in the previous year. The development focus was on precise solutions that improve operational efficiency and the more versatile utilisation of current systems. The year was reasonable for the service business sector, but the sales of new systems were slow.

The demand for maintenance information systems was divided. The low backlog of orders caused large export companies to cut costs and postpone new system projects.

Solteq exceeded expectations with projects for SMEs with maintenance and materials management information systems. The active sales investments paid off in e.g. the energy business. Over ten new customers were acquired, which can be considered a rather good result in a tough market situation.

SOLAX IS AN OPERATIVE ASSET MANAGEMENT SOFTWARE SOLUTION THAT IS USED TO MANAGE ASSETS, MATERIAL, WORK AND MAINTENANCE CONTRACTS.

INVESTMENTS

Solteq's most significant investment in 2009 was the product development of the in-house Solax software. Solax is an operative asset management software solution that is used to manage assets, material, work and maintenance contracts. The software was developed on the Microsoft Dynamics AX technology platform especially for the needs of energy, production, process and machinery industries and maintenance service companies.

The software was well received by the clientele and the first pilot projects went as planned. Solax can be utilised either as a part of the Microsoft Dynamics AX ERP system or as an independent maintenance system. The cooperation expands the use possibilities of the Dynamics AX system to production machine maintenance data management and production resource optimising, among other things. The software became available for all customers in October 2009.

The development of Solax continues in 2010. New functions will be added to the software, and new international partners will be pursued in accordance with the export strategy. The goal is to find a global partner network for the software.

The year was difficult for Solteq's subsidiary OOO Solteq Russia. The problems in the global economy were more visible among Solteq's potential clientele in Russia than in Finland. The price of oil, which was clearly lower than the previous year,

especially hindered making investment decisions in Russia. In addition to sales investments, Solteq concentrated on finding good local partners in 2009.

REFERENCES

Solteq's largest individual project in 2009 was the SAP project for the University of Helsinki, which renewed the University's financial management data systems. The University of Helsinki uses the new SAP system to manage books and accounts, invoice control, budgeting and electronic invoicing. It also includes a travel management system, which automates proposal making, acceptance procedure and the handling of travel expense reports.

A SAP adaptation was implemented for Componenta, a metal industry corporation, at the company's offices in the Netherlands, and a continued project was started to introduce SAP at three offices in Finland.

In March, Solteq announced its cooperation with the energy group Vapo. A unified system was created for Vapo to control and manage the maintenance work at different Vapo units. The goal of the system is to make the plants' maintenance, work and material management transparent. The system is used in 90 Vapo plants in the first phase of the project.

Empower was among the first customers using the Solax system published in October. Empower acquired the new software in November. Empower

uses Solax to produce work management and maintenance services for its customers. The new solution enables Empower to centralise all its previous work flow management systems. The system introduction shall significantly expand in the group during 2010.

OUTLOOK FOR 2010

At the beginning of 2010, the outlook for export companies was still unclear, and the backlogs of orders are still not as good as they were in the previous year. New investments are considered carefully, but the worst pessimism has begun to disappear. Many companies realise that the foundations of future competitiveness are created with investments during slower periods. Thus, a group of customers under cost pressures continue to make their operations more efficient with various IT solutions.

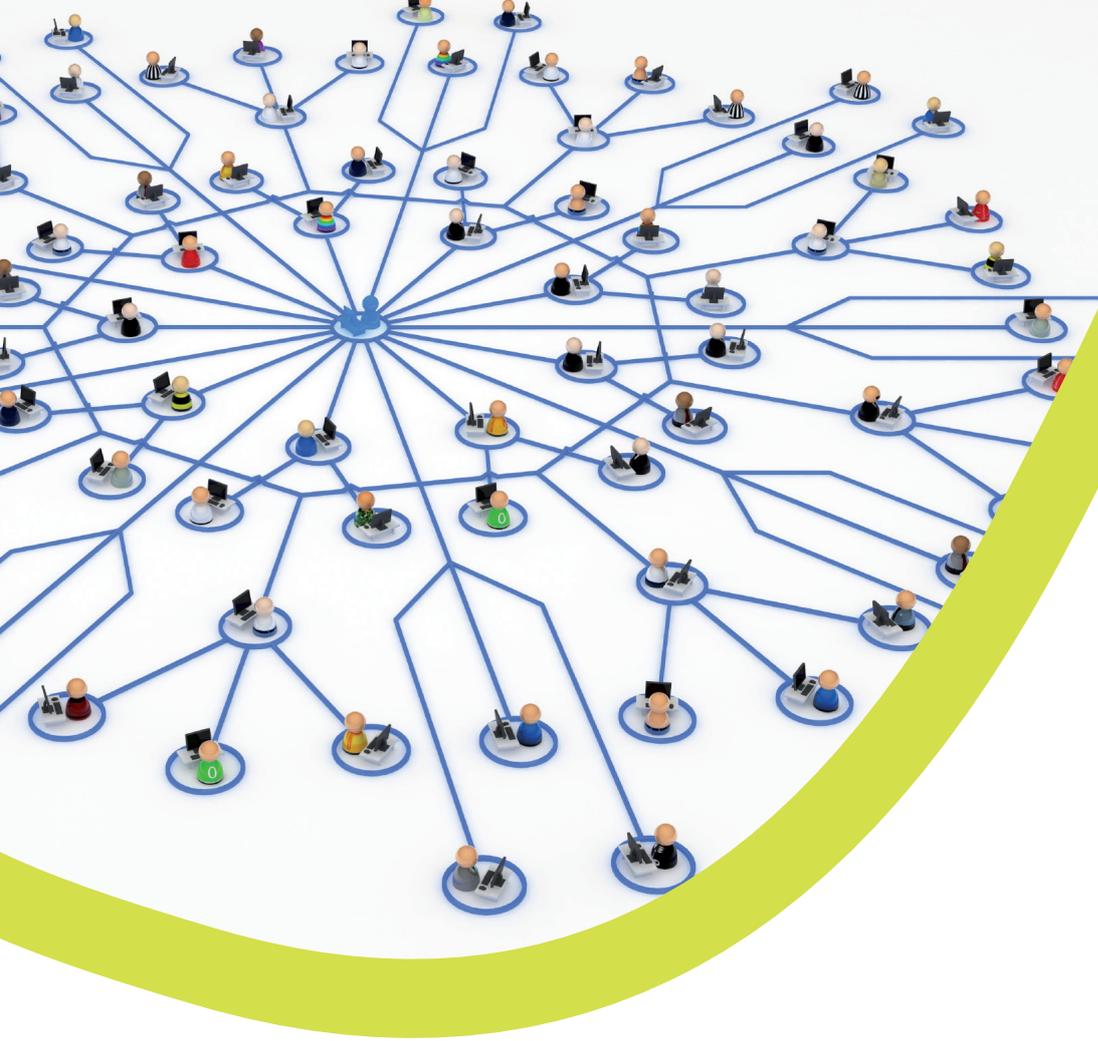
The new Solax software creates a foundation for positive development in operative asset management data systems. Solteq is seeking growth especially in maintenance service companies; Solteq has developed plenty of new features in Solax to make the companies operations easier.

Solteq expects that the SMEs' maintenance projects will continue to grow in 2010. The investments are lead by energy companies that seek efficiency with the best practices.

Solteq expects that the worst times for ERP system investments are in the past and that the companies will increase their investments in 2010.

The majority of investments are expected to be made on expanding and developing the current systems. The companies are trying to find efficiency by introducing solutions supporting customer management, reporting and optimising. The investments are expected to begin first in the business areas that first benefit from the recovery of the world economy.

The operational environment of OOO Solteq Russia will remain challenging, at least for the first half of 2010. The outlook is expected to improve once the foreign and Russian companies continue to make investments. The rise of oil prices will support new investments. Solteq strengthens its operations in Russia by investing in sales and cooperation with local partners.



INFORMATION MANAGEMENT

INFORMATION MANAGEMENT UNIT OFFERS CUSTOMERS MASTERDATA HARMONISATION AND OUTSOURCED MANAGEMENT. THE GOAL OF HARMONISATION IS TO IMPROVE THE AVAILABILITY OF THE INFORMATION STORED IN THE INFORMATION SYSTEMS. BY MANAGING THE MASTER DATA, THE CUSTOMERS ARE ABLE TO MANAGE INFORMATION IN INTEGRATED SYSTEMS.

COMPANIES CONSIDER MASTER DATA MANAGEMENT TO BE IMPORTANT FOR THEIR OPERATIONS AND ARE ALSO READY TO INVEST IN IT IN THE FUTURE.

Solteq's information management services cover the one-time harmonisation of master data as well as continuous maintenance services. The master data includes customer, product and supplier information, among other things. Solteq's information management service's strengths include firm know-how in the business area and tested operations models in individual harmonisation projects, as well as in information maintenance services.

MARKET SITUATION

The companies invested in information management even during the economic down term. The larger companies have invested in master data management for some time now. The smaller organisations have now also become interested in the benefits of information management, as significant savings can be quickly achieved through e.g. master data harmonisation.

In 2009, companies' information management needs moved from extensive system overhauls to smaller projects aiming at making the current systems more efficient and cutting costs. At Solteq, the trend increased the number of information management projects and made them smaller on average. On the other hand, Solteq also started large projects, which was a positive surprise considering the market situation. The need for extensive information management projects shows that companies consider master data management to be important for their operations and are also ready to invest in it in the future.

Although the information management market grows rapidly, Solteq has managed to maintain its

strong competitive position. There has been no significant direct competition; competition is concentrated in the software business operations. Solteq's information management service's strengths are also explained by independence from specific software: each information management project can be realised using the software that best meets the needs of the customer.

In 2009, the unit significantly deepened its cooperation with various software companies. Cooperation became closer due to Solteq becoming better known and its expanded clientele.

The Information Management Unit increased its turnover in 2009. However, the result did not reach the budgeted goal, nevertheless remaining satisfactory. Project business operations were a positive surprise. Service business operations also grew, which will become visible in the 2010 turnover.

INVESTMENTS

The most significant investment of 2009 was the comparative mapping of the current state of master data in Finnish companies and organisations. The mapping was realised in cooperation with ten Finnish companies and public administration organisations, and it clarified the current best practices in master data management and mapped points of development for the future. The study, mapping current use of master data in companies, was unique even internationally.

It shows that Finnish companies deal with their master data using a variety of methods. Efficient use and quality of information require a more comprehensive approach to information and especially to

managing it. However, managing information may produce significant benefits.

Alongside the mapping, Solteq continued to develop information management service sales. The reorganisation of sales, realised at the end of 2008, was successful in creating results.

REFERENCES

The customers of the Information Management business unit were mainly industrial companies in 2009. Interest towards information management also grew especially in technical wholesales. However, customerships in public administration did not increase as expected. Significant projects are beginning in public administration, but they are starting at a slower schedule than previously predicted by Solteq. The business area of the customer is not of much consequence in information management services. Typically, a customer needing management services manages extensive databases that include hundreds of thousands of individual information units.

The most important projects realised in 2009 include the harmonisation project of the Rautaruukki Hämeenlinna unit and the extensive harmonisation project at the Rautaruukki Engineering division, which continues until May 2010.

The service customerships of the Information Management unit grew in 2009. The growth in the

service business predicts that the focus of the information management services is moving from individual projects to continuous maintenance.

OUTLOOK FOR 2010

Solteq expects that the significance of quality master data is emphasised strongly in the near future. In 2010, Solteq is starting projects in master data management improvement in several customer companies. Companies have an ever stronger need to develop the master data management processes with their partners.

In 2010, Solteq continues to develop its service and project business areas and strengthen its technical master data know-how together with its partners. The results of the master data mapping also continue to be utilised. The results have been used, for example, to develop the consultation and benchmarking services in the business area and to create product and service selections to meet the other challenges found during the mapping.

**EFFICIENT USE AND QUALITY OF INFORMATION
REQUIRE A MORE COMPREHENSIVE APPROACH TO
INFORMATION AND ESPECIALLY TO MANAGING IT.**

SOLTEQ IN 2010

In September 2009, Solteq announced a transformation that would change the previous business area division to better correspond with the company's strategic strengths. From the beginning of 2010, the new business areas are ERP, EAM, Data and Store. From the beginning of 2010, Solteq's figures will be reported in correspondence with the new business areas.

The new structure aims at finding synergy benefits from better cross use of resources and enables better focusing of development investments.

ERP

Solteq offers its customers ERP systems developed in-house and by the leading software houses in the world. The systems include efficient tools for delivery chain management, financial governance, management reporting and personnel management. The solutions are used by hundreds of trade and industrial companies as well as public administration organisations. The ERP unit employs 114 persons and is managed by Mira Sohlman.

EAM

Solteq's EAM services cover maintenance information systems, asset optimising, field maintenance and servicing. The solutions enable customers to predict the servicing needs of their production lines, monitor the error history, and manage the material flows related to maintaining the machinery, from purchasing to warehousing.

The solutions are used by hundreds of companies and public administration organisations in about twenty countries. The companies include energy and production facilities, providers in the process and machine shop industry, and maintenance service companies. The business unit has 40 employees and is headed by Risto Metsälä.

DATA

Solteq offers efficient tools for data collection, ensuring data quality and correctness as well as integrating data from different systems. In addition to this, Solteq solutions enable ensuring the success of data transmissions and uniformity of master data. The Data unit employs 25 persons and is headed by Jouko Kiiveri.

STORE

Solteq solutions make the purchases, sales and customer management of store chains and special stores more efficient. The solutions enable hundreds of retailers, entrepreneurs and sales persons to guide their business operations and serve their customers in thousands of stores every day. The Store unit employs 19 persons and is managed by Markus Mäkelä.

From an administrative point of view, Solteq's operations are divided into three units from the beginning of 2010: Solutions, Sales and Marketing and Business Operations Support.

The Solutions organisation is responsible for the company's customerships and product development. It is divided into ERP, EAM, Data and Store business units. The organisation is managed by the company's Director of Operations, Ilmari Vallo.

Sales and Marketing is responsible for expanding the company's clientele, marketing, communications and the Russian operations of the company. The organisation is headed by Sales Director Janne Mäkelä.

The Business Operations Support organisation includes financial, information and personnel management as well as office services and customer support. The organisation is lead by CFO Antti Kärkkäinen.

Hannu Ahola, Ilmari Vallo, Janne Mäkelä and Antti Kärkkäinen form the management group for the company.

MANAGEMENT

THE BOARD



CHAIRMAN OF THE BOARD:
ALI U. SAADETDIN

- born 1949
- board member since 1982



SEPPÖ AALTO

- born 1953
- board member since 1982



ARI HEINIÖ

- born 1945
- board member since 2002



VELI-PEKKA
JOKINIIVA

- born 1948
- board member since 2003



JUKKA SONNINEN

- born 1958
- board member since 2005



MARKKU PIETILÄ

- born 1957
- board member since 2008

MANAGING DIRECTOR



MANAGING DIRECTOR
HANNU AHOLA

- born 1972
- Managing Director since 2006

INFORMATION FOR INVESTORS

FINANCIAL INFORMATION IN 2010

Financial statements 2009	27.1.2010
Interim report 1Q 2010	22.4.2010
Interim report 2Q 2010	11.8.2010
Interim report 3Q 2010	21.10.2010

ANNUAL GENERAL MEETING

Solteq Plc's Annual General Meeting will be held on the company's premises at Eteläpuisto 2 C, Tampere, on Friday 26 March 2010 at 3 p.m. Shareholders who no later than on 16 March 2010 have been registered in the company's register of shares maintained by Euroclear Finland Ltd are entitled to attend the General Meeting.

Shareholders wishing to attend the meeting shall notify the company's headquarters on Monday 22 March 2010 at 4 p.m. at the latest.

STOCK EXCHANGE RELEASES IN 2009

- 21.10.2009 - SOLTEQ PLC'S INTERIM REPORT 1.1.-30.9.2009
- 16.09.2009 - Solteq to reform its organisational structure
- 12.08.2009 - SOLTEQ PLC'S INTERIM REPORT 1.1.-30.6.2009
- 22.04.2009 - Acquiring of company's own shares
- 22.04.2009 - SOLTEQ PLC'S INTERIM REPORT 1.1.-31.3.2009
- 27.03.2009 - Decisions by the annual general meeting of Solteq Plc
- 27.02.2009 - Invitation to the Annual General Meeting of shareholders
- 16.02.2009 - Solteq Plc's prospects for 2009
- 28.01.2009 - Solteq Plc's co-operation negotiations have ended
- 28.01.2009 - SOLTEQ PLC'S FINANCIAL STATEMENTS BULLETIN 1.1.-31.12.2008
- 27.01.2009 - Solteq to renew the financial management systems of University of Helsinki
- 05.01.2009 - solteq plc will begin co-operation negotiations

PRESS RELEASES IN 2009

- 16.11.2009 - Empower is renewing work flow guidance with Solteq
- 28.10.2009 - Solteq publishes a new software solution for enterprise asset management
- 10.08.2009 - Tuko Logistics renews its financial and personnel management information system with Solteq
- 17.06.2009 - Kenzo's flagship store in Finland chose Solteq as its IT partner
- 02.03.2009 - Vapo is overhauling maintenance management with the aid of Solteq's EAM group solution
- 02.02.2009 - Kiihto picked the best practices for its warehouses from wholesale companies

SOLTEQ

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