

# SOLTEQ



ANNUAL REPORT 2006



<b>2</b>	<b>Solteq Oyj</b>
<b>2</b>	<b>2006 in brief</b>
<b>3</b>	<b>Year 2006 in figures</b>
<b>4</b>	<b>Managing Director's review</b>
<b>5</b>	<b>Retail and wholesale trade</b>
<b>9</b>	<b>Autotrade</b>
<b>11</b>	<b>Industry and services</b>
<b>14</b>	<b>Solteq's corporate governance</b>
<b>15</b>	<b>Board of directors, managing director and auditor</b>
<b>16</b>	<b>Information for investors</b>

**Solteq** is a supplier of IT solutions and services supporting the business of the retail, wholesale and industry sectors. Solteq's strengths include 25 years of experience, a successful customer base, good knowledge of the company's industries of choice, a motivated staff of 240 and an excellent network of partners. Solteq is proud of its staff, which is a good guarantee for the company's competence towards the customer.

#### **Solteq's areas of strength: wholesale and retail trade, auto trade and industry**

Solteq serves its customers in the areas of retail chain and wholesale trade, auto trade and selected industrial segments. The most important industrial segments include the mechanical forestry and wood products industry, pharmaceutical industry and biotechnology, the food industry and companies engaged in project operations. Solteq's subsidiary Artekus additionally serves manufacturing industry companies and the municipal sector.

#### **Solteq builds the best possible solution for its customers**

Solteq develops its customers' information systems in co-operation with the customer and also in small steps if necessary. Solteq will provide the customer with a solution suited to its operations and needs, as well as associated services. Solteq supplements its own solution offering with software from partners such as SAP, Microsoft and Wincor Nixdorf, on the basis of which it develops products for the needs of different sectors. Furthermore, Solteq is continuous-

ly developing new innovative added value products to supplement the sector-specific comprehensive solutions. Solteq will continue the development and maintenance of its own solutions. A total delivery also includes hardware and the technical services supporting it.

#### **Subsidiaries supplementing Solteq's offering and competence**

Solteq's two subsidiaries supplement the product offering and competence in the trade and industry segments.

Artekus Oy produces enterprise resource planning systems for industrial maintenance and materials management, as well as commissioning service for manufacturing industry companies and various facilities within the municipal sectors. Artekus' services also include data collection and harmonisation software for facility life cycle management, as well as associated operating services.

Tampereen Systeemitimi specialises particularly in the delivery of solutions based on Microsoft enterprise software for the needs of trade and industry. The acquisition supplemented Solteq's offering with Microsoft Dynamics enterprise software.

#### **Solteq going international**

Solteq operates mainly in the Finnish market. However, international system installation and commissioning projects have already been carried out with customers in the Baltic States and Russia, for example.

During the review year, the company's opportunities for internationalisation were substantially boosted through the subsidiary Artekus, which surveyed the opportuni-

ties to export its products to Russia. The first deliveries to Russia also took place during the review year. Sales of store systems to international markets were initiated in co-operation with Wincor Nixdorf.

#### **From Tampere to Stock Exchange**

Solteq Oyj, formerly Tampereen Tiedonhallinta, went public on the Helsinki Stock Exchange in 1999. The company aims to grow profitably and adhere to its active profit share policy.

Solteq was founded in 1982 in Tampere. The company is still headquartered in Tampere, with other offices in Helsinki, Lahti, Hämeenlinna, Kuopio, Nokia and Imatra.

## **2006 in brief**

- **In January** Solteq acquired Artekus Oy, a company specialising in ERP systems and services for industrial maintenance and materials management. Over the last 20 years, Artekus has launched hundreds of ERP systems for maintenance and materials control to different sectors, system software environments and hardware platforms. The company also develops tools for the planning and calculation of maintenance and operational reliability, as well as data collection over the life cycle of facilities and data harmonisation. Artekus products are an excellent supplement to the ERP solutions offering of Solteq's industry profit unit.
- **In June** Solteq initiated statutory co-operation negotiations concerning the entire staff. The negotiations were due to new sales falling short of expectations in the first half of the year and the post-

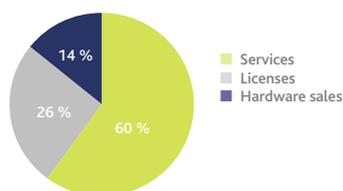
ponement of a few significant projects that impaired the company's first-half earnings. As a consequence of the negotiations, a cost-savings programme corresponding to 100–150 person-months was carried out during the review year through lay-offs and voluntary arrangements. Furthermore, the employment of 15 people was terminated either through dismissals or voluntary agreements.

- In September** Solteq's Managing Director Jorma Hänninen resigned. The company's Board of Directors nominated the director of the wholesale and retail trade profit unit, Hannu Ahola, M.Sc. (Econ.), M.Sc. (Tech.), 33 years, as the company's new Managing Director as of 1 October 2006. Hannu Ahola has been employed by Solteq since 2000 and has previously been responsible for the company's marketing and the auto trade profit unit.
- In October** the Tampere District Court approved Arokarhu Oy's claim for damages and obliged Solteq to pay Arokarhu a total of EUR 510,000 in damages plus legal costs. Solteq has appealed the District Court's judgment. Arokarhu Oy had claimed damages from Solteq in a dispute concerning a point-of-sale system delivery.
- In November** Solteq acquired the entire stock of Tampereen Systemeitiimi Oy from four private shareholders. Tampereen Systemeitiimi transferred to Solteq's ownership and became a part of its consolidated group as of 15 December 2006. Tampereen Systemeitiimi is a software house established in 1989 that specialises particularly in the delivery of solutions based on Microsoft enterprise software for the needs of trade and industry. The acquisition supplemented Solteq's offering with Microsoft Dynamics enterprise software in addition to the company's own and SAP products.

KEY FIGURES (IFRS)	2006	2005
Turnover, MEUR	23,2	21,6
Operating profit, MEUR	-0,5	1,2
Pre-tax result, MEUR	-0,5	1,5
Profit from invested equity, %	-2,4	13,3
Profit from own equity, %	1,2	11,4
Gross investments to fixed assets, MEUR	7,7	1,1
Solvency ratio, %	47,7	75,2
Net indebtedness ratio, %	15,8	-8
Staff (average)	240	193
Dividends/return of equity per share, EUR	0,1*	0,3
Profit per share, EUR	0,01	0,11
Own equity per share, EUR	0,81	1

\*The figure in 2006 is the maximum amount proposed by the Board of directors to the Annual General Meeting. See more information from the separate Financial Statement or on [www.solteq.com](http://www.solteq.com)

**Distribution of turnover by services, license and hardware sales in 2006**



**Distribution of turnover by business segments in 2006**



**Quarterly turnover in 2006**



**Quarterly earnings before tax 2006**





**2006 was a year** of change for Solteq in many respects. In the acquisitions front we made two substantial and successful moves. The acquisition of Artekus Oy early in the year substantially increased our offering particularly in maintenance systems. On the other hand, the product and service offering of Tampereen Systeemi Oy acquired in November substantially supports our operations in both trade and industry.

The change was also visible in that all aspects of our business did not go as planned. A hiccup in service sales early in the year, as well as quiet period in new sales for the entire first half impaired our financial indicators during the year. We had to go through the first statutory co-operation negotiations in our company's history, with the outcome of developing our competence structure and organisation more towards the direction called for by business development. The change of Managing Director in October contributed to the implementation of the required changes.

### Best solutions for the customer's needs

The starting points for successful business in 2007 are excellent. Several substantial delivery agreements signed in late 2006

and early 2007 ensure a good start to our 25th anniversary year. Through acquisitions, our own product development work and good partners, we have built a superior product offering in our customer industries. However, it is still more important that this offering and our competence enable us to build the solution that serves the customer's needs best in any given case and bring true relief to the customer's problems. The need to understand extensive comprehensive solutions will be further emphasised in the future. We will continuously develop these preconditions together with our personnel.

In 2007 we will seek growth through acquisitions supporting our strategy as well as organically. Structural changes in our customer industries will continue, which will contribute to added work for system providers. In our international operations, we will be focusing particularly on developing the Russian operations launched last year and the delivery of specialised retail solutions with the help of our partners. We will also continue to expand our product and service offering with regard to the comprehensive retail chain solution, for example.

Our particular challenge in the current year will be proper communication of our solution offering to the existing and poten-

tial customer base. This is one of our company's most important areas for development. Given the prevailing starting points, I firmly believe that we will be successful also in this respect.

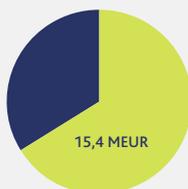
Thank you to all our customers, partners, shareholders, staff and other interest groups with good co-operation last year, and have a particularly prosperous anniversary year 2007!

**Hannu Ahola**  
Managing Director

Solteq provides its customers with IT solutions and services covering the entire retail and wholesale trade value chain. The offering includes systems for enterprise resource planning, procurement and points of sale, combining Solteq's own product offering with industry-specific product solutions built on the basis of software from our international partners such as SAP, Microsoft and Wincor Nixdorf. The profit unit also offers comprehensive services tailored specifically for the customer.

The unit's main target groups are Finnish-led wholesale, chain and specialist retail companies operating in the Baltic Sea area, as well as independent stores.

The unit's strengths include a successful and wide customer base, a superior solutions portfolio covering the entire value chain from the factory to the customer, as well as sector experience gained over 25 years.



Turnover of the trade segment in 2006 including retail, wholesale and car trade.

## › Year 2006

### Markets

According to Market-Visio research, the value growth of the IT market for wholesale and retail trade outperformed the sector's average growth in 2006. Companies in the trade sector need to improve the efficiency of their operations and processes due to increased international competition and price competition. The expansion of trade companies particularly to neighbouring countries calls for the need of system integration across national borders, which will create new opportunities for business growth also to Solteq.

New large shopping centres also mean new potential point-of-sale system deliveries for Solteq. The demand for store systems has remained strong indeed, and the same is true for added value solutions improving business efficiency, such as products for voice-controlled picking and the optimisation of purchases. The demand for IT services has also been healthy as users are making efforts to develop their existing systems and utilise them better. On the other hand, the demand for new comprehensive systems has been moderate; systems are rather replaced piece by piece.

Development associated with payment cards has been a focal point in trade companies during the review year as the EMV chip cards are gaining ground.

### Operating results

The wholesale and retail trade profit unit fell short of its expectations during the



year. The workload from long-term customer projects was higher than expected, particularly during the first half of the year. New sales were weaker than estimated during the year, and the number of new ERP projects failed to meet the expectations. However, the demand for services remained healthy as customers invested in the development of their existing systems. The demand for store systems and added value products also developed favourably.

### Most important sales and projects

The most important projects of the year included extensive IT cooperation between Solteq and Berner Ltd. Solteq assumed the responsibility for the maintenance, everyday functionality and development of Berner's IT systems.

The delivery of a comprehensive specialised retail trade solution for Veljekset Halonen Oy and its sister company Oy Carlson was in preparation during the review year. The Solteq TP.net solution covers a new-generation store system and chain control and will be delivered to all Halonen clothing stores, as well as Carlson department stores and hardware stores.

In the spring, Solteq signed an agreement with Eurokangas Oy concerning the delivery of a comprehensive retail chain solution for Eurokangas' 28 stores.

Solteq delivered several store systems and points of sale to the Ideapark shopping centre that opened in December. A total of 19 stores adopted Solteq's solution.

During the year under review, Luotokunta granted EMV chip card certification for Solteq's store systems. The chip card function is available for Tekso and

### HL Group makes warehouse collecting more effective and buys wisely

HL Group, the importer and wholesaler of car paints, uses voice recognition technology in their warehouse collecting. The solution, delivered by Solteq together with Optiscan Oy, improves the accuracy of collecting and enhances productivity. Moreover, HL Group utilises the procurement optimising tool which is the product of JDA Software and whose reseller Solteq is in Finland and in the Baltic countries. The purchase department of the company has been acknowledged for being able to save costs without lowering the level of service.

TN10 store systems. Solteq implemented several installations of chip card systems during the latter half of the year.

The development of systems for the existing customer base was very active particularly towards the end of the year, primarily related to e-commerce, the efficiency of logistics operations, as well as new arrangements in the customers' business.

### Product development projects

During the year under review, Solteq continued to expand and develop its solution offering related to ERP as well as store systems for the trade sector.

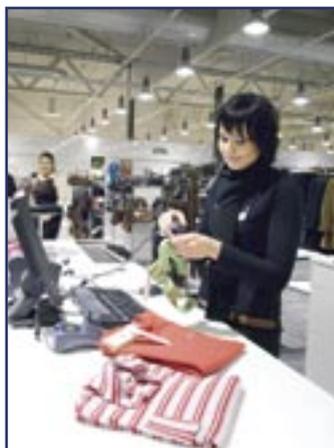
Solteq and Wincor Nixdorf co-operated in the development of a store system and



Jari Riekkinen working in the car accessories warehouse of HL Group.

Tokmanni, which operates at Ideapark, is one of the users of Solteq cash register system.

Head of the Tokmanni Group,  
Mr. Kyösti Kakkonen in the picture.



Jenna Leppänen, sales person of Catwalk Square at Ideapark, is working by the Solteq cash register system.

### The entrepreneurs of Ideapark have confidence on Solteq's solutions

Solteq delivered several store systems and cash registers to the shopping centre Ideapark which opened in December. A total of 19 stores are using Solteq's solutions, for example several stores located in the Catwalk fashion area at Ideapark. Solteq has a large market share in the specialty stores segment: it has delivered a solution to approximately 1000 stores, who have altogether about 3000 cash registers. Solteq, together with its cooperation partner Wincor Nixdorf, is delivering the store systems also to international markets.





Katri Färm, the general store manager of Ideakimara in the picture.

data transmission solution for specialised retail trade. The companies will jointly launch the solutions to international markets through Wincor Nixdorf International. In addition to a store system developed jointly by the companies, the comprehensive solution includes an integration product developed by Solteq.

The solution, which is called Solteq TP.net, is based on Wincor Nixdorf's TP.net, jointly developed by Solteq and Wincor Nixdorf on latest Microsoft technology. It is a modern store system serving the needs of retail chains and specialised retail trade. Solteq's integration solution automates and manages the transmission of messages between different ERP systems such as SAP and Solteq TP.net.

Solteq also continued the development of the SAP-based comprehensive solution Solteq Kauppa. The productisation of added value products such as voice-controlled picking and the optimisation of purchases was also completed.

The IT OK operating model was developed further. Successful development was substantially boosted by the IT co-operation with Berner.

During the year under review, Luottokunta granted EMV chip card certification for Solteq's store systems. The EMV implementation is based on a chip card payment module developed by Solteq that Luottokunta has approved for marketing and use.

Riihi-Kimara, which is specialised in festive sittings, opened its second store at Ideapark. Solteq has delivered a cash system to both of the stores.



The managing director of Boulevard, Mrs. Anne Ropponen in the Turku store.

Boulevard Oy, which is a reseller of Marimekko products, chose Solteq Tekso as its store management system. The solution produces reliable information that helps the company in purchases and stock control.

Towards the end of the year, Solteq acquired Tampereen Systeemiimi, which supplemented the product offering of the wholesale and retail trade unit with Microsoft Dynamics enterprise software. The acquisition provides an excellent opportunity to integrate Solteq's existing products with the Microsoft ERP solution and thus supplements the comprehensive solution for the trade sector.

### › Year 2007

Structural change and consolidation are expected to continue in the trade sector. Overall IT system reforms will be less common but companies will invest in develop-

ing their solutions piece by piece. Systems will also be internationalised at an increasing pace as companies are expanding their operations across national borders. The trend of prices paid by businesses for IT services is declining, which is affected by the trend of outsourcing programming work to countries of lower labour costs, for example.

Solteq's wholesale and retail trade unit has good starting points for the current year. The solution offering is more extensive and excellently covers the entire trade value chain. Co-operation with Wincor Nixdorf provides Solteq with the opportunity to operate also in the international market. The unit will also put effort in personnel development and focusing the sales process.

The wholesale and retail unit got a new leader early in the year as Ilmari Vallo, M.Sc. (Econ.), 51 years, joined Solteq.

The auto trade profit unit provides comprehensive enterprise resource planning solutions and services derived thereof to vehicle retailers, importers, repair shops and groups linked to them. Solteq is one of the leading providers of auto trade systems in Finland, with its products and services covering the entire scope of auto trade itself and its linked operations.

The unit's strengths are strong sector experience, a large and successful customer base and a wide and continuously growing product range that takes into consideration the special needs of auto trade. Turnover of the auto-trade unit is included in the numbers of the retail and wholesale trade business segment.

## › Year 2006

### Markets

The year was lively for auto trade. According to the Finnish Information Centre of Automobile Sector, the number of new cars registered was 145,700. Even though first-time registrations of cars declined by 1.7 per cent on the previous year, car sales remained at a good level. The year under review was characterised by business arrangements within the sector that provided Solteq with various kinds of additional work.

In other respects, the auto trade market is fairly saturated particularly with regard to IT software acquisitions, and no large growth figures are to be expected.

### Operating results

The business of the auto trade unit was good during the review period, and earnings were in line with expectations. The demand for service sales in particular was at a healthy level, meaning that customers were developing their existing systems further. Arrangements within the sector, such as the divestment of Stockmann's auto trade unit, brought new system projects and substantial service business to Solteq during the first half of the year.

### Most important sales and projects

Stockmann plc's decision to sell its auto trade operations to three buyers, namely VV-Auto Oy, Veho Group Oy Ab and the Maan Auto Group, brought Solteq a



number of large system implementation projects with associated software and hardware deliveries during the first half of the year.

During the year under review, the overall auto trade solution Solteq CD was delivered to Auto Kivitala Oy.

Solteq also had an active role in systems development work for many of its customers.

### Product development projects

During the review period, Solteq continued the development of a new SAP solution intended for the car dealer market to suit the needs of Finnish dealers. Dealer Business Management or DBM is a package solution designed for auto trade and it is suitable for all sizes of auto traders from small retailers to large chains or groups. Solteq will include the new product as a part of its existing product portfolio for the auto trade by acting as its re-seller.

## › Year 2007

The Finnish Information Centre of Automobile Sector estimates that car sales will remain lively during the year as the economic outlook is good and the confidence of customers in their own economy is at a high level. Mergers and acquisitions are predicted to continue in the Finnish auto trade market, which should keep the de-



mand for IT solutions and services on a healthy level. In other respects, Solteq estimates that the demand for IT software in particular will remain moderate.

The year 2007 started positively as Solteq was chosen to harmonise the IT systems of Automaa. Automaa is the retail chain of Maan Auto, an auto trade group belonging to the S Group. During the year, Solteq will deliver an auto trade enterprise resource planning solution to Automaa's seven Peugeot dealerships. A similar Solteq CD solution is already in place at Automaa's four Ford dealerships. This will make the Solteq CD solution a shared system across the entire chain.



In the picture Saara Lyski (in the middle), Kimmo Kempainen and Eija Toppinen, both from Solteq.

### Auto-Kivitila values the industry knowledge of Solteq

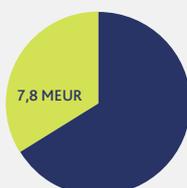
Auto-Kivitila had three large system deliveries within six months carried out with Solteq and Maan Auto. Now Auto-Kivitila has Solteq CD and other solutions in all its three stores. "Solteq has a thorough knowledge of the car trade sector. It was easy for us to choose Solteq CD", says Saara Lyski, the IT officer at Auto-Kivitila.

The industry and services profit unit produces and supports value-adding information systems and comprehensive information services serving its customers' business operations.

The profit unit serves large, mid-sized and growing companies in the industry and service sectors. The most important target groups are the wood industry, pharmaceutical industry, process-oriented industry and companies engaged in project operations. The focal point of operations is on long-term and developing customer relationships.

Solteq's subsidiary Artekus produces enterprise resource planning systems for industrial maintenance and materials management, as well as commissioning service for manufacturing industry companies and various facilities within the municipal sectors. Artekus' services also include data collection and harmonisation software for facility life cycle management, as well as associated operating services.

The unit's strengths include an excellent customer base, strong software and technology solutions developed with international partners such as SAP, Microsoft and IBM, as well as sector and project experience gained over 25 years.



Turnover of the industry and services business segment in 2006

## › Year 2006

### Markets

During the year under review, the Finnish industrial market was characterised by intense structural change as companies were transferring production to countries with a lower level of costs. Companies also underwent internal reorganisation and rationalisation measures. According to Market-Vision's estimate, the value of the industrial IT market in 2006 declined by approximately one per cent on the previous year.

Only a part of corporate IT costs is seen in the Finnish market as a growing share is being spent in subsidiaries outside Finland. However, decisions on the IT budgets of Finnish international companies are still being made mostly in Finland.

The internationalisation of industrial companies and the associated need for the harmonisation of information systems impose stricter requirements on IT systems from the viewpoint of enterprise resource planning. The objectives, schedule and prices of IT projects are also being viewed in a new way.

The internationalisation of customers is both a threat and an opportunity for Solteq. Solteq's market position is affected by the location at which corporate IT investment decisions are made. In order to strengthen its competitive ability, Solteq has adopted the platforms of global IT players in its solutions, enabling international distribution. At the same time, the needs of the customer base to harmonise systems across borders requires Solteq to develop new products and thus creates opportunities for growth.

### Operating results

The unit's performance cannot be considered satisfactory. Existing customers purchased services associated with the development and expansion of their systems as expected but the unit failed to gain new customers. Furthermore, many companies postponed the acquisitions of complete enterprise resource planning systems, while viewing the prices of IT solutions and services with an increasingly critical eye.

### Product development projects

Most essential product development within the industry and services profit unit focused on better utilisation of the SAP solution through ready-made Baseline and Best Practices procedures, reporting tools and new user interfaces. Deeper competence was also developed with regard to the basic modules.

The unit's product portfolio was supplemented with the Microsoft Navision software. The subsidiary Artekus Oy supplemented its offering with SAP competence but also continued the development of its own systems.

### Most important customer projects

The comprehensive ERP solution project underway with the forest industry group Componenta Corporation progressed according to plan. The second phase of the project, commissioning of the comprehensive solution at Componenta's Pori and Karkkila sites, started during the review year.

Solteq continued the development of ERP systems for Finnforest, the part

of Metsäliitto Group responsible for the wood product industry. A development project concerning sales and project monitoring reports within Tekmanni Oy was implemented during the year with SAP NetWeaver tools. The development of Tekmanni's profit unit budgeting using the newest SAP integrated design tools also started in 2006.

New customers within the industry and services profit unit include the Sanitec group. Solteq is involved in the commissioning of a SAP system for the group's IDO unit.

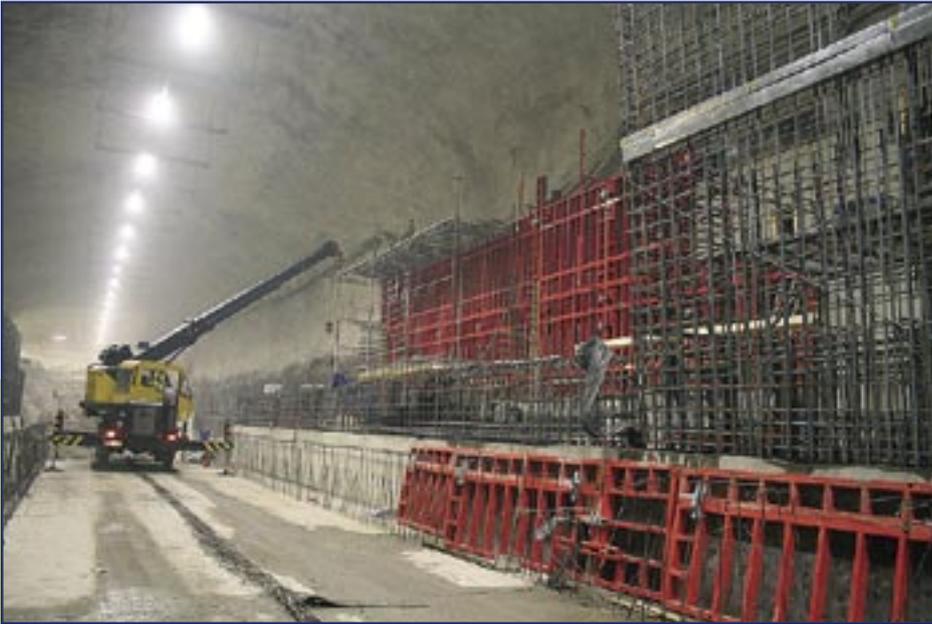
#### › Year 2007

Structural arrangements in industrial companies will continue in 2007. Solteq estimates that the demand for the industry and services profit unit's services will gain speed particularly in projects for replacing partial systems within companies, now supported by the unit's expanded solution offering. Furthermore, SAP and Microsoft solutions have become more scalable for the needs of smaller, growing and mid-sized companies as well.

The unit's delivery ability associated with SAP services will improve both through added human resources and training. The unit makes efforts towards the development of sales management and control by systematising its procedures and focusing on solution sales.



Solteq is involved in the implementation of a SAP system for the group's IDO unit.



### Attention to maintenance management and prevention of shortcomings

Artekus, the subsidiary of Solteq, has delivered industrial maintenance and materials management solutions to altogether 350 companies in Finland or other countries. Companies have started to pay more attention to predicting the need for maintenance management and preventing shortcomings, as every minute is a competitive factor when it comes to the degree of use of machines and equipment. One of the Artekus customers is a sewage treatment plant that is being built in Turku's Kakolanmäki and which serves the communities in the Turku area. It is a model example of a project where attention to the maintenance is paid already from the start.



## Artekus Oy

In early 2006 Solteq acquired Artekus Oy, a company specialising in ERP systems and services for industrial maintenance and materials management.

Over the last 20 years, Artekus has launched hundreds of ERP systems for maintenance and materials control to different sectors, system software environments and hardware platforms. The company also develops tools for the planning and calculation of maintenance and operational reliability, as well as data collection over the life cycle of facilities and data harmonisation.

The export outlook for Artekus products in Russia was surveyed during the report year and found to be promising. The first direct customer relationship actualised towards the end of the report year 2006: Artekus was chosen to deliver an ERP system for maintenance and materials management to the new south-western wastewater treatment plant in the city of St. Petersburg.

During the review period, Artekus and Empower Oy signed a co-operation agreement concerning services and solutions for maintenance and materials management IT systems in Finland, Russia and the Baltic States.

During the review period, Artekus has been involved in several maintenance and materials management IT system projects for the following companies, among others: KemFine Ltd, Stora Enso Timber Oy Ltd, Teollisuuden Voima Oy, UPM-Kymmene Corporation, YIT Industrial and Network Services Ltd, Vattenfall Sähkösiirto Oy, Vattenfall Kaukolämpö Oy, Siemens Oy, Tampereen Sähkölaitos, Boliden Kookola Oy, Stromsdal Corporation and Suomen Karbonaatti Oy. Noteworthy international projects include those underway at Nokian Tyres plc's plant in Russia, as well as AS Estonia Cell in Estonia.

Solteq Oyj is a publicly quoted limited company. Its decision-making and administration are in accordance with the Finnish Companies Act, other rules and regulations governing public limited companies and the company's Articles of Association. In addition, the company complies with the Corporate Governance Recommendation for Listed Companies issued by the Helsinki Stock Exchange, the Central Chamber of Commerce of Finland and the Confederation of Finnish Industries, as well as the insider guidelines of the Helsinki Stock Exchange.

Solteq Oyj's Articles of Association define a redemption obligation in situations where a shareholder's proportion of all shares reaches the level of 1/3 or 1/2. The Company is not aware of any shareholder agreements that would limit the use of votes or transfer of shares.

Solteq Oyj's highest decision-making bodies are the General Meeting of Shareholders, the Board of Directors and the Managing Director.

### General Meeting of Shareholders

The highest decision-making authority in Solteq Oyj is the General Meeting of Shareholders. The Board of Directors convenes the Annual General Meeting once a year. The General Meeting is held at the company's place of domicile, which is Tampere, by the end of June. In accordance with the Finnish Companies Act, the General Meeting makes decisions on the following matters, among others:

- amendments to the Articles of Association
- approval of the financial statements
- dividend distribution
- number of the members of the Board of Directors, their election and fees
- auditors

The Board of Directors can convene an Extraordinary General Meeting if necessary.

### Board of Directors

According to Solteq Oyj's Articles of Association, the Board of Directors consists of no less than five and no more than seven ordinary members. Each member's term of office ends at the conclusion of the next Annual General Meeting following the election. The Board appoints a Chairman from among its members. The Board of Directors will perform its duty in accordance with the Finnish Companies Act and other legislation as well as the Articles of Association. The Board of Directors makes decisions on the following matters, among others:

- Group strategy
- preparation of interim reports and financial statements
- significant capital expenditure
- appointment of the Managing Director and remuneration
- Group structure

The Board of Directors does not have any separate committees. The Board of Directors has assessed the independence of its members and noted that three members of the Board are independent of the com-

pany, and two members of the Board are independent of major shareholders.

The Board of Directors convened 14 times in 2006. The average attendance rate of the Board members was 94%.

### Managing Director

Solteq Oyj has a Managing Director whose duty is to manage the Group in accordance with the Board of Directors' instructions. In accordance with the Articles of Association, the Managing Director is appointed by the Board of Directors, which also determines the terms and conditions of the Managing Director's employment.

### Auditors

The Company has one ordinary auditor and, in case the auditor is not a public accounting firm authorised by the Central Chamber of Commerce, one deputy auditor. Because Solteq Oyj is a public limited company, only an auditor authorised by the Central Chamber of Commerce can be appointed. The auditor's term of office is indefinite.

### Risk management and internal audit

The Board of Directors is responsible for internal control. The Managing Director oversees the practical arrangements of control. Business operations are controlled and monitored using reporting and forecasting systems.

The information includes central sales projects, turnover and result as well as ac-

counts receivable. Actual figures by business area are monitored monthly.

The forecast period is three to six months. The Managing Director presents a monthly overview of the business and its developments in the Board meetings.

Risk management aims to identify significant risks to the business operations at the earliest possible stage and ensure that the ability to react quickly to risks and changes is retained. The company's financing risks are controlled centrally from the group's finance unit and risks are reported, when necessary, to the Managing Director. Appropriate insurance cover is in place in case of property, occupational

safety and liability risks arising from business operations.

The company has no internal audit organisation of its own. The finance department together with the auditors take care of the internal audit function in practice. The aim is to ensure that unified administration practices and accounting policies are adhered to.

#### Insider management

Solteq Oyj has insider regulations corresponding to the insider guidelines of the Helsinki Stock Exchange that entered into force on 1 January 2006.

According to legislation, the company's

insiders include the members of the Board, the Managing Director and the auditors. In addition, according to the company's own interpretation, permanent insiders include members of the management group and named persons in the company's governance. Persons who participate in projects affecting the company's share value are considered as project-specific insiders.

Solteq Oyj maintains its permanent register of insiders in the SIRE system of Finnish Central Securities Depository Ltd. Real-time ownership information regarding insiders is available for viewing on the FCSD's premises in Urho Kekkosen katu 5 C, 8th floor, Helsinki.

## Board of directors, managing director and auditor

#### Chairman of the Board:

Ali U. Saadetdin, born 1949, board member since 1982.



Ali U. Saadetdin

#### Other members:

Seppo Aalto, born 1953, board member since 1982.

Ari Heiniö, born 1945, board member since 2002.

Veli-Pekka Jokiniva, born 1948, board member since 2003.

Jukka Sonninen, born 1958, board member since 2005.

#### Managing Director

Hannu Ahola, born 1972, Managing Director since 2006.

#### Auditor

KPMG Oy Ab, Authorised Public Accountants Frans Kärki, APA, as lead partner, born 1952.



Seppo Aalto



Ari Heiniö



Veli-Pekka Jokiniva



Jukka Sonninen

## Financial information in 2007

	Release
Financial statements 2006	30.1.2007
Interim report 1Q 2007	25.4.2007
Interim report 2Q 2007	8.8.2007
Interim report 3Q 2007	24.10.2007

## Annual General Meeting

Solteq Oyj's Annual General Meeting will be held on the company's premises at Eteläpuisto 2 C, Tampere, on Friday 23 March 2007 at 3 p.m. Shareholders who no later than on 13 March 2007 have been registered in the company's register of shares maintained by Finnish Central Securities Depository Ltd are entitled to attend the General Meeting.

Shareholders wishing to attend the meeting shall notify the company's headquarters on Tuesday 19 March 2007 at 4 p.m. at the latest.

## Stock Exchange Bulletins 2006

04.01.06	Preliminary report on Solteq's financial statements for year 2005
27.01.06	Solteq builds on its services to large industrial companies – Solteq acquires 100% of Artekus Oy's shares
27.01.06	SOLTEQ PLC'S ANNUAL ACCOUNTS CLOSING STATEMENT 1.1.–31.12.2005
15.02.06	Solteq carries out a directed offering to the shareholders of Artekus
20.02.06	Groundless compensation claim presented for Solteq
21.02.06	Solteq corrects inaccurate information presented in public
28.02.06	Increase in Solteq's share capital based on a directed offering
01.03.06	Invitation to the Annual General Meeting of Shareholders
03.03.06	Notification of change in shareholding in Solteq
21.03.06	Solteq's Annual Report 2005 published
24.03.06	Decisions by the Annual General Meeting of Solteq Plc
21.04.06	SOLTEQ PLC'S INTERIM REPORT 1.1.–31.3.2006
24.05.06	Shares subscribed with warrants in Solteq Plc
21.06.06	Solteq's second quarter will be weaker than last year, company will begin co-operation negotiations
30.06.06	Shares subscribed with warrants in Solteq Plc
10.08.06	SOLTEQ PLC'S INTERIM REPORT 1.1.–30.6.2006
10.08.06	Solteq's co-operation negotiations have ended
23.08.06	Solteq and Empower begin co-operation in Russia
19.09.06	Hannu Ahola to become Solteq Plc's Managing Director beginning from 1.10.2006
11.10.06	District Court's judgement in an action for damages between Solteq Plc and Arokarhu Ltd
19.10.06	SOLTEQ PLC'S INTERIM REPORT 1.1.–30.9.2006
16.11.06	Solteq expands its offering to Microsoft's company software projects – Solteq acquires Tampereen Systemeitiimi
15.12.06	Solteq carries out a directed offering to the shareholders of Tampereen Systemeitiimi
19.12.06	Solteq's financial reporting 2007
29.12.06	Increase in Solteq's share capital based on a directed offering

## Press releases

17.01.06	Plc's financial statement information 27 January 2006
17.01.06	Solteq to improve the efficiency of procurement optimisation at Teräskonttori
23.03.06	Artekus software received a first prize
03.04.06	Solteq to provide Eurokangas with a chain management and store solution
14.09.06	Solteq and Berner to engage in substantial IT co-operation
02.11.06	Artekus to deliver a maintenance ERP system for a wastewater treatment plant for the St. Petersburg City Water Utility
29.11.06	Solteq has a strong role as a systems supplier for retailers at Ideapark

## **Solteq Oyj**

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