

Aldata Solution Oyj

STOCK EXCHANGE RELEASE

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ALDATA SOLUTION INTERIM REPORT JANUARY - MARCH 2005

Improved net sales and profitability, strong order backlog

Summary of first quarter results:

- Net sales were EUR 16.1 million (EUR 15.9 million, comparable EUR 14.4 million), which represents 11.8% comparable growth on Q1 2004
- Operating profit, EBIT, was EUR 0.0 million (EUR -0.9 million, comparable EUR -0.8 million)
- The order backlog increased to EUR 19.3 million, compared to EUR 18.0 million at the end of Q4 2004
- Supply Chain Management Software business unit continued its international expansion and grew faster than the markets
- In-Store Software business unit improved its performance significantly
- Full year guidance for 2005 remains unchanged. Aldata expects comparable growth of over 10% in net sales, profit and positive cash-flow in 2005

First quarter results (compared with the same period in 2004)

Aldata's comparable net sales (excluding the net sales of Aldata Industries Oy, which was divested in December 2004) grew by EUR 1.6 million, an increase of 11.8% over the previous year, amounting to EUR 16.1 million (EUR 15.9, comparable EUR 14.4) million. Software licenses and maintenance accounted for 25.5% of the net sales (26.0%), services for 64.9% (59.5%) and third party licenses and hardware for 9.6% (14.5%).

The Group's gross profit was EUR 13.2 (EUR 12.0, comparable EUR 11.2) million. Operating profit, EBIT, increased by EUR 0.8 million to EUR 0.0 (loss of EUR 0.9, comparable loss EUR 0.8) million. Earnings per share were 0.000 euros (-0.015 euros).

Aldata's order backlog includes license and maintenance contracts and fixed price service contracts. The order backlog, which is to be recognized during the next twelve months, rose to EUR 19.3 million, a strong improvement compared to a comparable EUR 17.8 million at the end of Q1 2004 and EUR 18.0 million at the end of Q4 2004. The improved order backlog gives the Company confidence for the remaining three quarters of 2005.

For the full-year 2005 Aldata expects comparable growth of over 10% in net sales, profit and positive cash-flow.

Financing and capital expenditure (compared with the end of March 2004)

Cash, cash equivalents and marketable securities amounted to EUR 4.3 million at the end of March 2005 (EUR 6.6 million). The balance sheet total stood at EUR 38.5 million at the end of March (EUR 48.4 million). The Group had no interest-bearing debt at the end of March 2005 (EUR 3.0 million). Interest-bearing net liabilities totaled EUR -4.1 million at the end of March 2005 (EUR -3.3 million).

At the end of March the Group's short-term receivables totalled EUR 24.1 million (EUR 27.0 million).

The Group's solvency ratio in the period was 53.3% (50.6%), gearing was -20.0% (-13.6%), and shareholders' equity per share was 0.300 (0.357) EUR.

Gross capital expenditure by Aldata Group on hardware and software purchases amounted to EUR 0.4 (0.2) million during the review period.

Market overview

Demand and customer activity in the enterprise software market has remained weak in the first months of 2005. A number of key software vendors have published weaker than expected results and downbeat comments. Corporates are not ready to start large-scale software projects and the sales cycle for these projects remains long. In general, market conditions are challenging. However, some areas in the enterprise software market are showing growth. Focused providers of business critical solutions and vendors active in selected industry verticals have been able to perform well despite the general market weakness.

Business Units

Supply Chain Management Software

Net sales of the Supply Chain Management (SCM) Software business unit grew by 13.2% to EUR 12.7 million (EUR 11.2 million). The gross profit was EUR 10.6 (EUR 8.5) million and the operating profit, EBIT, was EUR -0.4 (EUR -0.6) million. The strong growth is attributable to increased activity in France, the US, the UK and Asia. In the first quarter of 2005 significant efforts were made in developing the organizations in new areas, mainly in North America and in the UK.

Aldata continued the international expansion within the SCM unit in the first quarter of 2005. A total of six new contracts were signed, one of them in Croatia, a new country for Aldata. In the first quarter Smart & Final, Inc., one of the leading grocery retailers in the Western US and Northern Mexico and Aldata's first US customer, announced the successful implementation of the Aldata G.O.L.D. suite.

In 2005, the main focus is on establishing a strong foothold on the North American market and on further strengthening the market position in Europe. With 13% growth in the first quarter of 2005, Aldata's SCM business unit outperformed the growth of the market sector.

Aldata G.O.L.D. Topase, a module for replenishment optimization and forecasting in shops and warehouses, has attracted great interest and has become a key part of the Aldata G.O.L.D. product offering. For example, the Aldata Topase optimization has provided Smart & Final with an initial 18% reduction in the stock needed to be carried in its warehouses.

The next general product release, which will take place in the second quarter, includes Aldata G.O.L.D. Mobile for mobility in the shops and Aldata G.O.L.D. Track, with integrated options for RFID technology, for centralized management of traceability throughout the supply chain. Aldata expects significant demand for these new functionalities.

In-Store Software

Net sales of the In-Store Software business unit grew by 9.6% to EUR 3.5 million (EUR 3.2 million). The gross profit was EUR 2.8 (EUR 2.6) million and the operating profit, EBIT, was EUR 0.4 (EUR -0.1) million. The improved profitability is attributable to a very strong performance of the Finnish unit.

In 2005, the focus is on further expanding Aldata's strong market share in the Nordic region and on gaining new customers and growing with existing ones in the neighboring areas of Russia and the Baltic countries. Measures for further international expansion are being taken according to plan.

In research and development, Aldata's strategy is to seamlessly integrate front-office systems into the Aldata G.O.L.D. Supply Chain Management Software. This will enable retailers to centrally manage the whole supply chain, from

supplier factories to store front doors. Aldata is also continuously developing functionalities that boost efficiency in customer service and shop operations.

Personnel

Aldata Group employed 529 (509) persons at the end of the review period and on average had 524 (507) employees during the review period. The personnel growth rate was 16% in the Supply Chain Management Software business unit, whereas the number of personnel declined by 6% in the In-Store Software business unit. Geographically, the growth was strongest in Aldata subsidiaries in the US and the UK.

By Business Units	March 31, 2005		March 31, 2004	
	Persons	%	Persons	%
SCM Software	410	77	353	69
In-Store Software	103	20	109	22
Security Systems	-	-	32	6
Administration	16	3	15	3
Total	529	100	509	100

At the end of the review period, approximately 16% of personnel were employed by Aldata companies in Finland, 51% in France, 13% in Germany, 10% in Sweden, 5.5% in Slovenia, 2.4% in the US and 2.1% in the UK. At the end of the review period 192 (185) employees were involved in R&D activities, which represents 36% of the Group's personnel.

Share performance, foreign ownership and changes in ownership

The highest price of the Aldata Solution Oyj share during the review period was 1.53 EUR and the lowest price was 1.07 EUR. The average price was 1.26 EUR and the closing price was 1.47 EUR. The trading volume during the review period on the Helsinki Stock Exchange was EUR 20.0 million and altogether 16.0 million shares were traded, which represents 23.7% of the shares. Aldata Solution Oyj has 67.4 million shares outstanding. The number has remained unchanged during the review period.

The number of share holders was 7436 and the free float was 99.6% of the share capital at the end of review period. A total of 37.7% of Aldata Solution Oyj's shares were owned by foreign investors at the end of March 2005.

The following changes in Aldata's ownership were announced during the period:

On February 10, 2005, the holding of Hitech Premium N.V. (a company based in Curacao) in Aldata Solution Oyj rose to over 20 per cent of the shares and votes.

On March 29, 2005, the holding of Laxey Partners Limited (a company based in the United Kingdom) in Aldata Solution Oyj rose to over 5 per cent of the shares and votes.

Annual General Meeting

Aldata Solution Oyj's Annual General Meeting (AGM) convened on 14 April, 2005. The AGM approved the Board of Directors' proposal that no dividend be distributed for 2004. The AGM elected four members to the Board of Directors: Pekka Vennamo, Ilkka Hollo, Kimmo Alkio and Peter Titz. Pekka Vennamo was re-elected as chairman of the Board.

Events after the review period

On April 20, 2005, Laxey Partners Limited's holding in Aldata Solution Oyj declined to under 5 per cent of the shares and votes.

Outlook for 2005

Aldata streamlined its business during the year 2004 and is now focused on integrated business applications for the retail, wholesale and logistics sectors. It will continue to strengthen its presence in all these sectors. The main growth

drivers are the markets in the US, globally the largest software market, and in the UK. Efficiency improvements in the organization will continue.

The order backlog, which stood at EUR 19.3 million at the end of March gives confidence for fulfilling the financial targets of 2005. For the full year 2005 Aldata expects comparable growth of over 10% in net sales, profit and positive cash-flow.

Despite the mixed economic environment and challenging market conditions, Aldata is well positioned to outpace the growth of its market sector.

This report has been prepared according to FAS (Finnish Accounting Standards).

Helsinki, May 4, 2005

Aldata Solution Oyj

Board of Directors

Further information:

Aldata Solution Oyj, Matti Hietala, President and CEO, tel. +358 45 670 0554

Aldata Solution Oyj, Thomas Hoyer, CFO, tel. +358 45 670 0491

Aldata will hold a press conference for media and investment analysts in the Espa cabinet at the Scandic Hotel Simonkenttä, Helsinki on May 4, 2005, starting at 13.00 (EET).

The presentation material used in the conference will also be published simultaneously on the Company's website at www.aldata-solution.com.

Aldata in brief

Aldata Solution is one of the leading providers of software solutions for the global retail industry. The product portfolio includes Supply Chain Management Software, In-Store Software and Smart Card Solutions. Aldata supplies its software through its own subsidiaries in Finland, Sweden, France, Germany, Slovenia, the UK and the USA, as well as through its global partner network. Aldata has more than 300 installations in over 40 countries. Aldata had net sales of EUR 66 million and 514 employees at the end of 2004. Aldata's shares are quoted on the Helsinki Stock Exchange with the identifier ALD1V. More information at: www.aldata-solution.com.

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APPENDICES

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All quarterly figures are unaudited.

APPENDIX 1

INCOME STATEMENT	MEUR Q1 / 2005	MEUR Q1 / 2004	Change	MEUR Total
*) unaudited	*)	*)	%	2004
Net sales	16,1	15,9	1,5 %	66,0
Other Operating income	0,3	0,1	141,5 %	4,7
Operating expenses	-16,1	-16,3	-1,3 %	-69,7
Depreciation on fixed assets and other long-term expenditure	-0,2	-0,3	19,1 %	-0,9
Operating profit before goodwill amortization	0,2	-0,5		0,1
Goodwill amortization	-0,2	-0,4	57,8 %	-1,6
Operating profit	0,0	-0,9		-1,5
Financial items	0,1	0,0	616,6 %	-0,1
Profit before taxes	0,1	-0,9		-1,6
Income taxes	-0,2	-0,1	-226,8 %	-3,1
Minority interest	0,0	0,0	254,9 %	0,0
Profit for the financial period	0,0	-1,0		-4,8

APPENDIX 2

BALANCE SHEET	MEUR 31 Mar 2005	MEUR 31 Mar 2004	MEUR 31 Dec 2004
*) unaudited	*)	*)	2004
ASSETS			
Non-current assets			
Intangible assets	7,8	9,6	8,0
Tangible assets	1,0	1,3	1,0
Investments	0,6	0,4	0,4
Non-current assets total	9,4	11,3	9,4
Current assets			
Inventories	0,5	0,9	0,6
Deferred tax assets	0,1	2,5	0,1
Short-term receivables	24,1	27,0	22,4
Cash and cash equivalents	4,3	6,6	6,5
Current assets total	29,1	37,1	29,6
Assets total	38,5	48,4	39,0

**SHAREHOLDERS' EQUITY AND
LIABILITIES**

Shareholders' equity	20,2	24,1	20,3
Minority interest	0,2	0,3	0,2
Provisions	0,6	0,8	0,7
Liabilities	17,4	23,2	17,8
Shareholders' equity total	38,5	48,4	39,0

APPENDIX 3

CASH FLOW

	MEUR	MEUR	MEUR
	Jan-Mar	Jan-Mar	Jan-Dec
	2005	2004	2004
Cash flow from operating activities	-1,6	-1,9	-4,2
Cash flow from investing activities	-0,4	-0,2	5,4
Cash flow before financing	-2,0	-2,1	1,2
Cash flow from financing activities	-0,2	-0,3	-3,7
Net cash flow, total	-2,2	-2,4	-2,5

APPENDIX 4

CONTINGENT LIABILITIES

	MEUR	MEUR	MEUR
	31 Mar	31 Mar	31 Dec
	2005	2004	2004
Loans from financial institutions	0,0	3,0	0,0
Mortgages for the above	5,4	5,4	5,4
Rent and leasing liabilities	9,6	5,9	10,0
Guarantees on behalf of Group company debt	0,1	0,0	0,1
Guarantees on behalf of others	0,8	2,7	2,7

APPENDIX 5

INCOME STATEMENT

KEY FIGURES, MEUR	Q1 / 2005 *)	Q1 / 2004 *)	Total 2004
Scope of operations			
Net sales, MEUR	16,1	15,9	66,0
Average number of personnel	524	507	525
Profitability			
Operating profit before goodwill amortization	0,2	-0,5	0,1
Operating profit before goodwill amortization, % of net sales	1,1	-3,4	0,1
Operating profit	0,0	-0,9	-1,5
Operating profit, % of net sales	0,0	-5,9	-2,3
Return on equity, % (ROE)	-0,5	-15,7	-20,5
Return on investment, % (ROI)	3,4	-11,3	-4,0
Financial standing			
Quick ratio	1,6	1,5	1,6
Current ratio	1,7	1,6	1,7
Equity ratio, %	53,3	50,6	53,0
Interest-bearing net debt	-4,1	-3,3	-6,3
Gearing, %	-20,0	-13,6	-30,8
Per share data			
	EUR	EUR	EUR
Earnings per share (EPS)	0,000	0,015	-0,070
Earnings per share (EPS), adjusted for dilution effect	0,000	0,015	-0,070
Equity per share	0,300	0,357	0,301

APPENDIX 6

QUARTERLY FIGURES, MEUR

) unaudited	Q1 / 2005)	Q4 / 2004*)	Q3 / 2004*)	Q2 / 2004*)	Q1 / 2004*)
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INCOME STATEMENT

*) unaudited

Net sales	16,1	18,0	15,7	16,3	15,9
Other Operating income	0,3	4,3	0,1	0,1	0,1
Operating expenses	-16,1	-18,2	-17,7	-17,4	-16,3
Depreciation on fixed assets and other long term expenditure	-0,2	-0,2	-0,2	-0,3	-0,3
Operating profit before goodwill amortization	0,2	3,9	-2,1	-1,2	-0,5
Goodwill amortization	-0,2	-0,4	-0,4	-0,4	-0,4
Operating profit	0,0	3,5	-2,5	-1,6	-0,9
Financial items	0,1	-0,2	0,0	0,0	0,0
Profit before taxes	0,1	3,4	-2,5	-1,6	-0,9
Income taxes	-0,2	-3,1	-0,2	0,2	-0,1
Minority interest	0,0	0,0	0,0	0,0	0,0
Profit for the financial period	0,0	0,3	-2,7	-1,3	-1,0

BALANCE SHEET

*) unaudited	31 Mar 2005 *)	31 Dec 2004 *)	30 Sep 2004 *)	30 Jun 2004 *)	31 Mar 2004 *)
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ASSETS

Non-current assets

Intangible assets	7,8	8,0	8,8	9,1	9,6
Tangible assets	1,0	1,0	1,1	1,2	1,3
Investments	0,6	0,4	0,4	0,4	0,4
Non-current assets total	9,4	9,4	10,3	10,7	11,3

Current assets

Inventories	0,5	0,6	1,2	0,9	0,9
Deferred tax assets	0,1	0,1	2,5	2,8	2,5
Short-term receivables	24,1	22,4	21,0	24,1	27,0
Cash and cash equivalents	4,3	6,5	5,7	6,4	6,6
Current assets total	29,1	29,6	30,5	34,2	37,1
Assets total	38,5	39,0	40,7	44,9	48,4

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity	20,2	20,3	20,1	22,8	24,1
Minority interest	0,2	0,2	0,3	0,2	0,3
Provisions	0,6	0,7	0,6	0,6	0,8
Liabilities	17,4	17,8	19,8	21,3	23,2
Shareholders' equity total	38,5	39,0	40,7	44,9	48,4

APPENDIX 7QUARTERLY KEY FIGURES,
MEUR

	Q1 /	Q4 /	Q3 /	Q2 /	Q1 /
) unaudited	2005)	2004*)	2004*)	2004*)	2004*)
Profitability					
Operating profit before goodwill amortization	0,2	3,9	-2,1	-1,2	-0,5
Operating profit before goodwill amortization, % of net sales	1,1	21,8	-13,5	-7,2	-3,4
Operating profit	0,0	3,5	-2,5	-1,6	-0,9
Operating profit, % of net sales	0,0	19,6	-16,0	-9,6	-5,9
	Jan-	Jan-	Jan-	Jan-	Jan-
	Mar	Dec	Sep	Jun	Mar
	2005	2004	2004	2004	2004
	*)	*)	*)	*)	*)
Return on equity, % (ROE)	-0,5	-20,5	-29,2	-19,0	-15,7
Return on investment, % (ROI)	3,4	-4,0	-23,5	-16,7	-11,3
Financial standing					
Quick ratio	1,6	1,6	1,4	1,5	1,5
Current ratio	1,7	1,7	1,6	1,6	1,6
Equity ratio, %	53,3	53,0	50,0	51,3	50,6
Interest-bearing net debt	-4,1	-6,3	-2,5	-3,1	-3,3
Gearing, %	-20,0	-30,8	-12,4	-13,4	-13,6
Per share data					
	EUR	EUR	EUR	EUR	EUR
Earnings per share (EPS)	0,000	0,070	-0,075	-0,034	-0,015
Earnings per share (EPS), adjusted for dilution effect	0,000	0,070	-0,075	-0,034	-0,015
Equity per share	0,300	0,301	0,298	0,338	0,357