

Rautaruukki negotiating with TietoEnator to outsource its IT unit

Rautaruukki and TietoEnator have signed a Letter of Intent today whereby they will initiate negotiations on the transfer of Rautaruukki's entire Information Technology Unit to TietoEnator. The transfer is scheduled to take place on 1 March 2001. Negotiations on the details of the plan and its implementation will begin immediately. This project will mark one of the largest outsourcing agreements so far made in Finland.

Under the terms of the plan TietoEnator will take over full responsibility for managing the operations of Rautaruukki's Information Technology Unit, including operation and maintenance and IT system development. TietoEnator will also acquire the IT unit's assets and existing application management and operation contracts. The systems in use are based mainly on mainframe computers but some also involve distributed technology and distributed processing services.

The Rautaruukki IT unit employs almost 150 people in Raahe and Hämeenlinna. These will be transferred to TietoEnator retaining their existing contractual status. Personnel in charge of application development and maintenance will move to TietoEnator's Process & Manufacturing business area while operational personnel will move to the Processing & Network Support business area.

Information management is significant to the development of Rautaruukki's operations and competitive efficiency. This agreement will ensure that Rautaruukki will have the necessary product and technological expertise, personnel resources and functional IT management services in the future.

Rautaruukki is the largest steel company in the Nordic countries with product manufacturing in 15 European countries and approximately 12000 employees.

This agreement strengthens TietoEnator's customer-partner activities in Northern Europe. The company currently operates in 16 countries and its Process & Manufacturing business area has 1500 employees. TietoEnator's field of operations is well suitable to meeting Rautaruukki's needs.

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With a staff of 10,000 and annual net sales of 1.2 billion euros, TietoEnator is a leading supplier of high value-added IT services in Europe. TietoEnator provides consulting, systems development and integration, operation and support, product development services for customers, and software services.

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