

INTERIM REPORT 1-6/2005

KEY FIGURES 1-6/2005

- Net sales 24.5 MEUR
- EBIT 2.9 MEUR (margin 12%)
- Profit before taxes 2.7 MEUR
- Net Profit 1.9 MEUR
- Earnings per share 0.14 eur

AffectoGenimap is the leading focused provider of extended business intelligence ("XBI") solutions in the Finnish IT services market, including business intelligence ("BI"), geographic information systems ("GIS") and document management ("DM"). In addition, AffectoGenimap processes and integrates cartographic data that is a key element in XBI solutions. AffectoGenimap is a significant provider of customized information technology ("IT") systems and operational solutions in the Finnish market and the Baltic region. AffectoGenimap's strategic goal is to strengthen its leading position both as a provider of XBI solutions and related services in Finland, to seek further growth from the neighboring areas and to transfer XBI-knowhow to neighboring areas according to market developments.

CEO Antti Halila comments the half-year development:

"The most significant event for us has been the listing to Helsinki Stock Exchange in May. The IPO process began already in January and burdened our resources especially during the second quarter. However, the IPO was an important strategic step for us, as it enables a wider ownership base and makes possible acquisitions easier in future."

"Net sales developed positively during the past six months, although the growth slowed during second quarter. The delays in starting certain projects weakened our utilization rate during the latter half of the period, but we expect the situation to normalize during the third quarter. We have received some significant projects in the Baltic countries during July-August, which contributes to our belief in a continuing positive development during the remaining part of the year. Baltic order backlog rose in July by over a million euro."

"We are not satisfied in the second quarter result, as we did not reach the last year's pro forma EBIT. EBIT was negatively affected by some marketing activities in the Baltics, indirect IPO costs, Baltic GIS business start-up costs and R&D expenditure to GIS technology in Finland."

"We believe that we are in a good shape to continue the positive development of our business, although the markets both in Finland and in the Baltics are very competitive. The customers continue to be considerate in the investment decisions and sales processes are long. The net sales should grow from last year and profitability should remain good."

Additional information:

CEO Antti Halila, +358 400 425 452  
CFO Satu Kankare, +358 205 777 202  
Director, IR, Hannu Nyman, +358 205 777 761

The interim report has been prepared in accordance to IFRS principles. The report is unaudited. The numbers have been rounded from exact numbers.

The comparison tables in the interim report compare against AffectoGenimap Plc in 2004. The companies acquired to AffectoGenimap group have been consolidated from the acquisition moment: Genimap from 1 October 2004 and Baltic ITG from 1 December 2004. During period 1 January - 30 June 2004 the group consisted only from Affecto business.

The interim report also contains pro forma comparison to the same period last year, where the comparison is done with the current business structure.

#### NET SALES AND PROFIT

AffectoGenimap's net sales 1-6/2005 was 24.5 MEUR, while last year it was 10.6 MEUR.

Pro forma net sales in 1-6/2004 were 22.4 MEUR, thus the organic growth in January-June was 9.7%. AffectoGenimap Finland grew organically by 7.4% and AffectoGenimap Baltic by 18%.

AffectoGenimap EBIT in January-June was 2.9 MEUR, while it officially was 2.2 MEUR last year and 3.6 MEUR pro forma. EBIT margin was almost 12 percent.

AffectoGenimap Finland EBIT was 2.3 MEUR (2004 pro forma 2.7 MEUR). AffectoGenimap Baltic EBIT was 0.6 MEUR (2004 pro forma 0.9 MEUR).

AffectoGenimap Finland EBIT includes 0.4 MEUR non-recurring income reported in first quarter.

R&D expenditure totaled 0.4 MEUR, i.e. 1.6% of net sales. The expenditure has been booked as costs: 0.1 MEUR in Q1 and 0.3 MEUR in Q2.

The growth in personnel costs was caused by the growth of personnel.

Taxes for the period have been booked as taxes.

Net profit for the period was 1.9 MEUR, while it was 1.5 MEUR last year (2004 pro forma 2.1 MEUR).

Order backlog totaled 11.9 MEUR at end of period (13.7 MEUR in 31 December 2004 and 13.0 MEUR 31 March 2005). Order backlog has risen in July 2005 due to new orders received in the Baltics.

#### BUSINESS REVIEW

The group's business is currently managed through two country units. The Finland and Baltic units are also the primary IFRS segments.

##### Finland

The IT service market in Finland is estimated to have grown very modestly. The customers continue to be cautious on their investment decisions and the sales process remains time consuming.

Our business in Finland developed modestly during the first six months. Net sales were 18.6 MEUR (17.3 pro forma) and sales growth was 7,4% (pro forma).

AffectoGenimap Finland EBIT was 2.3 MEUR (2004 pro forma 2.7 MEUR). Profitability weakened somewhat during the second quarter due to the IPO, GIS related R&D expenses booked as costs and low sales of licenses.

Our most important short-term development goal for the Finnish business is to get the Genimap business, which was acquired last year and combined to Affecto's business according to the XBI strategy, to operate efficiently and profitably. Regarding XBI business, the BI and GIS units were combined in January to one unit, whose leader Jaakko Hirvola was hired and started in April 2005. The unit's organization has been slightly reorganized during summer and unit's sales functions have been managed by Antero Vuorio since August.

XBI business has developed adequately. Net sales were 10.4 MEUR (10.1 MEUR pro forma) and grew organically by 2.4% (pro forma) in the period. The projects were weighted towards expansion and further development projects, instead of new client relationships, where we normally sell relatively more third party licenses. New customers include Oriola and Ministry of Labour. Sales of project work grew clearly compared to last year, but the sales of third party licenses embedded to our solutions decreased compared to last year.

Customized Solutions business grew well. Net sales were 10.1 MEUR (pro forma 8.6), growth was 18%. Deliveries of WebMarela hospital medicine logistics solution continued and new orders were obtained from hospital districts. We believe that the solution has established its position as the solutions for Finnish hospitals. Deliveries of WebHenkari HR-solution and PortOpera port operating system continued according to plans. In addition, projects related to other customized solutions were ongoing. The demand for services remained moderately good.

Cartographic Solutions business grew well in the first half-year. Net sales were 4.1 MEUR (3.7 pro forma) and growth was 10%. Sales of customized maps developed well in the period. The early summer is the high season for consumer products. These consumer products include also third-party cartographic products, which have somewhat lower margin than other products. The consumer sales of maps through our internet-shop ([www.karttakeskus.fi](http://www.karttakeskus.fi)) grew significantly in the period.

XBI business had lower profitability in the period than the other business areas in Finland. We have booked the GIS related R&D expenditure as costs. Lower than normal volume of third-party license sales also weakened profitability during the period. The work done with combining the BI and GIS units also contributed to that.

#### Baltics

Baltic markets have developed positively, but competition is tough and customers are increasingly demanding. The customers' decision-making processes seemed to slow before summer especially in the public sector, where some projects are waiting for EU funding.

Our Baltic business mostly consists of projects related to large customer-specific systems. Projects are typically larger and tender processes longer than in Finland.

The Baltic business grew 18% in the period and net sales were 5.9 MEUR (pro forma 5.0 MEUR), although the strongest growth was experienced in the first quarter. EBIT was 0.6 MEUR (2004 pro forma 0.9 MEUR). Second quarter growth was slowed by delays in starting certain customers projects, which lowered personnel utilization rate in the second quarter and may still cause some effects on the early third quarter.

The TIA (The Insurance Application) related business has developed positively in the period. The company finished the second stage of a TIA implementation project in Latvia during the period and continues projects e.g. in Riga and Moscow. AffectoGenimap has strengthened the partnership with the Danish company TIA Technology A/S and offers currently TIA training services and also

organized the annual European TIA User Group seminar in Vilnius in co-operation with TIA.

The Baltic business is currently classified to the "Customized Solutions" secondary IFRS segment, although launching the XBI business is a strategic goal for the company. During the period we invested in starting the GIS business in the Baltics. This caused some costs, although no significant revenue has been created so far.

#### EVENTS AFTER THE REVIEW PERIOD

##### Finland

The first significant export order for a mobile tracking and positioning solution developed in cooperation with Tracker Oy was received in August from Sweden.

##### Baltics

After the sluggish May-June period, the sales in the Baltics have developed positively. After the review period the company has, for example, signed a contract with the Lithuanian State Social Insurance Authority (SODRA) for further development of a management information system and for multi-year support services. Several significant public tenders should be decided during the third quarter, the result of which tenders will have an impact on the business development. The company has also received permissions from the Lithuanian government for offering topographic and cartographic works in Lithuania.

During July the order backlog in the Baltics has risen by over a million euro from the level of 3.4 MEUR at end of June. This will assist in the positive development of the business during the remaining quarters, but the full year sales growth in the Baltics will remain clearly below last year's growth (52%).

#### FINANCE AND INVESTMENTS

At the end of the reporting period, AffectoGenimap's balance sheet totaled MEUR 62.0 whereas it was 17.6 MEUR previous year. Equity ratio was 57 per cent (previous year 43 %).

After a long-term debt installment (1.8 MEUR) in June, the financial loans were 14.4 MEUR as at June 30. The interest-bearing net debt is 0.9 MEUR.

AffectoGenimap Group's investments to non-current assets were 0.5 MEUR in the period.

The net cash from financing activities of AffectoGenimap increased because of the IPO proceeds being 8.7 MEUR after listing expenses. The direct listing expenses net of tax were 1.1 MEUR and were reduced from the share premium fund.

AffectoGenimap paid dividends of 0.8 MEUR (previous year 1.2 MEUR) from the profit of the year 2004. Dividends were paid in May.

#### EMPLOYEES

The number of employees was 533 persons at the end of the reporting period (previous year: officially 166 persons, pro forma 501 persons). The average number during the reporting period was 524 persons (previous year officially 161, pro forma 472).

210 employees, i.e. 40 per cent of the employees are located outside of Finland.

## SHARES AND OWNERS

All 1 730 403 serie B-shares were returned to the company without compensation on April 12, 2005 according to the merger agreement made in August 2004 between Affecto and Genimap.

The general meeting held on April 20, 2005 approved following changes to share capital, registered in the Trade Register at April 25, 2005:

1. Share capital was decreased by EUR 311 473.70 by canceling 1 384 334 A-Shares held by the company and 1 730 403 B-shares returned to the company on April 12, 2005. After the cancellation of the B-shares, the company has only one share series.
2. The share capital was increased by EUR 5.20 by issuing 52 new shares. The increase was done by transferring the amount to share capital from share premium.
3. The number of shares was decreased. In the reverse split transaction three old shares with nominal value of EUR 0.10 were converted to one new share with nominal value of EUR 0.30.

After these actions the company had 13 296 373 shares and the share capital was 3 988 911.90 euro.

The decision to change the company to a public limited company and to change the name to AffectoGenimap Plc was taken in the general meeting held on April 20, 2005 and was entered into the Trade Register on April 25, 2005.

An entry has been made on May 27, 2005 into the Trade Register, based on the authorization given on April 20, 2005 by the general meeting and on the decision made by the board of directors on May 26, 2005, to raise the amount of share capital by a subscription issue of EUR 630 000 by issuing into circulation 2 100 000 new shares. The decided issue price was EUR 4.80 per share. The part of the issue price that exceeded the share capital (EUR 0.30) has been booked to the share premium after adjusting it by the IPO net expenses of 1.1 MEUR have been from that.

After issuing new shares in the IPO the company has 15 396 373 shares and the share capital is EUR 4 618 911.90. The company does not have any treasury shares.

Trading with the company's shares in the Helsinki Stock Exchange started on the pre-list on May 27, 2005 and on the main list on June 1, 2005.

The company has released information about the biggest owners after IPO on June 2, 2005. After this the company has received one flagging announcement: on June 14, 2005 J.P. Morgan Chase & Co informed that its ownership had exceeded the 5 per cent limit.

The company had total of 1 667 owners on June 30, 2005 and the foreign ownerships was 42.8 per cent. The list of the biggest owners can be viewed in the company's web site.

## DIVIDEND

Based on the decision of the general meeting on April 20, 2005, the dividend paid for year 2004 was 797 781.34 euro. Dividend was paid on May 6th, 2005.

## THE BOARD OF DIRECTORS

According to their previous announcement Juha Mikkola and Jouko Järvi resigned from the board of directors after the company had been listed in the Helsinki Stock Exchange. According to general meetings' decisions the nomination of Jukka Hienonen and Pasi Mäenpää came into effect after the company was listed.

The board of directors consists of Aaro Cantell (chairman of the board), Jukka Hienonen, Pasi Mäenpää, Jukka Mäkinen and Ossi Pohjola. All members are independent from the company. Hienonen, Mäenpää and Pohjola are independent both from the company and its owners.

#### THE AUTHORIZATIONS GIVEN TO THE BOARD OF DIRECTORS

On April 20, 2005, the annual general meeting of shareholders of the company authorized the board of directors to decide on the increase of share capital or one or more issuance of stock options or convertible bonds so that pursuant to a new subscription and/or subscriptions pursuant to stock options and/or subscriptions in exchange for convertible bonds the share capital may increase by a maximum of EUR 780 000, and in such a manner that the maximum number of shares issued through a new subscription and/or subscribed for pursuant to nominal value of EUR 0.30. The board of directors may decide on the terms and conditions of subscription of the new shares, stock options or convertible bonds, including the subscription price. The board of directors may deviate from shareholders' pre-emptive subscription right, provided that such deviation is justified by a significant financial reason for the company. The authorization is effective for one year commencing from the date of the annual general meeting of shareholders granting the authorization. By the right of this authorization 2 100 000 new shares were issued in the IPO. The authorization is still valid for 500 000 shares.

On April 20, 2005, the annual general meeting of shareholders of the company authorized the board of directors to decide on the repurchase of a maximum of 500 000 shares, using distributable funds. The authorization is effective for one year commencing from the date of the annual general meeting of shareholders granting the authorization. The authorization has not been used.

On April 20, 2005, the annual general meeting of shareholders of the company authorized the board of directors to decide on the disposal of a maximum of 500 000 shares. The board of Directors may decide on the transfer price of the shares and other terms and conditions of the disposal of the shares. The board of directors may deviate from shareholders' pre-emptive subscription right, provided that such deviation is justified by a significant financial reason for the company. The authorization is effective for one year commencing from the date of the annual general meeting of shareholders granting the authorization. The authorization has not been used.

#### CORPORATE GOVERNANCE

The company intends to comply with the Helsinki Stock Exchange's recommendation on corporate governance that came into effect on 1 July 2004.

AffectoGenimap follows the Helsinki Stock Exchange's guidelines for insiders. The group has issued own instructions for insiders tightening the permanent insiders' trading restriction: they are only allowed to trade with company's shares during one month after every result announcement.

The share ownership of permanent insiders can be viewed in the company's web site on the internet.

#### FINANCIAL REPORTING

The interim report for third quarter will be released on November 8, 2005.

#### FUTURE OUTLOOK

The company's strategic goal and guideline for operational planning is to seek at least the same growth as the markets. The forecasts given by the independent research houses for BI, GIS and DM market growth is slightly below 10%. The

Finnish IT services market is believed to have grown slower in the first half-year. According to the recent economic survey published by the Federation of the Finnish Information Industries the expectations for IT sector business trend have weakened, although the confidence indicator has remained steady. The independent forecasts for the Baltic IT service market growth have been slightly over 10%.

Achieving the strategic growth goals depends on the amount, size and timetable of the new customer projects starting during the second half-year. The profitability for the whole year should remain good, although the EBIT margin may be slightly lower than last year.

Due to the vacation period, the third quarter is typically the weakest on sales. Last year the Q3 net sales were approx. 10.4 MEUR (pro forma)

The company does not give exact guidance on sales or profit development, because single projects may have large impact on quarterly results.

AffectoGenimap Plc  
Board of directors

It is possible to order AffectoGenimap's stock exchange releases to be delivered automatically by e-mail. Please visit the Investor pages of the company website: <http://www.affectogenimap.fi>.

A briefing for analysts and media will be arranged on Tuesday, August 16th at 13:00 at Hotel Scandic Simonkenttä, Simonkatu 9, Helsinki.

AffectoGenimap will arrange a telephone conference for analysts, media and investors on August 16th, 2005 at 16:00 Finnish time (14:00 UK time). CEO Antti Halila will present the results. The conference call will be organized in English.

Participants are requested to call +44 (0) 20 7162 0192, using the code "AffectoGenimap", a few minutes before the beginning of the conference.

The telephone conference will be taped and will be available for listening for 7 days from the number: +44 (0) 20 7031 4064, access code: 671900

#### Financial information:

1. Income statement, balance sheet and cash flow statement
2. Segment information
3. Pro forma comparison
4. Key figures
5. Notes
6. IFRS adoption effects

## 1. Income statement, balance sheet and cash flow statement

## CONSOLIDATED INCOME STATEMENT

(1000 EUR)	1-6/2005	1-6/2004	2004
Sales	24 544	10 569	26 734
Other operating income	423	0	21
Changes in inventories of finished goods and work in progress	100	0	-251
Materials and services	-7 215	-1 812	-5 623
Employee benefits expenses	-10 712	-4 689	-11 509
Depreciation, amortization and impairment charges	-559	-219	-548
Other operating expenses	-3 722	-1 610	-4 083
Operating profit	2 860	2 238	4 740
Finance cost (net)	-165	-88	-201
Profit before income tax	2 695	2 150	4 539
Income tax expense	-623	-645	-1 354
Minority interes	-130	0	-33
Profit for the year to equity holders of the Company	1 942	1 505	3 152
Earnings per share for profit attributable to the equity holders of the Company (expressed in EUR per share)			
Basic *	0.14	0.16	0.31
Diluted *	0.14	0.16	0.31

\* Earnings per share have been calculated using the weighted average number of shares outstanding after the reverse split approved by General meeting as of April 20, 2005 (13 702 439 shares at June 30, 2005, 10 048 288 shares at December 31, 2004 and 9 132 185 shares at June 30, 2004).

## CONSOLIDATED BALANCE SHEET

(1000 EUR)	30.6.2005	30.6.2004	31.12.2004
<b>Non-current assets</b>			
Property, plant and equipment	1 897	379	1 936
Goodwill	27 442	9 419	27 442
Other intangible assets	2 794	79	2 846
Deferred tax assets	318	92	244
Financial assets	80	26	80
Other long-term receivables	70	-	-
	32 601	9 995	32 548
<b>Current assets</b>			
Inventories	2 327	-	1 728
Trade receivables	9 142	4 096	8 862
Other receivables	3 547	767	2 040
Current income tax assets	825	32	516
Cash and cash equivalent	13 508	2 716	7 892
	29 349	7 611	21 038
<b>Total assets</b>	61 950	17 606	53 586
<b>Capital and reserves attributable to the Company's equity holders</b>			
Share capital	4 619	2 822	4 300
Share premium	22 856	1 952	14 240
Other reserves	69	0	0
Retained earnings	4 472	1 865	3 342
	32 016	6 639	21 882
<b>Minority interest</b>	1 134	0	986
<b>Total equity</b>	33 150	6 639	22 868
<b>Non-current liabilities</b>			
Borrowings	12 554	500	12 554
Capital loan	-	4 648	-
Deferred tax liabilities	363	-	446
	12 917	5 148	13 001
<b>Current liabilities</b>			
Borrowings	1 848	-	3 696
Trade payables	3 203	257	2 605
Other payables	10 543	5 516	10 615
Current income tax liabilities	289	47	801
	15 883	5 820	17 717
<b>Total liabilities</b>	28 800	10 967	30 717
<b>Total equity and liabilities</b>	61 950	17 606	53 586

## CONSOLIDATED CASH FLOW STATEMENT

(1000 EUR)	1-6/2005	1-6/2004	2004
<b>Cash flows from operating activities</b>			
Profit for the year	2 072	1 505	3 185
Adjustments for			
Tax	623	645	1,354
Depreciation and amortization	559	219	548
Other non-cash income and expenses	160	0	60
Interest income	-75	-53	-90
Dividend income	-9	0	-3
Interest expense	248	141	293
Profit/loss from sale of property, plant and equipment	-12	-3	0
	3 566	2 454	5 348
Change in working capital			
Decrease/(increase) in trade and other receivables	-1 321	-335	-1 568
Decrease/(increase) in inventories	-757	28	268
(Decrease)/increase in trade and other payables	24	480	3 246
Change in working capital	-2 054	173	1 946
	1 512	2 627	7 294
Interest and other finance cost paid	-341	-225	-388
Interest income received	76	53	98
Dividends received	8	0	3
Income taxes paid	-1 203	-664	-1 511
<b>Net cash generated from operating activities</b>	<b>52</b>	<b>1 791</b>	<b>5 496</b>
<b>Cash flows from investing activities</b>			
Acquisitions of subsidiaries, net of cash acquired	0	0	-5 771
Purchases of property, plant and equipment	-297	-104	-284
Purchases of intangible assets	-180	-35	-128
Proceeds from sale of property, plant and equipment	21	11	36
<b>Net cash used in investing activities</b>	<b>-456</b>	<b>-128</b>	<b>-6 147</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital	8 666	0	0
Purchase of treasury shares	0	-9	-171
Proceeds from sale of treasury shares	0	27	27
Proceeds from interest-bearing liabilities	0	0	12 800
Repayments of interest-bearing liabilities	-1 848	-2 864	-3 364
Repayments of capital loan	0	0	-4 647
Dividends paid to Company's shareholders	-798	-1 234	-1 234
<b>Net cash used in financing activities</b>	<b>6 020</b>	<b>-4 080</b>	<b>3 411</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>5 616</b>	<b>-2 417</b>	<b>2 759</b>
Cash and cash equivalents at beginning of the year	7 892	5 133	5 133
Exchange gains/(losses) on cash and bank	0	0	0
<b>Cash and equivalents at end of the year</b>	<b>13 508</b>	<b>2 716</b>	<b>7 892</b>

## 2. Segment information

Primary reporting format - geographical segments based on location of assets

The segment sale and profit:

(1 000 EUR)	1-6/2005	1-6/2004	2004
Total sales *			
Finland	18 607	10 569	25 404
Baltic	5 942	0	1 330
Eliminations	-5	0	0
Group total	24 544	10 569	26 734
Segment result (operating profit)			
Finland	2 268	2 238	4 526
Baltic	592	0	192
Unallocated expenses	0	0	22
Group total	2 860	2 238	4 740

\* Total sales includes only the external sales

Secondary reporting format - business segments

The segment revenue:

(1 000 EUR)	1-6/2005	1-6/2004	2004
Total external sales			
XBI	10 377	7 048	16 500
Customized Solutions	10 125	3 521	8 853
Cartographic Solutions	4 059	-	1 386
Other (incl. eliminations)	-17	-	- 5
Group total	24 544	10 569	26 734

AffectoGenimap Baltic sales are booked to the Customized Solutions segment.

## 3. Pro forma comparison

1-6/2005 earnings compared to year 2004 pro forma earnings.

Income statement (1000 EUR)	1-6/2005	pro forma 1-6/2004	pro forma 2004
Sales	24 544	22 366	46 626
Other operating income	423	0	24
Changes in inventories of finished goods and work in progress	100	72	-247
Materials and services	-7 215	-5 375	-12 072
Employee benefits expenses	-10 712	-9 003	-18 478
Depreciation, amortization and impairment charges	-559	-633	-1 246
Other operating expenses	-3 722	-3 838	-7 922
Operating profit	2 860	3 588	6 685
Finance cost (net)	-165	-400	-701
Profit before income tax	2 695	3 187	5 984
Income tax expense	-623	-874	-1 608
Minority interest	-130	-196	-344
<b>Profit for the year to equity holders of the Company</b>	<b>1 942</b>	<b>2 118</b>	<b>4 032</b>

Segment information  
(1000 EUR)

Net sales	1-6/2005	pro forma 1-6/2004	pro forma 2004
Finland	18 607	17 329	35 152
Baltic	5 942	5 037	11 474
Eliminations	-5		
<b>Group total</b>	<b>24 544</b>	<b>22 366</b>	<b>46 626</b>
Operating profit	1-6/2005	pro forma 1-6/2004	pro forma 2004
Finland	2 268	2 653	4 895
Baltic	592	935	1 790
<b>Group total</b>	<b>2 860</b>	<b>3 588</b>	<b>6 685</b>
Net sales	1-6/2005	pro forma 1-6/2004	pro forma 2004
XBI	10 377	10 133	20 533
Customized Solutions	10 125	8 558	18 992
Cartographic Solutions	4 059	3 675	7 101
Other (incl. eliminations)	-17		
<b>Group total</b>	<b>24 544</b>	<b>22 366</b>	<b>46 626</b>

AffectoGenimap Baltic sales are booked to the Customized Solutions segment.

## 4. Key figures

Pro forma figures for 2004 have been calculated to the table, if possible.

IFRS	1-6/2005	1-6/2004	2004	2004 pro forma
Net sales, 1000 eur	24 544	10 569	26 734	46 626
EBITDA, 1000 eur	3 418	2 457	5 288	7 931
EBIT, 1000 eur	2 860	2 238	4 740	6 685
Profit after after financial items, 1000 eur	2 695	2 150	4 539	5 984
Profit before taxes, 1000 eur	2 695	2 150	4 539	5 984
Net income for equity holders of the parent company	1 942	1 505	3 152	4 032
EBITDA, % of sales	13,9 %	23,3 %	19,8 %	17,0 %
EBIT, %	11,7 %	21,2 %	17,7 %	14,3 %
Profit after after financial items, %	11,0 %	20,3 %	17,0 %	12,8 %
Profit before taxes, %	11,0 %	20,3 %	17,0 %	12,8 %
Net income for equity holders of the parent company, %	7,9 %	14,2 %	11,8 %	8,6 %
Equity ratio, %	56,5 %	42,9 %	45,2 %	45,2 %
Net gearing, %	2,7 %	36,6 %	36,5 %	36,5 %
Interest-bearing net debt, 1000 eur	894	2 432	8 358	8 358
Gross investment in non-current assets (excl. acquisitions)	477	139	412	-
Gross investment, % of sales	1,9 %	1,3 %	1,5 %	-
R&D expenditure, 1000 eur	394	29	326	607
R&D expenditure, % of sales	1,6 %	0,3 %	1,2 %	1,3 %
Order backlog, 1000 eur	11 907	6 605	13 666	13 666
Average number of employees	524	161	218	-
Earnings per shares (EPS)	0,14	0,16	0,31	0,30
Equity per share	2,08	0,73	1,65	1,65
Number of shares, average during period, 1000 kpl	13 702	9 132	10 048	13 296
Number of shares at the end of period, 1000 kpl	15 396	9 139	13 296	13 296

## 5. Notes

**Accounting principles**

As explained in the prospectus, the accounting policies used in the preparation of the interim financial statements are consistent with those used in the Special Purpose IFRS Financial Information for the year ended December 31, 2004 except for the adoption of a new standard.

The group adopted IFRS 2 Share-based Payment standard on January 1, 2005. The adoption of IFRS 2 decreased the 1-6/2005 results by EUR 69 thousand but had no effect on reported equity. The management of AffectoGenimap's Baltic subsidiary (ITG) has a small number of options entitling to ITG shares based on performance goals and working years.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 1-6/2005 and 1-6/2004**

(1000 EUR)	Share capital	Share premium	Other reserves	Treasury shares	Trans-lation diff.	Retained earnings	Minority interest	Total equity
<b>Balance at January 1, 2005</b>	4 300	14 240	0	- 352	- 7	3 702	986	22 868
Currency translation differences					-14		18	4
Share options			69					69
Profit for the year						1 942	130	2 072
Distribution of dividend						-798		-798
Reduction of share capital	-311	311		352		-352		
Share issue	630	8 305						8 935
<b>Balance at June 30, 2005</b>	4 619	22 856	69	0	-21	4 493	1 134	33 150
(1000 EUR)	Share capital	Share premium	Other reserves	Treasury shares	Trans-lation diff.	Retained earnings	Minority interest	Total equity
<b>Balance at January 1, 2004</b>	2 822	1 948	0	- 205	0	1 784	0	6 350
Currency translation differences								
Profit for the year						1 505		1 505
Share issue						-1 234		-1 234
Sale of treasury shares		4		23				27
Purchase of treasury shares				-9				-9
<b>Balance at June 30, 2004</b>	2 822	1 952	0	- 191	0	2 056	0	6 639

**Items of unusual nature effecting on the operating profit and balance sheet**

Following positive items have been recognized as operating income during first quarter:

Settlement of legal case	EUR 329 thousand
Contingency of a purchase consideration for a past business combination	EUR 70 thousand

There were no other items of unusual nature that significantly affected the result or the financial position during the period.

**Contingencies and commitments**

The future aggregate minimum lease payments under non-cancelable operating leases as of June 30, 2005:

	1 000 EUR
Not later than 1 year	809
Later than 1 year and not later than 5 years	953
Later than 5 years	-
	1 762

**Guarantees:**

Debts secured by a mortgage	1 000 EUR
Financial loans	14 402

**Other securities given on own behalf:**

	1 000 EUR
Pledges	13

## 6. IFRS adoption effects

The effects of adopting IFRS on the previously reported total shareholders' equity under Finnish GAAP (FAS):

(1000 EUR)	Note	30 June 2004	FAS adjustment	IFRS 30 June 2004
<b>Non-current assets</b>				
Property, plant and equipment		379	-	379
Goodwill	a)	8 607	812	9 419
Other intangible assets		79		79
Deferred tax assets	b)		92	92
Financial assets		26	-	26
		9 091	904	9 995
<b>Current assets</b>				
Inventories				
Trade receivables		4 096	-	4 096
Other receivables	c)	3 990	-3 222	767
Current income tax assets		32	-	32
Cash and cash equivalent		2 716	-	2 716
		10 833	-3 222	7 611
<b>Total assets</b>		<b>19 924</b>	<b>-2 318</b>	<b>17 606</b>
<b>Equity</b>				
Share capital		2 822	-	2 822
Share premium		1 952	-	1 952
Retained earnings		961	904	1 865
Capital loan	d)	4 648	-4 648	-
Capital and reserves attributable to the Company's equity holders		10 382	-3 744	6 639
Minority interest		0	-	0
<b>Total equity</b>		<b>10 382</b>	<b>-3 744</b>	<b>6 639</b>
<b>Non-current liabilities</b>				
Borrowings		500	4 648	5 148
Deferred tax liabilities				
<b>Current liabilities</b>				
Borrowings		-	-	-
Trade payables		257	-	257
Other payables	c)	8 739	-3 222	5 516
Current income tax liabilities		47	-	47
<b>Total liabilities</b>		<b>9 542</b>	<b>1 425</b>	<b>10 967</b>
<b>Total equity and liabilities</b>		<b>19 924</b>	<b>-2 318</b>	<b>17 606</b>

**The effects of adopting IFRS on the previously reported net income under Finnish GAAP (FAS):**

(1000 EUR)	Note	FAS 1-6/2004	IFRS adjustment	IFRS 1-6/2004
<b>Sales</b>		10 569	-	10 569
Other operating income		-	-	-
Changes in inventories of finished goods and work in progress		-	-	-
Materials and services		1 812	-	1 812
Employee benefit expenses		4 689	-	4 689
Depreciation, amortization and impairment charges	a)	1 031	-812	219
Other operating expenses		1 610	-	1 610
<b>Operating profit</b>		1 427	812	2 238
Finance income		53	-	53
Finance cost		141	-	141
<b>Profit before income tax</b>		1 339	812	2 150
Income tax expense	b)	638	7	645
<b>Profit for the year</b>		700	805	1 505
Attributable to:				
Equity holders of the Company		700	805	1 505
Minority interest		0	-	0

<b>Equity reconciliation</b> (1000 EUR)	1.1.2004	30.6.2004
Equity according FAS	10 898	10 382
Effect of adopting IFRS		
IAS 32 & IAS 39 Financial Instruments	-4 648	-4 648
IAS 12 Taxes	99	92
IFRS 3 Goodwill amortization		812
Total IFRS adjustments	-4 548	-3 744
Equity according IFRS	6 350	6 639

**Explanatory notes to IFRS adjustments**

- a) **Goodwill:** Under IFRS the goodwill is not amortized but it is annually tested for impairment. Under Finnish GAAP the goodwill is amortized over 5 to 10 years. The reversal of goodwill amortization improved the profit by EUR 812 thousand.
- b) **Deferred taxes:** Deferred taxes were not recognized on temporary differences under FAS as of January 1, 2004. That resulted to IFRS adjustment of EUR 99 thousand as of January 1 and EUR 92 thousand as of June 30, 2004.
- c) **Contract revenue:** Under IFRS an entity shall present the amount due from customers for contract work being the net amount of for all contracts in progress for which costs incurred plus recognized profits exceeds progress billings; and the amount due to customers for all contract in progress for which progress billings exceed costs incurred plus recognized profits. Under Finnish GAAP the receivables and advances are presented on gross basis.
- d) **Reclassification of capital loan:** Under Finnish GAAP capital loan is included in shareholder's equity. Under IFRS capital loan is classified as long-term liability.

-----