

AFFECTO PLC

INTERIM REPORT

4 AUGUST 2010 at 9.30

AFFECTO PLC'S INTERIM REPORT 1-6/2010

GROUP KEY FIGURES

MEUR	4-6/10	4-6/09	1-6/10	1-6/09	2009
Net sales	28.4	26.2	54.2	53.7	103.0
Operational segment result	0.6	2.0	0.7	1.8	4.7
% of net sales	2.2	7.8	1.3	3.4	4.6
Operating profit/loss	0.1	1.5	-0.3	-5.4	-3.6
% of net sales	0.4	5.7	-0.5	-10.1	-3.5
Profit/loss before taxes	-0.3	1.2	-1.4	-7.4	-6.3
Profit/loss for the period	-0.1	0.8	-1.1	-7.2	-7.1
Equity ratio, %	44.1	41.7	44.1	41.7	42.9
Net gearing, %	45.5	50.7	45.5	50.7	39.1
Earnings per share, eur	-0.01	0.04	-0.05	-0.33	-0.33
Earnings per share (diluted), eur	-0.01	0.04	-0.05	-0.33	-0.33
Equity per share, eur	2.50	2.37	2.50	2.37	2.49

CEO Pekka Eloholma comments:

"Second quarter returned the net sales to growth path. Net sales grew 9% during the quarter, and grew in all areas except Sweden. We managed to offset the effects of the low first quarter and thus the total net sales of the first half-year grew."

"The profitability improved compared to the first quarter, although non-recurring expenses of 0.6 MEUR related to changes in personnel burdened the result. Finland, Norway and Denmark were profitable, but we made a loss in Sweden where development actions are ongoing. Profitability as a whole was not yet on a satisfactory level, and we seek a clearly better outcome for the remaining part of the year."

"Affecto's order backlog grew to 45.4 MEUR, which is higher than in Q2/2009 (38.1 MEUR) or Q1/2010 (43.1 MEUR). It is the highest level since Q2/2008. The improved order backlog and the good level of customer activity strengthen our belief in continuing improvement in business conditions."

"The net sales are estimated to grow in year 2010. The year 2010 will be clearly profitable and the profitability (EBIT margin) is estimated to improve during the year."

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This release is unaudited. The amounts in this report have been rounded from exact numbers.

INTERIM REPORT 1-6/2010

Affecto builds IT solutions that enable organisations to integrate strategic targets with their business management. Our business intelligence solutions utilise information generated by ERP and other IT systems and process it further. Affecto also delivers operational solutions for improving and simplifying processes at customer organizations and offers geographic information services.

Affecto is headquartered in Helsinki, Finland. The company has subsidiaries in Finland, Sweden, Norway, Denmark, Estonia, Lithuania, Latvia and Poland.

NET SALES

Affecto's net sales in 1-6/2010 were 54.2 MEUR (1-6/2009: 53.7 MEUR). Net sales in Finland were 22.8 MEUR (23.2 MEUR), in Norway 12.1 MEUR (10.3 MEUR), in Sweden 7.6 MEUR (8.3 MEUR), in Denmark 5.9 MEUR (6.2 MEUR) and 7.0 MEUR (6.9 MEUR) in Baltic.

During the second quarter the net sales increased in all other areas except Sweden, and the effects of the weak first quarter were offset. For the whole six months, net sales increased in Norway, were about flat on Finland and Baltic and decreased somewhat in Sweden and Denmark.

In the Nordic countries the business developed normally during the second quarter, and the market situation improved along the developments in the general economy. The Nordic BI market strengthened during the period.

The economic situation in the Baltic countries is stabilizing after the crash year 2009. The weakening of the Baltic economies combined with public sector's cost saving programs has clearly decreased the demand for IT services, and the local IT market has not yet recovered.

Net sales by reportable segments

Net sales, MEUR	4-6/10	4-6/09	1-6/10	1-6/09	2009
Finland	11.8	11.4	22.8	23.2	45.0
Norway	6.2	5.1	12.1	10.3	20.2
Sweden	4.1	4.2	7.6	8.3	15.8
Denmark	3.2	3.0	5.9	6.2	11.5
Baltic	3.8	3.0	7.0	6.9	12.2
Eliminations	-0.8	-0.6	-1.3	-1.2	-1.6
Group total	28.4	26.2	54.2	53.7	103.0

Net sales of Information Management Solutions business (previously BI and Operational solutions) in 1-6/2010 were 48.9 MEUR (49.5 MEUR) and net sales of Geographic Information Services were 5.5 MEUR (4.9 MEUR).

PROFIT

Affecto's EBIT in 1-6/2010 was -0.3 MEUR (-5.4 MEUR) and the operational segment result was 0.7 MEUR (1.8 MEUR). Operational segment result was in Finland 1.6 MEUR (3.0 MEUR), in Norway 0.8 MEUR (1.1 MEUR), in Sweden -0.5 MEUR (0.7 MEUR), in Denmark 0.4 MEUR (0.5 MEUR) and in Baltic -0.1 MEUR (-2.6 MEUR).

The businesses in Finland, Norway and Denmark made profit, but profitability was not satisfactory enough. Resource utilization was not quite optimal, which lowered profitability. Some ongoing projects progressed slower than planned, which had negative impact on net sales and profitability. Business in Sweden remained loss-making.

The second quarter EBIT includes an approx. 0.6 MEUR non-recurring expense related to some changes in personnel. The EBIT of the comparison period Q2/2009 included +0.3 MEUR effect from reversal of the Baltic restructuring provision.

Operational segment result by reportable segments

Operational segment result, MEUR	4-6/10	4-6/09	1-6/10	1-6/09	2009
Finland	1.0	1.3	1.6	3.0	5.1
Norway	0.3	0.3	0.8	1.1	2.3
Sweden	-0.2	0.4	-0.5	0.7	0.9
Denmark	0.3	0.2	0.4	0.5	0.9
Baltic	-0.0	0.1	-0.1	-2.6	-2.7
Other	-0.8	-0.3	-1.4	-0.8	-1.8
Operational segment result	0.6	2.0	0.7	1.8	4.7
IFRS3 Amortization	-0.5	-0.5	-1.0	-1.0	-2.1
Impairment of Goodwill	-	-	-	-6.2	-6.2
Operating profit/loss	0.1	1.5	-0.3	-5.4	-3.6

According to IFRS3 requirements, 1-6/2010 EBIT includes 1.0 MEUR (1.0 MEUR) of amortization of intangible assets related to acquisitions. In year 2010 the IFRS3 amortization is estimated to total 1.9 MEUR and in 2011 approx. 1.9 MEUR.

R&D costs 1-6/2010 totaled 0.5 MEUR (0.1 MEUR), i.e. 1.0% of net sales (0.3%). The costs have been recognized as an expense in the income statement.

Taxes corresponding to the result for the review period have been entered as tax expense. Net profit for the period was -1.1 MEUR, while it was -7.2 MEUR last year.

The order backlog was approx. 45 MEUR at the end of the period, which is 2 MEUR higher than the previous quarter's backlog of 43 MEUR. Affecto has a well diversified customer base. The ten largest customers generated approx. 20% of group revenue in 2009 and the largest customer corresponded to 4% of net sales.

FINANCE AND INVESTMENTS

At the end of the reporting period, Affecto's balance sheet totaled 131.2 MEUR (12/2009: 136.3 MEUR). Equity ratio was 44.1% (12/2009: 42.9%) and net gearing was 45.5% (12/2009: 39.1%). Translation differences have increased the consolidated equity by 2.4 MEUR during 1-6/2010 due to the strengthening of the Norwegian and Swedish currencies.

The financial loans were 38.5 MEUR (12/2009: 40.4 MEUR) at the end of reporting period. The company's cash and liquid assets were 14.0 MEUR (12/2009: 19.5 MEUR). The interest-bearing net debt was 24.4 MEUR (12/2009: 20.9 MEUR). Affecto's bank loan has covenants based on net debt, result and cash flow. In June Affecto agreed with the bank about changes to the covenants for the period of year 2010 and fulfilled the changed covenants on 30 June 2010.

Cash flow from operating activities for the reported period was -2.2 MEUR (-2.2 MEUR) and cash flow from investments was -0.5 MEUR (-0.5 MEUR). Investments in non-current assets excluding acquisitions were 0.6 MEUR (0.6 MEUR).

Based on decision by the Annual General Meeting held on 25 March 2010, Affecto has distributed dividends of 1.3 MEUR (previous year 3.0 MEUR). Dividend was paid on 13 April 2010.

EMPLOYEES

The number of employees was 907 persons at the end of the reporting period (944). 381 employees were based in Finland, 118 in Norway, 96 in Sweden, 54 in Denmark and 258 in the Baltic countries. The average number of employees during the period was 909 (1023).

Fredrik Prien was appointed as the country manager in Sweden and he started in March. Member of the executive management team, COO Åge Lønning left the company at the end of April. The Nordic country managers and the Baltic area manager joined the management team. The executive team comprises now Pekka Eloholma, Satu Kankare, Jukka Nortio, Hilikka Remes-Hyvärinen, Stig-Göran Sandberg, Ray Byman, Håvard Ellefsen, Claus Kruse, Rene Lykkeskov and Fredrik Prien.

BUSINESS REVIEW BY AREAS

The group's business is managed through five country units. Finland, Norway, Sweden, Denmark and Baltic are also the reportable segments.

Finland

In 4-6/2010 net sales in Finland were 11.8 MEUR (11.4 MEUR). Operational segment result was 1.0 MEUR (1.3 MEUR). The business developed rather uneventfully ja net sales grew by 4% compared to previous year. The profit was below last year, mostly due to the ECM solutions business area. During the period new orders were received e.g. from VR, DNA, Neste Oil and Bank of Finland.

The growth of IT services market in Finland is forecast to be approx. 2% in 2010 (Marketvisio's estimate, April 2010). However, Affecto's focus segments are expected to experience a higher growth in software sales (BI 7%, ECM 6%).

Norway

The net sales in 4-6/2010 were 6.2 MEUR (5.1 MEUR) and operational segment result was 0.3 MEUR (0.3 MEUR). The business developed rather well in Norway and grew by 23%. The growth in Euros was helped by the strengthening of the Norwegian krone (NOK), but also the organic growth was good. The business conditions in Norway have continued to develop positively. Due to expected growth in demand, the company has been active in hiring new employees, which has lowered profitability. New contracts were received e.g. from Santander, Statoil and Telenor.

Sweden

In 4-6/2010 the net sales in Sweden were 4.1 MEUR (4.2 MEUR) and operational segment result -0.2 MEUR (0.4 MEUR). Fredrik Prien started as the new country manager in March and the local organization has been under development. Especially the sales organization is being strengthened. The business was loss-making e.g. due to changes in personnel, and is estimated to continue at loss in the second half of the year.

Denmark

The net sales in 4-6/2010 were 3.2 MEUR (3.0 MEUR) and operational segment result was 0.3 MEUR (0.2 MEUR). In Denmark, the net sales grew by 6% and the profitability remained at last year's level. The customers' activity remained on a good level and the market is expected to continue developing positively. New orders were received e.g. from Novo Nordisk, SDC and VKR.

Baltic (Lithuania, Latvia, Estonia, Poland)

The Baltic business mostly consists of projects related to large customer-specific systems. Public sector entities in the Baltic countries and insurance companies also outside Baltic area are significant customer segments.

In 4-6/2010 the Baltic net sales were 3.8 MEUR (3.0 MEUR). Operational segment result was -0.0 MEUR (0.1 MEUR). The growth of 26% is to some extent caused by some relatively large license deals. The local IT market in the Baltic countries has not recovered much from the effects of the financial crisis, yet. The price competition is tight. The IT investments from the public sector have

decreased due to government cost saving programs. The development of the local business environment is uncertain, and the EU has great importance in financing both public and also private investments. GDP is estimated to slightly grow in most of the Baltic countries in 2010.

During the period an agreement was signed with Mutual & Federal Insurance Company of South Africa for the implementation of next phase of their TIA ERP. The customer is going to order the project in phases. The size of the current first phase is estimated to be approx. 2 million euro and the estimated duration is slightly over one year.

Some new projects were received during the period, mostly from public sector entities, including Estonian Ministry of Justice and Lithuanian Environmental Protection Agency.

Review by business lines

Information management solutions business contains the previously separately reported Business intelligence (BI) and Operational Solutions businesses. Reporting was changed in 2010 to match the current management model. The net sales of Information management solutions in 4-6/2010 were 25.6 MEUR (24.2 MEUR). The business developed steadily during the period.

The demand for Business intelligence (BI) solutions develops along the general economy. Customers' general activity level has improved and they are restarting investments put on hold last year. Gartner has estimated the BI solutions continue to be one of the key IT investment areas and average annual global growth of BI and analytics software license markets to exceed 8% until year 2013. Gartner has also forecast that the Nordic BI/DW services market would annually grow 6-8% in 2010-2013.

The demand for ECM solutions in Finland was good, but some of the ongoing projects progressed slowly and lowered profitability. The net sales in Baltic increased clearly, as the business is recovering from the crisis in the previous year.

Net sales of the Geographic Information Services business in 4-6/2010 were 3.0 MEUR (2.6 MEUR). The GIS services business continued to develop favorably. The order intake grew and the demand for GIS solutions seems to have grown. The customers are also interested in consulting services related to e.g. developing GIS strategies.

ANNUAL GENERAL MEETING AND GOVERNANCE

The Annual General Meeting of Affecto Plc, which was held on 25 March 2010, adopted the financial statements for 1.1.-31.12.2009 and discharged the members of the Board of Directors and the CEO from liability. Approximately 49 percent of Affecto's shares and votes were represented in the Meeting. The Annual General Meeting decided that a dividend of EUR 0.06 per share will be distributed for the year 2009.

In addition, the Meeting decided to amend Section "9 Notice of Meeting" of the Articles of Association, and decided to lower the share premium reserve of the parent company Affecto Plc by transferring the entire capital into the reserve of invested unrestricted equity.

Aaro Cantell, Pyry Lautsuo, Heikki Lehmusto, Esko Rytönen and Haakon Skaarer were re-elected as members of the Board of Directors, and Jukka Ruuska was elected as a new member. Immediately after the Annual General Meeting the organization meeting of the Board of Directors was held and Aaro Cantell was re-elected Chairman of the Board and Jukka Ruuska as Vice-Chairman. The APA firm KPMG Oy Ab was elected auditor of the company.

According to the Articles of Association, the General Meeting of Shareholders annually elects the Board of Directors by a majority decision. The term of

office of the board members expires at the end of the next Annual General Meeting of Shareholders following their election. The Board appoints the CEO. The Articles of Association do not contain any special rules for changing the Articles of Association or for issuing new shares.

THE AUTHORIZATIONS GIVEN TO THE BOARD OF DIRECTORS

The Board did not use the authorizations given by the previous Annual General Meeting. Those authorizations ended on 25 March 2010.

The complete contents of the new authorizations given by the Annual General Meeting held on 25 March 2010 have been published in the stock exchange release regarding the Meetings' decisions.

The Annual General Meeting decided to authorize the Board of Directors to decide to issue new shares and to convey the company's own shares held by the company in one or more tranches. The share issue may be carried out as a share issue against payment or without consideration on terms to be determined by the Board of Directors and in relation to a share issue against payment at a price to be determined by the Board of Directors. A maximum of 4 200 000 new shares may be issued. A maximum of 2 100 000 own shares held by the company may be conveyed. In addition, the authorization includes the right to decide on a share issue without consideration to the company itself so that the amount of own shares held by the company after the share issue is a maximum of one-tenth (1/10) of all shares in the company. The authorization shall be in force until the next Annual General Meeting. The Board did not use the authorization by the end of the review period.

The Annual General Meeting decided to authorize the Board of Directors to decide to acquire the company's own shares with distributable funds. A maximum of 2 100 000 shares may be acquired. The authorization shall be in force until the next Annual General Meeting. Based on the authorization the company has acquired 26 474 own shares by 30 June 2010.

SHARES AND TRADING

The company has only one share series, and all shares have similar rights. As at 30 June 2010, Affecto Plc's share capital consisted of 21 516 468 shares including treasury shares and the shares owned by Affecto Management Oy. The company owns 63 212 treasury shares, excluding the shares owned by Affecto Management Oy, which corresponds to 0.3% of all shares.

In 1-6/2010, the highest share price was 2.70 euro, lowest price 2.02 euro, average price 2.41 euro and closing price 2.31 euro. Trading volume was 5.15 million shares, corresponding to 48% (annualized) of the number of shares at the end of period. The market value of shares was 49.6 MEUR at the end of the period excluding the treasury shares.

SHAREHOLDERS

The company had a total of 2131 owners on 30 June 2010 and the foreign ownership was 34%. The list of the largest owners can be viewed in the company's web site. Information about ownership structure and option programs is included as a separate section in the financial statements. The ownership of board members, CEO and their controlled corporations totaled approx. 10.3% (9.7% shares and 0.6% options).

SHARE BASED INCENTIVE PLANS

The Board of Directors of Affecto decided in June to establish a new share-based incentive plan, when the company's management invests in Affecto shares through Affecto Management Oy, owned by the management. The purpose of the plan is to commit the Participants to the Company by encouraging them to acquire and hold the Company's shares, and this way increase the Company's shareholder value in the long run. The number of shares to be acquired is a maximum total

of 870 000 shares. Affecto Management Oy will finance the acquisition by the managers' own capital investments and by a max. 1.6 MEUR interest-bearing loan provided by Affecto. The plan will be valid until the announcement of the Affecto's Q3/2013 interim report. By 30 June 2010, Affecto Management Oy has acquired 86 844 shares. Affecto Management Oy has been consolidated to the group balance sheet.

ASSESSMENT OF RISKS AND UNCERTAINTIES

The changes in the general economic conditions and the operating environments of its customers have direct impact in Affecto's markets. The competition in the markets also tightens continuously. This could have a negative effect on the business, operating results and financial condition of Affecto.

The general economic downturn may decrease the overall customer demand for services, increase price pressure from customers and lengthen offer processes at customers. Also the competitors' eagerness to complain about public procurement decisions may increase, which may cause delays in projects or interrupt the project delivery work. The continuing downturn may lead into decrease in utilization rate of consultants.

The economic downturn may weaken customers' liquidity, also in the public sector. The risks related to receivables have remained high especially in the Baltic countries.

Affecto's balance sheet includes a material amount of goodwill. Goodwill has been allocated to cash generating units. Cash generating units, to which goodwill has been allocated, are tested for impairment both annually and whenever there is an indication that the unit may be impaired. Potential impairment losses may have material effect on reported profit and value of assets.

Affecto's bank loan has covenants based on net debt, result and cash flow. Breach of covenant may lead to higher financing costs or even the termination of the loan. Affecto needs to refinance the loan latest in 2012, when the current loan comes due. It is not certain that a new loan facility can be received with the same or better conditions than the current loan.

Affecto's success depends also on good customer relationships. Affecto has a well diversified customer base. Although none of the customers is critically large for the whole group, there are large customers in various countries who are significant for local business in the country.

Affecto's order backlog has traditionally been only for a few months, which decreases the reliability of longer-term forecasts. Slower investment decision making, postponing or cancellation of customers' IT investments may have negative impact on Affecto's profitability.

Approximately a half of Affecto's business is in Sweden, Norway and Denmark, thus the development of the currencies of these countries (SEK, NOK and DKK) may have impact on Affecto's profitability.

Affecto's continued success is very much dependent on its management team and personnel. The loss of the services of any member of its senior management or other key employee could have a negative impact on Affecto's business and the ability of the company to implement its strategy. In addition, Affecto's success depends on its ability to hire, develop, train, motivate and retain skilled professionals on its staff.

Affecto sells third party software licenses as part of its solutions. The license sales have most impact on the last month of each quarter and especially in the fourth quarter. This increases the fluctuation in sales between quarters and increases the difficulty of accurately forecasting the quarters. Affecto had license sales of approx. 8 MEUR in 2009.

Currently, corporate tax rates in Latvia and Lithuania are below those of several other member states of the European Union, and therefore Latvia and Lithuania provide a favorable environment for commercial enterprises. Furthermore, the income tax regulation of Latvia and Lithuania allow for local businesses to structure their operations in a cost-efficient way. For example, certain software development activities are treated as so-called creative activities, which is cost beneficial for the enterprises. When joining the European Union on 1 May 2004, Latvia and Lithuania committed to the ongoing harmonization of the laws and regulations of the member states. At present, the European Union leaves regulation relating to taxation to the discretion of its member states. However, there can be no assurances that the European Union will not impose requirements on its member states to harmonize their taxation system which, in the case of Latvia and Lithuania, could result in an increase in corporate tax rates and restrictions on the opportunities of local business to structure their operations to the extent currently possible. Furthermore, there can be no assurances that Latvia and Lithuania will not independently decide to implement tax reforms or that the interpretation of current tax laws by courts or fiscal authorities will not be changed retroactively with similar effects. Harmonization imposed by the European Union or domestic tax reforms or changes in the interpretation of current tax laws by courts or fiscal authorities in Latvia and Lithuania could have a material adverse effect on the business, operating results and financial condition of Affecto.

In seeking future growth, the strategy of Affecto is partially based on expansion through acquisitions of other operators in the IT services market. The inability to find new target companies or the lower than expected profitability of acquisitions made, could have a material adverse effect on the business, operating results and financial condition of Affecto.

EVENTS AFTER THE REVIEW PERIOD

The decision of the Annual General Meeting on 25 March 2010 to lower the share premium reserve was implemented on 27 July 2010 by transferring the entire capital into the reserve of invested unrestricted equity.

FUTURE OUTLOOK

The net sales are estimated to grow in year 2010. The year 2010 will be clearly profitable and the profitability (EBIT margin) is estimated to improve during the year.

As a normal seasonality effect, the summer vacations will weaken the net sales and the profitability in the third quarter.

The company does not provide exact guidance for net sales or EBIT development, as single projects and timing of license sales may have large impact on quarterly sales and profit.

Affecto Plc
Board of Directors

It is possible to order Affecto's stock exchange releases to be delivered automatically by e-mail. Please visit the Investors section of the company website: www.affecto.com

A briefing for analysts and media will be arranged at 11.30 at Restaurant Savoy, Eteläesplanadi 14, Helsinki.

www.affecto.com

Financial information:

1. Consolidated income statement, consolidated comprehensive income statement, balance sheet, cash flow statement and statement of changes in shareholders' equity
2. Notes
3. Key figures

1. Consolidated income statement, consolidated comprehensive income statement, balance sheet, cash flow statement and statement of changes in shareholders' equity

CONSOLIDATED INCOME STATEMENT

(1 000 EUR)	4-6/10	4-6/09	1-6/10	1-6/09	2009
Net sales	28 423	26 174	54 155	53 700	103 006
Other operating income	0	10	14	15	27
Changes in inventories of finished goods and work in progress	-98	-81	-47	-89	-351
Materials and services	-5 978	-4 657	-10 462	-9 389	-19 775
Personnel expenses	-16 946	-14 940	-33 696	-32 582	-59 660
Other operating expenses	-4 440	-4 093	-8 570	-9 055	-16 983
Other depreciation and amortisation	-341	-382	-694	-768	-1 466
IFRS3 amortisation	-499	-527	-990	-1 044	-2 081
Impairment	-	-	-	-6 208	-6 304
Operating profit/loss	122	1 504	-290	-5 421	-3 587
Finance costs (net)	-398	-285	-1 062	-2 005	-2 684
Profit/loss before income tax	-276	1 219	-1 352	-7 425	-6 271
Income tax	161	-374	295	257	-868
Profit/loss for the period	-115	845	-1 057	-7 168	-7 139
Profit/loss for the period attributable to:					
Equity holders of the Company	-114	845	-1 056	-7 168	-7 139
Minority interest	-1	-	-1	-	-
Earnings per share (EUR per share):					
Basic	-0.01	0.04	-0.05	-0.33	-0.33
Diluted	-0.01	0.04	-0.05	-0.33	-0.33

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(1 000 EUR)	4-6/10	4-6/09	1-6/10	1-6/09	2009
Profit/loss for the period	-115	845	-1 057	-7 168	-7 139
Other comprehensive income:					
Translation difference	541	291	2 393	2 305	5 001
Total Comprehensive income for the period	426	1 136	1 336	-4 863	-2 138
Total Comprehensive income attributable to:					
Equity holders of the Company	427	1 136	1 337	-4 863	-2 138
Minority interest	-1	-	-1	-	-

CONSOLIDATED BALANCE SHEET

(1 000 EUR)	6/2010	6/2009	12/2009
Non-current assets			
Property, plant and equipment	2 016	2 503	2 102
Goodwill	71 340	67 413	69 415
Other intangible assets	8 931	10 269	9 585
Deferred tax assets	1 994	2 260	1 648
Available-for-sale financial assets	19	54	54
Derivative financial instruments	-	16	11
Trade and other receivables	116	162	175
	84 416	82 677	82 992
Current assets			
Inventories	634	1 034	685
Trade and other receivables	30 994	28 318	32 049
Current income tax receivables	1 145	1 069	1 047
Available-for-sale financial assets	-	92	-
Restricted cash and cash equivalents	-	325	-
Cash and cash equivalents	14 021	16 660	19 525
	46 794	47 499	53 306
Total assets	131 210	130 176	136 298
Equity attributable to equity holders of the Company			
Share capital	5 105	5 105	5 105
Share premium	25 404	25 404	25 404
Reserve of invested non-restricted equity	21 188	21 188	21 188
Other reserves	346	243	264
Treasury shares	-365	-106	-106
Translation differences	-2 849	-7 938	-5 242
Retained earnings	4 611	6 926	6 955
	53 439	50 822	53 568
Minority interest	204	-	-
Total shareholders' equity	53 643	50 822	53 568
Non-current liabilities			
Borrowings	34 453	38 434	36 444
Derivative financial instruments	973	852	252
Deferred tax liabilities	2 875	3 082	3 011
Trade and other payables	786	629	733
	39 086	42 997	40 440
Current liabilities			
Borrowings	4 000	4 000	4 000
Trade and other payables	33 308	30 551	37 058
Current income tax liabilities	875	1 184	487
Derivative financial instruments	-	177	408
Provisions	298	446	337
	38 481	36 358	42 290
Total liabilities	77 567	79 354	82 730
Total shareholders' equity and liabilities	131 210	130 176	136 298

CONSOLIDATED CASH FLOW STATEMENT

(1 000 EUR)	1-6/2010	1-6/2009	2009
Cash flows from operating activities			
Result for the period	-1 057	-7 168	-7 139
Adjustments to profit for the period	2 548	10 142	13 390
	1 491	2 975	6 251
Change in working capital	-2 932	-2 770	937
Interest and other finance cost paid	-774	-1 170	-2 160
Interest and other finance income received	67	223	251
Income taxes paid	-20	-1 420	-2 770
Net cash generated from operating activities	-2 168	-2 163	2 509
Cash flows from investing activities			
Purchases of tangible and intangible assets	-586	-623	-971
Proceeds from sale of tangible and intangible assets	6	77	87
Proceeds from sale of Available-for-sale financial assets	41	-	-
Net cash used in investing activities	-539	-546	-884
Cash flow from financing activities			
Share issue of Affecto Management Oy*	203	-	-
Repayments of borrowings	-2 000	-1 500	-3 500
Purchase of treasury shares**	-83	-	-
Dividends paid to the company's shareholders	-1 289	-3 007	-3 007
Net cash generated in financing activities	-3 169	-4 507	-6 507
(Decrease)/increase in cash and cash equivalents	-5 876	-7 216	-4 883
Cash and cash equivalents at the beginning of the period	19 525	23 554	23 554
Foreign exchange effect on cash	372	322	854
Cash and cash equivalents at the end of the period	14 021	16 660	19 525

* Affecto Group management's investment to incentive arrangement

** Includes shares in Affecto Plc acquired by Affecto Management Oy.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(1 000 EUR)	Equity attributable to equity holders of the Company								Minority interest	Total equity
	Share capital	Share premium	Reserve of invested non-restricted equity	Other reserves	Treasury shares	Translat. diff.	Ret. earnings			
Shareholders' equity 1 January 2010	5 105	25 404	21 188	264	-106	-5 242	6 955	-	53 568	
Total comprehensive income						2 393	-1 056	-1	1 336	
Share options				82					82	
Purchase of treasury shares					-60				-60	
Dividends paid							-1 289		-1 289	
Management incentive plan*					-199			205	6	
Shareholders' equity 30 June 2010	5 105	25 404	21 188	346	-365	-2 849	4 611	204	53 643	

(1 000 EUR)	Equity attributable to equity holders of the Company								Minority interest	Total equity
	Share capital	Share premium	Reserve of invested non-restricted equity	Other reserves	Treasury shares	Translat. diff.	Ret. earnings			
Shareholders' equity 1 January 2009	5 105	25 404	21 188	176	-106	-10 243	17 101	-	58 625	
Total comprehensive income						2 305	-7 168		-4 863	
Share options				66					66	
Dividends paid							-3 007		-3 007	
Shareholders' equity 30 June 2009	5 105	25 404	21 188	243	-106	-7 938	6 926	-	50 822	

* Group management's incentive plan (Affecto Management Oy).

2. Notes

2.1. Basis of preparation

This condensed interim financial information has been prepared in accordance with IAS 34, Interim financial reporting. The condensed interim financial report should be read in conjunction with the annual financial statements for the year ended 31 December 2009.

The group has adopted the following new and revised standards starting from 1 January 2010: Revised IFRS 3 Business Combinations and amended IAS 27 Consolidated and Separate Financial Statements. In other material respects, the same accounting policies have been applied as in the 2009 annual consolidated financial statements.

2.2. Segment information

Affecto's reporting segments are based on geographical locations and are Finland, Norway, Sweden, Denmark and Baltic.

Segment sales and result

(1 000 EUR)	4-6/10	4-6/09	1-6/10	1-6/09	2009
Total sales					
Finland	11 840	11 411	22 824	23 167	45 003
Norway	6 217	5 075	12 129	10 331	20 152
Sweden	4 069	4 198	7 617	8 281	15 823
Denmark	3 217	3 028	5 891	6 203	11 494
Baltic	3 833	3 038	6 969	6 874	12 163
Eliminations	-753	-576	-1 275	-1 156	-1 628
Group total	28 423	26 174	54 155	53 700	103 006
Operational segment result					
Finland	1 035	1 323	1 585	3 005	5 096
Norway	344	298	769	1 061	2 286
Sweden	-183	384	-549	697	887
Denmark	268	243	430	518	886
Baltic	-8	76	-109	-2 623	-2 699
Other	-836	-291	-1 425	-828	-1 754
Total operational segment result	620	2 031	700	1 830	4 702
IFRS amortisation	-499	-527	-990	-1 043	-2 081
Impairment of Goodwill	-	-	-	-6 207	-6 207
Operating profit/loss	122	1 504	-290	-5 421	-3 587

The impairment of Goodwill in 2009 was allocated to the assets of Baltic segment. The operational segment result of Baltic segment for period 1-6/2009 included a restructuring provision amounting to 1.4 MEUR. The result for year 2009 included 1.2 MEUR realized restructuring costs.

Business Intelligence and Operation Solutions business lines, previously reported as separate business lines, have been combined to a Information Management Solutions business line in the beginning of year 2010. Updated reportable business lines are in line with the current management model of Affecto Group.

Sales by business lines

(1 000 EUR)	4-6/10	4-6/09	1-6/10	1-6/09	2009
Information Management Solutions	25 578	24 190	48 913	49 458	93 147
Geographic Information Services	2 967	2 615	5 465	4 940	10 168
Eliminations	-122	-631	-222	-699	-308
Group total	28 423	26 174	54 155	53 700	103 006

2.3. Changes in intangible and tangible assets

(1 000 EUR)	1-6/10	1-6/09	1-12/09
Carrying amount at the beginning of period	81 104	86 422	86 422
Additions	589	623	971
Disposals	-1	-113	-156
Impairments	-	-6 208	-6 304
Depreciation and amortization for the period	-1 687	-1 810	-3 548
Exchange rate differences	2 283	1 271	3 716
Carrying amount at the end of period	82 286	80 185	81 102

2.4. Share capital, share premium, reserve of invested non-restricted equity and treasury shares

(1 000 EUR)	Number of shares outstanding	Share capital	Share premium	Reserve of invested non-restricted equity	Treasury shares
1 January 2009	21 479 730	5 105	25 404	21 188	-106
30 June 2009	21 479 730	5 105	25 404	21 188	-106
1 January 2010	21 479 730	5 105	25 404	21 188	-106
Purchase of treasury shares	-113 318	-	-	-	-259
30 June 2010	21 366 412	5 105	25 404	21 188	-365

At the end of reporting period Affecto Plc owned 63 212 treasury shares. In addition to that Affecto Management Oy, included in consolidated accounts, owned 86 844 shares in Affecto Plc. The amount of registered shares was 21 516 468 shares.

2.5. Interest-bearing liabilities

1 000 EUR	30.6.2010	31.12.2009
Interest-bearing non-current liabilities		
Loans from financial institutions, non-current portion	34 453	36 444
Loans from financial institutions, current portion	4 000	4 000

38 453 40 444

The facility agreement of the group includes financial covenants based on net debt, result and cash flow. Breach of covenants might lead to an increase in cost of debt or cancellation of the facility agreement. In June Affecto agreed with the bank about changes to the covenants for the period of year 2010 and fulfilled the changed covenants on 30 June 2010. Based on this, the maturity of the loan has been reported based on the facility agreement.

2.6. Earnings per share

Calculation of earnings per share and diluted earnings per share is based on the figures below.

	4-6/10	4-6/09	1-6/10	1-6/09	1-12/09
Profit attributable to equity holders of the company (1 000 EUR)	-114	845	-1 056	-7 168	-7 139
Weighted average number of shares (1 000):					
In calculation of earnings per share	21 472	21 480	21 476	21 480	21 480
Dilution effect of share options	0	0	0	0	0
In calculation of diluted earnings per share	21 472	21 480	21 476	21 480	21 480
Earnings per share (EUR per share)					
Basic	-0.01	0.04	-0.05	-0.33	-0.33
Diluted	-0.01	0.04	-0.05	-0.33	-0.33

2.7. Contingencies and commitments

The future aggregate minimum lease payments under non-cancelable operating leases:

1 000 EUR	30.6.2010	31.12.2009
Not later than one (1) year	2 927	3 013
Later than one (1) year, but not later than five (5) years	2 025	2 310
Total	4 952	5 323

Guarantees:

1 000 EUR	30.6.2010	31.12.2009
Debt secured by a mortgage		
Financial loans	38 500	40 500

The above-mentioned debts are secured by bearer bonds with capital value of 52.5 million euro. The bonds are held by Nordea Pankki Suomi Oyj and secured by a mortgage on company assets of the group companies. In addition, the shares in Affecto Finland Oy and Affecto Norway AS have been pledged to secure the financial loans above.

Other securities given on own behalf:	30.6.2010	31.12.2009
Pledges	69	241
Other guarantees	1 378	67

Pledges consist of current receivables.

Other guarantees are mostly securities issued for customer projects. These guarantees include both bank guarantees secured by parent company of the group and guarantees issued by the parent company directly to the customer.

2.8. Derivative contracts

1 000 EUR	30.6.2010	31.12.2009
Interest rate swaps:		
Nominal value	20 250	17 000
Fair value	-973	-659
Interest rate cap:		
Nominal value	-	8 000
Fair value	-	11

2.9. Related party transactions

Key management compensation and remunerations to the board of directors

(1 000 EUR)	1-6/10	1-6/09	1-12/09
Salaries and other short-term employee benefits	1 506	1 463	2 407
Post-employment benefits	220	156	364
Termination benefits	604	-	47
Share-based payments	23	23	34
Total	2 353	1 642	2 852

3. Key figures

	4-6/10	4-6/09	1-6/10	1-6/09	2009
Net sales, 1 000 eur	28 423	26 174	54 155	53 700	103 006
EBITDA, 1 000 eur	962	2 413	1 394	2 599	6 265
Operational segment result, 1 000 eur	621	2 031	700	1 830	4 702
Operating result, 1 000 eur	122	1 504	-290	-5 421	-3 587
Result before taxes, 1 000 eur	-276	1 219	-1 352	-7 425	-6 271
Net income for equity holders of the parent company, 1 000 eur	-114	845	-1 056	-7 168	-7 139
EBITDA, %	3.4 %	9.2 %	2.6 %	4.8 %	6.1 %
Operational segment result, %	2.2 %	7.8 %	1.3 %	3.4 %	4.6 %
Operating result, %	0.4 %	5.7 %	-0.5 %	-10.1 %	-3.5 %
Result before taxes, %	-1.0 %	4.7 %	-2.5 %	-13.8 %	-6.1 %
Net income for equity holders of the parent company, %	-0.4 %	3.2 %	-1.9 %	-13.3 %	-6.9 %
Equity ratio, %	44.1 %	41.7 %	44.1 %	41.7 %	42.9 %
Net gearing, %	45.5 %	50.7 %	45.5 %	50.7 %	39.1 %
Interest-bearing net debt, 1 000 eur	24 432	25 774	24 432	25 774	20 919
Gross investment in non-current assets (excl. acquisitions), 1 000 eur	236	233	586	623	971
Gross investments, % of sales	0.8 %	0.9 %	1.1 %	1.2 %	0.9 %
Research and development costs, 1 000 eur	273	58	537	134	433
R&D -costs, % of sales	1.0 %	0.2 %	1.0 %	0.3 %	0.4 %
Order backlog, 1 000 eur	45 422	38 090	45 422	38 090	41 108
Average number of employees	906	989	909	1 023	974
Earnings per share, eur	-0.01	0.04	-0.05	-0.33	-0.33
Earnings per share (diluted), eur	-0.01	0.04	-0.05	-0.33	-0.33
Equity per share, eur	2.50	2.37	2.50	2.37	2.49
Average number of shares, 1 000 shares	21 472	21 480	21 476	21 480	21 480
Number of shares at the end of period, 1 000 shares	21 366	21 480	21 366	21 480	21 480

Calculation of key figures

EBITDA	= Earnings before interest, taxes, depreciation, amortization and impairment
Operational segment result	= Operating profit before amortisations on fair value adjustments due to business combinations (IFRS3) and Goodwill impairments
Equity ratio, %	= $\frac{\text{Shareholders' equity}}{\text{Total assets - advances received}} \times 100$
Gearing, %	= $\frac{\text{Interest-bearing liabilities - cash, bank receivables and securities held as financial asset}}{\text{Shareholders' equity}} \times 100$
Interest-bearing net debt	= Interest-bearing liabilities - cash and bank receivables
Earnings per share (EPS)	= $\frac{\text{Result for the period to equity holders of the Company}}{\text{Adjusted average number of shares during the period}}$
Equity per share	= $\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares at the end of the period}}$
Market capitalization	= Number of shares at the end of period (excluding treasury shares) x share price at closing date
