

AFFECTO PLC -- INTERIM REPORT -- 28 APRIL 2011 at 9.30

AFFECTO PLC'S INTERIM REPORT 1-3/2011

GROUP KEY FIGURES

| MEUR | 1-3/11 | 1-3/10 | 2010 |
|-----------------------------------|--------|--------|-------|
| Net sales | 30.1 | 25.7 | 114.1 |
| Operational segment result | 2.1 | 0.1 | 5.3 |
| % of net sales | 7.1 | 0.3 | 4.6 |
| Operating profit/loss | 1.6 | -0.4 | 3.3 |
| % of net sales | 5.4 | -1.6 | 2.9 |
| Profit/loss before taxes | 1.5 | -1.1 | 1.5 |
| Profit/loss for the period | 1.2 | -0.9 | 0.9 |
| Equity ratio, % | 45.5 | 43.4 | 43.1 |
| Net gearing, % | 37.1 | 40.4 | 40.4 |
| Earnings per share, eur | 0.06 | -0.04 | 0.05 |
| Earnings per share (diluted), eur | 0.06 | -0.04 | 0.05 |
| Equity per share, eur | 2.69 | 2.48 | 2.69 |

CEO Pekka Eloholma comments:

"First quarter net sales grew by 17% to 30.1 MEUR. Net sales grew in all countries, and Denmark and Sweden generated the highest growth. EBIT grew to 1.6 MEUR and was 5% of net sales. Both net sales and EBIT clearly exceed the results in the same quarter in the previous two years."

"Year 2011 has started well. The market situation seems to be currently rather normal and the effects of the economic crisis start to be over in all countries, also in the still recovering Baltic. In other countries our business operations are doing well already now and achieved over 10% operational segment profit, but the ongoing growth-oriented development actions caused the result in Sweden to remain negative."

"Affecto's order backlog is 51.2 MEUR, which is 19% higher than in Q1/2010 (43.1 MEUR). The order backlog that has grown in all countries and the good level of customer activity strengthen our belief in continuing positive development of business conditions."

"In 2011 the main focus is on profit improvement. Operating profit is estimated to at least double compared to year 2010. The net sales are estimated to grow at least by 10% in year 2011."

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

INTERIM REPORT 1-3/2011

Affecto is the largest Business Intelligence solution provider in the Nordic countries. We help our customers to improve productivity and competitiveness by superior use of information for decision making. We build IT solutions that enable organisations to integrate their strategic targets with their business management. 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, Poland and South Africa.

NET SALES

Affecto's net sales in 1–3/2011 were 30.1 MEUR (1-3/2010: 25.7 MEUR). Net sales in Finland were 11.5 MEUR (11.0 MEUR), in Norway 7.1 MEUR (5.9 MEUR), in Sweden 4.9 MEUR (3.5 MEUR), in Denmark 3.7 MEUR (2.7 MEUR) and 3.5 MEUR (3.1 MEUR) in Baltic.

The quarter can be characterized as a rather normal first quarter, which did not contain any specially negative or positive factors. In the Nordic countries the business developed steadily and the Nordic BI market strengthened during the period. The economic situation in the Baltic countries has improved, but the local IT market has not yet fully recovered from the effects of the financial crisis.

Net sales by reportable segments

| Net sales, MEUR | 1-3/11 | 1-3/10 | 2010 |
|-----------------|--------|--------|-------|
| Finland | 11.5 | 11.0 | 46.5 |
| Norway | 7.1 | 5.9 | 25.8 |
| Sweden | 4.9 | 3.5 | 15.3 |
| Denmark | 3.7 | 2.7 | 15.4 |
| Baltic | 3.5 | 3.1 | 13.7 |
| Other | -0.6 | -0.5 | -2.7 |
| Group total | 30.1 | 25.7 | 114.1 |

Net sales of Information Management Solutions business in 1-3/2011 were 27.5 MEUR (23.3 MEUR) and net sales of Geographic Information Services were 2.8 MEUR (2.5 MEUR).

The order backlog was 51.2 MEUR, which is 19% higher than the Q1/2010 order backlog (43.1 MEUR). Affecto has a well-diversified customer base. The ten largest customers generated approx. 20% of group revenue in 2010 and the largest customer corresponded to 4% of net sales.

PROFIT

Affecto's EBIT in 1-3/2011 was 1.6 MEUR (-0.4 MEUR) and the operational segment result was 2.1 MEUR (0.1 MEUR). Operational segment result was in Finland 1.2 MEUR (0.5 MEUR), in Norway 0.8 MEUR (0.4 MEUR), in Sweden -0.5 MEUR (-0.4 MEUR), in Denmark 0.4 MEUR (0.2 MEUR) and in Baltic 0.6 MEUR (-0.1 MEUR).

Profitability was excellent in Baltic, good in Finland, Norway and Denmark, and weak in Sweden. Profitability improved in all other countries except Sweden, which remained loss-making due to the ongoing development actions, as the local organization and processes have been developed in search of strong growth in 2011. A 37% growth was reached in the first quarter in Sweden, but the result did not yet turn positive. The business in Sweden is estimated to turn profitable in the second year-half and the whole year is estimated to be profitable at the operational segment result level.

Operational segment result by reportable segments

| Operational segment result, MEUR | 1-3/11 | 1-3/10 | 2010 |
|----------------------------------|--------|--------|------|
| Finland | 1.2 | 0.5 | 5.1 |
| Norway | 0.8 | 0.4 | 2.4 |
| Sweden | -0.5 | -0.4 | -1.7 |
| Denmark | 0.4 | 0.2 | 1.2 |
| Baltic | 0.6 | -0.1 | 0.6 |
| Other | -0.4 | -0.6 | -2.4 |
| Operational segment result | 2.1 | 0.1 | 5.3 |
| IFRS3 Amortization | -0.5 | -0.5 | -2.0 |
| Operating profit/loss | 1.6 | -0.4 | 3.3 |

According to IFRS3 requirements, 1-3/2011 EBIT includes 0.5 MEUR (0.5 MEUR) of amortization of intangible assets related to acquisitions. In year 2011 the IFRS3 amortization is estimated to total 2.0 MEUR and in 2012 approx. 1.9 MEUR.

R&D costs 1-3/2011 totaled 0.3 MEUR (0.3 MEUR), i.e. 1.0% of net sales (1.0%). The costs have been recognized as an expense in the income statement.

The fluctuation in financial costs is explained to a large extent by changes in the fair value of the interest swap taken, which changes have no effect on actual cash flow. The interest rate changes have caused 0.2 MEUR income in 1-3/2011.

Taxes corresponding to the profit of the period have been entered as tax expense. Net profit for the period was 1.2 MEUR, while it was -0.9 MEUR last year.

FINANCE AND INVESTMENTS

At the end of the reporting period, Affecto's balance sheet totaled 134.7 MEUR (12/2010: 142.9 MEUR). Equity ratio was 45.5% (12/2010: 43.1%) and net gearing was 37.1% (12/2010: 40.4%).

The financial loans were 36.5 MEUR (12/2010: 36.5 MEUR) at the end of reporting period. The company's cash and liquid assets were 15.7 MEUR (12/2010: 13.8 MEUR). The interest-bearing net debt was 20.8 MEUR (12/2010: 22.6 MEUR). Affecto's bank loan has covenants based on net debt, result and cash flow. In 2010 Affecto has agreed with the bank about changes to the covenants. The covenants based on net debt and result will be measured quarterly, and these terms and conditions of covenants were met at the end of the reporting period. The covenant based on cash flow will be measured next time in June 2011 and will be measured quarterly after that. The maturity of the loan has been presented based on the loan agreement.

Cash flow from operating activities for the reported period was 2.4 MEUR (-0.6 MEUR) and cash flow from investing activities was -0.5 MEUR (-0.3 MEUR). Investments in non-current assets were 0.5 MEUR (0.3 MEUR).

Based on decision by the Annual General Meeting held on 31 March 2011, Affecto has distributed dividends of 1.3 MEUR (previous year 1.3 MEUR). The dividend is presented as non-interest bearing debt in the balance sheet of 31 March 2011. Dividend was paid on 14 April 2011.

EMPLOYEES

The number of employees was 984 persons at the end of the reporting period (911). 383 employees were based in Finland, 131 in Norway, 134 in Sweden, 66 in Denmark and 270 in the Baltic countries. The average number of employees during the period was 974 (911).

Affecto invests on personnel development through various initiatives like the training concept "Affecto University". The employees' satisfaction level is annually measured in the global Great Place to Work survey. In GPTW surveys published in 2011, Affecto ranked among the country best workplaces in Finland, Norway and Sweden.

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 1-3/2011 the net sales in Finland were 11.5 MEUR (11.0 MEUR). Operational segment result was 1.2 MEUR (0.5 MEUR). The business developed rather steadily and net sales grew by 5%. Customers' activity has remained good especially regarding BI and GIS solutions. The Digiroad outsourcing agreement with the Finnish Transport Agency for the next three years was signed in March. During the period new orders were received diversifiedly, e.g. from TeliaSonera, UPM-Kymmene, YLE, Landis & Gyr and Lähikauppa.

The growth of IT services market in Finland is forecast to be approx. 3% in 2011 (Marketvisio's estimate, December 2010). However, Affecto's focus segments are expected to experience a clearly higher growth in software sales (BI and ECM approx. 8%).

Norway

In 1-3/2011 the net sales in Norway were 7.1 MEUR (5.9 MEUR) and operational segment result was 0.8 MEUR (0.4 MEUR). The market has developed positively along the economic growth and the demand for BI solutions has remained good. During the period new orders were received e.g. from DnV, Grieg Seafood and Statens Pensjonkasse.

Sweden

In 1-3/2011 the net sales in Sweden were 4.9 MEUR (3.5 MEUR) and operational segment result -0.5 MEUR (-0.4 MEUR). The net sales grew by 37%, partially due to currency effect, but also the organic growth was good. The BI market is expected to grow especially regarding finance, retail and telecom sectors.

The forward-looking building of the local organization, targeting a significant growth in net sales in 2011, has clearly lowered profitability. Number of employees has grown by over 20% during year 2011, which has lowered the utilization rate and profitability. The business in Sweden is estimated to turn profitable in second year-half and the whole year is estimated to be profitable at the operational segment result level. Expectations about improving profitability are supported by the order backlog that has grown significantly compared to the previous year. During the period new orders were received e.g. from Skatteverket, IKEA, Hennes & Mauritz, Folksam and Vattenfall.

Denmark

In 1-3/2011 the net sales in Denmark were 3.7 MEUR (2.7 MEUR) and operational segment result was 0.4 MEUR (0.2 MEUR). In Denmark the net sales grew by 37% and also profitability improved from previous year. The market situation has developed moderately positively. During the period new orders were received e.g. from IC Companys, Dong and FDC.

Baltic (Lithuania, Latvia, Estonia, Poland, South Africa)

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 1-3/2011 the Baltic net sales were 3.5 MEUR (3.1 MEUR). Operational segment result was 0.6 MEUR (-0.1 MEUR). Net sales grew by 13% and profitability was excellent. The national economies in the Baltic countries have already returned to growth path, but the local IT markets have not yet fully recovered from the effects of the financial crisis. The price competition continues tight and the EU continues to have great importance in financing both public and also private investments.

New projects were received during the period mostly from public sector entities. E.g. SODRA, the Lithuanian Social Insurance Institution, ordered a project for further developing its ECM systems. Other examples are Lithuanian Parliament, Lithuanian department of statistics and RSA Estonia.

Review by business lines

The net sales of Information management solutions in 1-3/2011 were 27.5 MEUR (23.3 MEUR). The business developed positively during the period. The customers' interest for IT investments has clearly grown compared to last year.

The demand for Enterprise Information Management (EIM) solutions, including Business Intelligence (BI) and Enterprise Content Management (ECM), is estimated to develop positively along the general economy. The average annual global growth of BI and analytics software license markets is estimated to exceed 8% until year 2013. The Nordic BI/DW services markets have been estimated to grow annually by 6-8% in 2011-2013. Also the ECM solutions market is estimated to grow correspondingly.

The market situation in the Baltic countries has continued to improve and the effects of the recession are being overcome. The demand for insurance sector solutions is recovering.

Net sales of the Geographic Information Services business in 1-3/2011 were 2.8 MEUR (2.5 MEUR). The business developed favorably during the period and the customers' interest for GIS solutions is estimated to have grown. Development actions continued by founding Karttakeskus Oy as of 1 January 2011. The Digiroad outsourcing agreement with the Finnish Transport Agency for the next three years was signed in March.

CHANGES IN GROUP STRUCTURE

Affecto has formed a separate subsidiary company Karttakeskus Oy for conducting the Geographic Information Services (GIS) business in Finland. The GIS services business was separated from Affecto Finland Ltd through a partial de-merger. Both Affecto Finland Ltd and the new Karttakeskus Oy are wholly owned subsidiaries of the parent company Affecto Plc. The partial de-merger was completed on 1 January 2011.

ANNUAL GENERAL MEETING AND GOVERNANCE

The Annual General Meeting of Affecto Plc, which was held on 31 March 2011, adopted the financial statements for 1.1.–31.12.2010 and discharged the members of the Board of Directors and the CEO from liability. Approximately 41 percent of Affecto's shares and votes were represented at the Meeting. The Annual General Meeting decided that a dividend of EUR 0.06 per share will be distributed for the year 2010.

Aaro Cantell, Heikki Lehmusto, Jukka Ruuska and Haakon Skaarer were re-elected as members of the Board of Directors, and Tuija Soanjärvi and Lars Wahlström were elected as new members. 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. KPMG Oy Ab was elected auditor of the company.

The Meeting approved the Board's proposal for appointing a Nomination Committee to prepare proposals concerning members of the Board of Directors and their remunerations for the following Annual General Meeting. The Nomination Committee will consist of the representatives of the three largest shareholders and the Chairman of the Board of Directors, acting as an expert member, if he/she is not appointed representative of a shareholder. The members representing the shareholders will be appointed by the three shareholders whose share of ownership of the shares of the company is largest on 31 October preceding the Annual General Meeting.

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

In 2011 the Board has not used the authorizations given by the previous Annual General Meeting. Those authorizations ended on 31 March 2011.

The complete contents of the new authorizations given by the Annual General Meeting held on 31 March 2011 have been published in the stock exchange release regarding the Meetings' decisions. The Board did not use the authorizations 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.

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 consideration or without consideration on terms to be determined by the Board of Directors and in relation to a share issue against consideration 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.

SHARES AND TRADING

The company has only one share series, and all shares have similar rights. As at 31 March 2011, Affecto Plc's share capital consisted of 21 516 468 shares including the shares owned by Affecto Management Oy. The company does not own treasury shares. Affecto Management Oy owns 823 000 shares.

In 1-3/2011, the highest share price was 2.64 euro, lowest price 2.37 euro, average price 2.50 euro and closing price 2.50 euro. Trading volume was 4.4 million shares, corresponding to 83% of the number of shares at the end of period (annualized). The market value of shares was 53.8 MEUR at the end of the period including the shares owned by Affecto Management Oy.

SHAREHOLDERS

The company had a total of 1842 owners on 31 March 2011 and the foreign ownership was 21%. 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. 13.4% (13.1% shares and 0.4% options).

According to the flagging announcements made on 12 January 2011, the ownership of Capman Public Market Investment has decreased below 5% and the ownership of OP-Rahastoyhtiö has exceeded 5%.

According to the flagging announcement made on 17 February 2011, the ownership of Nordea Rahastoyhtiö Suomi has exceeded 5%.

ASSESSMENT OF RISKS AND UNCERTAINTIES

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 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. The greatest risk is related to Sweden, where Affecto has invested in reforming the organization and processes, which has weakened profitability in the short term.

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.

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. 13 MEUR in 2010.

EVENTS AFTER THE REPORTING PERIOD

According to the flagging announcement made on 11 April 2011, the ownership of Nordea Rahastoyhtiö Suomi has decreased below 5%.

FUTURE OUTLOOK

In 2011 the main focus is on profit improvement. Operating profit is estimated to at least double compared to year 2010. The net sales are estimated to grow at least by 10% in year 2011.

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 11.00 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 equity
2. Notes
3. Key figures

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

CONSOLIDATED INCOME STATEMENT

| (1 000 EUR) | 1-3/11 | 1-3/10 | 2010 |
|---|---------|---------|---------|
| Net sales | 30 121 | 25 732 | 114 078 |
| Other operating income | 37 | 13 | 57 |
| Changes in inventories of finished goods and work in progress | 29 | 50 | -181 |
| Materials and services | -5 563 | -4 484 | -25 393 |
| Personnel expenses | -17 812 | -16 749 | -64 838 |
| Other operating expenses | -4 336 | -4 130 | -17 106 |
| Other depreciation and amortisation | -347 | -353 | -1 352 |
| IFRS3 amortisation | -514 | -491 | -1 990 |
| Operating profit/loss | 1 615 | -412 | 3 275 |
| Net financial expenses | -143 | -664 | -1 797 |
| Profit/loss before income tax | 1 472 | -1 076 | 1 479 |
| Income tax | -299 | 134 | -546 |
| Profit/loss for the period | 1 173 | -941 | 933 |
| Profit/loss for the period attributable to: | | | |
| Owners of the parent company | 1 186 | -941 | 955 |
| Non-controlling interest | -13 | - | -22 |
| Earnings per share (EUR per share): | | | |
| Basic | 0.06 | -0.04 | 0.05 |
| Diluted | 0.06 | -0.04 | 0.05 |

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

| (1 000 EUR) | 1-3/11 | 1-3/10 | 2010 |
|---|--------|--------|-------|
| Profit/loss for the period | 1 173 | -941 | 933 |
| Other comprehensive income: | | | |
| Translation difference | -10 | 1 852 | 4 214 |
| Total Comprehensive income for the period | 1 163 | 911 | 5 146 |
| Total Comprehensive income attributable to: | | | |
| Owners of the parent company | 1 176 | 911 | 5 169 |
| Non-controlling interest | -13 | - | -22 |

CONSOLIDATED BALANCE SHEET

| (1 000 EUR) | 3/2011 | 3/2010 | 12/2010 |
|--|----------------|----------------|----------------|
| Non-current assets | | | |
| Property, plant and equipment | 2 110 | 2 105 | 1 908 |
| Goodwill | 72 879 | 70 895 | 72 866 |
| Other intangible assets | 7 519 | 9 368 | 8 099 |
| Deferred tax assets | 1 535 | 2 061 | 1 506 |
| Available-for-sale financial assets | 19 | 54 | 19 |
| Trade and other receivables | 17 | 171 | 36 |
| | 84 079 | 84 654 | 84 434 |
| Current assets | | | |
| Inventories | 506 | 739 | 482 |
| Trade and other receivables | 33 776 | 27 961 | 43 662 |
| Current income tax receivables | 616 | 978 | 505 |
| Cash and cash equivalents | 15 682 | 18 933 | 13 818 |
| | 50 580 | 48 610 | 58 468 |
| Total assets | 134 658 | 133 264 | 142 901 |
| Equity attributable to owners of the parent Company | | | |
| Share capital | 5 105 | 5 105 | 5 105 |
| Share premium | - | 25 404 | - |
| Reserve of invested non-restricted equity | 46 591 | 21 188 | 46 591 |
| Other reserves | 466 | 314 | 417 |
| Treasury shares | -1 996 | -106 | -1 996 |
| Translation differences | -1 038 | -3 390 | -1 028 |
| Retained earnings | 6 500 | 4 726 | 6 605 |
| | 55 629 | 53 240 | 55 695 |
| Non-controlling interest | 367 | - | 380 |
| Total equity | 55 996 | 53 240 | 56 074 |
| Non-current liabilities | | | |
| Borrowings | 32 467 | 36 448 | 32 462 |
| Derivative financial instruments | 579 | 1 006 | 784 |
| Deferred tax liabilities | 2 153 | 2 983 | 2 288 |
| Trade and other payables | - | 786 | - |
| | 35 199 | 41 224 | 35 535 |
| Current liabilities | | | |
| Borrowings | 4 000 | 4 000 | 4 000 |
| Trade and other payables | 37 435 | 33 790 | 45 290 |
| Current income tax liabilities | 1 157 | 743 | 953 |
| Provisions | 872 | 266 | 1 049 |
| | 43 463 | 38 800 | 51 292 |
| Total liabilities | 78 662 | 80 024 | 86 827 |
| Equity and liabilities | 134 658 | 133 264 | 142 901 |

CONSOLIDATED CASH FLOW STATEMENT

| (1 000 EUR) | 1-3/2011 | 1-3/2010 | 2010 |
|---|---------------|---------------|---------------|
| Cash flows from operating activities | | | |
| Profit/loss for the period | 1 173 | -941 | 933 |
| Adjustments to profit for the period | 1 280 | 1 474 | 5 737 |
| | 2 453 | 533 | 6 670 |
| Change in working capital | 572 | -736 | -3 314 |
| Interest and other finance cost paid | -363 | -354 | -1 651 |
| Interest and other finance income received | 53 | 42 | 144 |
| Income taxes paid | -366 | -77 | -335 |
| Net cash from operating activities | 2 350 | -592 | 1 514 |
| Cash flows from investing activities | | | |
| Acquisition of tangible and intangible assets | -490 | -350 | -1 072 |
| Proceeds from sale of tangible and intangible assets | 43 | 5 | 6 |
| Proceeds from sale of Available-for-sale financial assets | - | - | 41 |
| Net cash used in investing activities | -447 | -345 | -1 025 |
| Cash flows from financing activities | | | |
| Related party investments* | - | - | 402 |
| Repayments of borrowings | - | - | -4 000 |
| Acquisition and disposal of treasury shares** | - | - | -1 906 |
| Dividends paid to the owners of the parent company | - | - | -1 289 |
| Net cash from financing activities | - | - | -6 792 |
| (Decrease)/increase in cash and cash equivalents | 1 903 | -937 | -6 304 |
| Cash and cash equivalents | | | |
| at the beginning of the period | 13 818 | 19 525 | 19 525 |
| Foreign exchange effect on cash | -39 | 345 | 597 |
| Cash and cash equivalents at the end of the period | 15 682 | 18 933 | 13 818 |

* Affecto Group management's investment to incentive arrangement

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| (1 000 EUR) | Equity attributable to owners of the parent company | | | | | | | |
|----------------------------|---|---|----------------|-----------------|------------------|---------------|--------------------------|--------------|
| | Share capital | Reserve of invested non-restricted equity | Other reserves | Treasury shares | Trans lat. diff. | Ret. earnings | Non-controlling interest | Total equity |
| Equity at 1 January 2011 | 5 105 | 46 591 | 417 | -1 996 | -1 028 | 6 605 | 380 | 56 074 |
| Profit | | | | | | 1 186 | -13 | 1 173 |
| Translation differences | | | | | -10 | | | -10 |
| Total comprehensive income | | | | | -10 | 1 186 | -13 | 1 163 |
| Share options | | | 49 | | | | | 49 |
| Dividends paid | | | | | | -1 291 | | -1 291 |
| Equity at 31 March 2011 | 5 105 | 46 591 | 466 | -1 996 | -1 038 | -6 500 | 367 | 55 996 |

| (1 000 EUR) | Equity attributable to owners of the parent company | | | | | | | | |
|----------------------------|---|---------------|---|----------------|-----------------|-----------------|---------------|--------------------------|--------------|
| | Share capital | Share premium | Reserve of invested non-restricted equity | Other reserves | Treasury shares | Translat. diff. | Ret. earnings | Non-controlling interest | Total equity |
| Equity at 1 January 2010 | 5 105 | 25 404 | 21 188 | 264 | -106 | -5 242 | 6 955 | - | 53 568 |
| Profit | | | | | | | -941 | - | -941 |
| Translation differences | | | | | | 1 852 | | | 1 852 |
| Total comprehensive income | | | | | | 1 852 | -941 | - | 911 |
| Share options | | | | 50 | | | | | 50 |
| Dividends paid | | | | | | | -1 289 | | -1 289 |
| Equity at 31 March 2010 | 5 105 | 25 404 | 21 188 | 314 | -106 | -3 390 | 4 726 | - | 53 240 |

2. Notes

2.1. Basis of preparation

This report has been prepared in accordance with the IFRS recognition and measurement principles. This report does not comply with all of the requirements of IAS 34 Interim Financial Reporting. The report should be read in conjunction with the annual financial statements for the year 2010. The non-controlling interest has been presented separately after net profit for the period and in total equity.

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) | 1-3/11 | 1-3/10 | 2010 |
|----------------------------------|--------|--------|---------|
| Total sales | | | |
| Finland | 11 502 | 10 985 | 46 522 |
| Norway | 7 113 | 5 912 | 25 845 |
| Sweden | 4 874 | 3 548 | 15 276 |
| Denmark | 3 657 | 2 673 | 15 411 |
| Baltic | 3 546 | 3 136 | 13 694 |
| Other | -570 | -522 | -2 669 |
| Group total | 30 121 | 25 732 | 114 078 |
| Operational segment result | | | |
| Finland | 1 200 | 549 | 5 073 |
| Norway | 849 | 425 | 2 405 |
| Sweden | -521 | -365 | -1 666 |
| Denmark | 395 | 162 | 1 226 |
| Baltic | 584 | -102 | 595 |
| Other | -378 | -589 | -2 367 |
| Total operational segment result | 2 128 | 80 | 5 265 |
| IFRS amortisation | -514 | -491 | -1 990 |
| Operating profit/loss | 1 615 | -412 | 3 275 |

Sales by business lines

| (1 000 EUR) | 1-3/11 | 1-3/10 | 2010 |
|----------------------------------|--------|--------|---------|
| Information Management Solutions | 27 544 | 23 335 | 103 579 |
| Geographic Information Services | 2 823 | 2 498 | 10 950 |
| Other | -246 | -100 | -451 |
| Group total | 30 121 | 25 732 | 114 078 |

2.3. Interest-bearing liabilities

| 1 000 EUR | 31.3.2011 | 31.12.2010 |
|---|-----------|------------|
| Interest-bearing non-current liabilities | | |
| Loans from financial institutions, non-current portion | 32 467 | 32 462 |

| | | |
|---|--------|--------|
| Loans from financial institutions, current portion | 4 000 | 4 000 |
| | 36 467 | 36 462 |

The loan 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 2010 Affecto has agreed with the bank about changes to the covenants. The covenants based on net debt and result will be measured quarterly, and these terms and conditions of covenants were met at the end of the reporting period. The covenant based on cash flow will be measured next time in June 2011 and will be measured quarterly after that. The maturity of the loan has been presented based on the loan agreement.

2.4. Contingencies and commitments

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

| | | |
|---|-----------|------------|
| 1 000 EUR | 31.3.2011 | 31.12.2010 |
| Not later than one (1) year | 3 167 | 2 788 |
| Later than one (1) year, but not later than five (5) years | 3 146 | 2 788 |
| Later than five (5) years | 268 | 268 |
| Total | 6 581 | 5 844 |

Guarantees:

| | | |
|----------------------------|-----------|------------|
| 1 000 EUR | 31.3.2011 | 31.12.2010 |
| Debt secured by a mortgage | | |
| Financial loans | 36 500 | 36 500 |

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: | 31.3.2011 | 31.12.2010 |
| Pledges | 9 | 39 |
| Other guarantees | 1 579 | 1 526 |

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.

2.5. Derivative contracts

| | | |
|----------------------|-----------|------------|
| 1 000 EUR | 31.3.2011 | 31.12.2010 |
| Interest rate swaps: | | |
| Nominal value | 20 250 | 20 250 |
| Fair value | -579 | -784 |

3. Key figures

| | 1-3/11 | 1-3/10 | 2010 |
|--|--------|--------|---------|
| Net sales, 1 000 eur | 30 121 | 25 732 | 114 078 |
| EBITDA, 1 000 eur | 2 476 | 433 | 6 617 |
| Operational segment result, 1 000 eur | 2 128 | 80 | 5 265 |
| Operating result, 1 000 eur | 1 615 | -412 | 3 275 |
| Result before taxes, 1 000 eur | 1 472 | -1 076 | 1 479 |
| Net income for equity holders of the parent company, 1 000 eur | 1 186 | -941 | 955 |
| EBITDA, % | 8.2 % | 1.7 % | 5.8 % |
| Operational segment result, % | 7.1 % | 0.3 % | 4.6 % |
| Operating result, % | 5.4 % | -1.6 % | 2.9 % |
| Result before taxes, % | 4.9 % | -4.2 % | 1.3 % |
| Net income for equity holders of the parent company, % | 3.9 % | -3.7 % | 0.8 % |
| Equity ratio, % | 45.5 % | 43.4 % | 43.1 % |
| Net gearing, % | 37.1 % | 40.4 % | 40.4 % |
| Interest-bearing net debt, 1 000 eur | 20 785 | 21 516 | 22 645 |
| Gross investment in non-current assets (excl. acquisitions), 1 000 eur | 490 | 350 | 1 072 |
| Gross investments, % of sales | 1.6 % | 1.4 % | 0.9 % |
| Research and development costs, 1 000 eur | 303 | 264 | 1 178 |
| R&D –costs, % of sales | 1.0 % | 1.0 % | 1.0 % |
| Order backlog, 1 000 eur | 51 155 | 43 124 | 54 354 |
| Average number of employees | 974 | 911 | 919 |
| Earnings per share, eur | 0.06 | -0.04 | 0.05 |
| Earnings per share (diluted), eur | 0.06 | -0.04 | 0.05 |
| Equity per share, eur | 2.69 | 2.48 | 2.69 |
| Average number of shares, 1 000 shares | 20 693 | 21 480 | 21 146 |
| Number of shares at the end of period, 1 000 shares | 20 693 | 21 480 | 20 693 |

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, % | = | $\frac{\text{Total equity}}{\text{Total assets – advances received}}$ | *100 |
| Gearing, % | = | $\frac{\text{Interest-bearing liabilities – cash, bank receivables and securities held as financial asset}}{\text{Total equity}}$ | *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 | = | $\frac{\text{Total equity}}{\text{Adjusted number of shares at the end of the period}}$ | |
| Market capitalization | = | Number of shares at the end of period (excluding company's own shares held by the company) x share price at closing date | |
