

AFFECTO PLC -- FINANCIAL STATEMENTS BULLETIN -- 16 FEBRUARY 2012 at 12.30

Affecto Plc's Financial Statements Bulletin 2011

Group key figures

MEUR	10-12/11	10-12/10	2011	2010
Net sales	36.6	36.0	127.3	114.1
Operational segment result	3.3	2.9	10.2	5.3
% of net sales	9.1	8.1	8.0	4.6
Operating profit	2.8	2.4	8.2	3.3
% of net sales	7.7	6.7	6.4	2.9
Profit before taxes	2.7	2.0	7.1	1.5
Profit for the period	2.0	1.3	5.3	0.9
Equity ratio, %	46.1	43.1	46.1	43.1
Net gearing, %	27.1	40.4	27.1	40.4
Earnings per share, eur	0.10	0.07	0.26	0.05
Earnings per share (diluted), eur	0.10	0.07	0.25	0.05
Equity per share, eur	2.91	2.69	2.91	2.69
Dividend proposal, eur/share			0.11	0.06

CEO Pekka Eloholma comments:

"Our performance in the fourth quarter was good. Net sales grew to 36.6 MEUR. Sweden had the highest growth rate (39%). EBIT grew to 2.8 MEUR and was 8% of net sales. Regarding net sales, the quarter was the second-best in the company's history. This was also the highest operating profit in over three years."

"Affecto's order backlog reached a new all-time-high level 57.1 MEUR, which is 5% higher than in Q4/2010 (54.4 MEUR). The increased uncertainty about the general economic developments has not much affected our daily work and the demand for our solutions has continued to be good."

"We have succeeded well in our main goal for year 2011, profit improvement. Profitability has improved by at least two percentage points from previous year in all other countries except Sweden. Our operating profit more than doubled to 8.2 MEUR (3.3 MEUR) and earnings per share increased to 26 cents (5 cents). The board has proposed a dividend distribution of 0.11 EUR/share (0.06)."

"Our net sales grew by 12% in 2011 to 127.3 MEUR. In our main business area, EIM solutions, we outpaced the market growth in all Nordic countries. We grew by over 40% in Sweden, where we invested in organic growth."

"In 2012 the main focus continues to be on profitability improvement. Profitability (EBIT-%) is estimated to improve and net sales are estimated to grow in 2012."

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

BUSINESS DEVELOPMENT DURING 10-12/2011

Affecto's net sales in 10-12/2011 were 36.6 MEUR (10-12/2010: 36.0 MEUR). Net sales in Finland were 14.8 MEUR (13.2 MEUR), in Norway 7.3 MEUR (8.1 MEUR), in Sweden 6.7 MEUR (4.8 MEUR), in Denmark 3.8 MEUR (6.7 MEUR) and 4.8 MEUR (3.9 MEUR) in Baltic.

Performance in the fourth quarter was good. Net sales grew by 2% and the low growth was due to a couple of exceptionally large license deals in Denmark and Norway in the same period last year. Sales of Affecto's own work increased clearly. Sweden had the highest growth rate (39%).

Affecto's order backlog reached a new all-time-high level 57.1 MEUR, which is 5% higher than in Q4/2010 (54.4 MEUR). The increased uncertainty about the general economic developments has not much affected our daily work and the demand for our solutions has continued to be good.

Net sales by reportable segments

Net sales, MEUR	10-12/11	10-12/10	2011	2010
Finland	14.8	13.2	50.3	46.5
Norway	7.3	8.1	27.8	25.8
Sweden	6.7	4.8	21.5	15.3
Denmark	3.8	6.7	14.1	15.4
Baltic	4.8	3.9	16.2	13.7
Other	-0.8	-0.7	-2.6	-2.7
Group total	36.6	36.0	127.3	114.1

Net sales of Information Management Solutions business in 10-12/2011 were 33.8 MEUR (33.3 MEUR) and net sales of Geographic Information Services were 3.2 MEUR (2.9 MEUR).

PROFIT

Affecto's operating profit in 10-12/2011 was 2.8 MEUR (2.4 MEUR) and the operational segment result was 3.3 MEUR (2.9 MEUR). Operational segment result was in Finland 2.3 MEUR (1.8 MEUR), in Norway 1.0 MEUR (1.1 MEUR), in Sweden -0.7 MEUR (-0.6 MEUR), in Denmark 0.7 MEUR (0.6 MEUR) and in Baltic 0.5 MEUR (0.4 MEUR).

Compared to last year, profit increased clearly in Denmark and Finland and remained approximately at the same level in Norway and Baltic. Also in Sweden the operational profitability of the business improved during the quarter, but as the personnel cost calculation methods were changed during the quarter due to a changed interpretation of certain legislative rules, the last quarter's result includes approx. 0.5 MEUR of extra cost related already to the previous quarters. Without the change, the result in Sweden would have been approx. -0.1 MEUR.

Operational segment result by reportable segments

Operational segment result, MEUR	10-12/11	10-12/10	2011	2010
Finland	2.3	1.8	6.8	5.1
Norway	1.0	1.1	3.1	2.4
Sweden	-0.7	-0.6	-2.1	-1.7
Denmark	0.7	0.6	1.6	1.2
Baltic	0.5	0.4	2.1	0.6
Other	-0.3	-0.3	-1.3	-2.4
Operational segment result	3.3	2.9	10.2	5.3
IFRS3 Amortization	-0.5	-0.5	-2.0	-2.0
Operating profit	2.8	2.4	8.2	3.3

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 0.3 MEUR income in 2011 (0.2 MEUR in Q1, 0.0 MEUR in Q2, 0.0 MEUR in Q3, 0.1 MEUR in Q4).

Taxes corresponding to the profit of the period have been entered as tax expense. Net profit for the period was 2.0 MEUR, while it was 1.3 MEUR last year.

YEAR 2011

Affecto is the forerunner in the field of Enterprise Information Management and the leading Business Intelligence (BI) solution provider in the Nordic countries. We help our customers to improve productivity and competitiveness by superior use of information for decision making. We also deliver operational solutions for improving and simplifying processes at customer organizations and offer geographic information services.

Affecto's head office is in Finland and we have subsidiaries in Finland, Sweden, Norway, Denmark, Estonia, Lithuania, Latvia and Poland.

NET SALES

Affecto's net sales in year 2011 were 127.3 MEUR (Year 2010: 114.1 MEUR). Net sales in Finland were 50.3 MEUR (46.5 MEUR), in Norway 27.8 MEUR (25.8 MEUR), in Sweden 21.5 MEUR (15.3 MEUR), in Denmark 14.1 MEUR (15.4 MEUR) and 16.2 MEUR (13.7 MEUR) in Baltic.

Net sales grew by 12%, and in our main business area, EIM solutions, we outpaced the market growth in all Nordic countries. Growth was over 40% in Sweden, where we invested in organic growth. Growth in Baltic was 18%, and the market improved there during the early part of the year, but cautiousness increased in the latter half of the year. In Finland the growth was mainly in the BI business. In Denmark there was significant growth in net sales from own project work, but total net sales decreased due to the smaller amount of third-party licenses sold.

The business developed steadily in the Nordic countries, and the Nordic BI market remained strong during the year. The growth in general economic uncertainty during the autumn months did not affect our business to any large extent. The customer's interest for Affecto's solutions remained good.

Net sales of Information Management Solutions business were 116.8 MEUR (103.6 MEUR) and net sales of Geographic Information Services were 11.5 MEUR (11.0 MEUR).

The order backlog was 57.1 MEUR, which is 5% higher than the Q4/2010 order backlog (54.4 MEUR). Affecto has a well-diversified customer base. The ten largest customers generated approx. 20% of the group's net sales in 2011 and the largest customer accounted for 3% of net sales.

PROFIT

Affecto's operating profit was 8.2 MEUR (3.3 MEUR) and the operational segment result was 10.2 MEUR (5.3 MEUR). Operational segment result was in Finland 6.8 MEUR (5.1 MEUR), in Norway 3.1 MEUR (2.4 MEUR), in Sweden -2.1 MEUR (-1.7 MEUR), in Denmark 1.6 MEUR (1.2 MEUR) and in Baltic 2.1 MEUR (0.6 MEUR).

Profitability improved in all countries during the year. Baltic had the largest improvement in profitability (4→13%) and in Finland the profit increased the most in euro terms (5.1→6.8 MEUR). Denmark and Norway had their best annual results ever. In all of these countries, the profit improvement came from increased operational efficiency of the business operations, and no significant non-recurring items were included.

Sweden remained loss-making due to the ongoing development actions, as the local organization and processes have been developed in search of strong growth. The number of employees in Sweden grew organically by approx. 40% during the year. However, Sweden did not reach its profitability goals, although operational profitability improved toward the year-end.

According to the IFRS3 requirements, operating profit includes 2.0 MEUR (2.0 MEUR) of amortization on intangible assets related to acquisitions. The IFRS3 amortization is estimated to be approx. 2.0 MEUR per year until 2014, as the other intangible assets impacting in the IFRS3 amortization totaled 5.8 MEUR at the end of the reporting period.

R&D costs totaled 0.7 MEUR (1.2 MEUR), i.e. 0.6% of net sales (1.0%). These costs have been recognized as an expense in the income statement.

Taxes corresponding to the profit of the period have been entered as tax expense. Net profit for the period was 5.3 MEUR, while it was 0.9 MEUR last year.

FINANCE AND INVESTMENTS

At the end of the reporting period, Affecto's balance sheet totaled 145.1 MEUR (142.9 MEUR). Equity ratio was 46.1% (43.1%) and net gearing was 27.1% (40.4%).

The financial loans were 34.5 MEUR (36.5 MEUR) at the end of reporting period. The company's cash and liquid assets were 18.0 MEUR (13.8 MEUR). The interest-bearing net debt was 16.4 MEUR (22.6 MEUR). Affecto has renegotiated the bank loan in June 2011 and the loan agreement is valid until June 2016. The covenants are based on total net debt to earnings before interest, taxes, depreciation and amortization and total net debt to total equity. The covenants will be measured quarterly, and these terms and conditions of the covenants were met at the end of the reporting period.

Cash flow from operating activities for the reported period was 9.7 MEUR (1.5 MEUR) and cash flow from investing activities was -2.1 MEUR (-1.0 MEUR). Investments in non-current assets were 1.4 MEUR (1.1 MEUR).

Based on the decision by the Annual General Meeting held on 31 March 2011, Affecto has distributed dividends of 1.3 MEUR (previous year 1.3 MEUR).

EMPLOYEES

The number of employees was 1061 persons at the end of the reporting period (947). 407 employees were based in Finland, 134 in Norway, 151 in Sweden, 75 in Denmark and 294 in the Baltic countries. The average number of employees during the period was 1011 (919 in 2010, 974 in 2009). Wages and salaries were 57.4 MEUR (52.6 MEUR in 2010, 48.6 MEUR in 2009).

Stig-Göran Sandberg was appointed as Country Manager for Finland in June. He also continues as the Area Manager for Baltic. HR director Hilikka Remes-Hyvärinen retired in September.

Affecto invests in employee development through various initiatives like the training concept "Affecto University". Affecto's image as a workplace is annually evaluated in the Great Place to Work survey, where Affecto ranked among the country best workplaces in Finland, Norway, Sweden and Denmark.

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

Net sales in Finland were 50.3 MEUR (46.5 MEUR). Operational segment result was 6.8 MEUR (5.1 MEUR). The business developed rather steadily, and the profitability remained at a good level the whole year. Net sales grew by 8%, mostly in BI business area. Customers' activity has remained good, especially regarding BI solutions, and the effects of the increased economic uncertainty did not have material impact.

The Karttakeskus GIS business, reported as a part of Finland, developed well. Its net sales grew to 11.5 MEUR (11.0 MEUR) and the unit's profitability was good. Several large customer agreements were signed during the year: the Digiroad outsourcing agreement with the Finnish Transport Agency for the next three years, the GIS outsourcing agreement with the Finnish Agency for Rural Affairs for a year and the GIS system development project with Metsähallitus.

Norway

Net sales in Norway were 27.8 MEUR (25.8 MEUR) and operational segment result was 3.1 MEUR (2.4 MEUR). Net sales grew by 8% and profitability improved as the efficiency of business operations improved. The operational segment result was the best in the company's history. During the latter part of the year, several significant customer agreements were signed e.g. with Norway Post, Santander and Finanstilsynet.

Sweden

Net sales in Sweden were 21.5 MEUR (15.3 MEUR) and operational segment result -2.1 MEUR (-1.7 MEUR). Net sales grew organically by 41% and correspondingly the number of employees has grown by approx. 40% during the year. The forward-looking building of the local organization, targeting a significant growth in net sales in 2011, has clearly lowered profitability. The operational profitability of the business improved during the year, but a positive result was not yet reached during the year. The personnel cost calculation methods were changed during the last quarter due to a changed interpretation of certain legislative rules, which weakened the annual result by approx. 0.5 MEUR compared to previous years. The increased order backlog and delivery capacity provide a good basis for improving profitability.

Denmark

Net sales in Denmark were 14.1 MEUR (15.4 MEUR) and operational segment result was 1.6 MEUR (1.2 MEUR). The result was the best in the company's history and one reason was a clear growth in the sales of own work. Net sales decreased due to a decrease in the third-party license sales.

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

Net sales in Baltic were 16.2 MEUR (13.7 MEUR). Operational segment result was 2.1 MEUR (0.6 MEUR). Net sales grew by 18% and profitability improved clearly. 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 and the customers' cautiousness increased again in the last months of the year. The price competition continues to be tight, and the EU continues to have great importance in financing both public and also private investments. The demand for BI solutions has grown somewhat. New projects were received during the period mostly from public sector entities, e.g. from SODRA.

REVIEW OF MARKET DEVELOPMENTS

The demand for Enterprise Information Management (EIM) solutions, including Business Intelligence (BI) and Enterprise Content Management (ECM), is estimated to continue growing more rapidly than the general IT services. The average annual global growth of BI and analytics software license markets is estimated to be approx. 8% in the next few years. The Nordic EIM services markets are estimated to grow annually by 6-8%. The scope of EIM solutions continues to evolve, and the new offerings like Master Data Management (MDM), Data Quality and collaborative BI will increase their role in the solution offering.

The growth in uncertainty during the last months of 2011 hasn't so far materially impacted Affecto's business, but should the uncertainty continue, it may negatively impact customers' investment decisions either by slowing decision making or cutting investment plans. On the other hand, the EIM solutions are seen as a tool for improving operational efficiency and thus the demand for them did not significantly decrease in the 2008-2010 recession.

CHANGES IN GROUP STRUCTURE

Affecto has established a separate subsidiary 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 on 1 January 2011. Both Affecto Finland Ltd and the new Karttakeskus Oy are wholly-owned subsidiaries of the parent company Affecto Plc.

Affecto has acquired the remaining shares of Affecto Estonia from the minority shareholders in July. The company is previously consolidated as 100 % subsidiary in the financial statement of the group and this arrangement is disclosed in detail in the notes 16 and 33 of the consolidated financial statements for the year 2010. The transaction had no material impact on the group financials.

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 as the 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 expired 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 December 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.

During 2011, the highest share price was 2.97 euro, the lowest price 2.00 euro, the average price 2.46 euro and the closing price 2.36 euro. The trading volume was 8.8 million shares, corresponding to 41% of the

number of shares at the end of the period. The market value of shares was 50.8 MEUR at the end of the period including the shares owned by Affecto Management Oy.

The share subscription period of the 2006B options expired on 31 December 2011 and no subscriptions were made.

SHAREHOLDERS

The company had a total of 1822 owners on 31 December 2011 and the foreign ownership was 17%. The list of the largest owners can be found in the company's web site. Information about the ownership structure and option programs is included as a separate section in the financial statements. The ownership of the board members, CEO and their controlled corporations totaled approx. 14.7% (14.5% shares and 0.2% 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-Pohjola (OP-Rahastoyhtiö funds) has exceeded 5%.

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

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

According to the flagging announcement made due to a technical change on 13 June 2011, the ownership of OP-Pohjola has decreased below 5% and the ownership of OP-Rahastoyhtiö funds has exceeded 5%.

According to the flagging announcement made on 26 September 2011, the ownership of Aaro Cantell and his controlled entities has exceeded 10%.

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. Slower investment decision making, postponing or cancellation of customers' IT investments may have negative impact on Affecto.

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

Affecto's order backlog has traditionally been only for a few months, which decreases the reliability of longer-term forecasts. Affecto sells third party software licenses as part of its solutions. Typically the license sales have most impact on the last month of each quarter and especially in the fourth quarter. This increases the fluctuation in net sales between quarters and increases the difficulty of accurately forecasting the quarters. Affecto had license sales of approx. 11 MEUR in 2011.

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 bank loan has covenants, the breach of which may lead to higher financing costs or even the termination of the loan. The covenants are based on total net debt to earnings before interest, taxes, depreciation and amortization and total net debt to total equity.

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 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.

EVENTS AFTER THE REPORTING PERIOD

According to the flagging announcement made on 16 January 2012, the ownership of Evli Group has exceeded 5%. The ownership will later decrease below 5% when a forward contract made by Evli matures.

DIVIDEND PROPOSAL

The Board has updated Affecto's dividend policy: Affecto's dividend policy is to pay 30-50 percent of the profit as dividend. The company may deviate from this policy due to the needs of business development and growth.

Distributable funds of the group parent company on 31 December 2011 are 67 171 521.24 euros, of which the distributable profit is 26 661 597.75 euros. Board of Directors proposes that from the financial year 2011 a dividend of 0.11 euros per share will be paid, a total of 2 366 811.48 euros with the outstanding number of shares at the end of the financial period, and the rest is carried forward to the retained earnings account. No material changes have taken place in respect of the company's financial position after the balance sheet date. The liquidity of the company is good and in the opinion of the Board of Directors proposed distribution of profit does not risk the liquidity of the company.

FUTURE OUTLOOK

In 2012 the main focus continues to be on profitability improvement. Profitability (EBIT-%) is estimated to improve and net sales are estimated to grow in 2012.

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 14.00 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)	10-12/11	10-12/10	2011	2010
Net sales	36 643	36 046	127 270	114 078
Other operating income	7	34	97	57
Changes in inventories of finished goods and work in progress	-85	-18	-72	-181
Materials and services	-8 291	-10 311	-26 777	-25 393
Personnel expenses	-20 232	-17 868	-72 003	-64 838
Other operating expenses	-4 341	-4 635	-16 907	-17 106
Other depreciation and amortisation	-368	-325	-1 405	-1 352
IFRS3 amortisation	-502	-501	-2 020	-1 990
Operating profit	2 831	2 422	8 182	3 275
Net financial expenses	-179	-440	-1 096	-1 797
Profit before income tax	2 652	1 982	7 087	1 479
Income tax	-628	-634	-1 762	-546
Profit for the period	2 024	1 348	5 324	933
Profit for the period attributable to:				
Owners of the parent company	2 022	1 361	5 328	955
Non-controlling interest	2	-13	-3	-22
Earnings per share (EUR per share):				
Basic	0.10	0.07	0.26	0.05
Diluted	0.10	0.07	0.25	0.05

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(1 000 EUR)	10-12/11	10-12/10	2011	2010
Profit for the period	2 024	1 348	5 324	933
Other comprehensive income:				
Translation difference	1 174	787	252	4 214
Total Comprehensive income for the period	3 198	2 135	5 576	5 146
Total Comprehensive income attributable to:				
Owners of the parent company	3 196	2 148	5 579	5 169
Non-controlling interest	2	-13	-3	-22

CONSOLIDATED BALANCE SHEET

(1 000 EUR)	12/2011	12/2010
Non-current assets		
Property, plant and equipment	2 051	1 908
Goodwill	73 102	72 866
Other intangible assets	5 974	8 099
Deferred tax assets	1 562	1 506
Available-for-sale financial assets	-	19
Trade and other receivables	17	36
	82 706	84 434
Current assets		
Inventories	402	482
Trade and other receivables	43 373	43 662
Current income tax receivables	665	505
Cash and cash equivalents	17 964	13 818
	62 405	58 468
Total assets	145 111	142 901
Equity attributable to owners of the parent Company		
Share capital	5 105	5 105
Reserve of invested non-restricted equity	46 591	46 591
Other reserves	593	417
Treasury shares	-1 996	-1 996
Translation differences	-777	-1 028
Retained earnings	10 642	6 605
	60 159	55 695
Non-controlling interest	376	380
Total equity	60 535	56 074
Non-current liabilities		
Borrowings	30 355	32 462
Derivative financial instruments	-	784
Deferred tax liabilities	1 550	2 288
	31 905	35 535
Current liabilities		
Borrowings	4 000	4 000
Derivative financial instruments	475	-
Trade and other payables	45 380	45 290
Current income tax liabilities	1 994	953
Provisions	822	1 049
	52 670	51 292
Total liabilities	84 576	86 827
Equity and liabilities	145 111	142 901

SUMMARY CONSOLIDATED CASH FLOW STATEMENT

(1 000 EUR)	2011	2010
Cash flows from operating activities		
Profit for the period	5 324	933
Adjustments to profit for the period	6 461	5 737
	11 786	6 670
Change in working capital	985	-3 314
Interest and other financial cost paid	-1 579	-1 651
Interest and other financial income received	202	144
Income taxes paid	-1 685	-335
Net cash from operating activities	9 709	1 514
 Cash flows from investing activities		
Payment of liabilities, Affecto Estonia	-740	-
Acquisition of tangible and intangible assets	-1 416	-1 072
Proceeds from sale of tangible and intangible assets	42	6
Proceeds from sale of Available-for-sale financial assets	-	41
Net cash used in investing activities	-2 114	-1 025
 Cash flows from financing activities		
Related party investments*	-	402
Proceeds from non-current borrowings	36 339	-
Repayments of non-current borrowings	-38 500	-4 000
Acquisition and disposal of treasury shares**	-	-1 906
Dividends paid to the owners of the parent company	-1 291	-1 289
Net cash from financing activities	-3 452	-6 792
(Decrease)/increase in cash and cash equivalents	4 144	-6 304
Cash and cash equivalents at the beginning of the period	13 818	19 525
Foreign exchange effect on cash	3	597
Cash and cash equivalents at the end of the period	17 964	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							Total equity
	Share capital	Reserve of invested non-restricted equity	Other reserves	Treasury shares	Trans lat. diff.	Ret. earnings	Non-controlling interest	
Equity at 1 January 2011	5 105	46 591	417	-1 996	-1 028	6 605	380	56 074
Profit						5 328	-3	5 324
Translation differences					252			252
Total comprehensive income					252	5 328	-3	5 576
Share-based payments			176					176
Dividends paid						-1 291		-1 291
Equity at 31 December 2011	5 105	46 591	593	-1 996	-777	10 642	376	60 535

(1 000 EUR)	Equity attributable to owners of the parent company								Total equity
	Share capital	Share premium	Reserve of invested non-restricted equity	Other reserves	Treasury shares	Translat. diff.	Ret. earnings	Non-controlling interest	
Equity at 1 January 2010	5 105	25 404	21 188	264	-106	-5 242	6 955	-	53 568
Profit							955	-22	933
Translation differences						4 214			4 214
Total comprehensive income						4 214	955	-22	5 146
Share-based payments				153					153
Acquisition and disposal of treasury shares					106		-16		90
Decrease of share premium account		-25 404	25 404						
Dividends paid							-1 289		-1 289
Management incentive plan *					-1 996			402	-1 594
Equity at 31 December 2010	5 105	-	46 591	417	-1 996	-1 028	6 605	380	56 074

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

2. Notes

2.1. Basis of preparation

This financial statement bulletin has been prepared in accordance with the IFRS recognition and measurement principles. This financial statement bulletin does not comply with all of the requirements of IAS 34 Interim Financial Reporting. The financial statement bulletin should be read in conjunction with the annual financial statements for the year 2010. In material respects, the same accounting policies have been applied as in the 2010 annual consolidated financial statements. The amendments to and interpretations of IFRS standards that entered into force on 1 January had no impact on this financial statement bulletin.

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 net sales and result

(1 000 EUR)	10-12/11	10-12/10	2011	2010
Total net sales				
Finland	14 840	13 169	50 277	46 522
Norway	7 266	8 080	27 841	25 845
Sweden	6 693	4 813	21 513	15 276
Denmark	3 841	6 732	14 072	15 411
Baltic	4 825	3 902	16 167	13 694
Other	-823	-651	-2 600	-2 669
Group total	36 643	36 046	127 270	114 078
Operational segment result				
Finland	2 254	1 759	6 804	5 073
Norway	956	1 083	3 109	2 405
Sweden	-677	-574	-2 141	-1 666
Denmark	659	553	1 593	1 226
Baltic	455	437	2 100	595
Other	-314	-336	-1 263	-2 367
Total operational segment result	3 333	2 923	10 202	5 265
IFRS amortisation	-502	-501	-2 020	-1 990
Operating profit	2 831	2 422	8 182	3 275

Net sales by business lines

(1 000 EUR)	10-12/11	10-12/10	2011	2010
Information Management Solutions	33 783	33 264	116 812	103 579
Geographic Information Services	3 224	2 917	11 533	10 950
Other	-364	-135	-1 076	-451
Group total	36 643	36 046	127 270	114 078

2.3. Interest-bearing liabilities

(1 000 EUR)	31.12.2011	31.12.2010
Interest-bearing non-current liabilities		
Loans from financial institutions, non-current portion	30 355	32 462
Loans from financial institutions, current portion	4 000	4 000
	<u>34 355</u>	<u>36 462</u>

Affecto has renegotiated the bank loan in June 2011. The refinanced loan facility agreement includes financial covenants, breach of which might lead to an increase in cost of debt or cancellation of the facility agreement. The covenants are based on total net debt to earnings before interest, taxes, depreciation and amortization and total net debt to total equity. The covenants will be measured quarterly, and these terms and conditions of covenants were met at the end of the reporting period.

2.4. Contingencies and commitments

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

(1 000 EUR)	31.12.2011	31.12.2010
Not later than one (1) year	4 046	2 788
Later than one (1) year, but not later than five (5) years	7 526	2 788
Later than five (5) years	614	268
Total	<u>12 186</u>	<u>5 844</u>

Guarantees given:

(1 000 EUR)	31.12.2011	31.12.2010
Liabilities secured by a mortgage Financial loans	34 500	36 500

The above-mentioned liabilities are secured by bearer bonds with a nominal 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 liabilities above.

Other securities given on own behalf:

(1 000 EUR)	31.12.2011	31.12.2010
Pledges	30	39
Other guarantees	2 073	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 and subsidiaries.

2.5. Derivative contracts

(1 000 EUR)	31.12.2011	31.12.2010
Interest rate swaps:		
Nominal value	20 250	20 250
Fair value	-475	-784

3. Key figures

	10-12/11	10-12/10	2011	2010
Net sales, 1 000 eur	36 643	36 046	127 270	114 078
EBITDA, 1 000 eur	3 701	3 248	11 608	6 617
Operational segment result, 1 000 eur	3 333	2 923	10 202	5 265
Operating result, 1 000 eur	2 831	2 422	8 182	3 275
Result before taxes, 1 000 eur	2 652	1 982	7 087	1 479
Profit attributable to the owners of the parent company, 1 000 eur	2 022	1 361	5 328	955
EBITDA, %	10.1 %	9.0 %	9.1 %	5.8 %
Operational segment result, %	9.1 %	8.1 %	8.0 %	4.6 %
Operating result, %	7.7 %	6.7 %	6.4 %	2.9 %
Result before taxes, %	7.2 %	5.5 %	5.6 %	1.3 %
Net income for equity holders of the parent company, %	5.5 %	3.8 %	4.2 %	0.8 %
Equity ratio, %	46.1 %	43.1 %	46.1 %	43.1 %
Net gearing, %	27.1 %	40.4 %	27.1 %	40.4 %
Interest-bearing net debt, 1 000 eur	16 391	22 645	16 391	22 645
Gross investment in non-current assets (excl. acquisitions), 1 000 eur	435	245	1 416	1 072
Gross investments, % of net sales	1.2 %	0.7 %	1.1 %	0.9 %
Research and development costs, 1 000 eur	65	362	717	1 178
R&D –costs, % of net sales	0.2 %	1.0 %	0.6 %	1.0 %
Order backlog, 1 000 eur	57 110	54 354	57 110	54 354
Average number of employees	1 019	940	1 011	919
Earnings per share, eur	0.10	0.07	0.26	0.05
Earnings per share (diluted), eur	0.10	0.07	0.25	0.05
Equity per share, eur	2.91	2.69	2.91	2.69
Average number of shares, 1 000 shares	20 693	20 693	20 693	21 146
Number of shares at the end of period, 1 000 shares	20 693	20 693	20 693	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, %	=	$\frac{\text{Interest-bearing liabilities – cash and cash equivalents}}{\text{Total equity}}$	*100
Interest-bearing net debt	=	Interest-bearing liabilities – cash and cash equivalents	
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	
