AFFECTO PLC -- FINANCIAL STATEMENTS BULLETIN -- 13 FEBRUARY 2014 at 12.30

Affecto Plc's Financial Statements Bulletin 2013

Group key figures

MEUR	10-12/13	10-12/12	2013	2012
Net sales	36.2	38.3	132.9	133.4
Operational segment result	2.7	5.0	10.3	12.5
% of net sales	7.6	13.2	7.7	9.4
Operating profit	2.3	4.5	8.3	10.5
% of net sales	6.3	11.8	6.2	7.8
Profit before taxes	2.1	4.3	8.0	10.0
Profit for the period	1.4	3.3	5.6	7.6
Equity ratio, %	53.0	50.6	53.0	50.6
Net gearing, %	7.4	15.8	7.4	15.8
Earnings per share, eur	0.07	0.16	0.26	0.37
Earnings per share (diluted), eur	0.07	0.15	0.26	0.36
Equity per share, eur	3.14	3.24	3.14	3.24
Dividend proposal, eur/share			0.16	0.16

CEO Lars Wahlström comments:

Our fourth quarter performance was weaker than we originally expected. Our net sales decreased by over 5% and operating profit clearly decreased from the previous year. Net sales decreased in Denmark, Sweden and Norway. Finland and Baltic achieved small growth. The mix of the net sales developed unevenly and resource utilisation remained too low in some segments. Both the sales of own consulting work and third-party licenses decreased somewhat.

Fourth quarter's profit decreased in all areas, especially in Norway and Baltic. Denmark and Finland made good profit, but were below last year. Sweden was slightly profitable making a second profitable quarter in a row, which is great in the light of our past difficulties there. Baltic made a loss mainly due to Lithuania.

Year 2013 started well, but under weak economic environment. Our performance decreased toward the year-end as the general economy continued being weak and affecting customers' investments. Net sales in whole year 2013 were approx. 133 MEUR at the previous year's level. Due to the weak fourth quarter the operating profit 8.3 MEUR was clearly below the previous year.

The general economic environment weakened during the year in Finland and Norway. In Baltic especially the Lithuanian IT market weakened clearly and a recovery is not expected before the second half of 2014.

The order backlog was 48.7 MEUR at the year-end, clearly below last year (61.4 MEUR). The typical year-end sales peak was smaller than in the previous year. Third-party license sales were somewhat smaller than last year, but also project sales disappointed especially in Norway and Finland. Customers' decision making has slowed down and they order smaller projects than in the previous years.

Year 2014 net sales and operating profit are estimated to be near last year's level. Operating profit in the first quarter is expected to be weak, partially due to profit improvement actions being taken.

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

BUSINESS DEVELOPMENT 10-12/2013

Affecto's net sales in 10-12/2013 were 36.2 MEUR (10-12/2012: 38.3 MEUR). Net sales in Finland were 14.9 MEUR (14.7 MEUR), in Norway 7.3 MEUR (8.0 MEUR), in Sweden 6.2 MEUR (7.3 MEUR), in Denmark 4.1 MEUR (4.9 MEUR) and 4.5 MEUR (4.3 MEUR) in Baltic.

Net sales by reportable segments

Net sales, MEUR	10-12/13	10-12/12	2013	2012
Finland	14.9	14.7	53.2	52.6
Norway	7.3	8.0	29.6	27.2
Sweden	6.2	7.3	23.2	24.0
Denmark	4.1	4.9	15.4	16.0
Baltic	4.5	4.3	16.0	16.7
Other	-0.9	-0.9	-4.4	-3.0
Group total	36.2	38.3	132.9	133.4

Net sales decreased by 5.5% in the fourth quarter. There was small growth in Finland and Baltic, but net sales decreased in Norway, Sweden and Denmark. The mix of the net sales developed unevenly and resource utilisation remained too low in some segments. Net sales of both own consultancy work and third-party licenses decreased, while the amount of subcontracting grew. Especially in Baltic and Norway net sales included more subcontractors' work, while a decrease in subcontracting was the largest reason for the decrease in Denmark. The weakening of the Norwegian krona (NOK) during 2013 clearly contributed to the decrease of sales reported in euros. The decrease in license sales affected mostly Sweden and Norway.

Net sales of Information Management Solutions business in 10-12/2013 were 33.5 MEUR (35.5 MEUR) and net sales of Karttakeskus GIS business were 3.5 MEUR (3.2 MEUR).

Customers' interest is toward shorter and smaller projects than earlier and the investment decisions take a long time. The general market sentiment is cautious and has weakened especially in Finland and Norway. On the other hand the Swedish and Danish markets have picked up somewhat. The sales peak typical to the year-end was clearly smaller than in the previous year and the order backlog decreased to 48.7 MEUR (61.4 MEUR).

PROFIT

Affecto's operating profit in 10-12/2013 was 2.3 MEUR (4.5 MEUR) and the operational segment result was 2.7 MEUR (5.0 MEUR). Operational segment result was in Finland 1.9 MEUR (2.5 MEUR), in Norway 0.5 MEUR (1.3 MEUR), in Sweden 0.1 MEUR (0.3 MEUR), in Denmark 0.6 MEUR (0.9 MEUR) and in Baltic -0.2 MEUR (0.5 MEUR).

Operational segment result by reportable segments

Operational segment result, MEUR	10-12/13	10-12/12	2013	2012
Finland	1.9	2.5	6.9	7.7
Norway	0.5	1.3	2.7	3.3
Sweden	0.1	0.3	-0.2	-0.9
Denmark	0.6	0.9	1.9	1.8
Baltic	-0.2	0.5	0.2	2.0
Other	-0.2	-0.6	-1.2	-1.4
Operational segment result	2.7	5.0	10.3	12.5
IFRS3 Amortization	-0.4	-0.5	-2.0	-2.1
Operating profit	2.3	4.5	8.3	10.5

Operating profit in the quarter decreased to 2.3 MEUR (4.5 MEUR) and profitability decreased to 6% (12%). Profit decreased in all countries, most in Norway and Baltic. Profitability was excellent 15% in Denmark and good 13% in Finland. Profitability decreased to 7% in Norway due to a low resource utilisation rate and a decrease in license sales. Decrease in license sales affected mostly Sweden and Norway. In Baltic the Lithuanian market is slow and additionally a 0.3 MEUR provision was recognized due to an unfinished project in Lithuania. Net sales in Baltic also included a sizable amount of subcontractors' work without impact on profit.

Taxes corresponding to the profit of the period have been entered as tax expense. Net profit for the period was 1.4 MEUR, while it was 3.3 MEUR last year.

YEAR 2013

Affecto is the forerunner in the field of Enterprise Information Management in the Northern Europe. Our solutions for information management and business analytics help organisations to improve productivity and competitiveness with superior use of information in decision making and execution. We also deliver operational solutions for improving and simplifying processes at customer organisations and offer geographic information services.

Affecto’s head office is in Finland. The company has subsidiaries in Finland, Sweden, Norway, Denmark, Estonia, Lithuania, Latvia, Poland and South Africa.

NET SALES

Affecto's net sales in 2013 were 132.9 MEUR (2012: 133.4 MEUR). Net sales in Finland were 53.2 MEUR (52.6 MEUR), in Norway 29.6 MEUR (27.2 MEUR), in Sweden 23.2 MEUR (24.0 MEUR), in Denmark 15.4 MEUR (16.0 MEUR) and 16.0 MEUR (16.7 MEUR) in Baltic.

Year 2013 started moderately well, but the effects of the continuing weak general economy became more visible during the year affecting the net sales negatively. Due to a weak second year-half, the net sales ended at previous year's level of 133 MEUR. Thanks to a strong first half of the year Norway grew by 9%. Net sales in Finland grew by 1%, while net sales in Sweden, Denmark and Baltic decreased by 3-4%.

There were no major changes in the sales mix. The sales of own consultant work decreased slightly, sales of subcontractor work grew slightly and third-party license sales were at previous year's level.

Net sales of Information Management Solutions business were 123.6 MEUR (122.9 MEUR) and net sales of Karttakeskus GIS business were 12.2 MEUR (11.9 MEUR).

Customers' interest was toward shorter and smaller projects than earlier and the investment decisions take a long time. The general market sentiment was cautious and has been week especially in Finland, but weakened during the year also in Norway and Baltic. On the other hand the market in Sweden and Denmark have picked up somewhat. The order backlog is at previous year's level in Sweden and Denmark, but has decreased in all other areas. The order backlog decreased to 48.7 MEUR (61.4 MEUR).

PROFIT

Affecto's operating profit in 2013 was 8.3 MEUR (10.5 MEUR) and the operational segment result was 10.3 MEUR (12.5 MEUR). Operational segment result was in Finland 6.9 MEUR (7.7 MEUR), in Norway 2.7 MEUR (3.3 MEUR), in Sweden -0.2 MEUR (-0.9 MEUR), in Denmark 1.9 MEUR (1.8 MEUR) and in Baltic 0.2 MEUR (2.0 MEUR).

Operating profit decreased to 8.3 MEUR (10.5 MEUR) and profitability decreased to 6% (8%). Although there were no major changes in the sales mix, the cost increases could not be fully compensated with volume growth, net sales included a bit more subcontractors' work and license sales had a bit lower margin. Profitability was at a good 13% level in Finland, but somewhat below the previous year. Norway had 9% profitability, but profitability weakened toward the year-end. Sweden made profit on the last two quarters, but profit for the whole year was still 1% negative. Denmark increased profitability to 12%. Profitability in Baltic, especially in Lithuania, weakened during the year and profitability in Baltic was 1%.

According to the IFRS3 requirements, operating profit includes 2.0 MEUR (2.1 MEUR) of amortization on intangible assets related to acquisitions. The other intangible assets impacting in the IFRS3 amortization totaled 1.8 MEUR at the end of the reporting period and the amortization will mainly end during year 2014.

R&D costs totaled 0.0 MEUR (0.1 MEUR), i.e. 0.0% of net sales (0.1%). 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 5.6 MEUR, while it was 7.6 MEUR last year.

FINANCE AND INVESTMENTS

At the end of the reporting period Affecto's balance sheet totaled 139.5 MEUR (12/2012: 147.9 MEUR). Equity ratio was 53.0% (50.6%) and net gearing was 7.4% (15.8%).

The financial loans were 26.5 MEUR (30.5 MEUR) at the end of reporting period. The company's cash and liquid assets were 21.5 MEUR (19.8 MEUR). The interest-bearing net debt was 5.0 MEUR (10.6 MEUR).

Cash flow from operating activities for the reported period was 10.9 MEUR (9.1 MEUR) and cash flow from investing activities was -1.6 MEUR (-1.0 MEUR). Investments in tangible and intangible assets were 1.6 MEUR (1.0 MEUR).

The Annual General Meeting held in April decided to distribute a dividend of 3.4 MEUR (2.4 MEUR).

EMPLOYEES

The number of employees was 1088 persons at the end of the reporting period (1096). 444 employees were based in Finland (416), 124 in Norway (131), 146 in Sweden (140), 71 in Denmark (69) and 303 in the Baltic countries (340). The average number of employees during the period was 1081 (1089). Wages and salaries were 59.1 MEUR (60.2 MEUR in 2012, 57.4 MEUR in 2011).

Hellen Wohlin Lidgard started as the country manager in Sweden in April. Rene Lykkeskov returned to his role as Affecto's chief strategy officer.

Pekka Eloholma served as the CEO of Affecto Plc until 31 December 2013. Board member Lars Wahlström has been the interim CEO since 1 January 2014 and serves in that position during the CEO recruitment process.

REVIEW OF MARKET DEVELOPMENTS

Uncertainty about the general economic development continued to affect Affecto's business negatively. Customers' decision-making pace was slow and they are ordering shorter projects than earlier, which has decreased the size of the order backlog in most countries. In our operating area the general customer activity has been growing in Sweden and Denmark, has decreased in Finland and Norway, and has remained low in Baltic.

Customers' focus seems to be more on efficiency-improvement solution areas than on growth-oriented sales solutions.

The demand for Business Intelligence (BI) and Enterprise Content Management (ECM) solutions is estimated to continue growing more rapidly than the general IT services. The analyst forecasts for the average annual growth of these software license markets are approx. 4-8% in the next few years, but according to our own estimates the realized growth in our operating area has been below that.

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.

The net sales in Finland grew by 1% to 53.2 MEUR (52.6 MEUR). Operational segment result was 6.9 MEUR (7.7 MEUR) and profitability was 13%. The year was characterized by weak economic environment, customers being cautious and slow with their investment decisions. Largest deal in the period was made with the City of Helsinki regarding the maintenance of its data warehouse and reporting systems.

The net sales of Karttakeskus GIS business, reported as part of Finland, increased by 3% to 12.2 MEUR (11.9 MEUR) and its profitability was excellent. Unit's order backlog developed positively, to which the deals made with the Finnish Agency for Rural Affairs and the Finnish Transport Authority had a clear impact.

The net sales in Norway were 29.6 MEUR (27.2 MEUR) and operational segment result was 2.7 MEUR (3.3 MEUR). Net sales grew by 9% thanks to the good first half of the year, and growth measured in local currency was even stronger. Profitability decreased to 9% due to a weak fourth quarter. Customers prefer shorter and smaller projects than earlier, which has also clearly decreased the order backlog. Largest deals in the review period were made with Sparebank1 and Elkjop Nordic.

Resource utilisation in Norway decreased toward the year-end contributing to the low profitability. We assess that demand mix of BI services has changed somewhat and additionally the share of solutions including low-cost work components has grown. Actions to improve profitability will be executed in Norway during early 2014 and will cause approx. 0.7 MEUR costs during the first quarter.

The net sales in Sweden were 23.2 MEUR (24.0 MEUR) and operational segment result -0.2 MEUR (-0.9 MEUR). The net sales decreased by 3%. Hellen Wohlin Lidgard started as the country manager in April. Profitability turned positive after summer, but the whole year profit was still slightly negative. Development actions continue and the goal is to achieve normal profitability, but structural and operational changes for the business will take some time. Largest deal in the period was made with the Länsförsäkringar Bank.

The net sales in Denmark were 15.4 MEUR (16.0 MEUR) and operational segment result was 1.9 MEUR (1.8 MEUR). Net sales decreased by 4%, but profit grew and profitability increased to 12%. Market situation in Denmark is rather normal and order backlog is at the last year's level. Largest deals in the period were a three-year maintenance contract with a public sector customer and a contract with BEC.

The net sales in Baltic (Lithuania, Latvia, Estonia, Poland, South Africa) were 16.0 MEUR (16.7 MEUR). Operational segment result was 0.2 MEUR (2.0 MEUR). Net sales decreased by 4% and profitability decreased to 1%. Especially in Lithuania, the largest market for us, the IT market has slowed down and public sector customers' are launching only a few new projects. The Estonian market situation is more normal. The situation in Lithuania is not expected to improve during early 2014, but the new funding decisions by the European Union and the possible entrance of Lithuania into Euro may increase IT investments in the latter half of 2014.

ANNUAL GENERAL MEETING AND GOVERNANCE

The Annual General Meeting of Affecto Plc, held on 9 April 2013, adopted the financial statements for 1.1.-31.12.2012 and discharged the members of the Board of Directors and the CEO from liability. Approximately 35 percent of Affecto's shares and votes were represented at the Meeting. The Annual General Meeting decided on a dividend distribution of EUR 0.16 per share for the year 2012.

Aaro Cantell, Magdalena Persson, Jukka Ruuska, Olof Sand, Tuija Soanjärvi and Lars Wahlström were elected as members of the Board of Directors. The organization meeting of the Board of Directors re-elected Aaro Cantell as Chairman 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.

The Meeting approved the Board's proposal for issuing stock options 2013. The maximum total number of stock options issued will be 400 000 and they will be issued gratuitously or for consideration determined by the Board of Directors.

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 Company will issue a Corporate Governance Statement for year 2013 that has been composed in accordance with Recommendation 54 of the Corporate Governance code and Chapter 7, Section 7 of the Finnish Securities Market Act. The Corporate Governance Statement is issued separately from the report of the board of directors and it will be available on the company's website.

THE AUTHORIZATIONS GIVEN TO THE BOARD OF DIRECTORS

The complete contents of the new authorizations given by the Annual General Meeting held on 9 April 2013 have been published in the stock exchange release regarding the Meetings' decisions. Key facts about the authorizations:

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. Based on this authorization, a total of 391 460 new shares have been issued in connection with the termination of the Affecto Management holding company arrangement. Based on the authorization a total of 13 875 shares have been conveyed to the Board members as a partial payment of their fees, in accordance to the decision made by the Annual General Meeting.

SHARES AND TRADING

During the review period a total of 384 076 new shares have been subscribed with the 2008B and 2008C options.

The company has one share series and all shares have similar rights. At the end of the review period Affecto Plc's share capital consisted of 22 318 604 shares. The company owned directly 64 552 shares and a fully owned subsidiary Affecto Management Oy owned 823 000 shares. Thus there are 887 552 treasury shares in total, approx. 4 % of the total amount of the shares.

In 1-12/2013 the highest share price was 4.80 euro, the lowest price 2.98 euro, the average price 4.01 euro and the closing price 4.57 euro. The trading volume was 6.2 million shares, corresponding to 28% of the number of shares at the end of the period. The market value of shares was 97.9 MEUR at the end of the period excluding the treasury shares.

2008C options have been listed on Nasdaq OMX Helsinki since 2 April 2013. 2008B options expired in May. A total of 259 000 of 2013 stock options have been conveyed to key employees for the 0.20 eur/option issue price that was decided by the Board.

SHAREHOLDERS

The company had a total of 2866 owners on 31 December 2013 and the foreign ownership was 9%. 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. 10.4%.

According to the flagging announcement made on 26 September 2013, the ownership of Arendals Fossekompani ASA has decreased below 5%. According to the flagging announcements made on 25 October 2013 and 28 October 2013 the total ownership of funds managed by Sp-Rahastoyhtiö Oy and Säästöpankki Kotimaa fund have exceeded 5%.

ASSESSMENT OF RISKS AND UNCERTAINTIES

Affecto's order backlog has traditionally been only for a few months, which decreases the reliability of longer-term forecasts. The changes in the general economic conditions and the operating environment of customers have direct impact in Affecto's markets. The uncertain economy may affect Affecto's customers negatively, and their slower investment decision making, postponing or cancellation of IT investments may have negative impact on Affecto. Slower decision making by customers may decrease the predictability of the business and may decrease the utilisation rate of resources.

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. 10 MEUR in 2013.

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.

Affecto's success depends also on good customer relationships. Affecto has a well-diversified customer base. The largest customer generated 3% of Affecto's net sales, while the 10 largest together generated 17%. 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.

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. The main part of the companies' income and costs are within the same currency, which decreases the risks.

EVENTS AFTER THE REPORTING PERIOD

Board member Lars Wahlström has been the interim CEO since 1 January 2014 and serves in that position during the CEO recruitment process.

DIVIDEND PROPOSAL

Distributable funds of the group parent company on 31 December 2013 are 72 180 865,11 euros, of which the distributable profit is 28 956 939,46 euros. Board of Directors proposes that from the financial year 2013 a dividend of 0.16 euros per share will be paid, a total of 3 560 648.32 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

Year 2014 net sales and operating profit are estimated to be near last year's level. Operating profit in the first quarter is expected to be weak, partially due to profit improvement actions being taken.

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

You can 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)	10-12/2013	10-12/2012	2013	2012
Net sales	36 195	38 301	132 896	133 400
Other operating income	58	196	65	221
Changes in inventories of finished goods and work in progress	0	-68	306	-94
Materials and services	-9 485	-8 997	-29 952	-27 072
Personnel expenses	-19 035	-19 516	-74 031	-75 542
Other operating expenses	-4 705	-4 554	-17 803	-17 106
Other depreciation and amortisation	-294	-322	-1 230	-1 290
IFRS3 amortisation	-442	-521	-1 989	-2 067
Operating profit	2 292	4 519	8 262	10 451
Financial income and expenses	-163	-232	-289	-408
Profit before income tax	2 129	4 287	7 973	10 042
Income tax	-698	-1 036	-2 407	-2 467
Profit for the period	1 431	3 250	5 566	7 575
Profit for the period attributable to:				
Owners of the parent company	1 433	3 260	5 493	7 552
Non-controlling interest	-2	-9	73	23
Earnings per share (EUR per share):				
Basic	0.07	0.16	0.26	0.37
Diluted	0.07	0.15	0.26	0.36

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(1 000 EUR)	10-12/2013	10-12/2012	2013	2012
Profit for the period	1 431	3 250	5 566	7 575
Other comprehensive income				
Items that may be reclassified subsequently to the statement of income:				
Translation difference	-1 029	-323	-3 074	1 723
Total Comprehensive income for the period	402	2 927	2 491	9 298
Total Comprehensive income attributable to:				
Owners of the parent company	404	2 937	2 419	9 275
Non-controlling interest	-2	-9	73	23

CONSOLIDATED BALANCE SHEET

(1 000 EUR)	12/2013	12/2012
Non-current assets		
Property, plant and equipment	1 947	1 711
Goodwill	72 166	74 651
Other intangible assets	2 072	4 098
Deferred tax assets	1 606	1 506
Trade and other receivables	4	11
	77 795	81 977
Current assets		
Inventories	622	317
Trade and other receivables	38 969	45 529
Current income tax receivables	615	325
Cash and cash equivalents	21 469	19 767
	61 675	65 937
Total assets	139 470	147 914
Equity attributable to owners of the parent Company		
Share capital	5 105	5 105
Reserve of invested non-restricted equity	47 448	46 643
Other reserves	763	693
Treasury shares	-2 165	-2 202
Translation differences	-2 128	946
Retained earnings	18 184	15 781
	67 207	66 965
Non-controlling interest	-	311
Total equity	67 207	67 277
Non-current liabilities		
Loans and borrowings	22 420	26 387
Deferred tax liabilities	505	987
	22 924	27 374
Current liabilities		
Loans and borrowings	4 000	4 000
Trade and other payables	42 788	46 745
Current income tax liabilities	1 913	2 159
Provisions	638	359
	49 339	53 263
Total liabilities	72 264	80 638
Equity and liabilities	139 470	147 914

SUMMARY CONSOLIDATED CASH FLOW STATEMENT

(1 000 EUR)	2013	2012
Cash flows from operating activities		
Profit for the period	5 566	7 575
Adjustments to profit for the period	6 271	6 449
	11 837	14 024
Change in working capital	2 863	-1 340
Interest and other financial cost paid	-566	-1 207
Interest and other financial income received	123	165
Income taxes paid	-3 343	-2 525
Net cash from operating activities	10 915	9 117
Cash flows from investing activities		
Acquisition of tangible and intangible assets	-1 566	-1 008
Proceeds from sale of tangible and intangible assets	1	49
Net cash used in investing activities	-1 564	-959
Cash flows from financing activities		
Repayments of non-current borrowings	-4 000	-4 000
Acquisition of treasury shares	-	-266
Proceeds from share options exercised	781	49
Acquisition of non-controlling interest	-30	-134
Dividends paid to the owners of the parent company	-3 444	-2 367
Net cash from financing activities	-6 694	-6 718
(Decrease)/increase in cash and cash equivalents	2 657	1 440
Cash and cash equivalents at the beginning of the period	19 767	17 964
Foreign exchange effect on cash	-954	363
Cash and cash equivalents at the end of the period	21 469	19 767

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 2013	5 105	46 643	693	-2 202	946	15 781	311	67 277
Profit						5 493	73	5 566
Translation differences					-3 074			-3 074
Total comprehensive income					-3 074	5 493	73	2 491
Share-based payments			70					70
Exercise of share options		781						781
Treasury shares as compensation to the Board		25		37				62
Acquisition of non-controlling interest						355	-384	-30
Dividends paid						-3 444		-3 444
Equity at 31 December 2013	5 105	47 448	763	-2 165	-2 128	18 184	-	67 207

(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 2012	5 105	46 591	593	-1 996	-777	10 642	376	60 535
Profit						7 552	23	7 575
Translation differences					1 723			1 723
Total comprehensive income					1 723	7 552	23	9 298
Share-based payments			100					100
Exercise of share options		49						49
Acquisition of treasury shares				-266				-266
Treasury shares as compensation to the Board		2		60				62
Acquisition of non-controlling interest						-45	-89	-135
Dividends paid						-2 367		-2 367
Equity at 31 December 2012	5 105	46 643	693	-2 202	946	15 781	311	67 277

2. Notes

2.1. Basis of preparation

This financial statement bulletin has been prepared in accordance with the IFRS recognition and measurement principles and in accordance with IAS 34, Interim Financial reporting. The financial statement bulletin should be read in conjunction with the annual financial statements for the year ended 31 December 2012. In material respects, the same accounting policies have been applied as in the 2012 annual consolidated financial statements. The amendments to and interpretations of IFRS standards that entered into force on 1 January 2013 had no material impact on this interim report.

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)	10-12/2013	10-12/2012	2013	2012
Total net sales				
Finland	14 889	14 680	53 175	52 570
Norway	7 319	8 003	29 554	27 161
Sweden	6 173	7 323	23 152	23 984
Denmark	4 140	4 947	15 363	16 038
Baltic	4 530	4 287	16 018	16 684
Other	-856	-938	-4 366	-3 036
Group total	36 195	38 301	132 896	133 400
Operational segment result				
Finland	1 935	2 531	6 863	7 747
Norway	477	1 311	2 718	3 317
Sweden	74	335	-229	-945
Denmark	633	922	1 884	1 800
Baltic	-200	520	193	1 981
Other	-185	-579	-1 177	-1 382
Total operational segment result	2 734	5 040	10 251	12 518
IFRS3 amortisation	-442	-521	-1 989	-2 067
Operating profit	2 292	4 519	8 262	10 451

Net sales by business lines

(1 000 EUR)	10-12/2013	10-12/2012	2013	2012
Information Management Solutions	33 528	35 511	123 608	122 892
Karttakeskus GIS business	3 470	3 159	12 239	11 884
Other	-804	-369	-2 950	-1 376
Group total	36 195	38 301	132 896	133 400

2.3. Changes in intangible and tangible assets

(1 000 EUR)	1-12/2013	1-12/2012
Carrying amount at the beginning of period	80 460	81 127
Additions	1 566	1 008
Disposals	-1	-30
Depreciation and amortization for the period	- 3 219	- 3 357
Exchange rate differences	-2 621	1 711
Carrying amount at the end of period	76 185	80 460

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

(1 000 EUR)	Number of shares outstanding	Share capital	Reserve of invested non-restricted equity	Treasury shares
1.1.2012	20 693 468	5 105	46 591	-1 996
Exercise of share options	26 600	-	49	-
Acquisition of treasury shares	-100 000	-	-	-266
Treasury shares of compensation to the Board of Directors	21 573	-	2	60
31.12.2012	20 641 641	5 105	46 643	-2 202
1.1.2013	20 641 641	5 105	46 643	-2 202
Exercise of share options	384 076	-	729	-
Payment for share options	-	-	52	-
Treasury shares of compensation to the Board of Directors	13 875	-	25	37
Directed share issue	391 460	-	-	-
31.12.2013	21 431 052	5 105	47 448	-2 165

At the end of reporting period Affecto Plc owned 64 552 treasury shares. In addition to that Affecto Management Oy, a fully owned subsidiary, owned 823 000 shares in Affecto Plc. In total these 887 552 shares correspond to 4.0% of the total amount of the shares. The amount of registered shares was 22 318 604 shares.

2.5. Interest-bearing liabilities

(1 000 EUR)	31.12.2013	31.12.2012
Interest-bearing non-current liabilities		
Loans from financial institutions, non-current portion	22 420	26 387
Loans from financial institutions, current portion	4 000	4 000
	26 420	30 387

Affecto's 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.

2.6. Contingencies and commitments

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

(1 000 EUR)	31.12.2013	31.12.2012
Not later than one (1) year	3 675	3 966
Later than one (1) year, but not later than five (5) years	3 719	6 594
Later than five (5) years	-	-
Total	7 394	10 561

Guarantees given:

(1 000 EUR)	31.12.2013	31.12.2012
Liabilities secured by a mortgage		
Financial loans	26 500	30 500

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)	31.12.2013	31.12.2012
Pledges	36	6
Other guarantees	2 836	3 559

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.

2.7. Related party transactions

Key management compensation and remunerations to the board of directors:

(1 000 EUR)	1-12/2013	1-12/2012
Salaries and other short-term employee benefits	2 017	2 184
Post-employment benefits	288	279
Termination benefits	85	245
Share-based payments	6	13
Total	2 395	2 721

Loans to related party:

(1 000 EUR)	31.12.2013	31.12.2012
Loans to key management of the group	-	1 624

Purchases from related party:

(1 000 EUR)	1-12/2013	1-12/2012
Purchases from the entity that are controlled by key management personnel of the group	5	-

3. Key figures

	10-12/2013	10-12/2012	2013	2012
Net sales, 1 000 eur	36 195	38 301	132 896	133 400
EBITDA, 1 000 eur	3 028	5 362	11 481	13 808
Operational segment result, 1 000 eur	2 734	5 041	10 251	12 518
Operating result, 1 000 eur	2 292	4 519	8 262	10 451
Result before taxes, 1 000 eur	2 129	4 287	7 973	10 042
Profit attributable to the owners of the parent company, 1 000 eur	1 433	3 260	5 493	7 552
EBITDA, %	8.4 %	14.0 %	8.6 %	10.4 %
Operational segment result, %	7.6 %	13.2 %	7.7 %	9.4 %
Operating result, %	6.3 %	11.8 %	6.2 %	7.8 %
Result before taxes, %	5.9 %	11.2 %	6.0 %	7.5 %
Net income for equity holders of the parent company, %	4.0 %	8.5 %	4.1 %	5.7 %
Equity ratio, %	53.0 %	50.6 %	53.0 %	50.6 %
Net gearing, %	7.4 %	15.8 %	7.4 %	15.8 %
Interest-bearing net debt, 1 000 eur	4 950	10 621	4 950	10 621
Gross investment in non-current assets (excl. acquisitions), 1 000 eur	210	175	1 566	1 008
Gross investments, % of net sales	0.6 %	0.5 %	1.2 %	0.8 %
Order backlog, 1 000 eur	48 682	61 359	48 682	61 359
Average number of employees	1 087	1 095	1 081	1 089
Earnings per share, eur	0.07	0.16	0.26	0.37
Earnings per share (diluted), eur	0.07	0.15	0.26	0.36
Equity per share, eur	3.14	3.24	3.14	3.24
Average number of shares, 1 000 shares	21 212	20 615	20 906	20 642
Number of shares at the end of period, 1 000 shares	21 431	20 642	21 431	20 642

Calculation of key figures

EBITDA	=	Earnings before interest, taxes, depreciation, amortization and impairment losses	
Operational segment result	=	Operating profit before amortizations on fair value adjustments due to business combinations (IFRS3) and goodwill impairments	
Equity ratio, %	=	Total equity / Total assets – advance payments	*100
Gearing, %	=	Interest-bearing liabilities – cash and cash equivalents / Total equity	*100
Interest-bearing net debt	=	Interest-bearing liabilities – cash and cash equivalents	
Earnings per share (EPS)	=	Profit attributable to owners of the parent company / Weighted average number of ordinary shares in issue during the period	
Equity per share	=	Total equity / 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	
