Affecto

ANNUAL REPORT 2006

Content

AffectoGenimap Plc has adopted a marketing name Affecto as of 1 February 2007. The Board of Directors will propose to the Annual General Meeting to be held on 28 March 2007 that the company's name is changed to Affecto Plc.

Year 2006

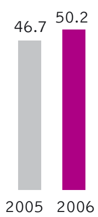
The beginning of the year 2006 was challenging for Affecto's business and the company made loss during the first quarter. After that the business developed favourably and the profitability of the fourth quarter was the highest of the year. The last quarter evidenced year's strongest growth also in the net sales.

- Net sales grew by 7%, rising to 50.2 M€.
- Net sales grew both in Finland and in the Baltic States, which witnessed very strong growth.
- Operating profit amounted to 3.6 M€, which is 7% of net sales.
- The order backlog was at a record high level at the end of the year.
- By acquiring Zenpark, Affecto strengthened its position as the leading provider of BI solutions in Finland.
- Affecto strengthened its presence in the Baltic region by launching business operations in Estonia.
- Affecto extended its operating area to cover Sweden by acquiring Intellibis.

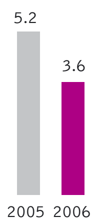
Key figures	**2006**	Change, %	2005
Net sales, M€	**50.2**	7%	46.7
Operating profit, M€	**3.6**	-29%	5.2
Order backlog, M€	**24.2**	86%	13.0
Personnel at the year-end	**745**	40%	534
Balance sheet total	**78.7**	26%	62.4
Profit/share, €	**0.16**	-36%	0.25
Dividend/share, € *)	**0.10**	-	0.10
Equity ratio, %	**52.0**	-	56.9

*) Board's proposal on 14 February 2007

Net sales, M€



Operating profit, M€



Order backlog, M€

Affecto in brief

Affecto builds diverse IT system solutions, which are used to optimise the business operations of companies and organisations and support the decision-making process. Affecto provides Business Intelligence solutions and operational IT solutions. Business Intelligence solutions are used to further process and effectively utilise the data produced by Enterprise Resource Planning systems. Operational IT solutions, for their part, help companies and organisations to run their business more efficiently and enable them to compile and organise the data available to them, in support of their daily business operations. Every IT solution is individually tailored to meet the customer's needs. Affecto also offers various printed and digital cartographic solutions.

Guiding Principles

Vision

- In 2009, Affecto is the leading provider of Business Intelligence solutions in the Nordic and Baltic regions and in Eastern Europe. Affecto is the most competent and quality-focused provider of Geographic Information Systems, Enterprise Content Management and other operational solutions in selected industries and regions. We are one of the most profitable companies in the market area with net sales in excess of 100 million euros.
- Affecto constitutes the best investment that our stakeholders can make. For our employees, we represent the best employer in terms of enhancing competence and expertise. Our customers benefit from top-quality solutions and services, based on an in-depth understanding of the customer's needs. We offer our investors sustainable development of shareholder value.

Strategy

- Sustainable and profitable growth is at the core of our strategy.
- Our business is based on two areas of solid competence: the production of Business Intelligence solutions and operational IT solutions. The latter comprise Geographic Information Systems, Enterprise Content Management solutions and other operational solutions.
- We utilise the vigorous market growth in the Baltic region and use it as a springboard for expansion to Eastern Europe.
- We focus on developing our employees' skills and competence. We believe in an inspiring style of leadership and we reward success.

For AffectoGenimap 2006 was a busy and constructive year. The company's business development was positive and net sales grew by 7%. During the year, we concluded three acquisitions, the most significant of which led to our operating area extending to cover Sweden. We sharpened our strategy and, in order to bring added focus to our operations, we resolved to focus on developing a more harmonious company. The resulting change is reflected in our new market name, Affecto, and in the company's updated visual identity. The Board of Directors will propose to the Annual General Meeting of 2007 that the company name is to be changed to Affecto Plc.

Aiming for strong growth

In 2006, our business grew and also the number of personnel increased considerably, with the result that Affecto now employs approx. 750 people, of which 350 work in Finland and 400 in the Baltic states and Sweden. I took over as CEO in September 2006. It is my duty to steer the company in the right direction and inspire and encourage all Affecto employees to work towards achieving our shared growth objective.

Becoming international

Affecto's financial performance trend experienced a blip in early 2006 which was caused by weak performance in the Baltic markets, but the problems were short-lived. By the end of the year, performance was on a very positive trend once again throughout the company and the last quarter was the best period in 2006. The market situation also improved during the year, with strong growth in demand for Business Intelligence (BI) solutions, in particular. Consequently, our order backlog amounted to 24 million euros at the year end, representing an increase of 86% compared to the previous year.

In September we acquired ZenPark, a Finnish company focused on Business Intelligence solutions. December saw confirmation of the acquisition of the Swedish company Intellibis AB, which operates in the same field. In addition to Finland, Affecto now has operations covering the entire Baltic region and Sweden. The company is well and truly on the road to becoming an international operator. Our goal is the further strengthening of operations in the Nordic countries and the Baltic states, with aspirations to expand into other East European markets.

A sharper strategy

We sharpened the focus of our goals and our strategy in December. We aim to increase our net sales significantly in the next three years, while maintaining strong profitability. Although growth will be predominantly organic, we will not rule out acquisitions and geographical expansion. Our core competences are in Business Intelligence solutions and operational IT solutions. This means that in the field of information technology we operate in a very precisely defined sector that requires specific expertise. We are the market leader in our operating area in Business Intelligence solutions and we are also in the vanguard as provider of operational IT solutions. We also continue to offer cartographic solutions and publish cartographic products by the trade name Karttakeskus.

We aim to increase our net sales significantly.

Positive outlook

At the moment, growth in demand for our services clearly exceeds average growth in the IT sector, and we foresee a strengthening of this trend in future years. Our customers will increasingly require applications that merge the data contained in various Enterprise Resource Planning (ERP) systems and give a more accurate overall picture of a company's standing, thus improving business procedures. In order to be able to serve our customers even more efficiently, we are in the process of enhancing our understanding of our customers' business areas.

We have specified new objectives for Affecto, towards which we are now enthusiastically working in close co-operation with all our operating functions. We have launched several different development projects, focusing for example on leadership skills, competence development and communications. I am sure that 2007 will be another busy year for Affecto.

I would like to thank Affecto employees warmly for their excellent work and effective co-operation. We know where we are going and we have the enthusiasm to work to reach our goals, this year as well as in future years. I also extend my gratitude to our customers and shareholders for their trust in Affecto. We will make every effort to exceed your expectations in the coming years.

Pekka Eloholma
CEO

Affecto's IT service business is focused in two areas of solid expertise: Business Intelligence (BI) solutions and operational IT solutions. Affecto is a leading provider of Business Intelligence solutions in Finland and Sweden. The company also occupies a significant position in Finland as provider of operational solutions and has a particularly solid footing in the Baltic region. The company also produces various cartographic solutions.

Strong expertise areas

Affecto's goal is to be the leading provider of BI solutions in the Nordic countries, the Baltic region and elsewhere in Eastern Europe as well as the highest-quality provider of operational IT solutions in its chosen sectors and markets.

The company will seek organic growth and carry out acquisitions to achieve its objectives of rapid growth and net sales in excess of 100 million euros in 2009. This level of growth will require substantial increases in net sales in the next three years. At the same time, the company aims to become one of the most profitable IT service providers in its market area.

Operating environment supports growth

Because the economies of all the market areas in which Affecto has a presence are growing economies, demand for information technology services will also increase. While market growth in the sector in Finland and Sweden only amounts to a couple of per cent, the demand for BI solutions is growing at a rate that clearly exceeds average market growth. Demand for operational solutions is also progressing in a positive direction, and the need for various applications utilising geographic data, for instance, is increasing steadily. To summarise, in Finland and Sweden demand for services provided by Affecto is developing more positively than the general trend in the sector.

Growth in the sector in the Baltic States is forecasted to exceed ten per cent, thanks to the vigorously growing economies in these countries. The EU-funded public investments which are related to the EU accession of the Baltic countries have also boosted growth. It is anticipated that the strong growth trend will continue, because information technology costs in the region remain a fraction of the EU average. As companies and the public sector are engaged in the construction of enterprise resource planning systems, demand in the Baltic mostly focuses on operational IT systems. Once the basic systems are on-stream, BI solutions will increasingly feature in their future activities, as well.

Due to Affecto's specialist competence and strong references it is in a good position to increase its market share.

The markets for information technology solutions are very competitive, but thanks to Affecto's specialist competence and the strong reference cases that we have of successfully implemented demanding customer projects, we are in a good position to increase our market share. Affecto offers a unique range of solutions, which allows us to sell an even broader spectrum of services to existing customers. Already, customers are increasingly demanding packages that offer the combined competence of both BI and operational IT solutions. Affecto wants to be able to offer more comprehensive solutions for its customers' needs. This is achieved by increasing further our technological competence, but above all by boosting the understanding of the customers' own business areas.

Through the Baltic States to the East, from Sweden to the West

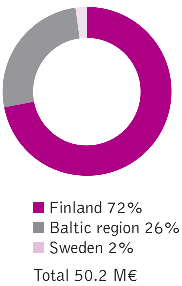
Affecto's market area comprises Finland, Sweden and the Baltic States. In the future, the company wants to have an operational presence in every Nordic country and in Eastern Europe, including Russia. The acquisition of Intellibis to act as the Nordic country unit opens the way for logical expansion through Sweden to Norway and Denmark. The presence of Affecto's subsidiaries in the Baltic region, as well as their knowledge of East European business practices, all pave the way for expansion into Russia and the rest of Eastern Europe.

Affecto will seek to achieve its growth targets mainly by promoting organic growth, but expansion into new markets may also be boosted by acquisitions; furthermore, this will widen the company's own competence. Although the sector is experiencing ongoing consolidation, there are still many small, but competent companies in the markets. Thanks to Affecto's solid financial status we have the funds to finance acquisitions; the company's own shares may also be used as a means of payment.

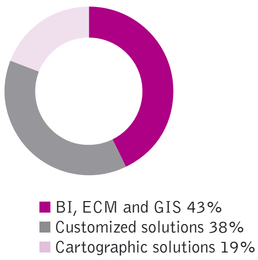
Affecto's services

With BI solutions, the information generated by ERP and other operational systems can be combined, analysed and effectively utilised. Operational IT solutions help customers to run their business more efficiently.

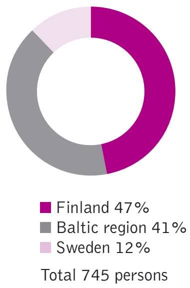
Net sales



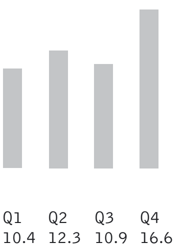
Net sales by business segments



Personnel



Net sales quarterly, M€



Operating profit quarterly, M€

Order backlog quarterly, M€

High utilisation rate safeguards profitability

It is Affecto's goal to be one of the most profitable IT service providers in its market area. Because the majority of the company's business consists of customer projects, their success is crucial in shaping the company's profitability. As project planning and implementation in practical terms amount to selling the company specialists' competence and working time, it is very important to maintain the specialists' utilisation rate as high as possible, in order to safeguard profitability.

The success of a project is most dependent on the correctness and accuracy of the project specification, which is carried out in the initial stages, as well as the quality of the project implementation and its adherence to schedule. The fact that in BI solutions, in particular, the specification work is still ongoing during the project implementation, makes optimising the utilisation rate even more challenging. Affecto has solid expertise and experience of project work as well as concise project work models. The models combine best practices which spring from the company's extensive well of experience. Apart from the specification and implementation stages, the projects comprise commissioning, training and maintenance, which are designed to ensure the effective application of the solutions.

Lasting customer relationships

Affecto's broad and diverse customer base comprises both companies and public sector organisations. Most of the customer relationships are long-term and ongoing. Affecto has a reputation among its customers as a well-known and reliable provider of specialist expertise. It is Affecto's objective to strengthen its customer relationships by acquiring more in-depth knowledge of its customers' industries. This will enable the company to provide more extensive and better quality solution packages to enhance its customers' operations.

BI solutions providing information for business management

Business Intelligence solutions provide companies with information to support management. Through a BI solution, the information accrued from a company's Enterprise Resource Planning (ERP) system can be compiled and utilised effectively. The volume of data in business databases is increasing rapidly. In practice, it is already possible to store all data cost-effectively for later use. However, a solution using standardised ERP systems does not lend itself to flexible combinations of data. BI solutions, on the other hand, only require small investments to enable the reprocessing and utilisation of information much more effectively than previously. Demand for BI solutions is growing rapidly, because companies need more and more detailed information about their business operations in order to make decisions.

Operational IT solutions boosting processes

Operational IT solutions comprise various customer-specific data systems that help companies and organisations to run their business more efficiently, such as Geographic Information Systems, Enterprise Content Management solutions as well as operational applications, such as those deployed in the insurance industry, human resources and medical supplies management.

Geographic Information Systems (GIS)

Geographic Information Systems can be used, for instance, to enhance the operational processes of a transport chain, bring added efficiency and methodology to fieldwork, analyse competitor data or regional risk factors and identify the optimal store location. By combining the functions of Geographic Information, Business Intelligence and Enterprise Content Management we can introduce a new perspective to business operations.

Enterprise Content Management (ECM)

Data creation, re-usability, processing and distribution are the critical success factors required in an effective business operation. Affecto's Enterprise Content Management services cover every phase in the document's life cycle in an organisation from capturing information through to document creation, case management and archiving.

Operational applications

Affecto supplies customer-specific applications for certain functions in selected customer industries to boost the customer organisations' operations. Affecto has solid experience of Enterprise Resource Planning systems in the public administration sector and the insurance sector as well as expertise in human resource management solutions. The company's most recently acquired area of special competence lies in the field of logistics solutions for medical supplies management.

Cartographic solutions

Affecto provides cartographic solutions comprising both the production of digital geographic data, as part of the company's Geographic Information Systems business, and the publishing and retail of maps and cartographic products. Affecto produces maps of Finland in collaboration with the local authorities. With regard to maps from other countries, Affecto collaborates with TeleAtlas, AND and C-Map, for example, as well as several local land survey offices. Affecto is the leading publisher of maps in Finland and a distributor and retailer of both Finnish and foreign cartographic products. Under the trading name Karttakeskus, the company produces high-quality cartographic and CD products as well as various atlases, such as an atlas of Finland and a world atlas and series of historical maps and facsimiles.

Technology partners

In the solutions that it produces, Affecto applies numerous different technologies and co-operates with the companies producing these technologies. Because Affecto's customers have several different technologies in use in their businesses, Affecto also needs diverse and in-depth technological competence. Affecto aims to collaborate with global leaders in technology whose solutions are widely applied.

Affecto's technology partners, e.g.:
Business Objects, Cognos, ESRI, Informatica, MapInfo, Microsoft, OpenText (previously Hummingbird), Oracle, SAP, SAS and TIA.

Affecto employees Maria Inkiläinen, Hakim Laukkoski, Susanna Markkanen and Marko Määttälä.

Affecto is a leading provider of Business Intelligence solutions and operational IT solutions in its market area. Affecto's business relies on employees who are experts in the management of diverse technologies and understand Affecto's customers' business areas. Success in such a demanding sector requires top level expertise and ongoing development of professional competence as well as inspiring and high-quality leadership.

Towards inspiring working environment

Foundations were laid down in 2006 for the enhancement of employee well-being and competence and the improvement of internal communication. Several new projects were launched on the basis of a job satisfaction survey.

The company participated in a project funded by TEKES, the National Technology Agency of Finland, entitled Managing Creative Knowledge Capital. The project focused on the development of methods for managing and steering innovation processes in Finnish organisations. The study evaluated the strategic sources of an organisation's ability for renewal: the foresight of future scenarios, the organisation's renewal capacities and the innovativeness of its individuals. The report formed the basis for a process to streamline the company's strategy and vision and acted as catalyst for measures to develop management and leadership.

A project to develop internal communication was implemented as a continuation project to the organisational analysis supported by the State Workplace Development Programme. As a result, internal communication was improved, with particular emphasis on the development of the company's intranet to be an active channel for communication.

At the end of the year, the company concentrated on drafting uniform employment terms for AffectoGenimap Finland Oy (Affecto Finland Oy from 1 February 2007 on), with which Affecto Oy, Genimap Oy and Domasoft Oy merged at the beginning of 2007.

Milestones for 2007

Affecto wants to ensure that the company continues to employ experts with recognized skills and competence. To achieve this objective, the company offers its employees diverse opportunities to develop themselves; by both focused development programs and demanding customer projects. The competence development will cover technological competencies and business proficiency which is supported by active training and recruitment. Affecto's international expansion will also offer new interesting routes to expand individual scope of competencies.

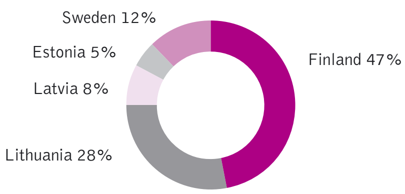
Affecto's objective is also to create an open, inspiring and rewarding working environment. In 2007, Affecto will invest in the quality of leadership by launching a leadership development program that will span the whole year.

Also Group's internal communication will be one of the focus areas in 2007. Our goal is an open, fast and interactive internal information flow, which contributes to boosting cooperation and supports us in achieving our shared objectives.

Affecto Group has various schemes to reward good performance. The schemes vary from one country to another. In 2007, the compensation systems will be further reformed by utilising the best practices in each country.

It is Affecto's aim to be one of the most attractive employers in the industry. Already, the company is recognized as a good employer within its business area. In 2007, the main focus is to further improve the employer image of Affecto as a motivating and inspiring place to work.

Personnel by country at the year-end



Personnel at the year-end

New reporting system to boost Helsinki's service provision

Seppo Olli, City of Helsinki Treasurer, and Janne Rönkkö, Special Planner in the Economic and Planning Centre of the City of Helsinki, have found the management reporting system supplied by Affecto to be an efficient and effective tool.

In Finland, Affecto's service provision covers Business Intelligence (BI) solutions, operational IT solutions including Geographic Information System solutions (GIS), Enterprise Content Management solutions (ECM) and various operational applications, and cartographic solutions. Affecto is the market leader in Business Intelligence solutions and cartographic solutions as well as in many segments of operational IT solutions.

Consolidated market position

Net sales from Finnish business grew by 2.0% to 36.3 million euros. Operating profit amounted to 4.6 million euros. Profitability was boosted by the efficiency measures instigated in the spring. Furthermore, the utilization rate improved during the latter part of the year.

The acquisition of ZenPark in September strengthened Affecto's standing as the leading provider of BI solutions in Finland. ZenPark had net sales of 3.2 million euros and a staff of 36 at the end of its financial year in June. As the ZenPark figures were consolidated to group figures only at the beginning of October, the impact of ZenPark on Affecto's net sales in 2006 was not significant. At the end of the year, the Finnish country unit employed 342 people.

Due to businesses' increasing need to utilise more effectively data contained in their internal databases, demand for BI solutions, in particular, rose substantially in 2006. To meet the increasing market demand, Affecto widened its offering by taking new BI technologies in use during 2006. The first quarter saw intensive price competition, but as demand picked up the situation calmed. As a result of the positive market situation, there was more competition for skilled professionals in the sector; consequently, it became slightly more difficult to increase capacity.

The demand for digital geographic content and related services developed well during 2006.

Seeking lasting customer relationships

Affecto's customer base comprises private enterprises and public sector organisations. The customer base for the cartographic solutions, such as various printed map products, also includes private individuals.

A survey conducted in 2006 indicates that Affecto's customer satisfaction is at a good level. In Finland, individual customer projects may last from just a few months to a couple of years. However, customer relationships tend to be more long-term and they are often extended through new projects. We aim to further intensify co-operation with customers by charting customers' needs even more actively.

> **Managing the capital city** of Finland is a challenging task. The City provides services for its over 560,000 inhabitants. The operating expenditure in the budget is about 3.5 billion euros, and the City employs roughly 40,000 people, working in 36 offices and departments. To manage such a package, the City needs access to up-to-date, relevant data.

Helsinki has selected Affecto to construct a reporting system which produces information to meet the needs of finance and human resources managers and other city officials. The City hopes that the new system will bring benefits in the form of improved Enterprise Resource Planning and more effective administration. The solution enables more accurate comparisons between the planned and the factual. The reports also provide the users with new perspectives on the utilisation of financial and human resources data. "With the new system, decisions will be based on more reliable information which is easier, quicker and cheaper to obtain. In the future, much fewer working hours will be spent in transferring and manually collecting data. The centralised database will also simplify data management," says Janne Rönkkö, Special Planner in the Economic and Planning Centre of the City of Helsinki.

In addition to City offices, the City's affiliate corporations are covered by the data collection system. Up to now, each office has used its own reporting applications, and the introduction of a centralised system facilitates maintenance, too. The City intends to adopt entirely browser-based reports, which will always be available, dispensing with the need to distribute printouts. "As the City wants to be a modern employer and an efficient provider of services, we need to deploy up-to-date information technology solutions," says Seppo Olli, City Treasurer.

Affecto's solution includes a data warehouse and a reporting solution, with related licences, as well as application maintenance and training and an ongoing application service. The first phase will come on stream in May 2007, but in total the agreement is for a period of three years.

Nordic Energy Link's electricity project

Nordic Energy Link's CEO Indrek Aarna (right) and Eesti Energia's Project Manager Kristjan-Hans Sillmann are happy that the original timetable held in the project to implement Estlink's data management system, despite the requirements being specified in detail only halfway through the project.

In the Baltic States, Affecto's service provision covers mainly operational IT solutions, which comprise the implementation of Enterprise Resource Planning systems, along with the related consultancy work, the development of customer-specific solutions and the sale of software licences, accompanied by training and user support. The majority of the business activity relates to extensive customer-specific systems.

Operational growth and expansion

UAB Informacines technologijos and its subsidiaries form Affecto's Baltic country unit. Affecto operates in the Baltic region under the trading names Informacines technologijos (ITG) and Mebius IT. The joint marketing name 'Affecto' will be introduced in stages. Affecto has operations in Latvia, Lithuania and Estonia. The company occupies a particularly strong position in the public sector and in the insurance sector. It also has a notable presence in the energy, finance and information technology sectors. In the Baltic States, projects tend to be longer-term and larger than those implemented by the Finnish and Swedish country units. This is due to the fact that, often, the project involves the construction of an entire Enterprise Resource Planning system, which is not a typical scenario in the Group's other operating regions.

Market potential

The markets for information technology services have experienced strong growth in the Baltic region; it is estimated that they grew as much as 20% in 2006. Growth has been vigorous for a while now, due to the economic growth in the region, which in 2006 amounted to about 8% to 11%. The public sector projects initiated by the EU have also contributed to market growth. Despite major investment, IT spending per capita in the Baltic States remain well below the average EU level. This bodes well for future growth prospects. On the other hand, because of the lack of previous, older systems, it has often been possible to install directly the latest innovations in technology. Consequently, the information technology solutions installed in the major companies already equal good European levels. This means that future investments will include business applications to improve the reliability and security of the systems and enhance the utilisation of information technology.

In 2006, net sales of the Baltic country unit grew 19% to 13.1 million euros. Due to a weak first quarter, 2006 operating profit at 0.5 million euros, or 4% of net sales, remained below that of the previous year's figure. The profitability trend was influenced by delays in some projects in the first half of the year, but the situation was rapidly corrected. During the autumn, the utilisation rate of resources developed in a positive direction and the order backlog grew substantially. Investment focused on the development of the company's own data systems, administration and management.

At the beginning of the year, the company extended its operations to Estonia. The operation got off to a good start and by the end of the year 40 people were employed by the Estonian office. In April, ITG's competence was strengthened by the acquisition of a Lithuanian company specialising in Enterprise Content Management.

Competing for professionals

Demand for information technology services is expected to grow further, with annual growth of 10% to 15% predicted. The strong order backlog, longer-term projects and good market situation forecast increasing business volumes. Affecto will achieve its goals only by investing significantly in the recruitment of skilled professionals. The company's greatest challenge will come from the increasing competition for experienced staff and the resulting substantial rises in the levels of pay.

> **ITG's Tallinn subsidiary**, Mebius IT, supplied Nordic Energy Link with a data system which is used to deliver electricity generated in the Baltic States to the Nordic markets. Nordic Energy Link was established in 2004 to take charge of the construction and use of the Estlink submarine cable between Estonia and Finland. The company is a subsidiary of Eesti Energia. It is owned by Baltic and Finnish energy companies.

Nordic Energy Link's new data system was named NELIS, Nordic Energy Link Information System. The NELIS project was launched in January 2006, and the system came on stream in December of the same year. The purpose of the system is to support the maintenance of the Estlink submarine cable. It provides an integrated environment for web-based electricity auctions and maintains data on the cable and on the electricity capacity.

"The project was a challenging one, especially in terms of the schedules. As the work was in progress, business requirements kept changing, and in the end we only had a short commissioning phase. Despite these problems, the system was completed by the deadline," says Kristjan-Hans Sillmann, Eesti Energia's project manager responsible for the NELIS.

The Estlink electricity link cable between Estonia and Finland was commissioned towards the end of 2006. The cable is the first link between the Baltic States and the electricity markets of the Nordic countries. The total capacity of the direct current cable is 350 megawatts. The length of the cable, which runs from Harku in Estonia to Espoo in Finland, is 105 kilometres, of which about 75 kilometres is submarine.

Sandvik collects financial data on its 350 subsidiaries

ACCORDING TO Sandvik's Accounting Manager Adam Dahlberg, the new financial administration system supplied by Intellibis has motivated employees to create innovative analyses of business and economic development.

In December 2006 Affecto acquired Intellibis AB, the leading provider of Business Intelligence solutions in Sweden. BI solutions offered by Intellibis enhance companies' performance management, customer relations work and data management. The customer base of Intellibis comprises companies from various industries as well as public sector operators.

Competence boost from Intellibis

Intellibis is Affecto's Swedish country unit. It will continue to operate under its own name until the end of 2007. The company's management will also remain as before. As Intellibis was part of the AffectoGenimap group only in December 2006, it had very little impact on the consolidated figures for 2006.

Year of substantial growth

In 2006, net sales of Intellibis grew to approx. 10.9 million euros. In recent years, demand for Business Intelligence solutions in the Swedish markets has increased significantly, and there has also been an improvement in the price levels. Intellibis has been able to maintain a good utilisation rate, and the operating profit before non-recurring items rose to approx. 1.5 million euros.

The field of competition is very fragmented and services are offered by both major international and Nordic information technology companies and small companies like Intellibis, specialising in BI solutions. In recent years, companies such as Intellibis, who the customers see as offering more of the specialist competence that is in demand, have been able to increase their market shares. In 2006, Intellibis established significant new customer relationships and also reinforced existing ones by signing follow-on agreements.

Because there is strong market growth in the sector, and many companies are seeking to boost their competence in BI solutions, the competition for professionals in the field is tough in Sweden, as well. Despite this, Intellibis was successful in recruiting sufficient numbers of new experts. In 2006, the number of employees increased to 84 people.

Seeking more skilled professionals

Further strong market growth is forecast in BI solutions. Affecto aims to achieve a significant increase in net sales in 2007 and maintain the good level of profitability in Sweden. In the future, the target is to widen the business to other Nordic countries as well. The growth target will be achieved through further recruitment, by improving our skills in the software products of our information technology partners and by intensifying co-operation with them and with our customers.

> **SANDVIK** is an industrial group involved in high-technology products, including mining and materials handling equipment, metal machining tools, stainless materials, special alloys and process and sorting systems. The international group has 42,000 employees in 130 different countries. Its net sales amount to about 72 billion Swedish kronor.

Sandvik has been a customer of Intellibis since 2004. Co-operation between the two companies was launched with the implementation of a consolidation and reporting solution for Sandvik's financial administration. "Our very first meeting with Intellibis gave Sandvik's project group a wholly positive image of the company. The impression was further strengthened once we had talked to Intellibis's other customers. It was specifically the recommendations of Intellibis's existing customers that had a decisive impact on our final decision," says Adam Dahlberg, Accounting Manager at Sandvik.

Sandvik wanted to find an effective analysis and reporting solution for internal accounts, which could handle 20 different product areas and be used by more than 800 people in 350 different subsidiaries. The new software is used to produce diverse data to support business operations. The solution produced together with Intellibis is based on the OutlookSoft software and it ticks all the right boxes. The system provides access to all the required data without delay and, what is more, the system users are also keen to use it to construct entirely new types of reports. Company management has benefited from the more sophisticated analysis of sales, results and capital items, since all decisions are based on the key figures presented in the reports. "Internally, there has been a surge of interest in the advanced analysis of business intelligence that the solution supplied by Intellibis enables. The solution's capability of managing complex business logistics and huge volumes and its user-friendly interface make it an extremely efficient tool," says Adam Dahlberg.

Adam Dahlberg and his colleagues also value the fact that the solution constructed with the help of Intellibis combines the functions of internal accounting, group accounting and the analysis of an individual system. Such a combination was not found in any competing solution. Furthermore, the new system has improved the financial reporting process. For example, the time required to prepare the financial statements has been cut by a whole week.

Financial Statements 2006

Report of the Board of Directors

BUSINESS

AffectoGenimap builds versatile IT solutions for companies and organizations in Finland, Sweden and the Baltic States to improve their efficiency in business and to support the related decision-making. The company's IT solutions are always customised to meet the specific needs of each customer.

AffectoGenimap offers business intelligence solutions that enable an efficient way of utilizing and refining the data from ERP systems. The company develops also geographic information systems solutions and enterprise content management solutions that help companies to collect and organise digital information in support of their business processes. The company also produces various cartographic solutions.

AffectoGenimap is headquartered in Helsinki, with other offices in Finland located in Turku, Rauma, Tampere, Jyväskylä and Joensuu. The company has subsidiaries in Estonia, Lithuania, Latvia and Sweden.

NET SALES AND PROFIT

AffectoGenimap's net sales in 2006 was 50.2 MEUR (1-12/2005 46.7 MEUR). Sales growth was 7%. In Finland it was 2% and in Baltics it was 19%.

AffectoGenimap's EBIT was 3.6 MEUR (5.2 MEUR). EBIT in Finland was 4.6 MEUR (4.3 MEUR) and Baltic EBIT was 0.5 MEUR (1.2 MEUR). EBIT in Finland includes 0.1 MEUR non-recurring income booked in Q1. The Q4/2005 EBIT in Finland was improved by a 0.4 MEUR capital gain.

R&D expenditure in the review period totaled 0.5 MEUR (2005: 0.8 MEUR and 2004: 0.3 MEUR), i.e. 0.9% of net sales (2005: 1.6% and 2004: 1.2%). The expenditure has been booked as costs. Taxes for the period have been booked as taxes.

AffectoGenimap's net profit for the period was 2.6 MEUR, while it was 3.7 MEUR last year.

Order backlog totaled 24.2 MEUR at the end of period (21.6 MEUR in 30 September 2006 and 13.0 MEUR in 31 December 2005). During the year the order backlog has increased especially in the Baltics due to several large long-term projects.

AffectoGenimap has a well diversified client base. No single client corresponds to over 10% of revenue. 10 biggest clients generated approx. 25% of group revenue in 2006. Six of these biggest clients were also among the Top10 in year 2005. Ten biggest clients include 7 from Finland, 2 from Lithuania and 1 from other countries.

FINANCE AND INVESTMENTS

At the end of the reporting period, AffectoGenimap's balance sheet totaled 78.7 MEUR (62.4 MEUR). Equity ratio was 52.0% (56.9%) and net gearing was 35.2% (9.9%).

The financial loans were 19.0 MEUR as at 31 December 2006. The interest-bearing net debt is 13.7 MEUR.

Investments in non-current assets excluding acquisitions were 1.1 MEUR (0.8 MEUR) during the period.

AffectoGenimap has paid dividends of 1.5 MEUR (previous year 0.8 MEUR) from the profit of the year 2005. Dividend was paid on 19 April 2006.

EMPLOYEES

The number of employees was 745 persons at the end of the reporting period (2005: 534 persons and 2004: 516 persons). The average number during the period was 605 persons (2005: 526 and 2004: 217). 390 employees, i.e. 52% of the employees are located outside of Finland.

Mr. Pekka Eloholma, M.Sc(Eng.), has been the company's CEO as of 1 September 2006. The previous CEO Antti Halila has retired.

AffectoGenimap implemented on 1 October 2006 a management model, where the group management and country management for Finland were combined. The directors responsible for operations in Finland report directly to CEO Pekka Eloholma. Mr Jaakko Hirvola, who served as the country manager for Finland and the managing director for AffectoGenimap Finland, left the company.

Mrs. Hilkka Remes-Hyvärinen, M.Sc.(Econ.), has been the group HR director as of 1 October 2006 and Mrs. Tuula Wäyrynen, M.A., the director of corporate communications as of 1 November 2006.

Mrs. Satu Kankare, M.Sc(Econ.), has been the CFO as of 1 November 2006, as Timo Lehtinen has left the company to join another employer.

BUSINESS REVIEW

During 2006 AffectoGenimap has carried out its growth strategy both by further organically developing its business structure and by a few selected acquisitions.

During 2006, AffectoGenimap launched business operations in Estonia, acquired a document management solution company in Lithuania and business intelligence (BI) solution companies in Finland and Sweden.

The group organization and management model was changed during the year as a consequence of change of the CEO and of acquisitions. The group's business is managed through three country units. Finland, Baltic and Nordic are the primary IFRS segments.

Finland

Net sales in AffectoGenimap Finland was 36.3 MEUR (35.7 MEUR) and it increased by 2%. EBIT was 4.6 MEUR (4.3 MEUR). The financial development was weak during first year-half, as certain projects progressed slower than planned and warranty-type of work was done for fixing customers' problems related to a new version of a third-party software. The billable utilization rate improved during the second half, which improved net sales and profitability. The growth of IT services market in Finland is slow and the price competition continues tight. Of orders received during the year, some of noteworthy are orders from, among others, Nokia, Valmet, YTK, Finnish Air Force and City of Helsinki.

Extended business intelligence's (XBI) net sales was 19.0 MEUR (21.2 MEUR). The reported sales were negatively affected by a transfer of resources to the Cartographic segment. Customers' interest is increasingly focusing for larger solutions and continuous service. Demand for BI services has grown during the second year-half and price level has stabilized. We have increased our Cognos solution delivery capacity by acquiring ZenPark, and the company's BI offering has also been expanded towards SAP technologies during the year. Sales of third-party licenses as part of solutions remained below previous year. The utilization rate of project work improved in the second year-half. XBI business had a lower profitability in 2006 than the other business areas in Finland.

AffectoGenimap acquired 100% of share capital of ZenPark Oy in September, which acquisition strengthens AffectoGenimap's position as the leading business intelligence (BI) solution provider in Finland. The main part of ZenPark's revenue is generated through BI solutions built on Cognos technology. In addition the company delivers BI and .NET solutions based on Microsoft technology. ZenPark had 36 employees, located mainly in Espoo and Jyväskylä. In the financial year ended in June 2006, revenue was approx. 3.2 MEUR and EBIT 0.4 MEUR. The company has customers like Alko, Fortum and Huhtamäki.

Net sales of Customized Solutions were 7.6 MEUR (7.2 MEUR). Deliveries of WebMarela hospital medicine logistics solution continued and new orders were received from hospital districts. The multi-year PortOpera port operating system project was finished. In addition, projects related to other customized solutions were also delivered. The demand for services remained moderate.

Cartographic Solutions businesses net sales was 9.7 MEUR (7.4 MEUR). Part of sales growth is explained by a transfer of resources from the XBI segment. Especially the demand for digital geographic content and related services grew well. The demand for printed maps and other such products developed more moderately.

Baltic (Lithuania, Latvia, Estonia)

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

The Baltic net sales grew 19% and were 13.1 MEUR (11.0 MEUR). Baltic EBIT was 0.5 MEUR (1.2 MEUR). The business was loss-making in the early part of the year as certain projects were delayed, but profitability returned to a good level after the project deliveries normalized in the second year-half. The new insurance sector projects were started during the autumn. The resource utilization rate was good in the latter part of the year.

During the year the company has won several public sector tenders, the project delivery related to which has started. During the year, new orders were received, among others, from Mazeikui Nafta, Mutual & Federal Insurance, National Paying Agency, SODRA, City of Vilnius, Lithuanian State Patient Fund, Latvian Ministry of Interior and Trygg Hansa.

The business operations in Estonia were launched in 2006. The Estonian business has started positively and the company has current approx. 40 employees. The Estonian key employees have been bound in July by directing them shares in the Estonian company. During 2006 AffectoGenimap strengthened its document management solution offering in Baltic area by acquiring a Lithuanian company called UAB Dokumentu valdymo sistemos.

The order backlog contains an increased amount of long-term projects, which fact is estimated to increase stability and predictability of the business. Due to the good growth of order backlog, the company is actively recruiting more employees. The Baltic countries have a high demand for experienced workforce, which is predicted to lead to higher salary levels in 2007.

Nordic

AffectoGenimap has expanded its business to the other Nordic countries by acquiring Intellibis AB from Sweden in December 2006. Intellibis is the leading specialised supplier of business intelligence (BI) solutions in Sweden. The acquisition of Intellibis will open the Swedish BI market to AffectoGenimap and enables a wider service to the Nordic customers.

The main part of Intellibis revenue is generated through BI solutions built on Microsoft and Cognos technologies. In addition the company has partners like Business Objects, Lawson, Outlooksoft and CorpSoft. The company has customers like Apoteket, Folksam, SEB and Sandvik. Intellibis has approx. 90 employees, most of which are located in Stockholm. The company also has offices in Göteborg and Malmö.

In 2006, Intellibis had approx. 10.9 MEUR net sales in 2006 and EBIT was approx. 1.5 MEUR before non-recurring items. The company has been consolidated to AffectoGenimap since December 2006.

The business of Intellibis has developed positively during year 2006. The price development has been positive and the utilization rate has remained high. The delivery capacity has been increased by reqruitment upto the year-end and the workforce is expected to grow also in year 2007.

ASSESSMENT OF RISKS AND UNCERTAINTIES

AffectoGenimap operates in the market that is directlty affected by changes in the general economic conditions and the operating environments of its customers. A general economic downturn may lead to a decrease in overall customer demand for services. This could have a negative effect on the business, operating results and financial condition of AffectoGenimap.

AffectoGenimap's continued success depends to a significant extent 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 AffectoGenimap's business and the ability of the company to implement its strategy. In addition, AffectoGenimap's success depends on its ability to hire, develop, train, motivate and retain skilled professionals on its staff.

AffectoGenimap's success depends also on good customer relationship. AffectoGenimap has a well diversified client base. No single client corresponds to over 10% of revenue. 10 biggest clients generated approx. 25% of group revenue in 2006. Six of these biggest clients were also among the Top10 in year 2005. Ten biggest clients include 7 from Finland, 2 from Lithuania and 1 from other countries.

The damage risks of AffectoGenimap are normally related to personnel, property, processes and data processing. The realization of these risks might lead to injuries of personnel, property damages or interruption of business. In the operations the target of AffectoGenimap is to prevent these risks to realize by quality operations and anticipatory risk management actions. The realization of such risk are mainly prevented by guidelines for occupational health, work safety and information security as well as emergency plan. For the damange risks, which can not be prevent by own actions, are covered with adequate insurancies.

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

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

The board of directors and the audit committee is responsible for AffectoGenimap's internal control and risk management. Company's management is responsible for and performs practically the internal control and risk management.

CHANGES IN GROUP STRUCTURE

Affecto Ltd, Domasoft Ltd and Genimap Ltd were merged into AffectoGenimap Finland Ltd, as decided on 17 March 2006. The mergers were executed in order to simplify the group structure. The mergers were implemented on 31 December 2006.

The company has used the call option related to the group's Baltic subsidiary UAB Informacines technologijos ("ITG") and currently owns 100% of ITG. 1 074 148 AffectoGenimap shares were issued to the shareholders of ITG on 5 May 2006 in a directed share issue.

In April 2006 AffectoGenimap strengthened its document management solution offering in Baltics by acquiring a Lithuanian company called UAB Dokumentu valdymo sistemos. The company has been combined to the group's Baltic business and has been consolidated to group figures since May. The acquired company was merged to UAB Informacines technologijos in December 2006

AffectoGenimap has on 29 September 2006 acquired 100% of the share capital of ZenPark Oy. In the financial year ended in June 2006, ZenPark's revenue was approx. 3.2 MEUR and EBIT 0.4 MEUR. The debt-free value of the transaction paid now was approx. 2.4 MEUR. In addition, an earn-out of max. 0.7 MEUR based on earnings development can be paid during year 2007.

AffectoGenimap has on 11 December acquired 100% of the share capital of Intellibis AB in Sweden. In 2006, Intellibis had approx. 10.9 MEUR net sales and EBIT was approx. 1.5 MEUR before non-recurring items. The debt-free value of the transaction paid now was 12.0 MEUR. Based on Intellibis performance in 2007, an earn-out of max. 4.0 MEUR can be paid. Of the transaction price, approx. 10 MEUR was paid in cash and approx. 2 MEUR in AffectoGenimap shares.

In line with the strategy, the company has continued to evaluate M&A prospects

ANNUAL GENERAL MEETING, GOVERNANCE AND AUDITORS

The Annual General Meeting of AffectoGenimap Plc was held on 4 April 2006. The General Meeting decided that a dividend of 0.10 eur per share be distributed for the year 2005.

Aaro Cantell, Pasi Mäenpää and Jukka Mäkinen were re-elected and Heikki Lehmusto, Jukka Norokorpi and Esko Rytkönen were elected as new members of the Board of Directors. The Board re-elected Aaro Cantell as the Chairman of the Board. The Authorised Public Accountants Pricewaterhouse-Coopers Oy was re-elected as the auditor of the company with Merja Lindh, APA, as the auditor in charge and Maria Nikus, APA, as the deputy auditor.

The General Meeting also decided on a stock option program and authorized the board of directors to decide on issuing new shares, on acquiring own shares and on conveying own shares.

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.

OPTION PROGRAM

The Annual General Meeting decided to issue stock options to the key personnel of the group, as well as to a wholly owned subsidiary of the Company. The details of the option rights are explained in the summons to the AGM dated 8 March 2006. The maximum total number of stock options issued shall be 824 700. Of the stock options, 234 900 shall be marked with the symbol 2006A, 274 900 shall be marked with the symbol 2006B and 314 900 shall be marked with the symbol 2006C.

The share subscription price for stock option 2006A shall be the offer price of the Company share in the Initial Public Offering, EUR 4.80, for stock option 2006B, the trade volume weighted average quotation of the share on the Helsinki Stock Exchange during 1 January - 31 March 2007, and for stock option 2006C, the trade volume weighted average quotation of the share on the Helsinki Stock Exchange during 1 January - 31 March 2008. From the share subscription price of stock options shall, as per the dividend record date, be deducted the amount of the dividend decided after the beginning of the period for determination of the subscription price but before share subscription.

The share subscription period shall be: for stock options 2006A, 1 April 2009 - 31 December 2010, for stock options 2006B, 1 April 2010 - 31 December 2011 and for stock options 2006C, 1 April 2011 - 31 December 2012.

206 000 of 2006A stock options have been given to key personnel.

THE AUTHORIZATIONS GIVEN TO THE BOARD OF DIRECTORS

The Annual General Meeting decided to authorise the Board of Directors to decide to increase the share capital in one or more tranches by a new issue and/or by taking a convertible loan and/or by issuing option rights so that based on the new issue, the convertible bonds and the option rights the share capital may be increased by a maximum of EUR 900,000 by issuing for subscription a maximum of 3,000,000 new shares with a par value of EUR 0.3 at a price and on other terms to be determined by the Board of Directors. The authorisation comprises the right to deviate from the shareholders' pre-emptive subscription right provided that the Company has a weighty financial reason for the deviation. The authorisation shall be in force until the next Annual General Meeting. Based on the authorization, 1 620 148 new shares have been issued by 31 December 2006.

The Annual General Meeting decided to authorise the Board of Directors to decide to acquire the Company's own shares with funds distributable as profit. The Company's own shares may be acquired in order to develop the Company's capital structure, to be used as payment in corporate acquisitions or when the Company acquires assets related to its business and as part of the Company's incentive programmes in a manner and to the extent decided by the Board of Directors, and to be transferred for other purposes or to be cancelled. A maximum of 1,500,000 own shares with a par value of EUR 0.3 are proposed to be acquired. The Company's own shares will be acquired in accordance with the Board of Directors' decision either through public trading or by public offer at their market price at the time of purchase. The authorisation shall be in force until the next Annual General Meeting. Based on the authorization, 202 700 shares have been repurchased by 31 December 2006.

The Annual General Meeting decided to authorise the Board of Directors to convey the Company's own shares held by the Company at any one time. The authorisation is proposed to encompass no more than 1,500,000 shares with a par value of EUR 0.3. The authorisation comprise the right to decide to whom and in which order own shares held are conveyed, and to decide on conveyance of own shares in an order deviating from the shareholders' pre-emptive right to acquire own shares provided that the Company has an important financial reason for the deviation. The authorisation may be used in order to develop the Company's capital structure, to broaden the Company's ownership, to be used as payment in corporate acquisitions or when the Company acquires assets relating to its business, as part of the Company's incentive programmes and for other similar purposes. The shares may also be conveyed in public trading. The shares shall be conveyed at a price at least equal to their market price at the time of conveyance as determined in public trading. Otherwise, the Board of Directors is authorised to decide the price and the basis for determining the price of the own shares, the conveyance of the own shares against other than monetary consideration or using the right of set-off as well as all other matters related to the conveyance of own shares. The authorisation shall be in force until the next Annual General Meeting. Based on the authorization, 165 962 shares have been conveyed by 31 December 2006.

SHARES AND TRADING

The company has only one share series, and all shares have similar rights. As at 1 January 2006, the company's share capital consisted of 15 396 373 shares. The company did not own any treasury shares.

Based on the authorization given by the General meeting on 4 April 2006, 1 074 148 new shares were issued on 5 May 2006 as payment for shares in UAB Informacines technologijos, and 546 000 new shares were issued on 11 December 2006 as payment for shares in Intellibis AB.

Between 30 May and 30 September 2006 the company has purchased 202 700 own shares from stock market with average price of 2.51 eur/share and has used 0.5 MEUR for the purchase. 165 962 of these shares have been conveyed as payment for shares in Intellibis AB at the price of 3.02 eur/share.

As at 31 December 2006, AffectoGenimap Plc's share capital consisted of 17 016 521 shares and the share capital is EUR 5 104 956.30. The company owns 36 738 treasury shares, which corresponds to 0.2% of all shares.

In 2006, the highest share price was 4.02 euro, lowest price 2.20 euro, average price 3.06 euro and closing price 3.47 euro. Trading volume was 14.6 million shares, corresponding to 86 % of the number of shares at the end of period. The market value of shares was 58.9 MEUR at the end of the period

OWNERS

There have been no flagging announcements during 2006.

The company had total of 1344 owners on December 31, 2006 and the foreign ownership was 22%. The list of the biggest owners can be viewed in the company's web site.

EVENTS AFTER THE REVIEW PERIOD

The Board of directors will propose to the Annual General Meeting to be held on 28 March 2007 that the company's name is changed to Affecto Plc. Affecto has been implemented as a marketing name in Finland as of 1 February 2007 and the name of the Finnish subsidiary has been changed to Affecto Finland Oy.

STRATEGIC OBJECTIVES

The company has two strong business lines: the strongest growth expectations are focused on the growing business intelligence market but at the same time the company wants to further strengthen its position in delivering demanding and customer specific operational IT solutions.

The company aims to be the leading business intelligence solution provider in the Nordic, Baltic and CEE regions. Furthermore, the company aims to be the most competent and quality focused provider of geographic information system (GIS), document management (DM) and other operational solutions in selected industries and regions.

The growth target for the company for 2007-2009 is that net sales exceed EUR 100 million in 2009. The growth target will be reached through organic growth supplemented by acquisitions. At the same time the company seeks to be one of the most profitable IT services company within its market region.

FUTURE OUTLOOK

Positive development is expected to continue in 2007. Based on the recent acquisitions and good order backlog the company seeks to reach net sales of approx. 70 MEUR in 2007. The profitability is also expected to improve from year 2006. The first quarter is expected to be significantly better than Q1/2006.

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.

Income statement

1 000 EUR	Note	1 Jan 31-Dec 2006	1 Jan-31 Dec 2005
Net sales	19	50 194	46 699
Other operating income	20	138	864
Changes in inventories of finished goods and work in progress		287	97
Materials and services	21	-13 177	-13 926
Personnel expenses	22	-23 996	-20 235
Depreciation, amortisation and impairment charges	23	-1 372	-1 095
Other operating expenses	24	-8 432	-7 251
Operating profit		3 642	5 153
Financial income		314	207
Financial expenses		-498	-571
Financial expenses (net)	25	-184	-364
Profit before income tax		3 458	4 789
Income tax expense	26	824	1 089
Profit for the period		2 633	3 700
Attributable to			
Equity holders of the company		2 633	3 695
Minority interest		-	5
		2 633	3 700
Earnings per share for profit attributable to the equity holders of the company (EUR per share)			
Basic	27	0,16	0,25
Diluted	27	0,16	0,24

Balance sheet

1 000 EUR	Note	31 Dec 2006	31 Dec 2005
ASSETS			
Non-current assets			
Tangible assets	7	2 110	1 900
Goodwill	8	43 579	30 860
Other intangible assets	8	7 550	2 892
Deferred tax assets	17	594	487
Available-for-sale financial assets	9	57	99
Other non-current receivables		93	70
		53 983	36 308
Current assets			
Inventories	10	2 095	2 125
Trade receivables	11	11 508	7 121
Other receivables	11	4 230	3 190
Current income tax receivables		1 036	421
Available-for-sale financial assets	9	578	-
Other financial assets at fair value through profit or loss	12	24	-
Restricted cash and cash equivalents		381	550
Cash and cash equivalents	13	4 906	12 639
		24 758	26 046
Total assets		78 741	62 354
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to equity holders of the company			
Share capital	14	5 105	4 619
Share premium	14	25 404	22 856
Reserve of invested non-restricted equity	14	1 960	-
Other reserves		11	55
Treasury shares	14	-106	-
Retained earnings		6 717	6 023
		39 092	33 553
Minority interest		-	20
Total shareholders' equity		39 092	33 573
Non-current liabilities			
Borrowings	16	14 014	8 858
Deferred tax liabilities	17	2 007	503
Other non-current liabilities		2 232	-
		18 252	9 361
Current liabilities			
Borrowings	16	5 032	3 696
Trade payables	18	2 627	2 426
Other liabilities	18	12 580	13 143
Current income tax liabilities		1 158	155
		21 397	19 420
Total liabilities		39 649	28 781
Total shareholders' equity and liabilities		78 741	62 354

Cash flow statement

1 000 EUR	1 Jan-31 Dec 2006	1 Jan-31 Dec 2005
Cash flows from operating activities		
Profit for the period	2 633	3 700
Adjustments for		
Taxes	824	1 089
Depreciation and amortisation	1 372	1 095
Other non-cash income and expenses	118	-265
Interest income	-275	-206
Dividend income	-39	-1
Interest expense	498	571
Profit/loss on the sale of tangible assets	-56	-16
	5 076	5 967
Change in working capital		
Decrease (+)/ increase (-) in trade and other receivables	-1 814	418
Decrease (+)/ increase (-) in inventories	30	-813
Decrease (-)/ increase (+) in trade and other payables	475	-1 995
Change in working capital	-1 309	-2 390
Interest and other finance cost paid	-429	-550
Interest received	250	204
Dividends received	39	1
Income taxes paid	-1 024	-1 451
Net cash generated from operating activities	2 604	1 781
Cash flows from investing activities		
Acquisitions of subsidiaries	-13 262	-1 219
Purchases of tanginbe assets	-892	-606
Purchases of intangible assets	-226	-213
Proceeds from sale of tangible assets	41	22
Sale of business/subsidiaries	45	824
Change of other non-current receivables	30	-
Proceeds from sale of financial assets	39	-
Investments to financial assets	-	-19
Net cash used in investing activities	-14 225	-1 211
Cash flow from financing activities		
Proceeds from issue of share capital	2	8 671
Purchase of treasury shares	-509	-
Sale of treasury shares	-	-
Proceeds from interest-bearing liabilities	12 447	-
Repayments of interest-bearing liabilities	-5 938	-3 696
Dividends paid to the company's shareholders	-1 540	-798
Net cash generated from financing activities	4 462	4 177
Change in cash and cash equivalents	-7 159	4 747
Cash and cash equivalents at beginning of the year	12 639	7 892
Translation differences	-1	-
Change in fair value of financial assets	6	-
Cash and cash equivalents at end of the year	5 485	12 639
	-7 159	4 747

Statement of changes in shareholders' equity

1 000 EUR	Shareholders' equity attributable to equity holders of the company								
	Share capital	Share premium	Other reserves	Reserve of invested non-restricted equity	Treasury shares	Retained earnings & translation differences	Total	Minority interest	Total equity
Shareholders' equity 1 January 2005	4 300	14 240	-	-	-352	3 717	21 905	15	21 920
Translation differences	-	-	-	-	-	3	3	-	3
Share options	-	-	55	-	-	-	55	-	55
Profit for the period	-	-	-	-	-	3 695	3 695	5	3 700
Dividends paid	-	-	-	-	-	-798	-798	-	-798
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Sale of treasury shares	-	-	-	-	-	-	-	-	-
Cancellation of treasury shares	-311	311	-	-	352	-352	-	-	-
Issue of share capital	630	8 305	-	-	-	-	8 935	-	8 935
Put/Call treatment	-	-	-	-	-	-243	-243	-	-243
Shareholders' equity 31 December 2005	4 619	22 856	55	-	-	6 023	33 553	20	33 573

1 000 EUR	Shareholders' equity attributable to equity holders of the company								
	Share capital	Share premium	Other reserves	Reserve of invested non-restricted equity	Treasury shares	Retained earnings & translation differences	Total	Minority interest	Total equity
Shareholders' equity 1 January 2006	4 619	22 856	55	-	-	6 023	33 553	20	33 573
Translation differences	-	-	-	-	-	5	5	-	5
Share options	-	-	-48	-	-	55	7	-	7
Available-for-sale financial assets	-	-	4	-	-	-	4	-	4
Profit for the period	-	-	-	-	-	2 633	2 633	-	2 633
Dividends paid	-	-	-	-	-	-1 540	-1 540	-	-1 540
Purchase of treasury shares	-	-	-	-	-509	-	-509	-	-509
Sale of treasury shares	-	-	-	476	403	-403	476	-	476
Issue of share capital	486	2 548	-	1 485	-	-	4 519	-	4 519
Acquisition of minority	-	-	-	-	-	-	-	-20	-20
Put/Call treatment	-	-	-	-	-	-56	-56	-	-56
Shareholders' equity 31 December 2006	5 105	25 404	11	1 960	-106	6 717	39 092	-	39 092

Notes

1. General information

AffectoGenimap Oyj is a Finnish limited liability company organised under the laws of Republic of Finland. The shares of the company have been listed on Helsinki Exchange. The company is domiciled in Helsinki and the address of its head office is Atomitie 2, FI-00370 Helsinki, Finland.

AffectoGenimap builds versatile IT solutions for companies and organizations in Finland, Sweden and the Baltic States to improve their efficiency in business and to support the related decision-making. The company's IT solutions are always customised to meet the specific needs of each customer.

AffectoGenimap offers business intelligence solutions that enable an efficient way of utilizing and refining the data from ERP systems. The company develops also geographic information systems solutions and enterprise content management solutions that help companies to collect and organise digital information in support of their business processes. The company also produces various cartographic solutions.

AffectoGenimap is headquartered in Helsinki, with other offices in Finland located in Turku, Rauma, Tampere, Jyväskylä and Joensuu. The company has subsidiaries in Estonia, Lithuania, Latvia and Sweden.

These consolidated financial statements have been approved for issue by the Board of Directors on 14 February 2007.

2. Accounting policies for the consolidated financial statements

Basis of preparation

The financial statements of the group that have been prepared in accordance with the International Financial Reporting Standards (IFRS). These financial statements have been prepared in accordance with the IFRS and IAS standards and SIC and IFRIC interpretations effective at 31 December 2006. The term "IFRS" referres to the standards and interpreations, which have been adopted by the EU. The notes to the consolidated financial statements have been prepared also in conformity with the Finnish Accounting Legislation and Companies Act.

The consolidated financial statements have been prepared under the historical cost convention, as modified by available-for-sale financial assets, derivatives and cash-settled share-based payments, which have been valued at fair value. The financial statements are presented in thousand euros unless otherwise stated.

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions. Estimates and assumptions having the most significant effect on the amounts presented in the financial statements are disclosed under "Critical accounting estimates and judgements".

The Group has adopted the following standards and interpretations from the beginning of 2006. These standards and interpretations did not have any impact on the financial performance nor the financial position of the group

- IFRS 1 (amendment), First-time adoption of International Financial Reporting Standards
- IFRS 6, Exploration for and Evaluating of Mineral Resources
- IAS 19 (amendment), Employee Benefits: Actuarial Gains and Losses, Group Plans and Disclosures
- IAS 21 (amendment), Net Investment in a Foreign Operation
- IAS 39 and IFRS 4 (amendment) , Financial guarantee contracts
- IAS 39 (amendment), The Fair Value Option
- IAS 39 (amendment), Cash flow hedge accounting of forecast intragroup transactions
- IFRIC 4, Determining whether an Arrangement contains a lease
- IFRIC 5, Rights to Interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- IFRIC 6, Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
- IFRIC 7, Applying the restatement approach under IAS 29, Financial reporting in hyperinflationary economies
- IFRIC 8, Scope of IFRS 2
- IFRIC 9, Reassessment of Embedded Derivatives
- IFRIC 10, Interim Financial Reporting and Impairment (The interpretation in question has not yet been endorsed by the EU)

Consolidation

Subsidiaries

The consolidated financial statements include the companies, in which the group holds the majority of the voting rights or otherwise has the power to govern the financial and operating policies of the company. Subsidiaries are consolidated from the date on which control is transferred to the Group and sold subsidiaries are de-consolidated from the date that control ceases. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Acquisitions of subsidiaries are accounted for using the purchase method of accounting. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the aquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority intertest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets of the subsidiary acquired is recorded as goodwill.

All inter-company transactions, receivables and liabilities and unrealised gains, and inter-company distribution of profit are eliminated when preparing the consolidated financial statements. Unrealised losses are not eliminated, if they are caused by impairment of assets. Allocation of profit for the period between the equity holders of the parent company and minority interest is disclosed on the face of the income statement and equity attributable to minority interest is presented separately as a part of shareholders' equity on the balance sheet.

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in euros, which is the functional and presentation currency of the parent company.

Transactions in foreign currencies are recorded at the exchange rates prevailing at the transaction date. Monetary items denominated in foreign currency are translated into the functional currency at the exchange rates prevailing on the balance sheet date. Non-monetary items measured at fair value are translated into functional currency at the exchange rates prevailing at the valuation date. Other non-monetary items are measured at the exchange rates prevailing at the transaction date.

Gains and losses resulting from foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement under sales, materials and services or under financial income and expenses based on the nature of transaction.

Income statements and cash flows of foreign entities are translated into the Group's reporting currency at the average exchange rates for the year and balance sheets are translated at the exchange rates on the balance sheet date. Exchange differences arising from the translation of the net investment in foreign entities are recognized to shareholders' equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entiyty are treated as assets and liabilities of the foreign entity and translated at the exchange rates on the balance sheet date.

Tangible assets

Tangible assets are stated at historical cost less depreciation less any impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as separate asset when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Other tangible assets comprise artwork and are not depreciated.

Depreciation is calculated using the straight-line method during the estimated useful lives, as follows

Buildings	40 years
Machinery and equipment	3 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date to reflect changes in the estimates of economic benefits.

An asset's carrying amount is written down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in other operating income or expenses.

Interest costs on borrowings to finance the construction of tangible assets are expensed as incurred.

Intangible assets

Goodwill

Goodwill, arising from the acquisitions after 1 January 2004, represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired entity at the date of acquisition. For the goodwill, arising from the acquisitions before 1 January 2004, the carrying amount of goodwill under previous GAAP is used as the deemed cost of goodwill at the date of transition to IFRS

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing. (Details in Note 8 Goodwill and other intangible assets).

Research and development

Research expenditure is recognised as an expense as incurred. Development costs are capitalised when the entity can demonstrate the technological and commercial feasibility of the product and cost can be measured reliably. Other development expenditures are recognised as an expense. Currently the development work the entity is performing, is of such nature that it does not fulfill the criteria of capitalisation and thus the development costs are recognised as expense as incurred.

Other intangible assets

Intangible assets include technology, a trademark, customer relationships, cartographic content and contract based intangibles, which mostly arise from business combinations. The trademark, which has indefinite useful life, is not amortized but tested for impairment annually. Technology, customer relationships and cartographic content are amortized over their estimated useful life (3 to 15 years). The amortization period for contract based intangibles varies from 3 months to 3 years.

Other intangible assets (including mainly computer software) are carried at cost less amortisation less any impairment loss. These are amortized over their estimated useful life (3 to 5 years).

Impairment of assets

Goodwill and other assets that have an indefinite useful life are tested annually for impairment. With regard to assets that are subject to amortisation, the group assesses at each balance sheet date, whether there are indications that the carrying amount may not be recoverable. For the purposes of assesning impairment, assets are grouped at the lowes levels for which there are separately identifiable cash flows (cash-generating units).If there is any indication of impairment, the recoverable amount is estimated as the higher of the net selling price and the value in use with an impairment loss being recognised to income statement whenever the carrying amount exceeds recoverable amount.

A previously recognised impairment loss is reversed, if there has been a change in the estimates used to determine the recoverable amount. The increased carrying amount must not, however, exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. However, previously recognised impairment loss of goodwill is not reversed.

Financial assets

The Group classifies its financial assets in the following categories: at the fair value through profit or loss, loans and receivables and available-for-sale. The classification is dependent on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purposes of selling in the short term. Derivatives are classified as held for trading unless they are designed for hedges. Assets in this category are classified as current assets.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Available-for-sale financial assets are included in non-current assets unless they are intended to be disposed of within 12 months of the balance sheet date

Purchases and sales of investments are recognised on the trade date, which is the date on which the group commits to purchase or sell the asset. Cost of purchase includes transaction costs. Financial assets at fair value through profit or loss and available-for-sale financial assets are subsequently carried at fair value.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement within financial items – net in the period in which they arise. All unrealized gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in equity. When financial assets classified as available-for-sale are sold or permanently impaired, the accumulated fair value adjustments are included in the income statement in financial income and expenses.

Loans and other receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading purposes. These include financial assets of the Group that have arisen on transfers of cash, goods or services to the debtor. They are measured at amortised cost and included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. Impairment on trade receivables is recognised when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables.

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents comprise cash on hand and bank and deposits held at call with banks.

Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Leases where the lessee has substantially all the risks and rewards of ownership are classified as finance leases.

The group has entered into various operating leases, the payments under which are treated as rentals and charged to the income statement on a straight-line basis over the lease term.

Inventories

Inventories are stated at the lower of cost and net realisable value. Self-manufactured products are valued at manufacturing cost including raw materials, direct labour, other direct costs and related purchase and production overheads. Cost is determined using the weighted average cost method. A valuation provisions in recorded for inventories with a lower market value. If it becomes apparent that the inventory can be used, provisions are reversed with inventory being revalued up to the lower of its original cost or estimated net realisable value. Unsaleable inventory is fully written off.

Share capital

Share capital consists solely of ordinary shares. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the company's equity share capital (treasury shares), the consideration paid and any directly attributable incremental costs (net of taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration deducted with directly attributable incremental transaction costs and the related income tax effect, is included in equity attributable to the company's equity holders.

Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortized cost using the effective interest method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Deferred income taxes

Deferred income tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a trasaction other than a business compination that at the time of transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Employee benefits

Pension obligations

The Group companies have various pension schemes in accordance with the local conditions and practices in the countries in which they operate. The schemes are generally funded through payments to insurance companies. The current pension schemes are classified as defined contribution plans.

Defined contribution plan is a pension plan under which the group pays fixed contributions into a separate funds. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Under defined contribution plans the payments are accounted for as expenses of the period for which the payment is made.

Share-based payments

The group has option compensation plans, which will be settled in equity instruments. The group has also compensation plans, which are defined as cash-settled share-based payment transactions.

The compensation plans, which will be settled in equity instruments, are valued at fair value at grant date and recognised as an expense over the vesting period. The expense determined at the grant date is based on the group's estimate of the number of options that will be vest at the end of vesting period. The fair values of the options granted are determined using the Black-Scholes valuation model. At each balance sheet date, the Group revises its estimates of the number of options that are expected to vest. The impact of the revision to original estimates, if any, will be recognised in the income statement. The proceeds received net of any directly transaction costs will be credited to share capital (nominal value) and reserve of invested non-restricted equity when the options are exercised

Cash-settled share-based payment transactions are valued at fair value and recognised as expense and as an increase of liability over the vesting period. At each balance sheet date, the group revises its estimates of the fair value.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. Research and development grants are credited against research and development expenses in the income statement. Government grants relating to the purchase of tangible assets are presented by deducting the grant in arriving at the carrying amounts of the assets and are credited to the income statement in the form of lower depreciation over the estimated useful lives of the related assets.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The amount to be recognised as a provision is the best estimate of the expenditure required to settle the obligation at the balance sheet date. Where the effect of time value of money is material, the amount of the provision is discounted. The group has no provisions.

Revenue recognition

Revenue is measured at fair value of the consideration received or receivables of the sale of goods and services, net of value-added tax, rebates and discounts.

Sales of goods/licenses

Sales of goods/licenses are recognised when a Group entity has delivered the products/licenses to the customer, collectibility of the related receivables is reasonably assured, the selling entity has no significant risks and rewards of ownership and the selling entity retains neither managerial commitment nor control of the sold goods/licenses.

Construction contracts

In long-term projects, contract accounting revenue recognition principles are applied. Long-term projects might include both licenses and consulting sales and modification as well as customization of softwares play an important part in the projects.

Contract revenue and cost are recognised based on the percentage of completion method. The state of completion is measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs for each contract.

Contract costs are recognised when incurred. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

The Group presents as an asset the gross amount due from customers of contract work for all contracts in progress for which costs incurred plus recognised profits exceed progress billings. Progress billings not yet paid by customers are included within trade receivables. If costs incurrent plus recognized profit are less than billings, the difference is presented as a liability.

Other services

Sales of services (support, maintenance, consulting and training) are recognised in the accounting period in which the services are rendered.

Interest and dividend income

Interest income is recognised on a time-proportion basis using the effective interest method. Dividend income is recognised when the right to receive payment is established.

Segment information

Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of units operating in other economic environments.

The group's primary segment reporting is based on geographical segments and secondary segment reporting on business segments.

Adoption of new or amended IFRS standards and IFRIC interpretations

The standards and interpretations listed below have been published by the IASB and are mandatory in 2007 or later. The group has not early adopted these standards and interpretations and will adopt them for future periods.

In 2007, the group will adopt the following standards and interpretations

- IFRS 7 Financial instruments: Disclosures. The standard requires entities to provide disclosures in their financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance as well as the nature and extend of risk arising from financial instruments to which the entity is exposed during the period and at the reporting date. The standard also requires to provide information, how the entity manages risks relating to financial instruments. The standard will increase information, which have to be included in the financial statements, but it does not have any impact on performance nor financial position of the group.
- IAS 1 (Amendment) Capital disclosures. According to the amendment to IAS 1, entities shall disclose information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital. The amendment will increase information, which have to be included in the financial statements, but it does not have any impact on performance nor financial position of the group.
- IFRIC 11, IFRS 2 –Group and treasury share transactions:** According to the interpretation the share based payment arrangements, in which suppliers have been provided with equity instruments of the entity or the entity within the same group, has to be calculated for as a share-based payment transactions. Because all such arrangements have already been calculated for as share-based payment transactions, the interpretion do not have any impact on the consolidated financial statements

The Group will adopt the following standard published by the IASB in its consolidated financial statements for 2009:

- IFRS 8 Operating Segments. The standard, which is effective on 1 January 2009, replaces the current standard for segment reporting (IAS 14). IFRS 8 will change definitions of segments and introduces new disclosures relating to segments in the financial statements and interim reports. The management of the group is currently assessing the effect of the standard and their current assessment is that the standard does not change the current segments of the group and thus it would not have any impact on the performance nor the financial position of the group.

The following standards and interpretations, which are effective after year 2007, will not have any effect on the consolidated financial statements:

- IFRIC 12, Service concession arrangements**: Effective date 1 January 2008

** The standard/interpretation in question has not yet been endorsed by the EU.

3. Financial risk management

(1) Financial risks

The group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates, interest rates and market prices of shares. The focus of group's overall risk management policy is to minimise the impact of unpredictability of financial markets on financial performance of the group.

Risk management is carried out by finance department under policies approved by the Audit Committee.

Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk arising primarily from future commercial transactions as well balance sheet items. The most important business risk arising from currencies is the foreign exchange risk created by cash flows in non-home currencies. In current operations the foreign exchange risk is mainly related to U.S. dollar, when the group purchases softwares and related products. The share of U.S. dollar purchases of all purchases is, however, only 16%. At the end of 2006 the group expanded its operations to Sweden, which currency fluctuates against euro. While the transactions of Intellibis AB are mainly in Swedish crowns, the company does expose to material foreign exchange risk in its operations.

Currently the group does not hedge its foreign exchange risk relating to operating activities as well as the equity of subsidiaries.

Interest rate risk

The group's cash flow interest rate risk arises mainly from long-term and short-term loans as borrowings are issued at variable interest rate. To decrease the risk relating to possible rise in the interest rate level, the group has entered into a interest swap agreement. By that agreement a variable interest rate loan, which is due in 2012, of 5.0 million euros has been changed to fixed interest loan. The company does not apply the hedge accounting under IAS 39 and therefore the changes in fair value of interest rate swap will be booked in the financial items in profit and loss statement. An increase of 1 percentage points in the interest rates would increase the annual interest expenses by approx. 120 thousand euros.

Credit risk

The group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The group has significant trade receivables from certain customers, in relation to which the Management and Board of Directors of the Company see no real credit risk as the credit history of these counterparties is flawless. Also advance payments relating to projects are used to decrease the credit risk. The amount of bad debt recognised in 2006 was 52 thousand euros.

Liquidity risk

The liquid funds of the group have been decreased mainly due to the acquisitions of ZenPark Oy and Intellibis AB, which took place late in 2006. The liquidity position of the group is still good, the liquid funds amounted to 5,485 thousand euros at the year end. Undrawm credit facility of the group amounted to 0.1 million euros. Group applies prudent liquidity risk management, as there are fluctuations in cash flows based on the nature of business. With relation to long-term projects the liquidity risk management involves the amount and timing of advance payments on the projects.

(2) Derivative instruments and hedging

The group has one interest rate swap derivative, which has been used to change the variable interes rate loan of 5.0 million euros (due in 2012) to fixed interest rate loan. The group does not apply the hedge accounting under IAS 39 and thus the changes in fair value of interest rate swap will be booked in financial items in profit and loss statement. The change in interest rate level will have an impact on the fair value on the derivative, but it does not have any cash flow impact.

(3) Fair value estimation

The carrying amounts of the group's financial instruments, which include cash equivalents, trade receivables, trade payables and accrued expenses approximate their fair values due to their short maturities. Based on current borrowings from financial institutions, the carrying amounts approximate their fair values.

The fair value of interest rate swap will be determined at each reporting date.

4. Critical accounting estimates and judgements

Estimates and judgment are based on historical experience and other factors, including expectations of future events. Estimates and judgment are continually evaluated. Most critical accounting estimates and judgment are discussed below.

Purchase price allocation

IFRS 3 requires the acquirer to recognise separately an intangible asset of the acquiree if the recognition criteria are met. The recognition of intangible assets at their fair value requires management's estimates of future cash flows. When feasible, the management has used as a basis for such allocations the readily available market values to determine the fair value. However, when this has not been possible, as often is the case especially with intangible assets, the valuation has been based on past performance of such asset and its intended future use in our business. The valuations, which have been based on discounted cash flows, estimated selling prices or replacement costs, require management to make estimates and assumptions of the future use of those assets and the their impact on the group's financial position. Any change in the group's future business priorities and orientations may affect the planned outcome of initial valuations.

Impairment testing

The group tests annually whether goodwill or other intangible assets with indefinite useful lives have suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. Although the management believes that assumptions are appropriate, the estimated recoverable amounts can differ materially from what will actually occur in the future.

Revenue recognition

The group uses the percentage of completion method for long-term contracts. The percentage of completion method relies on estimates of total expected contract revenue and costs, as well as dependable measurement of the progress made towards completing the particular project. Recognised revenues and profit are subject to revisions during the project in the event that the assumptions regarding the overall project outcome are revised. The cumulative impact of a revision in estimates is recorded in the period when such revisions become likely and estimable.

Inventory valuation

Management's policy is to maintain an allowance for slow moving and obsolete inventory based on the management's best estimate of the amounts that are potentially uncollectible at the balance sheet date. Management bases its estimate on a systematic, on-going review and evaluation.

5. Segment information

Primary reporting format – geographical segments

AffectoGenimap's operations are organised through three country units: Finland, Baltic and Nordic. Finland comprises the business areas XBI solutions, Customized solutions and Cartographic solutions. Baltic provides XBI solutions and Customized solution services to its customers. The business of Nordic comprises of XBI solutions.

In segment reporting geographical segment is defined as the primary and business segment as secondary segment format. Segment reporting reflects the group's internal organisational and management structure. The reportable geographical segments are Finland, Baltic countries and Nordic. Geographical segments are presented based on the location of assets.

Segment results for the year ended 31 December 2006 are as follows:

1 000 EUR	Finland	Baltic	Nordic	Un-allocated	Group
Total segment revenue	36 267	13 083	881	-	50 231
Inter-segment revenue	-36	-	-	-	-36
Revenue	36 231	13 083	881	-	50 194
Operating profit	4 641	497	-22	-1 474	3 642
Financial income and expenses					-184
Profit before taxes					3 458
Taxes					-824
Profit for the period					2 633

Unallocated costs represent general administrative expenses, head-office expenses and other expenses that arise at the entity level and relate to the entity as a whole.

Inter-segment transfers and transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated parties. All inter-segment sales are eliminated in consolidation.

Non-cash expenses included in the income statement for the year ended 31 December 2006 are as follows:

1 000 EUR	Finland	Baltic	Nordic	Un-allocated	Group
Depreciation and amortisation	938	329	95	9	1 372
Stock options	4	2	-	1	7
Total	942	331	95	10	1 379

Segment assets and liabilities at 31 December 2006 and capital expenditure for the year then ended are as follows:

1 000 EUR	Finland	Baltic	Nordic	Un-allocated	Group
Assets	38 616	15 075	16 736	8 314	78 741
Liabilities	8 717	3 303	3 718	23 911	39 649
Capital expenditure (including business combinations)	3 772	1 483	12 701	53	18 009

Segment assets consist primary of tangible assets, intangible assets, inventories and receivables. They exclude tax assets, financial assets (incl. cash) and assets relating to corporate function. Segment liabilities comprise operating liabilities such as trade and other payables, accrued liabilities and customer advances. They exclude items such as taxation, borrowings and impact of derivatives

Segment results for the year ended 31 December 2005 are as follows:

1 000 EUR	Finland	Baltic	Unallocated	Group
Total segment revenue	35 713	11 022	-	46 735
Inter-segment revenue	-34	-2	-	-36
Revenue	35 679	11 020	-	46 699
Operating profit	4 281	1 218	-346	5 153
Financial income and expenses				-364
Profit before taxes				4 789
Taxes				-1 089
Profit for the period				3 700

Non-cash expenses included in the income statement for the year ended 31 December 2005 are as follows:

1 000 EUR	Finland	Baltic	Group
Depreciation and amortisation	850	245	1 095

Segment assets and liabilities at 31 December 2005 and capital expenditure for the year then ended are as follows:

1000 EUR	Finland	Baltic	Unal-located	Group
Assets	39 292	16 339	6 723	62 354
Liabilities	9 886	2 258	16 637	28 781
Capital expenditure (including business combina-tions)	2 389	235	-	2 624

Secondary reporting format – business segments:

XBI: AffectoGenimap's XBI operations are divided into three principal areas: business intelligence, geographic information systems and enterprise content management. The solutions in these three areas are separate but in selected situations they can also be complementary. AffectoGenimap's XBI projects are based on third party software and the group serves as an integrator providing the customer-specific solution.

Customized Solutions include businesses in Finland and in the Baltic countries. In Finland, AffectoGenimap builds highly customized operational solutions for large Finnish organisations, both public and private. In the Baltic region AffectoGenimap provides a complete IT service suite. It is the fourth largest IT services provider in the Baltic region and focuses on serving large corporate and public sector clients in the region.

Cartographic Solutions: The unit offers cartographic content in various froms to customers. The publishing of the content also as maps offers AffectoGenimap an additional way of benefiting from the location and map data collected during the company's existence, as AffectoGenimap holds a comprehensive map database for Finland. AffectoGenimap has also created a uniform global map database from various European data sources. AffectoGenimap offering include a number of maps and related products such as books and CD-ROMs. AffectoGenimap also provides tailored maps mostly for corporate users.

Segment revenue, assets and capital expenditure for the year ended 31 December 2006 are as follows:

1 000 EUR	XBI	Customized Solutions	Carto-graphic Solutions	Unal-located	Group
Sales	21 518	19 061	9 652	-36	50 194
Assets	41 183	21 538	11 173	4 847	78 741
Capital expenditure	17 265	522	160	61	18 009

Segment revenue, assets and capital expenditure for the year ended 31 December 2005 are as follows:

1 000 EUR	XBI	Customized Solutions	Carto-graphic Solutions	Unal-located	Group
Sales	21 160	18 255	7 383	-99	46 699
Assets	17 644	30 847	7 140	6 723	62 354
Capital expenditure	2 069	463	92	-	2 624

6. Business combinations

UAB Dokumentu Valdymo Sistemos

On 27 April 2006, the group acquired 100 % of the share capital and voting rights of UAB Dokumentu Valdymo Sistemos. The company's offering includes document management and data capture solutions in Lithuania. The acquired business contributed revenues of EUR 841 thousand and operating profit of EUR 130 thousand to the group for the period it was consolidated, that is from 28 April 2006 to 31 December 2006.

Details of net assets acquired and goodwill

1 000 EUR	
Purchase consideration:	
Cash paid	1 006
Direct costs relating to the acquisition	29
Total purchase consideration	1 035
Fair value of net assets acquired	225
Goodwill	810

The goodwill is attributable to the synergies expected to arise after the acquisition and the assembled and skilled workforce.

The assets and liabilities arising from the acquisition

1 000 EUR	Fair value	Acquiree's carrying amount
Non-current assets		
Intangible assets		
Customer relationships	168	-
Contract based intangibles	102	-
Other intangible assets	129	129
Tangible assets	27	27
Currents assets		
Trade and other receivables	76	76
Cash and cash equivalents	3	3
Total assets	505	235
Non-current liabilities	-	-
Deferred tax liability	44	-
Current liabilities		
Interest-bearing liabilities	211	211
Trade and other payables	25	25
Total liabilities	280	236
Net assets	225	-1
Purchase consideration settled in cash		-1 035
Cash and cash equivalents in subsidiary acquired		3
Cash outflow (net) on acquisition		-1 032

ZenPark Oy

On 29 September 2006, the group acquired 100 % of the share capital and voting rights of ZenPark Oy. The main part of Zenpark's revenue is generated through BI solutions built on Cognos technology. In addition the company delivers BI and .NET solutions based on Microsoft technology. The acquired business contributed revenues of EUR 939 thousand and an operating loss of EUR 20 thousand to the Group for the period it was consolidated , that is from 1 October 2006 to 31 December 2006. Based on earnings development, an earn-out max. EUR 0.7 million can be paid during year 2007. In the financial statements as of 31 December 2006, the earn-out has been estimated to amount to EUR 200 thousand, which has been recorded as a liability.

Details of net assets acquired and goodwill

1 000 EUR	
Purchase consideration:	
Cash paid	3 063
Direct costs relating to the acquisition	68
Estimated earn-out	200
Total purchase consideration	3 331
Fair value of net assets acquired	1 036
Goodwill	2 295

The acquisition diversifies technology competence of the group, which together assembled and skilled workforce has impacted on the amount of goodwill. Costs savings relating to integration of operations have beeen estimated to be minor.

The assets and liabilities arising from the acquisition

1 000 EUR	Fair value	Acquiree's carrying amount
Non-current assets		
Intangible assets		
Customer relationships	460	-
Contract based intangibles	209	-
Other intangible assets	24	24
Tangible assets	54	54
Currents assets		
Trade and other receivables	668	668
Cash and cash equivalents	400	400
Total assets	1 815	1 146
Non-current liabilities	-	-
Deferred tax liability	174	-
Current liabilities		
Trade and other payables	605	605
Total liabilities	779	605
Net assets	1 036	541
Purchase consideration settled in cash		-3 131
Cash and cash equivalents in subsidiary acquired		400
Cash outflow (net) on acquisition		-2 731

Intellibis AB

On 11 December 2006, the group acquired 100 % of the share capital and voting rights of Intellibis AB. Intellibis is the leading specialised supplier of business intelligence (BI) solutions in Sweden. The main part of Intellibis revenue is generated through BI solutions built on Microsoft and Cognos technologies. In addition the company has partners like Busines Objects, Lawson, Outlooksoft and CorpSoft. The acquired business contributed revenues of EUR 881 million and operating loss of EUR 22 thousand to the group for the period it was consolidated. Based on financial performance of the Intellibis Group, an earn-out max. EUR 4.0 million can be paid during year 2008. In the financial statements as of 31 December 2006, the earn-out has been estimated to amount to EUR 2 050 thousand, which has been recorded as a liability.

Details of net assets acquired and goodwill

1 000 EUR	
Purchase consideration:	
Cash paid	10 424
Paid in treasury shares	501
Paid in new shares	1 649
Direct costs relating to the acquisition	127
Estimated earn-out	2 050
Total purchase consideration	14 751
Fair value of net assets acquired	4 500
Goodwill	10 251

In the directed share issue, which took place in December, 546,000 new shares were offered to Intellibis Grundare AB. The directed share issue was based on the share sale and purchase agreement between AffectoGenimap Plc and Intellibis Grundare AB, pursuant to which AffectoGenimap purchases all shares in Intellibis AB. Regarding these new shares, a value of 3,02 eur/share was used in the acquisition. In addition AffectoGenimap Plc has, as a part of the Intellibis transaction, conveyed 165,962 treasury shares held by the company to Intellibis Grundare AB with a price of 3,02 eur/share

The acquisition of Intellibis will open the Swedish BI market to AffectoGenimap and enables a wider service of Nordic customers. This together with assembled and skilled workforce has impacted to the amount of goodwill.

The assets and liabilities arising from the acquisition

1 000 EUR	Fair value	Acquiree's carrying amount
Non-current assets		
Intangible assets		
Customer relationships	2 988	-
Contract based intangibles	985	-
Other intangible assets	-	-
Tangible assets	22	22
Deferred tax asset	72	72
Currents assets		
Trade and other receivables	2 699	2 699
Cash and cash equivalents	1 362	1 362
Total assets	8 128	4 155
Non-current liabilities	-	-
Deferred tax liability	1 236	124
Current liabilities		
Trade and other payables	2 392	2 392
Total liabilities	3 628	2 515
Net assets	4 500	1 640
Purchase consideration settled in cash		-10 468
Cash and cash equivalents in subsidiary acquired		1 362
Cash outflow (net) on acquisition		-9 106

Impact of acquisitions made in 2006, if they would have been made as at 1 January, 2006

If the 2006 acquisitions had occurred on 1 January 2006 the revenue and operating profit of the Group would have increased by 12.9 million euros and 0.7 million euros respectively.

Business combinations in 2005

On 30 November 2005, the Group acquired 100 % of the share capital and voting rights of Domasoft Oy. Domasoft offers document management, work management and data capture solutions. The solutions are mainly based on own solution frameworks, which are then tailored for customers. Data collection solutions are mainly built on third party tools. The acquired business contributed revenues of EUR 0,2 million and net profit of EUR 0,0 million to the Group for the period it was consolidated, that is from 1 December 2005 to 31 December 2005. The entire purchase consideration was settled in cash. EUR 0,3 million of the consideration has been paid in the beginning of year 2006.

Details of net assets acquired and goodwill

1 000 EUR	
Purchase consideration:	
Cash paid (2005 and 2006)	1 780
Direct costs relating to the acquisition	82
Total purchase consideration	1 862
Fair value of net assets acquired	360
Goodwill	1 502

The goodwill is attributable to the significant synergies expected to arise after the acquisition and the assembled and skilled workforce.

The assets and liabilities arising from the acquisition

1 000 EUR	Fair value	Acquiree's carrying amount
Non-current assets		
Intangible assets		
Customer relationships	148	-
Technology	95	-
Goodwill		
Other intangible assets	16	19
Property, plant and equipment	44	44
Current assets		
Trade and other receivables	376	376
Cash and cash equivalents	275	275
Total assets	954	714
Non-current liabilities		
Deferred tax liabilities	64	-
Current liabilities		
Trade and other payables	530	530
Total liabilities	594	530
Net assets	360	184
Purchase consideration settled in cash		-1 493
Cash and cash equivalents in subsidiary acquired		275
Cash outflow (net) on acquisition		-1 218

If the 2005 acquisitions had occurred on 1 January 2005 the revenue and operating profit of the Group would have increased by EUR 2.2 million and EUR 0.1 million, respectively.

7. Tangible assets

1 000 EUR	Buildings	Machinery and equipment	Other tangible assets	Total
Acquisition cost 1 January 2006	748	2 676	5	3 429
Translation differences	-	0	-	0
Acquired subsidiaries	-	113	-	113
Reallocation	-	-7	-	-7
Additions	-	867	-	867
Disposals	-	-133	-	-133
Acquisition cost 31 December 2006	748	3 516	5	4 269
Accumulated depreciation 1 January 2006	24	1 505	-	1 529
Translation differences	-	0	-	0
Acquired subsidiaries	-	15	-	15
Disposals	-	-116	-	-116
Depreciation for the period	22	709	-	731
Impairment charges	-	-	-	-
Accumulated depreciation 31 December 2006	46	2 113	-	2 159
Carrying amount 1 January 2006	724	1 171	5	1 900
Carrying amount 31 December 2006	702	1 403	5	2 110
Acquisition cost 1 January 2005	748	2 145	5	2 898
Translation differences	-	0	-	0
Acquired subsidiaries	-	44	-	44
Additions	-	606	-	606
Disposals	-	-119	-	-119
Acquisition cost 31 December 2005	748	2 676	5	3 429
Accumulated depreciation 1 January 2005	2	961	-	963
Translation differences	-	0	-	0
Disposals	-	-103	-	-103
Depreciation for the period	22	647	-	669
Impairment charges	-	-	-	-
Accumulated depreciation 31 December 2005	24	1 505	-	1 529
Carrying amount 1 January 2005	746	1 184	5	1 935
Carrying amount 31 December 2005	724	1 171	5	1 900

8. Goodwill and other intangible assets

1 000 EUR	Goodwill	Technology	Customer relation-ships	Trade-mark *	Carto-graphic content	Contract based intangibles	Other	Total other intangible assets
		Other intangible assets						
Acquisition cost 1 January 2006	30 860	95	656	551	1 532	-	642	3 476
Translation differences	-5	-	-1	-	-	-	0	-1
Reallocations	-	-	-	-	-	-	7	7
Acquired subsidiaries	13 357	-	3 616	125	-	1 296	53	5 090
Additions	-	-	-	-	-	-	226	226
Disposals	-634	-	-	-	-	-	-	-
Acquisition cost 31 December 2006	43 579	95	4 271	676	1 532	1 296	928	8 798
Accumulated amortisation 1 January 2006	-	3	65	-	128	-	388	584
Translation differences	-	-	-	-	-	-	0	0
Acquired subsidiaries	-	-	-	-	-	-	24	24
Disposals	-	-	-	-	-	-	-	-
Amortisation for the period	-	32	141	21	102	135	210	641
Impairment charges	-	-	-	-	-	-	-	-
Accumulated amortisation 31 December 2006	-	34	206	21	230	135	622	1 249
Carrying amount 1 January 2006	30 860	92	591	551	1 404	-	254	2 892
Carrying amount 31 December 2006	43 579	61	4 065	655	1 302	1 161	306	7 550
Goodwill	43 579							
Other intangible assets	7 550							
Total intangible assets 31 December 2006	51 129							
Acquisition cost 1 January 2005	29 570	-	508	551	1 532	-	413	3 004
Translation differences	-	-	-	-	-	-	0	0
Reallocations	-	-	-	-	-	-	-	-
Acquired subsidiaries	1 502	95	148	-	-	-	16	259
Additions	-	-	-	-	-	-	213	213
Disposals	-212	-	-	-	-	-	-	-
Acquisition cost 31 December 2005	30 860	95	656	551	1 532	-	642	3 476
Accumulated amortisation 1 January 2005	-	-	13	-	26	-	120	159
Translation differences	-	-	-	-	-	-	0	0
Acquired subsidiaries	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Amortisation for the period	-	3	52	-	102	-	268	425
Impairment charges	-	-	-	-	-	-	-	-
Accumulated amortisation 31 December 2005	-	3	65	-	128	-	388	584
Carrying amount 1 January 2005	29 570	-	495	551	1 507	-	293	2 846
Carrying amount 31 December 2005	30 860	92	591	551	1 404	-	254	2 892
Goodwill	30 860							
Other intangible assets	2 892							
Total intangible assets 31 December 2005	33 752							

* Trademark identified in the purchase price allocation of AffectoGenimap Finland Oy (EUR 551 thousand) is treated as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. Therefore, the trademark is not amortised until its useful life is determined to be finite.

Impairment test for goodwill

At each balance sheet date, the Group assesses whether there are indications that the carrying amount of an asset may not be recoverable. If there are any indications of impairment, the recoverable amount is estimated. In addition, the recoverable amount is estimated annually for certain assets regardless of whether there have been indications of impairment or not. The need for impairment is assessed at the level of cash generated units, that is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

For goodwill impairment test, the goodwill has been allocated to the following cash-generating units.

Summary of goodwill allocated to the cash-generating units is presented below

1 000 EUR	XBI	Customized solutions	Cartographic solutions	Total
	2006			
Finland	14 475	3 423	5 807	23 705
Baltic	810	8 817	-	9 627
Nordic	10 246	-	-	10 246
	25 531	12 240	5 807	43 579

Trademark (EUR 551 thousand in 2005 and 2006), which has an indefinite useful life, has been allocated to the Cartographic solutions cash-generating unit.

The recoverable amount of a CGU is determined based on value-in-use calculations. Cash flow projections used in the calculations are based on financial budgets and forecasts approved by management covering five year period. Cash flows beyond the five-year-period are extrapolated using estimated growth rates stated in the following table. The growth rate does not exceed the long-term average actual growth rate within the industry

Key assumptions used for value-in-use calculations

Cash-generating unit	Pre-tax discount rate	Growth rate
Finland		
XBI	11,45%	2%
Customized solutions	11,75%	2%
Cartographic solutions	11,65%	2%
Baltic		
XBI	15,78%	3%
Customized solutions	13,30%	3%
Nordic		
XBI	10,00%	3%

The management has based its cash flow projections for the period covered by most recent budgets to assumption of the market performance of the business. Assumptions used reflect past experience and future expectations, and are consistent with external sources of information. With regards to possible impairment, a change of 1% in the growth expectations of revenue and cost levels have the most significant impact on value-in-use of Baltic XBI and customized solutions as well as Nordic XBI.

9. Available-for-sale financial assets

Financial assets include shares and other financial investments. Currently all investments are classified as available-for-sale financial assets.

Available-for-sale financial assets

1 000 EUR	2006	2005
At 1 January	99	80
Translation differences	0	-
Subsidiaries acquired	573	-
Additions	35	19
Disposals	-77	-
Net gains/losses transferred to equity	5	-
At 31 December	635	99
Non-current	57	99
Current	578	-
	635	99

Available-for-sale financial assets include the following

1 000 EUR	2006	2005
Unlisted shares	57	99
Interest funds	229	-
Capital garantied bonds	350	-
	635	99

10. Inventories

1 000 EUR	2006	2005
Materials and supplies	962	1 277
Work in progress	205	134
Finished goods	928	713
	2 095	2 125

In 2006, the Group recognised EUR 150 thousand (EUR 79 thousand during 2005) as write-down of inventories.

11. Trade and other receivables

Trade receivables

1 000 EUR	2006	2005
Trade receivables	11 557	7 121
Less provision for impairment of receivables	49	-
Trade receivables – net	11 508	7 121

Other receivables

1 000 EUR	2006	2005
Prepaid expenses and accrued income		
Accrued income		
Amounts due from customers for contract work	1 119	570
Other accrued income	1 256	805
Prepaid expenses	1 253	1 455
Other receivables	602	360
	4 230	3 190

The aggregate amount of costs incurred and recognised profits (less recognised losses) for all contracts in progress at the balance sheet date were 11.0 million euros (previous year 9.0 million euros).

The carrying amounts of trade and other receivables approximate their fair value.

12. Financial assets at fair value through profit or loss

Derivatives that do not fulfil the hedge accounting requirements, are classified as financial assets at fair value through profit or loss.

1 000 EUR	2006	2005
Derivatives	24	-

Changes in fair values of financial assets at fair value through profit or loss, EUR 24 thousand in 2006, are recorded in finance items.

13. Cash and cash equivalents

1 000 EUR	2006	2005
Cash at bank and in hand	2 406	2 141
Short-term bank deposits	2 500	10 498
	4 906	12 639

Cash and cash equivalents include the following for the purposes of the cash flow statements:

1 000 EUR	2006	2005
Cash and cash equivalents in the balance sheet	4 906	12 639
Quoted available-for-sale financial assets	578	-
	5 485	12 639

In addition the group has restricted cash, which are pledged financial assets relating to a delivery agreements. EUR 260 thousand of these restricted cash is in time deposit, which effective interest rate is 2.9%.

14. Share capital, share premium and reserve of invested non-restricted equity

	Number of shares A	Number of shares B	Share capital 1 000 EUR A	Share capital 1 000 EUR B	Total share capital 1 000 EUR	Treasury shares	Treasury shares 1 000 EUR	Share premium 1 000 EUR	Reserve of invested non-restricted equity 1 000 EUR
1 January 2005	41 273 401	1 730 403	4 127	173	4 300	1 384 334	-352	14 240	-
Series B shares to the Company 1.	-	-	-	-	-	1 730 403	-	-	-
Bonus issue 2.	52	-	0	-	0	-	-	0	-
Reduction of share capital 3.	-1 384 334	-1 730 403	-138	-173	-311	-3 114 737	352	311	-
Reverse split 4.	-26 592 746	-	-	-	-	-	-	-	-
Share issue 5.	2 100 000	-	630	-	630	-	-	8 305	-
31 December 2005	15 396 373	-	4 619	-	4 619	-	-	22 856	-
1 January 2006	15 396 373	-	4 619	-	4 619	-	-	22 856	-
Directed share issues 1.	1 620 148	-	486	-	486	-	-	2 548	1 485
Purchase of treasury shares 2.	-	-	-	-	-	202 700	-509	-	-
Conveyance of treasury shares 3.	-	-	-	-	-	-165 962	-403	-	476
31 December 2006	17 016 521	-	5 105	-	5 105	36 738	-106	25 404	1 960

Share capital consists of Series A shares, the par value of which is EUR 0,30 per share on 31 December 2006. Previously, the parent company had both Series A and Series B shares. All issued shares are fully paid.

During the financial year 2005 there were the following changes in the share capital:

1. All 1 730 403 series B shares were returned to the company without compensation on 12 April 2005 in accordance with the merger agreement made in August 2004 between Affecto and Genimap.
2. The share capital was increased by EUR 5 by issuing 52 new shares. The increase was done by transferring the amount to share capital from share premium. The entry into the Trade Register was made on 25 April 2005.
3. Share capital was decreased by EUR 311 473 by cancelling the 1 384 334 Series A and 1 730 403 Series B shares held by the Company. After the cancellation of the B-shares, the company has only one share series. The entry into the Trade Register was made on 25 April 2005.
4. The number of shares was decreased. In the reverse split transaction three (3) old shares with nominal value of EUR 0.10 were converted into one (1) new share with nominal value of EUR 0.30.
5. Based on the authorisation given on April 20, 2005 by the General Meeting and on the decision made by the Board of Directors on 26 May 2005, to raise the amount of share capital by a subscription issue of EUR 630 000 by issuing into circulation 2 100 000 new shares. At the same time, the share of the Company was listed on the main list of the Helsinki Exchange. The decided issue price was EUR 4.80 per share. The portion of the issue price that exceeded the share capital (EUR 0.30) has been recorded in the share premium after adjusting it for the IPO net expenses of EUR 1.1 million.

During the financial year 2006 there were the following changes in the share capital:

1. During 2006 there has been two directed share issues, which have increased the share capital. In the directed share issue, which took place in May, 1 074 148 new shares were offered in deviation from the pre-emptive right of subscription of the shareholders to the shareholders and option holders of the group's Baltic subsidiary UAB Informacines technologijos ("ITG"). The directed share issue was based primarily on the shareholders' agreements concluded in November 2004 according to which AffectoGenimap Plc had a call-option and the subscribers had a put-option to the remaining ITG shares and options held by the subscribers.
   In the directed share issue, which took place in December, 546 000 new shares were offered to Intellibis Grundare AB. The directed share issue was based on the share sale and purchase agreement between AffectoGenimap Plc and Intellibis Grundare AB, pursuant to which AffectoGenimap purchases all shares in Intellibis AB.
2. Between 30 May and 30 September 2006 the company has purchased 202 700 own shares from stock market with average price of 2.51 eur/share and has used EUR 509 thousand for the purchases.
3. As part of the Intellibis transaction, AffectoGenimap Plc has conveyed 165 962 treasury shares held by the company to Intellibis Grundare AB with a price of 3.02 eur/share.

At the end of 2006 company had 36 738 treasury shares, representing 0.2 percentages of share capital and voting rights. In 2006 the purchases of treasury shares have been as follows:

Month	No.	Par value 1 000 EUR	Purchase price 1 000 EUR
May	6 000	2	14
June	84 400	25	198
August	60 900	18	152
September	51 400	15	145
Total purchases	202 700	61	509
Conveyance of treasury shares	-165 962	-50	403
	36 738	11	106

In 2006 the company conveyed treasury shares as follows:

Month	No.	Par value 1 000 EUR	Selling price 1 000 EUR
December	165 962	50	501

15. Share-based payments

The annual general meeting of AffectoGenimap Plc, which was held on 4 April, 2006, decided to issue stock options to the key personnel of the AffectoGenimap Group, as well as to a wholly owned subsidiary of the company. The maximum total number of stock options issued shall be 824 700. Of the stock options, 234 900 has been marked with symbol 2006A, 274 900 with the symbol 2006B and 314 900 with the symbol 2006C. As a result of the subscriptions with the 2006 stock options, the share capital of the company may be increased by a maximum total of EUR 247 410 and the number of shares by a maximum total of 824 700 new shares.

The initial share subscription price for stock option 2006A was the offer price of the company share in the initial public offering, EUR 4.80, for stock option 2006B, the trade volume weighted average quotation of the share on the Helsinki Stock Exchange during 1 January – 31 March 2007, and for stock option 2006C, the trade volume weighted average quotation of the share on the Helsinki Stock Exchange during 1 January – 31 March 2008. From the share subscription price of stock options shall, as per the dividend record date, be deducted the amount of the dividend decided after the beginning of the period determination of the subscription price but before share subscription. However, the subscription price for stock options is at least the nominal value of the share. The Group has no obligation to repurchase or settle the option in cash.

Mebius IT Oü, which is the Estonian subsidiary of AffectoGenimap Plc, has issued shares to the employees of Mebius IT Oü. Under IFRS this minority interest has been calculated for as a cash-settled share-based payment arrangement. The minority shareholders have a right to require AffectoGenimap Group to buy these shares in different instalments during 2010 and 2011. However, the Group does not have any obligation to buy these shares.

The impact of share-based payments on the financial performance of the Group

1 000 EUR	2006	2005
Share options	7	55
Cash-settled share-based payment arrangement	51	-
Total expense	58	55

In 2005 UAB Informacines technologijos, which is a subsidiary of AffectoGenimap Plc, had decided to grant 40 options to its directors and employees. Each option entitled to the subscription of one share of UAB Informacines technologijos. The Group has redeemed these options during 2006. In consolidated financial statements an expense of EUR 55 thousand has been recorded from these options.

	2006A	2006B	2006C	Total
Options outstanding at the beginning of the period	-	-	-	-
Granted during the period	234 000	-	-	234 000
Forfeited during the period	28 000	-	-	28 000
Exercised during the period	-	-	-	-
Options outstanding at the end of the period	206 000	-	-	206 000
Options held by the company	28 900	274 900	314 900	618 700
Total number of options	234 900	274 900	314 900	824 700
Options exercisable at the end of the period	-	-	-	-
Expired during the period	-	-	-	-

Option plan	Exercise period	End of vesting period
2006A	1 April 2009–31 December 2010	1 April 2009
2006B	1 April 2010–31 December 2011	1 April 2010
2006C	1 April 2011–31 December 2012	1 April 2011

The Black-Scholes valuation model, which notices market consitions at grant date, has been used in calculation of fair value of granted stock options. The actual volatility of 12 months before the granding date has been used as expected volatility.

	2006A:1	2006A:2	2006A:3
Fair value of option at grant date	0.17	0.18	0.37
Grant date	22 May 2006	20 June 2006	25 September 2006
Number of outstanding options at December 31,2006	123 000	75 000	8 000
Exercise price	4.70	4.70	4.70
Share price at grant date	2.25	2.31	2.97
Expected volatility, %	35.1	35.0	35.2
Assumed forfeiture, %	5.0	5.0	0.0
Expected option life (year)	3.5	3.4	3.1
Risk-free interest rate, %	3.4	3.6	3.5

16. Interest-bearing liabilities

1 000 EUR	2006	2005
Interest-bearing non-current liabilities		
Loans from financial institutions, non-current portion	14 014	8 858
Loans from financial institutions, current portion	5 032	3 696
	19 046	12 554

The maturity of non-current interest-bearing liabilities

1 000 EUR	2006	2005
2006		3 696
2007	5 031	3 696
2008	4 275	2 953
2009	3 532	2 209
2010	345	-
After 2010	5 863	-
Total	19 046	12 554

The weighted average effective interest rates of interest-bearing liabilities (including current interest-bearing liabilities)

%	2006	2005
Loans from financial institutions	4.58	3.18

The interest-bearing liabilities of the Group comprise euro currency variable interest liabilities. The loan of EUR 5.0 million, which is due in 2012, has been changed to fixed interest loan by usind interest rate swap. The carrying value of the interest-bearing liabilities is considered to approximate their fair value.

17. Deferred tax assets and liabilities

The movement in deferred tax assets and liabilities during the period, without taking into consideration the offsetting of balances

1 000 EUR	1 January 2006	Acquisitions / Disposals of subsidiaries	Charged to income statement	Charged to equity	31 December 2006
Deferred tax assets:					
Differences in tax and accounting depreciations	555	-	32	-	587
Accruals	32	72	-30	-	73
Available-for-sale financial assets	-	5	-	-1	4
Tax losses and tax credit carried forward	89	-	-5	-	84
Total deferred tax assets	676	77	-3	-1	748
Deferred tax liabilities:					
Cumulative accelerated depreciation	-	-	6	-	6
Untaxed reserves	-	122	111	-	233
Other financial assets at fair value through profit or loss	-	-	6	-	6
Fair valuation (business combinations)	692	1 330	-106	-	1 916
Total deferred tax liabilities	692	1 452	17	-	2 161

1 000 EUR	1 January 2005	Acquisitions / Disposals of subsidiaries	Charged to income statement	Charged to equity	31 December 2005
Deferred tax assets:					
Differences in tax and accounting depreciations	426	-	129	-	555
Accruals	29	-	3	-	32
Available-for-sale financial assets	-	-	-	-	-
Tax losses and tax credit carried forward	93	-	-4	-	89
Total deferred tax assets	548	-	128	-	676
Deferred tax liabilities:					
Accrued income	18	-	-18	-	-
Fair valuation (business combinations)	731	63	-102	-	692
Total deferred tax liabilities	750	63	-120	-	692

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

1 000 EUR	2006	2005
Total deferred tax assets	748	676
Offset against deferred tax liabilities	-154	-189
Deferred tax assets in the balance sheet	594	487
Total deferred tax liabilities	2 161	692
Offset against deferred tax assets	-154	-189
Deferred tax liabilities in the balance sheet	2 007	503

Deferred tax assets

1 000 EUR	2006	2005
Deferred tax asset to be recovered after more than 12 months	207	183
Deferred tax asset to be recovered within 12 months	387	304
	594	487

Deferred tax liabilities

1 000 EUR	2006	2005
Deferred tax asset to be recovered after more than 12 months	1 668	357
Deferred tax asset to be recovered within 12 months	339	146
	2 007	503

Deferred income tax assets are recognised for tax loss carry forwards to the extent that realisation of the related tax benefit through the future taxable profits is probable.

The deferred income tax charged to equity during the year

1 000 EUR	2006	2005
Other reserves		
Available-for-sale financial assets (deferred tax liability)	1	-

18. Trade and other payables

1 000 EUR	2006	2005
Trade payables	2 627	2 426
Other payables		
Deferred income		
Advances received for contract work (net)	1 238	696
Advances received for maintenance contracts	2 369	2 604
Accrued expenses		
Personnel expenses	4 115	3 077
Interest expenses	70	39
Other accrued expenses	1 628	1 449
Other short-term liabilities	2 960	1 854
Liability related to the acquisition of a subsidiary and share options	200	3 425
	12 580	13 143

The carrying amounts of trade and other payables approximate their fair value.

19. Analysis of sales by category

1 000 EUR	2006	2005
Contract revenue	11 033	8 956
Service revenue *	34 827	32 894
Revenue from sale of goods	4 334	4 849
	50 194	46 699

* includes software revenue

The aggregate amount of costs incurred and recognised profits (less recognised losses) for all contracts in progress at the balance sheet date were EUR 11.0 million (EUR 9.0 million). The balance sheet includes EUR 1.2 million of advances received for contract work on 31 December 2006 (EUR 0.7 million on 31 December 2005).

20. Other operating income

1 000 EUR	2006	2005
Capital gains on disposal of non-current assets	28	16
Other	110	848
	138	864

In 2006 other operating income includes among others following items:

- Payments relating to in previous years sold businesses EUR 84 thousand
- Contractual penalty relating to breach of non-compete agreement EUR 15 thousand

In 2005 other operating income includes among others following items:

- Compensation of EUR 329 thousand received based on a settlement agreement
- Contingent receivable of EUR 70 thousand related to a business combination during a prior period
- Net purchase consideration of EUR 423 thousand related to a business combination

21. Materials and services

1 000 EUR	2006	2005
Materials and services		
Purchases	8 794	11 084
Change in inventories	317	-478
External services	4 067	3 320
	13 177	13 926

External services comprise purchases from subcontractors.

22. Personnel expenses

1 000 EUR	2006	2005
Wages and salaries	19 589	16 613
Social charges	1 211	886
Pension expenses	3 138	2 681
Impact of IFRS 2	58	55
	23 996	20 235

23. Depreciation, amortisation and impairment charges

1 000 EUR	2006	2005
Depreciation of tangible assets		
Buildings	22	22
Machinery and equipment	709	647
	731	669
Amortisation of intangible assets	641	425
	1 372	1 095

24. Other operating expenses

1 000 EUR	2006	2005
Rental expenses (operating leases)	1 985	1 620
Other operating expenses	6 447	5 631
	8 432	7 251

Research and development expenses of EUR 476 thousand less EUR 182 thousand of grants related to research and development are charged to the income statement. The aggregate amount of research and development expenditure recognised as expense during the year 2005 was EUR 761 thousand less EUR 211 thousand of grants related to research and development activities.

25. Financial income and expenses

1 000 EUR	2006	2005
Interest expenses		
Bank borrowings	489	551
Exchange gains and losses	9	20
	498	571
Interest income		
Bank deposits	251	206
Change in fair value of derivatives	24	-
Dividend income	39	1
	314	207
Financial expenses – (net)	184	364

The aggregate exchange differences charged/credited to the income statement are as follows:

1 000 EUR	2006	2005
Sales	-	-
Materials and services	-	-
Finance costs	9	20
	9	20

26. Income tax expense

Major components of tax expenses

1 000 EUR	2006	2005
Current tax expense	963	1 478
Adjustments recognised for current tax of prior periods	-152	-140
Change in deferred taxes	14	-249
	824	1 089

Reconciliation of tax expense

1 000 EUR	2006	2005
Profit before tax	3 458	4 789
Tax calculated at 26%	899	1 245
Differences in tax rates in other countries	-45	-301
Expenses not deductible for tax purposes	65	388
Income not subject to tax	-20	-100
Utilisation of tax losses carried forward	-11	-3
Effect of change in tax rate	28	-
Prior year tax expense	-92	-140
Tax charge	824	1 089

Taxes (EUR 26 thousand) relating to capital gain of the sale of treasury shares has been booked in current income tax liabilities and as a decrease of reserve of invested non-restricted equity.

27. Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares.

	2006	2005
Profit attributable to equity holders of the Company (1 000 EUR)	2 633	3 695
Weighted average number of ordinary shares in issue (thousands)	16 058	14 556
Basic earnings per share (EUR per share)	0.16	0.25

Diluted

Diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. At the end of 2006 the only dilutive potential ordinary share was share options. The share options will dilute the earnigs per share, if the subcribtion price of these share options is less than the fair value of the share. For the share options, a calculation is made in order to determine the number of shares that could have been acquired at fair value based on the monetary value of the subscribtion rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

In 2005 the dilutive impact related to the acquisition of ITG, because the consideration payable could be settled either in cash or as shares of the Company.

	2006	2005
Profit attributable to equity holders of the Company (1 000 EUR)	2 633	3 695
Weighted average number of ordinary shares in issue (thousands)	16 058	14 556
Effect of settlement of the purchase consideration as own shares (thousands)	-	853
Weighted average number of ordinary shares for diluted earnings per share (thousands)	16 058	15 409
Diluted earnings per share (EUR per share)	0.16	0.24

28. Dividend distribution

The dividends paid in 2006 were EUR 1 540 thousand (EUR 0.10 per share) The dividends paid in 2005 were EUR 798 thousand (EUR 0.02 per share outstanding, the number of shares as before the reverse split).

29. Related party transactions

The following transactions were carried out with related parties:

Key management compensation

1 000 EUR	2006	2005
Salaries and other short-term employee benefits	1 644	1 314
Post-employment benefits	259	207
Share-based payments	3	-
	1 906	1 521

In addition to these, EUR 8 thousand (EUR 32 thousand) were paid for consultation services to a related party company of one board member.

30. Subsidiaries as at 31 December 2006

Name of the subsidiary	Ownership of Group (%)	Country of incorporation
AffectoGenimap Finland Oy	100	Finland
AffectoGenimap Securities Oy	100	Finland
ZenPark Oy	100	Finland
ZenPark Media Oy	100	Finland
UAB Informacines technologijos	100	Lithuania
SIA Mebius IT	100	Latvia
UAB Mebius IT Vilnius	100	Lithuania
Mebius IT Oü	100	Estonia*
Intellibis AB	100	Sweden
Intellibis Stockholm AB	100	Sweden
Intellibis Syd AB	100	Sweden

* Mebius IT Oü, which is the Estonian subsidiary of AffectoGenimap Plc, has issued shares to the employees of Mebius IT Oü. Under IFRS this minority interest (43.02%) has been calculated for as a cash-settled share-based payment arrangement. Thus the ownership under IFRS is 100%.

31. Contingencies and commitments

The group has a contingent asset of 87 thousand Latvian lats (EUR 125 thousand) relating to a court case in Latvia. Riga Regional Court published a judgement, according to which adverse party was sentenced to pay 87 thousand Latvian lats to a group company of AffectoGenimap (SIA Mebius IT). The adverse party has appealed to supreme court of the republic of Latvia and demanded to change the decision. The adverse party has demanded a compensation of 51 thousand Latvian lats (EUR 73 thousand) from SIA Mebius IT.

In respect of the acquisitions of Intellibis AB and ZenPark Oy, additional consideration of up to EUR 4.7 million may be payable. The additional consideration of ZenPark Oy (maximum EUR 0.7 million) is payable in 2007 and the additional consideration of Intellibis AB (maximum EUR 4.0 million) in 2008. In the financial statements for 2006 an additional consideration has been estimated to amount to EUR 2.3 million, which has been recorded as liability.

Derivative contracts

	2006		2005	
1 000 EUR	Nominal value	Fair value	Nominal value	Fair value
Interest rate swaps	5 000	24	-	-

Group does not apply hedge accounting in accordance with IAS 39 and thus changes in fair value of derivative contracts are recorded in profit and loss statement.

Operating lease commitments – where the Group is the lessee

The group leases offices, machinery and cars under non-cancelable operating lease agreements.

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

1 000 EUR	2006	2005
Not later than 1 year	2 346	1 557
Later than 1 year and not later than 5 years	3 792	4 699
	6 138	6 256

Guarantees

1 000 EUR	2006	2005
Debts secured by a mortgage		
Bank borrowings	19 031	12 554
Mortgages	14 367	14 367
Shares given as a security (book value)*	-	17 857

* Shares of Affecto Oy

Other securities given on own behalf

1 000 EUR	2006	2005
Pledges (short-term receivables)	27	8
Pledges (long-term receivables)	669	1 100

The above mentioned pledges given on own behalf are secured by restricted cash of EUR 388 thousand and trade receivables at an amount of EUR 290 thousand.

32. Events after the balance sheet date

The Board of Directors proposes to the Annual General Meeting dividend distribution of EUR 0.10 per share that is a total of EUR 1 697 978.30 based on the number of shares on the balance sheet date excluding the treasury shares. The remainder will be left in retained earnings.

The Board of directors will propose to the Annual General Meeting to be held on 28 March 2007 that the company's name is changed to Affecto Plc. Affecto has been implemented as a marketing name in Finland as of 1 February 2007 and the name of the Finnish subsidiary AffectoGenimap Finland Oy has been changed to Affecto Finland Oy.

Key figures

1 000 EUR	FAS 2002	FAS 2003	IFRS 2004	IFRS 2005	IFRS 2006
Net sales	22 905	18 288	26 734	46 699	50 194
EBITDA	5 873	3 417	5 288	6 247	5 014
EBITDA, % of sales	25.6	18.7	19.8	13.4	10.0
Operating profit	3 843	1 379	4 740	5 153	3 642
Operating profit, % of sales	16.8	7.5	17.7	11.0	7.3
Profit before extraordinary items	3 583	1 170	4 531	4 789	3 458
Profit before extraordinary items, % of sales	15.6	6.4	16.9	10.3	6.9
Profit before income taxes	3 583	1 170	4 531	4 789	3 458
Profit before income taxes, % of sales	15.6	6.4	16.9	10.3	6.9
Net income for equity holders of the parent company	2 044	320	3 176	3 695	2 633
Net income for equity holders of the parent company, % of sales	8.9	1.8	11.9	7.9	5.2
Return on equity, %	34.8	4.9	22.5	13.3	7.2
Return on capital employed, %	24.8	9.9	17.4	11.8	7.3
Equity ratio, %	31.5	34.5	41.5	56.9	52.0
Gross investment in non-current assets	279	262	412	819	1 118
Gross investment, % of sales	1.2	1.4	1.5	1.8	2.2
Research and development costs	-	-	326	761	476
Research and development costs, % of sales	-	-	1.2	1.6	0.9
Order backlog	4 800	5 600	13 666	13 027	24 167
Number of employees, average during the period	176	171	218	526	605
Gearing, %	-11.2	-16.2	52.2	9.9	35.2
Gearing (capital loan as debt), %	49.1	46.0	52.2	9.9	35.2
Interest-bearing net debt (excluding capital loan)	-1 290	-1 769	11 434	3 340	13 743
Interest-bearing net debt (including capital loan)	3 357	2 878	11 434	3 340	13 743
KEY RATIOS PER SHARE					
Earnings per share	0.22	0.03	0.32	0.25	0.16
Earnings per share, diluted	-	-	-	0.24	0.16
Equity per share	0.73	0.69	1.65	2.18	2.30
Dividend per share	0.07	0.14	0.06	0.10	0.10*
Dividend of earnings, %	34.1	391.7	19.0	39.4	61.0
Effective yield, %	-	-	-	2.9	2.9
P/E ratio	-	-	-	13.8	21.2
Market capitalization	-	-	-	53 887	58 920
Share value, EUR					
Lowest price	-	-	-	3.00	2.20
Highest price	-	-	-	5.08	4.02
Average price	-	-	-	4.26	3.06
Closing price	-	-	-	3.50	3.47
Trading volume					
1000s	-	-	-	24 093	14 632
%	-	-	-	156	86
Average number of shares	9 407 000	9 266 492	10 048 288	14 556 367	16 057 557
Number of shares at end of period	9 407 000	9 118 889	13 296 356	15 396 373	16 979 783

*Board's proposal on 14 February 2007

CALCULATION OF KEY FIGURES

EBITDA	=	Earnings before interest, taxes, depreciation and amortization	
EBITDA, % of sales	=	Earnings before interest, taxes, depreciation and amortization / Net sales	x 100
Operating profit, % of sales	=	Operating profit / Net sales	x 100
Profit before extraordinary items, % of sales	=	Profit before extraordinary items / Net sales	x 100
Profit before income taxes, % of sales	=	Profit before income taxes / Net sales	x 100
Net income for equity holders of parent company, % of sales	=	Net income for equity holders of the parent company / Net sales	x 100
Return on equity, %	=	Profit before extraordinary items - taxes / Shareholders' equity (capital loan excluded) + minority interest	x 100
Return on capital employed, %	=	Profit before extraordinary items + interest and other financial expenses / Total assets - interest-free liabilities	x 100
Equity ratio, %	=	Shareholders' equity (capital loan excluded) + minority interest / Total assets - advance payments	x 100
Gross investment in non-current assets	=	Acquisition cost of tangible and intangible assets and investments included under non-current assets, including loan receivables entered in non-current assets (excluding business acquisitions).	
Gross investment, % of sales	=	Gross investment / Net sales	x 100
Research and development costs, % of sales	=	Research and development costs / Net sales	x 100
Gearing, %	=	Interest-bearing liabilities - cash, bank receivables and securities held as financial assets / Shareholders' equity (capital loan included) + minority interest	x 100
Gearing (capital loan included as debt), %	=	Interest-bearing liabilities+capital loan-cash, bank receivables and securities held as financial assets / Shareholders' equity (capital loan excluded) + minority interest	x 100
Interest-bearing net debt (excluding capital loan)	=	Interest-bearing liabilities - cash and bank receivables	
Interest-bearing net debt (including capital loan)	=	Interest-bearing liabilities + capital loan - cash and bank receivables	
Earnings per share (EPS)	=	Profit before extraordinary items - taxes +/- minority interest / Adjusted average number of shares during the period	
Equity per share	=	Shareholders' equity (capital loan excluded) / Adjusted number of the shares at the end of the financial year	
Dividend per share	=	Dividend for the financial year / Adjusted number of the shares at the end of the financial year	
Dividend per earnings, %	=	Dividend per share / Earnings per share	x 100
Effective yield, %	=	Adjusted dividend per share / Adjusted share price at closing date	x 100
P/E ratio	=	Adjusted share price at closing date / Earnings per share	
Market capitalization	=	Number of shares at year end (excluding treasury shares) x share price at closing date	

Income statement

1 000 EUR	1 Jan-31 Dec 2006	1 Jan-31 Dec 2005
Net sales	499	1 387
Other operating income	15	-
Material and services		
External services	225	-
	225	-
Personnel expenses		
Wages and salaries	812	455
Social security expenses		
Pension expenses	94	64
Other social security expenses	44	19
	950	538
Depreciation, amortization and impairment charges		
Depreciation according to plan	9	3
Other operating expenses	747	2 242
Operating loss	-1 417	-1 396
Financial income and expenses		
Interest income	230	116
Interest expenses and other financial expenses	-566	-375
	-335	-259
Loss before extraordinary items	-1 752	-1 655
Extraordinary items		
Group contribution	1 750	2 000
Profit before appropriations and income tax	-2	345
Change in cumulative accelerated depreciation	-1	-
Income taxes	88	- 97
Profit for the period	85	248

Balance sheet

1 000 EUR	31 Dec 2006	31 Dec 2005
ASSETS		
Non-current assets		
Intangible assets		
Intangible rights	24	-
Tangible assets		
Machinery and equipment	25	5
Investments		
Shares in subsidiaries	56 337	37 618
Total non-current assets	56 386	37 623
Current assets		
Receivables		
Short-term		
Receivables from group companies	2 290	900
Other receivables	333	183
Prepaid expenses and accrued income	416	7
	3 039	1 090
Cash and cash equivalents	2 505	5 718
Total current assets	5 543	6 808
Total assets	61 929	44 431
SHAREHOLDERS' EQUITY AND LIABILITIES		
Equity		
Share capital	5 105	4 619
Share premium	21 912	19 364
Reserve of invested non-restricted equity	1 960	-
Retained earnings	6 760	8 560
Profit for the period	85	248
Total equity	35 822	32 792
Appropriations		
Cumulative accelerated depreciation	1	-
Liabilities		
Non-current liabilities		
Loans from credit institutions	14 014	6 788
Current liabilities		
Loans from credit institutions	5 017	3 006
Advances received	1 108	-
Trade payables	202	192
Payables to group companies	5 336	1 000
Other liabilities	41	15
Accrued expenses	388	638
	12 093	4 851
Total liabilities	26 106	11 639
Total shareholders' equity and liabilities	61 929	44 431

Cash flow statement

1 000 EUR	1 Jan-31 Dec 2006	1 Jan-31 Dec 2005
Cash flows from operating activities		
Profit before extraordinary items	-1 752	-1 655
Adjustments:		
Depreciation	9	3
Finance income and expenses	336	259
	-1 407	-1 393
Change in working capital:		
Increase in current non interest-bearing receivables (-)	-841	-625
Increase in current non interest-bearing liabilities (+)	5 258	1 068
Cash flows from operating activities before finance cash flows and taxes	3 010	-950
Interest paid and payments for other operating finance expenses	-500	-473
Interest received	223	116
Income taxes paid	-5	-612
Net cash generated from operating activities	2 728	-1 919
Cash flows from investing activities		
Investments in intangible and tangible assets	-53	-3
Shares acquired in subsidiaries	-13 725	-1 493
Net cash generated from operating activities	-13 778	-1 496
Cash flows from financing activities		
Share issue	-	630
Increase in share premium	-	9 072
Purchase and sales of treasury shares	-509	-
Dividends paid	-1 540	-798
Group contribution	650	2 000
Increase in non-current loans	12 415	-
Repayment of non-current loans	-3 178	- 3 006
Net cash generated from financing activities	7 838	7 898
Change in cash and cash equivalents	-3 212	4 483
Cash and cash equivalents at beginning of year	5 717	1 234
Cash and cash equivalents at end of year	2 505	5 717

Notes

Notes to the financial statements of parent company

Accounting policies

1. Intangible and tangible assets

Intangible and tangible assets are shown at historical cost less accumulated depreciation according to plan. Depreciation is calculated over the useful lives of the assets as follows.

Intangible rights	3 years
Machinery and equipment	3 years

2. Financial assets

Financial securities are measured at their cost.

3. Pension expense

Retirement benefits for personnel have been arranged with insurance companies.

4. Foreign currency items

Foreign currency receivables and payables are translated to the reporting currency using the closing rate at the balance sheet date.

5. Derivatives

If the fair value of derivative is negative at the reporting date, the negative amount will be booked to profit and loss statement.

6. Revenue by business areas

1 000 EUR	2006	2005
Customized solutions	403	-
Non-allocated	97	1 387
	499	1 387

7. Long-term projects

In long-term projects percentage of completion method has been applied. The state of completion is measured by reference to the contract actual hours up to the balance sheet date as a percentage of total estimated hours. Project managers will estimate the remaining hours monthly.

When the outcome of a construction contract can not be be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred. When the outcome can be estimated reliably, the margin of the project will be recognized in accordance of percentage of completion method.

The percentage of completion method has been applied to all projects although it wouldn't necessarily required by the time of the project. When it is probable that the total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

8. Long-term projects

1 000 EUR	2006	2005
Recognised in revenue	403	-
Order backlog	2 904	-
Provisions	-	-
Advances received	1 108	-

9. Other operating income

Other operting income includes a contractual penalty relating to breach of non-compete agreement EUR 15 thousand.

10. Average number of employees

	2006	2005
Full-time employees	8	4
Hourly staff	-	-
	8	4

11. Number of employees at the end of year

	2006	2005
Full-time employees	22	5
Hourly staff	-	-
	22	5

12. Key management compensation

1 000 EUR	2006	2005
CEO and the Board of Directors:		
Antti Halila, CEO 1.1.–31.8.2006	103	
Pekka Eloholma. CEO 1.9.–31.12.2006	64	
Aaro Cantell, Chairman of the Board	30	
Hienonen Jukka, Member of the Board to 4.4.2006	4	
Lehmusto Heikki, Member of the Board	11	
Mäenpää Pasi, Member of the Board	14	
Mäkinen Jukka, Member of the Board	14	
Norokorpi Jukka, Member of the Board	11	
Pohjola Ossi, Member of the Board to 4.4.2006	4	
Rytkönen Esko, Member of the Board	11	
CEO and the Board of Directors	266	241

In addition to these, EUR 8 thousand (EUR 28 thousand) were paid for consultation services to a related party company of one board member.

13. Extraordinary items

A group contribution of EUR 1 750 thousand received form Affecto Oy is included in the extraordinary items. The group contribution received from Affecto Oy for the year ended December 31, 2005 amounted to EUR 2 000 thousand.

14. Depreciation according to plan

1 000 EUR	2006	2005
Intangible rights	3	-
Machinery and equipment	6	3
	9	3

Depreciation according to plan is calculated in the historical acquisition cost based on the useful life of the assets.

15. Income taxes

1 000 EUR	2006	2005
Tax on extraordinary items	455	520
Current tax	-451	-423
Tax relating to previous periods	-92	-
	-88	97

Taxes (EUR 26 thousand) relating to capital gain of sale of treasury shares is booked in tax liability and in reserve of invested non-restricted capital.

16. Intangible and tangible assets

1 000 EUR	2006	2005
Softwares		
Acquisition cost 1 January	-	-
Additions	27	-
Disposals	-	-
Acquisition cost 31 December	27	-
Accumulated depreciation 1 January	-	-
Depreciation for the period	3	-
Accumulated depreciation 31 December	3	-
Carrying amount 31 December	24	-

1 000 EUR	2006	2005
Machinery and equipment		
Acquisition cost 1 January	11	9
Additions	26	2
Disposals	-	-
Acquisition cost 31 December	37	11
Accumulated depreciation 1 January	6	3
Depreciation for the period	6	3
Accumulated depreciation 31 December	12	6
Carrying amount 31 December	25	5

17. Shares in subsidiaries

1 000 EUR	Ownership	Book value
AffectoGenimap Finland Oy, Helsinki	100%	27 371
UAB Informacines technologijos, Vilnius	100%	13 141
AffectoGenimap Securities Oy, Helsinki	100%	3
ZenPark Oy, Jyväskylä	100%	3 131
Intellibis AB, Stockholm	100%	12 691

18. Receivables from group companies

1 000 EUR	2006	2005
Trade receivables	118	-
Other receivables	2 172	900
	2 290	900

19. Prepaid expenses and accrued income

1 000 EUR	2006	2005
Amounts due from customers for contract work	403	-
Advances on purchase invoices	12	6
Other receivables	1	1
	416	7

20. Changes in equity

1 000 EUR	2006	2005
Share capital as of 1 January	4 619	4 300
Share issue on 5 May 2006	322	-
Share issue on 11 December 2006	164	-
Cancellation of B shares on 25 April 2005	-	-173
Cancellation of treasury shares on 25 April 2005	-	-138
Capitalization issue on 25 April 2005	-	0
Share issue on 27 May 2005	-	630
Share capital as of 31 December	5 105	4 619
Share premium as of 1 January	19 364	9 981
Share issue on 5 May 2006	2 548	-
Cancellation of B shares on 25 April 2005	-	173
Cancellation of treasury shares on 25 April 2005	-	138
Capitalization issue on 25 April 2005	-	0
Share issue on 27 May 2005	-	9 072
Share premium as of 31 December	21 912	19 364
Reserve of invested non-restricted equity as of 1 January	-	-
Share issue on 13 December 2006	1 484	-
Sale of treasury shares including tax impact	476	-
Reserve of invested non-restricted equity as of 31 December	1 960	-
Retained earnings as of 1 January	8 808	9 358
Dividends paid	-1 540	-798
Change in treasury shares	-509	-
Retained earnings as of 31 December	6 760	8 560
Profit for the period	85	248
Total equity as of 31 December	35 822	32 792

Movements in the number of shares during the financial year:

	Number of share
1 January 2006	15 396 373
Share issue on 5 May 2006	1 074 148
Share issue on 11 December 2006	546 000
31 December 2006	17 016 521

At the end of 2006 company had 36 738 treasury shares, representing 0.2 percentages of share capital and voting rights.

21. The authorizations given to the board of directors

The Annual General Meeting decided to authorise the Board of Directors to decide to increase the share capital in one or more tranches by a new issue and/or by taking a convertible loan and/or by issuing option rights so that based on the new issue, the convertible bonds and the option rights the share capital may be increased by a maximum of EUR 900 000 by issuing for subscription a maximum of 3 000 000 new shares with a par value of EUR 0.3 at a price and on other terms to be determined by the Board of Directors. The authorisation comprises the right to deviate from the shareholders' pre-emptive subscription right provided that the Company has a weighty financial reason for the deviation. The authorisation shall be in force until the next Annual General Meeting. Based on the authorization, 1 620 148 new shares have been issued by 31 December 2006.

The Annual General Meeting decided to authorise the Board of Directors to decide to acquire the Company's own shares with funds distributable as profit. The Company's own shares may be acquired in order to develop the Company's capital structure, to be used as payment in corporate acquisitions or when the Company acquires assets related to its business and as part of the Company's incentive programmes in a manner and to the extent decided by the Board of Directors, and to be transferred for other purposes or to be cancelled. A maximum of 1 500 000 own shares with a par value of EUR 0.3 are proposed to be acquired. The Company's own shares will be acquired in accordance with the Board of Directors' decision either through public trading or by public offer at their market price at the time of purchase. The authorisation shall be in force until the next Annual General Meeting. Based on the authorization, 202 700 shares have been repurchased by 31 December 2006.

The Annual General Meeting decided to authorise the Board of Directors to convey the Company's own shares held by the Company at any one time. The authorisation is proposed to encompass no more than 1 500 000 shares with a par value of EUR 0.3. The authorisation comprise the right to decide to whom and in which order own shares held are conveyed, and to decide on conveyance of own shares in an order deviating from the shareholders' pre-emptive right to acquire own shares provided that the Company has an important financial reason for the deviation. The authorisation may be used in order to develop the Company's capital structure, to broaden the Company's ownership, to be used as payment in corporate acquisitions or when the Company acquires assets relating to its business, as part of the Company's incentive programmes and for other similar purposes. The shares may also be conveyed in public trading. The shares shall be conveyed at a price at least equal to their market price at the time of conveyance as determined in public trading. Otherwise, the Board of Directors is authorised to decide the price and the basis for determining the price of the own shares, the conveyance of the own shares against other than monetary consideration or using the right of set-off as well as all other matters related to the conveyance of own shares. The authorisation shall be in force until the next Annual General Meeting. Based on the authorization, 165 962 shares have been conveyed by 31 December 2006.

22. Calculation of distributable earnings

Parent company's distributable earnings are:

1 000 EUR	2006	2005
Retained earnings	6 760	8 560
Profit for the period	85	248
Reserve of invested non-restricted equity	1 960	-
	8 805	8 808

23. Loans from credit institutions

1 000 EUR	2006	2005
Loans form credit institutions as of 1 January	9 794	12 800
Changes during the year:		
Increase in loans	12 415	-
Repayment of loans	-3 178	-3 006
Loans form credit institutions as of 31 December	19 031	9 794

Repayment schedule:		
Year 2006	-	3 006
Year 2007	5 017	3 006
Year 2008	4 275	2 263
Year 2009	3 532	1 520
Year 2010	345	-
Year 2011	345	-
Year 2012	5 345	-
Year 2013	173	-
	19 031	9 794

24. Payables to group companies

1 000 EUR	2006	2005
Trade payables	-	-
Other debts	5 336	1 000
	5 336	1 000

25. Accrued expenses

1 000 EUR	2006	2005
Personnel expenses	273	123
Income tax payable	30	97
Accrued interest	69	28
Deferred consideration	-	369
Purchases	16	21
	388	638

26. Contingencies and commitments

In respect of the acquisitions of Intellibis AB and ZenPark Oy, additional consideration of up to EUR 4.7 million may be payable. The additional consideration of ZenPark Oy (maximum EUR 0.7 million) is payable in 2007 and the additional consideration of Intellibis AB (maximum EUR 4.0 million) in 2008.

Derivative contracts

	2006		2005	
1 000 EUR	Nominal Value	Fair Value	Nominal Value	Fair Value
Interest rate swaps	5 000	24	-	-

Operating lease commitments – where the Group is the lessee

The group leases offices, machinery and cars under non-cancelable operating lease agreements.

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

1 000 EUR	2006	2005
Not later than 1 year	26	-
Later than 1 year and not later than 5 years	37	-
	63	-

Guarantees

1 000 EUR	2006	2005
Debts secured by a mortgage		
Bank borrowings	19 031	9 794
Mortgages	14 367	13 100
Shares given as a security (book value)*	-	17 857

* Shares of Affecto Oy

Debts secured by a specific guarantees on behalf of a subsidiary

1 000 EUR	2006	2005
Loans from credit institutions	-	2 760

In addition AffectoGenimap Plc has given an guarantee to Immobilien-Institut GmbH related to a lease contract of business premises by the subsidiary Genimap International Oy.

Board's dividend proposal

Distributable funds of the parent company of the group on 31 December 2006 are 8 804 885.88 euros.

Board of Directors proposes that from the financial year 2006 a dividend of 0.10 euros per share will be paid, a total of 1 697 978.30 euros with the 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.

Helsinki 14 February 2007

Aaro Cantell
Chairman of the Board

Jukka Norokorpi

Pasi Mäenpää

Esko Rytkönen

Heikki Lehmusto

Jukka Mäkinen

Pekka Eloholma
CEO

Auditors' report

TO THE SHAREHOLDERS OF AFFECTOGENIMAP PLC

We have audited the accounting records, the report of the Board of Directors, the financial statements and the administration of AffectoGenimap Plc for the period 1 January - 31 December 2006. The Board of Directors and the Managing Director have prepared the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, as well as the report of the Board of Directors and the parent company's financial statements, prepared in accordance with prevailing regulations in Finland, containing the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements. Based on our audit, we express an opinion on the consolidated financial statements, as well as on the report of the Board of Directors, the parent company's financial statements and the administration.

We have conducted our audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the report of the Board of Directors and the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the report of the Board of Directors and in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. The purpose of our audit of the administration is to examine whether the members of the Board of Directors and the Managing Director of the parent company have complied with the rules of the Companies Act.

Consolidated financial statements

In our opinion the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view, as defined in those standards and in the Finnish Accounting Act, of the consolidated results of operations as well as of the financial position.

Parent company's financial statements, report of the Board of Directors and administration

In our opinion the parent company's financial statements have been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The parent company's financial statements give a true and fair view of the parent company's result of operations and of the financial position.

In our opinion the report of the Board of Directors has been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The report of the Board of Directors is consistent with the consolidated financial statements and the parent company's financial statements and gives a true and fair view, as defined in the Finnish Accounting Act, of the result of operations and of the financial position.

The consolidated financial statements and the parent company's financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the disposal of distributable funds is in compliance with the Companies Act.

Helsinki 26 February 2007

PricewaterhouseCoopers Oy
Authorised Public Accountants

Merja Lindh
Authorised Public Accountant

Shares and shareholders

CORPORATE FORM AND COMPANY NAME

The company is a public limited company and its name is AffectoGenimap Plc.

The Board of Directors has proposed to the Annual General Meeting to be held on 28 March 2007 that the company's name is changed to Affecto Plc.

SHARE CAPITAL AND SHARES

As at 1 January 2006, the company's share capital consisted of 15 396 373 shares. The company did not own any treasury shares.

Based on the authorization given by the General meeting on 4 April 2006, 1 074 148 new shares were issued on 5 May 2006 as payment for shares in UAB Informacines technologijos, and 546 000 new shares were issued on 11 December 2006 as payment for shares in Intellibis AB.

During year 2006, the company has repurchased 202 700 own shares. 165 962 of these shares have been conveyed as payment for shares in Intellibis AB.

As at 31 December 2006, AffectoGenimap Plc's share capital consists of 17 016 521 shares and the share capital is EUR 5 104 956.30. The company owns 36 738 treasury shares, which corresponds to 0.2% of all shares.

OPTION PROGRAM

The Annual General Meeting decided to issue stock options to the key personnel of the group, as well as to a wholly owned subsidiary of the Company. The details of the option rights are explained in the summons to the AGM dated 8 March 2006. The maximum total number of stock options issued shall be 824 700. Of the stock options, 234 900 shall be marked with the symbol 2006A, 274 900 shall be marked with the symbol 2006B and 314 900 shall be marked with the symbol 2006C.

The share subscription price for stock option 2006A shall be the offer price of the Company share in the Initial Public Offering, EUR 4.80, for stock option 2006B, the trade volume weighted average quotation of the share on the Helsinki Stock Exchange during 1 January - 31 March 2007, and for stock option 2006C, the trade volume weighted average quotation of the share on the Helsinki Stock Exchange during 1 January - 31 March 2008. From the share subscription price of stock options shall, as per the dividend record date, be deducted the amount of the dividend decided after the beginning of the period for determination of the subscription price but before share subscription.

The share subscription period shall be: for stock options 2006A, 1 April 2009 - 31 December 2010, for stock options 2006B, 1 April 2010 - 31 December 2011 and for stock options 2006C, 1 April 2011 - 31 December 2012.

206 000 of 2006A stock options have been given to key personnel.

THE AUTHORIZATIONS GIVEN TO THE BOARD OF DIRECTORS

The Annual General Meeting decided to authorise the Board of Directors to decide to increase the share capital in one or more tranches by a new issue and/or by taking a convertible loan and/or by issuing option rights so that based on the new issue, the convertible bonds and the option rights the share capital may be increased by a maximum of EUR 900 000 by issuing for subscription a maximum of 3 000 000 new shares with a par value of EUR 0.3 at a price and on other terms to be determined by the Board of Directors. The authorisation comprises the right to deviate from the shareholders' pre-emptive subscription right provided that the Company has a weighty financial reason for the deviation. The authorisation shall be in force until the next Annual General Meeting. Based on the authorization, 1 620 148 new shares have been issued by 31 December 2006.

The Annual General Meeting decided to authorise the Board of Directors to decide to acquire the Company's own shares with funds distributable as profit. The Company's own shares may be acquired in order to develop the Company's capital structure, to be used as payment in corporate acquisitions or when the Company acquires assets related to its business and as part of the Company's incentive programmes in a manner and to the extent decided by the Board of Directors, and to be transferred for other purposes or to be cancelled. A maximum of 1 500 000 own shares with a par value of EUR 0.3 are proposed to be acquired. The Company's own shares will be acquired in accordance with the Board of Directors' decision either through public trading or by public offer at their market price at the time of purchase. The authorisation shall be in force until the next Annual General Meeting. Based on the authorization, 202 700 shares have been repurchased by 31 December 2006.

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SHARE TRADING

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

In 2006, the highest share price was 4.02 euro, lowest price 2.20 euro, average price 3.06 euro and closing price 3.47 euro. Trading volume was 14.6 million shares, corresponding to 86% of the number of shares.

OWNERS

There have been no flagging announcements during 2006.

The company had total of 1 344 owners on December 31, 2006 and the foreign ownership was 22%. The list of the largest owners can be viewed in the company's web site. The shareholder register can be reviewed at Suomen Arvopaperikeskus Oy, Urho Kekkosen katu 5 C, Helsinki.

DIVIDEND POLICY

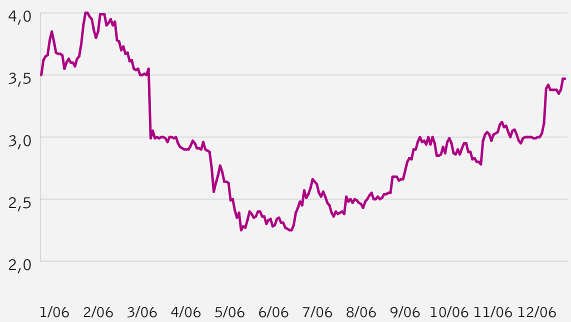
The Board of Directors has adopted a dividend policy whereby the board intends to propose to the general meeting dividends up to one-half of earnings per share on average over the longer term.

Information about share trading

Trading with the company's shares in the Helsinki Stock Exchange commenced on 27 May 2005. The company belongs to the Small Cap segment of the Nordic list.

Trading code (ticker)	AFE1V	
ISIN code	FI0009013312	
Highest price in 2006	4.02	eur
Lowest price in 2006	2.20	eur
Closing price at the end of 2006	3.47	eur
Market capitalization 31 Dec 2006	58 919 847	eur
Trading volume 1 Jan - 31 Dec 2006	14 631 841	shares
Average price 1 Jan - 31 Dec 2006	3.06	eur
Trading volume, % of shares	86	%
Number of shares 31 December 2006	17 016 521	shares
Number of shares excl. treasury shares 31 December 2006	16 979 783	shares

Share price 1 January – 31 December 2006, eur



Distribution of shares 31 December 2006

	Owners		Shares	
	No.	%	No.	%
1–100	173	13	15 979	0
101–500	506	38	169 129	1
501–1 000	257	19	218 480	1
1 001–5 000	261	19	652 962	4
5 001–10 000	57	4	437 765	3
10 001–50 000	43	3	956 293	6
50 001–100 000	22	2	1 635 124	10
100 001–500 000	16	1	3 532 255	21
500 000–	9	1	9 398 534	55
Total	1 344	100	17 016 521	100

Owners by sectors 31 December 2006

	Owners		Shares	
	No.	%	No.	%
Non-financial corporations	95	7.1	6 301 126	37.0
Financial and insurance corporations	11	1.2	1 386 621	8.1
General government	12	0.9	1 882 727	11.1
Households	1 188	88.4	2 829 639	16.6
Non-profit institutions	9	0.7	798 048	4.7
Foreign owners (registered)	24	1.8	1 686 561	9.9
Nominee registered	5	0.0	2 131 799	12.5
Total	1 344	100.0	17 016 521	100.0

Largest shareholders 31 December 2006

		Shares	%
1	Eqvitec Teknologiarahasto II Ky	2 588 314	15.2
2	Fenno Rahasto Ky	1 913 044	11.2
3	Intellibis Grundare Ab	711 962	4.2
4	Suomen Itsenäisyyden Juhlarahasto	665 847	3.9
5	Keskinäinen Vakuutusyhtiö Eläke-Fennia	600 000	3.5
6	eQ Pikkujättiläiset/eQ Rahastoyhtiö Oy	550 000	3.2
7	Keskinäinen Työeläkevakuutusyhtiö Varma	510 000	3.0
8	Lazauskas Darius	465 097	2.7
9	Uzpalis Kestutis	462 116	2.7
10	Sijoitusrahasto ABN Amro Small Cap Finland	375 900	2.2
11	Sijoitusrahasto ABN Amro Finland	317 539	1.9
12	Sr Arvo Finland Value	240 000	1.4
13	Halila Antti	200 001	1.2
14	Laine Mika	200 000	1.2
15	Sijoitusrahasto Nordea Nordic Small Cap	197 000	1.2
16	Fondita Nordic Micro Cap Placeringsfond	170 000	1.0
17	Fondita 2000 + Placeringsfond	160 000	0.9
18	Kemira Pigments Oy Eläkesäätiö	137 150	0.8
19	Järvi Jouko Juhani Kuolinpesä	120 834	0.7
20	Sijoitusrahasto ABN Amro Optimal	119 700	0.7
	Top 20 together	10 704 504	62.9
	Nominee registered	2 131 799	12.5
	Other shareholders	4 180 218	24.6
	Total number of shares	17 016 521	100.0

Corporate Governance

GENERAL INFORMATION

The duties of the different company organs are organized in line with the provisions of the Finnish Companies Act and the Finnish Securities Markets Act as well as other Finnish legislation.

AffectoGenimap complies with the rules and recommendations of the Helsinki Stock Exchange. The company's Board of Directors is responsible for compliance with corporate governance principles.

GROUP STRUCTURE

The group parent company is AffectoGenimap Plc. Operational business is handled mainly by the group subsidiaries. Subsidiaries in Finland are Affecto Finland Oy and ZenPark Oy. Business in the Baltic states is conducted by Informacines technologijos UAB and its subsidiary companies. The business in Sweden is conducted through Intellibis AB and its subsidiaries.

The company's operational business is managed principally through the country business units. Finland, Nordic and Baltic are the three country units of the group.

ANNUAL GENERAL MEETING

The Annual General Meeting is the company's highest decision-making body. The Annual General Meeting confirms the company's income statement and balance sheet and decides on the distribution of profit, elects the Board and the auditors and determines their fees.

The Board convenes the Annual General Meeting within six months of the end of the financial period.

Any matter that a shareholder wishes to be addressed at a General Meeting of Shareholders shall be notified in writing to the Board of Directors in such time that the matter may be included in the notice convening the General Meeting of Shareholders.

BOARD OF DIRECTORS

The Board of Directors has overall responsibility for the appropriate administrative and operational organization of AffectoGenimap Plc and its subsidiaries. The Board ratifies the principles that govern company strategy, organization, accounts and financial management. The Board also appoints the group Chief Executive Officer.

The shareholders of AffectoGenimap elect the Board of Directors annually at the Annual General Meeting. The Board consists of three to seven members. The term of office of the Board members ends at the conclusion of the first Annual General Meeting which is convened after the election.

The Board convenes regularly at least 11 times a year, and whenever required. At the beginning of each year the Board agrees in advance the thematic issues for discussion at the Board meetings, in addition to the requirements of normal financial supervision. In 2006, the Board convened a total of 24 times, and average attendance level was at 94 per cent.

The Chairman of the Board of Directors receives a monthly remuneration of 2500 euros and a member 1200 euros.

As at the end of 2006, the Board of Directors comprised the following members: Aaro Cantell (chairman), Heikki Lehmusto, Pasi Mäenpää, Jukka Mäkinen, Jukka Norokorpi and Esko Rytkönen.

All members of the Board are independent of the company. Messrs. Lehmusto, Mäenpää, Norokorpi and Rytkönen are independent of the company and of the owners.

DUTIES OF THE BOARD OF DIRECTORS

The Board has drafted its own rules of procedure, with the principal duties defined as follows:

- Take responsibility for duties which the Companies Act, the articles of association or some other instance has bindingly decreed on the Board of Directors
- Ratify the strategy
- Ratify the company's management system on the submission of the CEO
- Ratify the annual action plan and monitor its enforcement
- Ratify the procedures for company internal control and risk management and monitor their implementation
- Interim reports, financial statements and annual report processing, approval and communication
- Group finance policy
- Propose the dividend policy to the General Meeting
- Decide on company and business acquisitions and sales
- Decide on significant individual investments and contingent liabilities
- Ratify group incentive scheme and policy
- Appoint and release from duties company senior management and decide on their employment terms and bonuses on the basis of proposals made by the Nominations and compensation committee
- Establishment of subsidiaries
- Supervise and develop the company's corporate governance procedures
- Evaluate and develop the operation of the Board of Directors
- Evaluate the work of the CEO and feedback on it

COMMITTEES OF THE BOARD

Audit Committee

The task of the Audit Committee, which is appointed by the Board, is to supervise the efficiency of the company's accounting and economic reporting system as well as monitoring the company's audit function. The committee is also charged with the supervision of matters and practices relating to sound corporate governance and, where necessary, propose to the Board any required measures to develop corporate governance.

Committee members: Esko Rytkönen (chair), Heikki Lehmusto and Aaro Cantell.

Duties of the Audit Committee:

- Monitor the company's financial standing
- Monitor financial reports (balance sheets, interim reports)
- Assess the sufficiency and appropriateness of internal control and risk management
- Process the plans and reports connected with internal control
- Evaluate compliance with laws and regulations
- Prepare the decision to elect an auditor
- Communicate with auditor and review audit reports
- Evaluate advisory services provided by auditor
- Monitor and evaluate the company's management and control system and propose development measures to the Board

Nominations and Compensation Committee

The company has a joint committee for nominations and compensation which is in charge of planning the procedures for rewarding employees as well as selecting the candidates for Board membership.

Committee members: Jukka Mäkinen (chair) and Heikki Lehmusto.

The committee's rules of procedure determine its duties as follows:

- Preparatory work for the motion to the Annual General Meeting concerning the election of Board members
- Preparatory work relating to the remuneration of Board members
- Finding candidates to replace Board members
- Preparatory work relating to the salaries and other benefits of the company CEO and Deputy CEO
- Preparatory work relating to the compensation paid to other company managers
- Preparatory work relating to the appointments of the company CEO and Deputy CEO as well as other company managers and the identification of their successors
- Preparatory work relating to the company rewards schemes

M&A committee

The company has a Mergers & Acquisitions committee, which is responsible for planning and organizing M&A acitivities.

Committee members: Aaro Cantell (chair), Pasi Mäenpää, Jukka Mäkinen and Jukka Norokorpi.

CHIEF EXECUTIVE OFFICER

Mr Pekka Eloholma, (b.1960), has been the CEO since 1 September 2006. Mr Eloholma's previous position was President and CEO of Setec Oy, which is a part of Gemplus Group. Within the Gemplus Group he was also in charge for identity and security business at EMEA area. Mr. Eloholma has a Master of Science degree in Engineering.

In the period 1 September - 31 December 2006, the CEO Eloholma's salary and other benefits amounted to a total of 64 thousand euros. In the financial period, the CEO was awarded 34000 options of series 2006A as remuneration. The CEO is subject to statutory pension arrangements. The CEO's employment contract prescribes a six-month period of notice which applies to both parties. The CEO's employment contract does not contain any separate conditions relating to the payment of salary during the period of notice.

GROUP MANAGEMENT

The following people are responsible for joint group operations: Chief Executive Officer Pekka Eloholma; Chief Financial Officer Satu Kankare; Director Hannu Nyman, mergers and acquisitions and investor relations; Director Hilkka Remes-Hyvärinen, HR; and Director Tuula Wäyrynen, corporate communications.

The company is managed through the country organizations, and the Finnish, Nordic and Baltic subsidiaries form separate management entities. The Finnish business is managed by Pekka Eloholma, Nordic business by Martin Hultqvist and the Baltic business by Kestutis Užpalis.

The Group Management Team assists the group CEO in the management of group companies and business development activities. The Group Management Team consists of the CEO, CFO, M&A director, HR Director, Director of corporate communications and two directors from each country business units.

The company web site includes information of management shareholdings.

AUDIT

The company has one regular auditor, which must be a firm of independent public accountants approved by the Central Chamber of Commerce, and one deputy auditor approved by the Central Chamber of Commerce. The term of office of the auditors ends at the conclusion of the first Annual General Meeting held after the election.

On 4 April 2006, the Annual General Meeting elected as auditor PricewaterhouseCoopers Oy (APA). The auditor with principal responsibility is Merja Lindh (APA) and deputy auditor is Maria Nikus (APA).

The 2006 consolidated financial statements include audit fees of 101 thousand euros paid to PwC as well as 95 thousand euros in fees for advice.

INTERNAL AUDIT AND RISK MANAGEMENT

The function of internal control and risk management is to ensure that the company operates efficiently and profitably, the information is reliable and regulations and operating principles are observed.

The Board of Directors and the Audit Committee, which is appointed by the Board, supervise internal control and risk management, while the overall responsibility for them is the company management's.

The company's financial administration is the body which mainly implements internal control, but where necessary it also employs external specialists.

The function of internal audit is to assess the appropriateness of company internal control, risk management and operations.

It has not been considered appropriate to evolve a separate organization for internal audit. The function is generally carried out by financial administration staff. Any audit results are reported by the CFO to the Board's Audit Committee and to the CEO. If necessary, reports can also be addressed directly to the entire Board of Directors.

Risk management forms part of the company's control system. The purpose of risk management is to ensure that the risks affecting company business are identified, monitored and managed as appropriate. Risk management safeguards the continuity of business operations.

Risk management does not require its own separate staff as it can be implemented as part of the normal business activities. The company employs documented procedures for enforcing internal control, for example in connection with approval, task differentiation and the drafting of agreements.

INSIDERS

AffectoGenimap complies with the Guidelines for Insiders issued by the Helsinki Stock Exchange. In addition to the Stock Exchange guidelines the company also applies its own set of instructions. Permanent insiders are entitled to trade in company shares for no longer than one month from the date of the publication of results.

The board members, CEO and the auditors are permanent public insiders by law. In addition, certain members of the management have been named as public insider. Certain other company managers and financial department employees have been named as company-specific non-public insiders.

Project-specific insider registers are maintained on company acquisitions and other projects which might have a significant impact on the value of shares.

The shareholdings of company employees who are public insiders may be viewed on the company's Internet web pages. The public insider register can be reviewed at Suomen Arvopaperikeskus Oy, Urho Kekkosen katu 5 C, Helsinki.

BONUS SYSTEM

Key personnel in the company are covered by an incentive scheme which is based on the attainment of annually set targets. The targets set for individuals vary in accordance with their duties and status. On the whole, the targets are linked to the individuals' performance in relation to the net sales and results of the whole company or the profit centre and/or the individual concerned. The employees also have their own qualitative targets, the attainment of which is assessed separately from the financial targets.

The Board of Directors has set the targets for the Chief Executive Officer. The Board's Nominations and Compensation Committee has set the targets for the CEO's direct subordinates on the submission of the CEO. The targets for other key personnel have been set in the line organization under the direction of the CEO.

In 2006, the group paid approximately 0.5 million euros in the form of bonuses on the basis of bonus agreements to 54 persons.

The Annual general meeting held in April 2006 decided on a three-year option program for long-term binding and compensation. The option program is described in detail in the company's Internet web pages.

Board of Directors

Aaro Cantell
b. 1964, M.Sc. (Eng.)
Chairman of the Board
Board member since 2000
Fenno Management Oy, Managing Director
Normet Group Oy, Chairman of the Board
Mr. Cantell owns 5 400 AffectoGenimap shares
Funds managed by Fenno Management own 1 913 044 AffectoGenimap shares

Heikki Lehmusto
b. 1947, Master of Law
Board member since 2006
Lehmusto & Co, Chairman of the Board, Senior Partner
Mr. Lehmusto owns 2 600 AffectoGenimap shares

Pasi Mäenpää
b. 1965, B.Sc. (Tech.), MBA
Board member since 2005
Elisa Oyj, Executive Vice President, Sales, Business Customers
Mr. Mäenpää does not own AffectoGenimap shares

Jukka Mäkinen
b. 1954, M.Sc. (Econ.)
Board member since 1999
Eqvitec Partners Oy, Managing Director
Mr. Mäkinen does not own AffectoGenimap shares
Funds managed by Eqvitec own 2 708 302 AffectoGenimap shares

Jukka Norokorpi
b. 1948, M.Sc.
Board member since 2006
Norokorpi Consulting Oy, Management Consultant
Mr. Norokorpi does not own AffectoGenimap shares

Esko Rytkönen
b. 1957, M.Sc. (Econ.)
Board member since 2006
TeliaSonera AB, Senior Vice President
Mr. Rytkönen does not own AffectoGenimap shares

* Holdings of shares and warrants on 31 December 2006. The figures include the holdings of their own, underage children and entities under their control.

Management

Pekka Eloholma
CEO
b. 1960, M.Sc. (Eng.)

AffectoGenimap shares: -
Options 2006A: 34 000

Ray Byman
Senior Vice President, Sales, Finland
b. 1959, M.Sc. (Econ.)

AffectoGenimap shares: 11 000
Options 2006A: 8 000

Satu Kankare
CFO
b. 1966, M.Sc. (Econ.)

AffectoGenimap shares: -
Options: -

Hannu Nyman
Senior Vice President, Mergers & Acquisitions, Investor Relations
b. 1969, M.Sc. (Tech.), M.Sc. (Econ.)

AffectoGenimap shares: 5 000
Options 2006A: 9 000

Hilkka Remes-Hyvärinen
Senior Vice President, Human Resources
b. 1949, M.Sc. (Econ.)

AffectoGenimap shares: -
Options: -

Stig-Göran Sandberg
Senior Vice President,
Solutions & Services, Finland
b. 1957, M.Sc. (Phil.)

AffectoGenimap shares: 72 917
Options 2006A: 8 000

Sakari Viertiö
Senior Vice President,
Karttakeskus
b. 1952, M.Sc. (Eng.)

AffectoGenimap shares: 14 834
Options 2006A: 8 000

Tuula Wäyrynen
Senior Vice President,
Corporate Communications
b. 1963, M.A.

AffectoGenimap shares: -
Options: -

Kęstutis Užpalis
Area manager, Baltic countries
b. 1960, M.Sc. (Eng.)

AffectoGenimap shares: 462 116
Options 2006A: 12 000

Darius Lazauskas
Director, Sales and marketing, Baltic countries
b. 1963, M.Sc. (Math.)

AffectoGenimap shares: 465 097
Options 2006A: 8 100

Martin Hultqvist
Area manager, Sweden
b. 1966, B.Sc. (Econ.)

AffectoGenimap shares:
Intellibis Grundare AB owns 711 962 shares
Options: -

Per Sundberg
Director, Sales and delivery, Sweden
b. 1971, B.Sc. (Econ.)

AffectoGenimap shares: -
Options: -

* Holdings of the shares and warrants on 31 December 2006. The figures include the holdings of their own, underage children and entities under their control.

Information for Shareholders

ANNUAL GENERAL MEETING

The Annual General Meeting of AffectoGenimap will be held on Wednesday March 28, 2007 at 3.00 p.m. at Finlandia Hall, Mannerheimintie 13, 00100 Helsinki, Finland.

In order to attend and have the right to vote at the Meeting, the shareholder must be registered in the Shareholder Register held by Finnish Central Securities Depository Ltd no later than on Friday, March 16, 2007, and must give notice to attend the Meeting by Thursday, March 22, 2007 at 4.00 p.m. Finnish time.

A shareholder wishing to attend the Meeting shall give notice to attend the Meeting to the company either

by e-mail: arja.hyrske@affecto.com,
by telephone +358 205 777 757, or
by letter to AffectoGenimap Plc, Atomitie 2b,
00370 Helsinki, Finland.

Any proxies should be presented at the time of registration.

DIVIDEND

The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.10 per share be paid. The date for dividend payment is 11 April 2007 and the respective record date is 2 April 2007. To receive dividend shareholders must be registered in the shareholder's register on the above record date.

FINANCIAL INFORMATION

Interim report 1–3/2007 will be published on 3 May 2007
Interim report 1–6/2007 will be published on 6 August 2007
Interim report 1–9/2007 will be published on 29 October 2007

Interim reports are published in Finnish and English.

Annual reports, interim reports and stock exchange releases are available on company website www.affecto.com.

INVESTOR RELATIONS

Pekka Eloholma
CEO
tel. +358 205 777 737

Hannu Nyman
Senior Vice President, Mergers & Acquisitions
tel. +358 205 777 761

Contact information

AFFECTOGENIMAP PLC

Atomitie 2
FI-00370 Helsinki, Finland
tel. +358 205 777 11
fax +358 205 777 199
info@affecto.com
www.affecto.com

Affecto Finland Oy

Atomitie 2
FI-00370 Helsinki, Finland
tel. +358 205 777 11
fax +358 205 777 199

Ratapihankatu 36
FI-20100 Turku, Finland
tel. +358 205 777 11
fax +358 205 777 299

Paananvahe 3
FI-26100 Rauma, Finland
tel. +358 205 777 11
fax +358 205 777 399

Hatanpään valtatie 24 C
FI-33100 Tampere, Finland
tel. +358 205 777 11
fax +358 205 777 599

ZenPark Oy

Atomitie 2
FI-00370 Helsinki, Finland
tel. +358 205 777 11
fax +358 205 777 199

Keskustie 20 C
FI-40100 Jyväskylä, Finland
tel. +358 205 777 11
fax +358 14 449 7973

Länsikatu 15
FI-80110 Joensuu, Finland
tel. +358 205 777 11

Intellibis AB

Kungsgatan 56
SE-111 22 Stockholm, Sweden
tel. +46 8 545 100 90
fax +46 8 545 100 91
info@intellibis.se
www.intellibis.se

Gustav Adolfs Torg 41
SE-211 39 Malmö, Sweden

Fabriksgatan 7
SE-412 50 Göteborg, Sweden

Expositionshuset
SE-652 26 Karlstad, Sweden

Informacines technologijos UAB

Gyneju 4
LT-01109 Vilnius, Lithuania
tel. +370 5 212 3712
fax +370 5 212 3713
infoit@it.lt
www.it.lt/eng

Mebius IT SIA

57 Dzirnavu
LV-1010 Riga, Latvia
tel. +371 720 1780
fax +371 720 1784
info@mebius.lv

Mebius IT OÜ

Tulika 19
EE-10613 Tallinn, Estonia
tel. +372 650 5050
fax +372 650 5010
www.mebius.ee

AffectoGenimap Plc
Atomitie 2
FI-00370 Helsinki, Finland
Tel. +358 205 777 11
Fax +358 205 777 199
www.affecto.com