AFFECTO PLC -- INTERIM REPORT -- 2 AUGUST 2012 at 9.30

Affecto Plc's Interim Report 1-6/2012

Group key figures

MEUR	4-6/12	4-6/11	1-6/12	1-6/11	2011
Net sales	33.1	32.6	66.7	62.7	127.3
Operational segment result	3.2	2.2	5.8	4.3	10.2
% of net sales	9.7	6.7	8.6	6.9	8.0
Operating profit	2.7	1.7	4.7	3.3	8.2
% of net sales	8.2	5.2	7.1	5.3	6.4
Profit before taxes	2.6	1.2	4.5	2.7	7.1
Profit for the period	2.0	0.8	3.5	2.0	5.3
Equity ratio, %	50.1	45.3	50.1	45.3	46.1
Net gearing, %	31.6	39.2	31.6	39.2	27.1
Earnings per share, eur	0.09	0.04	0.17	0.10	0.26
Earnings per share (diluted), eur	0.09	0.04	0.16	0.10	0.25
Equity per share, eur	3.00	2.71	3.00	2.71	2.91

CEO Pekka Eloholma comments:

Affecto's net sales grew by 2% in the second quarter and reached 33.1 MEUR (32.6 MEUR). Highest growth was achieved in Sweden and Finland. Also Denmark grew somewhat. Net sales decreased in Baltic and Norway. Sales of own consultancy work grew, but the sales of 3rd-party licenses decreased clearly.

Operating profit grew to 2.7 MEUR (1.7 MEUR) being 8% of the net sales. Best results were achieved in Finland, but also Norway and Baltic made a good result. The business in Sweden was still somewhat loss-making, but the result has clearly improved from last year.

Customer's cautiousness has grown somewhat and investment decisions take more time. Despite that Affecto's order backlog grew to 53.8 MEUR, 6% above last year (50.7 MEUR).

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

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

INTERIM REPORT 1-6/2012

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

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

NET SALES

Affecto's net sales in 1-6/2012 were 66.7 MEUR (1-6/2011: 62.7 MEUR). Net sales in Finland were 27.2 MEUR (24.1 MEUR), in Norway 13.3 MEUR (14.3 MEUR), in Sweden 12.3 MEUR (9.9 MEUR), in Denmark 7.3 MEUR (7.2 MEUR) and 7.8 MEUR (8.4 MEUR) in Baltic.

Net sales by reportable segments

Net sales, MEUR	4-6/12	4-6/11	1-6/12	1-6/11	2011
Finland	13.7	12.6	27.2	24.1	50.3
Norway	6.6	7.1	13.3	14.3	27.8
Sweden	5.8	5.1	12.3	9.9	21.5
Denmark	3.6	3.5	7.3	7.2	14.1
Baltic	4.0	4.9	7.8	8.4	16.2
Other	-0.6	-0.6	-1.3	-1.2	-2.6
Group total	33.1	32.6	66.7	62.7	127.3

Net sales grew by 2% in the second quarter, mainly in Sweden (14%) and Finland (9%). Denmark grew by 4%. Net sales in Baltic decreased by 17% and in Norway by 8%. The increased economic uncertainty has slowed customers' investment decisions, which has contributed to the development. Sales of the third-party licenses, sold with the solutions, has clearly decreased compared to last year, especially in Baltic and Norway, which has contributed negatively both to net sales and profit.

Net sales of Information Management Solutions business in 1-6/2012 were 61.2 MEUR (57.5 MEUR) and net sales of Geographic Information Services were 6.1 MEUR (5.7 MEUR).

Order backlog grew to 53.8 MEUR, 6% above last year (50.7 MEUR). The order backlog is estimated to contain a bit more long-term projects than earlier.

PROFIT

Affecto's operating profit in 1-6/2012 was 4.7 MEUR (3.3 MEUR) and the operational segment result was 5.8 MEUR (4.3 MEUR). Operational segment result was in Finland 4.0 MEUR (2.6 MEUR), in Norway 1.3 MEUR (1.4 MEUR), in Sweden -0.3 MEUR (-1.0 MEUR), in Denmark 0.5 MEUR (0.7 MEUR) and in Baltic 0.9 MEUR (1.4 MEUR).

Operating profit in the second quarter was 2.7 MEUR being 8% of net sales. Profitability improved by 3 percentage points. Finland and Norway improved, while Denmark and Baltic weakened. Sweden made still a small loss, although it clearly improved compared to last year.

Operational segment result by reportable segments

Operational segment result, MEUR	4-6/12	4-6/11	1-6/12	1-6/11	2011
Finland	2.1	1.4	4.0	2.6	6.8
Norway	0.7	0.6	1.3	1.4	3.1
Sweden	-0.1	-0.5	-0.3	-1.0	-2.1
Denmark	0.3	0.3	0.5	0.7	1.6
Baltic	0.5	0.8	0.9	1.4	2.1
Other	-0.2	-0.3	-0.6	-0.7	-1.3
Operational segment result	3.2	2.2	5.8	4.3	10.2
IFRS3 Amortization	-0.5	-0.5	-1.0	-1.0	-2.0
Operating profit	2.7	1.7	4.7	3.3	8.2

According to the IFRS3 requirements, operating profit includes 1.0 MEUR (1.0 MEUR) of amortization on intangible assets related to acquisitions. The IFRS3 amortization is estimated to be approx. 2.0 MEUR per year until 2014, as the other intangible assets impacting in the IFRS3 amortization totaled 4.8 MEUR at the end of the reporting period.

R&D costs totaled 0.1 MEUR (0.5 MEUR), i.e. 0.1% of net sales (0.9%). These costs have been recognized as an expense in the income statement.

The fluctuation in financial costs is explained to a large extent by changes in the fair value of the interest swap taken, which changes have no effect on actual cash flow. The interest rate changes have caused 0.2 MEUR income in 1-6/2012 (0.2 MEUR).

Taxes corresponding to the profit of the period have been entered as tax expense. Net profit for the period was 3.5 MEUR, while it was 2.0 MEUR last year.

FINANCE AND INVESTMENTS

At the end of the reporting period, Affecto's balance sheet totaled 135.8 MEUR (12/2011: 145.1 MEUR). Equity ratio was 50.1% (12/2011: 46.1%) and net gearing was 31.6% (12/2011: 27.1%).

The financial loans were 32.5 MEUR (12/2011: 34.5 MEUR) at the end of reporting period. The company's cash and liquid assets were 12.7 MEUR (12/2011: 18.0 MEUR). The interest-bearing net debt was 19.7 MEUR (12/2011: 16.4 MEUR).

Cash flow from operating activities for the reported period was -0.2 MEUR (2.5 MEUR) and cash flow from investing activities was -0.7 MEUR (-0.7 MEUR). Investments in tangible and intangible assets were 0.6 MEUR (0.7 MEUR).

The Annual General Meeting held in April decided to distribute a dividend of 2.4 MEUR (1.3 MEUR).

EMPLOYEES

The number of employees was 1100 persons at the end of the reporting period (1008). 415 employees were based in Finland, 132 in Norway, 147 in Sweden, 75 in Denmark and 331 in the Baltic countries. The average number of employees during the period was 1082 (987).

REVIEW OF MARKET DEVELOPMENTS

The growth in uncertainty about the general economic developments hasn't so far materially impacted Affecto's business. During 2012 customers' decision-making pace has been slower than normal in most countries, which has decreased Affecto's growth. The sales of third-party licenses have decreased clearly, which may be caused by customers preferring to invest in further development of existing solutions instead of investing in totally new solutions.

In general, there has been no significant negative change in the market situation. Enterprise Information Management (EIM) solutions are seen as tools for improving operational efficiency, so investments to them are expected to continue. The demand for EIM solutions, including Business Intelligence (BI) and Enterprise Content Management (ECM), is estimated to continue growing more rapidly than the general IT services. The average annual global growth of BI and analytics software license markets is estimated to be approx. 8% in the next few years. The Nordic EIM services markets are estimated to grow annually by 6-8% on average. The scope of EIM solutions continues to evolve, and the new offerings like Master Data Management (MDM), Data Quality and Collaborative Decision Making will increase their role in the solution offering.

BUSINESS REVIEW BY AREAS

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

In 4-6/2012 the net sales in Finland were 13.7 MEUR (12.6 MEUR). Operational segment result was 2.1 MEUR (1.4 MEUR). The business developed steadily and profitability was good. Net sales grew by 9% and profitability was 16%. However, customers' cautiousness has limited growth in order backlog.

Net sales of Karttakeskus GIS business, reported as part of Finland, grew in 4-6/2012 to 3.2 MEUR (2.9 MEUR) and the unit's profitability was good. The GIS outsourcing agreement with the Finnish Agency for Rural Affairs was prolonged by a year in April.

In 4-6/2012 the net sales in Norway were 6.6 MEUR (7.1 MEUR) and operational segment result was 0.7 MEUR (0.6 MEUR). Net sales decreased by 8% mostly due to a decrease in license sales. Price competition has tightened and customers' interest for solutions including offshore/nearshore work has grown. Order backlog is at a good level, although it contains more long-term projects than earlier. A 2.3 MEUR project agreement was signed with Santander Consumer Bank in April.

In 4-6/2012 the net sales in Sweden were 5.8 MEUR (5.1 MEUR) and operational segment result -0.1 MEUR (-0.5 MEUR). Sweden improved its result from the previous year, but was still loss-making. Net sales grew by 14%.

In 4-6/2012 the net sales in Denmark were 3.6 MEUR (3.5 MEUR) and operational segment result was 0.3 MEUR (0.3 MEUR). Market situation has remained challenging, while customers consider their investments. Sales goals were not reached, which lowered resource utilisation.

In 4-6/2012 the net sales in Baltic (Lithuania, Latvia, Estonia, Poland, South Africa) were 4.0 MEUR (4.9 MEUR). Operational segment result was 0.5 MEUR (0.8 MEUR). Net sales decreased by 17%, for which the decreased license sales had a significant effect. Profitability decreased from last year, but remained good.

ANNUAL GENERAL MEETING AND GOVERNANCE

The Annual General Meeting of Affecto Plc, held on 19 April 2012, adopted the financial statements for 1.1.-31.12.2011 and discharged the members of the Board of Directors and the CEO from liability. Approximately 36 percent of Affecto's shares and votes were represented at the Meeting. The Annual General Meeting decided on a dividend distribution of EUR 0.11 per share for the year 2011.

Aaro Cantell, Heikki Lehmusto, Jukka Ruuska, Haakon Skaarer, Tuija Soanjärvi and Lars Wahlström were re-elected as members of the Board of Directors. The organization meeting of the Board of Directors was held immediately after the Annual General Meeting and Aaro Cantell was re-elected Chairman of the Board and Jukka Ruuska as Vice-Chairman. KPMG Oy Ab was elected as the auditor of the company.

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

According to the Articles of Association, the General Meeting of Shareholders annually elects the Board of Directors by a majority decision. The term of office of the board members expires at the end of the next Annual General Meeting of Shareholders following their election. The Board appoints the CEO. The Articles of Association do not contain any special rules for changing the Articles of Association or for issuing new shares.

THE AUTHORIZATIONS GIVEN TO THE BOARD OF DIRECTORS

The Board has not used the authorizations given by the Annual General Meeting in 2011, which authorizations expired on 19 April 2012.

The complete contents of the new authorizations given by the Annual General Meeting held on 19 April 2012 have been published in the stock exchange release regarding the Meetings' decisions.

The Annual General Meeting decided to authorize the Board of Directors to decide to acquire the company's own shares with distributable funds. A maximum of 2 100 000 shares may be acquired. The authorization shall be in force until the next Annual General Meeting. The company has acquired 100 000 own shares by 30 June 2012.

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

SHARES AND TRADING

During the review period a total of 10 500 new shares were subscribed with 2008B options. New shares were registered at the trade register on 7 May 2012 and 28 June 2012.

The company has only one share series and all shares have similar rights. As at 30 June 2012 Affecto Plc's share capital consisted of 21 526 968 shares including the 823 000 shares owned by Affecto Management Oy. The company owned 100 000 treasury shares as of 30 June 2012.

During 1-6/2012, the highest share price was 2.95 euro, the lowest price 2.39 euro, the average price 2.70 euro and the closing price 2.70 euro. The trading volume was 3.5 million shares, corresponding to 33% (annualized) of the number of shares at the end of the period. The market value of shares was 57.9 MEUR at the end of the period including the shares owned by Affecto Management Oy but excluding the treasury shares.

2008B options have been listed on Nasdaq OMX Helsinki since 2 April 2012.

SHAREHOLDERS

The company had a total of 2087 owners on 30 June 2012 and the foreign ownership was 14%. The list of the largest owners can be found in the company's web site. Information about the ownership structure and option programs is included as a separate section in the financial statements. The ownership of the board members, CEO and their controlled corporations totaled approx. 14.8% (14.6% shares and 0.2% options).

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

According to the flagging announcement made on 25 April 2012, the ownership of funds managed by Danske Invest Fund Management Ltd. has exceeded 5%.

ASSESSMENT OF RISKS AND UNCERTAINTIES

The changes in the general economic conditions and the operating environments of its customers have direct impact in Affecto's markets. The Euro crisis may affect Affecto's customers negatively and their slower investment decision making, postponing or cancellation of IT investments may have negative impact on Affecto.

Affecto’s balance sheet includes a material amount of goodwill. Goodwill has been allocated to cash generating units. Cash generating units, to which goodwill has been allocated, are tested for impairment both annually and whenever there is an indication that the unit may be impaired. Potential impairment losses may have material effect on reported profit and value of assets. The greatest uncertainty is related to Sweden, where Affecto has invested in reforming the organization and processes, which has weakened profitability in the short term.

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

Approximately a half of Affecto's business is in Sweden, Norway and Denmark, thus the development of the currencies of these countries (SEK, NOK and DKK) may have impact on Affecto's profitability. The main part of the companies' income and costs are within the same currency, which decreases the risks.

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

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

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

FUTURE OUTLOOK

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

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

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

Affecto Plc
Board of Directors

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

A briefing for analysts and media will be arranged at 12.00 at Restaurant Savoy, Eteläesplanadi 14, Helsinki.

www.affecto.com

Financial information:

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

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

CONSOLIDATED INCOME STATEMENT

(1 000 EUR)	4-6/2012	4-6/2011	1-6/2012	1-6/2011	2011
Net sales	33 138	32 608	66 678	62 730	127 270
Other operating income	13	49	18	86	97
Changes in inventories of finished goods and work in progress	-44	11	-1	40	-72
Materials and services	-6 149	-7 209	-12 209	-12 773	-26 777
Personnel expenses	-19 177	-18 625	-39 421	-36 437	-72 003
Other operating expenses	-4 244	-4 301	-8 662	-8 637	-16 907
Other depreciation and amortisation	-325	-348	-648	-695	-1 405
IFRS3 amortisation	-510	-505	-1 021	-1 018	-2 020
Operating profit	2 702	1 681	4 733	3 296	8 182
Net financial expenses	-112	-443	-264	-585	-1 096
Profit before income tax	2 590	1 238	4 469	2 711	7 087
Income tax	-574	-407	-996	-706	-1 762
Profit for the period	2 016	832	3 473	2 005	5 324
Profit for the period attributable to:					
Owners of the parent company	1 950	808	3 430	1 994	5 328
Non-controlling interest	66	24	43	11	-3
Earnings per share (EUR per share):					
Basic	0.09	0.04	0.17	0.10	0.26
Diluted	0.09	0.04	0.16	0.10	0.25

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(1 000 EUR)	4-6/2012	4-6/2011	1-6/2012	1-6/2011	2011
Profit for the period	2 016	832	3 473	2 005	5 324
Other comprehensive income:					
Translation difference	362	-502	870	-512	252
Total Comprehensive income for the period	2 378	329	4 343	1 493	5 576
Total Comprehensive income attributable to:					
Owners of the parent company	2 312	305	4 300	1 482	5 579
Non-controlling interest	66	24	43	11	-3

CONSOLIDATED BALANCE SHEET

(1 000 EUR)	6/2012	6/2011	12/2011
Non-current assets			
Property, plant and equipment	1 986	2 045	2 051
Goodwill	73 850	72 406	73 102
Other intangible assets	5 100	6 910	5 974
Available-for-sale financial assets	41	-	-
Deferred tax assets	1 615	1 482	1 562
Trade and other receivables	11	17	17
	82 604	82 861	82 706
Current assets			
Inventories	429	531	402
Trade and other receivables	39 333	36 647	43 373
Current income tax receivables	794	915	665
Cash and cash equivalents	12 651	14 356	17 964
	53 207	52 448	62 405
Total assets	135 811	135 309	145 111
Equity attributable to owners of the parent Company			
Share capital	5 105	5 105	5 105
Reserve of invested non-restricted equity	46 611	46 591	46 591
Other reserves	651	518	593
Treasury shares	-2 262	-1 996	-1 996
Translation differences	93	-1 540	-777
Retained earnings	11 711	7 308	10 642
	61 909	55 987	60 159
Non-controlling interest	420	391	376
Total equity	62 329	56 378	60 535
Non-current liabilities			
Borrowings	28 371	32 472	30 355
Derivative financial instruments	-	543	-
Deferred tax liabilities	1 297	2 000	1 550
	29 668	35 014	31 905
Current liabilities			
Borrowings	4 000	4 000	4 000
Derivative financial instruments	260	-	475
Trade and other payables	36 899	37 696	45 380
Current income tax liabilities	2 027	1 248	1 994
Provisions	629	973	822
	43 814	43 917	52 670
Total liabilities	73 482	78 931	84 576
Equity and liabilities	135 811	135 309	145 111

SUMMARY CONSOLIDATED CASH FLOW STATEMENT

(1 000 EUR)	1-6/2012	1-6/2011	2011
Cash flows from operating activities			
Profit for the period	3 473	2 005	5 324
Adjustments to profit for the period	3 053	2 974	6 461
	6 526	4 979	11 786
Change in working capital	-4 762	-627	985
Interest and other financial cost paid	-612	-828	-1 579
Interest and other financial income received	75	74	202
Income taxes paid	-1 434	-1 075	-1 685
Net cash from operating activities	-207	2 523	9 709
Cash flows from investing activities			
Payment of liabilities, Affecto Estonia	-	-	-740
Acquisition of tangible and intangible assets	-648	-713	-1 416
Acquisition of available-for-sale financial assets	-35	-	-
Proceeds from sale of tangible and intangible assets	8	45	42
Net cash used in investing activities	-675	-667	-2 114
Cash flows from financing activities			
Proceeds from non-current borrowings	-	-	36 339
Repayments of non-current borrowings	-2 000	-	-38 500
Purchase of treasury shares	-266	-	-
Proceeds from share options exercised	20	-	-
Dividends paid to the owners of the parent company	-2 367	-1 291	-1 291
Net cash from financing activities	-4 614	-1 291	-3 452
(Decrease)/increase in cash and cash equivalents	-5 495	565	4 144
Cash and cash equivalents at the beginning of the period	17 964	13 818	13 818
Foreign exchange effect on cash	182	-27	3
Cash and cash equivalents at the end of the period	12 651	14 356	17 964

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the parent company							
(1 000 EUR)	Share capital	Reserve of invested non-restricted equity	Other reserves	Treasury shares	Trans lat. diff.	Ret. earnings	Non-controlling interest	Total equity
Equity at 1 January 2012	5 105	46 591	593	-1 996	-777	10 642	376	60 535
Profit						3 430	43	3 473
Translation differences					870			870
Total compre-hensive income					870	3 430	43	4 343
Share-based payments			58					58
Exercise of share options		20						20
Purchase of treasury shares				-266				-266
Other movements						6		6
Dividends paid						-2 367		-2 367
Equity at 30 June 2012	5 105	46 611	651	-2 262	93	11 711	420	62 329

	Equity attributable to owners of the parent company							
(1 000 EUR)	Share capital	Reserve of invested non-restricted equity	Other reserves	Treasury shares	Trans lat. diff.	Ret. earnings	Non-controlling interest	Total equity
Equity at 1 January 2011	5 105	46 591	417	-1 996	-1 028	6 605	380	56 074
Profit						1 994	11	2 005
Translation differences					-512			-512
Total compre-hensive income					-512	1 994	11	1 493
Share-based payments			101					101
Dividends paid						-1 291		-1 291
Equity at 30 June 2011	5 105	46 591	518	-1 996	-1 540	7 308	391	56 378

2. Notes

2.1. Basis of preparation

This condensed interim financial information has been prepared in accordance with IAS 34, Interim Financial Reporting. The condensed interim financial report should be read in conjunction with the annual financial statements for the year ended 31 December 2011. In material respects, the same accounting policies have been applied as in the 2011 annual consolidated financial statements. The amendments to and interpretations of IFRS standards that entered into force on 1 January 2012 had no impact on this interim report.

The non-controlling interest has been presented separately after net profit for the period and in total equity.

2.2. Segment information

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

Segment net sales and result

(1 000 EUR)	4-6/2012	4-6/2011	1-6/2012	1-6/2011	2011
Total net sales					
Finland	13 729	12 622	27 181	24 124	50 277
Norway	6 607	7 146	13 255	14 259	27 841
Sweden	5 772	5 069	12 343	9 942	21 513
Denmark	3 634	3 502	7 339	7 159	14 072
Baltic	4 045	4 851	7 818	8 398	16 167
Other	-649	-581	-1 257	-1 152	-2 600
Group total	33 138	32 608	66 678	62 730	127 270
Operational segment result					
Finland	2 134	1 370	3 962	2 570	6 804
Norway	654	561	1 317	1 411	3 109
Sweden	-101	-454	-297	-975	-2 141
Denmark	269	290	524	685	1 593
Baltic	495	768	853	1 351	2 100
Other	-239	-350	-604	-728	-1 263
Total operational segment result	3 212	2 186	5 754	4 314	10 202
IFRS amortisation	-510	-505	-1 021	-1 018	-2 020
Operating profit	2 702	1 681	4 733	3 296	8 182

Net sales by business lines

(1 000 EUR)	4-6/2012	4-6/2011	1-6/2012	1-6/2011	2011
Information Management Solutions	30 209	29 920	61 203	57 464	116 812
Geographic Information Services	3 241	2 926	6 106	5 749	11 533
Other	-313	-238	-630	-484	-1 076
Group total	33 138	32 608	66 678	62 730	127 270

2.3. Changes in intangible and tangible assets

(1 000 EUR)	1-6/2012	1-6/2011	1-12/2011
Carrying amount at the beginning of period	81 127	82 873	82 873
Additions	648	713	1 416
Disposals	-3	-8	-7
Depreciation and amortization for the period	- 1 699	-1 713	- 3 424
Exchange rate differences	833	-502	269
Carrying amount at the end of period	80 936	81 362	81 127

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

(1 000 EUR)	Number of shares outstanding	Share capital	Reserve of invested non-restricted equity	Treasury shares
1.1.2011	20 693 468	5 105	46 591	-1 996
30.6.2011	20 693 468	5 105	46 591	-1 996
1.1.2012	20 693 468	5 105	46 591	-1 996
Exercise of share options	10 500	-	20	-
Purchase of treasury shares	-100 000	-	-	-266
30.6.2012	20 603 968	5 105	46 611	-2 262

At the end of reporting period Affecto Plc owned 100 000 treasury shares. In addition to that Affecto Management Oy, included in consolidated accounts, owned 823 000 shares in Affecto Plc. The amount of registered shares was 21 526 968 shares.

2.5. Interest-bearing liabilities

(1 000 EUR)	30.6.2012	31.12.2011
Interest-bearing non-current liabilities		
Loans from financial institutions, non-current portion	28 371	30 355
Loans from financial institutions, current portion	4 000	4 000
	32 371	34 355

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

2.6. Contingencies and commitments

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

(1 000 EUR)	30.6.2012	31.12.2011
Not later than one (1) year	3 287	4 046

Later than one (1) year, but not later than five (5) years	6 369	7 526
Later than five (5) years	321	614
Total	9 977	12 186

Guarantees given:

(1 000 EUR)	30.6.2012	31.12.2011
Liabilities secured by a mortgage		
Financial loans	32 500	34 500

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

Other securities given on own behalf:

(1 000 EUR)	30.6.2012	31.12.2011
Pledges	14	30
Other guarantees	2 284	2 073

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

2.7. Derivative contracts

(1 000 EUR)	30.6.2012	31.12.2011
Interest rate swaps:		
Nominal value	20 250	20 250
Fair value	-260	-475

2.8. Related party transactions

Key management compensation and remunerations to the board of directors:

(1 000 EUR)	1-6/2012	1-6/2011	1-12/2011
Salaries and other short-term employee benefits	1 157	1 598	2 203
Post-employment benefits	170	319	384
Share-based payments	8	22	30
Total	1 334	1 939	2 616

Loans to related party:

(1 000 EUR)	6/2012	6/2011	12/2011
Loans to key management of the group	1 600	1 646	1 625

3. Key figures

	4-6/2012	4-6/2011	1-6/2012	1-6/2011	2011
Net sales, 1 000 eur	33 138	32 608	66 678	62 730	127 270
EBITDA, 1 000 eur	3 537	2 533	6 403	5 009	11 608
Operational segment result, 1 000 eur	3 212	2 186	5 754	4 314	10 202
Operating result, 1 000 eur	2 702	1 681	4 733	3 296	8 182
Result before taxes, 1 000 eur	2 590	1 238	4 469	2 711	7 087
Profit attributable to the owners of the parent company, 1 000 eur	1 950	808	3 430	1 994	5 328
EBITDA, %	10.7 %	7.8 %	9.6 %	8.0 %	9.1 %
Operational segment result, %	9.7 %	6.7 %	8.6 %	6.9 %	8.0 %
Operating result, %	8.2 %	5.2 %	7.1 %	5.3 %	6.4 %
Result before taxes, %	7.8 %	3.8 %	6.7 %	4.3 %	5.6 %
Net income for equity holders of the parent company, %	5.9 %	2.5 %	5.1 %	3.2 %	4.2 %
Equity ratio, %	50.1 %	45.3 %	50.1 %	45.3 %	46.1 %
Net gearing, %	31.6 %	39.2 %	31.6 %	39.2 %	27.1 %
Interest-bearing net debt, 1 000 eur	19 720	22 116	19 720	22 116	16 391
Gross investment in non-current assets (excl. acquisitions), 1 000 eur	239	223	648	713	1 416
Gross investments, % of net sales	0.8 %	0.7 %	1.0 %	1.1 %	1.1 %
Research and development costs, 1 000 eur	17	235	60	538	717
R&D costs, % of net sales	0.0 %	0.7 %	0.1 %	0.9 %	0.6 %
Order backlog, 1 000 eur	53 842	50 670	53 842	50 670	57 110
Average number of employees	1 088	1 001	1 082	987	1 011
Earnings per share, eur	0.09	0.04	0.17	0.10	0.26
Earnings per share (diluted), eur	0.09	0.04	0.16	0.10	0.25
Equity per share, eur	3.00	2.71	3.00	2.71	2.91
Average number of shares, 1 000 shares	20 655	20 693	20 674	20 693	20 693
Number of shares at the end of period, 1 000 shares	20 604	20 693	20 604	20 693	20 693

Calculation of key figures

EBITDA	=	Earnings before interest, taxes, depreciation, amortization and impairment losses	
Operational segment result	=	Operating profit before amortizations on fair value adjustments due to business combinations (IFRS3) and Goodwill impairments	
Equity ratio, %	=	Total equity / Total assets – advance payments	*100
Gearing, %	=	Interest-bearing liabilities – cash and cash equivalents / Total equity	*100
Interest-bearing net debt	=	Interest-bearing liabilities – cash and cash equivalents	
Earnings per share (EPS)	=	Profit attributable to owners of the parent company / Weighted average number of ordinary shares in issue during the period	
Equity per share	=	Total equity / Adjusted number of shares at the end of the period	
Market capitalization	=	Number of shares at the end of period (excluding company's own shares held by the company) x share price at closing date	
