AFFECTO PLC INTERIM REPORT 4 AUGUST 2009 at 9.30

AFFECTO PLC'S INTERIM REPORT 1-6/2009

GROUP KEY FIGURES

MEUR	4-6/09	4-6/08	1-6/09	1-6/08	2008
Net sales	26.2	36.2	53.7	69.8	131.6
Operational segment result	2.0	5.3	1.8	8.9	14.5
% of net sales	7.8	14.5	3.4	12.7	11.0
Operating profit	1.5	4.5	-5.4	7.4	11.8
% of net sales	5.7	12.5	-10.1	10.7	9.0
Result before taxes	1.2	4.6	-7.4	6.6	10.5
Result for the period	0.8	3.4	-7.2	4.9	8.5
Equity ratio, %	41.7	44.4	41.7	44.4	43.0
Net gearing, %	50.7	53.7	50.7	53.7	34.7
Earnings per share, eur	0.04	0.16	-0.33	0.23	0.40
Earnings per share (diluted), eur	0.04	0.16	-0.33	0.23	0.40
Equity per share, eur	2.37	2.98	2.37	2.98	2.73

CEO Pekka Eloholma comments:

"During second quarter 2009, the business of the Nordic units developed rather steadily, although the effects of the recession can be seen to some extent both in sales and profit. The Baltic economies continued their rapid decline."

"Net sales decreased by 28% to 26.2 MEUR (36.2 MEUR). The main reasons, in addition to the economic recession, were the Contempus divestment in 2008, strong devaluation of the Norwegian and Swedish currencies (NOK, SEK), the weak development in Baltic and having Easter in April. Organic decrease in net sales was approx. -22% and would have been -19% with fixed currency rates."

"The second quarter operating profit was approx 1.5 MEUR i.e. 6% of net sales. Profitability was good in Finland (12%), and reasonable in Norway (6%), Sweden (9%) and Denmark (8%). In Baltic, the restructuring actions announced in April enabled the profitability to return positive by the end of the quarter."

"The order backlog was approx. 38 MEUR at the end of the period, which is a bit lower than the previous-quarter figure of 42 MEUR. The customers' activity has continued to be good, but decision making has slowed."

"The weakened economic environment makes reliable forecasting more difficult. Due to the Contempus divestment and the weakened general economy, the net sales in year 2009 will remain below the level in 2008. The profitability (EBIT margin) of the whole year 2009 will be clearly below the profitability in 2008."

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

INTERIM REPORT 1-6/2009

Affecto builds versatile IT solutions for companies and organisations to improve their efficiency in business and to support the related decision-making. With Affecto's Business Intelligence solutions organisations are able to integrate strategic targets with their business management. Business Intelligence solutions enable the further processing and utilisation of information generated by ERP and other IT systems. The company also delivers operational solutions, such as Enterprise Content Management (ECM), for improving and simplifying processes at customer organisations. Affecto offers Business Intelligence solutions in its operating areas in the Nordic and Baltic countries. In Operational solutions, the company has a presence in Finland and in the Baltic region.

Affecto is headquartered in Helsinki, Finland. The company has subsidiaries in Finland, Sweden, Norway, Denmark, Estonia, Lithuania, Latvia and Poland.

NET SALES

Affecto's net sales in 1-6/2009 were 53.7 MEUR (1-6/2008: 69.8 MEUR). Net sales in Finland were 23.2 MEUR (23.4 MEUR), in Norway 10.3 MEUR (16.8 MEUR), in Sweden 8.3 MEUR (12.6 MEUR), in Denmark 6.2 MEUR (5.6 MEUR) and 6.9 MEUR (12.3 MEUR) in Baltic. Net sales decreased by 23% especially due to weak development in Baltic, the currency rates and also the divestment of Contempus. The organic change in sales was approx. -17%, and -13% when assessed using fixed currency rates.

The second quarter was impacted by the weakened general economy, which affected especially Baltic area. In addition, the strong devaluation of the Norwegian and Swedish currencies (NOK, SEK) at the end of 2008 and later, has clearly lowered the figures in euros compared to the same period last year. In addition, the Easter holidays were in April this year, decreasing the Q2 net sales compared to last year's Q2.

In general the Q2 was like Q1 to a large extent. The customers continue to have interest for Affecto's solutions, but decision making has slowed and price pressures have grown.

Economic situation has weakened rapidly in the Baltic countries, which has negatively affected Affecto's business. The preliminary GDP information and forecasts for Baltic countries suggests 15-20% decrease in GDP in Q2. The strong weakening of the Baltic economies combined with public sector's sizeable cost saving programs has clearly decreased the demand for IT services.

Net sales by reportable segments

Net sales, MEUR	4-6/09	4-6/08	1-6/09	1-6/08	2008
Finland	11.4	11.7	23.2	23.4	46.4
Norway	5.1	9.0	10.3	16.8	29.6
Sweden	4.2	6.4	8.3	12.6	22.6
Denmark	3.0	3.1	6.2	5.6	10.6
Baltic	3.0	6.6	6.9	12.3	24.3
Eliminations	-0.6	-0.5	-1.2	-1.0	-1.9
Group total	26.2	36.2	53.7	69.8	131.6

Net sales of BI business in 1-6/2009 were 35.1 MEUR (41.0 MEUR), Operational Solutions 14.3 MEUR (23.8 MEUR) and Geographic Information Services 4.9 MEUR (6.2 MEUR). The BI business has experienced organic growth (measured in local currency) in Finland and Denmark, been flat in Norway and contracted in Sweden.

Operational solutions business continued to grow in Finland especially regarding ECM solutions, but decreased significantly in Baltic. The Contempus divestment in September 2008 also contributed to the decrease in net sales, as after the divestment Affecto has Operational solutions only in Finland and Baltic.

PROFIT

Affecto's EBIT in 1-6/2009 was -5.4 MEUR (7.4 MEUR). Operational segment result was in Finland 3.0 MEUR (3.4 MEUR), in Norway 1.1 MEUR (1.5 MEUR), in Sweden 0.7 MEUR (1.8 MEUR), in Denmark 0.5 MEUR (0.6 MEUR) and in Baltic -2.6 MEUR (2.8 MEUR). The result in Baltic includes 1.4 MEUR expenses related to restructuring.

Operational segment result by reportable segments

Operational segment result, MEUR	4-6/09	4-6/08	1-6/09	1-6/08	2008
Finland	1.3	1.4	3.0	3.4	6.9
Norway	0.3	1.0	1.1	1.5	2.9
Sweden	0.4	1.1	0.7	1.8	2.9
Denmark	0.2	0.4	0.5	0.6	1.2
Baltic	0.1	2.1	-2.6	2.8	3.2
Other	-0.3	-0.7	-0.8	-1.2	-2.5
Operational segment result	2.0	5.3	1.8	8.9	14.5
IFRS3 Amortization	-0.5	-0.7	-1.0	-1.4	-2.7
Impairment of Goodwill	-	-	-6.2	-	-
Operating profit	1.5	4.5	-5.4	7.4	11.8

The restructuring costs 1.4 MEUR in Baltic are included in the operational segment result of the Baltic segment (-1.7 MEUR in Q1, +0.3 MEUR in Q2). The goodwill impairment of 6.2 MEUR is shown separately.

According to IFRS3 requirements, 1-6/2009 EBIT includes 1.0 MEUR (1.4 MEUR) of amortization of intangible assets related to acquisitions. A significant part of the amortization is related to Sweden, Norway and Denmark segments. In year 2009 the IFRS3 amortization is estimated to total 2.1 MEUR and in 2010 approx. 1.9 MEUR based on currency exchange rates on the end of reporting period.

The profitability in Finland was at a good level. Profit was reasonable in Norway, Sweden and Denmark. The Baltic segment returned to profit by the end of the quarter.

R&D costs totaled 0.1 MEUR (1.0 MEUR), i.e. 0.3% of net sales (1.4%). The expenditure has been recognized as cost in income statement.

The fluctuation in financial costs between quarters is explained to a large extent by changes in the fair value of the interest swap taken, which changes have no effect on actual cash flow. The interest rate changes have caused -0.3 MEUR cost impact in Q1 and +0.2 MEUR profit in Q2, totaling net -0.1 MEUR in 1-6/2009. In addition, due to intra-group loans the first quarter result includes a foreign exchange loss of 0.9 MEUR, as the Norwegian krone (NOK) strengthened from the year-end's bottom level.

Taxes for the period have been booked as taxes. Net profit for the period was -7.2 MEUR, while it was 4.9 MEUR last year.

Order backlog totaled 38.1 MEUR at the end of period. The order backlog decreased compared both to the previous quarter (41.6 MEUR) and to the same quarter in previous year (49.1 MEUR including backlog of Contempus). Affecto has a well diversified customer base. The ten largest customers generated approx. 20% of group revenue in 2008 and the largest customer corresponded to 4% of net sales.

FINANCE AND INVESTMENTS

At the end of the reporting period, Affecto's balance sheet totaled 130.2 MEUR (12/2008: 146.6 MEUR). Equity ratio was 41.7% (12/2008: 43.0%) and net gearing was 50.7% (12/2008: 34.7%). Translation differences have increased the consolidated equity by 2.3 MEUR during 1-6/2009 mainly due to the strengthening of the Norwegian krone (NOK).

The financial loans were 42.4 MEUR (12/2008: 43.9 MEUR) as at 30 June 2009. The company's cash and liquid assets were 16.7 MEUR (12/2008: 23.6 MEUR). The interest-bearing net debt was 25.8 MEUR (12/2008: 20.4 MEUR).

Cash flow from operating activities for the reported period was -2.2 MEUR (6.6 MEUR) and cash flow from investments was -0.5 MEUR (-3.6 MEUR). Investments in non-current assets excluding acquisitions were 0.6 MEUR (1.3 MEUR) during the period.

Based on decision by the Annual General Meeting held on 3 April 2009, Affecto has distributed dividends of 3.0 MEUR (previous year 3.4 MEUR) from the profit of the year 2008. Dividend was paid on 21 April 2009.

EMPLOYEES

The number of employees was 944 persons at the end of the reporting period (1175). Approx. 380 employees were based in Finland, 120 in Sweden, 100 in Norway, 60 in Denmark, and 280 in the Baltic countries. The average number of employees during the period was 1 023 (1 146).

Jukka Nortio was appointed in June as Affecto's Marketing and communications director.

BUSINESS REVIEW BY AREAS

The business in Nordic countries has mainly developed rather steadily, although the general economic outlook has weakened during the period. The Baltic area is clearly the most weakened area.

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

Finland

In 4-6/2009 net sales in Finland were 11.4 MEUR (11.7 MEUR). Operational segment result was 1.3 MEUR (1.4 MEUR). The business developed rather steadily during the period and the demand for various services was reasonably good. Both BI and Operational solutions business grew, but the Geographic information services business contracted.

The customers' activity has so far continued to be relatively good despite the recession. However, the decision making has slowed down and the price pressure has grown. The public sector seems to be active especially regarding ECM solutions.

The growth of IT services market in Finland is forecast to be rather moderate in 2009: only 1% according to Marketvisio's estimate in the June 2009. However, Affecto's focus segments like BI and ECM are expected to experience a growth of 5-6% in software sales.

Norway

The net sales in 4-6/2009 were 5.1 MEUR (9.0 MEUR) and operational segment result was 0.3 MEUR (1.0 MEUR). The decrease in net sales in euros was mainly caused by the divestment of Contempus and the devaluation of the Norwegian krone (NOK) at end of 2008. The BI business in Norway decreased by 11% if measured in local currency.

The business developed steadily and the demand for project services continued. The impact of the weakening economy has some impact on sales and profit: e.g the sales of third party licenses remained below targets.

Sweden

In 4-6/2009 the net sales in Sweden were 4.2 MEUR (6.4 MEUR) and operational segment result 0.4 MEUR (1.1 MEUR). The strong devaluation of the Swedish krona (SEK) has had a major impact on euro-denominated figures.

There have been no major changes in business in Sweden during the period. The customers' activity has remained reasonable. Investment decision making is slower and IT budgets are smaller. The growing price pressure increases uncertainty regarding customer relationships.

Denmark

The net sales in 4-6/2009 were 3.0 MEUR (3.1 MEUR) and operational segment result was 0.2 MEUR (0.4 MEUR).

Net sales remained at last year's level, but the profit weakened. The business has developed along the weakening general economy: the customers' decision making is slowing down and price pressure is growing.

Baltic (Lithuania, Latvia, Estonia, Poland)

The Baltic business mostly consists of projects related to large customer-specific systems. Projects may be larger and tender processes longer than in Finland or the other Nordic countries. The business is mostly classified as Operational solutions, but also includes BI solutions. Public sector entities in the Baltic countries and insurance companies also outside Baltic area are significant customer segments.

In 4-6/2009 the Baltic net sales were 3.0 MEUR (6.6 MEUR). Operational segment result was 0.1 MEUR (2.1 MEUR).

The Baltic economies have developed extremely weakly during the economic crisis. The IT investments from the public sector are expected to decrease due to government cost saving programs and already decided projects have been selectively postponed.

Affecto published in April a goal to reduce the personnel in Baltic countries by some 130 employees. The business in Latvia and Poland was to be cut significantly, and to some extent also in Lithuania. For the costs of the actions a reserve of 1.7 MEUR was recognized in the first quarter results. The planned actions have mostly been carried out during the second quarter. As one part of the actions, a part of Latvian business planned to be terminated was divested to Tieto in June. It is currently estimated that the total restructuring costs will be approx. 1.4 MEUR and the unused amount of reserve has been reversed during Q2.

We estimate that the already taken actions enable profitable business in Baltic, assuming that the national economies continue at the current level. However, the development of the local business environment is very uncertain.

Review by business lines

Business intelligence (BI) net sales decreased by 19% to 17.3 MEUR (21.2 MEUR) in 4-6/2009. The weakened general economy has not yet affected the BI business very significantly, except in Sweden. However, the sales of third party software licenses have been lower than earlier. Slower investment decisions and smaller IT budgets have led to growing price pressure from customers.

Customers see BI solutions as tools for improving their own efficiency and controllability, which may maintain the interest to invest in BI solutions also during periods of weaker economic growth. However, the weakness in general economy may also affect the BI investments. Gartner estimated in January 2009 the BI solutions to be one of the key investment areas and annual global BI license market average growth to exceed 7% until year 2012.

Net sales of Operational Solutions in 4-6/2009 decreased by 49% to 6,3 MEUR (12.4 MEUR). The Norwegian Contempus subsidiary was divested in September 2008, which has contributed to the decrease. In Finland, the business grew by 12% and especially the demand for ECM solutions was good and the utilization rate of project resources was good. The net sales in Baltic decreased significantly, as sales decreased both for the local market services and for insurance sector export projects.

Net sales of the Geographic Information Services business were 2.6 MEUR (3.2 MEUR) in 4-6/2009. The development of the digital geographic content and outsourcing services businesses was better than the development of map and other publishing business. During the period a new long-term outsourcing contract was signed with Destia.

ANNUAL GENERAL MEETING AND GOVERNANCE

The Annual General Meeting of Affecto Plc, which was held on 3 April 2009, adopted the financial statements for 1.1.–31.12.2008 and discharged the members of the Board of Directors and the CEO from liability. Approximately 27 percent of Affecto's shares and votes were represented in the Meeting. The Annual General Meeting decided that a dividend of EUR 0.14 per share be distributed for the year 2008.

Aaro Cantell, Pyry Lautsuo, Heikki Lehmusto, Esko Rytkönen and Haakon Skaarer were re-elected as members of the Board of Directors. Immediately after the Annual General Meeting the organization meeting of the Board of Directors was held and Aaro Cantell was re-elected Chairman of the Board. The APA firm KPMG Oy Ab was elected auditor of the company with Reino Tikkanen, APA, as auditor in charge.

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 did not use the authorizations given by the previous Annual General Meeting. Those authorizations ended on 3 April 2009.

The complete contents of the new authorizations given by the Annual General Meeting held on 3 April 2009 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 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 payment or without consideration on terms to be determined by the Board of Directors and in relation to a share issue against payment 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 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.

SHARES AND TRADING

The company has only one share series, and all shares have similar rights. As at 30 June 2009, Affecto Plc's share capital consisted of 21 516 468 shares. The company owns 36 738 treasury shares, which corresponds to 0.2% of all shares.

In 1-6/2009, the highest share price was 2.67 euro, lowest price 1.82 euro, average price 2.15 euro and closing price 2.10 euro. Trading volume was 3.7 million shares, corresponding to 35% (annualized) of the number of shares at the end of period. The market value of shares was 45.1 MEUR at the end of the period.

OPTIONS

During the review period, 306 132 options 2006C have been given to key personnel.

SHAREHOLDERS

The company had a total of 1838 owners on 30 June 2009 and the foreign ownership was 30%. The list of the largest owners can be viewed in the company's web site. Information about ownership structure and option program is included as a separate section in the financial statements. The ownership of board members, CEO and their controlled corporations totaled approx. 6.0% (5.7% shares and 0.3% options).

ASSESSMENT OF RISKS AND UNCERTAINTIES

Affecto operates in markets that are directly affected by changes in the general economic conditions and the operating environments of its customers. The competition in the market tightens continuously. This could have a negative effect on the business, operating results and financial condition of Affecto.

The general economic downturn may lead to a decrease in overall customer demand for services, increase price pressure from customers and lengthen offer processes at customers. Also the competitors' eagerness to complain about public procurement decisions may increase, which may cause delays in projects or interrupt the project delivery work. The continuing downturn may lead into decrease in utilization rate of consultants.

The economic downturn may weaken customers' liquidity, also in the public sector. The risks related to receivables have grown especially in the Baltic countries.

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

Affecto's order backlog has traditionally been only for a few months, which decreases the reliability of longer-term forecasts. Slower investment decision making, postponing or cancellation of customers' IT investments may have negative impact on Affecto's profitability.

Approx a half of Affecto's business is in Sweden, Norway and Denmark, thus the development of the currencies of these countries (SEK, NOK and DKK) may have impact on Affecto's profitability.

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

Acquisition of Component Software in 2007 has increased the amount of (third party) licenses sold and their relative share of Affecto's net sales. This will increase the fluctuation in sales between quarters and will increase the difficulty of accurately forecasting the quarters. Affecto had license sales of approx. 12 MEUR in 2008. The license sales have most impact on the last month of each quarter and especially in the fourth quarter.

The damage risks of Affecto 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 Affecto is to prevent these risks to realize by quality operations and anticipatory risk management actions. The realization of such risks is mainly prevented by guidelines for occupational health, work safety and information security as well as emergency plan. The damage risks, which cannot be prevented by own actions, are covered with adequate insurances.

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 favorable 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 opportunities 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 Affecto.

In seeking future growth, the strategy of Affecto 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 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 board of directors and the audit committee is responsible for Affecto's internal control and risk management. Company's management is responsible for and performs practically the internal control and risk management.

FUTURE OUTLOOK

The weakened economic environment makes reliable forecasting more difficult. Due to the Contempus divestment and the weakened general economy, the net sales in year 2009 will remain below the level in 2008. The profitability (EBIT margin) of the whole year 2009 will be clearly below the profitability in 2008.

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

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

Affecto Plc
Board of Directors

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

A briefing for analysts and media will be arranged at 11:00 at Restaurant Savoy, Eteläesplanadi 14, Helsinki.

www.affecto.com

Financial information:

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

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

CONSOLIDATED INCOME STATEMENT

(1 000 EUR)	4-6/09	4-6/08	1-6/09	1-6/08	2008
Net sales	26 174	36 187	53 700	69 785	131 565
Other operating income	10	640	15	843	902
Changes in inventories of finished goods and work in progress	-81	2	-89	68	-287
Materials and services	-4 657	-6 572	-9 389	-12 593	-25 317
Personnel expenses	-14 940	-18 778	-32 582	-37 414	-69 818
Other operating expenses	-4 093	-5 786	-9 055	-10 957	-20 962
Other depreciation and amortisation	-382	-440	-768	-854	-1 620
IFRS3 amortisation	-527	-721	-1 044	-1 439	-2 653
Impairment	-	-	-6 208	-	-
Operating profit	1 504	4 532	-5 421	7 439	11 808
Finance costs (net)	-285	42	-2 005	-826	-1 341
Result before income tax	1 219	4 574	-7 425	6 614	10 467
Income tax	-374	-1 190	257	-1 720	-1 963
Result for the period	845	3 384	-7 168	4 894	8 503
Result attributable to:					
Equity holders of the Company	845	3 384	-7 168	4 894	8 503
Minority interest	0	0	0	0	0
Earnings per share (EUR per share):					
Basic	0.04	0.16	-0.33	0.23	0.40
Diluted	0.04	0.16	-0.33	0.23	0.40

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(1 000 EUR)	4-6/09	4-6/08	1-6/09	1-6/08	2008
Result for the period	845	3 384	-7 168	4 894	8 503
Other comprehensive income:					
Translation difference	291	125	2 305	-418	-9 472
Total Comprehensive income for the period	1 136	3 509	-4 863	4 476	-969
Total Comprehensive income attributable to:					
Equity holders of the Company	1 136	3 509	-4 863	4 476	-969
Minority interest	0	0	0	0	0

CONSOLIDATED BALANCE SHEET

(1 000 EUR)	6/2009	6/2008	12/2008
Non-current assets			
Property, plant and equipment	2 503	2 268	2 715
Goodwill	67 413	83 734	72 614
Other intangible assets	10 269	16 779	11 093
Deferred tax assets	2 260	2 346	2 031
Available-for-sale financial assets	54	54	54
Derivative financial instruments	16	408	20
Trade and other receivables	162	168	220
	82 677	105 757	88 747
Current assets			
Inventories	1 034	1 805	1 148
Trade and other receivables	28 318	34 583	32 166
Current income tax receivables	1 069	828	206
Available-for-sale financial assets	92	106	295
Restricted cash and cash equivalents	325	582	518
Cash and cash equivalents	16 660	11 018	23 554
	47 499	48 922	57 886
Total assets	130 176	154 679	146 633
Equity attributable to equity holders of the Company			
Share capital	5 105	5 105	5 105
Share premium	25 404	25 404	25 404
Reserve of invested non-restricted equity	21 188	21 188	21 188
Other reserves	243	172	176
Treasury shares	-106	-106	-106
Translation differences	-7 938	-1 189	-10 243
Retained earnings	6 926	13 492	17 101
	50 822	64 066	58 625
Minority interest	-	-	-
Total shareholders' equity	50 822	64 066	58 625
Non-current liabilities			
Borrowings	38 434	42 416	40 424
Derivative financial instruments	852	-	715
Deferred tax liabilities	3 082	4 822	3 388
Trade and other payables	629	681	803
	42 997	47 919	45 330
Current liabilities			
Borrowings	4 000	3 000	3 500
Trade and other payables	30 551	36 347	37 556
Current income tax liabilities	1 184	3 347	1 442
Derivative financial instruments	177	-	179
Provisions	446	-	-
	36 358	42 694	42 677
Total liabilities	79 354	90 613	88 007
Total shareholders' equity and liabilities	130 176	154 679	146 633

CONSOLIDATED CASH FLOW STATEMENT

(1 000 EUR)	1-6/2009	1-6/2008	2008
Cash flows from operating activities			
Result for the period	-7 168	4 894	8 503
Adjustments to profit for the period	10 142	4 175	7 077
	2 975	9 069	15 581
Change in working capital	-2 770	-520	4 198
Interest and other finance cost paid	-1 170	-1 453	-2 812
Interest and other finance income received	223	298	651
Income taxes paid	-1 420	-810	-2 968
Net cash generated from operating activities	-2 163	6 584	14 651
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash	-	-3 925	-3 925
Purchases of tangible and intangible assets	-623	-1 268	-2 741
Proceeds from sale of tangible and intangible assets	77	1 591	1 665
Sale of business/subsidiaries, net of cash	-	46	8 346
Net cash used in investing activities	-546	-3 556	3 345
Cash flow from financing activities			
Repayments of borrowings	-1 500	-1 500	-3 000
Dividends paid to the company's shareholders	-3 007	-3 437	-3 437
Net cash generated in financing activities	-4 507	-4 937	-6 437
(Decrease)/increase in cash and cash equivalents	-7 216	-1 908	11 559
Cash and cash equivalents at the beginning of the period	23 554	12 974	12 974
Foreign exchange effect on cash	322	-47	-979
Cash and cash equivalents at the end of the period	16 660	11 018	23 554

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(1 000 EUR)	Share capital	Share premium	Reserve of invested non-restricted equity	Other reserves	Trea-sury shares	Trans-lat. diff.	Ret. earn-ings	Total equity *
Shareholders' equity 1 January 2009	5 105	25 404	21 188	176	-106	-10 243	17 101	58 625
Total comprehensive income						2 305	-7 168	-4 863
Share options				66				66
Dividents paid							-3 007	-3 007
Shareholders' equity 30 June 2009	5 105	25 404	21 188	243	-106	-7 938	6 926	50 822

(1 000 EUR)	Share capital	Share premium	Reserve of invested non-restricted equity	Other reserves	Trea-sury shares	Trans-lat. diff.	Ret. earn-ings	Total equity *
Shareholders' equity 1 January 2008	5 105	25 404	21 188	108	-106	-771	12 035	62 964
Total comprehensive income						-418	4 894	4 476
Share options				64				64
Dividents paid							-3 437	-3 437
Shareholders' equity 30 June 2008	5 105	25 404	21 188	172	-106	-1 189	13 492	64 066

* Affecto has not had a minority share in 2008 or 2009.

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 2008.

The group has adopted the following new and revised standards starting from 1 January 2009: IFRS 8 Operating Segments and IAS 1 Presentation of Financial Statements. In other respect, the same accounting policies have been applied as in the 2008 annual consolidated financial statements. Forthcoming standards and interpretations are presented in the accounting policies in Annual Report 2008.

2.2. Segment information

Affecto has changed its internal reporting. Since the beginning of 2009 Affecto's reporting segments are based on geographical locations and are Finland, Norway, Sweden, Denmark and Baltic. Corresponding information for prior periods disclosed in this report has been restated.

Segment sales and result

(1 000 EUR)	4-6/09	4-6/08	1-6/09	1-6/08	2008
Total sales					
Finland	11 411	11 662	23 167	23 433	46 432
Norway	5 075	8 983	10 331	16 816	29 597
Sweden	4 198	6 407	8 281	12 603	22 573
Denmark	3 028	3 093	6 203	5 610	10 564
Baltic	3 038	6 561	6 874	12 303	24 289
Eliminations	-576	-520	-1 156	-982	-1 890
Group total	26 174	36 187	53 700	69 785	131 565
Operational segment result					
Finland	1 323	1 421	3 005	3 419	6 886
Norway	298	964	1 061	1 502	2 877
Sweden	384	1 054	697	1 758	2 890
Denmark	243	403	518	607	1 157
Baltic	76	2 064	-2 623	2 812	3 151
Other	-291	-654	-828	-1 220	-2 500
Total operational segment result	2 031	5 252	1 830	8 878	14 461
IFRS amortisation	-527	-721	-1 043	-1 439	-2 653
Impairment of Goodwill	-	-	-6 207	-	-
Operating profit	1 504	4 532	-5 421	7 439	11 808

The impairment of Goodwill is allocated to assets of Baltic segment.
The operational segment result in Baltic includes 1.4 MEUR restructuring costs.

Segment assets

(1 000 EUR)	6/2009	12/2008
Finland	38 321	39 806
Norway	21 035	24 027
Sweden	24 221	23 634
Denmark	15 815	14 785
Baltic	10 503	18 091
Total segment assets	109 895	120 343
Unallocated assets	20 281	26 291
Total assets	130 176	146 633

Sales by business lines

(1 000 EUR)	4-6/09	4-6/08	1-6/09	1-6/08	2008
BI	17 274	21 219	35 083	40 990	77 584
Operational Solutions	6 289	12 359	14 277	23 767	44 613
Geographic Information Services	2 626	3 224	4 940	6 177	11 774
Eliminations	-14	-615	-600	-1 148	-2 406
Group total	26 174	36 187	53 700	69 785	131 565

2.3. Changes in intangible and tangible assets

(1 000 EUR)	1-6/09	1-6/08	1-12/08
Carrying amount at the beginning of period	86 422	104 382	104 382
Acquisition of subsidiaries	-	-75	-
Additions	623	1 268	2 740
Disposals	-113	-125	-148
	-	-	-8 695
	-6 208	-	-7
Depreciation and amortization for the period	-1 810	-2 291	-4 268
Exchange rate differences	1 271	-378	-7 581
Carrying amount at the end of period	80 185	102 781	86 422

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

(1 000 EUR)	Number of shares	Share capital	Share premium	reserve of invested non-restricted equity	Treasury shares
1 January 2008	21 479 730	5 105	25 404	21 188	-106
30 June 2008	21 479 730	5 105	25 404	21 188	-106
1 January 2009	21 479 730	5 105	25 404	21 188	-106
30 June 2009	21 479 730	5 105	25 404	21 188	-106

At the end of reporting period the company owned 36 738 treasury shares. The amount of registered shares was 21 516 468 shares.

2.5. Interest-bearing liabilities

(1 000 EUR)	1-6/09	1-6/08	1-12/08
At the beginning of period	43 924	46 906	46 906
Increase of liabilities	0	0	0
Repayments of liabilities	-1 500	-1 500	-3 000
Accrued expenses	10	10	18
At the end of period	42 434	45 416	43 924

2.6. Earnings per share

Calculation of earnings per share and diluted earnings per share is based on the figures below.

	4-6/09	4-6/08	1-6/09	1-6/08	1-12/08
Profit attributable to equity holders of the company (1 000 EUR)	845	3 384	-7 168	4 894	8 503
Weighted average number of shares (1 000):					
In calculation of earnings per share	21 480	21 480	21 480	21 480	21 480
Dilution effect of share options	0	0	0	0	0
In calculation of diluted earnings per share	21 480	21 480	21 480	21 480	21 480
Earnings per share (EUR per share)					
Basic	0.04	0.16	-0.33	0.23	0.40
Diluted	0.04	0.16	-0.33	0.23	0.40

2.7. Contingencies and commitments

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

1 000 EUR	30.6.2009	31.12.2008
Not later than one (1) year	2 543	2 832
Later than one (1) year, but not later than five (5) years	2 558	3 552
Later than five (5) years	-	-
Total	5 101	6 384

Guarantees:

1 000 EUR	30.6.2009	31.12.2008
Debt secured by a mortgage		
Financial loans	42 500	44 000

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

Other securities given on own behalf:	30.6.2009	31.12.2008
Pledges	72	432
Other guarantees	56	56

Pledges consist of long-term receivables.

2.8. Derivative contracts

1 000 EUR	30.6.2009	31.12.2008
Interest rate swaps:		
Nominal value	32 500	34 000
Fair value	-1 028	-894
Interest rate cap:		
Nominal value	8 000	8 000
Fair value	16	20

2.9. Related party transactions

Key management compensation and remunerations to the board of directors

(1 000 EUR)	1-6/09	1-6/08	1-12/08
Salaries and other short-term employee benefits	1 463	1 840	3 519
Post-employment benefits	156	237	421
Share-based payments	23	26	36
Total	1 642	2 104	3 976

3. Key figures

	4-6/09	4-6/08	1-6/09	1-6/08	2008
Net sales, 1 000 eur	26 174	36 187	53 700	69 785	131 565
EBITDA, 1 000 eur	2 413	5 692	2 599	9 732	16 081
Operational segment result, 1 000 eur	2 031	5 253	1 830	8 878	14 461
Operating result, 1 000 eur	1 504	4 532	-5 421	7 439	11 808
Result before taxes, 1 000 eur	1 219	4 547	-7 425	6 614	10 467
Net income for equity holders of the parent company, 1 000 eur	845	3 384	-7 168	4 894	8 503
EBITDA, %	9.2 %	15.7 %	4.8 %	13.9 %	12.2 %
Operational segment result, %	7.8 %	14.5 %	3.4 %	12.7 %	11.0 %
Operating result, %	5.7 %	12.5 %	-10.1 %	10.7 %	9.0 %
Result before taxes, %	4.7 %	12.6 %	-13.8 %	9.5 %	8.0 %
Net income for equity holders of the parent company, %	3.2 %	9.4 %	-13.3 %	7.0 %	6.5 %
Equity ratio, %	41.7 %	44.4 %	41.7 %	44.4 %	43.0 %
Net gearing, %	50.7 %	53.7 %	50.7 %	53.7 %	34.7 %
Interest-bearing net debt, 1 000 eur	25 774	34 398	25 774	34 398	20 371
Gross investment in non-current assets (excl. acquisitions), 1 000 eur	233	508	623	1 268	2 741
Gross investments, % of sales	0.9 %	1.4 %	1.2 %	1.8 %	2.1 %
Research and development costs, 1 000 eur	58	415	134	982	1 468
R&D –costs, % of sales	0.2 %	1.1 %	0.3 %	1.4 %	1.1 %
Order backlog, 1 000 eur	38 090	49 106	38 090	49 106	44 467
Average number of employees	989	1 162	1 023	1 146	1 136
Earnings per share, eur	0.04	0.16	-0.33	0.23	0.40
Earnings per share (diluted), eur	0.04	0.16	-0.33	0.23	0.40
Equity per share, eur	2.37	2.98	2.37	2.98	2.73
Average number of shares, 1 000 shares	21 480	21 480	21 480	21 480	21 480
Number of shares at the end of period, 1 000 shares	21 480	21 480	21 480	21 480	21 480

Calculation of key figures

EBITDA	=	Earnings before interest, taxes, depreciation and amortization
Operational segment result	=	Operating profit before amortisations on fair value adjustments due to business combinations (IFRS3) and Goodwill impairments
Equity ratio, %	=	(Shareholders' equity + minority interest) / (Total assets – advances received) *100
Gearing, %	=	(Interest-bearing liabilities – cash, bank receivables and securities held as financial asset) / (Shareholders' equity + minority interest) *100
Interest-bearing net debt	=	Interest-bearing liabilities – cash and bank receivables
Earnings per share (EPS)	=	(Result for the period to equity holders of the Company) / (Adjusted average number of shares during the period)
Equity per share	=	(Shareholders' equity) / (Adjusted number of shares at the end of the period)
Market capitalization	=	Number of shares at the end of period (excluding treasury shares) x share price at closing date

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