AFFECTO PLC STOCK EXCHANGE RELEASE 12 FEBRUARY 2009 at 10.30

AFFECTO PLC'S FINANCIAL STATEMENTS BULLETIN 2008

GROUP KEY FIGURES

MEUR	10-12/08	10-12/07	2008	2007
Net sales	32.5	37.9	131.6	97.5
Operating result before IFRS3 amortization	2.5	4.9	14.5	13.3
% of net sales	7.8	13.0	11.0	13.6
Operating result	2.0	3.6	11.8	10.8
% of net sales	6.2	9.6	9.0	11.0
Result before taxes	2.3	3.1	10.5	9.5
Result for the period	1.8	2.2	8.5	7.0
Equity ratio, %	43.0	41.9	43.0	41.9
Net gearing, %	34.7	53.9	34.7	53.9
Earnings per share, eur	0.08	0.10	0.40	0.38
Earnings per share (diluted), eur	0.08	0.10	0.40	0.38
Equity per share, eur	2.73	2.93	2.73	2.93
Dividend proposal, eur			0.14	0.16

CEO Pekka Eloholma comments:

"Year 2008 was good for Affecto. Both net sales, operating profit and earnings per share are the best in company's history. In addition, our equity ratio improved and net debt decreased substantially. We improved our business focus by divesting the non-core subsidiary Contempus."

"Net sales grew by 35% to 132 MEUR (97 MEUR) in 2008,partially as a result of the Component Software acquisition in 2007. Organic growth was approx. 6%. Operating profit rose to 11.8 MEUR (10.8 MEUR)."

"The order backlog was approx. 44 MEUR at the end of the year. The order backlog grew compared to the year ago situation (42 MEUR) despite the divestment of Contempus."

"The fourth quarter net sales were 32.5 MEUR (37.9 MEUR). Operating result was 2.0 MEUR (3.6 MEUR) and was 6% of net sales. Profitability was good especially in Finland, where the business grew organically by 11%. The quarter was characterized by the weakening general economy, which affected especially the Baltic area, where the result was negative. In addition, the strong devaluation of the Norwegian and Swedish currencies (NOK, SEK) at the year-end clearly affected the results in euros."

"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 are expected to remain below the level in 2008. The profitability (EBIT margin) of the whole year 2009 is expected to be below the profitability in 2008."

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

BUSINESS DEVELOPMENT DURING 10-12/2008

Affecto's net sales in 10-12/2008 were 32.5 MEUR (10-12/2007: 37.9 MEUR). Net sales in Finland were 12.9 MEUR (11.6 MEUR), in Baltic area 5.8 MEUR (7.5 MEUR), 5.3 MEUR in Sweden (6.9 MEUR) and 8.5 MEUR (11.9 MEUR) in Norway & Denmark. Net sales decreased by 14% due to weak development in Baltic and Sweden, the currency rates and also the divestment of Contempus. The organic decrease in sales was approx. 8%, but only -4% when assessed using fixed currency rates. In local currencies, the business grew 11% in Finland, 5% in Denmark and 1% in Norway.

The quarter was impacted by the weakening general economy, which affected especially Baltic area. In addition, the strong devaluation of the Norwegian and Swedish currencies (NOK, SEK) at the year-end clearly lowered the results in euros.

Economic situation has weakened rapidly in the Baltic countries, which has negatively affected Affecto's business.

Sales by geographical segments based on location of assets

Net sales, MEUR	10-12/08	10-12/07	2008	2007
Finland	12.9	11.6	46.2	41.7
Baltic	5.8	7.5	23.6	22.9
Sweden	5.3	6.9	22.3	17.7
Norway & Denmark	8.5	11.9	39.5	15.2
Eliminations	-	-	-	-
Group total	32.5	37.9	131.6	97.5

Net sales of BI segment in 10-12/2008 were 19.9 MEUR (21.7 MEUR), Operational Solutions 9.5 MEUR (13.9 MEUR) and Geographic Information Services 3.1 MEUR (2.3 MEUR). The Contempus divestment done in September 2008 has decreased sales in the Operational solutions. The BI segment has experienced organic growth in all markets except Sweden, where mostly the local capacity restraints prevented growth.

Affecto's EBIT in 10-12/2008 was 2.0 MEUR (3.6 MEUR). EBIT in Finland was 2.0 MEUR (1.3 MEUR), Baltic EBIT was -0.2 MEUR (1.5 MEUR), EBIT in Sweden was 0.5 MEUR (0.3 MEUR) and EBIT in Norway & Denmark was 0.5 MEUR (1.0 MEUR).

Operating result by geographical segments based on location of assets

Operating result, MEUR	10-12/08	10-12/07	2008	2007
Finland	2.0	1.3	6.6	4.4
Baltic	-0.2	1.5	3.1	5.4
Sweden	0.5	0.3	1.8	1.5
Norway & Denmark	0.5	1.0	2.9	1.2
Group management	-0.7	-0.6	-2.5	-1.7
Group total	2.0	3.6	11.8	10.8

According to IFRS3 requirements, 10-12/2008 EBIT includes 0.5 MEUR (1.3 MEUR) of amortization of intangible assets related to acquisitions. A significant part of the amortization is related to Sweden and Norway & Denmark segments.

The net sales and profitability in Finland was excellent. Also in Sweden and Norway & Denmark the profitability remained at a good level. The profitability in Baltic weakened clearly in fourth quarter. In addition to the general economy, the change of the Baltic management and moving to the new Vilnius office premises caused approx. 0.2 MEUR non-recurring costs in Q4.

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. As the interest rates decreased in Q1, rose in Q2 and decreased in Q3 and Q4, the change had a 0.2 MEUR cost impact in Q1, 0.6 MEUR profit in Q2, 0.3 MEUR loss in Q3 and 0.9 MEUR loss in Q4, i.e. net impact on profit before taxes was -0.9 MEUR in period 1-12/2008. In addition, due to intra-group loans the fourth quarter result includes a foreign exchange profit of 1.7 MEUR.

Taxes for the period have been booked as taxes. In addition, related to the divestment of Contempus a 0.6 MEUR positive tax item has been booked related to deferred taxes on purchase price allocations. The item has no impact on cash flow. Net profit for the period was 1.8 MEUR, while it was 2.2 MEUR last year.

Order backlog totaled 44.5 MEUR at the end of period. The order backlog grew compared both to previous quarter (40.9 MEUR) and previous year (41.6 MEUR including Contempus).

YEAR 2008

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 2008 were 131.6 MEUR (2007: 97.5 MEUR). Net sales in Finland were 46.2 MEUR (41.7 MEUR), in Baltic area 23.6 MEUR (22.9 MEUR), 22.2 MEUR in Sweden (17.7 MEUR) and 39.5 MEUR (15.2 MEUR) in Norway & Denmark. Net sales grew by 35%. The organic sales growth was approx. 6%.

The sales growth was based on good demand for services in all our business areas during the early part of the year. The customers' decision making process slowed down in the last few months of the year, as the economic environment weakened, slowing down the sales growth. Net sales of BI segment in 2008 was 75.7 MEUR (48.1 MEUR), Operational Solutions 44.1 MEUR (39.9 MEUR) and Geographic Information Services 11.8 MEUR (9.5 MEUR). The Component Software acquisition done in 2007 has had impact mostly on the BI segment and to some extent also to Operational solutions. During 2008 the BI segment has experienced organic growth in all markets except Sweden, where mostly the local capacity restrained growth.

PROFIT

Affecto's EBIT in 2008 was 11.8 MEUR (10.8 MEUR). EBIT in Finland was 6.6 MEUR (4.4 MEUR), Baltic EBIT was 3.1 MEUR (5.4 MEUR), EBIT in Sweden was 1.8 MEUR (1.5 MEUR) and EBIT in Norway & Denmark was 2.9 MEUR (1.2 MEUR).

According to IFRS3 requirements, the 2008 EBIT includes 2.7 MEUR (2.5 MEUR) of amortization of intangible assets related to acquisitions. A significant part of the amortization is related to Sweden and Norway & Denmark segments. The divestment of Contempus lowered the amount of immaterial assets in balance sheet, which has decreased the estimated amortization by 0.4 MEUR per year in forthcoming years. 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 in January 2009.

The profitability in Finland and in Norway & Denmark remained at a good level. The profitability in Baltic and Sweden weakened in the third quarter. The Swedish profitability recovered in the fourth quarter, but Baltic made loss in the fourth quarter due to rapid weakening of general economy and non-recurring costs.

Affecto sold its office in Vilnius, Lithuania at end of April for approx. 1.3 MEUR resulting in a capital gain of approx. 0.6 MEUR in Baltic segment in Q2. The change of Baltic management and combining the Vilnius office premises caused approx. 0.2 MEUR non-recurring costs in Q4.

R&D costs totaled 1.5 MEUR (0.9 MEUR), i.e. 1.1% of net sales (0.9%). The expenditure has been recognized in income statement, except in Contempus business, where 0.3 MEUR has been capitalized in balance sheet and approximately similar amount of earlier capitalizations has been amortized. As Contempus was sold on 29 September 2008, the group balance sheet does not contain capitalized R&D items at the end of the reporting period.

The financial costs have grown in 2008, as the interest bearing net debt has grown in 2007 due to the Component Software acquisition. Over half of the bank loan has been converted to a fixed-rate loan through an interest swap. 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. As the interest rates decreased in Q1, rose in Q2 and decreased in Q3 and Q4, the change had a 0.2 MEUR cost impact in Q1, 0.6 MEUR profit in Q2, 0.3 MEUR loss in Q3 and 0.9 MEUR loss in Q4, i.e. net impact on profit before taxes was -0.9 MEUR in period 1-12/2008. In addition, due to intra-group loans the fourth quarter result includes a foreign exchange profit of 1.7 MEUR.

Taxes for the period have been booked as taxes. In addition, related to the divestment of Contempus a 0.6 MEUR positive tax item has been booked related to deferred taxes on purchase price allocations. The item has no impact on cash flow. Net profit for the period was 8.5 MEUR, while it was 7.0 MEUR last year.

Order backlog totaled approx. 44.5 MEUR at the end of period. The order backlog grew compared to previous year (41.6 MEUR) despite the divestment 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 146.6 MEUR (162.1 MEUR). Equity ratio was 43.0% (41.9%) and net gearing was 34.7% (53.9%). Translation differences has decreased the consolidated equity by 9.5 MEUR (-0.7 MEUR) during the financial period 2008 mainly due to the weakening of the Norwegian and Swedish currencies.

The additional consideration for Intellibis AB, acquired in 2006, was determined to be 3.9 MEUR and was paid during first quarter.

Affecto has sold its office in Vilnius, Lithuania in April for approx. 1.3 MEUR. The company has booked a capital gain of approx. 0.6 MEUR in second quarter results in Baltic segment. Since 31 December 2007, the property had been booked in the balance sheet under "Non-current assets held for sale". After the sale Affecto does not own real estate property.

Affecto sold Contempus AS to Basware on 29 September 2008. Contempus was part of Affecto's operations in Norway and provided software solutions for Enterprise Purchase to Payment and Enterprise Content Management solution areas. Contempus had developed its own Contempus software product range and in addition to the software sales it also implemented solutions based on that software. The product business of Contempus was not core business for Affecto. In Affecto's reporting, Contempus has been reported in the Operational Solutions and Norway&Denmark segments. The consideration, paid in cash, was approx. 10.0 MEUR. The divestment created a capital gain of 0.0 MEUR.

The financial loans were 43.9 MEUR (46.9 MEUR) as at 31 December 2008. The company's cash and liquid assets were 23.6 MEUR (13.0 MEUR). The interest-bearing net debt was 20.4 MEUR (33.9 MEUR).

Cash flow from operating activities for the reported period was 14.7 MEUR (10.4 MEUR) and cash flow from investments was +3.3 MEUR (-28.3 MEUR). Investments in non-current assets excluding acquisitions were 2.7 MEUR (1.4 MEUR) during the period.

Affecto has distributed dividends of 3.4 MEUR (previous year 1.7 MEUR) from the profit of the year 2007. Dividend was paid on 10 April 2008.

EMPLOYEES

The number of employees was 1079 persons at the end of the reporting period (1129). Approx. 370 employees were based in Finland, 120 in Sweden, 160 in Norway & Denmark, and 430 in the Baltic countries. The average number of employees during the period was 1136 (897). The divestment of Contempus reduced the number of employees by approx. 55 in Norway and Sweden.

Personnel turnover increased somewhat during the early 2008, but slowed down towards the year-end.

During 2008 the Affecto University training program was launched, the goal of which is to deepen and widen the skills of employees, and especially sharing the key knowledge and best practices.

BUSINESS REVIEW

2008 was a period of integration and internal development for Affecto. Affecto focused its operations in September by divesting Contempus, a non-core business. The business has mainly grown rather steadily, although the general economic outlook has clearly weakened during the autumn. The Baltic area has weakened the most of the group's operating areas. The customers' decision making seems to have slowed down towards the end of the year, which has resulted in lower order backlog compared to mid-2008.

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

Finland

In 2008 net sales in Finland were 46.2 MEUR (41.7 MEUR). EBIT was 6.6 MEUR (4.4 MEUR). The year was excellent as a whole. The business developed rather steadily during the period and the demand for various services was reasonably good. Demand for BI services continued versatile. The customers' interest for ECM solutions, part of Operational solutions, seems have grown during the year especially in the public sector. The profitability of the Geographic Information Services was better than last year.

The growth of IT services market in Finland is rather moderate, but the growth of our focus segments like BI is expected to exceed the average market growth rate. The customers' activity has so far continued to be relatively good despite rapidly slowing economy. However, the decision making has slowed down and the price pressure has grown. In 2008, new orders were received from, among others, Ministry of Education, Finnish Defense Forces, Nokia, VR Group, City of Helsinki, KEVA Pension Insurance, Nokia Siemens Networks, Metso Automation, City of Turku, Stora Enso and Ramirent.

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 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 2008 the Baltic net sales were 23.6 MEUR (22.9 MEUR). Baltic EBIT was 3.1 MEUR (5.4 MEUR). The subsidiary in Poland, being in build-up phase, made minor loss and the profitability in Latvia was weaker than in the other countries. Towards the end of the year, profitability weakened also in Lithuania. In Latvia the company received a negative verdict from Supreme court in the litigation mentioned in our annual report 2007. The cost impact of approx. 0.1 MEUR was booked to Q1 result.

The year was twofold. The business developed favorably in the early part, and the resource utilization rate was good in all countries. The public sector entities in the Baltic countries continued to invest in IT systems. General wage inflation in the Baltic countries is estimated to have been up to 15%, which has also contributed to cost pressure. At the end of the year, the economic outlook in the Baltic countries clearly weakened compared to overheated situation in early 2008.

As examples of the most significant new projects in 2008, Affecto will deliver an IT solution to Lithuanian Ministry of Education to improve processes of education institutions and an EMCS system (Excise Movement and Control System) to Latvian State Revenue Service.

The order backlog offers resource utilization for the next few months, but the weakening of the bank and insurance sector and the public sector may decrease IT investments, which may have negative impact on new project sales. The governments are estimated to have decreased their IT investment plans as part of general expenditure cuts.

During the last quarter the management model in Baltic was streamlined and Mr. Stig-Göran Sandberg was appointed as the area manager for Baltic.

Sweden

In addition to Affecto's previous Swedish operations, the segment includes the Swedish BI operations of Component Software since September 2007.

In 2008 the net sales in Sweden were 22.3 MEUR (17.7 MEUR) and EBIT 1.8 MEUR (1.5 MEUR). The reported EBIT includes approx. 1.1 MEUR of IFRS3 amortization. The Affecto name has been adopted in Sweden in early 2008. The integration of Swedish operations and the adoption of the name "Affecto" is estimated to have caused approx. 0.2 MEUR costs in Q1. The integration work was finalized during the first quarter, when the BI units in Stockholm moved to common premises.

The business in Sweden has developed moderately well in 2008. The customers' activity has remained reasonable, with the exception of increased weakness in the finance sector. Slower investment decisions and smaller IT budgets have led to growing price pressure from customers.

During 2008 new orders were received from e.g. Folksam, Astra Zeneca, Apoteket, ICA, Upplysingscentralen and Svenska Spel.

Demand for experienced BI resources has been high in 2008, which has increased personnel turnover. Number of employees decreased during the year, partially due to issues related to the integration process in Sweden. In addition, the divestment of Contempus decreased headcount by 15.

Norway & Denmark

The net sales in 2008 were 39.5 MEUR (15.2 MEUR) and EBIT was 2.9 MEUR (1.2 MEUR). The reported EBIT was negatively affected by an IFRS3 amortization of 1.2 MEUR. Affecto had operations in Norway and Denmark only since beginning of September 2007 (four months).

Business Intelligence business developed positively and especially the growth of consulting services was good. The efforts to widen the service offering scope have continued, especially regarding Microsoft and SAP technologies. A new office was opened in Bergen in Norway during the autumn. The number of employees in BI business has grown modestly. The Affecto name has been adopted both in Denmark and Norway in early 2008. During the period, new orders were received from e.g. Danish Tax Authority, Bank Santander, Kredittillsynet, Kommuneholding, Jyske Bank, EDB, Telenor and Norwegian Directorate for Immigration.

The Contempus business, part of Operational Solutions, developed steadily and grew compared to previous year. Contempus was sold to Basware in September.

Business review by secondary segments 2008

Business intelligence (BI) net sales grew by 57% to 75.7 MEUR (48.1 MEUR). The growth is explained to large extent by the acquisition of Component Software in late 2007, but also the organic growth has been good. The efforts to widen the service offering scope have continued, especially regarding Microsoft and SAP technologies in Norway. The weakened general economy did not yet affect the BI business very significantly, except in Sweden. 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 solution also during periods of weaker economic growth. However, the weakness in general economy may also slow the growth in BI investments. The most recent growth estimates for general IT services in Nordic countries in 2009 are about 3%. 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 grew by 11% and was 44.1 MEUR (39.9 MEUR). The insurance solution projects in South Africa, Denmark and Poland continued, but neared completion. Affecto has established a subsidiary in Poland in order to be able to offer its insurance sector related services also there. In Finland, especially the demand for ECM solutions was good and the utilization rate of project resources was good. The Norwegian Contempus subsidiary was divested at end of September.

Net sales of the Geographic Information Services business were 11.8 MEUR (9.5 MEUR). The sale of digital geographic content and related services grew. Co-operation negotiations with employees were initiated in September for improving the efficiency of the unit, and 6 employees were fired as the result.

CHANGES IN GROUP STRUCTURE

Affecto sold Contempus AS with its subsidiaries on 29 September 2008 to Basware.

In 2008 the Affecto subsidiary companies in Nordic countries have been organized so that in each country there is one operational company, owned by the group parent company.

ANNUAL GENERAL MEETING AND GOVERNANCE

The Annual General Meeting of Affecto Plc, which was held on March 31, 2008, adopted the financial statements for 1.1.–31.12.2007 and discharged the members of the Board of Directors and the CEO from liability. Approximately 31 percent of Affecto's shares and votes were represented in the Meeting. The Annual General Meeting decided that a dividend of EUR 0.16 per share be distributed for the year 2007.

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 PricewaterhouseCoopers Oy was re-elected auditor of the company with Merja Lindh, APA, as auditor in charge.

The Annual General Meeting accepted the Board's proposals for issuing stock options (Stock options 2008) and for changing the terms of the Stock options 2006. The Annual General Meeting accepted the Board's proposals for the authorisations given to the Board of Directors.

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

Mr. Darius Lazauskas has been appointed as a member of the group management team in February. Stig-Göran Sandberg was appointed as the manager responsible for Baltic business in October, when Kestutis Uzpalis and Darius Lazauskas retired from Affecto. In October, Affecto's executive management team was announced to comprise Pekka Eloholma, Satu Kankare, Åge Lönning and Hannu Nyman.

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 31 March 2008.

The complete contents of the new authorizations given by the Annual General Meeting held on 31 March 2008 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.

The board has not used the authorizations by 31 December 2008.

SHARES AND TRADING

The company has only one share series, and all shares have similar rights. As at 31 December 2008, 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 1-12/2008, the highest share price was 4.33 euro, lowest price 2.00 euro, average price 3.32 euro and closing price 2.13 euro. Trading volume was 8.2 million shares, corresponding to 38% of the number of shares at the end of period. The market value of shares was 45.8 MEUR at the end of the period.

SHAREHOLDERS

Arendals Fossekompani ASA flagged on 24 June 2008 and 23 October 2008 that its direct holdings will increase to approximately 5.53% due to subsidiary mergers. The total ownership of Arendals Fossekompani group (5.53%) has not changed since the flagging notice of 27 August 2007.

Case Asset Management AB flagged on 11 September 2008 that the holdings of funds managed by it, had exceeded 5%.

The company had a total of 1266 owners on 31 December 2008 and the foreign ownership was 29%. 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. Inflation has picked up in all Affecto's countries especially regarding salaries, which has increased the challenge of maintaining good profitability. 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 project starts or interrupt the project delivery work. The economic downturn may weaken customers' liquidity, also in the public sector.

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 can not 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.

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.

DIVIDEND PROPOSAL

Distributable funds of the parent company of the group on 31 December 2008 are 32 960 860.03 euros. Board of Directors proposes that from the financial year 2008 a dividend of 0.14 euros per share will be paid, a total of 3 007 162.20 euros with the outstanding number of shares at the end of the financial period, and the rest is carried forward to the retained earnings account. No material changes have taken place in respect of the company’s financial position after the balance sheet date. The liquidity of the company is good and in the opinion of the Board of Directors proposed distribution of profit does not risk the liquidity of the company.

FUTURE OUTLOOK

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 are expected to remain below the level in 2008. The profitability (EBIT margin) of the whole year 2009 is expected to be below the profitability in 2008.

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. Income statement, balance sheet, cash flow statement and statement of changes in shareholders' equity
2. Notes
3. Key figures

1. Income statement, balance sheet, cash flow statement and statement of changes in shareholders' equity

CONSOLIDATED INCOME STATEMENT

(1 000 EUR)	10-12/08	10-12/07	2008	2007
Net sales	32 492	37 907	131 565	97 474
Other operating income	57	11	902	80
Changes in inventories of finished goods and work in progress	-228	-51	-287	109
Materials and services	-7 069	-8 571	-25 317	-19 851
Personnel expenses	-16 914	-18 433	-69 818	-48 635
Other operating expenses	-5 446	-5 590	-20 962	-14 651
Other depreciation, amortization and impairment charges	-349	-355	-1 620	-1 231
IFRS3 amortization	-538	-1 288	-2 653	-2 536
Operating result	2 005	3 630	11 808	10 758
Finance costs (net)	261	-489	-1 341	-1 300
Result before income tax	2 266	3 141	10 467	9 458
Income tax	-473	-894	-1 963	-2 477
Result for the period	1 793	2 248	8 503	6 981
Attributable to:				
Equity holders of the Company	1 793	2 248	8 503	6 981
Minority interest	0	0	0	0
Earnings per share for result attributable to the equity holders of the Company (EUR per share)				
Basic	0.08	0.10	0.40	0.38
Diluted	0.08	0.10	0.40	0.38

CONSOLIDATED BALANCE SHEET

(1 000 EUR)	12/2008	12/2007
Non-current assets		
Property, plant and equipment	2 715	1 939
Goodwill	72 614	84 196
Other intangible assets	11 093	18 249
Deferred tax assets	2 031	2 297
Available-for-sale financial assets	54	64
Derivative financial instruments	20	35
Trade and other receivables	220	190
	88 747	106 970
Current assets		
Inventories	1 148	1 792
Trade and other receivables	32 166	38 724
Current income tax receivables	206	166
Available-for-sale financial assets	295	106
Restricted cash and cash equivalents	518	659
Cash and cash equivalents	23 554	12 974
	57 886	54 421
Non-current assets held for sale	0	679
Total assets	146 633	162 070
Equity attributable to equity holders of the Company		
Share capital	5 105	5 105
Share premium	25 404	25 404
Reserve of invested non-restricted equity	21 188	21 188
Other reserves	176	108
Treasury shares	-106	-106
Translation differences	-10 243	-771
Retained earnings	17 101	12 035
	58 625	62 964
Minority interest	0	0
Total shareholders' equity	58 625	62 964
Non-current liabilities		
Borrowings	40 424	43 906
Derivative financial instruments	715	0
Deferred tax liabilities	3 388	5 159
Trade and other payables	803	532
	45 330	49 597
Current liabilities		
Borrowings	3 500	3 000
Trade and other payables	37 556	45 103
Current income tax liabilities	1 442	1 407
Derivative financial instruments	179	0
	42 677	49 510
Total liabilities	88 007	99 107
Total shareholders' equity and liabilities	146 633	162 070

CONSOLIDATED CASH FLOW STATEMENT

(1 000 EUR)	2008	2007
Cash flows from operating activities		
Result for the period	8 503	6 981
Adjustments to profit for the period	7 077	7 842
	15 581	14 823
Change in working capital	4 198	-1 312
Interest and other finance cost paid	-2 812	-1 689
Interest and other finance income received	651	364
Income taxes paid	-2 968	-1 751
Net cash generated from operating activities	14 651	10 434
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash	-3 925	-26 967
Purchases of tangible and intangible assets	-2 741	-1 410
Proceeds from sale of tangible and intangible assets	1 665	35
Sale of business/subsidiaries, net of cash	8 346	44
Net cash used in investing activities	3 345	-28 299
Cash flow from financing activities		
Paid expenses on issue of share capital	0	-777
Proceeds from borrowings	0	48 400
Repayments of borrowings	-3 000	-20 531
Dividends paid to the company's shareholders	-3 437	-1 698
Net cash generated in financing activities	-6 437	25 394
(Decrease)/increase in cash and cash equivalents	11 559	7 530
Cash and cash equivalents at the beginning of the period	12 974	5 485
Foreign exchange effect on cash	-979	-42
Cash and cash equivalents at the end of the period	23 554	12 974

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 2008	5 105	25 404	21 188	108	-106	-771	12 035	62 964
Translation differences						-9 472		-9 472
Available-for-sale financial assets				-16				-16
Result for the period							8 503	8 503
Income and expenses recognised directly in equity				-16		-9 472	8 503	-985
Share options				84				84
Dividends paid							-3 437	-3 437
Shareholders' equity 31 December 2008	5 105	25 404	21 188	176	-106	-10 243	17 101	58 625

(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 2007	5 105	25 404	1 960	11	-106	-35	6 752	39 092
Translation differences						-736		-736
Available-for-sale financial assets				9				9
Result for the period							6 981	6 981
Income and expenses recognised directly in equity				9		-736	6 981	6 254
Share options				88				88
Dividents paid							-1 698	-1 698
Issue of share capital			19 228					19 228
Shareholders' equity 31 December 2007	5 105	25 404	21 188	108	-106	-771	12 035	62 964

* Affecto has not had a minority share in 2007 or 2008.

2. Notes

2.1. Basis of preparation

This report has been prepared in accordance with the IFRS recognition and measurement principles and applying the same accounting policies as in the 2007 annual consolidated financial statements. Forthcoming standards and interpretations are presented in the accounting policies in Annual Report 2007 This report does not comply with all of the requirements of IAS 34 Interim Financial Reporting. The report should be read in conjunction with the annual financial statements for the year 2007.

The initial accounting for Component Software Group ASA, acquired in August 2007, has been completed during the year 2008. Completion of the initial accounting did not change the allocation of the cost of business combination to the assets and liabilities acquired and there was no change in the total amount of goodwill reported provisionally.

2.2. Segment information

Primary reporting format – geographical segments based on location of assets

Segment result:

(1 000 EUR)	10-12/08	10-12/07	2008	2007
Total sales				
Finland	12 922	11 612	46 234	41 707
Baltic countries	5 775	7 486	23 614	22 918
Sweden	5 315	6 906	22 262	17 654
Norway & Denmark	8 481	11 904	39 455	15 195
Eliminations	-	-	-	-
Group total	32 492	37 907	131 565	97 474
Segment result (operating result)				
Finland	1 969	1 325	6 574	4 406
Baltic countries	-237	1 520	3 092	5 390
Sweden	508	334	1 792	1 468
Norway & Denmark	500	1 004	2 850	1 199
Group management	-735	-553	-2 500	-1 705
Group total	2 005	3 630	11 808	10 758

Secondary reporting format – business segments

Segment revenue:

(1 000 EUR)	10-12/08	10-12/07	2008	2007
Total sales				
BI	19 864	21 715	75 665	48 093
Operational Solutions	9 515	13 869	44 125	39 900
Geographic Information Services	3 112	2 324	11 774	9 481
Other (incl. eliminations)	-	-	-	-
Group total	32 492	37 907	131 565	97 474

2.3. Contingencies and commitments

The court case in Latvia, explained in financial statements 2007, has been finalized and the contingent asset did not materialize. The matter did not have a material impact on profit.

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

1 000 EUR	31.12.2008	31.12.2007
Not later than one (1) year	2 832	3 013
Later than one (1) year, but not later than five (5) years	3 552	5 197
Later than five (5) years	-	-
Total	6 384	8 210

Guarantees:

1 000 EUR	31.12.2008	31.12.2007
Debt secured by a mortgage		
Financial loans	44 000	47 000

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:	31.12.2008	31.12.2007
Pledges	432	855
Other guarantees	56	55

Pledges given on own behalf consist of restricted cash of 0.1 MEUR and short-term receivables 0.3 MEUR.

Derivative contracts

1 000 EUR	31.12.2008	31.12.2007
Interest rate swaps:		
Nominal value	34 000	23 500
Fair value	-894	35
Interest rate cap:		
Nominal value	8 000	-
Fair value	20	-

3. Key figures

	10-12/08	10-12/07	2008	2007
Net sales, 1 000 eur	32 492	37 907	131 565	97 474
EBITDA, 1 000 eur	2 892	5 274	16 081	14 525
Operating result before IFRS3 amortization, 1 000 eur	2 543	4 918	14 461	13 294
Operating result, 1 000 eur	2 005	3 630	11 808	10 758
Result before taxes, 1 000 eur	2 266	3 141	10 467	9 458
Net income for equity holders of the parent company, 1 000 eur	1 793	2 248	8 503	6 981
EBITDA, %	8.9 %	13.9 %	12.2 %	14.9 %
Operating profit before IFRS3 amortization, %	7.8 %	13.0 %	11.0 %	13.6 %
Operating result, %	6.2 %	9.6 %	9.0 %	11.0 %
Result before taxes, %	7.0 %	8.3 %	8.0 %	9.7 %
Net income for equity holders of the parent company, %	5.5 %	5.9 %	6.5 %	7.2 %
Equity ratio, %	43.0 %	41.9 %	43.0 %	41.9 %
Net gearing, %	34.7 %	53.9 %	34.7 %	53.9 %
Interest-bearing net debt, 1 000 eur	20 371	33 933	20 371	33 933
Gross investment in non-current assets (excl. acquisitions), 1 000 eur	1 145	465	2 741	1 410
Gross investments, % of sales	3.5 %	1.2 %	2.1 %	1.4 %
Research and development costs, 1 000 eur	101	460	1 468	910
R&D –costs, % of sales	0.3 %	1.2 %	1.1 %	0.9 %
Order backlog, 1 000 eur	44 467	41 560	44 467	41 560
Average number of employees	1 097	1 119	1 136	897
Earnings per share, eur	0.08	0.10	0.40	0.38
Earnings per share (diluted), eur	0.08	0.10	0.40	0.38
Equity per share, eur	2.73	2.93	2.73	2.93
Average number of shares, 1 000 shares	21 480	21 480	21 480	18 533
Number of shares at the end of period, 1 000 shares	21 480	21 480	21 480	21 480

Calculation of key figures

EBITDA	=	Earnings before interest, taxes, depreciation and amortization	
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	
