AFFECTO PLC STOCK EXCHANGE RELEASE 14 FEBRUARY 2008

AFFECTO PLC'S FINANCIAL STATEMENTS BULLETIN 2007

GROUP KEY FIGURES

MEUR	10-12/2007	10-12/2006	2007	2006
Net sales	37.9	16.6	97.5	50.2
Operating result before IFRS3 items	4.9	1.9	13.3	4.1
% of net sales	13.0	11.5	13.6	8.1
Operating result	3.6	1.7	10.8	3.6
% of net sales	9.6	10.5	11.0	7.3
Result before taxes	3.1	1.7	9.5	3.5
Result for the period	2.2	1.4	7.0	2.6
Equity ratio, %	41.9	52.0	41.9	52.0
Net gearing, %	53.9	35.2	53.9	35.2
Earnings per share, eur	0.10	0.09	0.38	0.16
Earnings per share (diluted), eur	0.10	0.09	0.38	0.16
Equity per share, eur	2.93	2.30	2.93	2.30
Dividend proposal, eur			0.16	0.10

CEO Pekka Eloholma comments the fourth quarter and the whole year 2007:

"The last quarter was the highest in company history both regarding the net sales 37.9 MEUR (growth 129%) and EBIT 3.6 MEUR (10% of net sales)."

"During year 2007 our net sales grew by 94% to 97.5 MEUR. The net sales grew both in Finland (by 15%) and especially in the Baltic (by 75%). The organic growth in Sweden is estimated to have been over 20%. The group EBIT was 10.8 MEUR (11% of net sales). The order backlog grew strongly during the year to an all-time-high level of 41.6 MEUR."

"For Affecto, year 2007 was a year of strong growth and internationalization. The Component Software acquisition combined to Affecto's Swedish business turned Affecto into a truly Nordic wide service provider. Had Component Software been part of Affecto for the whole year, our pro forma net sales would have been approx. 127 MEUR."

"Strong growth in Baltic continued and the business was expanded to Poland."

"Positive development is expected to continue during year 2008, but the effects of the global economic developments on Affecto's business environment are hard to estimate. The company seeks to reach net sales of approx. 140 MEUR in 2008. The profitability of the whole year 2008 is expected not to materially change from 2007."

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

BUSINESS DEVELOPMENT DURING 10-12/2007

Affecto's net sales in 10-12/2007 was 37.9 MEUR (10-12/2006 16.6 MEUR). Net sales in Finland was 11.6 MEUR (11.1 MEUR), in Baltic area 7.5 MEUR (4.6 MEUR), 6.9 MEUR in Sweden (0.9 MEUR) and 11.9 MEUR (0.0 MEUR) in Norway & Denmark. Net sales grew by 129%. In Finland growth was 5% and in Baltic it was 62%.

In line with the normal annual cycle, the fourth quarter was the largest by net sales, mainly due to the license sales concentration to the quarter.

Sales of geographical segments based on location of assets

Net sales, MEUR	10-12/2007	10-12/2006	2007	2006
Finland	11.6	11.1	41.7	36.3
Baltic	7.5	4.6	22.9	13.1
Sweden	6.9	0.9	17.7	0.9
Norway & Denmark	11.9	0.0	15.2	0.0
Eliminations	0.0	0.0	0.0	0.0
Group total	37.9	16.6	97.5	50.2

In 10-12/2007 net sales of BI segment was 21.7 MEUR (4.7 MEUR), Operational solutions 13.9 MEUR (9.4 MEUR) and Cartographic solutions 2.3 MEUR (2.5 MEUR). The acquisitions done in 2006 and 2007 have had impact mostly on the BI segment.

Affecto's EBIT was 3.6 MEUR (1.7 MEUR). EBIT in Finland was 1.3 MEUR (1.6 MEUR), Baltic EBIT was 1.5 MEUR (0.7 MEUR), EBIT in Sweden was 0.3 MEUR and EBIT in Norway & Denmark was 1.0 MEUR.

Operating result of geographical segments based on location of assets

Operating result, MEUR	10-12/2007	10-12/2006	2007	2006
Finland	1.3	1.6	4.4	4.6
Baltic	1.5	0.7	5.4	0.5
Sweden	0.3	0.0	1.5	0.0
Norway & Denmark	1.0	0.0	1.2	0.0
Group management	-0.6	-0.5	-1.7	-1.5
Group total	3.6	1.7	10.8	3.6

According to IFRS3 requirements, 10-12/2007 EBIT includes 1.3 MEUR (0.2 MEUR) of depreciation of intangible assets related to acquisitions. A significant part of the depreciation is related to Sweden and Norway & Denmark segments. In whole year such depreciation amounted to 2.5 MEUR (0.4 MEUR).

Fourth quarter was reasonably good in Finland, and business developed steadily. During the quarter, new orders were received e.g. from Alko, Wärtsilä and the Finnish Agency for Rural Affairs. The profit decreased in Finland due to the investments in growth and the weak profitability in cartographic solutions.

The net sales and profit in Baltic improved significantly compared to Q4/2006 thanks to good resource utilization rate due to continuing large projects. In the insurance sector, the projects in South Africa and Poland continued. New orders were received e.g. from Lithuanian Ministry of Education and Lithuanian National Paying Agency. A few large license deals were done during the quarter, total impact on net sales 1.9 MEUR.

During the quarter, the Component Software business in Sweden was integrated to Affecto Sweden, which integration work somewhat decreased the number of workdays available to customers. New orders were received from eg. Vin&Spirit, Ecophone and ICA.

Norway & Denmark segment's development was positive and prices were increasing. The business was developed by recruiting new consultants and by founding a Microsoft BI unit. New orders were received from e.g. Kredittillsynet (Financial Supervisory Authority of Norway) and Agder Energi.

YEAR 2007

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 develops operational solutions, such as Geographic Information Systems (GIS), Enterprise Content Management (ECM) and versatile customer specific software services. These solutions assist organisations in collecting, organising and analysing available digital information in support of their business processes. Affecto offers Business Intelligence solutions in its operating areas in the Nordic countries and Baltic countries. In operational solutions, the company has a presence in Finland, Norway and in the Baltic region.

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

NET SALES

The most significant event in 2007 was the acquisition of Component Software Group ASA through a public tender offer in August 2007. Component Software has been included in Affecto's consolidated accounts since 1 September 2007. During the year 2007, the Affecto name and new corporate visual identity were implemented.

Affecto's net sales in 2007 was 97.5 MEUR (2006: 50.2 MEUR). Net sales in Finland was 41.7 MEUR (36.3 MEUR), in Baltic area 22.9 MEUR (13.1 MEUR), 17.7 MEUR in Sweden (0.9 MEUR) and 15.2 MEUR (0.0 MEUR) in Norway & Denmark. Sales growth was 94%. In Finland growth was 15% and in Baltic it was 75%.

The sales growth was based on good demand for services in all our market areas. Especially the Baltic business developed very positively compared to year 2006.

Intellibis, acquired in December 2006, and the Swedish operations of Component Software, acquired in August 2007, form the Swedish segment. Component Software's business in Norway and Denmark forms the Norway & Denmark segment.

In 2007 net sales of BI segment was 48.1 MEUR (11.9 MEUR), Operational solutions 39.9 MEUR (28.7 MEUR) and Cartographic solutions 9.5 MEUR (9.7 MEUR). The acquisitions done in 2006 and 2007 have had impact mostly on the BI segment.

PROFIT

Affecto's EBIT was 10.8 MEUR (3.6 MEUR). EBIT in Finland was 4.4 MEUR (4.6 MEUR), Baltic EBIT was 5.4 MEUR (0.5 MEUR), EBIT in Sweden was 1.5 MEUR (0.0 MEUR) and EBIT in Norway & Denmark was 1.2 MEUR (0.0 MEUR).

According to IFRS3 requirements, 2007 EBIT includes 2.5 MEUR (0.4 MEUR) of depreciation of intangible assets related to acquisitions. A significant part of the depreciation is related to Sweden and Norway & Denmark segments. In year 2008 the IFRS3 depreciation is estimated to total 2.9 MEUR and in 2009 approx 2.8 MEUR.

The profit in Baltic improved significantly thanks to good resource utilization rate due to ongoing large customer projects. The profit decreased in Finland due to the weak profitability in cartographic solutions.

R&D expenditure in 2007 totaled 0.9 MEUR (0.5 MEUR), i.e. 0.9% of net sales (0.9%). The expenditure has been booked as costs, except in Component software's ECM business, where 0.1 MEUR has been capitalized in balance sheet.

Taxes for the period have been booked as taxes. Net profit for the period was 7.0 MEUR, while it was 2.6 MEUR last year.

Order backlog totaled 41.6 MEUR at the end of period (24.2 MEUR). Affecto has a well diversified customer base. Ten largest customers generated approx. 20% of group revenue in 2007.

FINANCE AND INVESTMENTS

At the end of the reporting period, Affecto's balance sheet totaled 162.1 MEUR (2006: 78.7 MEUR). Significant part of the growth is due to the acquisition of Component Software Group ASA in August 2007. Equity ratio was 41.9 (52.0%) and net gearing was 53.9% (35.2%).

The additional consideration for ZenPark, acquired in 2006, was determined to be 0.67 MEUR and it was paid during third quarter.

The financial loans were 46.9 MEUR as at 31 December 2007. The interest-bearing net debt was 33.9 MEUR. For the Component Software acquisition, the company negotiated a financing package, which also included the rearrangement of the previous debts.

The company's cash and liquid assets were 13.0 MEUR (5.5 MEUR). Cash flow from operating activities for the reported period was 10.4 MEUR (2.6 MEUR) and cash flow from investments was -28.3 MEUR (-14.2 MEUR).

The acquisition cost of Component Software ASA, acquired in August 2007, has been determined provisionally in the end of the year. The estimated acquisition cost totals to 52.5 MEUR and it had 26.2 MEUR effect on cash flow. Of the amount, allocations have been made to intangible assets in respect of customer relationships, technology and order backlog totaling 9.5 MEUR, net of deferred taxes. 38.6 MEUR has been recorded as goodwill.

Investments in non-current assets excluding acquisitions were 1.4 MEUR (1.1 MEUR) during the period.

EMPLOYEES

The number of employees was 1129 persons at the end of the reporting period (745 persons). Approx. 370 persons were based in Finland, 165 in Sweden, 165 in Norway & Denmark, and 420 in Baltic states. The average number of employees during the period was 897 persons (605). The growth of personnel was significantly impacted by the acquisition of Component Software, which increased the personnel by over 200 employees. The number of employees has also grown organically, especially in Baltic, where the number has grown by approx. 35% during the year.

The company announced on 2 October 2007 that it starts co-operation procedure in Finland due to financial and productional reasons in its HR solutions business belonging to company's Operational solutions segment and in Karttakeskus unit belonging to company's Cartographic segment. As the result of the negotiations the employment of four persons ended.

BUSINESS REVIEW

During year 2007 Affecto has continued to implement its growth strategy. The most significant act was the acquisition of Component Software through a public tender offer. The acquisition strengthened Affecto's position in Sweden and opened business in Norway and Denmark.

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

Finland

In 2007 net sales in Finland was 41.7 MEUR (36.3 MEUR) and it grew by 15%. EBIT was 4.4 MEUR (4.6 MEUR). The business developed steadily during the year. The demand for various services was reasonably good and was increasing especially regarding BI services. The unit prices of consultant work have remained stable or even risen somewhat. The profitability of the cartographic solutions was weak, which was the main cause in the decrease in EBIT.

The growth of IT services market in Finland is rather slow, but the growth of our specialty segments like BI is expected to exceed the average market growth. The customers' activity has continued to be good. New orders were received from, among others, Nokia, Church of Finland, Alko, Aurinkomatkat and various ministries.

Baltic (Lithuania, Latvia, Estonia, Poland)

The Baltic business mostly consists of projects related to large customer-specific systems. Projects are typically larger and tender processes longer than in Finland or in Nordic. The business is mostly classified to Operational solutions, but also includes BI solutions.

In 2007 the Baltic net sales grew by 75% and was 22.9 MEUR (13.1 MEUR). Baltic EBIT was 5.4 MEUR (0.5 MEUR). The business has developed very favorably compared to last year, and the resource utilization rate and profitability is high in all countries. The steady continuing work on large projects has helped to keep the utilization rate very high during the whole period. The public sector entities in Baltic have continued to invest in IT systems. The order backlog offers stable resource utilization for near future. During the year, new orders were received e.g. from the insurance company Commercial Union Polska, Latvian Social Insurance Institution, Lithuanian Ministry of Education and Estonian Ministry of Economy.

The company is actively recruiting more employees. During the year, the number of employees in Baltic grew by over 100 persons. The Baltic countries enjoy a high demand for competent workforce, which is predicted to increase salary levels. EITO (European Information Technology Observatory) forecasts that the IT services will grow by over 13% p.a. in the next few years in all three Baltic countries.

Affecto has founded a new subsidiary in Poland, where the insurance and utilities sectors are initially targeted as the customers. The plan is to grow the number of employees to approx. 15 in initial phase during the next few quarters.

Sweden

Affecto has expanded its business to the Sweden by acquiring Intellibis AB in December 2006. In addition, the segment includes the Swedish BI operations of Component Software for September-December 2007.

In 2007 the net sales in Sweden was 17.7 MEUR (0.9 MEUR) and EBIT 1.5 MEUR (0.0 MEUR). Year ago, Affecto had business in Sweden only in December. The reported EBIT includes approx. 1.2 MEUR IFRS3 depreciation. The integration of Swedish operations is estimated to have caused approx 0.3 MEUR costs in Q4.

The business in Sweden has developed positively during year 2007 and combining the Component Software operations to Affecto has further strengthened the position as a leading BI solution provider. The business is estimated to have grown by over 20%. The price development has been positive and the utilization rate has remained high. The demand for general IT services in Sweden is expected to grow by some 5%, while the BI services are expected to grow faster.

Norway & Denmark

The segment comprises Component Software's, acquired at the end of August, operations in Norway and Denmark. Only the business in September-December has been reported as part of Affecto.

The net sales was 15.2 MEUR in September-December and EBIT was 1.2 MEUR. The reported EBIT was negatively affected by an IFRS3 depreciation of 0.9 MEUR.

Business Intelligence business developed positively and especially the growth of consulting services was good. BI service offering has been enlarged e.g. by increasing the offering of Oracle and Microsoft technologies. The price development has been positive thanks to good demand for services. During the year, new orders were received from e.g. The Norwegian Labour and Welfare Administration (NAV), Agder Energi and Forca.

The Contempus business, an ECM business reported as part of Operational Solutions, also developed steadily. The sales efforts were increasingly aimed outside Nordic countries.

Business review by secondary segments 2007

Business intelligence (BI) net sales was 48.1 MEUR (11.9 MEUR). The growth is largely explained by the acquisitions of ZenPark and Intellibis in late 2006 and of Component Software since September 2007, but also the organic growth has been good. Customers' interest is increasingly focusing on larger solutions and continuous service. During year 2007 Affecto has further widened its solution offering e.g. by increasing the number of SAP BI consultants, by strengthening CPM/planning and Microsoft resources.

According to Datamonitor's recent research, the global BI solution market is expected to grow annually by over 12% and to double in size by 2012. The recent acquisitions where the largest global software companies have acquired BI software producers highlight the interest for the sector. The most recent examples are the SAP's acquisition of Business Objects and IBM's acquisition of Cognos.

Net sales of Operational Solutions grew by 39% and was 39.9 MEUR (28.7 MEUR). The growth is to a large extent explained by the strong growth of the Baltic operations, where large projects continued steadily. The insurance solution project in South Africa continued and may lead to a new project to the same client, the project in Sweden ended and the project in Poland was ramped up. Affecto has established a subsidiary in Poland in order to be able to offer its insurance sector related services also there. In Finland, the demand for solutions was good and the utilization rate of project resources was good. The demand for Norwegian Contempus solutions grew moderately.

Cartographic Solutions businesses net sales was 9.5 MEUR (9.7 MEUR). The demand for digital geographic content and related services grew. Affecto continues to operate the Finnish land parcel identification system for the next three years. The sales of maps and other printed products remained at last year's level, but the profitability of the unit was weak.

ASSESSMENT OF RISKS AND UNCERTAINTIES

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

Affecto's continued success depends to a significant extent on its management team and personnel. The loss of the services of any member of its senior management or other key employee could have a negative impact on 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.

Affecto's success depends also on good customer relationship. Affecto has a well diversified customer base. Ten largest customers generated approx. 20% of group revenue in 2007.

Acquisition of Component Software 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. In whole year 2007 Component Software's license sales totaled approx. 7 MEUR. Other parts of Affecto had license sales of approx. 6 MEUR in 2007. The license sales have mostly impact on the last month of each quarter and especially on 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. For the damage risks, which can not be prevent 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.

CHANGES IN GROUP STRUCTURE

The Annual General Meeting held on 28 March 2007 decided to change the name of the parent company to Affecto Plc.

The wholly owned subsidiary ZenPark Oy has merged to Affecto Finland Oy at 30 June 2007. Zenpark Media Oy has been liquidated on 20.6.2007.

In August 2007, Affecto has acquired Component Software Group ASA from Norway. The acquisition of Component Software is described more closely in "ACQUISITION OF COMPONENT SOFTWARE GROUP ASA".

Affecto has founded a subsidiary in Poland.

ANNUAL GENERAL MEETING AND GOVERNANCE

The Annual General Meeting of Affecto Plc, which was held on March 28, 2007, adopted the financial statements for 1.1.–31.12.2006 and discharged the members of the Board of Directors and the CEO from liability. The Annual General Meeting decided that a dividend of EUR 0.10 per share be distributed for the year 2006.

Aaro Cantell, Heikki Lehmusto, Pasi Mäenpää, Jukka Norokorpi and Esko Rytkönen were re-elected and Pyry Lautsuo was elected as members of the Board of Directors. The Board re-elected Aaro Cantell as Chairman. 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 proposal for changing the company name and Articles of Association. The changes were registered at the Finnish trade register on 2 April 2007.

The Annual General Meeting accepted the Board's proposals for the authorizations 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.

The group management team was modified at the end of November. The group management team comprises of the following persons since 1 December 2007: Pekka Eloholma, Åge Lönning, Satu Kankare, Hannu Nyman, Hilkka Remes-Hyvärinen, Tuula Wäyrynen, Kestutis Uzpalis, Martin Hultqvist, Håvard Ellefsen, Claus Kruse, Stig-Göran Sandberg and Ray Byman. Eloholma, Lönning, Uzpalis and Hultqvist form the executive team.

EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting held on 10 July 2007 authorized the Board to decide on the directed share issue (max. 4 800 000 shares) needed for the acquisition of Component Software, and elected Mr. Haakon Skaarer as a board member conditional to the completion of the Component Software acquisition. Mr. Skaarer is a board member since 28 August 2007.

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 28 March 2007.

The complete contents of the new authorizations given by the Annual General Meeting held on 28 March 2007 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 3 400 000 new shares may be issued. A maximum of 1 700 000 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 1 700 000 shares may be acquired. The authorization shall be in force until the next Annual General Meeting.

In addition, the Extraordinary General Meeting held after the review period on 10 July 2007 authorized the Board to decide on the directed share issue (max. 4 800 000 shares) needed for the acquisition of Component Software. Based on this authorization, 4 499 947 new shares were issued to shareholders of Component Software. The share issue was registered at the trade register on 28 August 2007.

SHARES AND TRADING

The company has only one share series, and all shares have similar rights. As at 31 December 2007, 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 2007, the highest share price was 5.18 euro, lowest price 2.90 euro, average price 4.09 euro and closing price 4.23 euro. Trading volume was 23.5 million shares, corresponding to 109 % of the number of shares at the end of period. The market value of shares was 90.9 MEUR at the end of the period.

SHAREHOLDERS

The following flagging announcements have been given during 2007:
10 April 2007: Ownership of Mika Laine exceeded 5%
27 August 2007 related to Component Software acquisition: Ownership of Eqvitec funds decreased below 15%, ownership of Fenno Rahasto decreased below 10%, ownership of Mika Laine decreased below 5% and ownership of Arendals Fossekompani group exceeded 5%
2 October 2007: Ownership of Eqvitec funds decreased to 0%, ownership of Fenno Rahasto decreased to 0% and ownership of Mika Laine exceeded 5%
18 December 2007: Ownership of Aaro Cantell exceeded 5%

The company had total of 1 321 owners on December 31, 2007 and the foreign ownership was 32%. 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).

ACQUISITION OF COMPONENT SOFTWARE GROUP ASA

Affecto published on 11 June 2007 that the company had made a combination agreement with Component Software and had intention to make a public tender offer for Component Software's shareholders.

Oslo Börs approved the Offer document and the Finnish Financial Supervision approved the prospectus on 20 July 2007. The public tender offer period began on 25 July 2007 and ended on 22 August 2007. Affecto's board of directors decided on 27 August 2007 to complete the tender offer.

As a consequence of the tender offer, the number of Component Software shares transferred to Affecto at completion of the tender offer was 5 551 442 shares representing about 95.3% of all issued shares in Component Software. In accordance with the terms and conditions of the public tender offer, the consideration for one Component Software share was NOK 40.03 in cash and 0.81063 new Affecto shares.

A total of 4 499 947 new Affecto shares were issued. Affecto's new shares were registered in the trade register on 28 August 2007 and the trading of new shares together with Affecto's old shares started on 28 August 2007 at OMX Nordic Exchange Helsinki Oy. The new shares give the same shareholders' rights as Affecto's old shares.

Oslo Börs approved the offer document related to the mandatory offer and the compulsory acquisition on 19 September 2007. The mandatory offer period began on 19 September 2007 and ended on 17 October 2007. The trading with the share in Oslo Börs ended on 19 September 2007, when all shares were transferred to Affecto. Component Software's listing officially ended 24 October 2007.

The name of Component Software Group has been changed to Affecto Norway AS.

If Component Software had been part of Affecto the whole year 2007, the pro forma net sales would have been approx. 126.8 MEUR, operating profit before IFRS3 depreciation approx. 15.1 MEUR and EBIT approx. 11.4 MEUR.

EVENTS AFTER THE REVIEW PERIOD

In January 2008, Affecto has published information about new projects in Finland, Lithuania and Latvia. Affecto will deliver a new case management solution to the Finnish Ministry of Education, an IT solution to Lithuanian Ministry of Education to improve processes of education institutions and an EMCS system to Latvian State Revenue Service.

Mr. Darius Lazauskas has been appointed as a member of the group management team as of 1 February 2008.

STRATEGIC OBJECTIVES

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

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

The growth target for the company for 2007-2009 is that net sales exceed 160 million euros in 2009. The growth target will be reached through organic growth supplemented by acquisitions. At the same time the company seeks to be one of the most profitable IT services company within its market region.

DIVIDEND PROPOSAL

Distributable funds of the parent company of the group on 31 December 2007 are 25 356 088.63 euros. Board of Directors proposes that from the financial year 2007 a dividend of 0.16 euros per share will be paid, a total of 3 436 756.80

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

Positive development is expected to continue during year 2008, but the effects of the global economic developments on Affecto's business environment are hard to estimate. The company seeks to reach net sales of approx. 140 MEUR in 2008. The profitability of the whole year 2008 is expected not to materially change from 2007.

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 12:30 at Restaurant Savoy, Eteläesplanadi 14, Helsinki.

Financial information:

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

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

CONSOLIDATED INCOME STATEMENT

(1 000 EUR)	10-12/07	10-12/06	2007	2006
Net sales	37 907	16 566	97 474	50 194
Other operating income	11	28	80	138
Changes in inventories of finished goods and work in progress	-51	-107	109	287
Materials and services	-8 571	-3 668	-19 851	-13 177
Personnel expenses	-18 433	-7 847	-48 635	-23 996
IFRS3 depreciation	-1 288	-175	-2 536	-409
Other depreciation, amortization and impairment charges	-355	-340	-1 231	-963
Other operating expenses	-5 590	-2 723	-14 651	-8 432
Operating result	3 630	1 736	10 758	3 642
Finance costs (net)	-489	-26	-1 300	-184
Result before income tax	3 141	1 710	9 458	3 458
Income tax	-894	-307	-2 477	-824
Result for the period	2 248	1 403	6 981	2 633
Attributable to:				
Equity holders of the Company	2 248	1 403	6 981	2 633
Minority interest	0	0	0	0
Earnings per share for result attributable to the equity holders of the Company (EUR per share)				
Basic	0.10	0.09	0.38	0.16
Diluted	0.10	0.09	0.38	0.16

CONSOLIDATED BALANCE SHEET

(1 000 EUR)	12/2007	12/2006
Non-current assets		
Tangible assets	1 939	2 110
Goodwill	84 196	43 579
Other intangible assets	18 249	7 550
Deferred tax assets	2 297	594
Available-for-sale financial assets	64	57
Other non-current receivables	190	93
	106 936	53 983
Current assets		
Inventories	1 792	2 095
Trade receivables	28 848	11 508
Other receivables	9 876	4 230
Current income tax receivables	166	1 036
Available-for-sale financial assets	106	578
Financial assets at fair value through profit or loss	35	24
Restricted cash	659	381
Cash and cash equivalents	12 974	4 906
	54 455	24 758
Assets held for sale	679	0
Total assets	162 070	78 741
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	1 960
Other reserves	108	11
Treasury shares	-106	-106
Retained earnings	11 265	6 717
	62 964	39 092
Minority interest	0	0
Total shareholders' equity	62 964	39 092
Non-current liabilities		
Borrowings	43 906	14 014
Deferred tax liabilities	5 159	2 007
Other long-term liabilities	532	2 232
	49 597	18 252
Current liabilities		
Borrowings	3 000	5 032
Trade payables	6 965	2 627
Other liabilities	38 138	12 580
Current income tax liabilities	1 407	1 158
	49 510	21 397
Total liabilities	99 107	39 649
Total shareholders' equity and liabilities	162 070	78 741

CONSOLIDATED CASH FLOW STATEMENT

(1 000 EUR)	2007	2006
Cash flows from operating activities		
Result for the period	6 981	2 633
Adjustments to profit for the period	7 842	2 442
	14 823	5 076
Change in working capital		
Decrease (+) / increase (-) in trade and other receivables	-15 826	-1 814
Decrease (+) / increase (-) in inventories	303	30
Decrease (-) / increase (+) in trade and other payables	14 211	475
Change in working capital	-1 312	-1 309
Interest and other finance cost paid	-1 689	-429
Interest and dividend received	364	289
Income taxes paid	-1 751	-1 024
Net cash generated by operating activities	10 434	2 604
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	-26 967	-13 262
Purchases of tangible and intangible assets	-1 410	-1 118
Proceeds from sale of tangible assets	35	41
Sale of business/subsidiaries	44	45
Proceeds from sale of financial assets	0	39
Increase of other non-current receivables/liabilities	0	30
Net cash used in investing activities	-28 299	-14 225
Cash flow from financing activities		
Issue of share capital	-777	2
Increase of interest-bearing liabilities	48 400	12 447
Repayments of interest-bearing liabilities	-20 531	-5 938
Purchase of treasury shares	0	-509
Dividends paid to company's shareholders	-1 698	-1 540
Net cash generated in financing activities	25 394	4 462
(Decrease)/increase in cash and cash equivalents	7 530	-7 159
Cash and cash equivalents at the beginning of the period	5 485	12 639
Translation adjustment	-42	-1
Change in fair value of financial assets	0	6
Cash and cash equivalents at the end of the period	12 974	5 485

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(1 000 EUR)	Share capital	Share premium	Reserve of invested non-restricted equity	Other reserves	Treasury shares	Ret. earnings & translat. diff.	Minority interest	Total equity
Shareholders' equity 1 January 2007	5 105	25 404	1 960	11	-106	6 717	0	39 092
Translation differences						-736		-736
Share options				88				88
Available-for-sale financial assets				9				9
Result for the period						6 981		6 981
Dividends						-1 698		-1 698
Share issue			19 228					19 228
Shareholders' equity 31 December 2007	5 105	25 404	21 188	108	-106	11 264	0	62 964

(1 000 EUR)	Share capital	Share premium	Reserve of invested non-restricted equity	Other reserves	Treasury shares	Ret. earnings & translat. diff.	Minority interest	Total equity
Shareholders' equity 1 January 2006	4 619	22 856	0	55	0	6 023	20	33 573
Translation differences						5		5
Share options				-48		55		7
Available-for-sale financial assets				4				4
Result for the period						2 633		2 633
Dividends						-1 540		-1 540
Purchase of treasury shares					-509			-509
Sell of treasure shares			476		403	-403		476
Share issues	486	2 548	1 485					4 519
Put/Call treatment						-56		-56
Acquisition of minority							-20	-20
Shareholders' equity 31 December 2006	5 105	25 404	1 960	11	-106	6 717	0	39 092

2. Notes

2.1. Basis of preparation

This financial statements bulletin has been prepared in accordance with the IFRS recognition and measurement principles and applying the same accounting policies as in the 2006 annual consolidated financial statements. This interim report does not comply with all of the requirements of IAS 34 Interim Financial Reporting.

The group has adopted the following standards and interpretations from the beginning of 2007: IFRS 7 Financial instruments - Disclosures, and Amendment to IAS 1 – Capital disclosures. The adoption of IFRS 7 and the amendment to IAS 1 will expand disclosures presented in the annual financial statements.

2.2. Segment information

Primary reporting format – geographical segments based on location of assets

Segment result:

(1 000 EUR)	10-12/07	10-12/06	1-12/07	1-12/06
Total sales				
Finland	11 612	11 073	41 707	36 267
Baltic countries	7 486	4 628	22 918	13 083
Sweden	6 906	881	17 654	881
Norway & Denmark	11 904	0	15 195	0
Eliminations	0	-16	0	-36
Group total	37 907	16 566	97 474	50 194
Segment result (operating result)				
Finland	1 325	1 612	4 406	4 641
Baltic countries	1 520	673	5 390	497
Sweden	334	-22	1 468	-22
Norway & Denmark	1 004	0	1 199	0
Group management	-553	-527	-1 705	-1 474
Group total	3 630	1 736	10 758	3 642

Secondary reporting format – business segments

Segment revenue:

(1 000 EUR)	10-12/07	10-12/06	1-12/07	1-12/06
Total sales				
BI	21 715	4 737	48 093	11 863
Operational Solutions	13 869	9 362	39 900	28 715
Cartographic Solutions	2 324	2 483	9 481	9 652
Other (incl. eliminations)	0	-16	0	-36
Group total	37 907	16 566	97 474	50 194

2.3. Contingencies and commitments

The group has a contingent asset of 87 thousand Latvian lats (EUR 123 thousand) relating to a court case in Latvia. Riga Regional Court published a judgement, according to which adverse party was sentenced to pay 87 thousand Latvian lats to a group company of Affecto (Mebius IT). The adverse party has appealed to the Supreme court of the Republic of Latvia and demanded to change the decision.

In respect of the acquisitions of Intellibis AB, additional consideration of up to 4.0 MEUR is payable in 2008. At the end of the reporting period an additional consideration has been estimated to amount to 4.0 MEUR, which has been recorded as non-interest-bearing liability.

The future aggregate minimum lease payments under non-cancelable operating leases as of 31 December 2007:

1 000 EUR	31.12.2007	31.12.2006
Not later than one (1) year	3 013	2 346
Later than one (1) year, but not later than five (5) years	5 197	3 792
Later than five (5) years	0	0
	8 210	6 138

Guarantees:

1 000 EUR	31.12.2007	31.12.2006
Debt secured by a mortgage		
Financial loans	47 000	19 031

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:		
Pledges	855	696

Pledges given on own behalf consist of restricted cash of 0.3 MEUR (0.4 MEUR), time deposits of 0.3 MEUR (0.0 MEUR) and short term receivables at an amount of 0.3 MEUR (0.3 MEUR).

Derivative contracts

1 000 EUR	31.12.2007	31.12.2006
Interest rate swaps:		
Nominal value	23 500	5 000
Fair value	35	24

3. Key figures

	10-12/07	10-12/06	2007	2006
Net sales, 1 000 eur	37 907	16 566	97 474	50 194
EBITDA, 1 000 eur	5 274	2 251	14 525	5 014
Operating result before IFRS3 depreciation, 1 000 eur	4 918	1 911	13 294	4 051
Operating result, 1 000 eur	3 630	1 736	10 758	3 642
Result before taxes, 1 000 eur	3 141	1 710	9 458	3 458
Net income for equity holders of the parent company, 1 000 eur	2 248	1 403	6 981	2 633
EBITDA, %	13.9 %	13.6 %	14.9 %	10.0 %
Operating profit before IFRS3 depreciation, %	13.0 %	11.5 %	13.6 %	8.1 %
Operating result, %	9.6 %	10.5 %	11.0 %	7.3 %
Result before taxes, %	8.3 %	10.3 %	9.7 %	6.9 %
Net income for equity holders of the parent company, %	5.9 %	8.5 %	7.2 %	5.2 %
Equity ratio, %	41.9 %	52.0 %	41.9 %	52.0 %
Net gearing, %	53.9 %	35.2 %	53.9 %	35.2 %
Interest-bearing net debt, 1 000 eur	33 933	13 743	33 933	13 743
Gross investment in non-current assets (excl. acquisitions), 1 000 eur	465	322	1 410	1 118
Gross investments, % of sales	1.2 %	1.9 %	1.4 %	2.2 %
Research and development costs, 1 000 eur	460	123	910	476
R&D –costs, % of sales	1.2 %	0.7 %	0.9 %	0.9 %
Order backlog, 1 000 eur	41 560	24 167	41 560	24 167
Average number of employees	1 119	688	897	605
Earnings per share, eur	0.10	0.09	0.38	0.16
Earnings per share (diluted), eur	0.10	0.09	0.38	0.16
Equity per share, eur	2.93	2.30	2.93	2.30
Average number of shares, 1 000 shares	21 480	16 430	18 533	16 058
Number of shares at the end of period, 1 000 shares	21 480	16 980	21 480	16 980

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	
