

Interim Report 1-3/2009

5 May 2009

CEO Pekka Eloholma

Forward-Looking Statements

Certain sections of this presentation contain forward-looking statements based on the Company's current expectations, estimates, projections and assumptions.

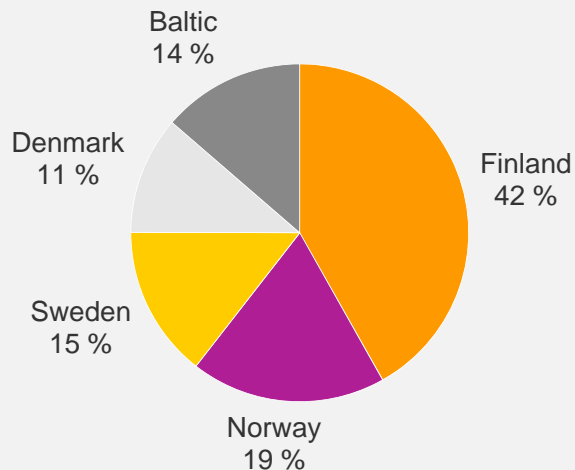
Words such as 'forecasts', 'estimates', 'expects', 'plans', and variations of these words and similar expressions are intended to identify forward-looking statements, which include, but are not limited to, Affecto's performance and profitability, market growth and industry developments.

These statements involve certain risks and uncertainties, which are difficult to predict, and therefore actual future results and trends may differ materially from what is forecast in forward-looking statements. Affecto undertakes to update such statements with respect to new information and future events only within the limits of its statutory obligation to disclose information.

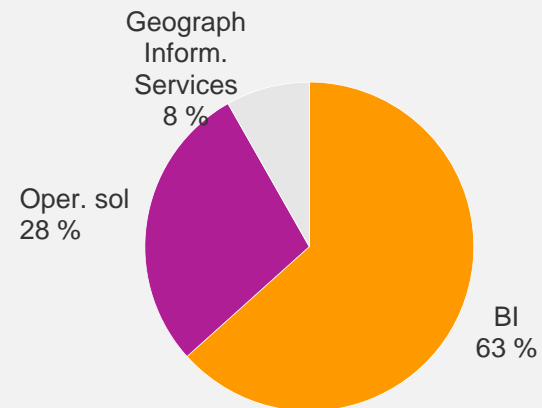
Leading BI solution provider in Nordic

- Net sales: 132 M€ in 2008
- Approx. 1100 employees

Sales per region – 1-3/09



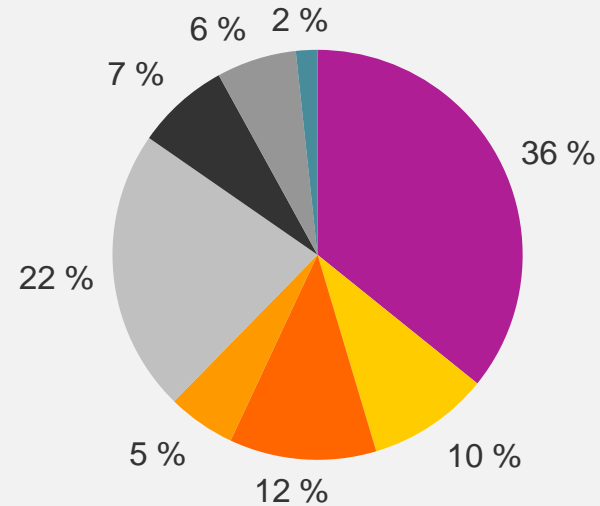
Sales per business – 1-3/09



Resources



Personnel by country (Q1/09)

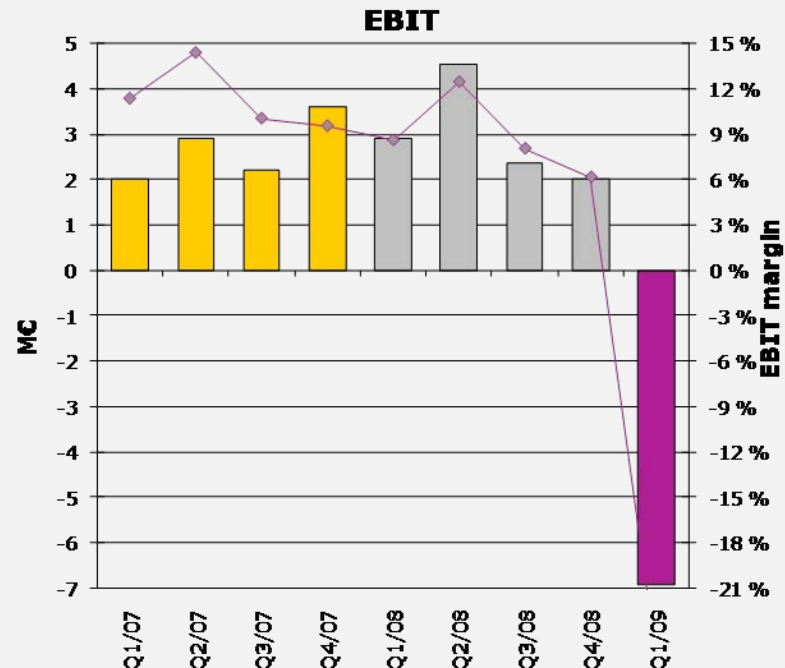
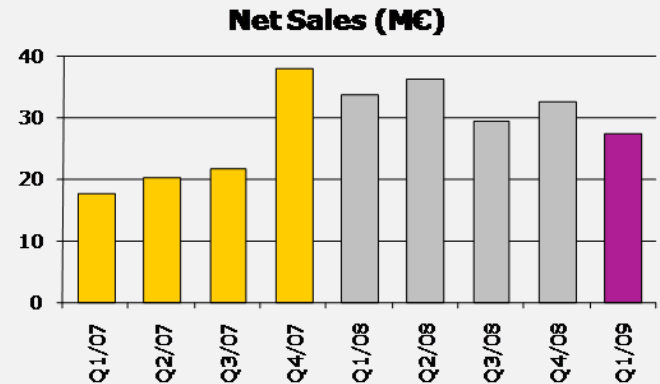


- 1063 employees
 - 380 in Finland
 - 400 in Baltic countries
 - 280 in Scandinavia

Overview to Q1/2009

- Net sales 27.5 M€ (33.6 M€)
 - Economy continued to weaken
 - Reported growth -18%
 - Organic growth -11%
 - With constant currencies -7%
 - Baltic and Sweden weak

- EBIT -6.9 M€ (2.9 M€)
 - Includes restructuring actions in Baltic announced in April
 - Restructuring costs 1.7 M€
 - Writedown 6.2 M€
 - Excellent operational segment profit in Finland (14%) and Norway (15%)
 - Baltic making clear loss
 - Approx. -1.0 M€ before streamlining actions



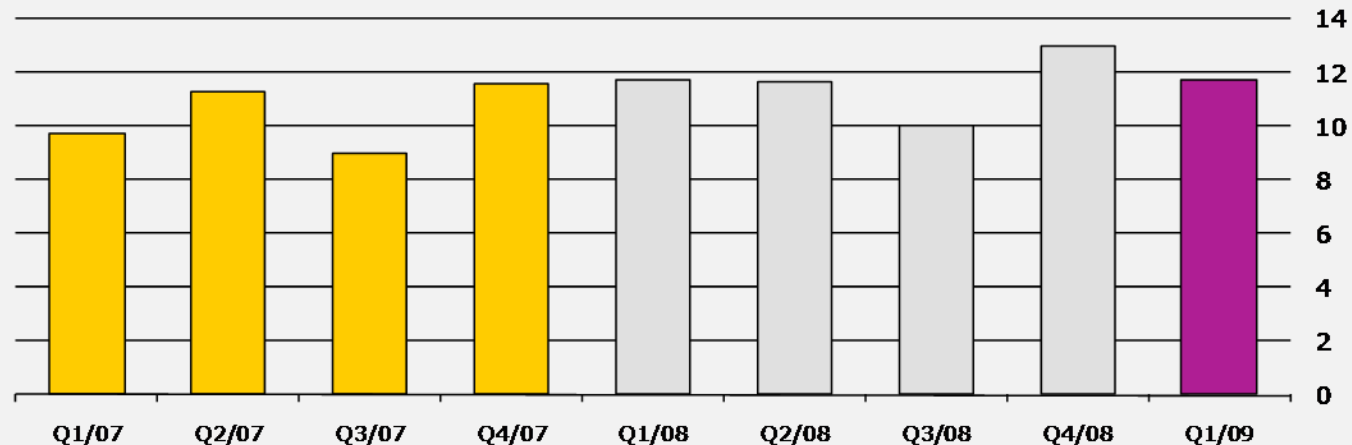
Geographical segments & business areas



	BI	Operational Solutions	Geographic Information Services
Finland	●	●	●
Norway	●		
Sweden	●		
Denmark	●		
Baltic	●	●	

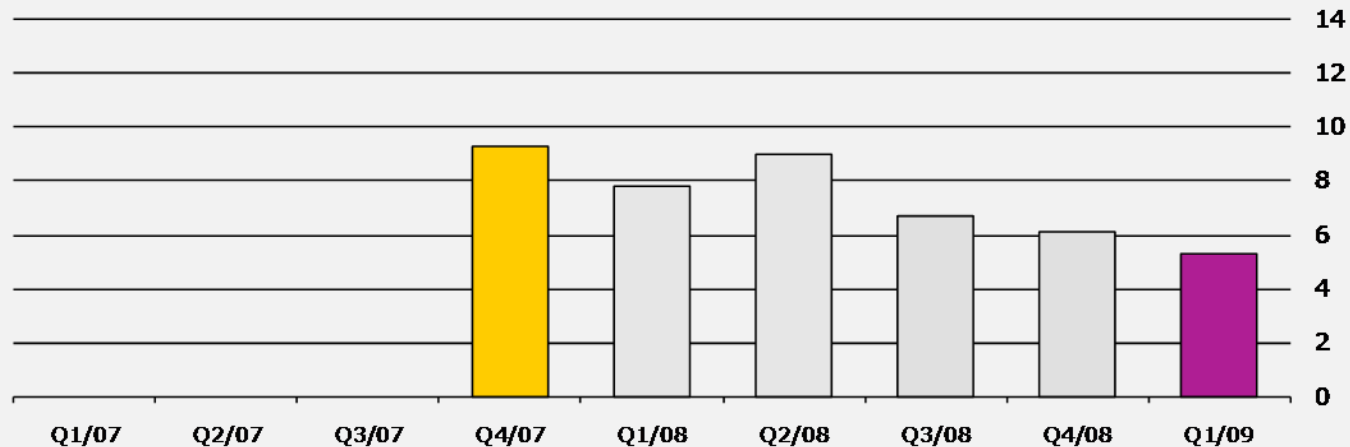
Business areas - Finland

- Net sales 11.8 M€ (11.8 M€)
 - Solid quarter, growth in BI and Operational solutions, but decrease in Geographic Information Services
- Operational segment profit 1.7 M€ (2.0 M€)
 - Excellent operational segment result margin 14%
- So far only moderate effects from economic weakness
 - No major changes in demand for BI solutions
 - Lengthened decision making processes, price pressure
 - Reasonably good demand for operational solutions



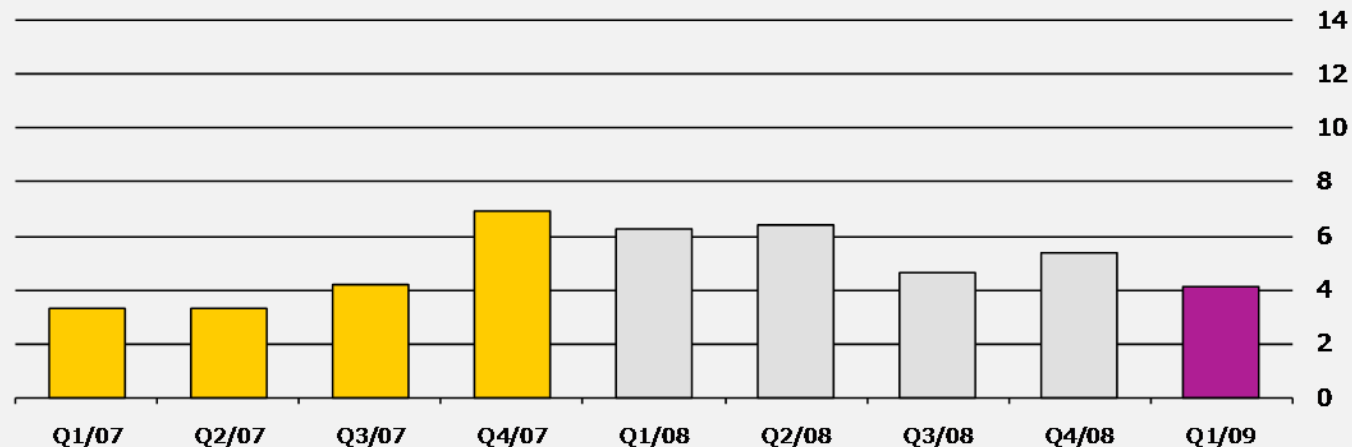
Business areas - Norway

- Net sales approx. 5.3 M€ (7.8 M€)
 - Contempus divestment mainly responsible for the decrease
 - Growth in BI business with constant currencies: 13%
- Consultancy services grew well compared to last year
- Excellent operational segment result: 0.8 M€ / 15% (0.5 M€)



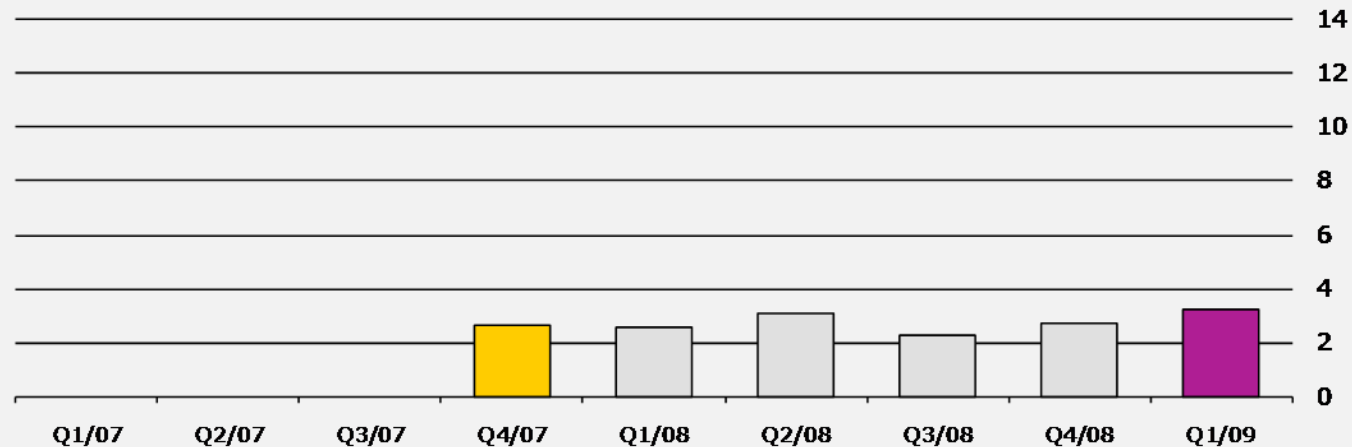
Business areas - Sweden

- Sales decreased to approx. 4.1 M€ (6.2 M€)
 - Economic weakness
 - Currency impact: growth in EUR -34%, in SEKs only -22%
 - Number of employees decreased in 2008
 - Utilization rate has remained moderately good
- Operational segment result 0.3 M€ / 8% (0.7 M€)



Business areas - Denmark

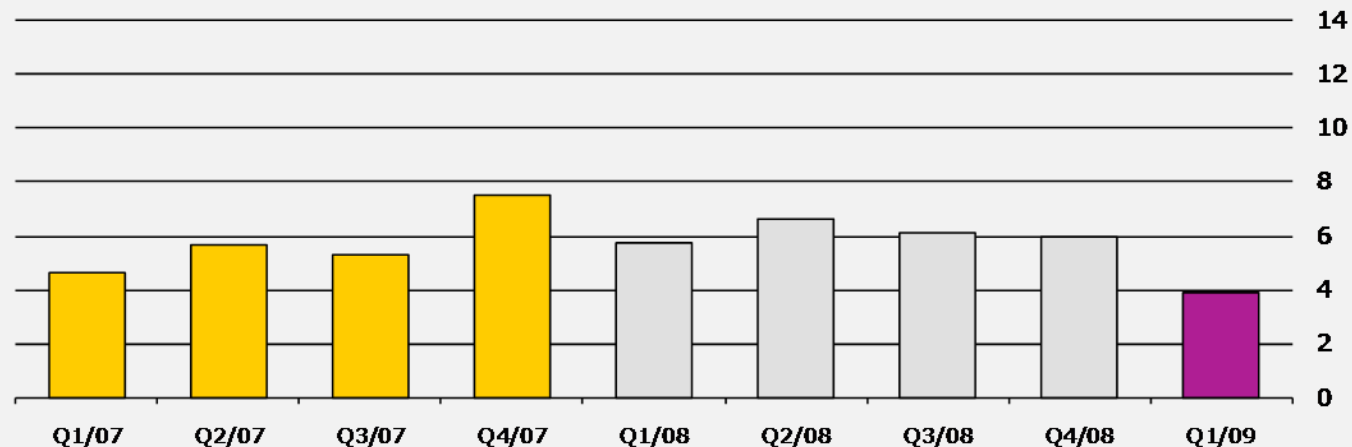
- Net sales approx. 3.2 M€ (2.5 M€)
 - Solid quarter
 - Growth 26%
- Consultancy services grew well compared to last year
- Operational segment result 0.3 M€ / 9% (0.2 M€)



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Business areas - Baltic

- Net sales 3.8 M€ (5.7 M€)
 - Weakened profitability, lower demand, higher salaries
- Strongly decreasing GDP, public sector with financial problems
 - Government expenditure cuts affecting also IT investments
 - Some delays/cancellations
- Operational segment result (including 1.7 M€ provision for restructuring costs) was -2.7 M€ (0.8 M€)
 - Pure operational loss 1.0 M€



Baltic - Background

- Business activity has decreased in all countries, but especially much in Baltic countries
 - High growth and inflation in the past few years, partially due to aggressive use of debt
- Companies have built business and resources thinking that the growth will continue
 - Many businesses have now overcapacity
- All customer segments in trouble
 - Governments in financial challenges as tax income drops
 - Insurance companies & banks in need of new capital
 - Other companies suffering from weak demand
 - Continuing cuts in investment plans expected, also in IT investments

Baltic - Actions

- Goal to decrease personnel by approx. 130 persons
 - Approx. 1/3 of headcount at 31.3.2009
 - Cost savings target 3.8 million EUR per year
- Restructuring costs will be approx. 1.7 million EUR
- In addition, the book value of the Baltic business will be written down by 6.2 million EUR
- Estimated costs have been booked into Q1/2009 result

Segment comparison Q1/2009

Net Sales						
By segment	1-3/09	1-3/08	Growth	2008		
Finland	11 756	11 771	0 %	46 432		
Norway	5 256	7 833	-33 %	29 597		
Sweden	4 083	6 196	-34 %	22 573		
Denmark	3 175	2 517	26 %	10 564		
Baltic	3 836	5 742	-33 %	24 289		
Group Manag.	613	264		1 056		
Eliminations	-1 193	-726		-2 946		
Total	27 525	33 599	-18 %	131 565		
By business line	1-3/09	1-3/08	Growth	2008		
BI	17 809	19 771	-10 %	77 584		
Operational Sol.	7 988	11 408	-30 %	44 613		
Geographic Inf.Serv.	2 314	2 953	-22 %	11 774		
Eliminations	-586	-533		-2 406		
Total	27 525	33 599	-18 %	131 565		
Result						
By segment	1-3/09	Margin	1-3/08	Margin	2008	Margin
Finland	1 682	14 %	1 998	17 %	6 886	15 %
Norway	763	15 %	538	7 %	2 877	10 %
Sweden	313	8 %	704	11 %	2 890	13 %
Denmark	275	9 %	204	8 %	1 157	11 %
Baltic	-2699	-70 %	748	13 %	3 151	13 %
Group manag.	-537		-566		-2 500	
Operational Segment						
Result	-203	-1 %	3 626	11 %	14 461	11 %
IFRS amortisation	-516		-719		-2 653	
Goodwill Impairment	-6 207		-		-	
Operating profit	-6 925	-25 %	2 907	9 %	11 808	9 %

- Good organic growth in Norway and Denmark in local currencies
- Weak Baltic
- Sweden and Norway hurt by strong currency devaluation
- Good operational segment result margin in most countries
- Baltic result includes 1.7 M€ provision for restructuring

Affecto

Income statement Q1/2009

(1 000 EUR)	1-3/09	1-3/08	2008
Net sales	27 525	33 599	131 565
Other operating income	6	203	902
Changes in inventories of finished goods and work in progress	-9	66	-287
Materials and services	-4 733	-6 020	-25 317
Personnel expenses	-17 642	-18 636	-69 818
Other operating expenses	-4 961	-5 171	-20 962
Other depreciation, amortization and impairment charges	-385	-414	-1 620
Operational segment result	-199	3 626	14 461
IFRS3 amortization	-516	-719	-2 653
Goodwill writedown	-6 209		
Operating profit	-6 925	2 907	11 808
Finance costs (net)	-1 720	-867	-1 341
Result before income tax	-8 644	2 040	10 467
Income tax	631	-530	-1 963
Minority interest	0	0	0
Result for the period for equity holders of the company	-8 013	1 510	8 503
EPS (eur/share)	-0.37	0.07	0.40

- Normal depreciation 0.4 M€ in Q1
 - Capex 0.4 M€
- Acquisition related IFRS3 amortization 0.5 M€ (0.7 M€)
 - Estimate:
 - 2.1 M€ in 2009
 - 1.9 M€ in 2010
- Finance costs affected by fair value of interest-rate swap. Impact
 - 0.3 M€ in Q1/09
 -
 - 0.3 M€ in 2009
- Q1 also includes 0.9 M€ currency loss due to intra-group loans

Balance sheet

(1 000 EUR)

	3/2009	3/2008	12/2008
Property, plant and equipment	2 695	2 255	2 715
Goodwill	67 383	83 629	72 614
Other intangible assets	10 859	17 401	11 093
Other long-term assets	2 511	2 500	2 325
	83 448	105 785	88 747
Current assets	30 727	36 521	33 815
Restricted cash and cash equivalents	1 260	645	518
Cash and cash equivalents	21 485	10 530	23 554
	53 473	47 697	57 886
Non-current assets held for sale	-	679	0
Total assets	136 921	154 161	146 633
Equity for shareholders	52 655	60 526	58 625
Minority interest	-	-	-
Non-current liabilities	45 241	49 674	45 330
Current liabilities	39 026	43 960	42 677
Total equity and liabilities	136 921	154 161	146 633

- Main changes since 12/2008
 - Baltic goodwill writedown
 - Nordic currency fluctuation in Q1
- Interest-bearing net debt 22.4 M€ (20.4 M€ 12/08)
- Gearing 43% (35%)
- Equity ratio 41% (43%)

Ownership structure - 30 April 2009

<u>Owner</u>	<u>%</u>
Cantell Oy	5,7 %
Case Asset Management *	5,7 %
Mika Laine	5,6 %
Arendals Fossekompani ASA	5,5 %
Nordea Nordic Small Cap Fund	4,7 %
Ilmarinen Mutual Pension	3,9 %
Eläke-Fennia Mutual Pension	2,8 %
State Pension Fund	2,8 %
Danske Suomi Kasvuosake Fund	2,7 %
Alfred Berg Mutual Funds	2,3 %
Other shareholders	58,1 %
Treasury shares	0,2 %
Total	100,0 %

***) Based on flagging announcement
(Sep '08)**

- 21.5 million shares in total

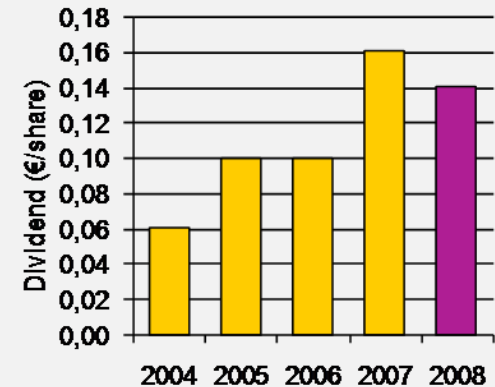
Flaggings in 2009

Flaggings in 2008

- Case Asset Management exceeded 5%
- Arendals Fossekompani ASA exceeded 5%
 - Technical flagging due to subsidiary mergers, no actual change

Annual General Meeting 2009

- Date: 3 April 2009
- Dividend: 0.14 eur/share
 - Last year 0.16 eur/share
- Board members
 - Previous members:
Aaro Cantell, Heikki Lehmusto, Esko Rytönen,
Pyyry Lautsuo, Haakon Skaarer
- KPMG elected as auditor (previously PwC)



Outlook

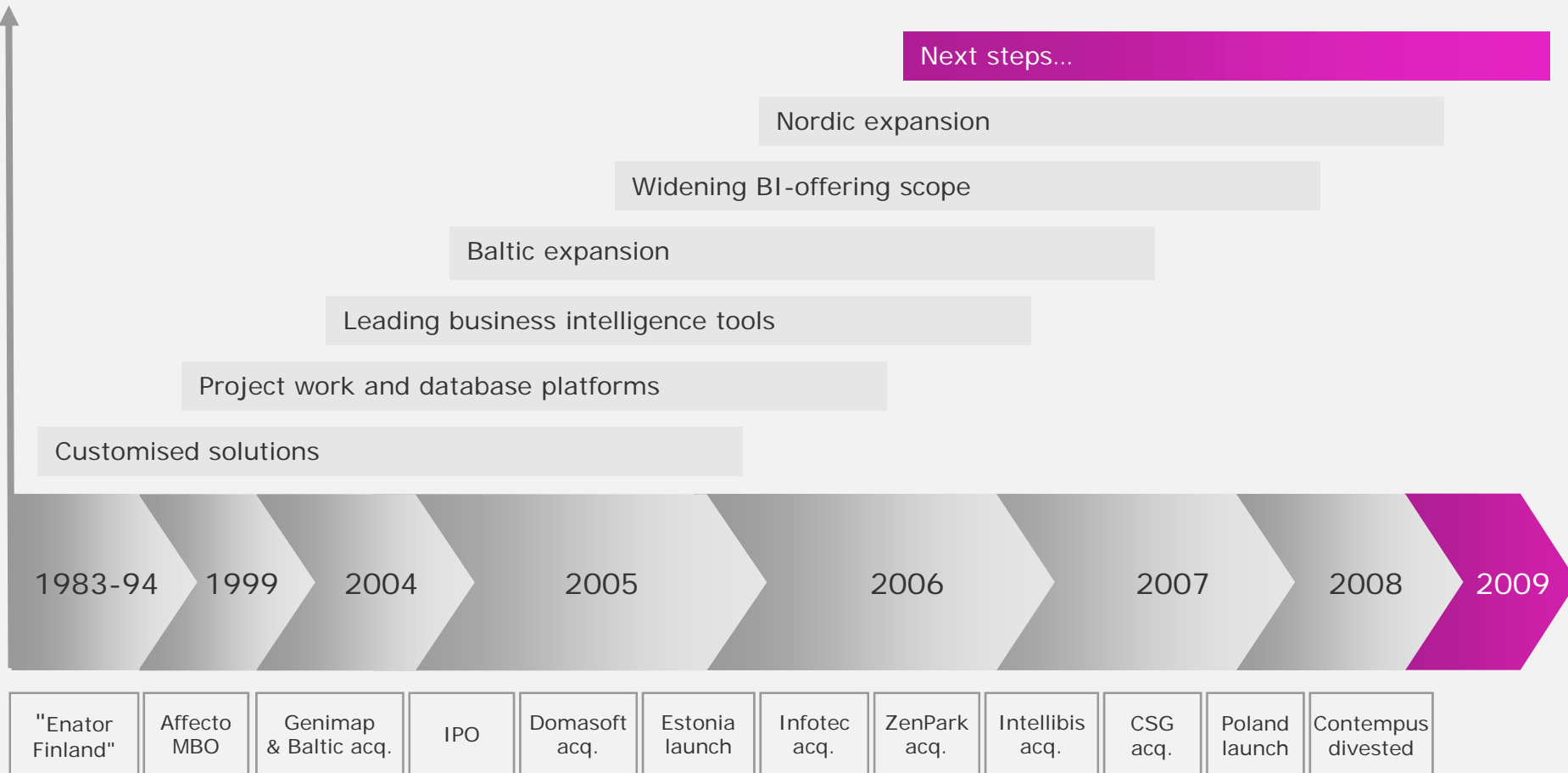
Vision 2011

- Affecto is
 - the leading Business Intelligence (BI) solution provider in the Nordic region. Expansion to the Northern Europe also possible
 - the most competent and quality focused Operational solutions provider in selected industries & regions
- Affecto is the best investment for its stakeholders
 - Employees: best added value for her/his competence and market value
 - Customers: first-class solutions and services, based on deep understanding of the customer needs
 - Investors: solid shareholder value creation

Financial targets: Profitable growth

- Profitable and sustainable growth is the key element in our strategy
- Long-term financial targets
 - Net Sales: growing faster than market
 - Profitability: one of the highest in our segment
- Dividend policy
 - The board intends to propose to the general meeting dividends up to one-half of earnings per share on average over the longer term

Growth strategy continues



Strategy

Business Intelligence

- Enhancing customer benefits from existing ERP systems
- Leading position in a fast growing business segment
- Deep business understanding and world-class technologies

Operational solutions

- Activities in selected industries and regions
- Information management, including ECM
- Experience in system development and application integration

Baltic

- Nearshoring services for the Nordic region
- Strong skill-base
- Worldwide competence on insurance sector

Employees

- Personal development
- Inspiring leadership
- Competitive incentive system

Market environment

- So far only limited effects from the weakened general economy in Nordic countries
 - Higher uncertainty of IT investments
 - More cautious customers, longer decision making processes
 - Price pressure
- Nordic: forecasts for some growth in general IT services???
 - Demand for BI solutions are forecast to grow more rapidly, as BI helps customers in their search for better corporate performance
- Baltic: GDP crashing down
 - GDP is decreasing rapidly
 - Inflation decreasing as the economy has cooled down
 - Wage inflation has been high. Wage cuts coming?
 - Public sector cutting back IT investment budgets
 - Financial sector weakness having negative impact

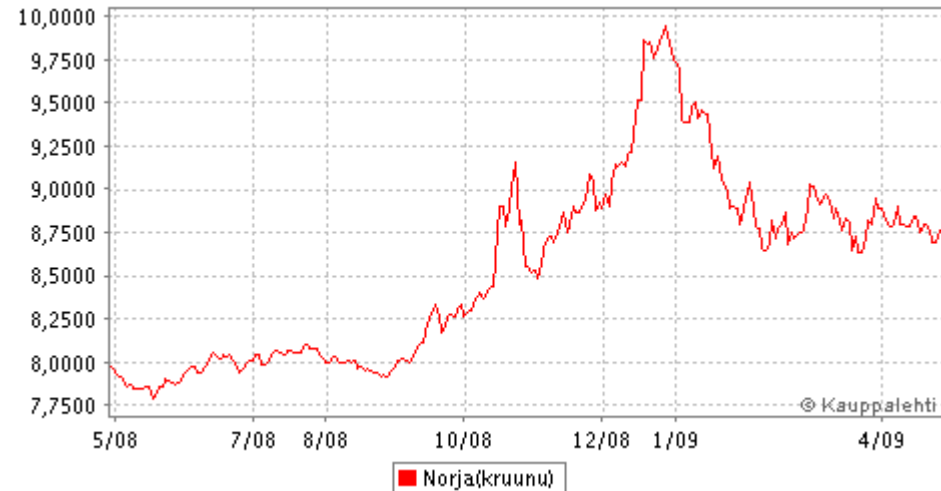
Nordic currencies

- Over one third of Affecto's revenue is generated in Norway and Sweden, whose currencies have devaluated significantly in the past few months
 - Norwegian Krone (NOK) has recovered somewhat in 2009
- Direct impact to revenue and profit in EUR terms
 - In addition, effects on goodwill and on intra-group loans (forex losses/profits)

SEK/EUR

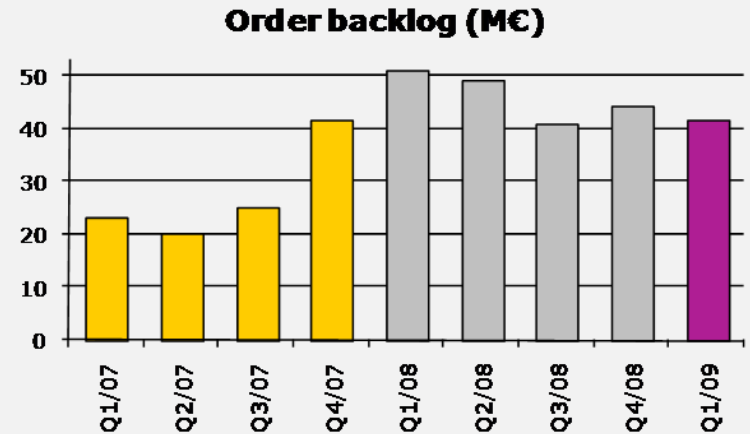


NOK/EUR



Outlook

- Order backlog 42 M€
 - Slight decrease in Q1/2009
 - Decrease in Baltic



- 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.

Affecto's largest customers in 2008

