



Interim report 4-6/2010

4 August 2010

CEO Pekka Eloholma



Affecto

Forward-Looking Statements



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

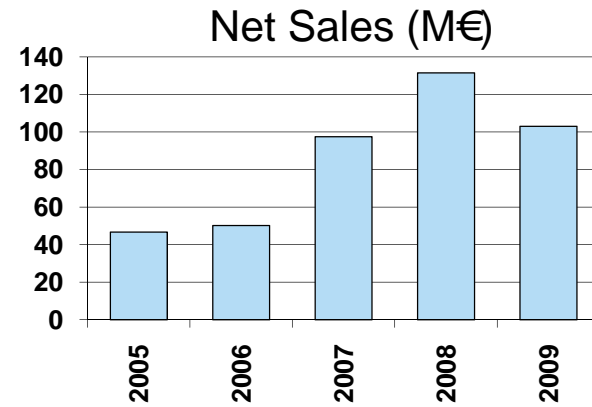
Words such as 'forecasts', 'estimates', 'expects', 'plans', and variations of these words and similar expressions are intended to identify forward-looking statements, which include, but are not limited to, Affecto's performance and profitability, market growth and industry developments.

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.

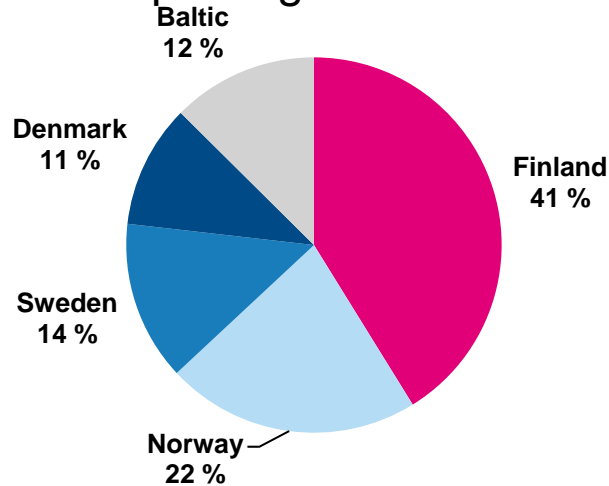
Leading BI solution provider in Nordic



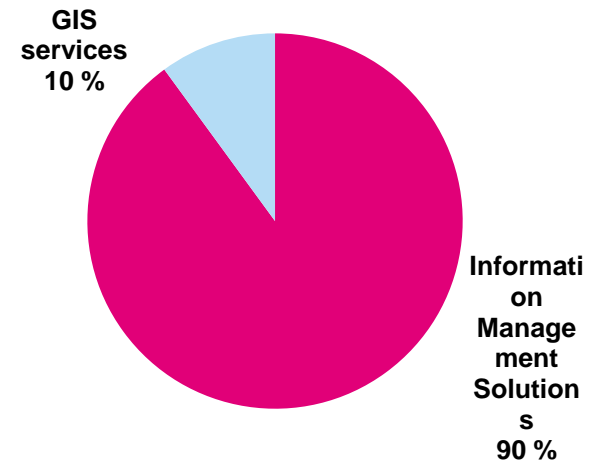
- Net sales: 103 M€ in 2009
- Approx. 910 employees



Sales per region – 1-6/2010



Sales per business – 1-6/2010



Affecto

Overview to Q2/2010



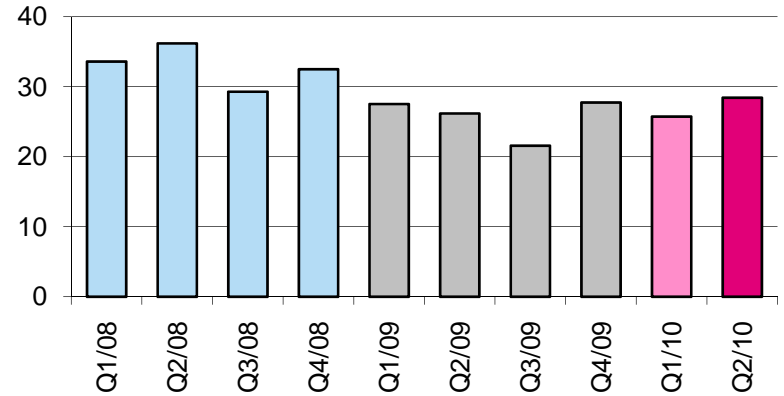
- Net sales 28.4 M€ (26.2 M€)

- Good growth in most areas
- Reported growth 9%
 - 23% nominal growth in Norway
 - 26% in Baltic
 - Still some decrease in Sweden
- Continued recovery in customers' business activity

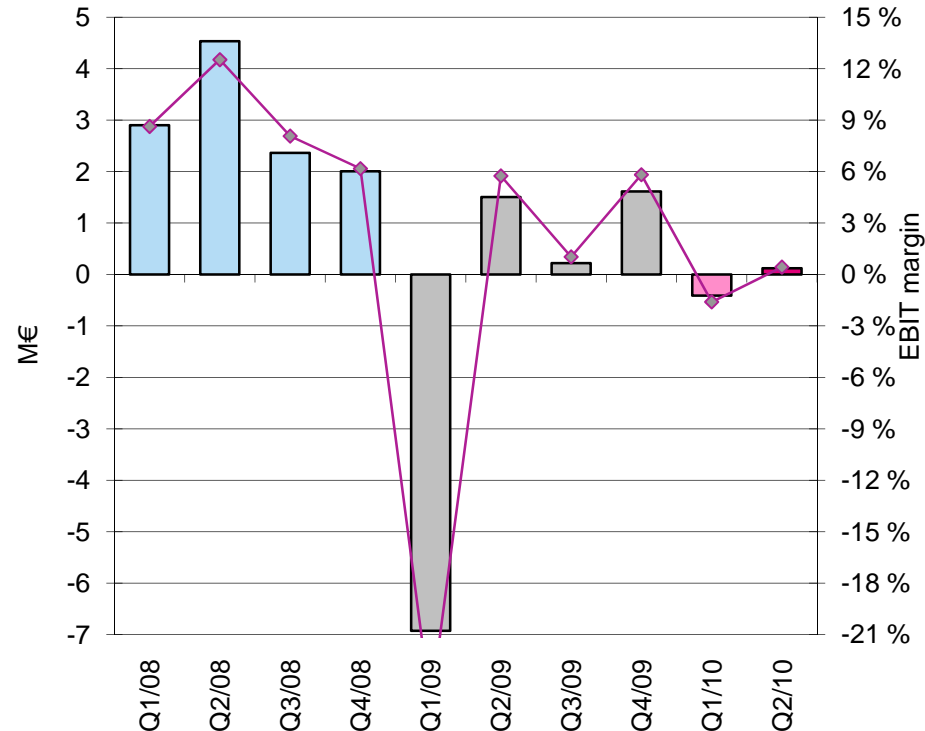
- EBIT 0.1 M€ (1.5 M€)

- Moderate operational segment profit in Finland, Norway and Denmark
- Losses in Sweden
- Baltic near break-even
- Non-recurring expense 0.6 M€

Net Sales (M€)



EBIT



Geographical segments & business areas

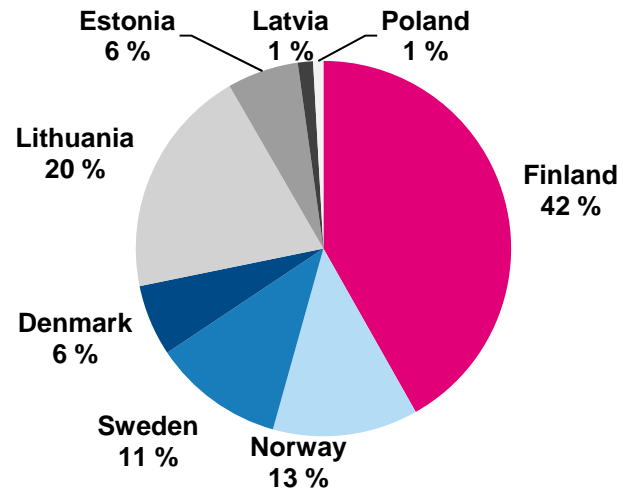


	Information Management Solutions	Geographic Information Services
Finland	●	●
Norway	●	
Sweden	●	
Denmark	●	
Baltic	●	

Resources



Personnel by country (Q2/10)

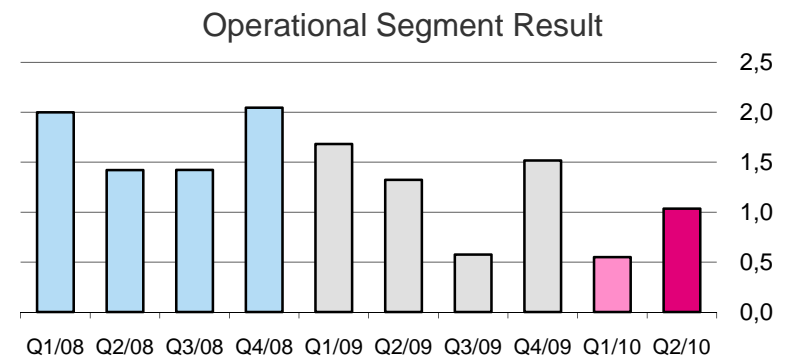
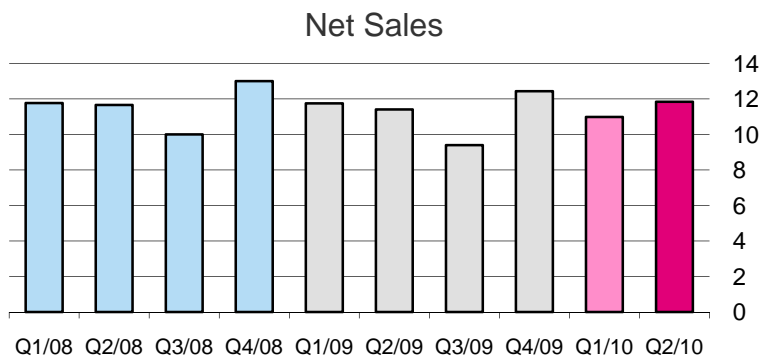


- 906 employees
 - 380 in Finland
 - 260 in Baltic countries
 - 270 in Scandinavia

Business areas - Finland



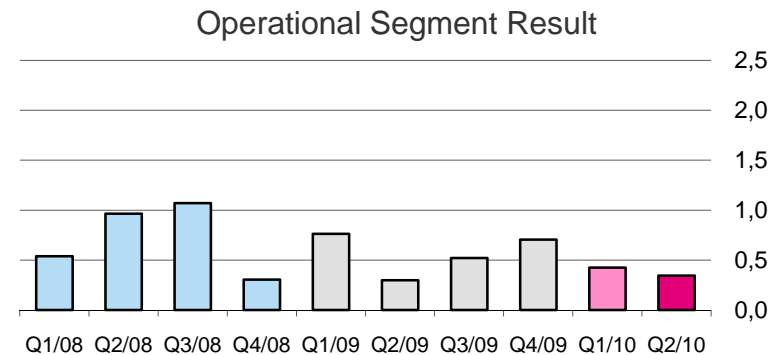
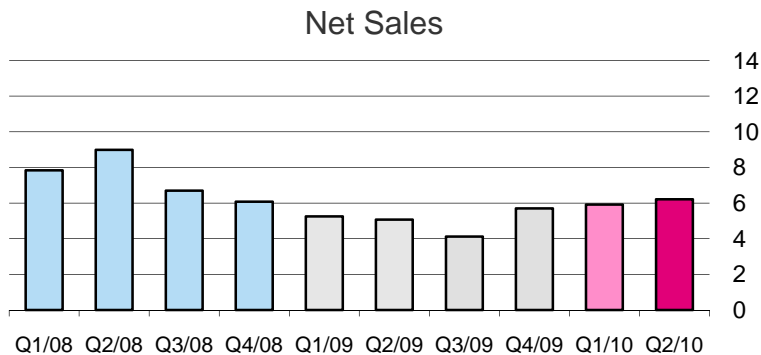
- Net sales 11.8 M€ (11.4 M€)
 - 4% growth
 - Examples of customer deals: VR, DNA, Neste Oil, Bank of Finland
- Operational segment profit 1.0 M€ (1.3 M€)
 - Operational segment result margin 9% improved from Q1
 - Delays in some projects
- Continuing improvement in business conditions



Business areas - Norway



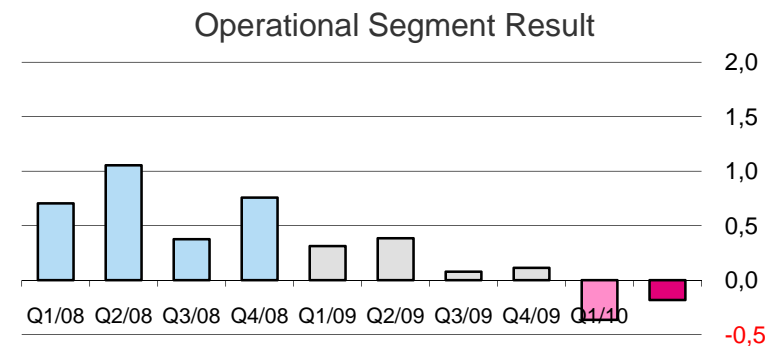
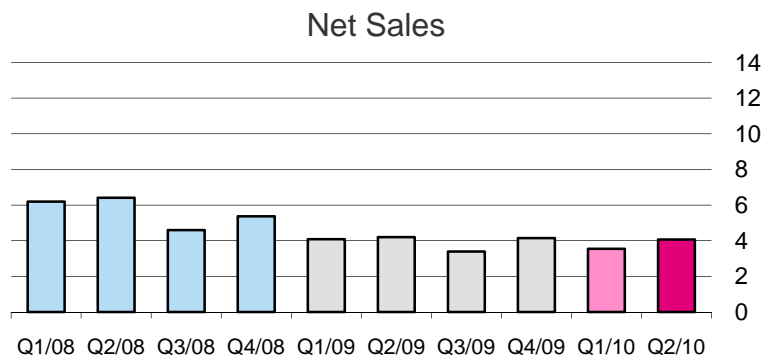
- Net sales approx. 6.2 M€ (5.1 M€)
 - 23% growth, helped by currencies, but also good organic growth
 - Examples of customer deals: Santander, Statoil, Telenor
- Operational segment result: 0.3 M€ / 6% (0.3 M€)
- Improving market, ok demand for consultancy services
 - Recruitments ongoing



Business areas - Sweden



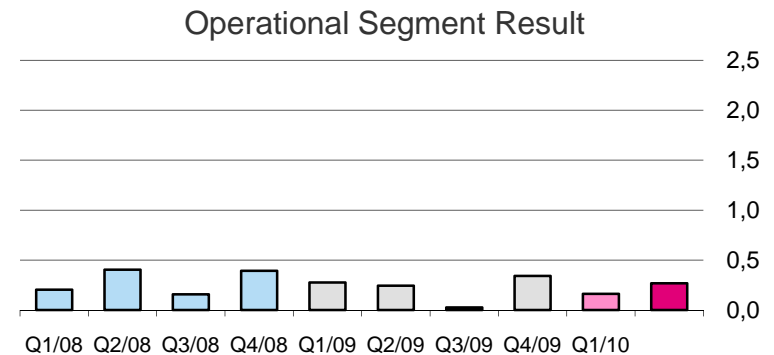
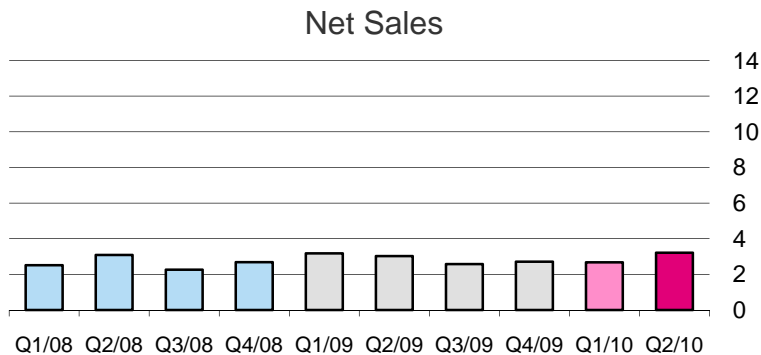
- Net sales stable at approx. 4.1 M€ (4.2 M€)
 - Number of employees has decreased compared to 2009, so utilization has improved
- Negative operational segment result -0.2 M€ / -4% (0.4 M€)
- Organisation being rebuilt by the new country manager Fredrik Prien
 - Intensive development of the sales team



Business areas - Denmark



- Net sales approx. 3.2 M€ (3.0 M€)
 - 6% growth
 - Examples of customer deals: Novo Nordisk, SDC, VKR
- Operational segment result 0.3 M€ / 8% (0.2 M€)
- Improving market conditions, high level of customer activity

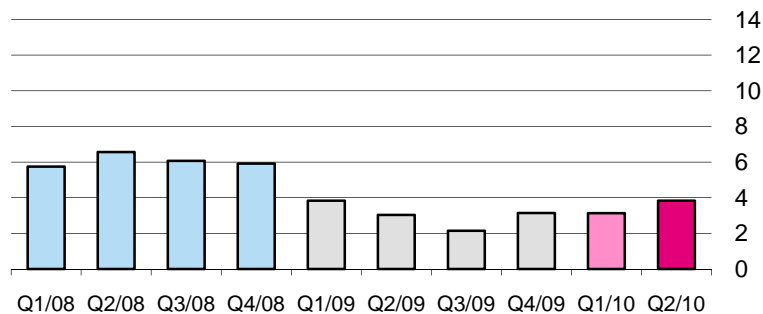


Business areas - Baltic

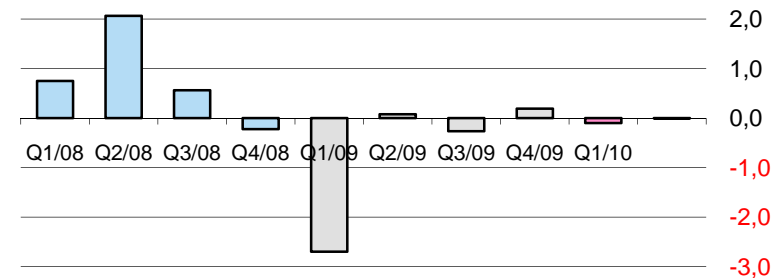


- Net sales 3.8 M€ (3.0 M€)
 - 26% growth, partially due to license sales
 - Examples of customer deals: MFI, Estonian Ministry of Justice, Lithuanian Environmental Protection Agency
- Operational segment result was -0.0 M€ (0.1 M€)
- Tight price competition in the local market
 - GDP stabilising after decline
 - EU has still big role in financing the investments
- TIA market improving: 2 M€ deal with MFI in South Africa

Net Sales



Operational Segment Result



Segment comparison Q2/2010



Net Sales

By segment	4-6/10	4-6/09	Growth	2009
Finland	11 840	11 411	4 %	45 003
Norway	6 217	5 075	23 %	20 152
Sweden	4 069	4 198	-3 %	15 823
Denmark	3 217	3 028	6 %	11 494
Baltic	3 833	3 038	26 %	12 163
Eliminations	-753	-576		-1 628
Total	28 423	26 174	9 %	103 006

By business line	4-6/10	4-6/09	Growth	2009
Information Management Solutions	25 578	24 190	6 %	93 147
Geographic Information Services	2 967	2 615	13 %	10 168
Eliminations	-122	-631		-308
Group total	28 423	26 174	9 %	103 006

Result

By segment	4-6/10	Margin	4-6/09	Margin	2009	Margin
Finland	1 035	9 %	1 323	12 %	5 096	11 %
Norway	344	6 %	298	6 %	2 286	11 %
Sweden	-183	-4 %	384	9 %	887	6 %
Denmark	268	8 %	243	8 %	886	8 %
Baltic	-8	0 %	76	3 %	-2 699	-22 %
Unallocated	-836		-291		-1 754	
Operational Segment Result	620	2 %	2 031	8 %	4 702	5 %
IFRS amortisation	-499		-527		-2 081	
Goodwill Impairment	-		-		-6 207	
Operating profit	122	0 %	1 504	6 %	-3 587	-3 %

- Growth in all areas except Sweden
- Good growth in Norway
- Baltic recovering
- Moderate profitability in Finland, Norway and Denmark
- Baltic made minor loss
- Negative result in Sweden

Income statement Q2/2010



(1 000 EUR)	4-6/10	4-6/09	1-6/10	1-6/09	2009
Net sales	28 423	26 174	54 155	53 700	103 006
Other operating income	0	10	14	15	27
Changes in inventories of finished goods and work in progress	-98	-81	-47	-89	-351
Materials and services	-5 978	-4 657	-10 462	-9 389	-19 775
Personnel expenses	-16 946	-14 940	-33 696	-32 582	-59 660
Other operating expenses	-4 440	-4 093	-8 570	-9 055	-16 983
Other depreciation and amortisation	-341	-382	-694	-768	-1 563
Operational segment result	620	2 031	700	1 830	4 702
IFRS3 amortisation	-499	-527	-990	-1 044	-2 081
Goodwill impairment	-	-	-	-6 207	-6 207
Operating profit/loss	122	1 504	-290	-5 421	-3 587
Finance costs (net)	-398	-285	-1 062	-2 005	-2 684
Profit/loss before income tax	-276	1 219	-1 352	-7 425	-6 271
Income tax	161	-374	295	257	-868
Minority interest	1	-	1	-	-
Profit/loss for the period	-114	845	-1 056	-7 168	-7 139
Diluted	-0.01	0.04	-0.05	-0.33	-0.33

- Normal depreciation 0.3 M€
 - Capex 0.2 M€
- Acquisition related IFRS3 amortization 0.5 M€ (0.5 M€)
 - Estimate:
 - 1.9 M€ in 2010
 - 1.9 M€ in 2011

Balance sheet



(1 000 EUR)	6/2010	6/2009	12/2009
Property, plant and equipment	2 016	2 503	2 102
Goodwill	71 340	67 413	69 415
Other intangible assets	8 931	10 269	9 585
Other long-term assets	2 129	2 492	1 888
	84 416	82 677	82 992
Current assets	32 773	30 513	33 781
Restricted cash and cash equiv.	-	325	-
Cash and cash equivalents	14 021	16 660	19 525
	46 794	47 499	53 306
Total assets	131 210	130 176	136 298
Equity for shareholders	53 439	50 822	53 568
Minority interest	204	-	-
Non-current liabilities	39 086	42 997	40 440
Current liabilities	38 481	36 358	42 290
Total equity and liabilities	131 210	130 176	136 298

- Main changes since 12/2009
 - Minor Nordic currency fluctuation
 - Dividend 1.3 M€ decided in Q1, paid in Q2
- Interest-bearing net debt 24.4 M€ (20.9 M€ 12/09)
- Gearing 46% (39%)
- Equity ratio 44% (43%)

Ownership structure – 31 July 2010



<u>Owner</u>	<u>%</u>
CapMan Public Market Investment SARL	12,3 %
Cantell Oy	9,2 %
Mika Laine	6,7 %
Arendals Fossekompagni ASA	5,5 %
Nordea Nordic Small Cap Fund	4,7 %
Ilmarinen Mutual Pension	3,9 %
State Pension Fund	2,8 %
EQ Pikkujättiläiset Fund	2,3 %
Taaleritehdas Arvo Markka Fund	2,1 %
Storebrand Bank	2,1 %
Other shareholders	47,4 %
Affecto Management Oy	0,5 %
Treasury shares	0,3 %
<hr/>	
Total	100,0 %

- 21.5 million shares in total

Flaggings in 2010

- Capman Public Market exceeded 10% in January
- UB Funds decreased below 5% in January



Outlook

Market environment

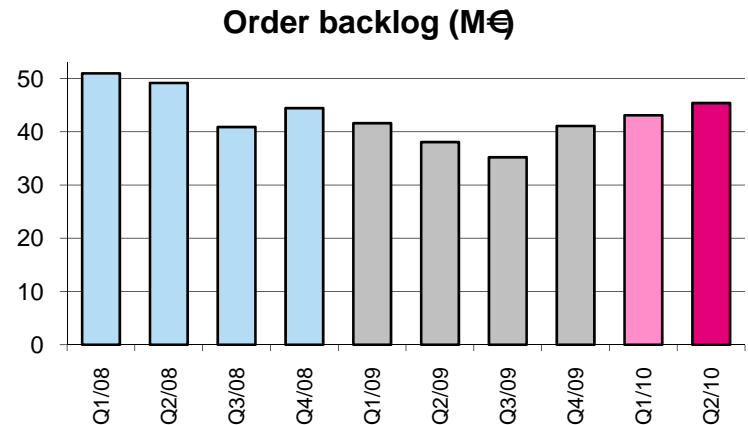


- Nordic: only small growth in general IT services in 2010
 - BI and ECM still forecast to grow more rapidly (5-7%)
 - Improving level of customer activity, restarting the investments put on hold last year
- Baltic: GDP stabilising after crash
 - GDP forecasts improving: small decrease or increase in 2010
 - Public sector IT investment budgets still under pressure
 - Importance of EU as the financier of the investment has grown
 - Price competition in the local market

Outlook



- Order backlog 45 M€
 - Increase in Q2/2010 compared to Q2/2009 and Q1/2010
 - Best level since Q2/2008



- The net sales are estimated to grow in year 2010. The year 2010 will be clearly profitable and the profitability (EBIT margin) is estimated to improve during the year.
 - As a normal seasonality effect, the summer vacations will weaken the net sales and the profitability in the third quarter

Affecto's largest customers in 2009



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

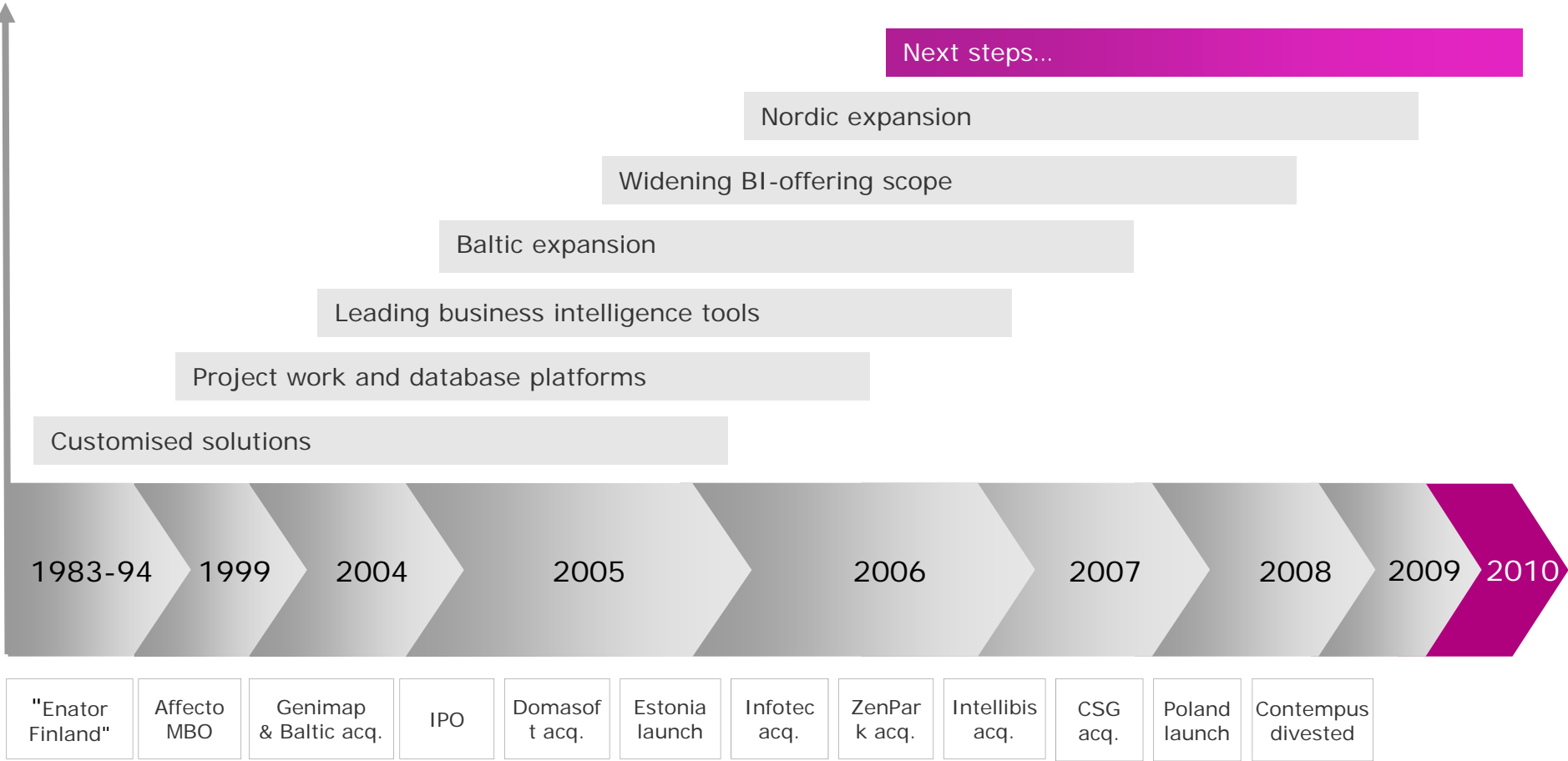
- Affecto is the best investment for its stakeholders
 - Employees: best added value for her/his competence and market value
 - Customers: first-class solutions and services, based on deep understanding of the customer needs
 - Investors: solid shareholder value creation

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

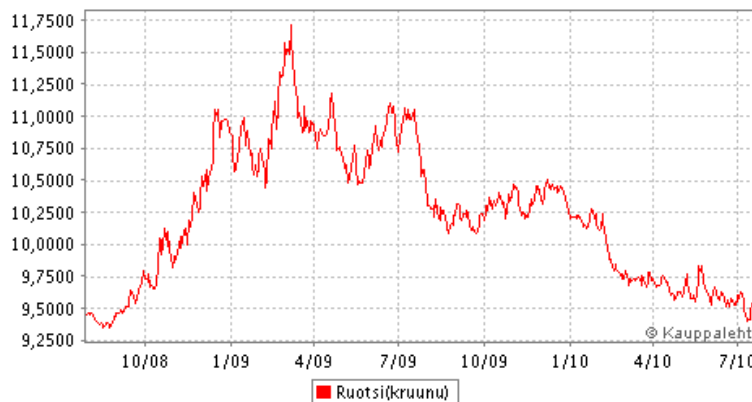
- Personal development
- Inspiring leadership
- Competitive incentive system

Nordic currencies



- One third of Affecto's revenue is generated in Norway and Sweden, whose currencies have fluctuated significantly in 2008-2010
 - Recovery in 2009/2010
- 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

