



Interim report 1-3/2010

5 May 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.

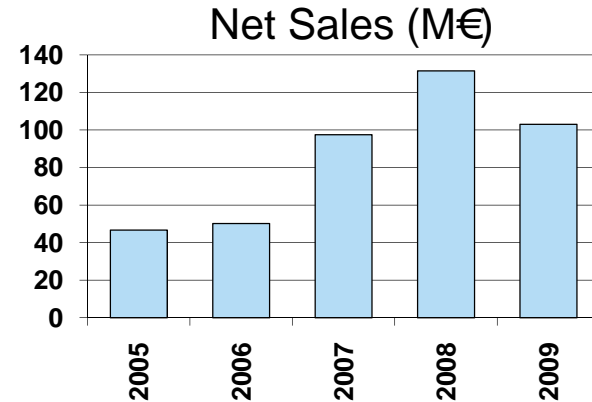
Words such as 'forecasts', 'estimates', 'expects', 'plans', and variations of these words and similar expressions are intended to identify forward-looking statements, which include, but are not limited to, Affecto's performance and profitability, market growth and industry developments.

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.

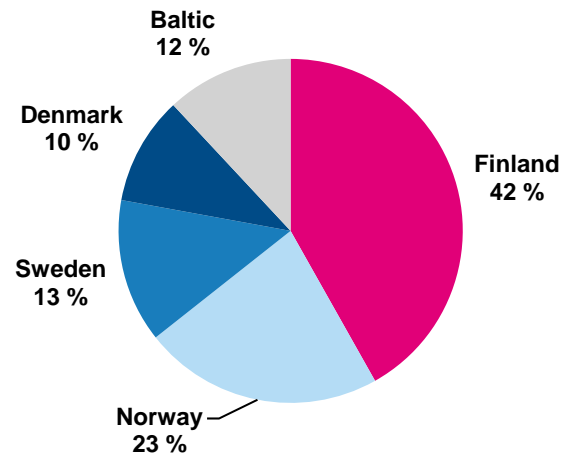
Leading BI solution provider in Nordic



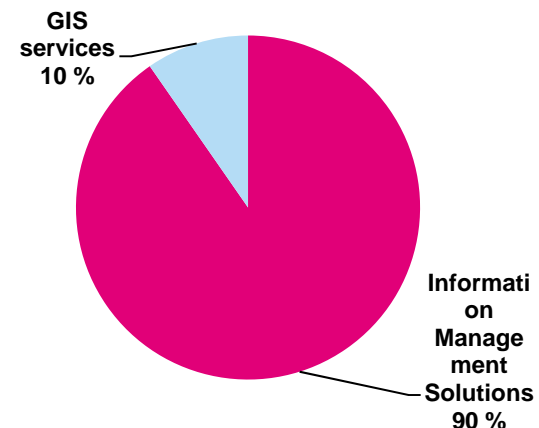
- Net sales: 103 M€ in 2009
- Approx. 910 employees



Sales per region – 1-3/10



Sales per business – 1-3/10



Affecto

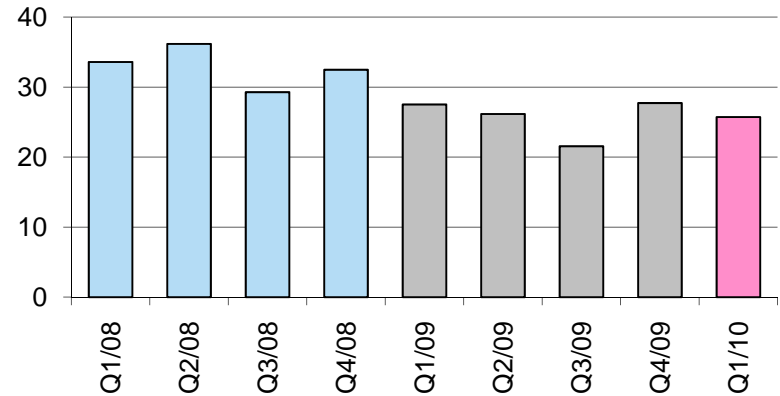
Overview to Q1/2010



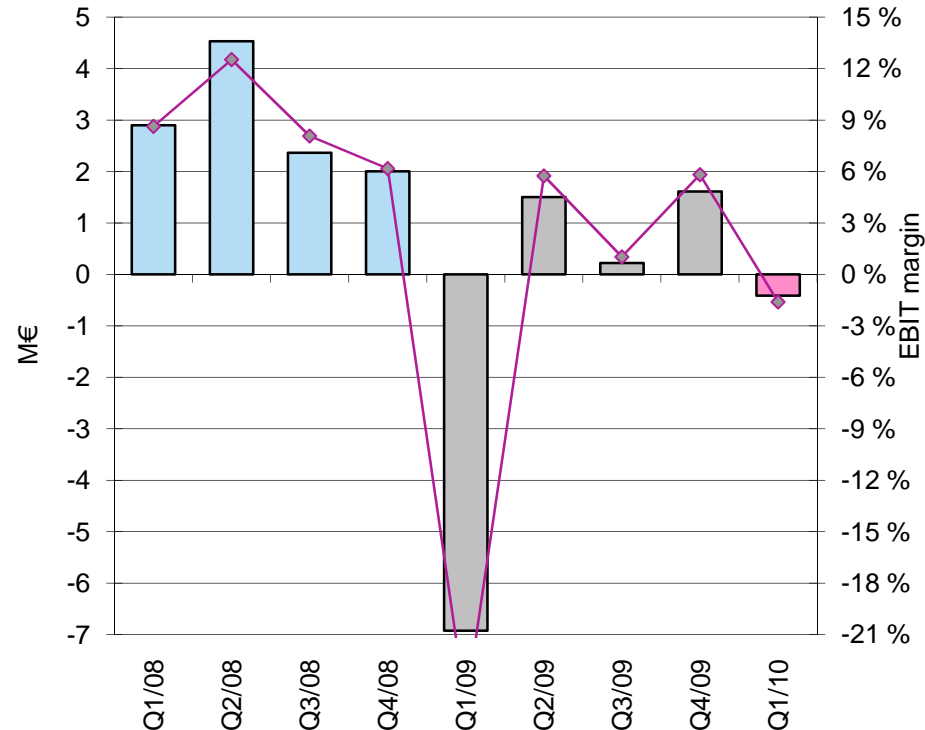
- Net sales 25.7 M€ (27.5 M€)
 - Weak start for the year
 - Reported growth -7%
 - Growth in Norway, decrease in other areas
 - Comparison period Q1/2009 was still rather strong in Nordic countries
 - Recovery in customer activity

- EBIT -0.4 M€ (-6.9 M€)
 - Moderate operational segment profit in Finland, Norway and Denmark
 - Losses in Sweden
 - Baltic near break-even

Net Sales (M€)



EBIT



Geographical segments & business areas

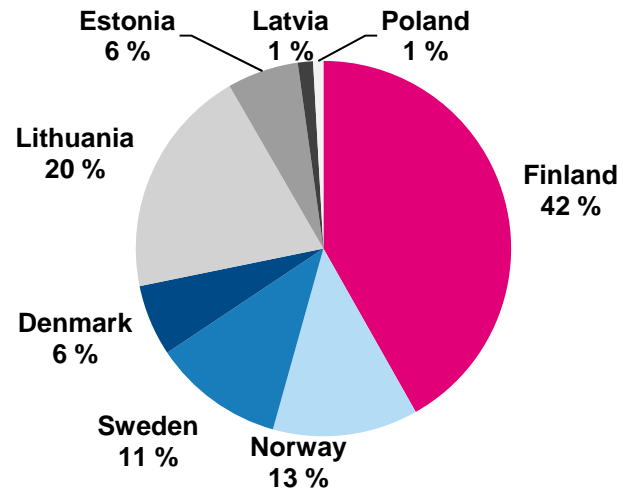


	Information Management Solutions	Geographic Information Services
Finland	●	●
Norway	●	
Sweden	●	
Denmark	●	
Baltic	●	

Resources



Personnel by country (Q1/10)

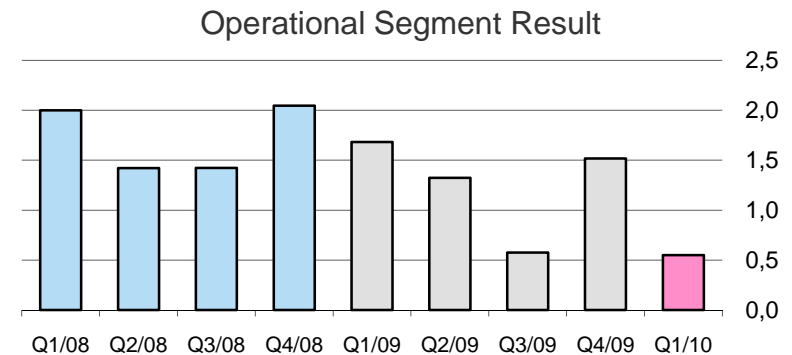
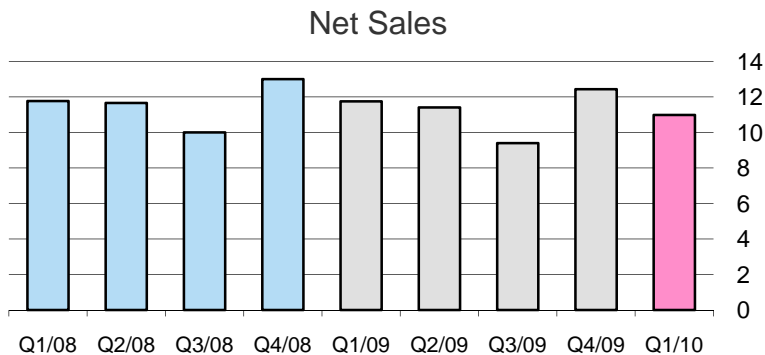


- 911 employees
 - 380 in Finland
 - 260 in Baltic countries
 - 270 in Scandinavia

Business areas - Finland



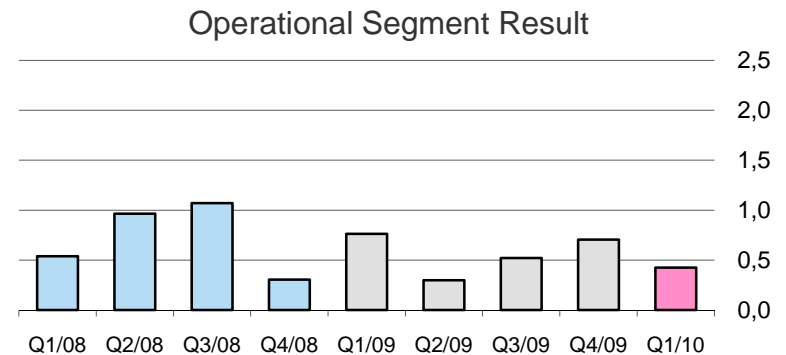
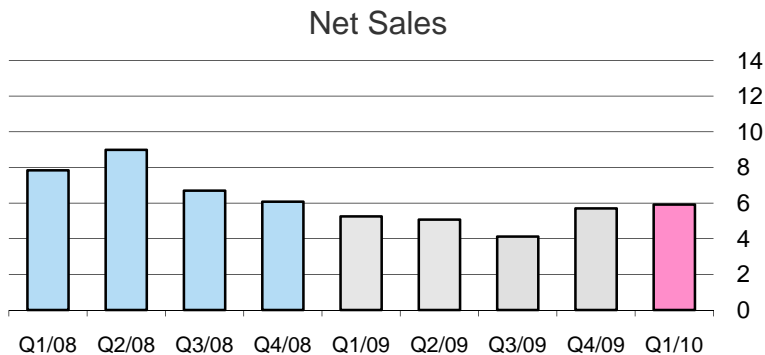
- Net sales 11.0 M€ (11.8 M€)
 - Net sales below last year: weak January, delays in some projects
- Operational segment profit 0.5 M€ (1.7 M€)
 - Moderate operational segment result margin: 5%
- Good prospects for year 2010
 - Improvement in customer activity



Business areas - Norway



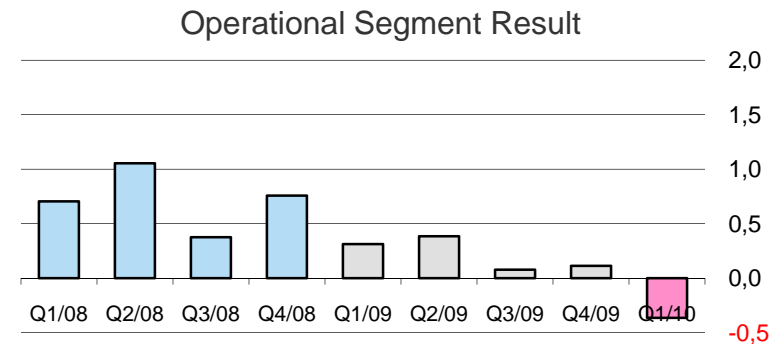
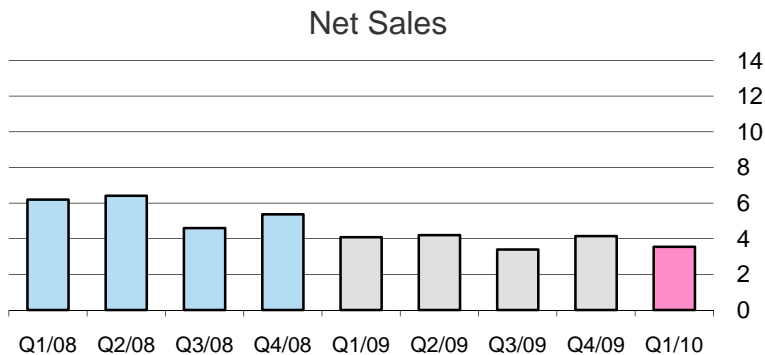
- Net sales approx. 5.9 M€ (5.3 M€)
- Moderate operational segment result: 0.4 M€ / 7% (0.8 M€)
- Improving market, ok demand for consultancy services
 - Recruitments starting



Business areas - Sweden



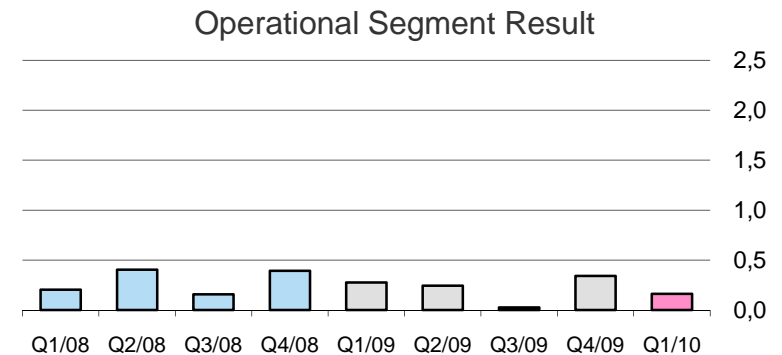
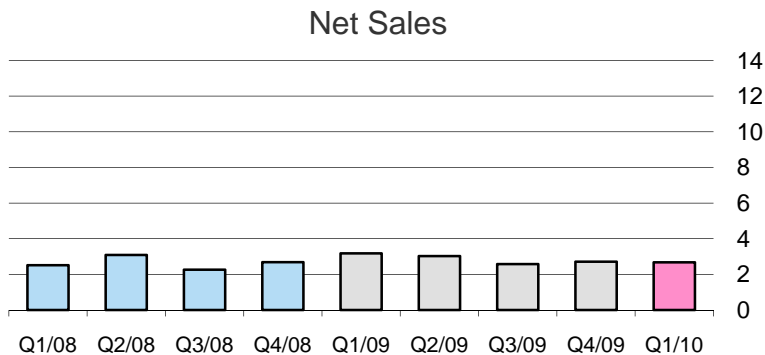
- Sales decreased to approx. 3.5 M€ (4.1 M€)
 - Number of employees decreased compared to 2009
- Weak operational segment result -0.4 M€ / -10% (0.3 M€)
- New country manager Fredrik Prien started 1 March 2010
 - Long history in BI business



Business areas - Denmark



- Net sales approx. 2.7 M€ (3.2 M€)
- Operational segment result 0.2 M€ / 6% (0.3 M€)
- Improving market conditions, high level of customer activity

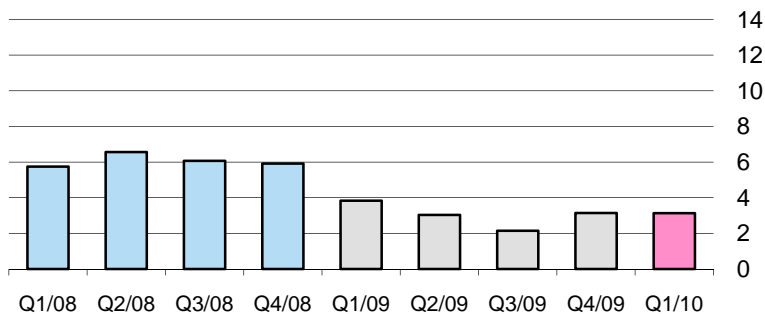


Business areas - Baltic

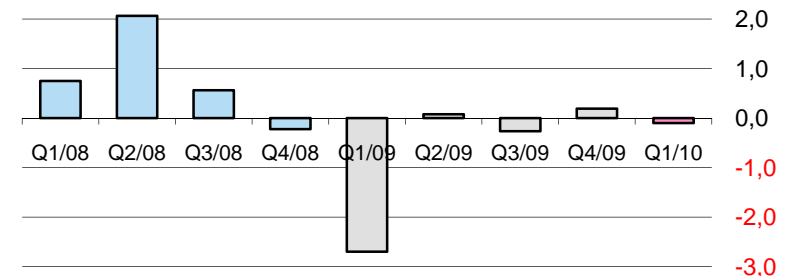


- Net sales 3.1 M€ (3.8 M€)
- Operational segment result was -0.1 M€ (-2.7 M€)
- GDP stabilising after decline
 - GDP forecasts suggest end of crash, possibly return to growth later this year
 - Government expenditure cuts affecting also IT investments
 - EU has big role in financing the investments
- Tight price competition in local market
 - We estimate that business should be profitable if the national economies in Baltic continue at current levels or improve

Net Sales



Operational Segment Result



Segment comparison Q1/2010



Net Sales

By segment	1-3/10	1-3/09	Growth	2009
Finland	10 985	11 756	-7 %	45 003
Norway	5 912	5 256	12 %	20 152
Sweden	3 548	4 083	-13 %	15 823
Denmark	2 673	3 175	-16 %	11 494
Baltic	3 136	3 836	-18 %	12 163
Eliminations	-522	-580		-1 628
Total	25 732	27 525	-7 %	103 006

By business line	1-3/10	1-3/09	Growth	2009
Information Management Solutions	23 335	25 268	-8 %	93 147
Geographic Information Services	2 498	2 325	7 %	10 168
Eliminations	-100	-68		-308
Group total	25 732	27 525	-7 %	103 006

Result

By segment	1-3/10	Margin	1-3/09	Margin	2009	Margin
Finland	549	5 %	1 682	14 %	5 096	11 %
Norway	425	7 %	763	15 %	2 286	11 %
Sweden	-365	-10 %	313	8 %	887	6 %
Denmark	162	6 %	275	9 %	886	8 %
Baltic	-102	-3 %	-2 699	-70 %	-2 699	-22 %
Unallocated	-589		-537		-1 754	
Operational Segment Result	80	0 %	-203	-1 %	4 702	5 %
IFRS amortisation	-491		-516		-2 081	
Goodwill Impairment	-		-6 207		-6 207	
Operating profit	-412	-2 %	-6 925	-25 %	-3 587	-3 %

- Growth in Norway, decrease in other areas
- Baltic stabilising
- Sweden still weak
- Moderate profitability in Finland, Norway and Denmark
- Baltic made small loss
- Weak result in Sweden

Income statement Q1/2010



(1 000 EUR)	1-3/10	1-3/09	1-12/09
Net sales	25 732	27 525	103 006
Other operating income	13	6	27
Changes in inventories of finished goods and work in progress	50	-9	-351
Materials and services	-4 484	-4 733	-19 775
Personnel expenses	-16 749	-17 642	-59 660
Other operating expenses	-4 130	-4 961	-16 983
Other depreciation and amortisation	-353	-385	-1 563
Operational segment result	80	-203	4 702
IFRS3 amortisation	-491	-516	-2 081
Goodwill impairment	0	-6 209	-6 207
Operating profit/loss	-412	-6 925	-3 587
Finance costs (net)	-664	-1 720	-2 684
Profit/loss before income tax	-1 076	-8 644	-6 271
Income tax	134	631	-868
Minority interest	-	-	-
Profit/loss for the period	-941	-8 013	-7 139
Diluted	-0.04	-0.37	-0.33

- Normal depreciation 0.4 M€ in Q4
 - Capex 0.3 M€
- Acquisition related IFRS3 amortization 0.5 M€ (0.5 M€)
 - Estimate:
 - 1.9 M€ in 2010
 - 1.9 M€ in 2011

Balance sheet



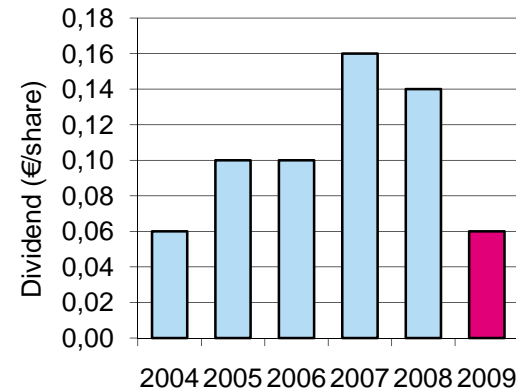
(1 000 EUR)	3/2010	3/2009	12/2009
Property, plant and equipment	2 105	2 695	2 102
Goodwill	70 895	67 383	69 415
Other intangible assets	9 368	10 859	9 585
Other long-term assets	2 286	2 511	1 888
	84 654	83 448	82 992
Current assets	29 678	30 727	33 781
Restricted cash and cash equiv.	-	1 260	-
Cash and cash equivalents	18 933	21 485	19 525
	48 610	53 473	53 306
Total assets	133 264	136 921	136 298
Equity for shareholders	53 240	52 655	53 568
Minority interest			
Non-current liabilities	41 224	45 241	40 440
Current liabilities	38 800	39 026	42 290
Total equity and liabilities	133 264	136 921	136 298

- Main changes since 12/2009
 - Nordic currency fluctuation
 - Dividend 1.3 M€ decided in Q1, paid in Q2
- Interest-bearing net debt 21.5 M€ (20.9 M€ 12/09)
- Gearing 40% (39%)
- Equity ratio 43% (43%)

Annual General Meeting - 25 March 2010



- Dividend 0.06 eur/share
 - Last year 0.14 eur/share



- Six board members
 - Old members to continue: Aaro Cantell, Heikki Lehmusto, Esko Rytönen, Pyry Lautsuo, Haakon Skaarer
 - New member: Jukka Ruuska
- Other issues
 - Same authorizations as last year
 - Modernization of invitation clause in Articles of Association
 - Transferring share premium fund into the reserve for invested unrestricted equity (Ylikurssirahasto → SVOP-rahasto)

Ownership structure – 30 April 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 %
Erikoissijoitusrahasto UBView	2,1 %
Storebrand Bank	2,1 %
Other shareholders	48,1 %
Treasury shares	0,2 %
<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

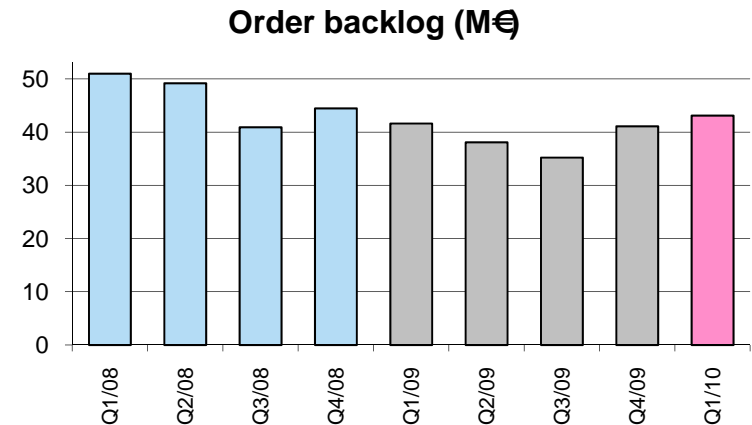


- Nordic: only small growth in general IT services in 2010
 - BI and ECM still forecast to grow more rapidly (5-6%)
 - Improving level of customer activity
 - Restarting the investments put on hold last year
- Baltic: GDP stabilising after crash
 - GDP decreased by 15-20% in 2009
 - GDP forecasts improving: small decrease or increase in 2010
 - Public sector cutting back IT investment budgets
 - Importance of EU as the financier of the investment has grown
 - Price competition in the local market

Outlook



- Order backlog 43 M€
 - Increase in Q1/2010 compared to Q4/2009 and Q1/2009



- 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.

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

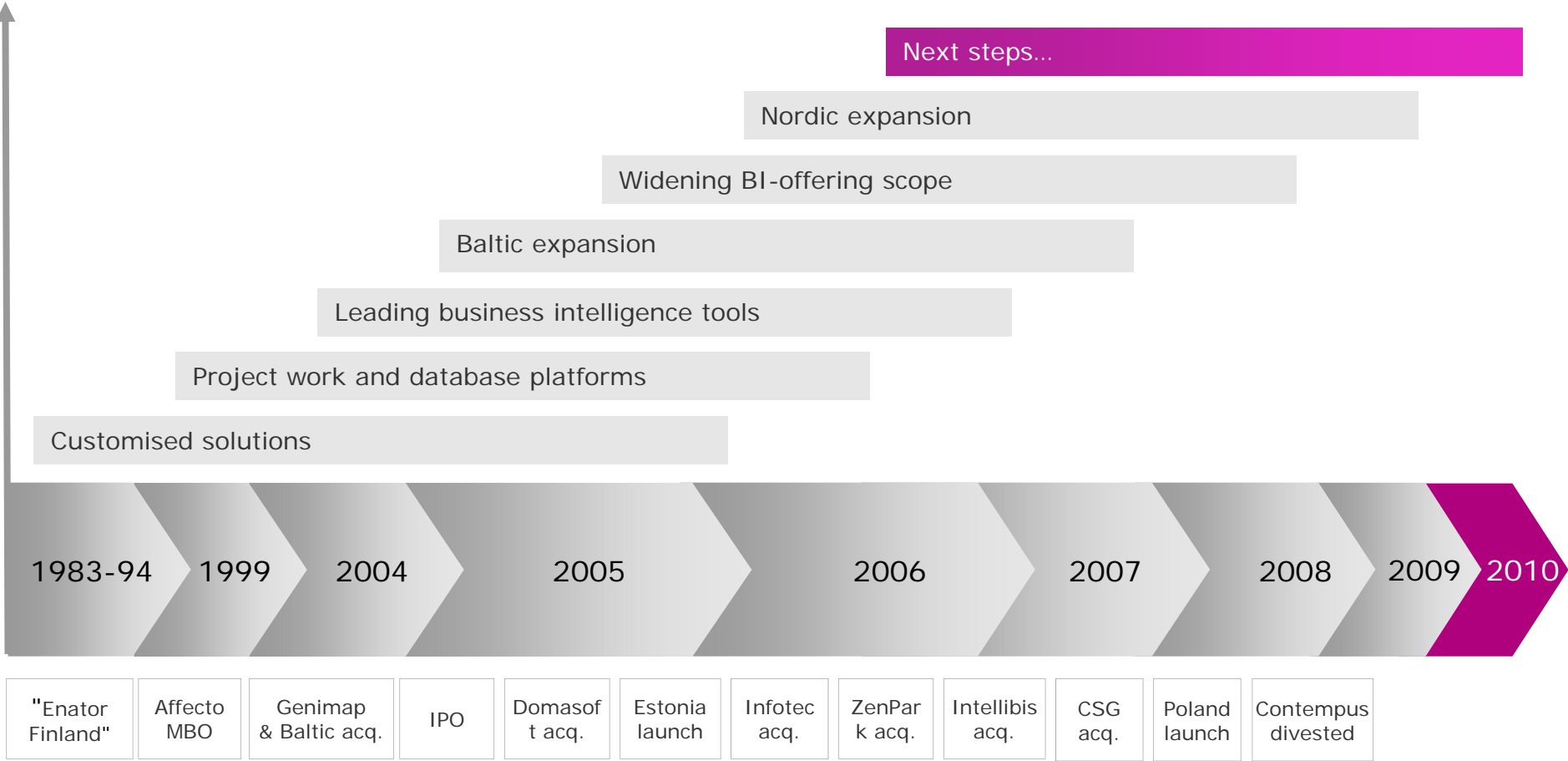
- Affecto is the best investment for its stakeholders
 - Employees: best added value for her/his competence and market value
 - Customers: first-class solutions and services, based on deep understanding of the customer needs
 - Investors: solid shareholder value creation

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

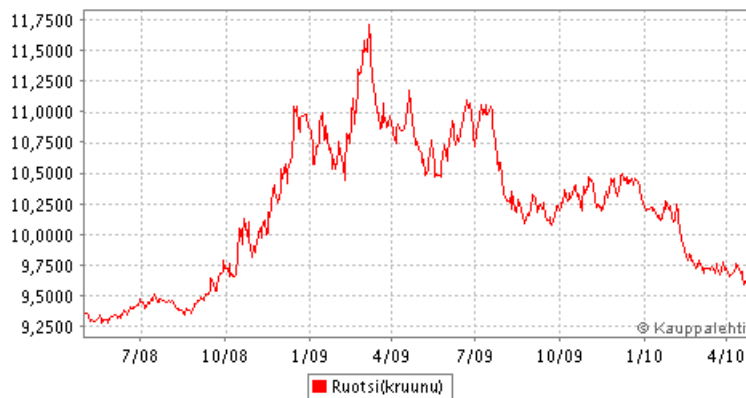
- Personal development
- Inspiring leadership
- Competitive incentive system

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

