

Interim report 1-6/2008

7 August 2008

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.

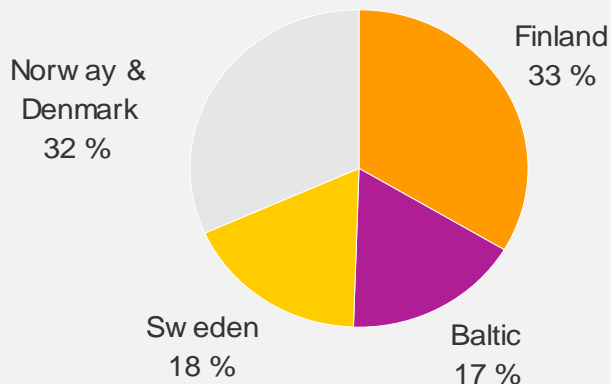
These statements involve certain risks and uncertainties, which are difficult to predict, and therefore actual future results and trends may differ materially from what is forecast in forward-looking statements. Affecto undertakes to update such statements with respect to new information and future events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

Affecto:

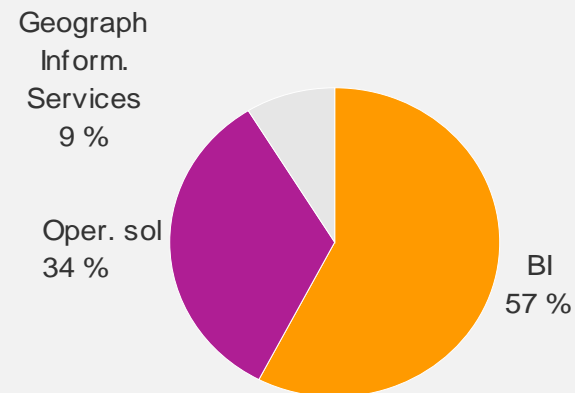
Leading BI solution provider in Nordic & Baltics

- Net sales: 70 M€ in 1-6/2008
 - Year 2007: reported 97 M€, pro forma 127 M€
- Approx. 1200 employees

Sales per region – 1-6/08



Sales per segment – 1-6/08



Affecto

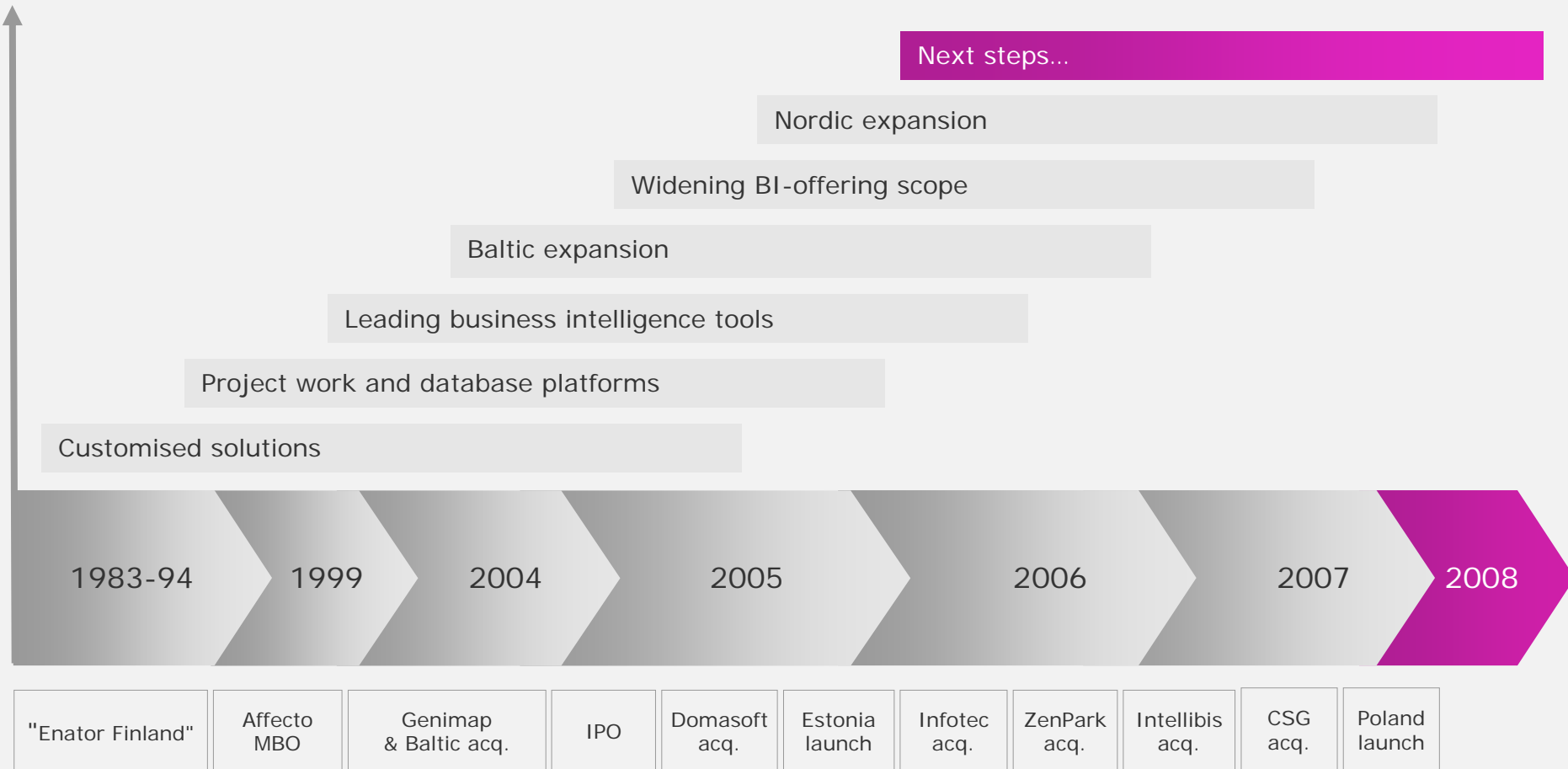
Vision 2009

- Affecto is
 - the leading Business Intelligence (BI) solution provider in the Nordic, Baltic and CEE regions
 - the most competent and quality focused GIS, ECM & 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
- Financial targets 2009
 - Net Sales: exceeding 160 MEUR in 2009
 - 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

- ECM, GIS & operational applications
- Experience in system development and application integration
- Worldwide competence on selected industries (insurance)

Baltic

- Strong market growth in IT services
- Expanding to other CEE countries
- Nearshoring services for the Nordic region

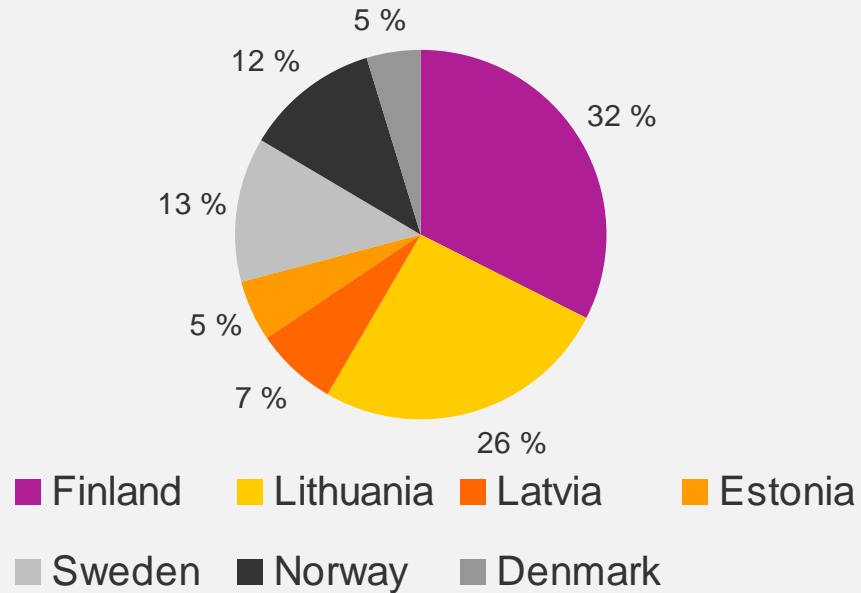
Employees

- Personal development
- Inspiring leadership
- Competitive incentive system

Resources



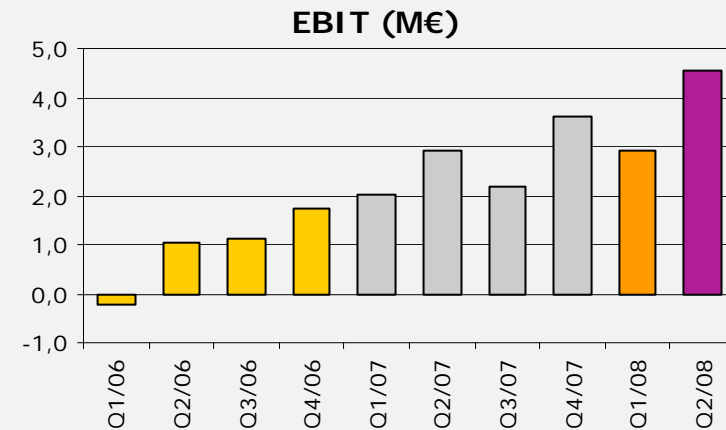
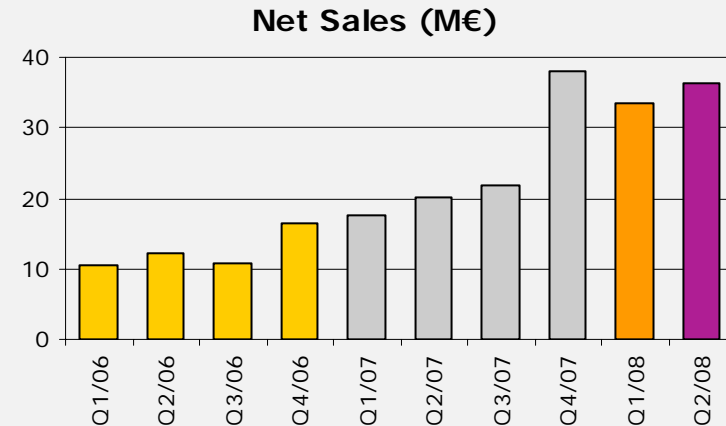
Personnel by country (Q2/08)



- 1175 employees
 - 380 in Finland
 - 450 in Baltic countries
 - 340 in Scandinavia

Overview to Q2/2008

- Net sales 36.2 M€ (20.2 M€)
 - Normal Q2 quarter
 - Strong organic growth: 13%
 - Reported growth 79%
- EBIT 4.5 M€ (2.9 M€)
 - Highest ever EBIT
 - Capital gain 0.6 M€ in Baltic
 - EBIT margin 12.5%
 - EBITA margin 14.5%
 - Healthy business in all countries



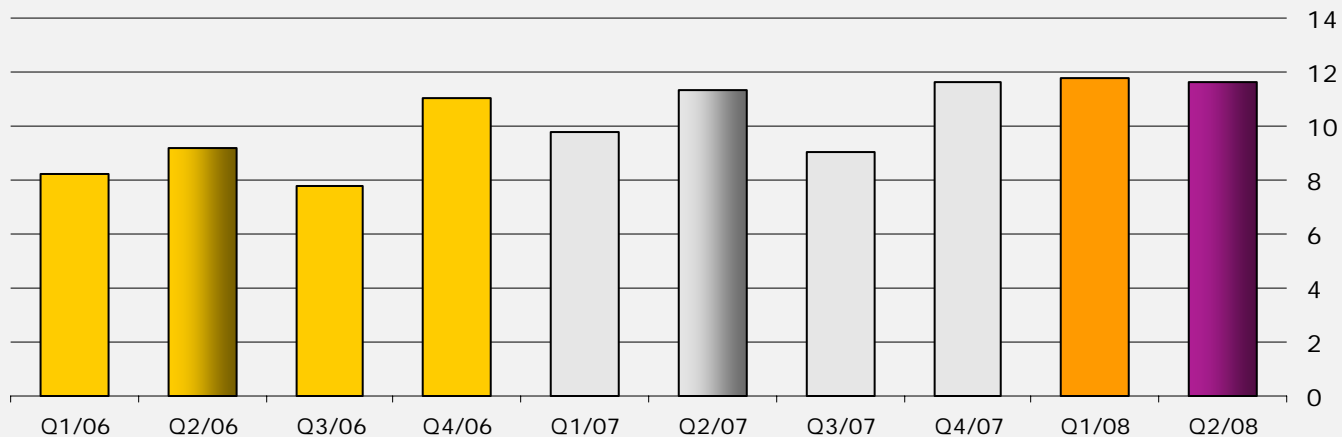
Geographical segments & business areas



	BI	Operational Solutions	Geographic Information Services
Finland	Large dark purple circle	Large light purple circle	Small light purple circle
Baltic	Small light purple circle	Large dark purple circle	
Sweden	Large dark purple circle		
Norway & Denmark	Large dark purple circle	Small light purple circle	

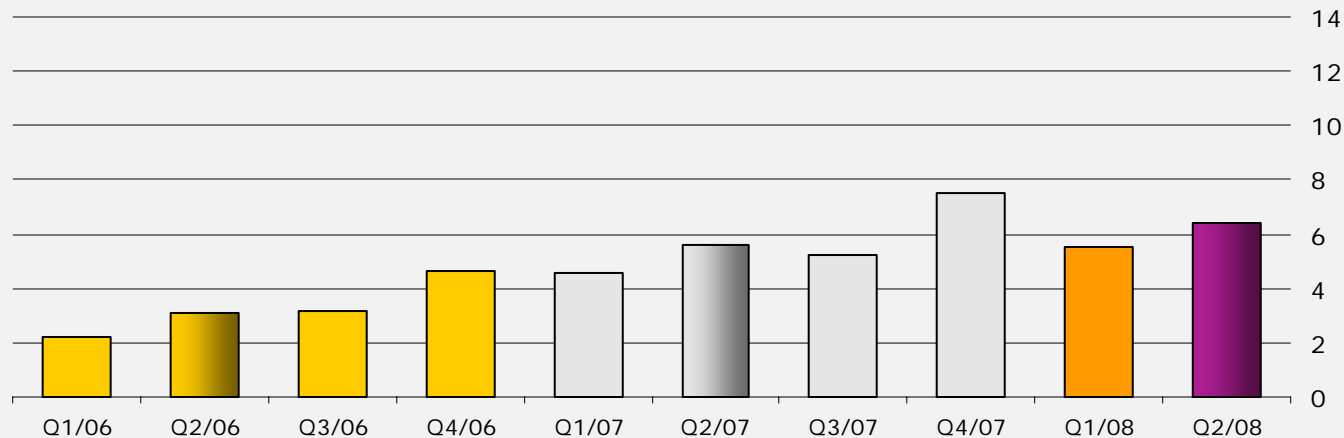
Business areas - Finland

- Net sales 11.6 M€ (11.3 M€), EBIT 1.3 M€ (1.6 M€)
 - Good BI growth
 - EBIT margin 12%
 - Improved profitability in Geographic Information Services
- Business trends continuing
 - Increasing demand for BI solutions
 - Good demand for application integration services



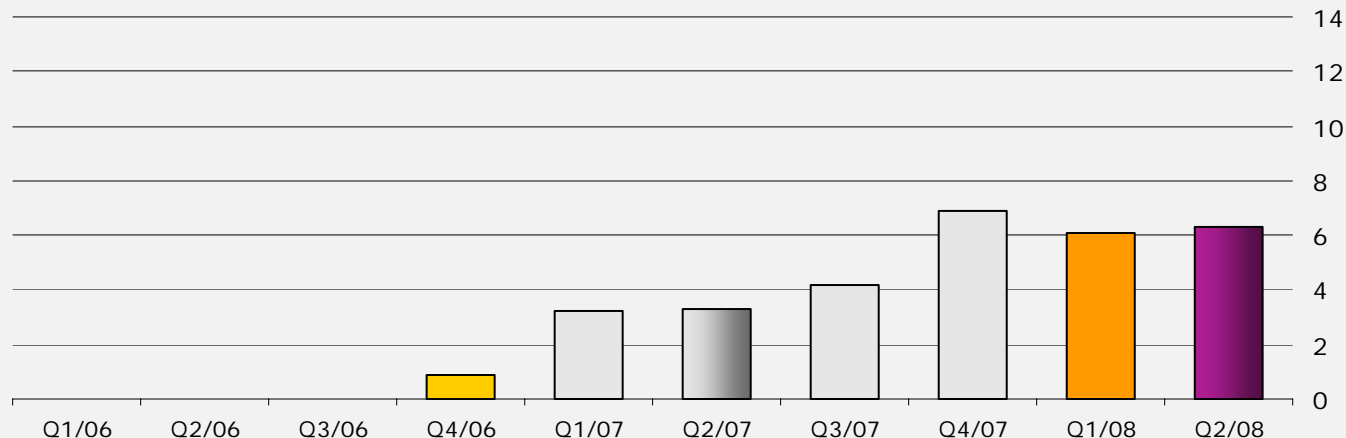
Business areas - Baltic

- Normal business in quarter
 - Capital gain 0.6 MEUR due to sale of Vilnius office
- Net sales 6.4 M€ (5.6 M€), EBIT 2.0 M€ (1.4 M€)
 - Growth 14% compared with Q2/07
 - Good profitability, margin at 22% (incl. capital gain: 32%)
- Long-term projects providing basis for stable utilization
- General inflation and wage inflation



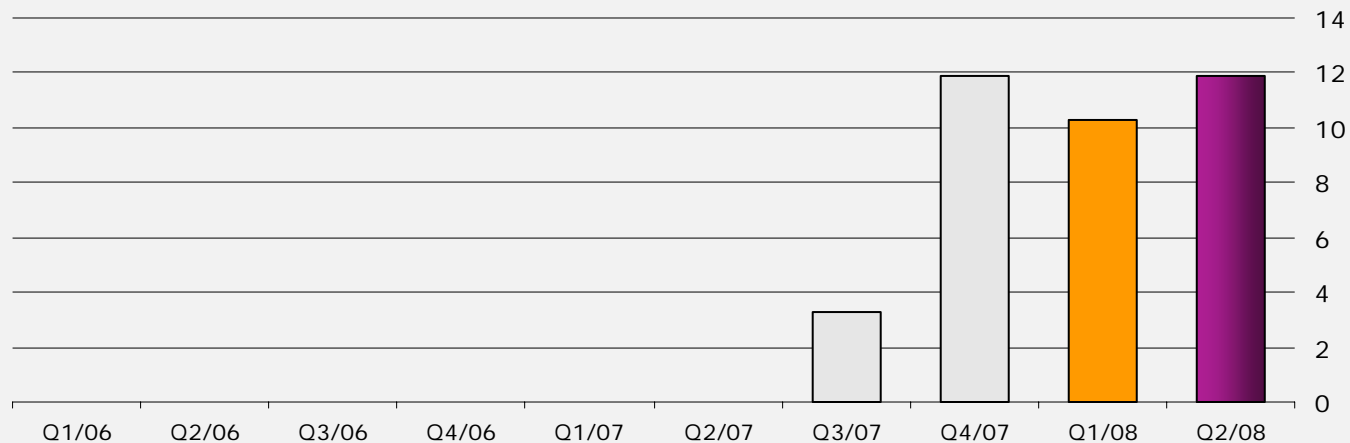
Business areas - Sweden

- Sales grew to approx. 6.3 M€ (3.3 M€ in Q2/07)
 - Price development has been slightly positive
 - Utilization rate has remained high
 - Number of employees decreased
- Operational EBITA was 1.1 M€ (17%)
 - Reported EBIT includes 0.3 M€ IFRS3 depreciation
 - Reported EBIT was 0.8 M€ (12%), (0.3 M€ in Q2/07)



Business areas - Norway & Denmark

- Normal Q2 quarter, more license sales than in Q1
- Consultancy services grew well compared to last year
- Net sales approx. 11.9 M€
- Operational EBITA was 1.4 M€ (12%)
 - IFRS3 depreciation 0.3 M€
 - Reported EBIT was 1.0 M€ (9%)



Segment comparison Q2/2008

Net Sales

Segment	4-6/08	4-6/07	Growth	2007
Finland	11 623	11 326	3 %	41 707
Baltic	6 381	5 607	14 %	22 918
Sweden	6 299	3 297	91 %	17 654
Norway & Denmark	11 883			15 195
Eliminations	-	-3		0
Total	36 187	20 227	79 %	97 474

Segment	4-6/08	4-6/07	Growth	2007
BI	20 689	8 406	146 %	48 093
Operational Sol.	12 273	8 922	38 %	39 900
Cartographic Sol.	3 224	2 903	11 %	9 481
Eliminations	-	-3		0
Total	36 187	20 227		97 474

EBIT

Segment	4-6/08	Margin	4-6/07	Margin	2007	Margin
Finland	1 342	12 %	1 560	14 %	4 406	11 %
Baltic	2049	32 %	1 424	25 %	5 390	24 %
Sweden	769	12 %	305	9 %	1 468	8 %
Norway & Denmark	1025	9 %			1 199	8 %
Group manag.	-654		-363		-1 705	
Total	4 532	13 %	2 926	14 %	10 758	11 %

- Good organic growth in Baltic
- Organic growth in BI boosted by CSG acquisition
- Good EBIT margin in all areas, especially Baltic was very good

Income statement Q2/2008

(1 000 EUR)	4-6/08	4-6/07	1-6/08	1-6/07	2007
Net sales	36 187	20 227	69 785	37 803	97 474
Other operating income	640	61	843	61	80
Changes in inventories of finished goods and work in progress	2	-27	68	146	109
Materials and services	-6 572	-4 023	-12 593	-6 712	-19 851
Personnel expenses	-18 778	-9 615	-37 414	-19 133	-48 635
Other operating expenses	-5 786	-3 122	-10 957	-6 022	-14 651
Other depreciation, amortization and impairment charges	-440	-295	-854	-571	-1 231
IFRS3 Depreciation	-721	-280	-1 439	-639	-2 536
Operating result	4 532	2 926	7 439	4 932	10 758
Finance costs (net)	42	-70	-826	-217	-1 300
Result before income tax	4 574	2 856	6 614	4 715	9 458
Income tax	-1 190	-843	-1 720	-1 264	-2 477
Minority interest	0	0	0	0	0
Result for the period for equity holders of the company	3 384	2 013	4 894	3 451	6 981
EPS (eur/share)	0.16	0.12	0.23	0.20	0.38

- Normal deprec. 0.4 M€ in Q2
 - Capex 0.5 M€
- Acquisition related IFRS depreciation 0.7 M€ (0.3 M€)
 - 2.9 M€ in whole year 2008
- Higher finance costs hidden by impact from fair value of interest-rate swap. Impact
 - 0.2 M€ in Q1/08
 - +0.6 M€ in Q2/08
 -
 - +0.4 M€ in 1-6/08

Balance sheet

(1 000 EUR)	6/2008	12/2007
Tangible assets	2 268	1 939
Goodwill	83 734	84 196
Other intangible assets	16 779	18 249
Other long-term assets	2 568	2 551
Non-current assets	105 349	106 936
Inventories and receivables	37 730	40 823
Restricted cash	582	659
Cash and cash equivalents	11 018	12 974
Current assets	49 330	54 455
Assets held for sale	0	679
Total assets	154 679	162 070
Equity for shareholders	64 066	62 964
Minority interest	0	0
Non-current liabilities	47 919	49 597
Current liabilities	42 694	49 510
Total equity and liabilities	154 679	162 070

- No major changes since 31.12.2007
 - Intellibis earn-out paid in Q1
 - Dividend paid in Q2
 - Vilnius office sold in Q2
- Interest-bearing net debt 34.4 M€ (33.9 M€ 12/07)
- Gearing 54% (54%)
- Equity ratio 44% (42%)

Ownership structure - 31 July 2008

<u>Owner</u>	<u>%</u>
Cantell Oy	5,7 %
Mika Laine	5,6 %
Arendals Fossekompani ASA	5,5 %
Nordea Nordic Small Cap Fund	4,7 %
Ilmarinen	3,9 %
Danske Suomi Kasvuosake Fund	3,2 %
SITRA	2,8 %
Eläke-Fennia	2,8 %
ABN AMRO Finland Fund	2,7 %
OP-Suomi Pienyhtiöt Fund	2,5 %
Other shareholders	60,3 %
Treasury shares	0,2 %
<hr/> Total	<hr/> 100,0 %

- 21.5 million shares in total

Flaggings in 2008

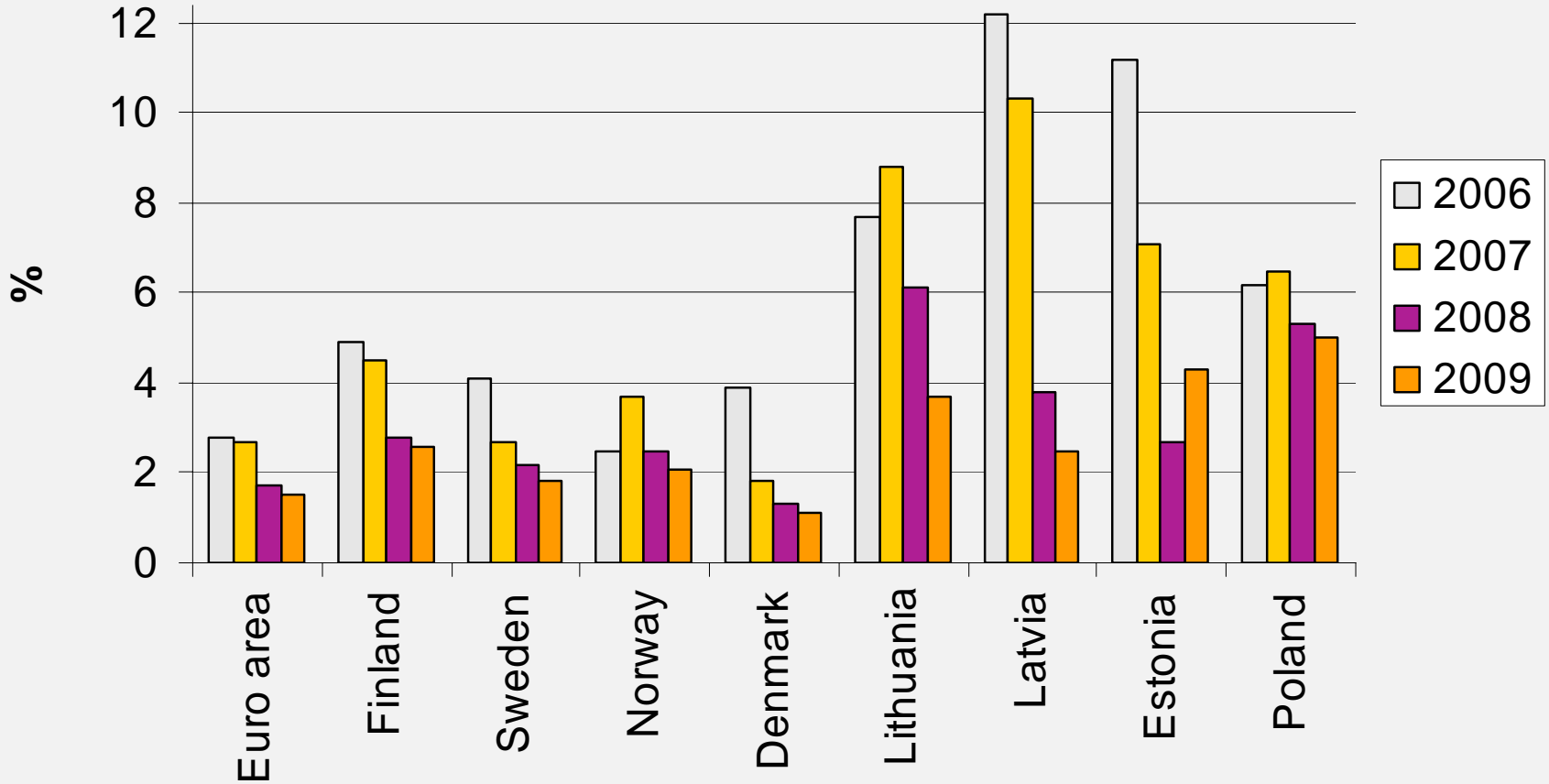
- Arendals Fossekompani ASA will exceed 5%
 - Technical flagging due to subsidiary mergers, no actual change

Outlook

Market environment

- No clear effects from the weakened general economic climate, yet, with the exception of financial sector in Sweden
- Nordic: forecasts for general IT services growth 4-5%, demand for BI solutions are forecast to grow more rapidly
 - Good activity among customers
 - Sweden has the most uncertain general atmosphere
- Baltic: more uncertain GDP growth
 - Overheating has ended and GDP forecasts are being decreased. Q1/2008 GDP growth in Lithuania still approx. 7%, but only 4% in Latvia and 0% in Estonia
 - Inflation has risen in all three countries (>10%)
 - Wage inflation is even higher
 - Affecto's focus on public sector and export services balance the outlook for us

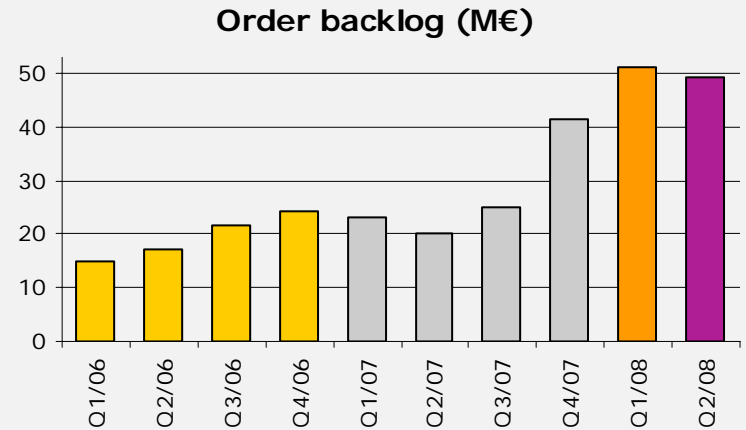
GDP forecasts



Source: Eurostat, Real GDP growth forecasts, 7/2008

Outlook

- Order backlog 49 M€
 - No major change since Q1/2008
 - Longer duration in Baltic than in other parts of group



- Positive development is expected to continue for the rest of 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 (EBIT margin) of the whole year 2008 is expected not to materially change from 2007
 - However, as a normal seasonality effect, the summer vacations will weaken net sales and profitability in the third quarter

Affecto's largest customers in 2007

