

Interim Report 1-9/2009

29 October 2009

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Forward-Looking Statements

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

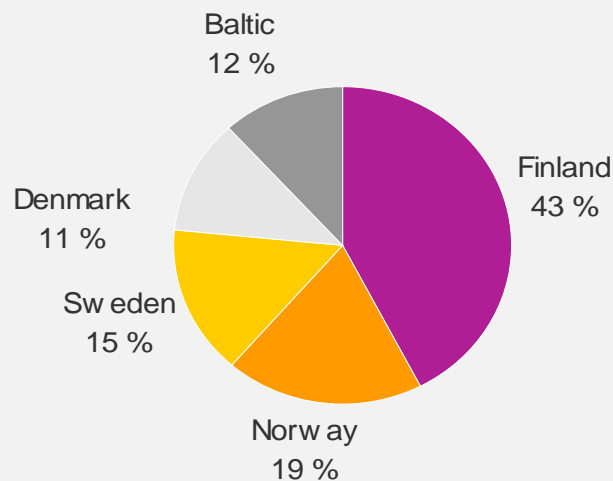
Words such as 'forecasts', 'estimates', 'expects', 'plans', and variations of these words and similar expressions are intended to identify forward-looking statements, which include, but are not limited to, Affecto's performance and profitability, market growth and industry developments.

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.

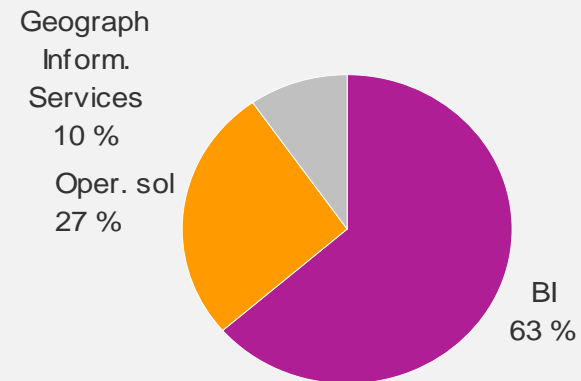
Leading BI solution provider in Nordic

- Net sales: 132 M€ in 2008
- Approx. 930 employees

Sales per region – 1-9/09

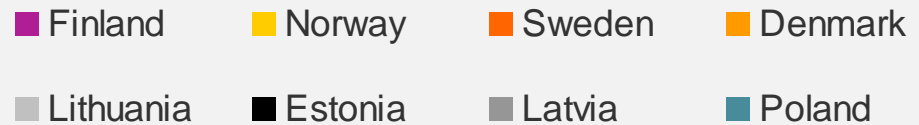
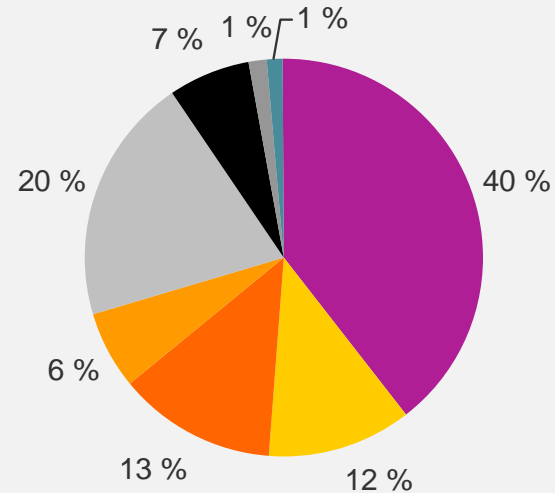


Sales per business – 1-9/09



Resources

Personnel by country (Q3/09)



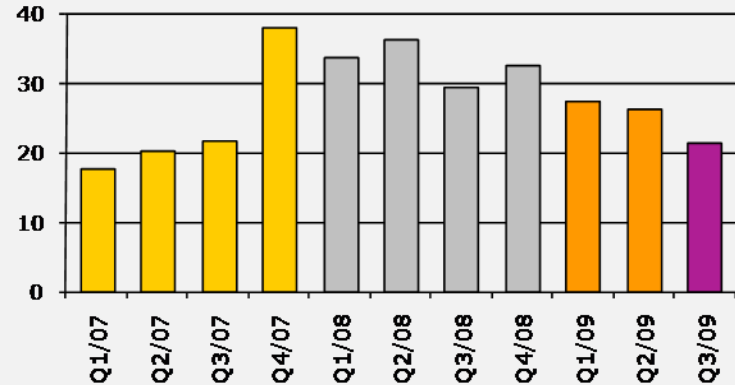
- 928 employees
 - 370 in Finland
 - 270 in Baltic countries
 - 290 in Scandinavia

Overview to Q3/2009

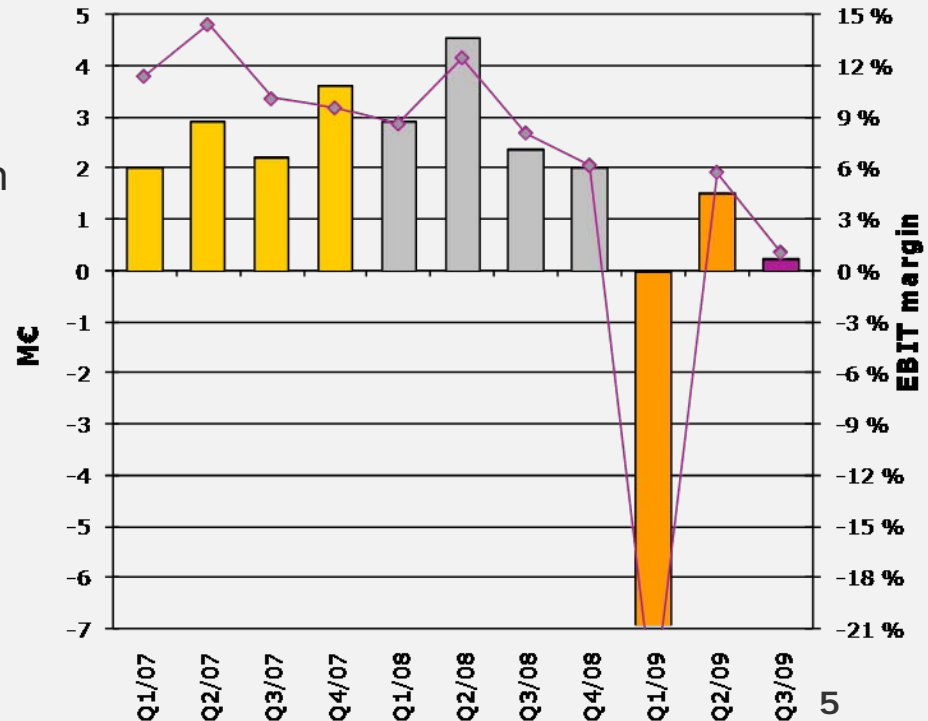
- Net sales 21.6 M€ (29.3 M€)
 - Summer vacations in Q3
 - Economy continued to weaken
 - Reported growth -26%
 - Organic growth -21%
 - With constant currencies -18%
 - Baltic and Sweden weak

- EBIT 0.2 M€ (2.4 M€)
 - Summer vacations, slower than usual business ramp-up after vacations
 - Good operational segment profit in Norway (13%) and moderately good in Finland, weak Sweden and Denmark
 - Loss in Baltic

Net Sales (M€)



EBIT



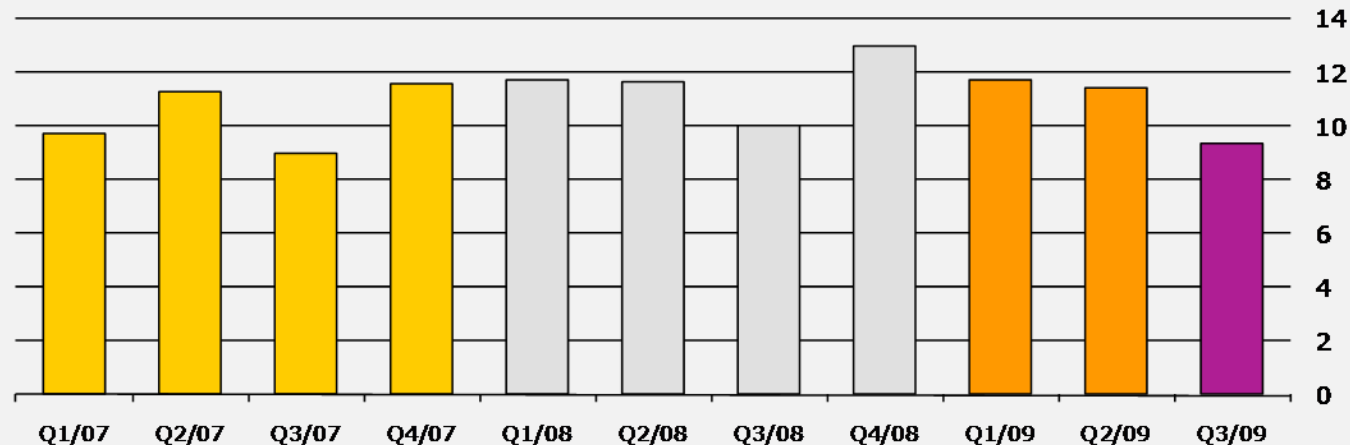
Geographical segments & business areas



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

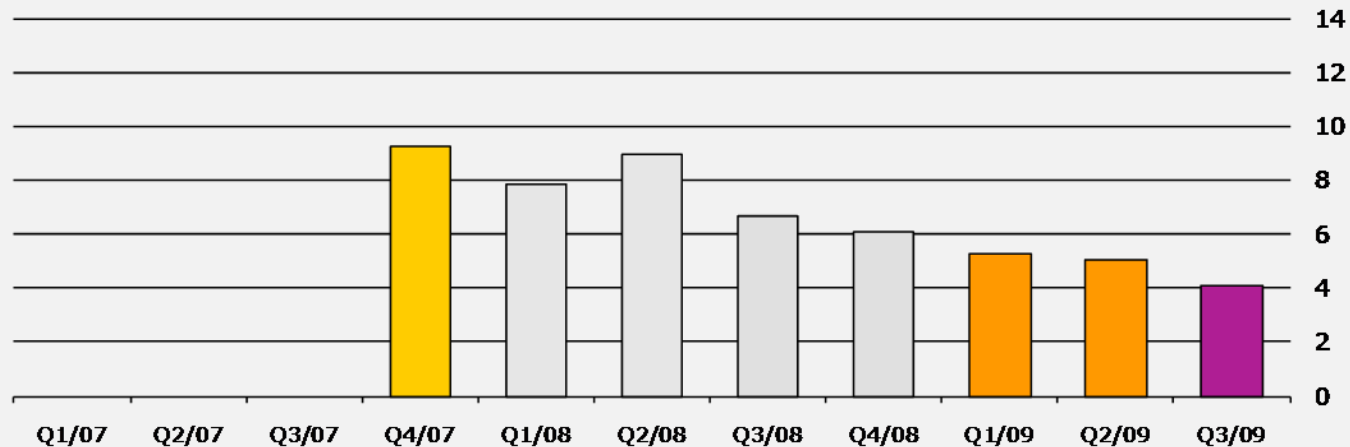
Business areas - Finland

- Net sales 9.4 M€ (10.0 M€)
 - Weak vacation quarter, but sales still almost at last year's level
- Operational segment profit 0.6 M€ (1.4 M€)
 - Moderate operational segment result margin 6%
- So far only moderate effects from economic weakness
 - Slower than normal ramp-up of business after the vacations
 - No major changes in demand for BI solutions
 - Lengthened decision making processes, price pressure
 - Reasonably good demand for operational solutions
 - Especially public sector is active



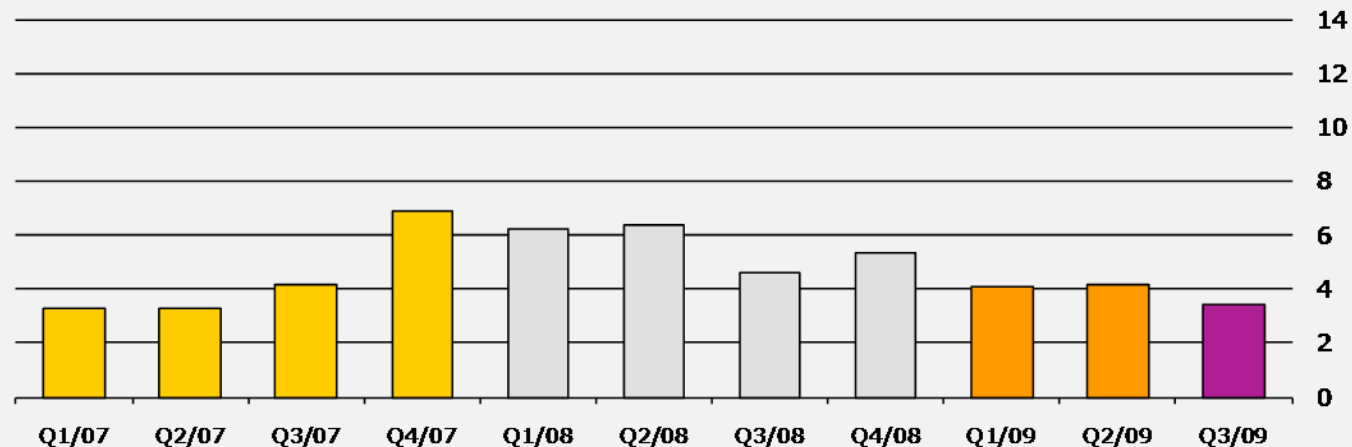
Business areas - Norway

- Net sales approx. 4.1 M€ (6.7 M€)
 - Contempus divestment and NOK devaluation mainly responsible for decrease
 - BI business with constant currencies -3% in Q3
- Ok demand for consultancy services
- Good operational segment result:
0.5 M€ / 13% (1.1 M€)



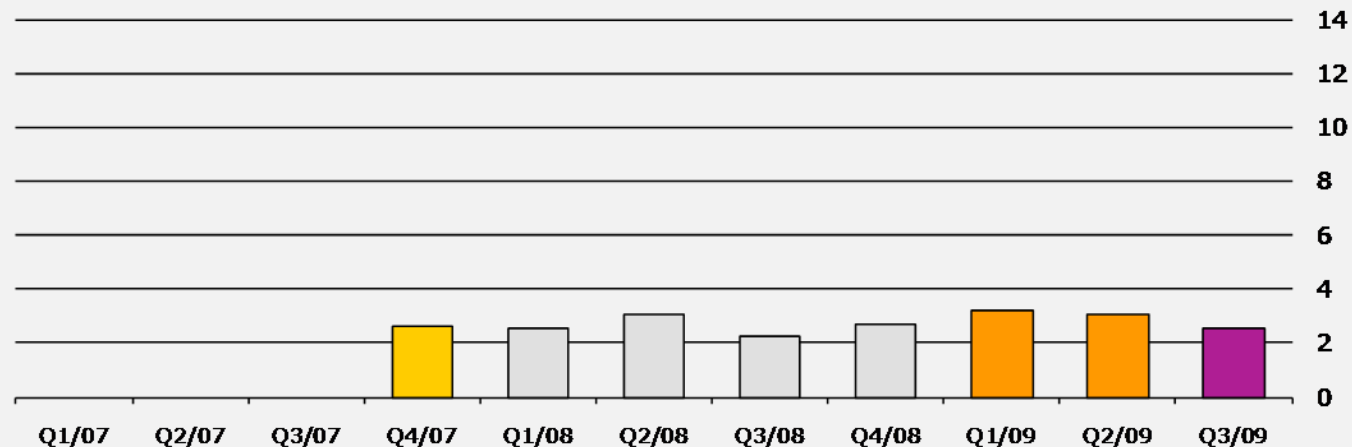
Business areas - Sweden

- Sales decreased to approx. 3.4 M€ (4.6 M€)
 - Economic weakness
 - Currency impact: -26% growth in EUR, -19% in SEK
 - Number of employees decreased in 2008
 - Generally the utilization rate has remained moderately good, but vacation period had impact
- Weak operational segment result 0.1 M€ / 2% (0.4 M€)
- New management in place



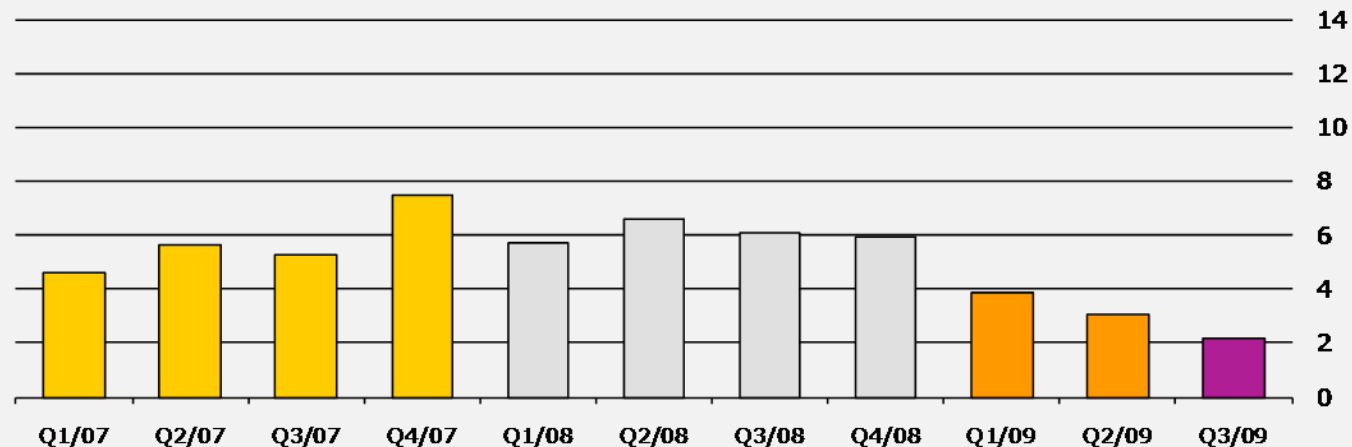
Business areas - Denmark

- Net sales approx. 2.6 M€ (2.3 M€)
 - Vacation quarter, but still growth
- Decision making slowing
- Operational segment result 0.0 M€ / 1% (0.2 M€)



Business areas - Baltic

- Net sales 2.1 M€ (6.1 M€)
- Strongly decreasing GDP, public sector with financial problems
 - Government expenditure cuts affecting also IT investments
 - Some delays/cancellations
- Operational segment result was -0.3 M€ (0.6 M€)
 - We estimate that business should be profitable if the national economies in Baltic continue at current levels or improve
- Increasing price competition in local market



Segment comparison Q3/2009

Net Sales				
By segment	7-9/09	7-9/08	Growth	2008
Finland	9 401	10 000	-6 %	46 432
Norway	4 118	6 699	-39 %	29 597
Sweden	3 398	4 598	-26 %	22 573
Denmark	2 575	2 267	14 %	10 564
Baltic	2 149	6 072	-65 %	24 289
Eliminations	-71	-346		-1 890
Total	21 570	29 288	-26 %	131 565
By business line	7-9/09	7-9/08	Growth	2008
BI	13 700	16 179	-15 %	77 584
Operational Sol	6 094	11 156	-45 %	44 613
Geographic Inf.Serv	2 534	2 614	-3 %	11 774
Eliminations	-758	-662		-2 406
Total	21 570	29 288	-26 %	131 565

Result						
By segment	7-9/09	Margin	7-9/08	Margin	2008	Margin
Finland	575	6 %	1 422	14 %	6 886	15 %
Norway	520	13 %	1 070	16 %	2 877	10 %
Sweden	77	2 %	375	8 %	2 890	13 %
Denmark	26	1 %	157	7 %	1 157	11 %
Baltic	-266	-12 %	562	9 %	3 151	13 %
Unallocated	-178		-545		-2 500	
Operational Segment Result	754	3 %	3 040	10 %	14 461	11 %
IFRS amortisation	-533		-676		-2 653	
Goodwill Impairment	-		-		-	
Operating profit	221	1 %	2 363	8 %	11 808	9 %

- Growth in Denmark, decrease in other areas
- Weak Baltic
- Sweden and Norway hurt by currency devaluation
- Vacation period hurting sales and profit
- Good profitability in Norway
- Baltic made loss

Income statement Q3/2009

(1 000 EUR)	7-9/09	7-9/08	1-9/09	1-9/08	2008
Net sales	21 570	29 288	75 270	99 073	131 565
Other operating income	0	1	16	844	902
Changes in inventories of finished goods and work in progress	-135	-127	-225	-59	-287
Materials and services	-4 107	-5 655	-13 496	-18 248	-25 317
Personnel expenses	-12 715	-15 490	-45 298	-52 904	-69 818
Other operating expenses	-3 496	-4 559	-12 551	-15 516	-20 962
Other depreciation, amortization and impairment charges	-360	-417	-1 129	-1 271	-1 620
Operational segment result	754	3 040	2 584	11 918	14 461
IFRS3 amortization	-533	-676	-1 577	-2 116	-2 653
Goodwill impairment	-2	-	-6 210	-	-
Operating profit	221	2 363	-5 200	9 803	11 808
Finance costs (net)	-452	-776	-2 457	-1 602	-1 341
Result before income tax	-231	1 587	-7 657	8 201	10 467
Income tax	-20	229	237	-1 491	-1 963
Minority interest	0	0	0	0	0
Result for the period for equity holders of the company	-251	1 816	-7 419	6 710	8 503
EPS (eur/share)	-0.01	0.08	-0.35	0.31	0.40

- Normal depreciation 0.4 M€ in Q3
 - Capex 0.2 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
 - +0.2 M€ in Q2/09
 - +0.1 M€ in Q3/09
 -
 - 0.0 M€ in 2009
- Q1 also includes 0.9 M€ currency loss due to intra-group loans

Affecto

Balance sheet

(1 000 EUR)	9/2009	9/2008	12/2008
Property, plant and equipment	2 362	2 059	2 715
Goodwill	69 058	75 978	72 614
Other intangible assets	10 026	12 802	11 093
Other long-term assets	2 535	2 657	2 325
	83 982	93 496	88 747
Current assets	26 768	33 365	33 815
Restricted cash and cash equivalents	376	419	518
Cash and cash equivalents	17 999	19 985	23 554
	45 144	53 768	57 886
Total assets	129 125	147 263	146 633
Equity for shareholders	52 699	63 087	58 625
Minority interest	-	-	-
Non-current liabilities	42 987	47 007	45 330
Current liabilities	33 439	37 170	42 677
Total equity and liabilities	129 125	147 263	146 633

- Main changes since 12/2008
 - Baltic goodwill impairment
 - Nordic currency fluctuation
 - Dividend 3.0 M€ in Q2
- Interest-bearing net debt 24.4 M€ (20.4 M€ 12/08)
- Gearing 46% (35%)
- Equity ratio 43% (43%)

Ownership structure - 26 October 2009

Owner	%
Mika Laine	6,7 %
Cantell Oy	5,7 %
Arendals Fossekompni ASA	5,5 %
Nordea Nordic Small Cap Fund	4,7 %
Ilmarinen Mutual Pension	3,9 %
ESR UBView *	3,1 %
Eläke-Fennia Mutual Pension	2,8 %
State Pension Fund	2,8 %
Fondita Nordic Micro Cap Mutual F	2,8 %
Danske Suomi Kasvuosake Fund	2,7 %
Other shareholders	59,1 %
Treasury shares	0,2 %
Total	100,0 %
* UB Funds have flagged a total ownership of 5.45% in October 2009	

- 21.5 million shares in total

Flaggings in 2009

- UB Funds exceeded 5% in October
- Case Asset Management decreased below 5% in October

Outlook

Market environment

- So far still rather moderate effects from the weakened general economy in Nordic countries
 - Higher uncertainty of IT investments
 - More cautious customers, longer decision making processes
 - Price pressure
 - Lower sales of new (third-party) licenses
- Nordic: no growth in general IT services this year?
 - BI and ECM still forecast to grow more rapidly
- Baltic: GDP crashing down
 - GDP is decreasing rapidly (15-20% annual rate)
 - Public sector cutting back IT investment budgets
 - Price competition increasing in the local market

Nordic currencies

- One third of Affecto's revenue is generated in Norway and Sweden, whose currencies have devaluated significantly in 2008/2009
 - Some recovery in 2009 especially in NOK/EUR
- Direct impact to revenue and profit in EUR terms
 - In addition, effects on goodwill and on intra-group loans (forex losses/profits)

SEK/EUR

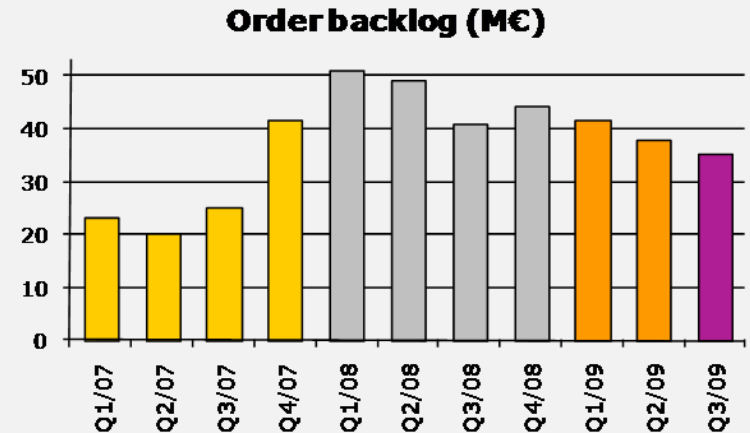


NOK/EUR



Outlook

- Order backlog 35 M€
 - Some decrease in Q3/2009
 - Mostly due to normal annual license maintenance cycle



- The weakened economic environment makes reliable forecasting more difficult. 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



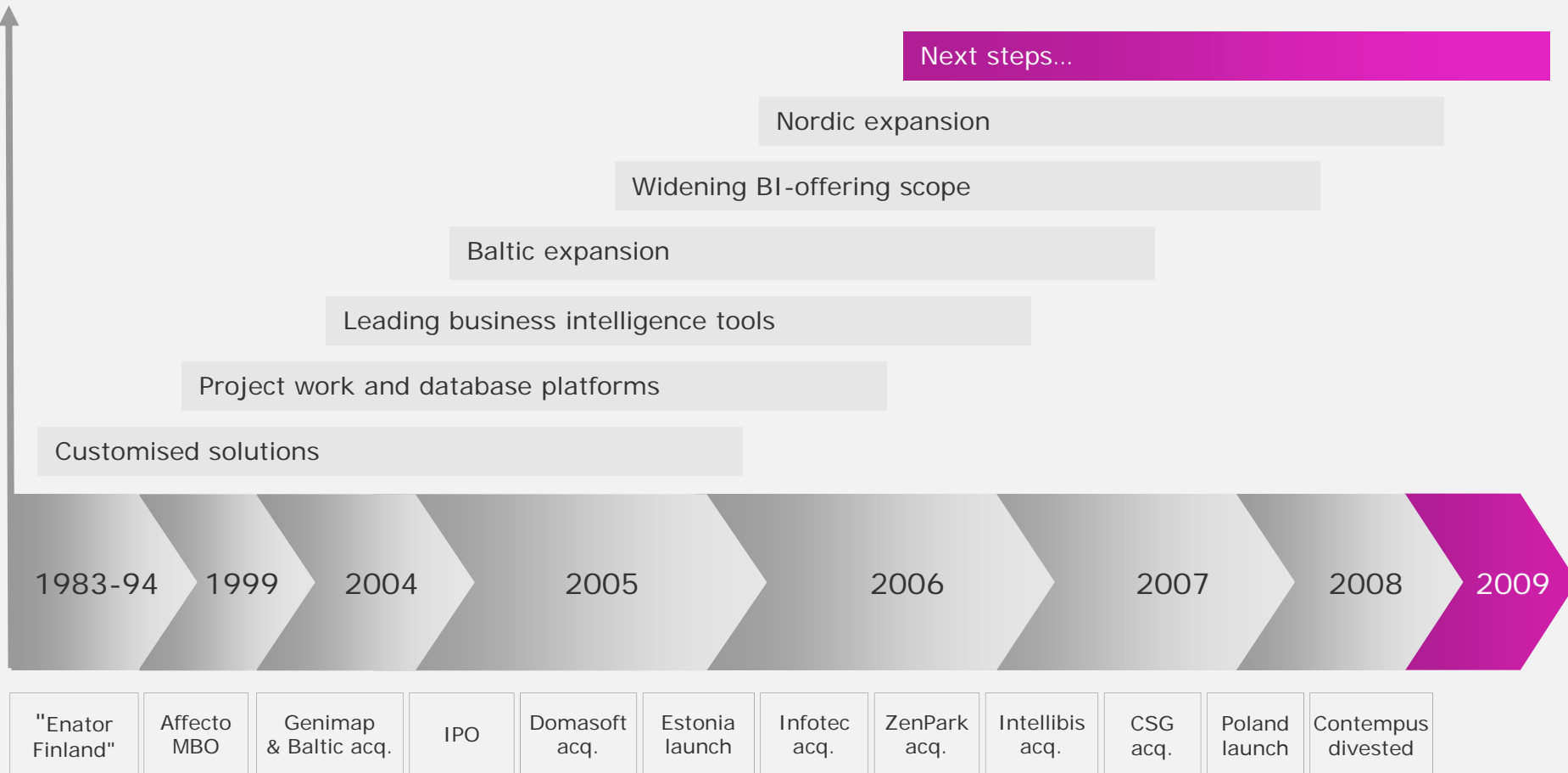
Vision 2011

- 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