



Financial Statements 2010

17 February 2011

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.

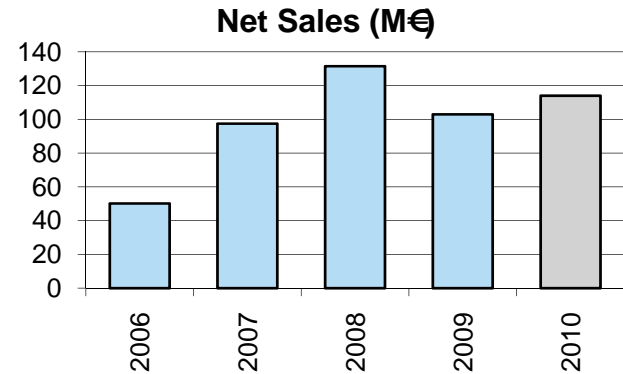
Words such as 'forecasts', 'estimates', 'expects', 'plans', and variations of these words and similar expressions are intended to identify forward-looking statements, which include, but are not limited to, Affecto's performance and profitability, market growth and industry developments.

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.

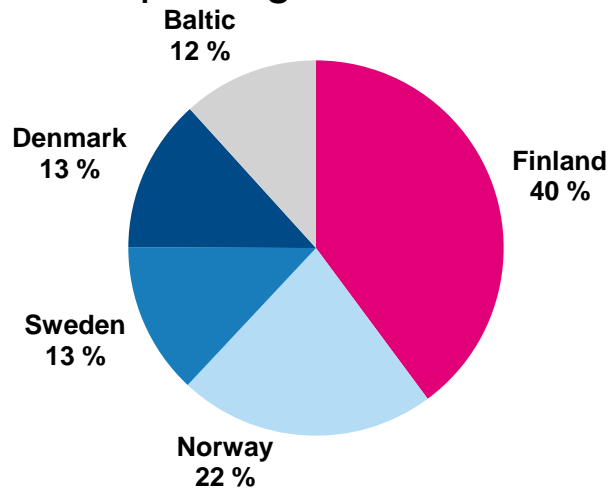
Leading BI solution provider in Nordic



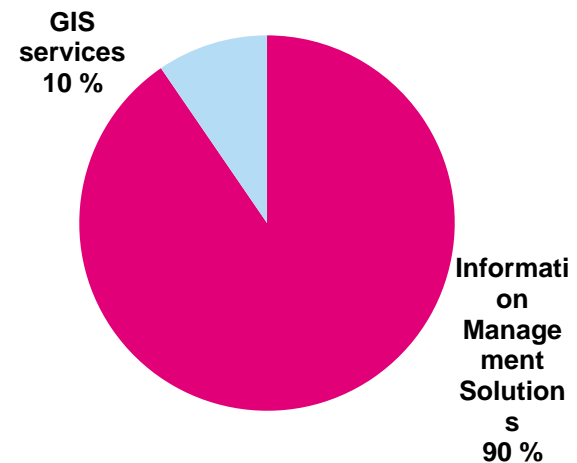
- Net sales: 114 M€ in 2010
- Approx. 950 employees



Sales per region – 1-12/2010



Sales per business – 1-12/2010



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Highlights of year 2010

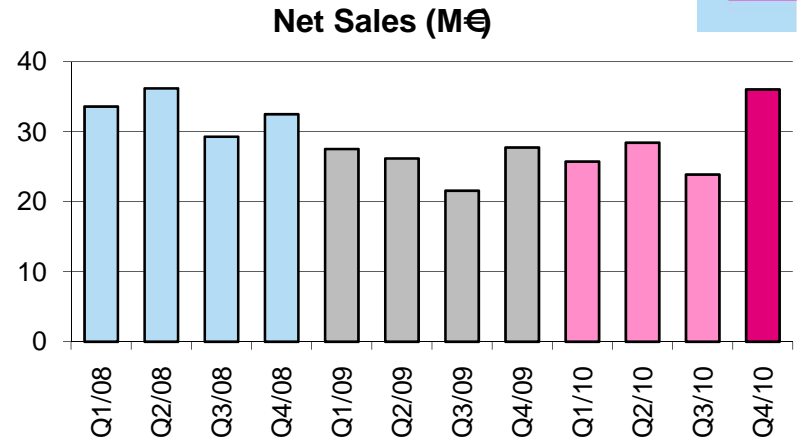


- Business environment improved in all countries
 - Nordic countries showing moderate growth
 - Baltic countries stabilising after the crash
- Return to growth path: growth in net sales in all other countries except Sweden
- Baltic countries experienced growth and made profit
- Profitability increased during the year
 - Early part of the year was still weak, but improvements toward the year-end
- Investment on changing the Swedish operations: new management, forward-looking growth in organisation

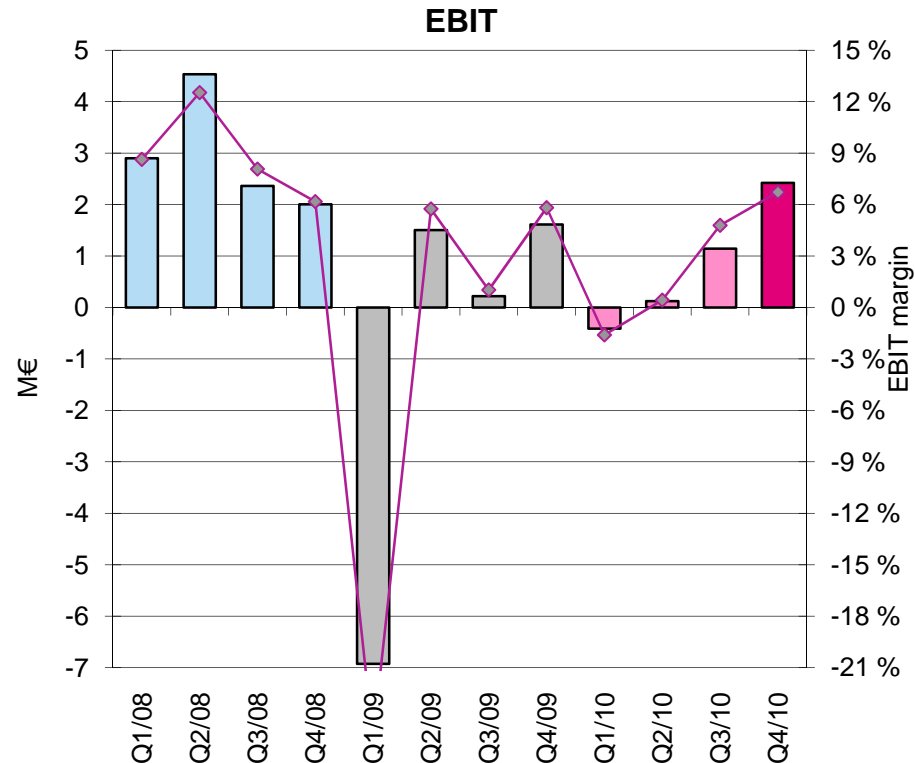
Overview to Q4/2010



- Net sales 36.0 M€ (27.7 M€)
 - Continued recovery in customers' business activity
 - Increased license sales
 - Reported growth 30%, growth in all areas:
 - 148% growth in Denmark
 - 42% nominal growth in Norway



- EBIT 2.4 M€ (1.6 M€)
 - Good operational segment profit in Finland, Norway, Denmark and Baltic
 - Losses in Sweden



Geographical segments & business areas

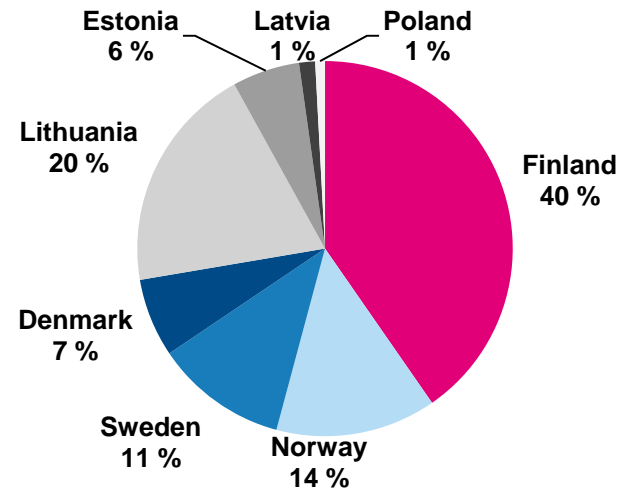


	Information Management Solutions	Geographic Information Services
Finland	●	●
Norway	●	
Sweden	●	
Denmark	●	
Baltic	●	

Resources



Personnel by country (Q4/10)



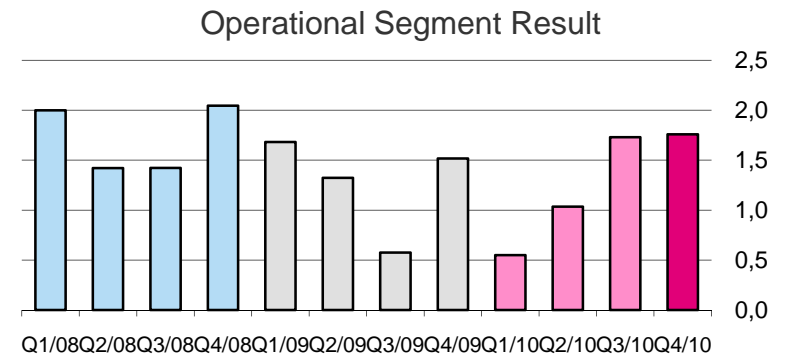
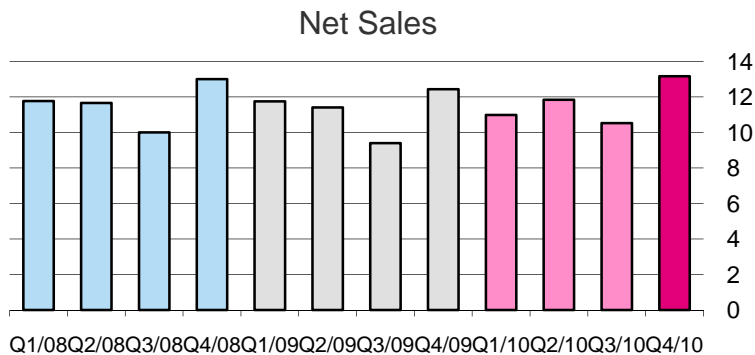
● 947 employees

- 380 in Finland
- 260 in Baltic countries
- 300 in Scandinavia

Business areas - Finland



- Net sales 13.2 M€ (12.4 M€)
 - 6% growth
- Operational segment profit 1.8 M€ (1.5 M€)
 - Good operational segment result margin 13%
- Continuing improvement in business conditions

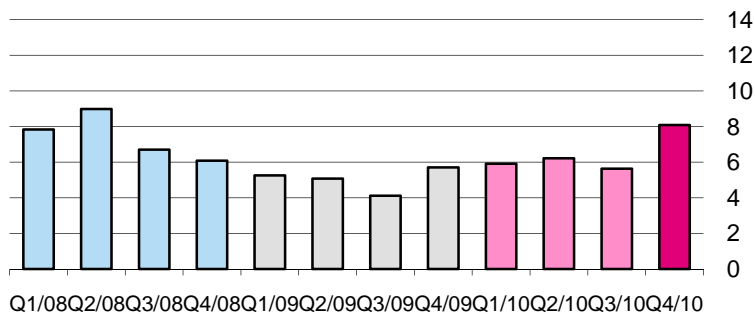


Business areas - Norway

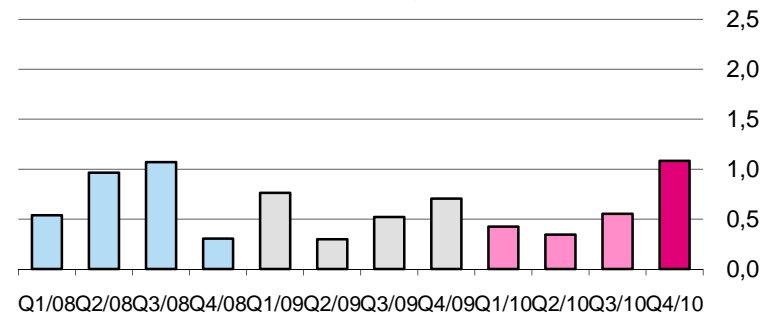


- Net sales approx. 8.1 M€ (5.7 M€)
 - 42% growth, good organic growth, partially helped by currencies
- Operational segment result: 1.1 M€ / 13% (0.7 M€)
- Good market conditions

Net Sales



Operational Segment Result

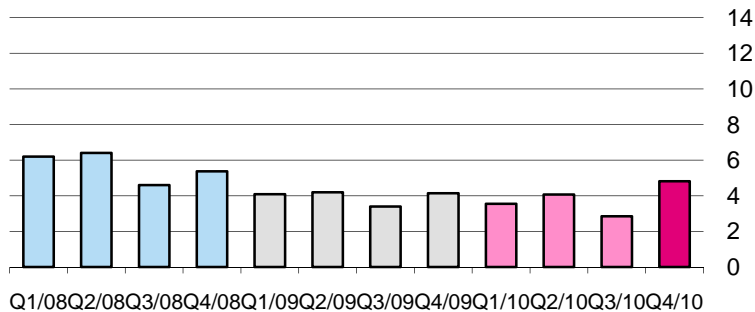


Business areas - Sweden

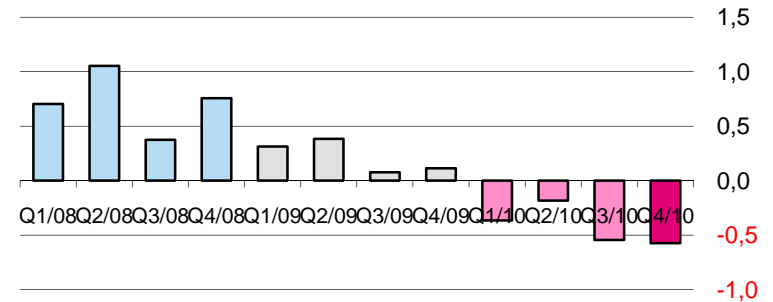


- Net sales approx. 4.8 M€ (4.1 M€)
 - Return to growth path
- Negative operational segment result -0.6 M€ / -12% (0.1 M€)
- Organisation being forward-lookingly built
 - Targeting a substantial growth in 2011

Net Sales



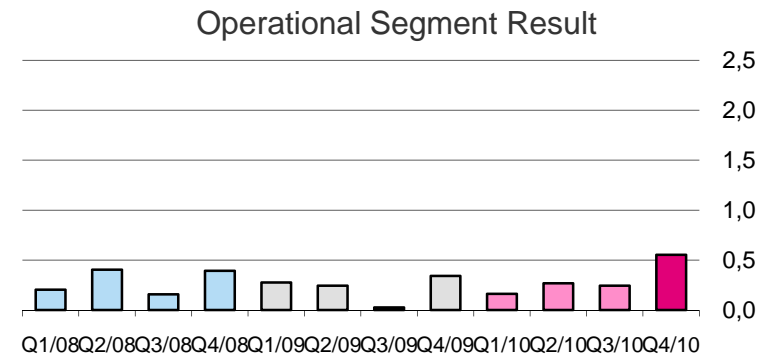
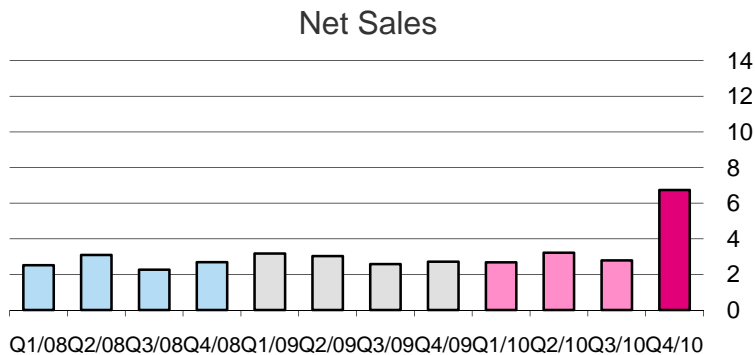
Operational Segment Result



Business areas - Denmark



- Net sales approx. 6.7 M€ (2.7 M€)
 - 148% growth
 - Some large license deals causing the jump
- Operational segment result 0.6 M€ / 8% (0.3 M€)
- Good customer activity

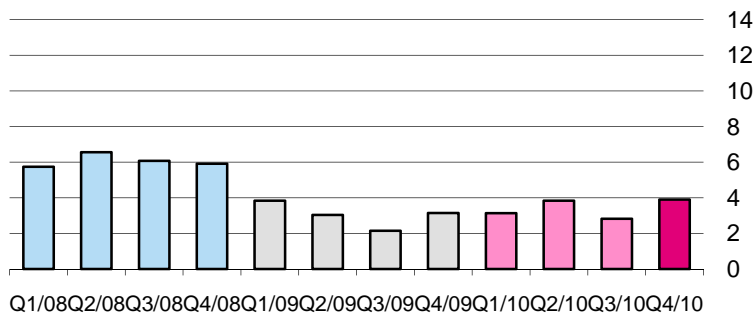


Business areas - Baltic

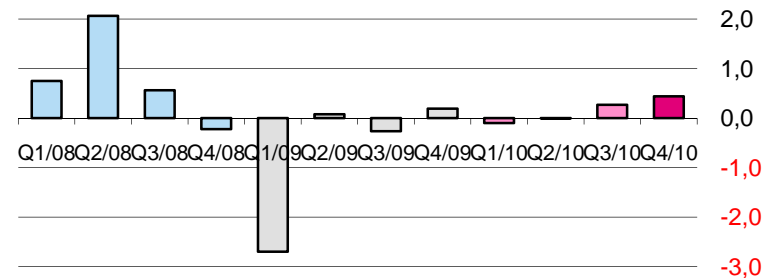


- Net sales 3.9 M€ (3.1 M€)
 - 24% growth
- Operational segment result was 0.4 M€ / 11% (0.2 M€)
- Local market not fully recovered yet, but increased activity
 - GDP stabilising after the decline in 2009
 - Activity in the public sector

Net Sales



Operational Segment Result



Segment comparison Q4/2010



Net Sales

By segment	10-12/10	10-12/09	Growth	2010	2009	Growth
Finland	13 169	12 435	6 %	46 522	45 003	3 %
Norway	8 080	5 703	42 %	25 845	20 152	28 %
Sweden	4 813	4 144	16 %	15 276	15 823	-3 %
Denmark	6 732	2 716	148 %	15 411	11 494	34 %
Baltic	3 902	3 140	24 %	13 694	12 163	13 %
Eliminations	-651	-402		-2 669	-1 628	
Total	36 046	27 737	30 %	114 078	103 006	11 %

By business line	10-12/10	10-12/09	Growth	2010	2009	Growth
Information Management Solutions	33 264	25 110	32 %	103 579	93 855	10 %
Geographic Information Services	2 917	2 720	7 %	10 950	10 168	8 %
Eliminations	-135	-93		-451	-1 016	
Group total	36 046	27 737	30 %	114 078	103 006	11 %

Result

By segment	10-12/10	Margin	10-12/09	Margin	2010	Margin	2009	Margin
Finland	1 759	13 %	1 516	12 %	5 073	11 %	5 096	11 %
Norway	1083	13 %	705	12 %	2 405	9 %	2 286	11 %
Sweden	-574	-12 %	113	3 %	-1 666	-11 %	887	6 %
Denmark	553	8 %	342	13 %	1 226	8 %	886	8 %
Baltic	437	11 %	190	6 %	595	4 %	-2 699	-22 %
Other	-336		-749		-2 367		-1 754	
Operational Segment Result	2 923	8 %	2 117	8 %	5 265	5 %	4 702	5 %
IFRS amortisation	-501		-504		-1 990		-2 081	
Goodwill Impairment	-		-		-		-6 207	
Operating profit	2 422	7 %	1 613	6 %	3 275	3 %	-3 587	-3 %

- Growth in all areas
- Excellent growth in Norway and Denmark
- Good profitability in Finland, Norway, Denmark and Baltic
- Negative result in Sweden

Income statement Q4/2010



(1 000 EUR)	10-12/10	10-12/09	2010	2009
Net sales	36 046	27 737	114 078	103 006
Other operating income	34	11	57	27
Changes in inventories of finished goods and work in progress	-18	-126	-181	-351
Materials and services	-10 311	-6 278	-25 393	-19 775
Personnel expenses	-17 868	-14 362	-64 838	-59 660
Other operating expenses	-4 635	-4 527	-17 106	-16 983
Other depreciation and amortisation	-325	-338	-1 352	-1 563
Operational segment result	2 923	2 117	5 265	4 702
IFRS3 amortisation	-501	-505	-1 990	-2 081
Goodwill impairment	-	-	-	-6 207
Operating profit/loss	2 422	1 613	3 275	-3 587
Finance costs (net)	-440	-228	-1 797	-2 684
Profit/loss before income tax	1 982	1 385	1 479	-6 271
Income tax	-634	-1 105	-546	-868
Non-controlling interest	13	-	22	-
Profit/loss for the period	1 361	280	955	-7 139
Diluted	0.07	0.01	0.05	-0.33

- Increased 3rd-party license sales had impact on sales and also on material costs
- Normal depreciation 0.3 M€
 - Capex 0.2 M€
- Acquisition related IFRS3 amortization 0.5 M€ (0.5 M€) Estimate:
 - 2.0 M€ in 2011
 - 1.9 M€ in 2012

Balance sheet



(1 000 EUR)	12/2010	12/2009
Property, plant and equipment	1 908	2 102
Goodwill	72 866	69 415
Other intangible assets	8 099	9 585
Other long-term assets	1 561	1 888
Long-term assets	84 434	82 992
Receivables and inventories	44 649	33 781
Cash and cash equivalents	13 818	19 525
Current assets	58 468	53 306
Total assets	142 901	136 298
Equity for shareholders	55 695	53 568
Non-controlling interest	380	-
Non-current liabilities	35 535	40 440
Current liabilities	51 292	42 290
Total equity and liabilities	142 901	136 298

- Main changes since 12/2009
 - Increased working capital
 - Minor Nordic currency fluctuation
 - Dividend 1.3 M€
 - Shares acquired for Affecto Management Oy
- Interest-bearing net debt 22.6 M€ (20.9 M€ 12/09)
- Gearing 40% (39%)
- Equity ratio 43% (43%)

Ownership structure – 31 January 2011



<u>Registered owners</u>	<u>%</u>
Cantell Oy	9,2 %
OP-Suomi Pienyhtiöt Fund	7,1 %
Mika Laine	6,7 %
Nordea Nordic Small Cap Fund	4,8 %
CapMan Public Market Investment SARL	4,0 %
Ilmarinen Mutual Pension	3,9 %
Taaleritehdas Arvo Markka Fund	3,3 %
State Pension Fund	2,8 %
ABN Amro Finland	2,2 %
Storebrand Bank ASA	2,1 %
Other shareholders	50,2 %
Affecto Management Oy	3,8 %
Treasury shares	0,0 %
<hr/>	
Total	100,0 %

- 21.5 million shares in total

Flaggings in 2011

- Capman Public Market decreased below 5% in January
- OP-Rahastoyhtiö exceeded 5% in January

- Affecto Management Oy owns 3.8% of shares
- No treasury shares

Note: Based on previous flagging announcements, Arendals Fossekompagni ASA has over 5%, but shares are in nominee register

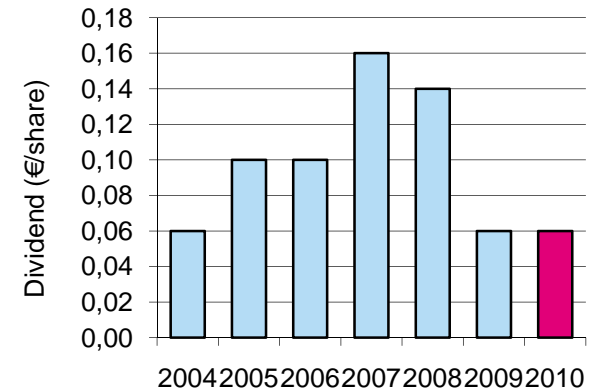


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Annual General Meeting - 31 March 2011



- Dividend proposal 0.06 eur/share
 - Last year 0.06 eur/share
- Proposal for board members: six board members
 - Current members to continue: Aaro Cantell, Heikki Lehmusto, Jukka Ruuska, Haakon Skaarer
 - New members: Tuija Soanjärvi, Lars Wahlström
- Other issues
 - Same authorizations as last year
 - Creating a Nominations committee for board member selection





Outlook

Market environment

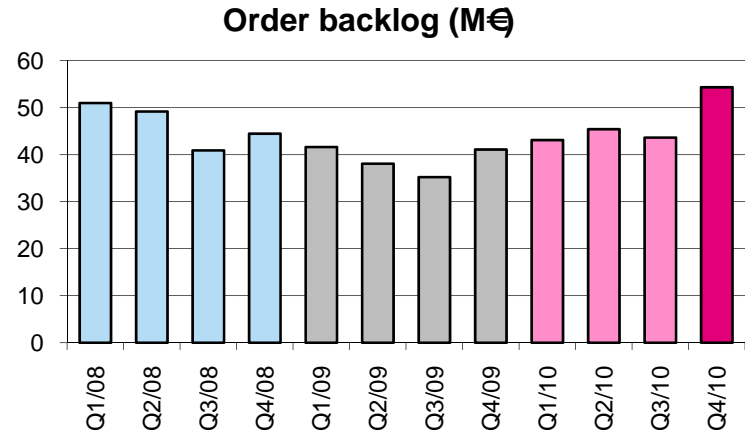


- Nordic: small growth in general IT services in 2011
 - BI and ECM forecast to grow more rapidly (6-8%)
 - Market returning toward normal conditions
- Baltic: growth in 2011?
 - Customer activity has increased, although the market has not yet fully recovered
 - GDP forecasts: growth in 2011
 - Importance of EU as the financier of the investment
 - Price competition in the local market

Outlook



- Order backlog 54 M€
 - Strong increase in Q4/2010
 - New record level



- In 2011 the main focus is on profit improvement. Operating profit is estimated to at least double compared to year 2010. The net sales are estimated to grow at least by 10% in year 2011.

Affecto's largest customers in 2010



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

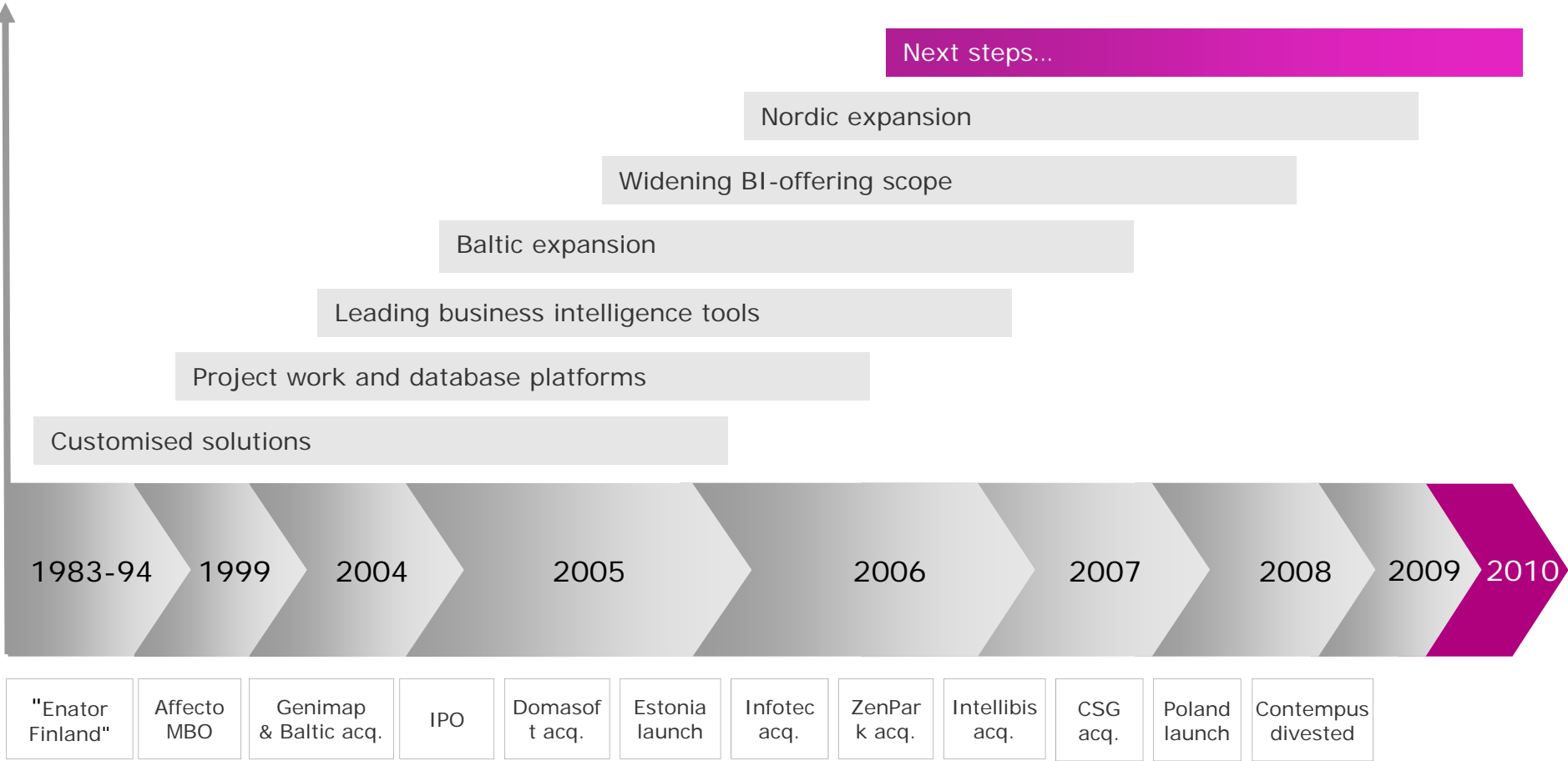
- Affecto is the best investment for its stakeholders
 - Employees: best added value for her/his competence and market value
 - Customers: first-class solutions and services, based on deep understanding of the customer needs
 - Investors: solid shareholder value creation

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

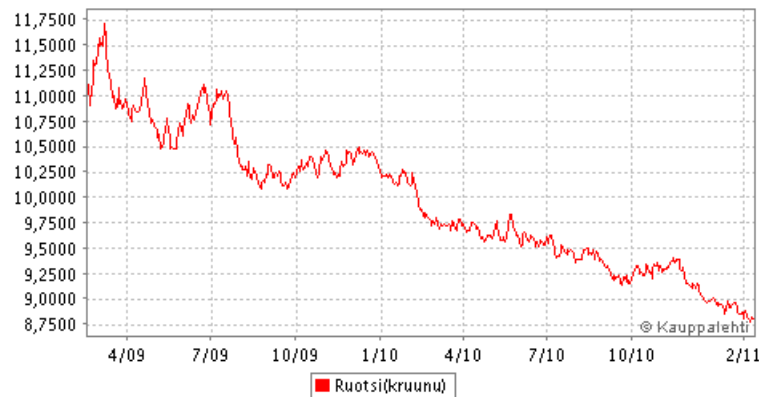
- Personal development
- Inspiring leadership
- Competitive incentive system

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

