



Interim Report 1-6/2011

2 August 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.

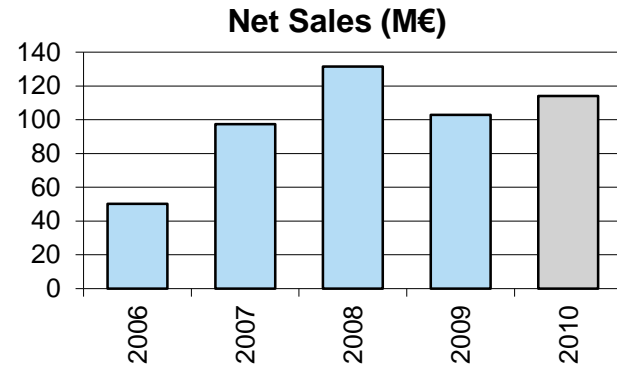
Words such as 'forecasts', 'estimates', 'expects', 'plans', and variations of these words and similar expressions are intended to identify forward-looking statements, which include, but are not limited to, Affecto's performance and profitability, market growth and industry developments.

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.

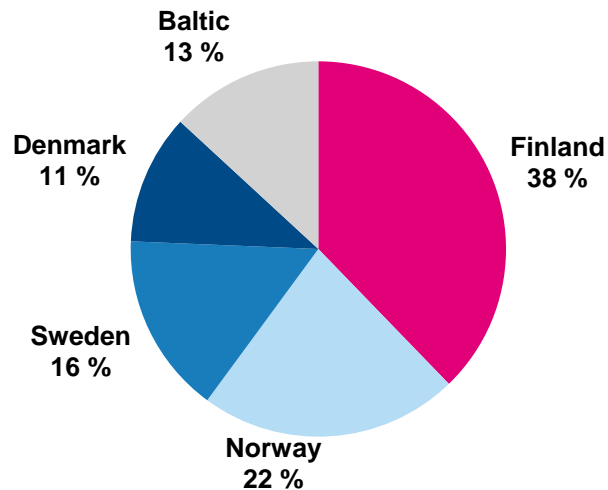
Leading BI solution provider in Nordic



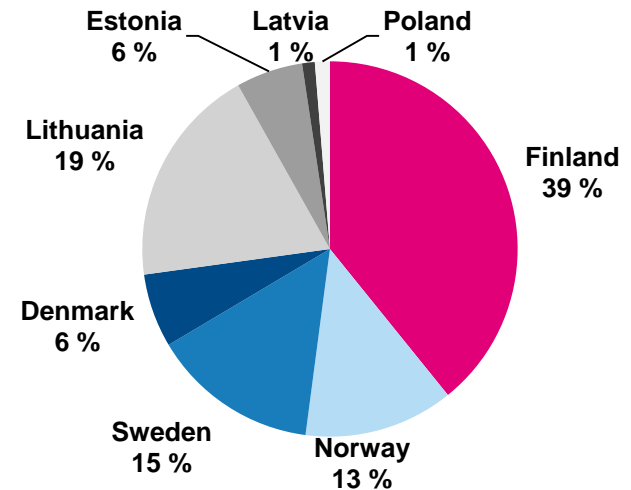
- Net sales: 114 M€ in 2010
- Approx. 1000 employees



Sales per region – 1-6/2011



Personnel by country (Q2/2011)



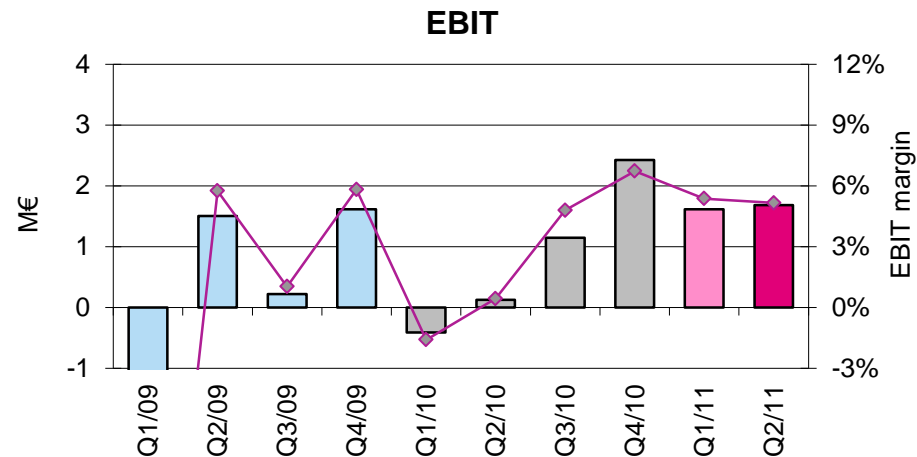
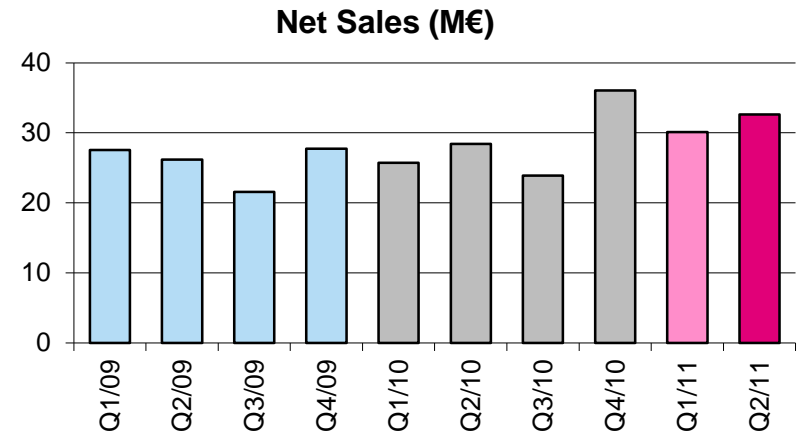
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Overview to Q2/2011



- Net sales 32.6 M€ (28.4 M€)
 - Normal business conditions
 - Easter in April
 - Reported growth 15%, growth in all areas:
 - 27% growth in Baltic
 - 25% growth in Sweden
 - Estimated market growth 6-8%

- EBIT 1.7 M€ (0.1 M€)
 - Profitability has clearly improved in all other areas except Sweden



Geographical segments & business areas



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

Segment comparison Q2/2011



Net Sales

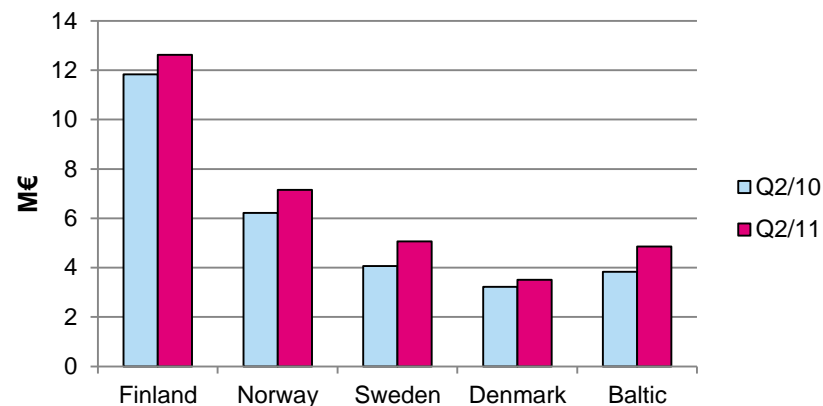
By segment	4-6/11	4-6/10	Growth	2010
Finland	12 622	11 840	7 %	46 522
Norway	7 146	6 217	15 %	25 845
Sweden	5 069	4 069	25 %	15 276
Denmark	3 502	3 217	9 %	15 411
Baltic	4 851	3 833	27 %	13 694
Other	-581	-753		-2 669
Total	32 608	28 423	15 %	114 078

By business line	4-6/11	4-6/10	Growth	2010
Information Management Solutions	29 920	25 578	17 %	103 579
Geographic Information Services	2 926	2 967	-1 %	10 950
Other	-238	-122		-451
Group total	32 608	28 423	15 %	114 078

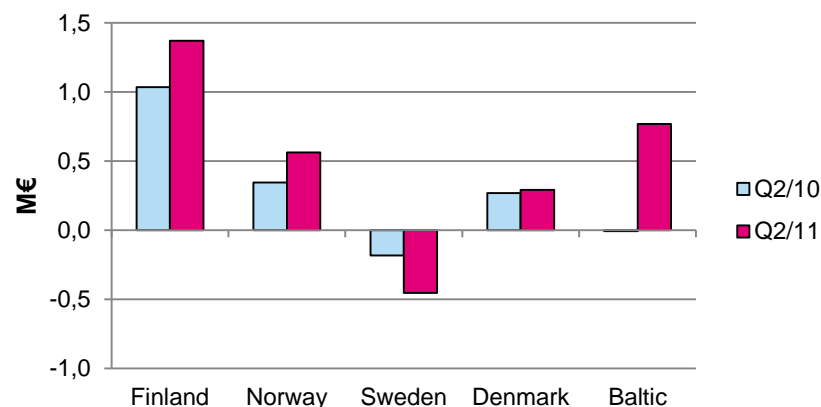
Result

By segment	4-6/11	Margin	4-6/10	Margin	2010	Margin
Finland	1 370	11 %	1 035	9 %	5 073	11 %
Norway	561	8 %	344	6 %	2 405	9 %
Sweden	-454	-9 %	-183	-4 %	-1 666	-11 %
Denmark	290	8 %	268	8 %	1 226	8 %
Baltic	768	16 %	-8	0 %	595	4 %
Other	-350		-836		-2 367	
Operational Segment Result	2 186	7 %	620	2 %	5 265	5 %
IFRS amortisation	-505		-499		-1 990	
Operating profit	1 681	5 %	-122	0 %	3 275	3 %

Net Sales



Operational Segment Result



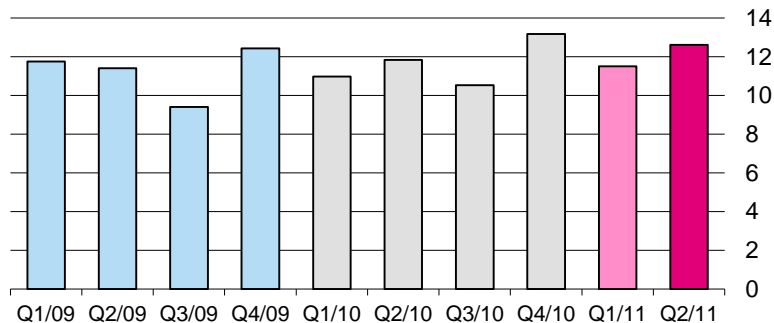
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Business areas - Finland

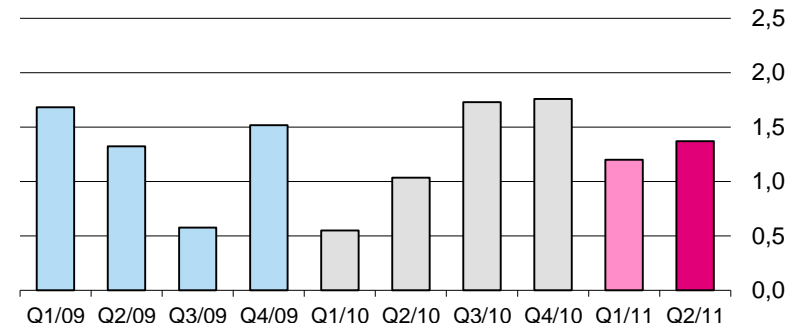


- Net sales 12.6 M€ (11.8 M€)
 - 7% growth
- Operational segment result Q2: 1.4 M€ / 11% (1.0 M€ / 9%)
- Operational segment result H1: 2.6 M€ / 11% (1.6 M€ / 7%)
- Mostly stable demand in the market

Net Sales



Operational Segment Result

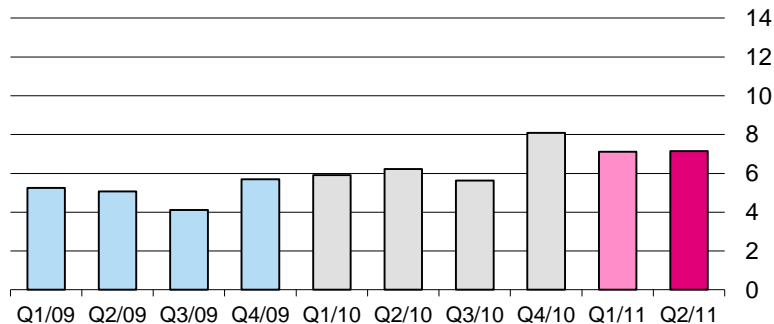


Business areas - Norway

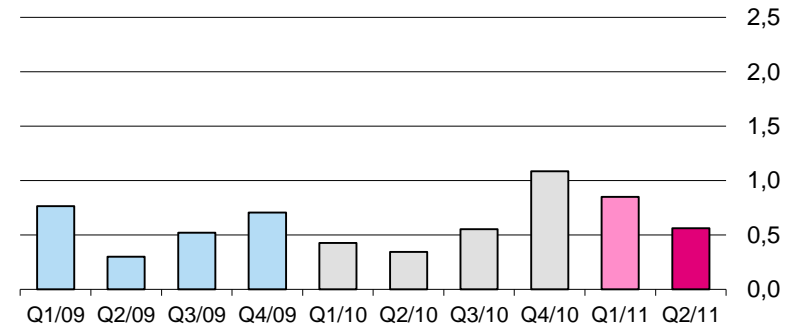


- Net sales 7.1 M€ (6.2 M€)
 - 15% growth
- Operational segment result Q2: 0.6 M€ / 8% (0.3 M€ / 6%)
- Operational segment result H1: 1.4 M€ / 10% (0.8 M€ / 6%)
- Good market conditions

Net Sales



Operational Segment Result

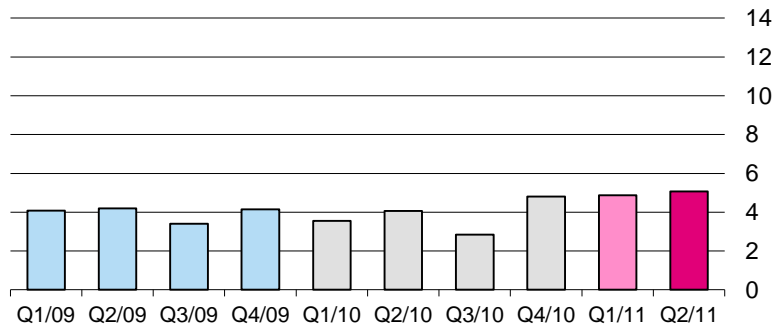


Business areas - Sweden

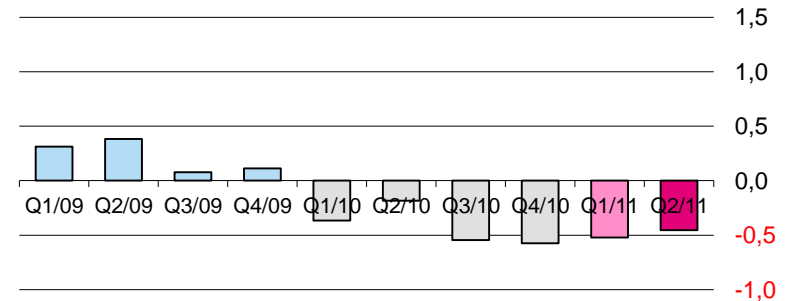


- Net sales 5.1 M€ (4.1 M€)
 - Continuing growth: 25%
- Negative operational segment result -0.5 M€ / -9% (-0.2 M€ / -4%)
- Organisation being forward-lookingly built
 - Targeting a substantial growth in 2011, number of employees rising
 - Return to profitability before year-end

Net Sales



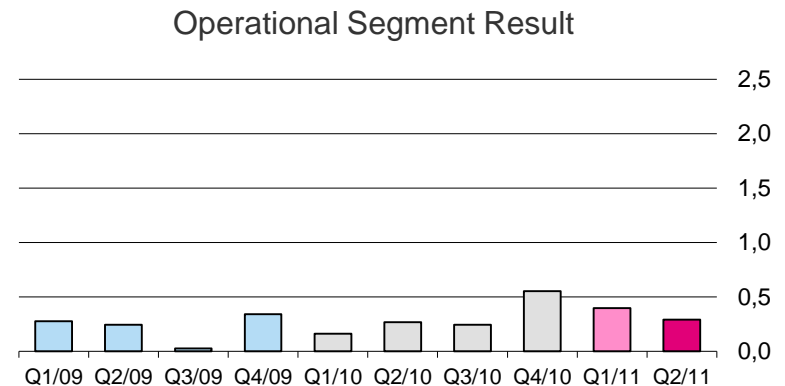
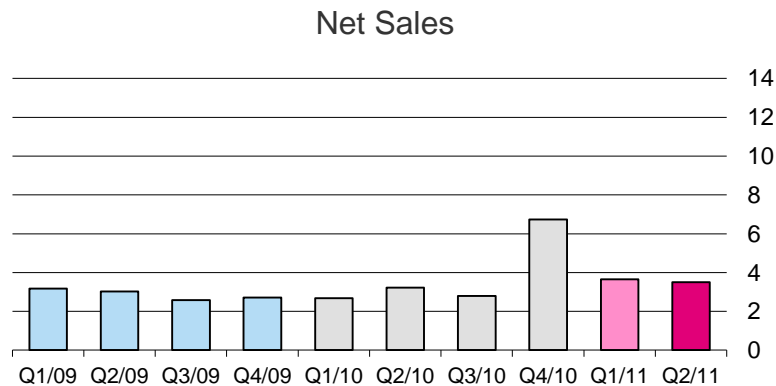
Operational Segment Result



Business areas - Denmark



- Net sales 3.5 M€ (3.2 M€)
 - 9% growth
- Operational segment result Q2: 0.3 M€ / 8% (0.3 M€ / 8%)
- Operational segment result H1: 0.7 M€ / 10% (0.4 M€ / 7%)
- Normal market conditions



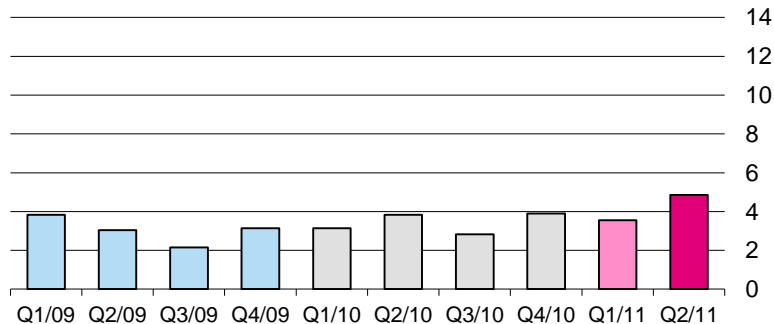
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Business areas - Baltic

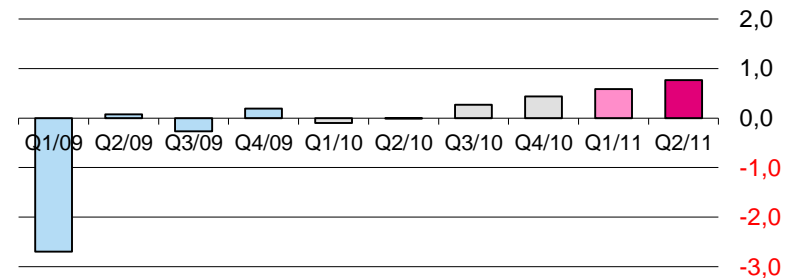


- Net sales 4.9 M€ (3.8 M€)
 - 27% growth
- Operational segment result Q2: 0.8 M€ / 16% (-0.0 M€ / 0%)
- Operational segment result H1: 1.4 M€ / 16% (-0.1 M€ / -2%)
- Increased activity in the local market, but not yet fully recovered
 - Price competition

Net Sales



Operational Segment Result



Income statement Q2/2011



(1 000 EUR)	4-6/11	4-6/10	1-6/11	1-6/10	2010
Net sales	32 608	28 423	62 730	54 155	114 078
Other operating income	49	-	86	14	57
Changes in inventories of finished goods and work in progress	11	-98	40	-47	-181
Materials and services	-7 209	-5 978	-12 773	-10 462	-25 393
Personnel expenses	-18 625	-16 946	-36 437	-33 696	-64 838
Other operating expenses	-4 301	-4 440	-8 637	-8 570	-17 106
Other depreciation and amortisation	-348	-341	-695	-694	-1 352
Operational segment result	2 186	620	4 314	700	5 265
IFRS3 amortisation	-505	-499	-1 018	-990	-1 990
Operating profit/loss	1 681	122	3 296	-290	3 275
Finance costs (net)	-443	-398	-585	-1 062	-1 797
Profit/loss before income tax	1 238	-276	2 711	-1 352	1 479
Income tax	-407	161	-706	295	-546
Non-controlling interest	-24	-	-11	1	22
Profit/loss for the period	808	-114	1 994	-1 056	955
Diluted EPS	0,04	-0,01	0,10	-0,05	0,05

- 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
 - 2.0 M€ in 2012
- Finance costs affected by fair value of interest-rate swap. Impact
 - +0.2 M€ in Q1/11
 - +0.0 M€ in Q2/11

Balance sheet



(1 000 EUR)	6/2011	6/2010	12/2010
Property, plant and equipment	2 045	2 016	1 908
Goodwill	72 406	71 340	72 866
Other intangible assets	6 910	8 931	8 099
Other long-term assets	1 499	2 129	1 561
Long-term assets	82 861	84 416	84 434
Receivables and inventories	38 093	32 773	44 649
Cash and cash equivalents	14 356	14 021	13 818
Current assets	52 448	46 794	58 468
Total assets	135 309	131 210	142 901
Equity for shareholders	55 987	53 439	55 695
Non-controlling interest	391	204	380
Non-current liabilities	35 014	39 086	35 535
Current liabilities	43 917	38 481	51 292
Total equity and liabilities	135 309	131 210	142 901

- Main changes since 12/2010
 - Dividend 1.3 M€
- Interest-bearing net debt 22.1 M€ (22.6 M€ 12/10)
- Gearing 39% (40%)
- Equity ratio 45% (43%)
- Bank loan refinanced, loan agreement until 2016

Ownership structure – 31 July 2011



<u>Registered owners</u>	<u>%</u>
Cantell Oy	9,2 %
OP-Suomi Pienyhtiöt Fund	7,8 %
Mika Laine	6,7 %
Taaleritehdas Arvo Markka Fund	4,2 %
Ilmarinen Mutual Pension	3,9 %
Säästöpankki Kotimaa Fund	3,0 %
Evli Suomi Fund	2,9 %
State Pension Fund	2,8 %
SEB Gyllenberg Small Firm Fund	2,4 %
Alfred Berg Finland Fund	2,4 %
Other shareholders	50,8 %
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
 - Nordea Rahastoyhtiö Suomi exceeded 5% in February
 - Nordea Rahastoyhtiö Suomi decreased below 5% in April
-
- Affecto Management Oy owns 3.8% of shares

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



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Outlook

Market environment

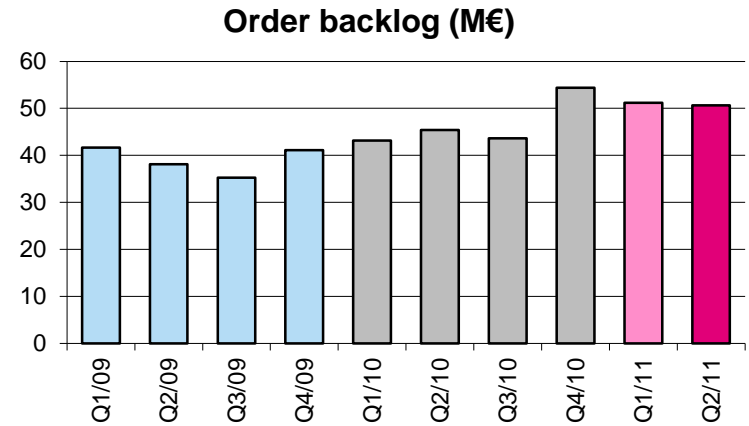


- No material changes compared to Q1/2011
- Nordic: small growth in general IT services in 2011
 - BI and ECM forecast to grow more rapidly (6-8%)
 - Normal market conditions
- Baltic: growth in 2011
 - GDP forecasts: growth in 2011
 - Customer activity has increased, but the market has not yet fully recovered
 - Price competition in the local market
 - Importance of EU as the financier of the investments

Outlook



- Order backlog 51 M€
 - 12% y-on-y increase



- 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.
 - Summer holidays in Q3

Affecto's largest customers in 2010



Vision, mission and customer promise



Vision

The leading North European Enterprise Information Management company in size, revenue, margin, customer and employee satisfaction

Mission

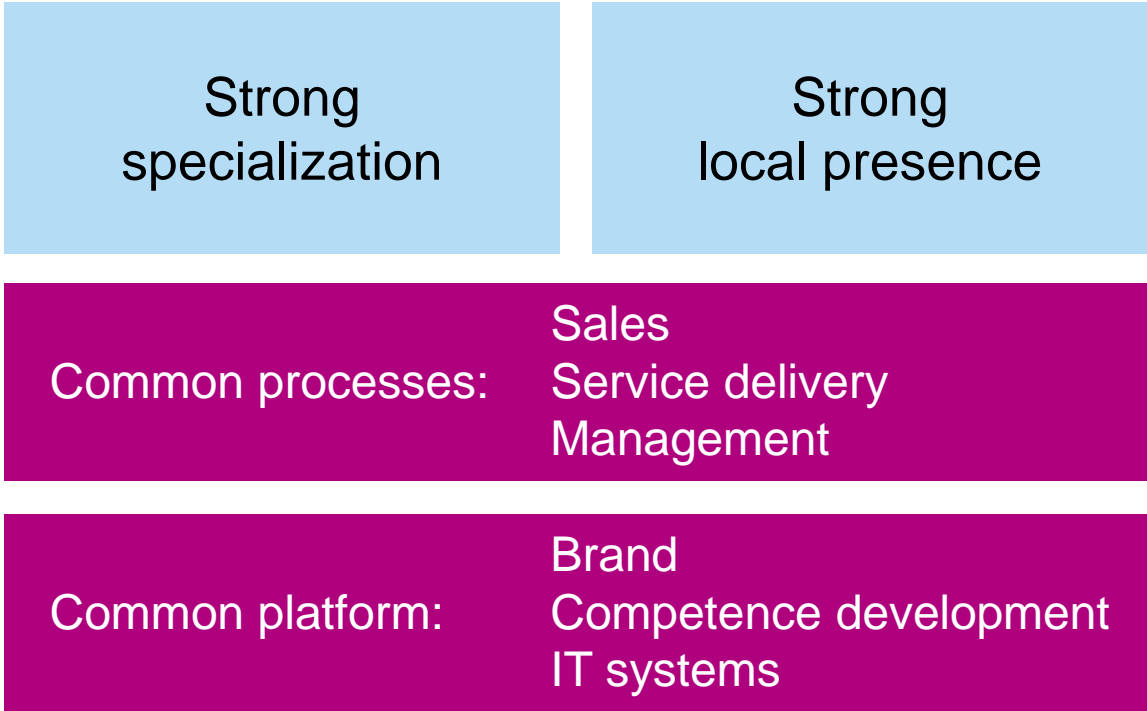
We fight for the right that every person should have the information that makes his/her work effective and inspiring

Customer promise

We improve our customers' productivity and competitiveness by superior use of information

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Cornerstones of our operations



Financial targets: Profitable growth



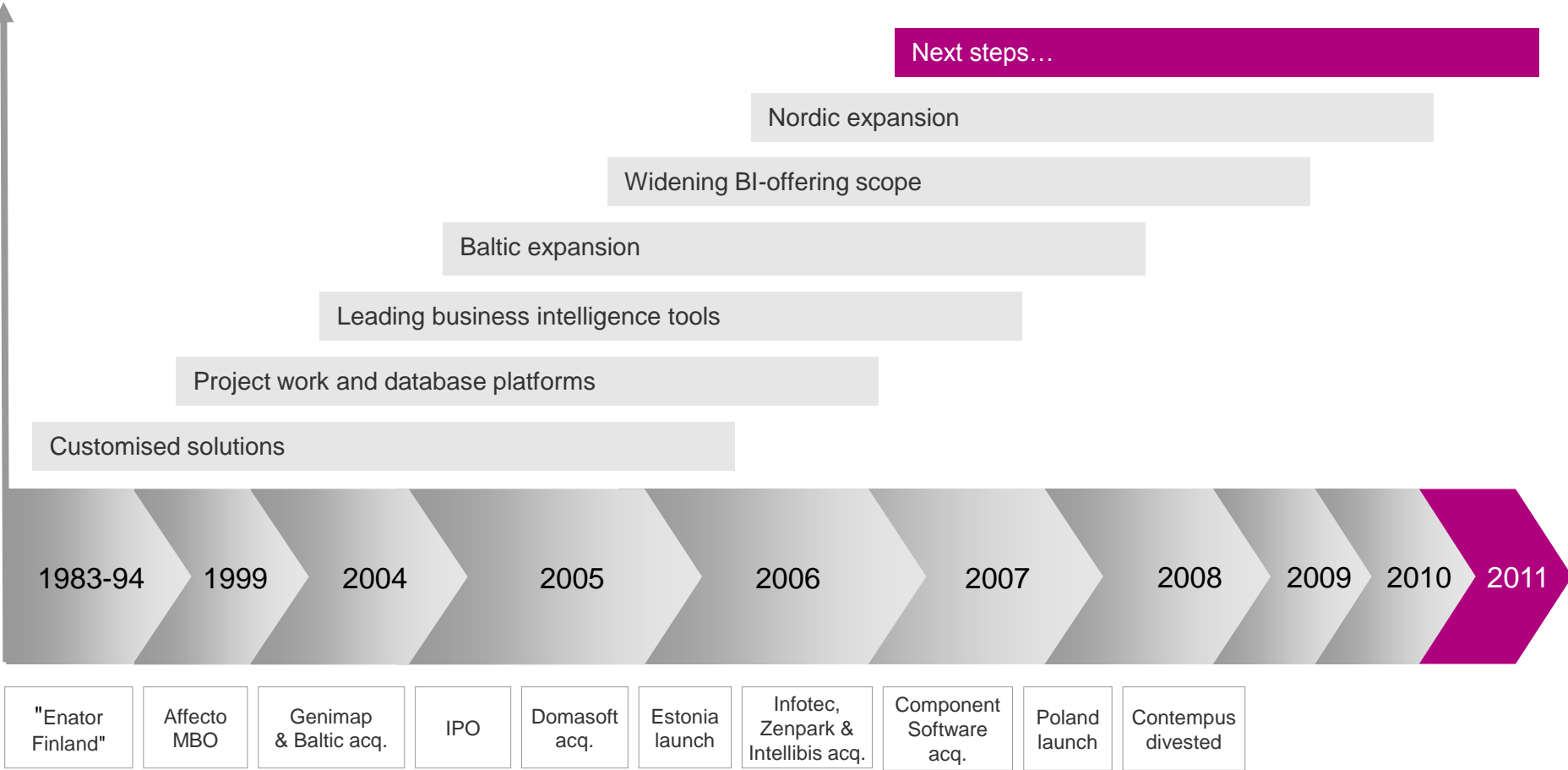
Long-term financial targets

- Organic revenue growth to clearly exceed the market growth, which is estimated to be 6-8 % per year in the relevant markets
- Profitability: one of the highest in our segment, the listed Nordic IT service companies

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

Overview to Affecto's history

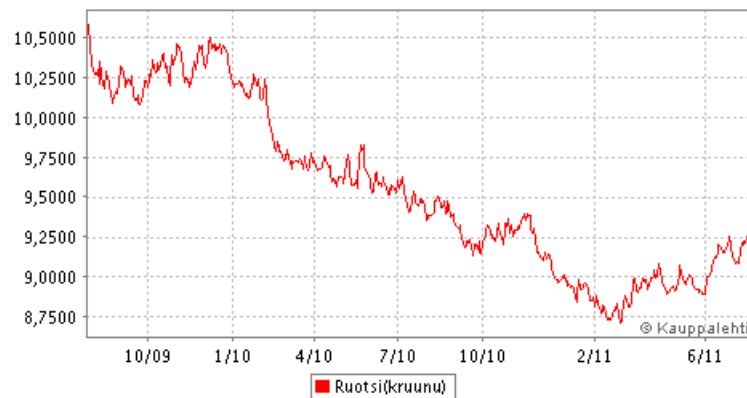


Nordic currencies



- 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 items (forex losses/profits)

SEK/EUR



NOK/EUR

