

Interim Report 1-6/2009

4 August 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.

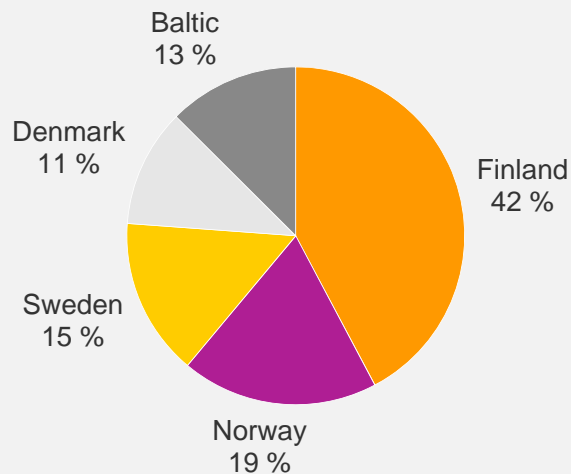
Words such as 'forecasts', 'estimates', 'expects', 'plans', and variations of these words and similar expressions are intended to identify forward-looking statements, which include, but are not limited to, Affecto's performance and profitability, market growth and industry developments.

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.

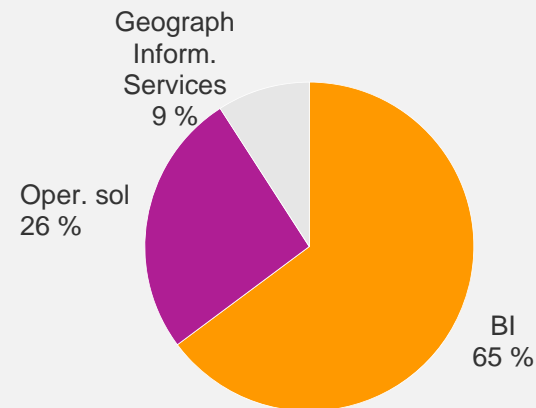
Leading BI solution provider in Nordic

- Net sales: 132 M€ in 2008
- Approx. 940 employees

Sales per region – 1-6/09

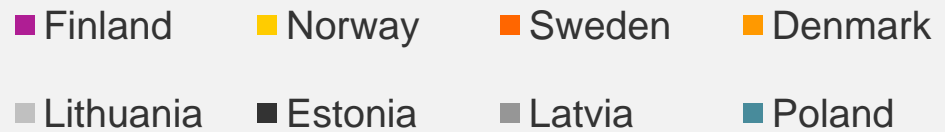
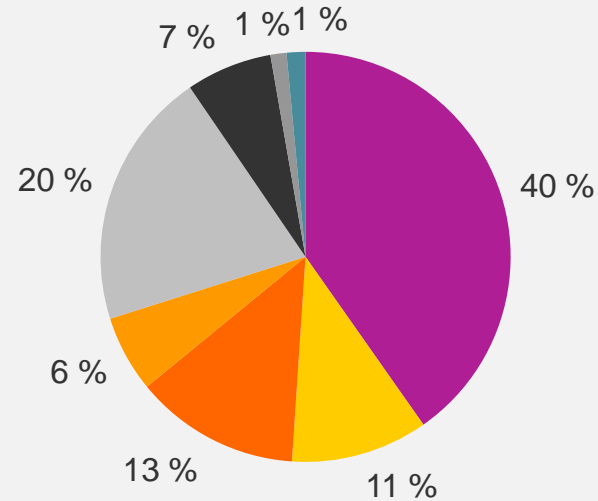


Sales per business – 1-6/09



Resources

Personnel by country (Q2/09)

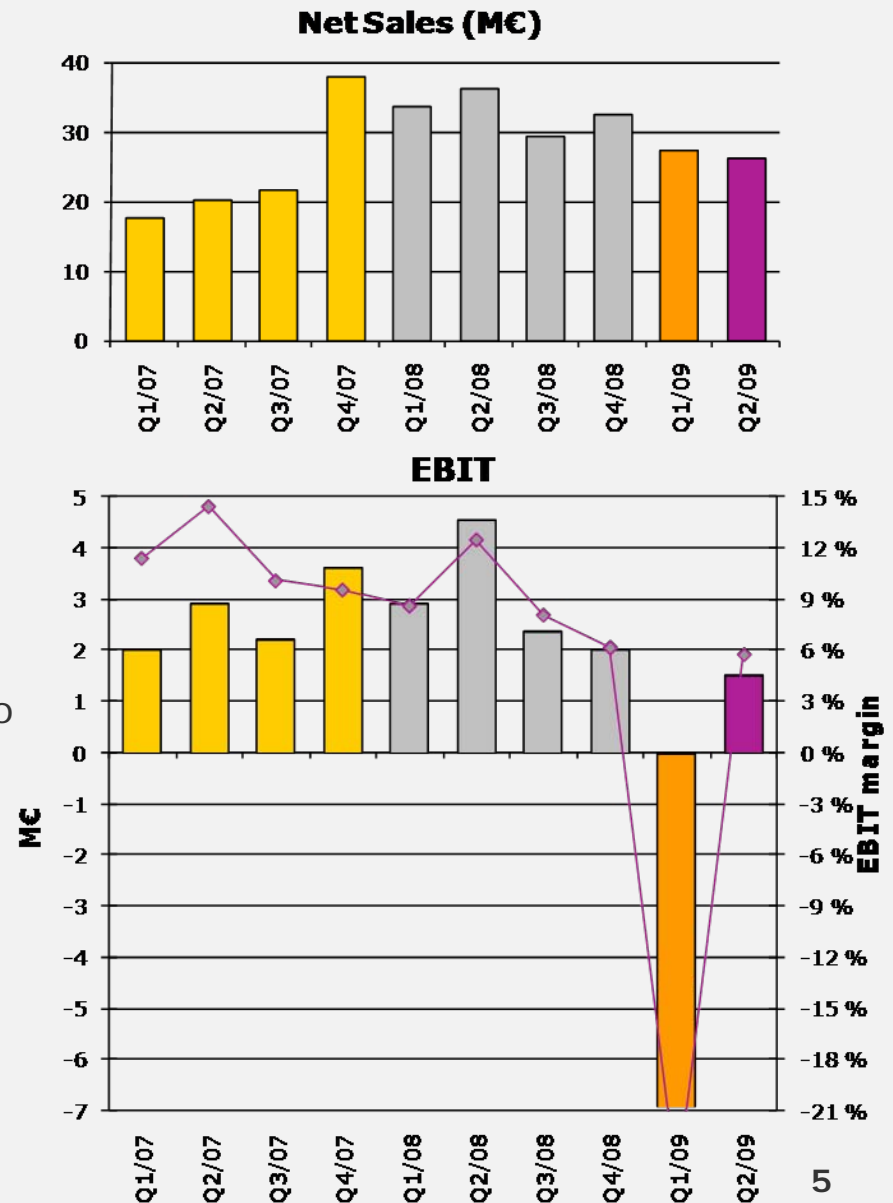


- 944 employees
 - 380 in Finland
 - 280 in Baltic countries
 - 280 in Scandinavia

Overview to Q2/2009

- Net sales 26.2 M€ (36.2 M€)
 - Economy continued to weaken
 - Easter holidays in Q2
 - Reported growth -28%
 - Organic growth -22%
 - With constant currencies -19%
 - Baltic and Sweden weak

- EBIT 1.5 M€ (4.5 M€)
 - Baltic restructuring completed
 - Restructuring costs estimated to be 1.4 M€ (+0.3 M€ effect in Q2)
 - Good operational segment profit in Finland (12%) and reasonably good in Norway, Sweden and Denmark
 - Baltic returning to profit by the end of the quarter



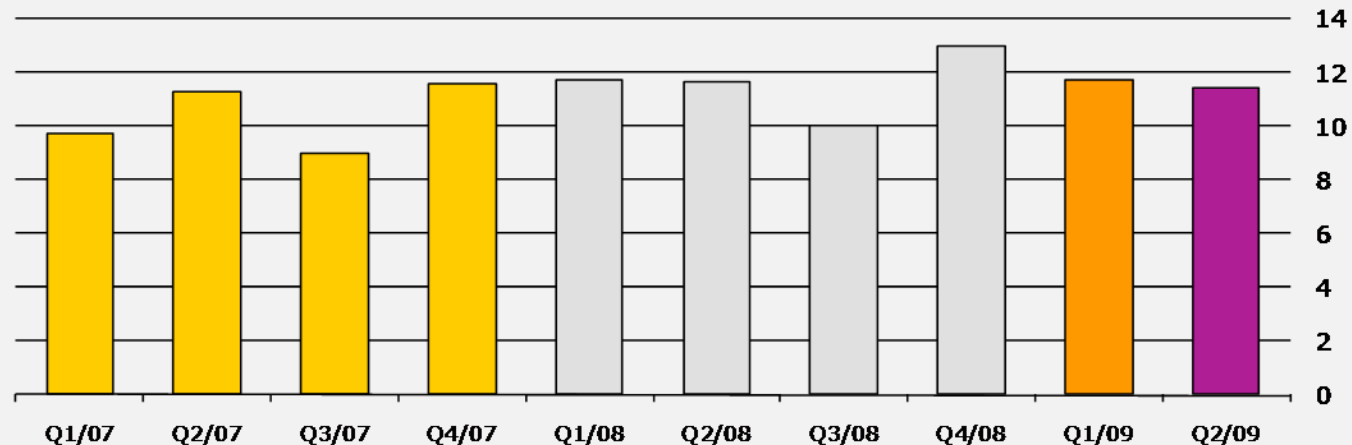
Geographical segments & business areas



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

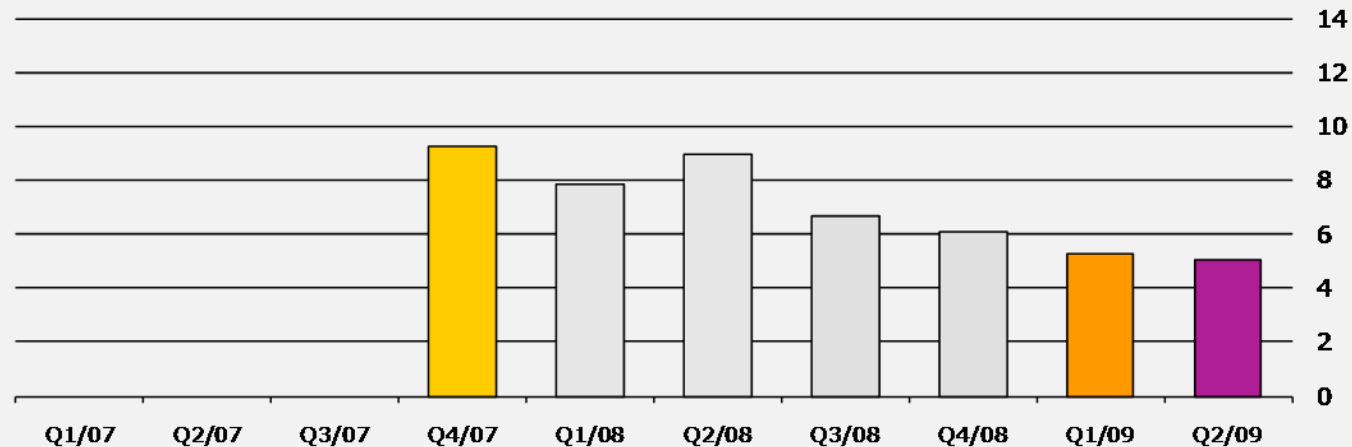
Business areas - Finland

- Net sales 11.4 M€ (11.7 M€)
 - Solid quarter, growth in BI and Operational solutions, but decrease in Geographic Information Services
- Operational segment profit 1.3 M€ (1.4 M€)
 - Good operational segment result margin 12%
- So far only moderate effects from economic weakness
 - 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



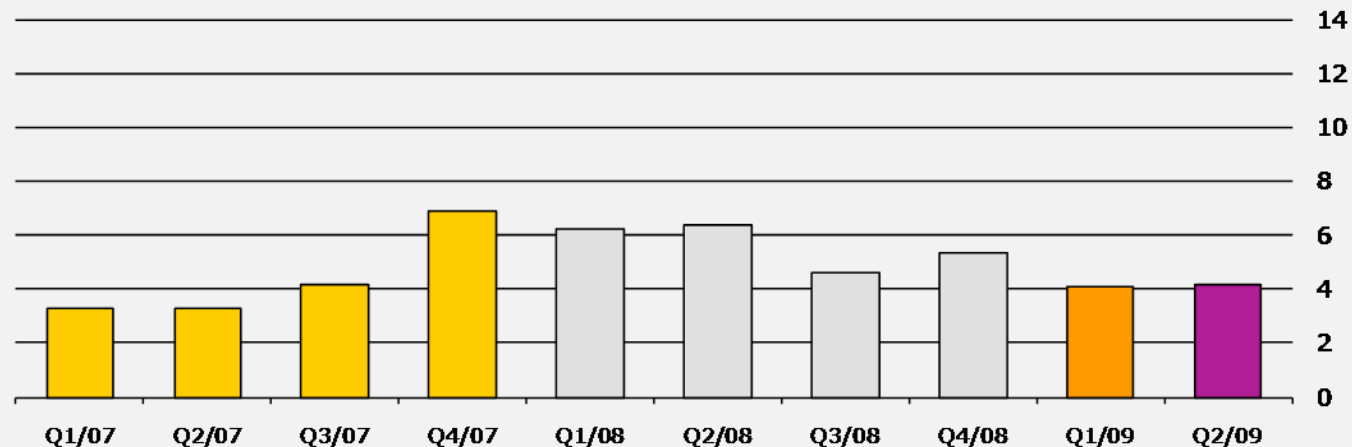
Business areas - Norway

- Net sales approx. 5.1 M€ (9.0 M€)
 - Contempus divestment and NOK devaluation mainly responsible for decrease
 - BI business with constant currencies -11% in Q2
- Ok demand for consultancy services
- Reasonable operational segment result: 0.3 M€ / 6% (1.0 M€)



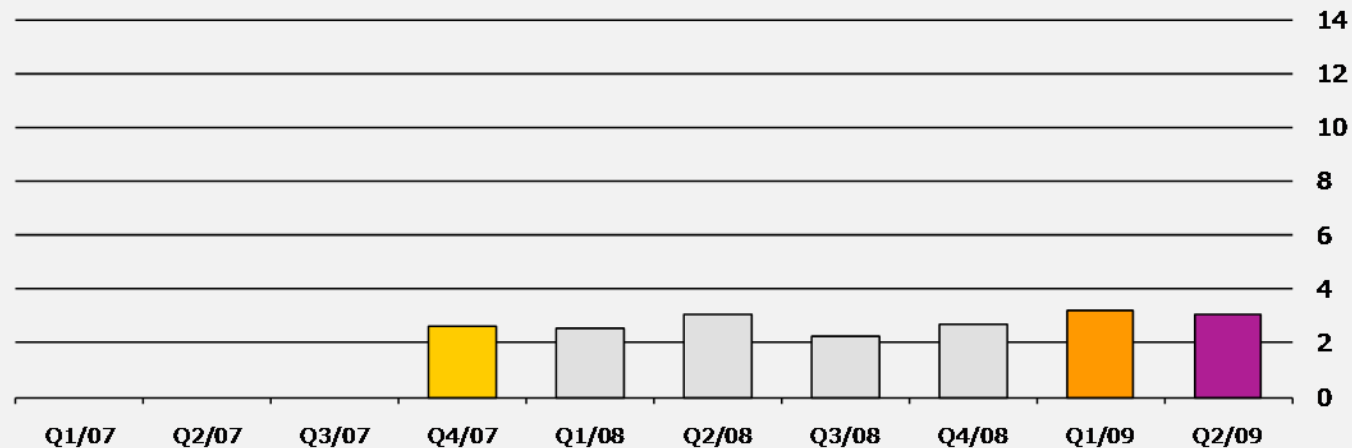
Business areas - Sweden

- Sales decreased to approx. 4.2 M€ (6.4 M€)
 - Economic weakness
 - Currency impact: growth in EUR -34%, in SEKs only -26%
 - Number of employees decreased in 2008
 - Utilization rate has remained moderately good
- Operational segment result 0.4 M€ / 9% (1.1 M€)



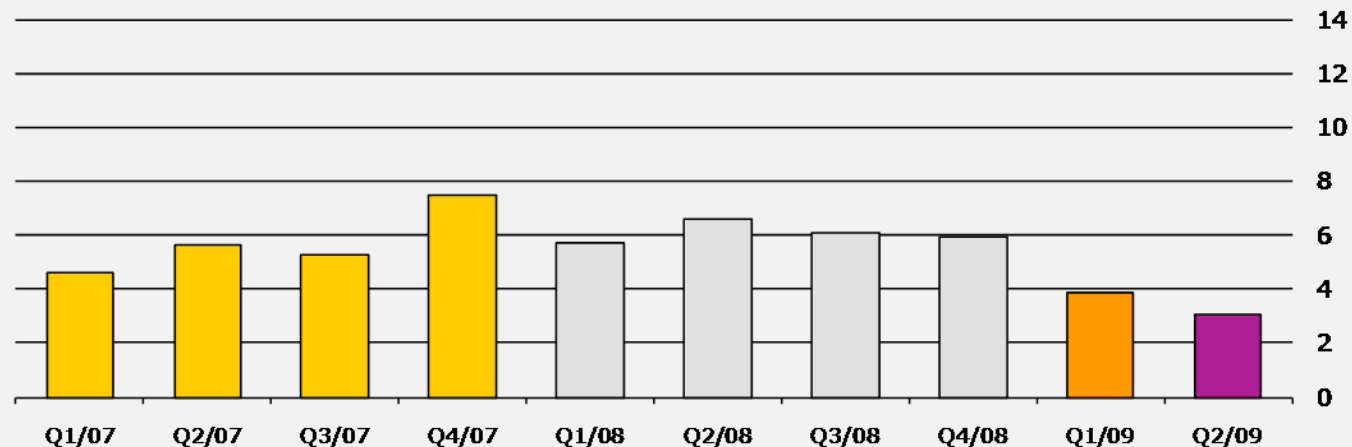
Business areas - Denmark

- Net sales approx. 3.0 M€ (3.1 M€)
 - Normal quarter
- Slower decision making
- Operational segment result 0.2 M€ / 8% (0.4 M€)



Business areas - Baltic

- Net sales 3.0 M€ (6.6 M€)
- Strongly decreasing GDP, public sector with financial problems
 - Government expenditure cuts affecting also IT investments
 - Some delays/cancellations
- Operational segment result was 0.1 M€ (2.1 M€)
 - Estimated restructuring costs 1.4 M€ → +0.3 impact in Q2
 - Business should be profitable if the national economies in Baltic continue at current levels



Baltic - Restructuring actions

- Announcement in April:
 - Goal to decrease personnel (400) by approx. 130 persons
 - Approx. 1/3 of headcount at 31.3.2009
 - Estimated costs have been booked into Q1/2009 result
 - Restructuring costs will be approx. 1.7 million EUR
 - In addition, the book value of the Baltic business will be written down by 6.2 million EUR
- Restructuring process mainly completed
 - Currently approx. 280 employees
 - Part of the business to be terminated in Latvia was sold to Tieto in June
 - Current estimate for restructuring costs 1.4 M€
 - +0.3 impact in Q2

Segment comparison Q2/2009

Net Sales				
By segment	4-6/09	4-6/08	Growth	2008
Finland	11 411	11 662	-2 %	46 432
Norway	5 075	8 983	-44 %	29 597
Sweden	4 198	6 407	-34 %	22 573
Denmark	3 028	3 093	-2 %	10 564
Baltic	3 038	6 561	-54 %	24 289
Eliminations	-576	-520		-1 890
Total	26 174	36 187	-28 %	131 565
By business line	4-6/09	4-6/08	Growth	2008
BI	17 274	21 219	-19 %	77 584
Operational Sol	6 289	12 359	-49 %	44 613
Geographic Inf.Serv	2 626	3 224	-19 %	11 774
Eliminations	-14	-615		-2 406
Total	26 174	36 187	-28 %	131 565

Result						
By segment	4-6/09	Margin	4-6/08	Margin	2008	Margin
Finland	1 323	12 %	1 421	12 %	6 886	15 %
Norway	298	6 %	964	11 %	2 877	10 %
Sweden	384	9 %	1 054	16 %	2 890	13 %
Denmark	243	8 %	403	13 %	1 157	11 %
Baltic	76	3 %	2 064	31 %	3 151	13 %
Unallocated	-291		-654		-2 500	
Operational Segment Result	2 031	8 %	5 252	15 %	14 461	11 %
IFRS amortisation	-527		-721		-2 653	
Goodwill Impairment	-		-		-	
Operating profit	1 504	6 %	4 532	13 %	11 808	9 %

- Flat sales in Finland and Denmark, decrease in other areas
- Weak Baltic
- Sweden and Norway hurt by strong currency devaluation
- Good/reasonable operational segment result margin in most countries
- Baltic returned to profit by the end of quarter

Affecto

Income statement Q2/2009

(1 000 EUR)	4-6/09	4-6/08	1-6/09	1-6/08	2008
Net sales	26 174	36 187	53 700	69 785	131 565
Other operating income	10	640	15	843	902
Changes in inventories of finished goods and work in progress	-81	2	-89	68	-287
Materials and services	-4 657	-6 572	-9 389	-12 593	-25 317
Personnel expenses	-14 940	-18 778	-32 582	-37 414	-69 818
Other operating expenses	-4 093	-5 786	-9 055	-10 957	-20 962
Other depreciation, amortization and impairment charges	-382	-440	-768	-854	-1 620
Operational segment result	2 031	5 252	1 830	8 878	14 461
IFRS3 amortization	-527	-721	-1 044	-1 439	-2 653
Goodwill writedown	-	-	-6 208	-	-
Operating profit	1 504	4 532	-5 421	7 439	11 808
Finance costs (net)	-285	42	-2 005	-826	-1 341
Result before income tax	1 219	4 574	-7 425	6 614	10 467
Income tax	-374	-1 190	-257	-1 720	-1 963
Minority interest	0	0	0	0	0
Result for the period for equity holders of the company	845	3 384	-7 168	4 894	8 503
EPS (eur/share)	0.04	0.16	-0.33	0.23	0.40

- Normal depreciation 0.4 M€ in Q2
 - 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 2009
- Q1 also includes 0.9 M€ currency loss due to intra-group loans

Balance sheet

(1 000 EUR)	6/2009	6/2008	12/2008
Property, plant and equipment	2 503	2 268	2 715
Goodwill	67 413	83 734	72 614
Other intangible assets	10 269	16 779	11 093
Other long-term assets	2 492	2 976	2 325
	82 677	105 757	88 747
Current assets	30 513	37 322	33 815
Restricted cash and cash equivalents	325	582	518
Cash and cash equivalents	16 660	11 018	23 554
	47 499	48 922	57 886
Total assets	130 176	154 679	146 633
Equity for shareholders	50 822	64 066	58 625
Minority interest	-	-	-
Non-current liabilities	42 997	47 919	45 330
Current liabilities	36 358	42 694	42 677
Total equity and liabilities	130 176	154 679	146 633

- Main changes since 12/2008
 - Baltic goodwill writedown
 - Nordic currency fluctuation
 - Dividend 3.0 M€ in Q2
- Interest-bearing net debt 25.8 M€ (20.4 M€ 12/08)
- Gearing 51% (35%)
- Equity ratio 42% (43%)

Ownership structure - 30 June 2009

Owner	%
Cantell Oy	5,7 %
Case Asset Management *	5,7 %
Mika Laine	5,6 %
Arendals Fossekompani ASA	5,5 %
Nordea Nordic Small Cap Fund	4,7 %
Ilmarinen Mutual Pension	3,9 %
Eläke-Fennia Mutual Pension	2,8 %
State Pension Fund	2,8 %
Danske Suomi Kasvuosake Fund	2,6 %
Alfred Berg Mutual Funds	2,3 %
Other shareholders	58,3 %
Treasury shares	0,2 %
Total	100,0 %
*) Based on flagging announcement (Sep '08)	

- 21.5 million shares in total

Flaggings in 2009

Flaggings in 2008

- Case Asset Management exceeded 5%
- Arendals Fossekompani ASA exceeded 5%
 - Technical flagging due to subsidiary mergers, no actual change

Outlook

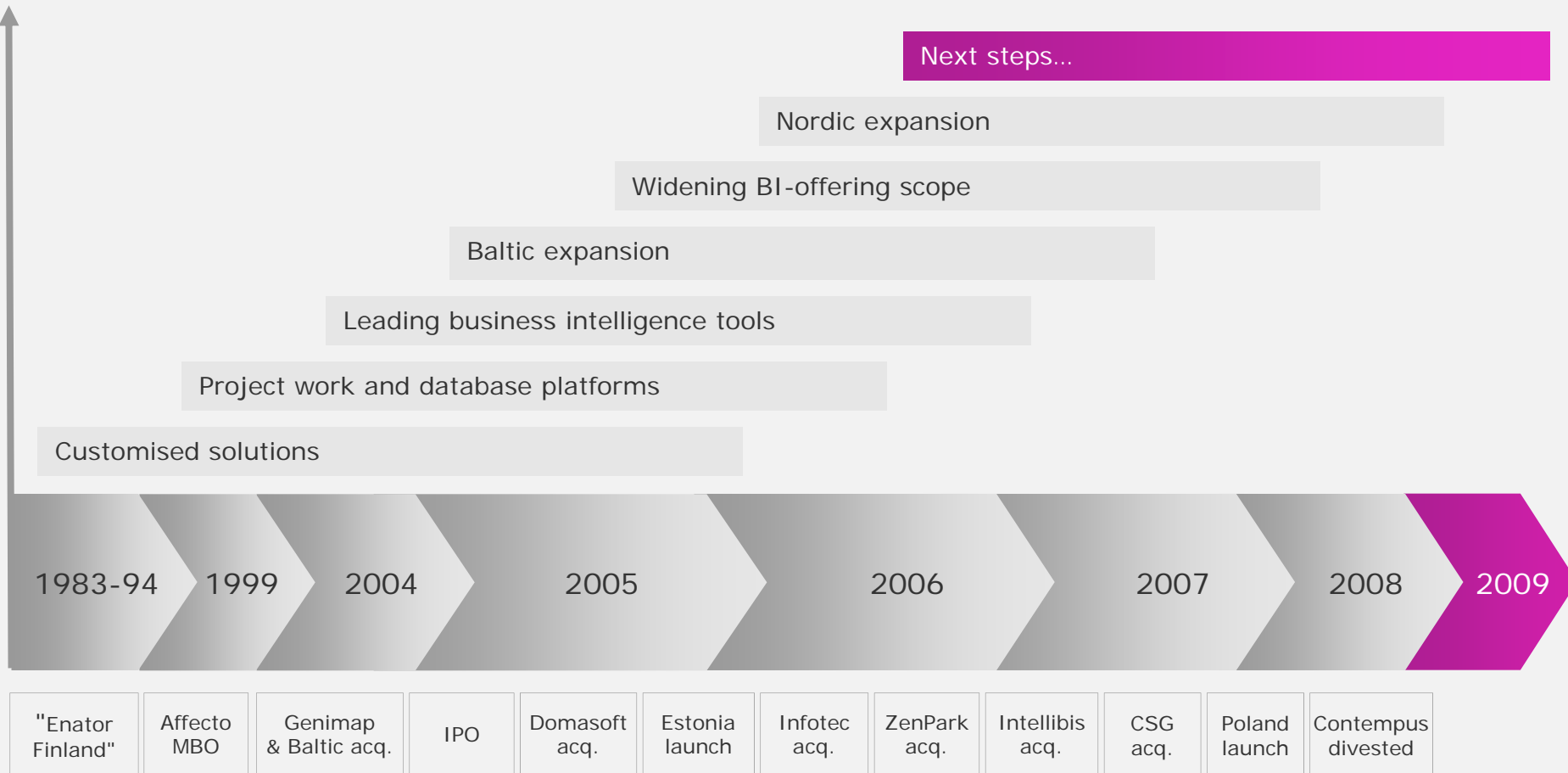
Vision 2011

- 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

Market environment

- So far rather limited 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: any growth in general IT services???
 - Demand for BI solutions are forecast to grow more rapidly, as BI helps customers in their search for better corporate performance
- Baltic: GDP crashing down
 - GDP is decreasing rapidly (15-20% annual rate)
 - Inflation has decreased as the economy has cooled down
 - Public sector cutting back IT investment budgets
 - Financial sector weakness having negative impact

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
- Direct impact to revenue and profit in EUR terms
 - In addition, effects on goodwill and on intra-group loans (forex losses/profits)

SEK/EUR

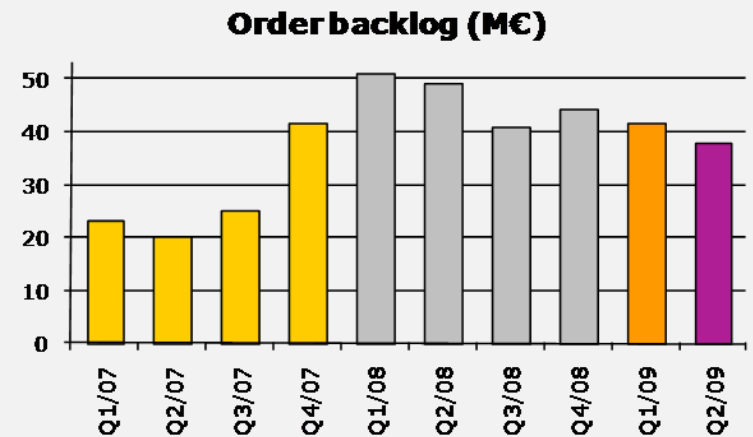


NOK/EUR



Outlook

- Order backlog 38 M€
 - Some decrease in Q2/2009
 - Partially due to normal annual license maintenance cycle
 - Some decrease in Baltic



- The weakened economic environment makes reliable forecasting more difficult. Due to the Contempus divestment and the weakened general economy, 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.
 - As a normal seasonality effect, the summer vacations will weaken net sales and profitability in the third quarter

Affecto's largest customers in 2008

