

Interim report 1-9/2008

3 November 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.

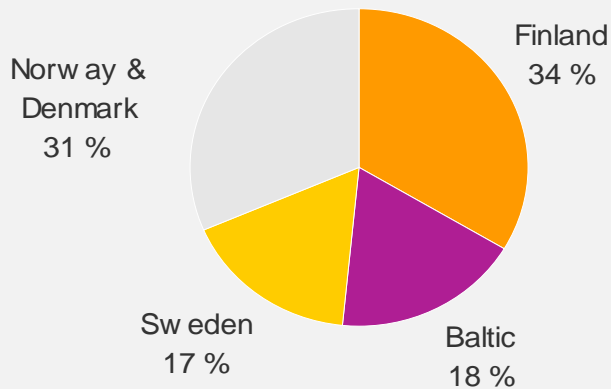
Words such as 'forecasts', 'estimates', 'expects', 'plans', and variations of these words and similar expressions are intended to identify forward-looking statements, which include, but are not limited to, Affecto's performance and profitability, market growth and industry developments.

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.

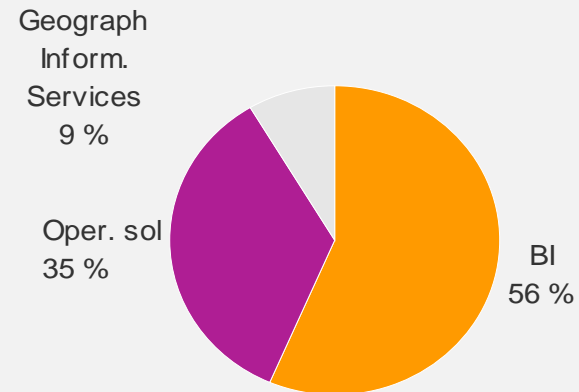
Leading BI solution provider in Nordic & Baltics

- Net sales: 137 M€ in last 12 months (10/07-9/08)
 - Year 2007: reported 97 M€, pro forma 127 M€
- Over 1100 employees

Sales per region – 1-9/08



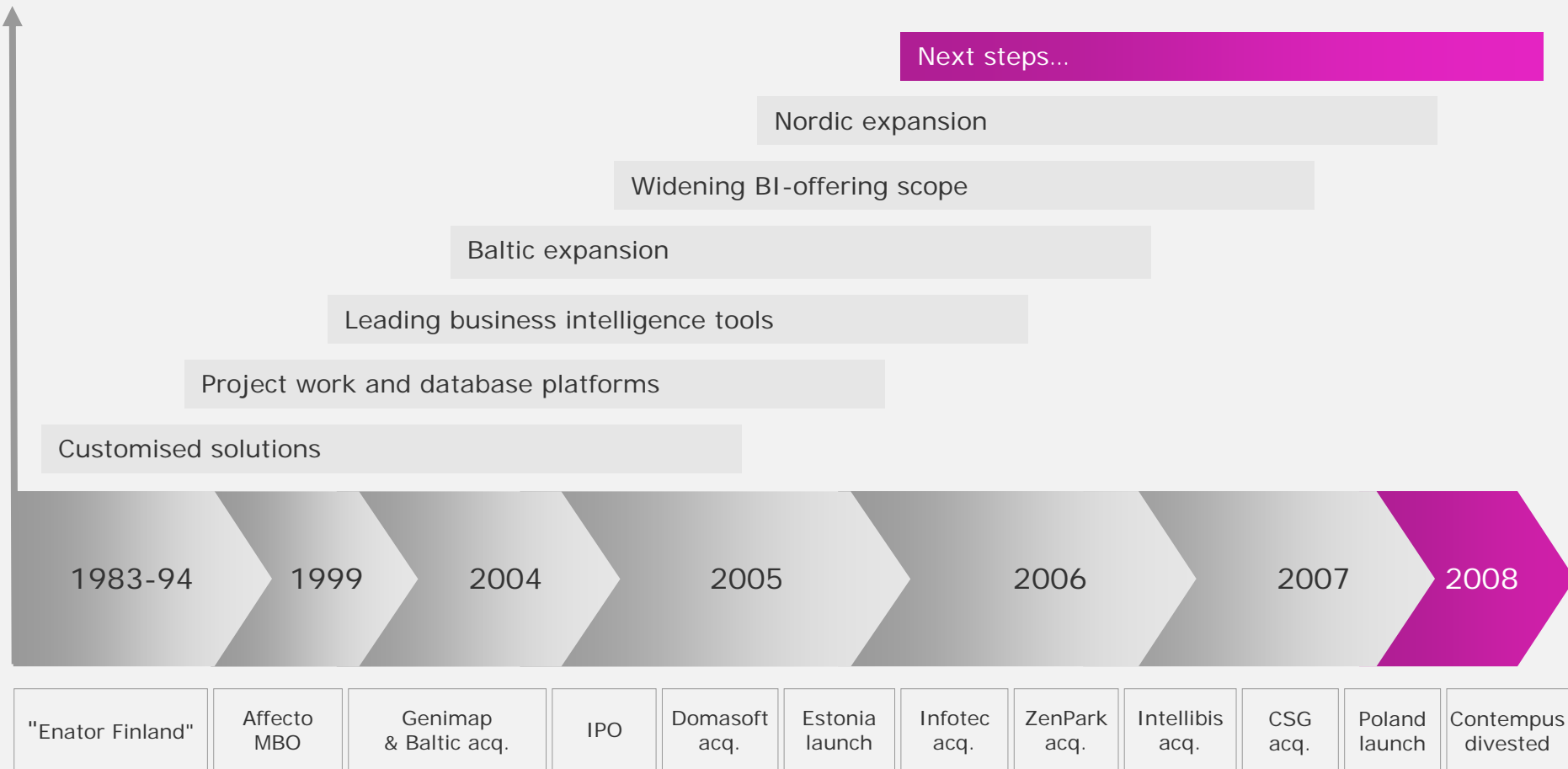
Sales per segment – 1-9/08



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

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

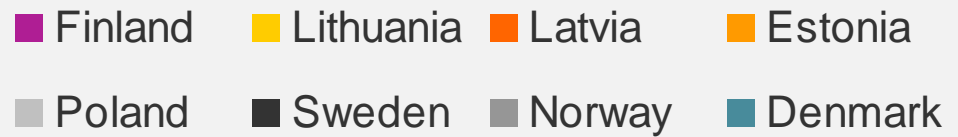
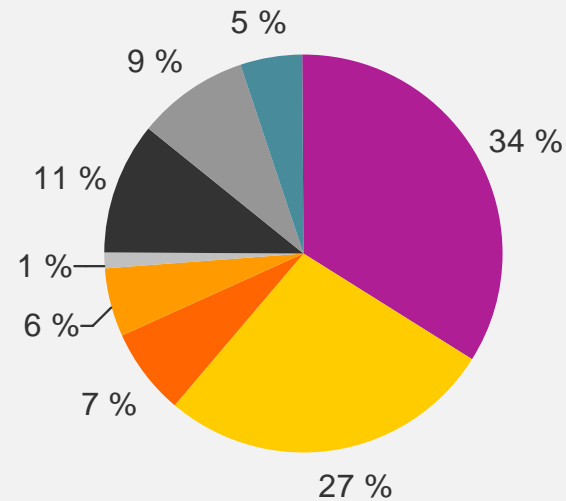
Employees

- Personal development
- Inspiring leadership
- Competitive incentive system

Resources



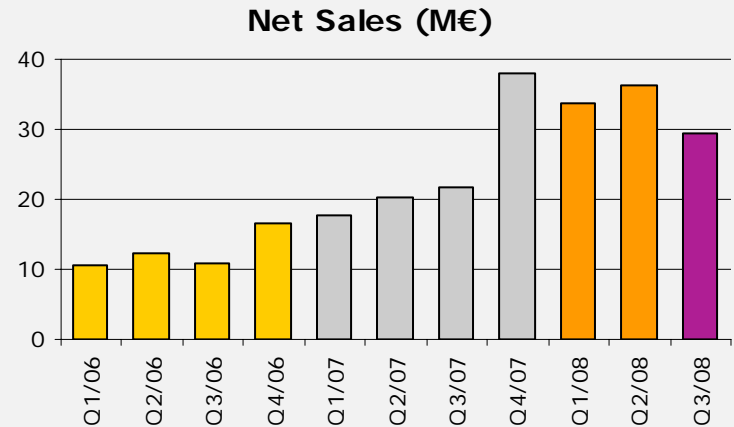
Personnel by country (Q3/08)



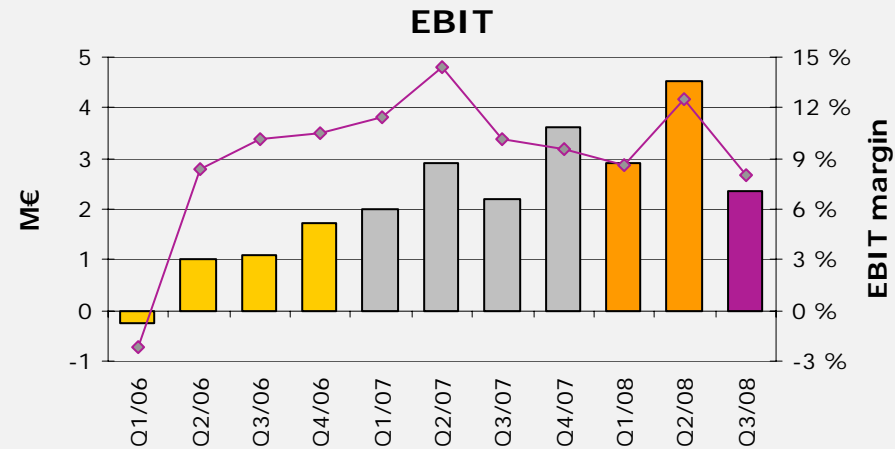
- 1124 employees
 - 380 in Finland
 - 460 in Baltic countries
 - 280 in Scandinavia

Overview to Q3/2008

- Net sales 29.3 M€ (21.8 M€)
 - Normal Q3 quarter
 - Vacation period
 - Organic growth 6%
 - Reported growth 35%



- EBIT 2.4 M€ (2.2 M€)
 - Vacation period
 - EBIT margin 8.1%
 - EBITA margin 10.4%
 - Healthy business in all countries
 - Sweden hurt by personnel turnover



Contempus divestment

- Affecto has sold its subsidiary Contempus to Basware
- Contempus is a product business based on proprietary software, while Affecto's strategy is to concentrate on IT services
 - Contempus: Net sales 8.4 MEUR, EBITA 0.82 MEUR in 2007
- Transaction price was approx. 10 MEUR
 - Contempus had net cash of 2 MEUR in June 2008
- Transaction was closed on 29 September 2008
 - Balance sheet 30.9.2008 is post-divestment
 - Goodwill, IFRS3 Intangible assets and net debt decreased
 - IFRS3 amortization will decrease by 0.4 M€ per year
- Divestment enables Affecto to better concentrate on the main business, the Business Intelligence services

Geographical segments & business areas

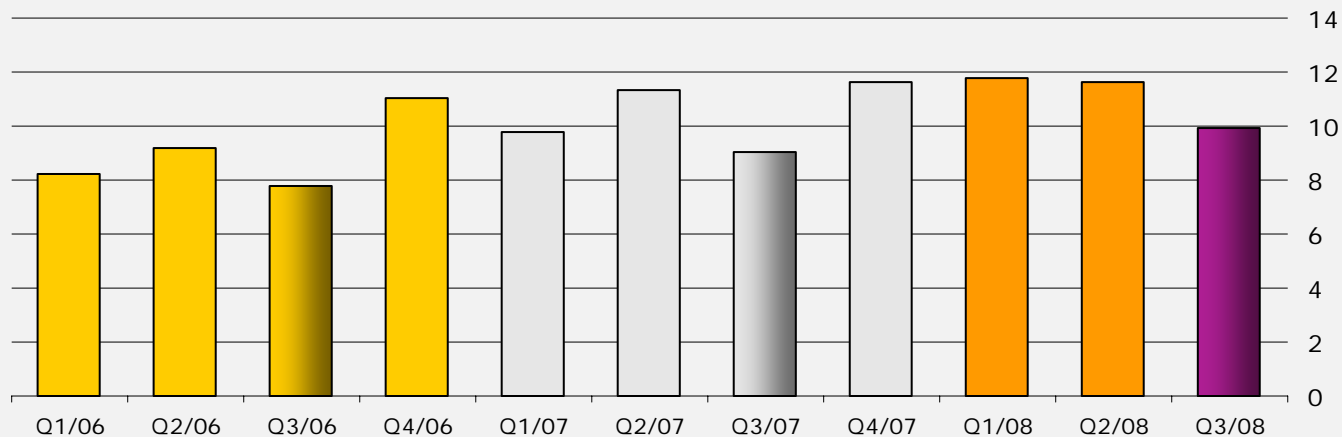


	BI	Operational Solutions	Geographic Information Services
Finland			
Baltic			
Sweden			
Norway & Denmark			

Contempus
is divested

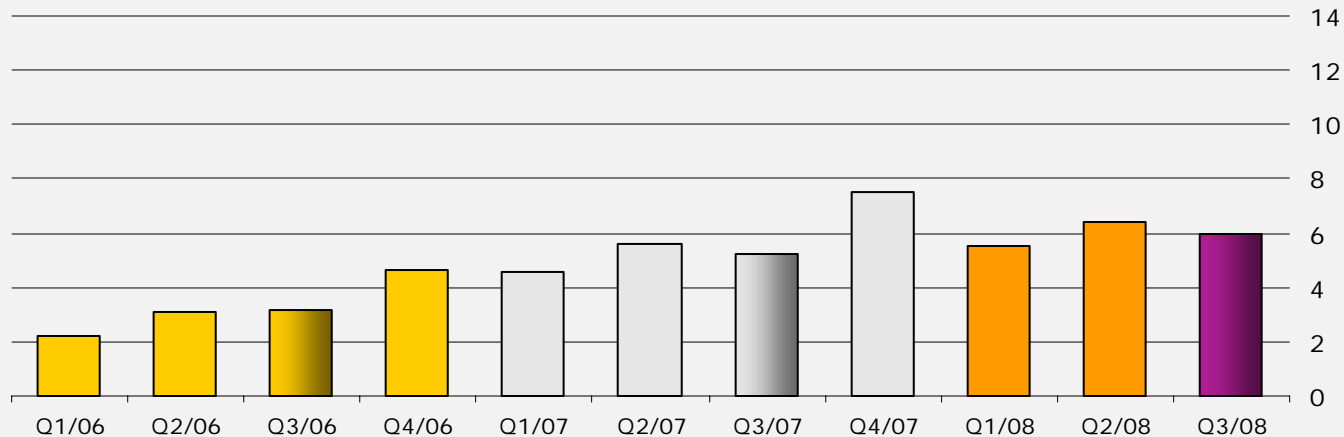
Business areas - Finland

- Net sales 9.9 M€ (9.0 M€), EBIT 1.3 M€ (0.6 M€)
 - Solid quarter, 10% organic growth
 - Good BI growth
 - EBIT margin 13.5%
- Business trends continuing
 - No major changes in demand for BI solutions
 - Good demand for operational solutions
- Efficiency improvement program in Geographic Information Solutions



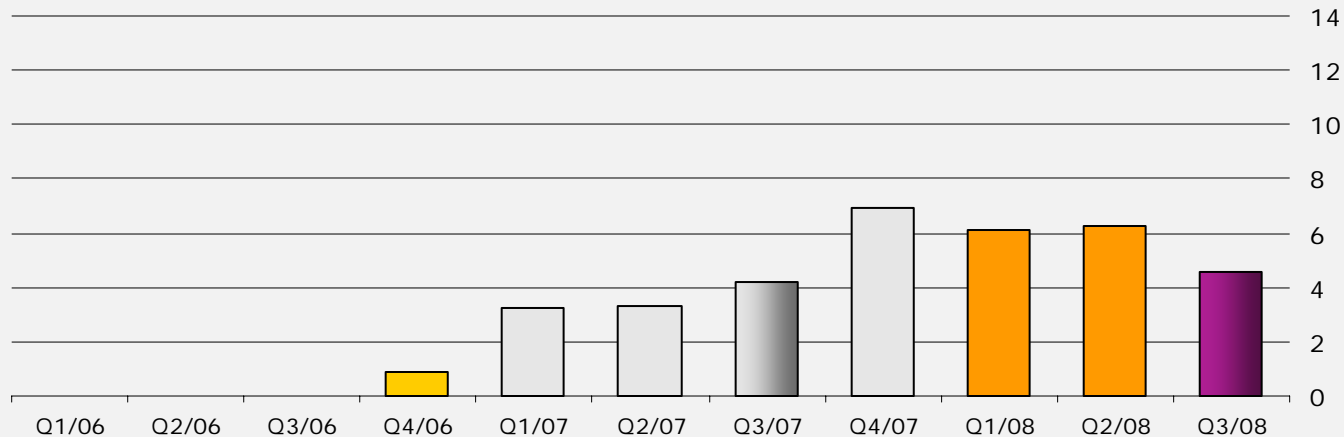
Business areas - Baltic

- Net sales 6.0 M€ (5.3 M€), EBIT 0.5 M€ (1.4 M€)
 - Growth 14% compared with Q3/07
 - Weakened profitability, vacations as partial reason
- Long-term projects providing basis for stable utilization for next months
 - Weakened GDP growth and finance sector having negative impact on new project sales
- General and wage inflation expected to decrease as economies have cooled down
- Stig Sandberg appointed as Director for Baltic business in October



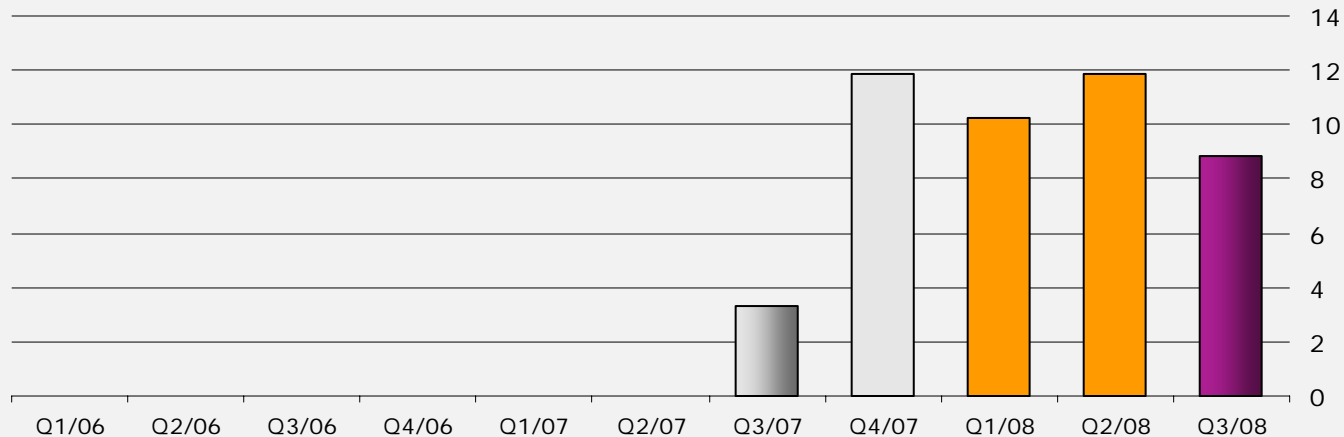
Business areas - Sweden

- Sales grew to approx. 4.6 M€ (4.2 M€)
 - Utilization rate has remained moderately good
 - Number of employees decreased
- Operational EBITA was 0.4 M€ (8%)
 - Reported EBIT includes 0.3 M€ IFRS3 depreciation
 - Reported EBIT was 0.1 M€ (2%), (0.4 M€ in Q3/07)



Business areas - Norway & Denmark

- Good Q3 quarter
- Consultancy services grew well compared to last year
- Net sales approx. 8.8 M€ (September 07: 3.3 M€)
- Operational EBITA was 1.2 M€ (14%)
 - IFRS3 depreciation 0.3 M€
 - Reported EBIT was 0.9 M€ (10.5%)



Segment comparison Q3/2008

Net Sales

Segment	7-9/08	7-9/07	Growth	2007
Finland	9 940	9 015	10 %	41 707
Baltic	5 971	5 255	14 %	22 918
Sweden	4 558	4 201	8 %	17 654
Norway & Denmark	8 818	3 291		15 195
Eliminations	-	-		0
Total	29 288	21 763	35 %	97 474

Segment	7-9/08	7-9/07	Growth	2007
BI	15 755	10 557	49 %	48 093
Operational Sol.	11 048	8 833	25 %	39 900
Cartographic Sol.	2 485	2 372	5 %	9 481
Eliminations	-	-		0
Total	29 288	21 763		97 474

EBIT

Segment	7-9/08	Margin	7-9/07	Margin	2007	Margin
Finland	1 343	14 %	589	7 %	4 406	11 %
Baltic	546	9 %	1 400	27 %	5 390	24 %
Sweden	94	2 %	431	10 %	1 468	8 %
Norway & Denmark	925	10 %	195	6 %	1 199	8 %
Group manag.	-545		-419		-1 705	
Total	2 363	8 %	2 195	10 %	10 758	11 %

- Good organic growth in all areas except Sweden
- Organic growth in BI boosted by CSG acquisition
- Good EBIT margin in most countries

Income statement Q3/2008

(1 000 EUR)	7-9/08	7-9/07	1-9/08	1-9/07	2007
Net sales	29 288	21 763	99 073	59 567	97 474
Other operating income	1	7	844	68	80
Changes in inventories of finished goods and work in progress	-127	15	-59	161	109
Materials and services	-5 655	-4 569	-18 248	-11 281	-19 851
Personnel expenses	-15 490	-11 069	-52 904	-30 202	-48 635
Other operating expenses	-4 559	-3 039	-15 516	-9 062	-14 651
Other depreciation, amortization and impairment charges	-417	-275	-1 271	-875	-1 231
IFRS3 Amortization	-676	-638	-2 116	-1 248	-2 536
Operating result	2 363	2 195	9 803	7 127	10 758
Finance costs (net)	-776	-594	-1 602	-811	-1 300
Result before income tax	1 587	1 601	8 201	6 316	9 458
Income tax	229	-318	-1 491	-1 583	-2 477
Minority interest	0	0	0	0	0
Result for the period for equity holders of the company	1 816	1 283	6 710	4 733	6 981
EPS (eur/share)	0.08	0.07	0.31	0.27	0.38

- Normal deprec. 0.4 M€ in Q3
 - Capex 0.3 M€
- Acquisition related IFRS3 amortization 0.7 M€ (0.6 M€)
 - 2.7 M€ in whole year 2008
 - 2.3 M€ in 2009
- Finance costs affected by fair value of interest-rate swap. Impact
 - 0.2 M€ in Q1/08
 - +0.6 M€ in Q2/08
 - 0.3 M€ in Q3/08
 -
 - +0.0 M€ in 1-9/08
- Q3 taxes impacted by Contempus sale (IFRS items)

Affecto

Balance sheet

(1 000 EUR)	9/2008	9/2007	12/2007
Tangible assets	2 059	2 584	1 939
Goodwill	75 978	84 594	84 196
Other intangible assets	12 802	19 336	18 249
Other long-term assets	2 581	2 939	2 551
Non-current assets	93 419	110 453	106 936
Inventories and receivables	33 441	33 128	40 823
Restricted cash	419	649	659
Cash and cash equivalents	19 985	8 127	12 974
Current assets	53 844	41 904	54 455
Assets held for sale	0	0	679
Total assets	147 263	152 356	162 070
Equity for shareholders	63 087	62 693	62 964
Minority interest	0	0	0
Non-current liabilities	47 007	51 002	49 597
Current liabilities	37 170	38 662	49 510
Total equity and liabilities	147 263	152 356	162 070

- Main changes since 12/2007
 - Intellibis earn-out paid in Q1
 - Dividend paid in Q2
 - Vilnius office sold in Q2
 - Contempus divested at end of Q3
- Interest-bearing net debt 25.4 M€ (33.9 M€ 12/07)
- Gearing 40% (54%)
- Equity ratio 45% (42%)

Financial position

- Contempus divestment had impacts:
 - Decreased goodwill and intangible assets
 - IFRS3 amortization decreased by 0.4 M€/year
 - Increased cash resources and decreased net debt by approx. 8 M€
- Interest-bearing net debt 25.4 M€ on 9/2008
 - Cash resources 20.0 M€
 - Bank loan 45.4 M€
 - Annual repayments 3-4 M€ in 2008-2011
 - Remaining part 32.5 M€ to be paid in 2012

Ownership structure - 29 October 2008

<u>Owner</u>	<u>%</u>
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	3,9 %
Danske Suomi Kasvuosake Fund	3,0 %
Eläke-Fennia	2,8 %
OP-Suomi Pienyhtiöt Fund	2,5 %
Alfred Berg Finland Fund	2,4 %
Other shareholders	58,0 %
Treasury shares	0,2 %
Total	100,0 %

- 21.5 million shares in total

Flaggings in 2008

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

*) Based on flagging announcement
(Sep '08)

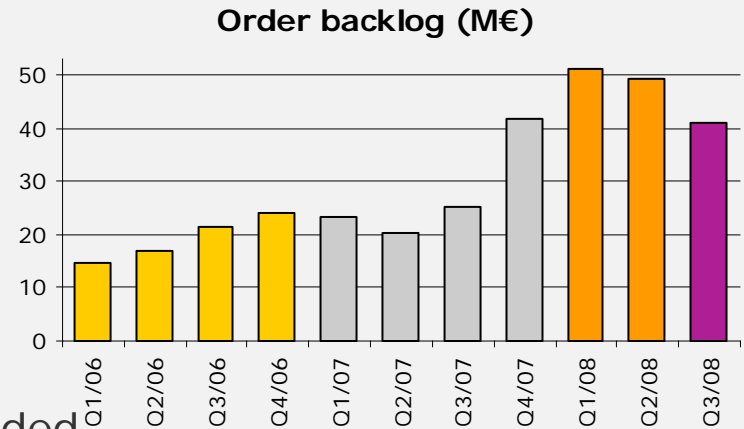
Outlook

Market environment

- No major effects from the weakened general economic climate, yet
 - More cautious customers
 - Higher uncertainty of IT investments
- Nordic: forecasts for modest general IT services growth
 - Demand for BI solutions are forecast to grow more rapidly, as BI helps customers in their search for operational efficiency
- Baltic: weak GDP growth
 - Overheating has ended and GDP forecasts are being rapidly decreased
 - Inflation has been high in all three countries (>10%), but may decrease as the economy has cooled down
 - Wage inflation has been even higher
 - Affecto's focus on public sector and export services may balance the outlook for us
 - Financial sector weakness may have negative impact

Outlook

- Order backlog 41 M€
 - Decreased in Q3/2008
 - Contempus divestment
 - Normal decrease in annual maintenance
 - Much higher than after Q3/07, where Component Software was already included



- The weakened economic climate is expected to impact investment decisions by customers, which makes reliable forecasting more difficult. Due to the Contempus divestment and the weakened general economy, the net sales in fourth quarter are expected to remain below the level in Q4/2007 (38 MEUR). The profitability (EBIT margin) of the whole year 2008 is expected to be close but below the profitability in 2007

Affecto's largest customers in 2007

