



Financial Statements Release 2009

17 February 2010

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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.

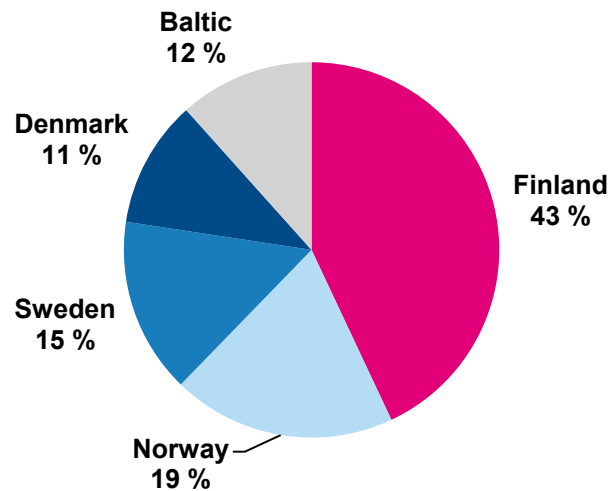
These statements involve certain risks and uncertainties, which are difficult to predict, and therefore actual future results and trends may differ materially from what is forecast in forward-looking statements. Affecto undertakes to update such statements with respect to new information and future events only within the limits of its statutory obligation to disclose information.

Leading BI solution provider in Nordic

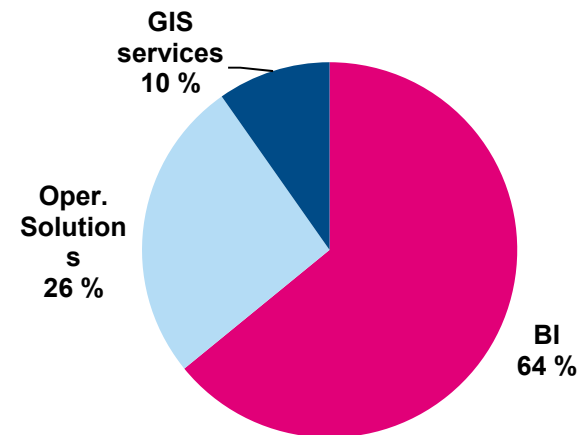


- Net sales: 103 M€ in 2009
- Approx. 910 employees

Sales per region – 1-12/09



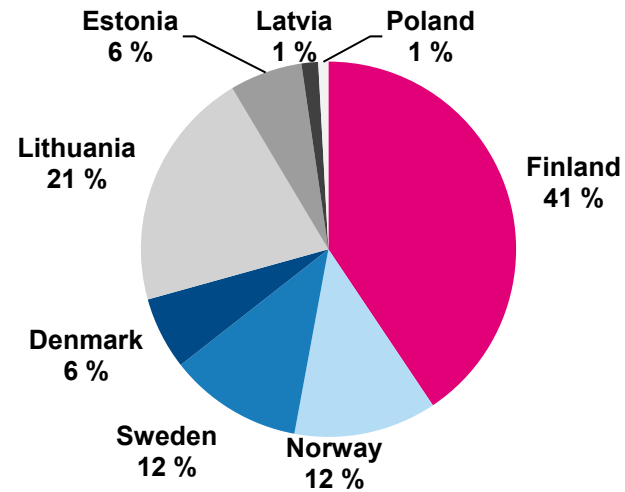
Sales per business – 1-12/09



Resources



Personnel by country (Q4/09)



- 911 employees
 - 370 in Finland
 - 270 in Baltic countries
 - 270 in Scandinavia

Highlights of 2009



- Crash in Baltic economies → restructuring actions needed
 - Decreasing headcount in Baltic by 130 employees, cost 1.2 M€
 - Goodwill impairment 6.2 M€
- Nordic markets have also been weak
 - Uncertainty affecting customers, slow decision making
 - Lower third-party license sales
 - Price pressure, lower utilization
 - Performance in Sweden affected by both market conditions and internal issues
- Despite that, the effects have been only moderately harsh
 - Growth in Denmark
 - Good profitability in Finland and Norway

Overview to Q4/2009

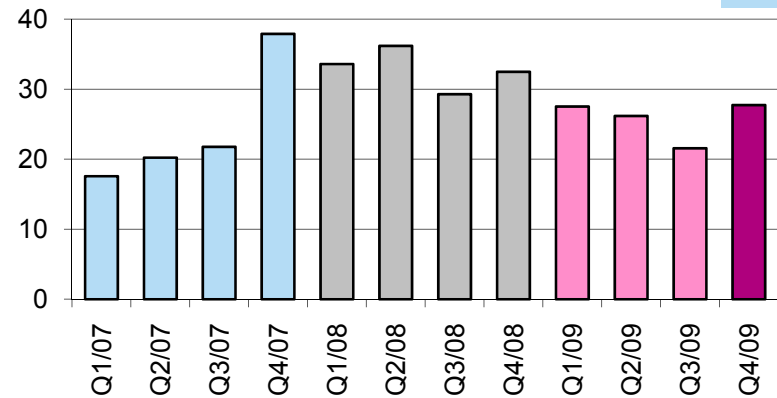
- Net sales 27.7 M€ (32.5 M€)

- Best quarter of the year
- Baltic and Sweden weak
- Reported growth -15%
- Economy continued to be rather weak
- Some recovery in customer activity

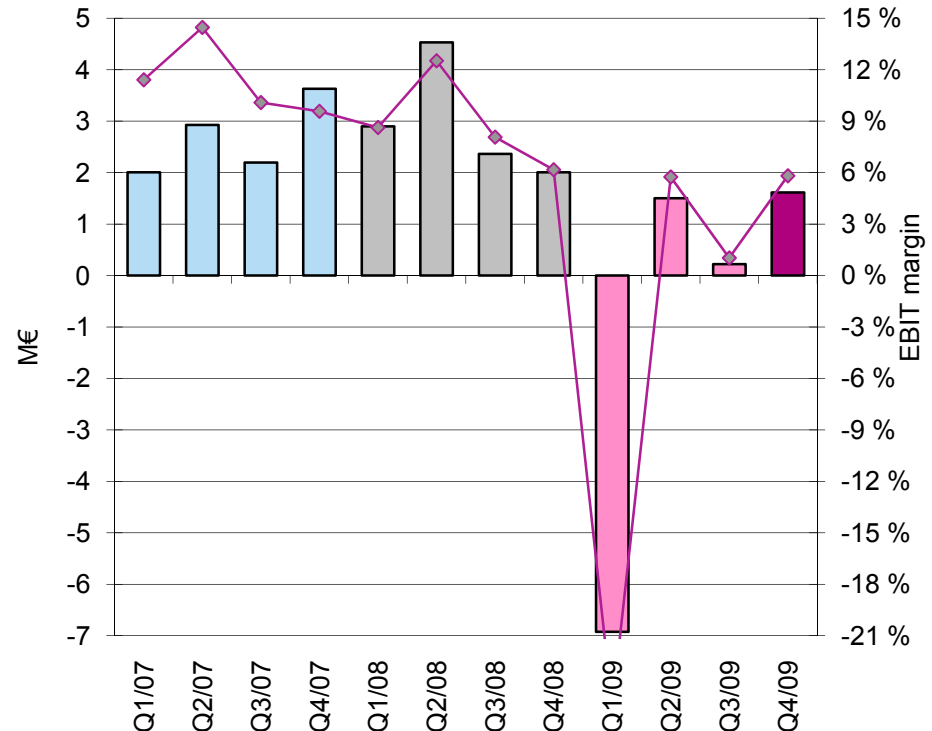
- EBIT 1.6 M€ (2.0 M€)

- Best quarter of the year
- Good operational segment profit in Finland, Norway and Denmark
- Weak Sweden
- Baltic returned to profitability
- Lower third-party license sales affected profitability to some extent

Net Sales (M€)



EBIT



Geographical segments & business areas



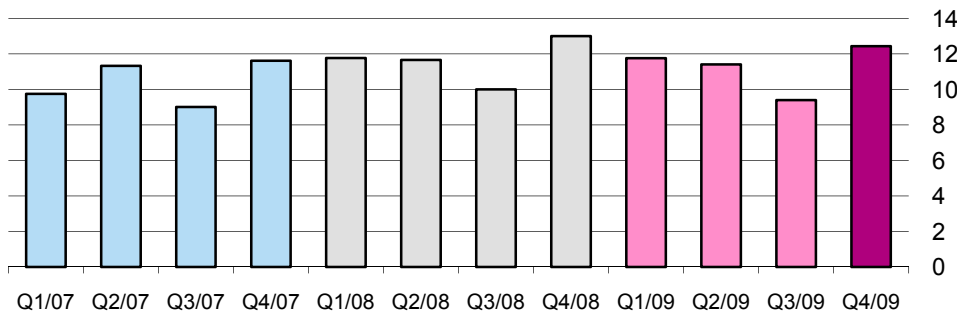
	BI	Operational Solutions	Geographic Information Services
Finland	●	●	●
Norway	●		
Sweden	●		
Denmark	●		
Baltic	●	●	

Business areas - Finland

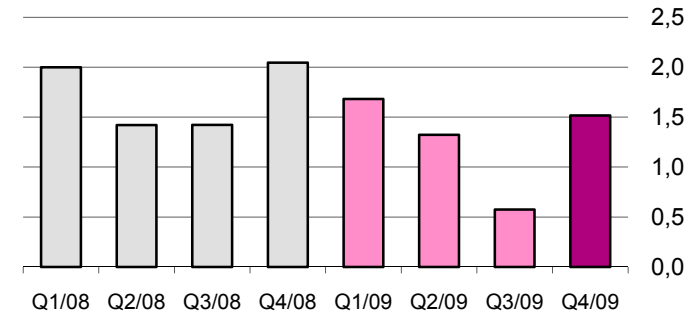


- Net sales 12.4 M€ (13.0 M€)
 - Sales almost at last year's level
- Operational segment profit 1.5 M€ (2.0 M€)
 - Good operational segment result margin 12%
- Good prospects for year 2010
 - New major projects for Ministry of Finance and Academy of Finland
 - Improvement in customer activity

Net Sales



Operational Segment Result

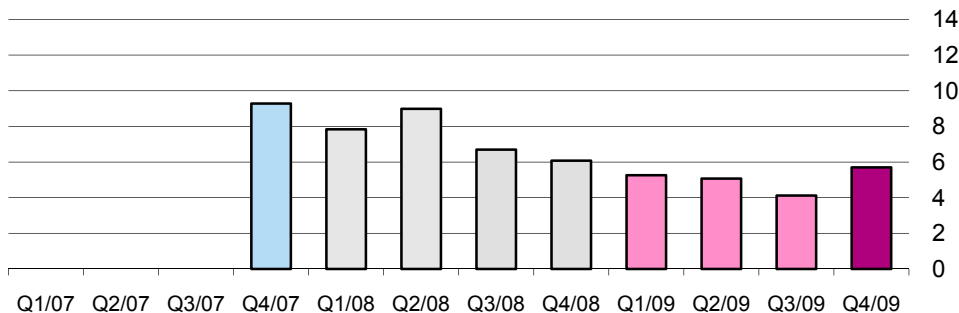


Business areas - Norway

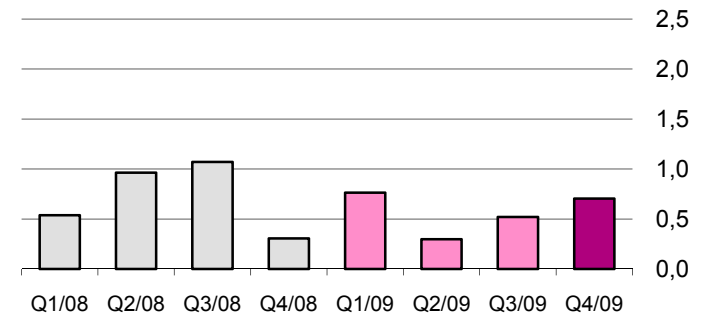


- Net sales approx. 5.7 M€ (6.1 M€)
 - Ok demand for consultancy services
 - Decrease in third-party license sales
- Good operational segment result: 0.7 M€ / 12% (0.3 M€)

Net Sales



Operational Segment Result

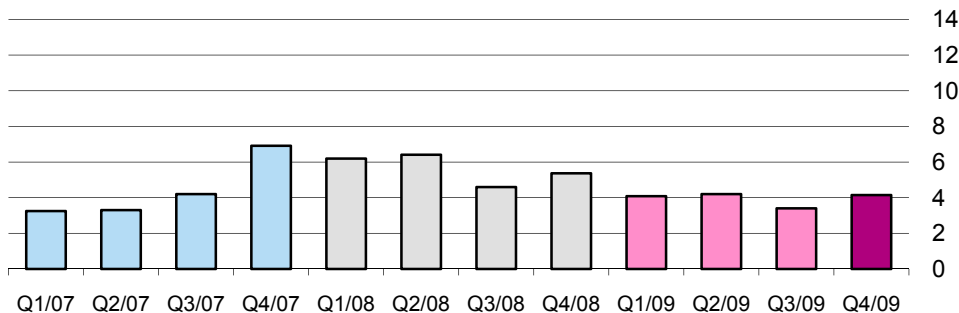


Business areas - Sweden

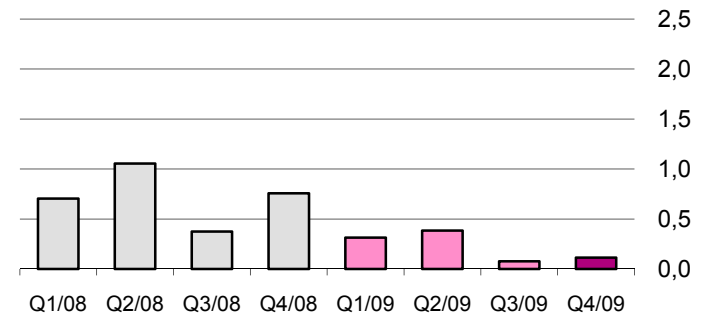


- Sales decreased to approx. 4.1 M€ (5.4 M€)
 - Economic weakness, internal issues
 - Number of employees decreased compared to 2008
- Weak operational segment result 0.1 M€ / 2% (0.8 M€)
- Management changed in late 2009
 - New country manager Fredrik Prien will start 1 March 2010
 - Long history in BI business

Net Sales



Operational Segment Result

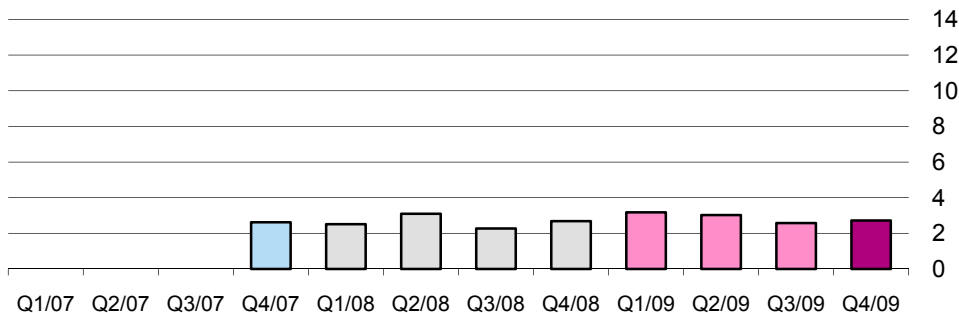


Business areas - Denmark

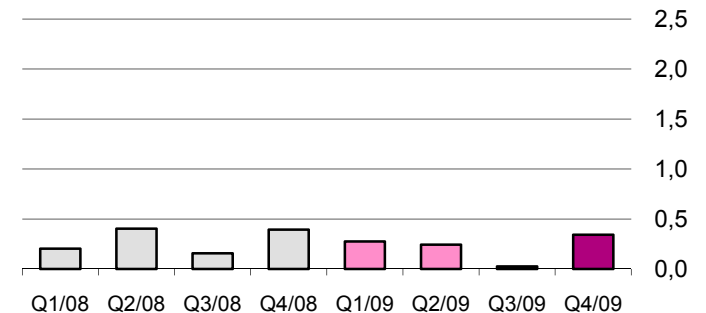


- Net sales approx. 2.7 M€ (2.7 M€)
 - Only country to grow in Q4: 1% growth
- Operational segment result 0.3 M€ / 13% (0.4 M€)
- Decision making still slow, although some improvement in activity

Net Sales



Operational Segment Result

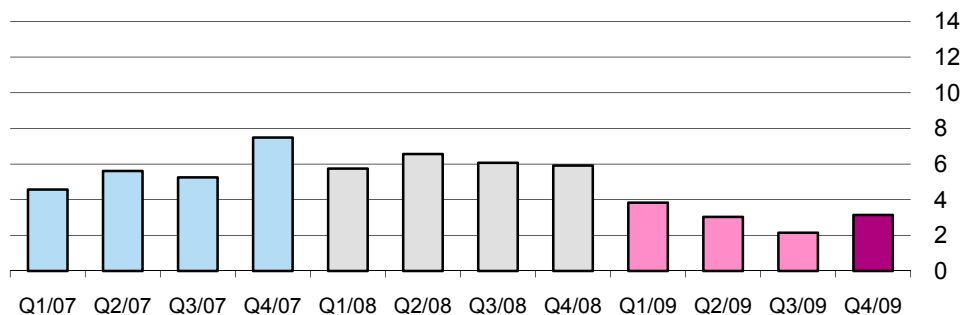


Business areas - Baltic

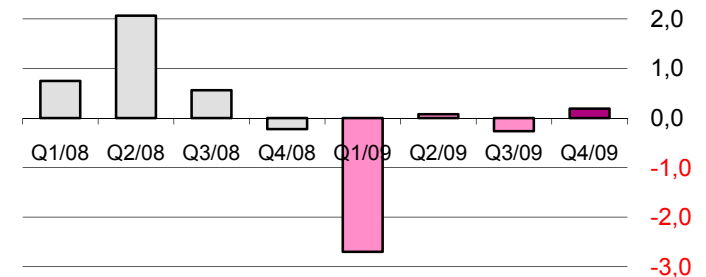


- Net sales 3.1 M€ (5.9 M€)
- Strongly decreasing GDP, public sector with financial problems
 - Government expenditure cuts affecting also IT investments
 - GDP forecasts start to suggest end of hardest crash, possibly return to growth
- Operational segment result was 0.2 M€ (-0.2 M€)
 - We estimate that business should be profitable if the national economies in Baltic continue at current levels or improve
- Increased price competition in local market

Net Sales



Operational Segment Result



Segment comparison Q4/2009



Net Sales

By segment	10-12/09	10-12/08	Growth	2009	2008	Growth
Finland	12 435	13 000	-4 %	45 003	46 432	-3 %
Norway	5 703	6 081	-6 %	20 152	29 597	-32 %
Sweden	4 144	5 372	-23 %	15 823	22 573	-30 %
Denmark	2 716	2 687	1 %	11 494	10 564	9 %
Baltic	3 140	5 914	-47 %	12 163	24 289	-50 %
Eliminations	-402	-562		-1 628	-1 890	
Total	27 737	32 492	-15 %	103 006	131 565	-22 %

By business line	10-12/09	10-12/08	Growth	2009	2008	Growth
BI	18 019	20 415	-12 %	66 802	77 584	-14 %
Operational Sol.	7 404	9 690	-24 %	27 244	44 613	-39 %
Geographic Inf.Serv.	2 694	2 983	-10 %	10 168	11 774	-14 %
Eliminations	-380	-596		-1 207	-2 406	
Total	27 737	32 492	-15 %	103 006	131 565	-22 %

Result

By segment	10-12/09	Margin	10-12/08	Margin	2009	Margin	2008	Margin
Finland	1 516	12 %	2 045	16 %	5 096	11 %	6 886	15 %
Norway	705	12 %	305	5 %	2 286	11 %	2 877	10 %
Sweden	113	3 %	757	14 %	887	6 %	2 890	13 %
Denmark	342	13 %	393	15 %	886	8 %	1 157	11 %
Baltic	190	6 %	-223	-4 %	-2 699	-22 %	3 151	13 %
Unallocated	-749		-734		-1 754		-2 500	
Operational Segment Result	2 117	8 %	2 543	8 %	4 702	5 %	14 461	11 %
IFRS amortisation	-504		-538		-2 081		-2 653	
Goodwill Impairment	-		-		-6 207		-	
Operating profit	1 613	6 %	2 005	6 %	-3 587	-3 %	11 808	9 %

- Small growth in Denmark, decrease in other areas
- Decrease in Baltic and Sweden stabilising
- Good profitability in Finland, Norway and Denmark
- Weak result in Sweden
- Baltic made small profit

Income statement Q4/2009



(1 000 EUR)	10-12/09	10-12/08	1-12/09	1-12/08
Net sales	27 737	32 492	103 006	131 565
Other operating income	11	57	27	902
Changes in inventories of finished goods and work in progress	-126	-228	-351	-287
Materials and services	-6 278	-7 069	-19 775	-25 317
Personnel expenses	-14 362	-16 914	-59 660	-69 818
Other operating expenses	-4 433	-5 446	-16 983	-20 962
Other depreciation, amortization and impairment charges	-432	-349	-1 563	-1 620
Operational segment result	2 117	2 543	4 702	14 463
IFRS3 amortization	-505	-538	-2 081	-2 653
Goodwill impairment	-	-	-6 207	-
Operating profit	1 613	2 005	-3 587	11 808
Finance costs (net)	-228	261	-2 684	-1 341
Result before income tax	1 385	2 266	-6 271	10 467
Income tax	-1 105	-473	-868	-1 963
Minority interest	-	-	-	-
Result for the period for equity holders of the company	280	1 793	-7 139	8 503
EPS (eur/share)	0.01	0.08	-0.33	0.40

- Normal depreciation 0.4 M€ in Q4
 - Capex 0.2 M€
- Acquisition related IFRS3 amortization 0.5 M€ (0.5 M€)
 - Estimate:
 - 1.9 M€ in 2010
 - 1.9 M€ in 2011
- 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
 - +0.2 M€ in Q4/09
 -
 - +0.2 M€ in 2009
- Q4 tax expense increased by effect of the change in Lithuanian corporate income tax rate on deferred tax assets

Balance sheet



(1 000 EUR)	12/2009	12/2008
Property, plant and equipment	2 102	2 715
Goodwill	69 415	72 614
Other intangible assets	9 585	11 093
Other long-term assets	1 888	2 325
	82 992	88 747
Current assets	33 781	33 815
Restricted cash and cash equiv.	-	518
Cash and cash equivalents	19 525	23 554
	53 306	57 886
Total assets	136 298	146 633
Equity for shareholders	53 568	58 625
Minority interest	-	-
Non-current liabilities	40 440	45 330
Current liabilities	42 290	42 677
Total equity and liabilities	136 298	146 633

- Main changes since 12/2008
 - Baltic goodwill impairment
 - Nordic currency fluctuation
 - Dividend 3.0 M€ in Q2
- Interest-bearing net debt 20.9 M€ (20.4 M€ 12/08)
- Gearing 39% (35%)
- Equity ratio 43% (43%)

Ownership structure - 31 January 2010



<u>Owner</u>	<u>%</u>
CapMan Public Market Investment SARL	12,1 %
Cantell Oy	9,2 %
Mika Laine	6,7 %
Arendals Fossekompagni ASA	5,5 %
Nordea Nordic Small Cap Fund	4,7 %
Ilmarinen Mutual Pension	3,9 %
State Pension Fund	2,8 %
Danske Suomi Kasvuosake Fund	2,7 %
EQ Pikkujättiläiset Fund	2,1 %
Alfred Berg Finland Mutual Fund	2,0 %
Other shareholders	48,1 %
Treasury shares	0,2 %
<hr/>	
Total	100,0 %

- 21.5 million shares in total

Flaggings in 2009

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

Flaggings in 2010

- Capman Public Market exceeded 10% in January
- UB Funds decreased below 5% in January



Outlook

Market environment

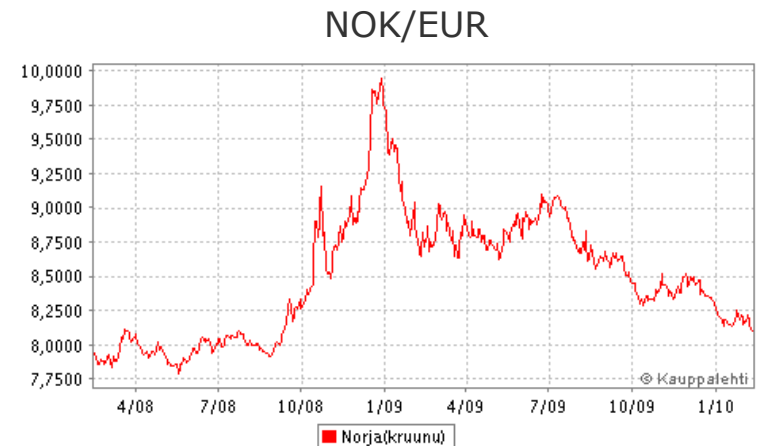


- Nordic: only small growth in general IT services in 2010?
 - BI and ECM still forecast to grow more rapidly (5-6%)
 - Customers' activity improving, but still cautious buying behaviour
 - Longer decision making processes, price pressure
 - Lower sales of new (third-party) licenses
- Baltic: GDP stabilising after crash
 - GDP decreased by 15-20% in 2009
 - GDP forecasts improving: small decrease or increase in 2010
 - Public sector cutting back IT investment budgets
 - Importance of EU as the financier of the investment has grown
 - Price competition increased in the local market

Nordic currencies



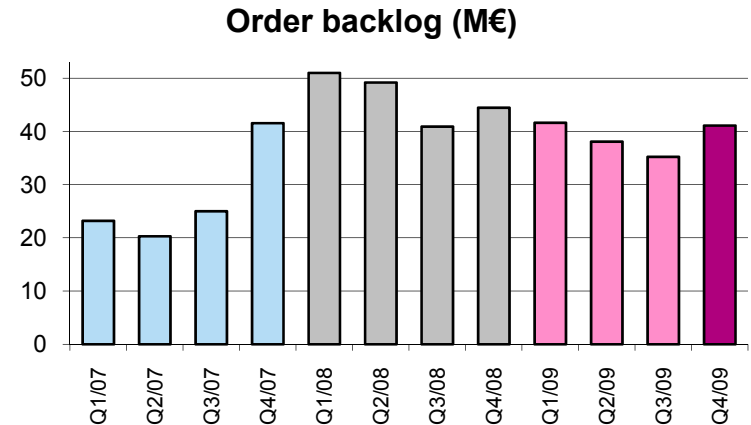
- One third of Affecto's revenue is generated in Norway and Sweden, whose currencies have fluctuated significantly in 2008/2009
 - Some recovery in 2009
- Direct impact to revenue and profit in EUR terms
 - In addition, effects on goodwill and on intra-group loans (forex losses/profits)



Outlook



- Order backlog 41 M€
 - Some increase in Q4/2009
 - Partially due to normal annual license maintenance cycle
 - Slightly below Q4/2008 level



- The net sales are estimated to grow in year 2010. The year 2010 will be clearly profitable and the profitability (EBIT margin) is estimated to improve during the year. However, the first quarter is estimated to be weak.

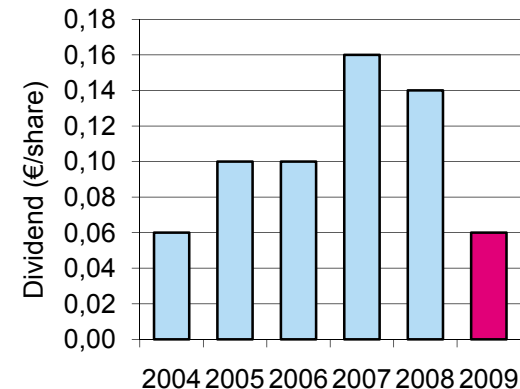
Affecto's largest customers in 2009



Annual General Meeting - 25 March 2010



- Dividend proposal 0.06 eur/share
 - Last year 0.14 eur/share
- Proposal for board members: six board members
 - Current members to continue: Aaro Cantell, Heikki Lehmusto, Esko Rytönen, Pyry Lautsuo, Haakon Skaarer
 - New member: Jukka Ruuska
- Other issues
 - Same authorizations as last year
 - Modernization of invitation clause in Articles of Association
 - Transferring share premium fund into the reserve for invested unrestricted equity (Ylikurssirahasto → SVOP-rahasto)



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

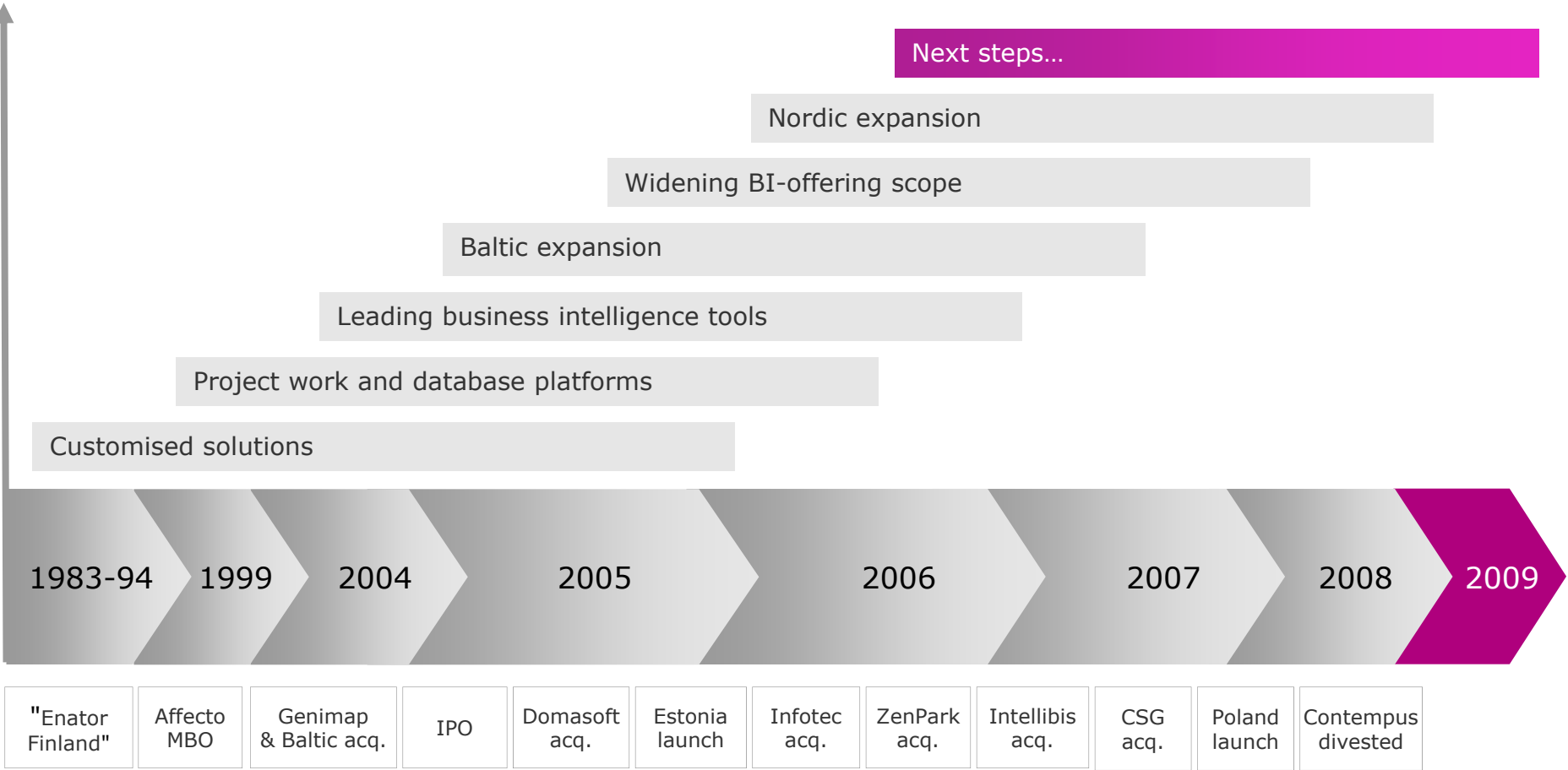
- Affecto is the best investment for its stakeholders
 - Employees: best added value for her/his competence and market value
 - Customers: first-class solutions and services, based on deep understanding of the customer needs
 - Investors: solid shareholder value creation

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