



Interim report 1-9/2010

3 November 2010

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.

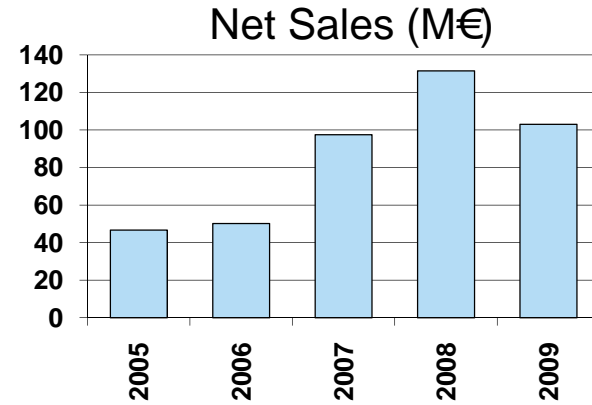
Words such as 'forecasts', 'estimates', 'expects', 'plans', and variations of these words and similar expressions are intended to identify forward-looking statements, which include, but are not limited to, Affecto's performance and profitability, market growth and industry developments.

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.

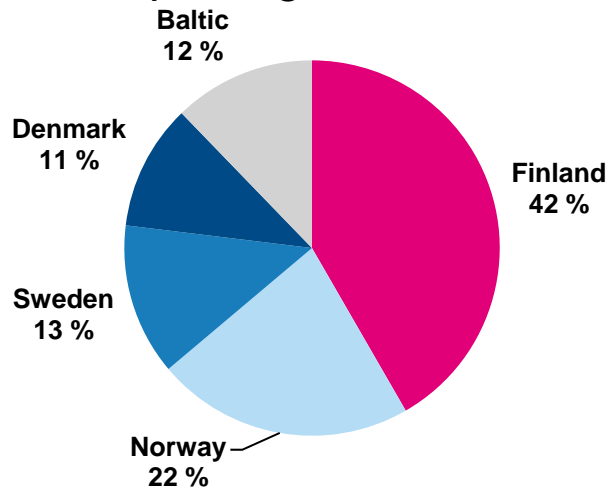
Leading BI solution provider in Nordic



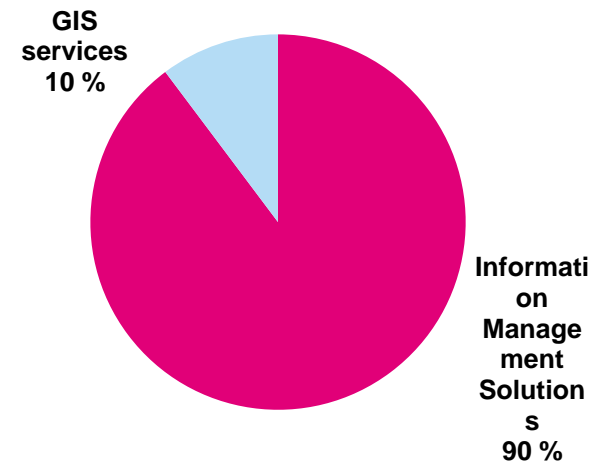
- Net sales: 103 M€ in 2009
- Approx. 930 employees



Sales per region – 1-9/2010



Sales per business – 1-9/2010



Affecto

Overview to Q3/2010



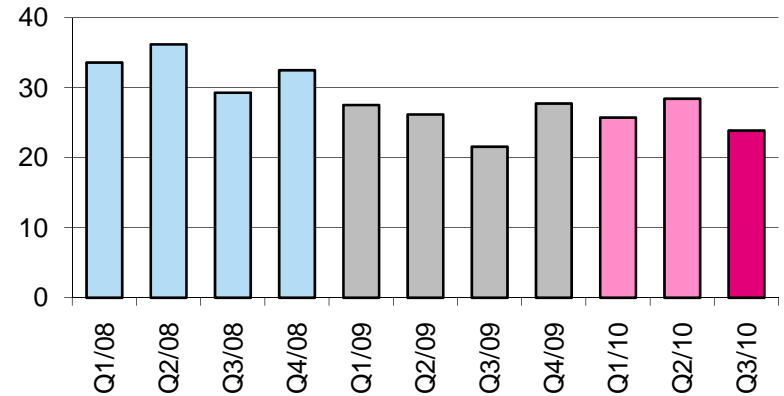
- Net sales 23.9 M€ (21.6 M€)

- Continued recovery in customers' business activity
- Good growth in most areas
- Reported growth 11%
 - 37% nominal growth in Norway
 - 31% in Baltic
 - Still some decrease in Sweden

- EBIT 1.1 M€ (0.2 M€)

- Excellent operational segment profit in Finland
- Moderately good in Norway, Denmark and Baltic
- Losses in Sweden

Net Sales (M€)



EBIT



Geographical segments & business areas

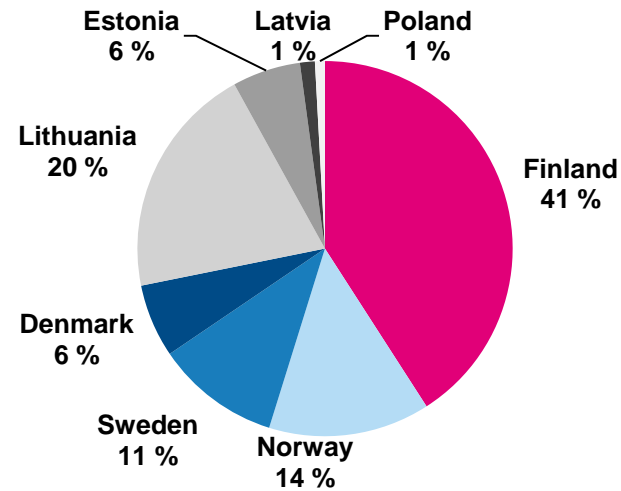


	Information Management Solutions	Geographic Information Services
Finland	●	●
Norway	●	
Sweden	●	
Denmark	●	
Baltic	●	

Resources



Personnel by country (Q3/10)

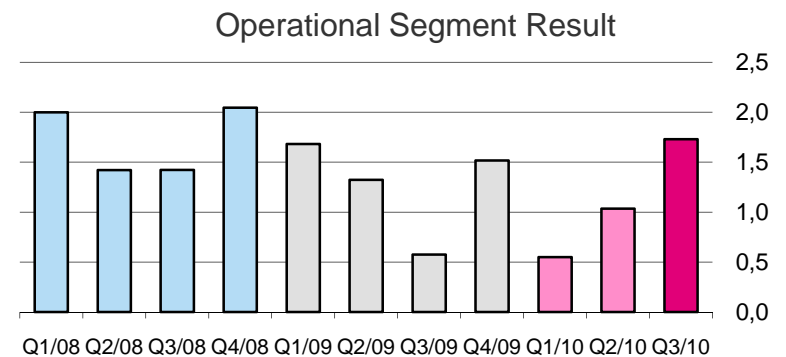
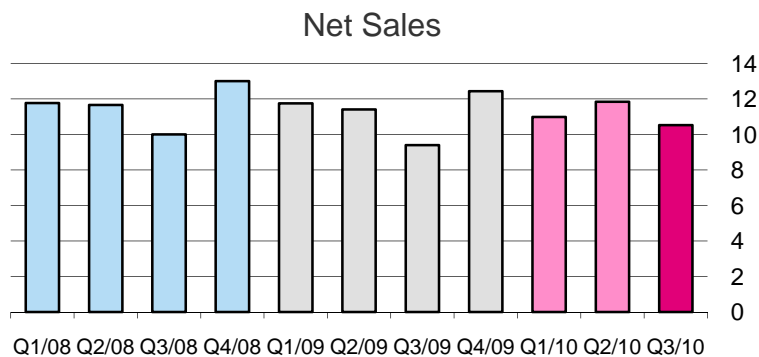


- 934 employees
 - 380 in Finland
 - 260 in Baltic countries
 - 290 in Scandinavia

Business areas - Finland



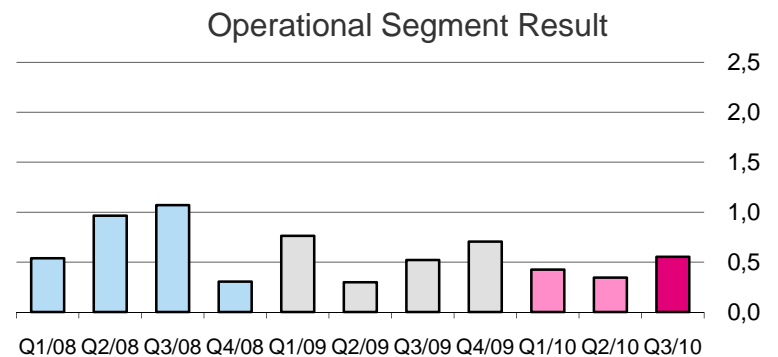
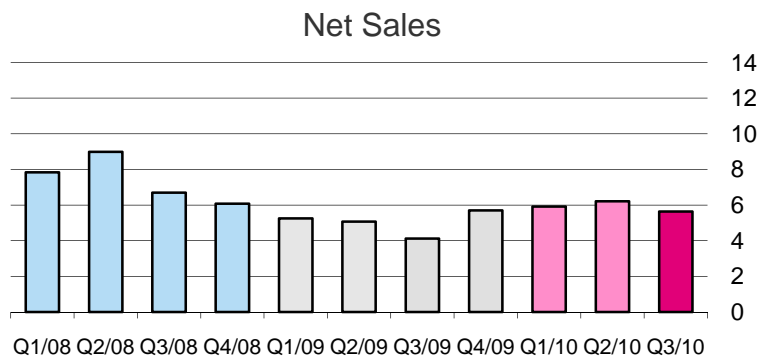
- Net sales 10.5 M€ (9.4 M€)
 - 12% growth
 - Examples of customer deals: Forest-Tapio, Nokia, Vaasa hospitals
- Operational segment profit 1.7 M€ (0.6 M€)
 - Excellent operational segment result margin 16%
- Continuing improvement in business conditions



Business areas - Norway



- Net sales approx. 5.6 M€ (4.1 M€)
 - 37% growth, helped by currencies, but also good organic growth
 - Examples of customer deals: Statoil, SEB Kort, Elkjöp
- Operational segment result: 0.6 M€ / 10% (0.5 M€)
- Improving market conditions

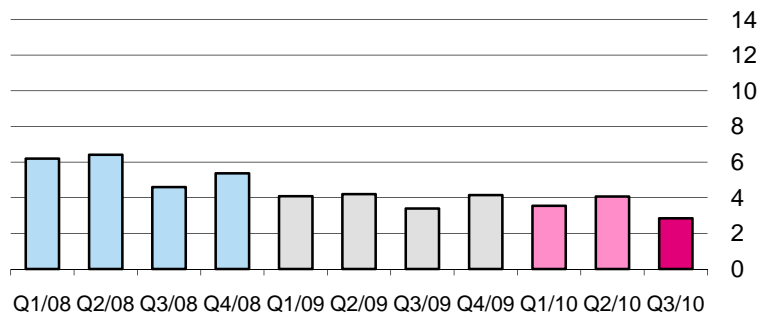


Business areas - Sweden

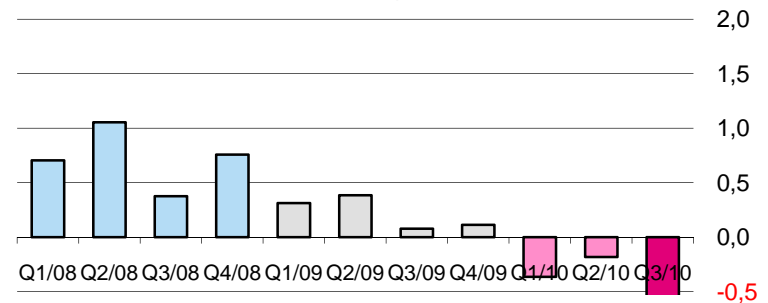


- Net sales approx. 2.8 M€ (3.4 M€)
 - Examples of customer deals: Volvo Cars, Cardo
- Negative operational segment result -0.5 M€ / -19% (0.1 M€)
 - Summer vacations, recruitments
- Organisation being rebuilt by the new country manager Fredrik Prien
- Affecto received the Diamanten-award from Dataföreningen

Net Sales



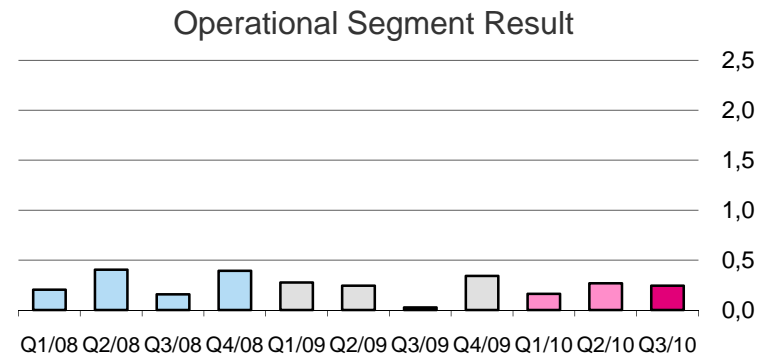
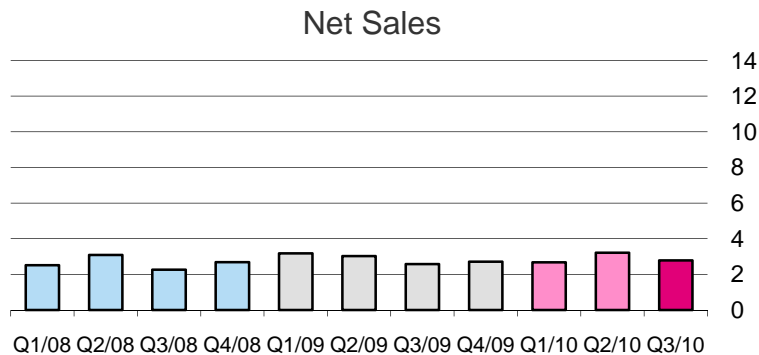
Operational Segment Result



Business areas - Denmark



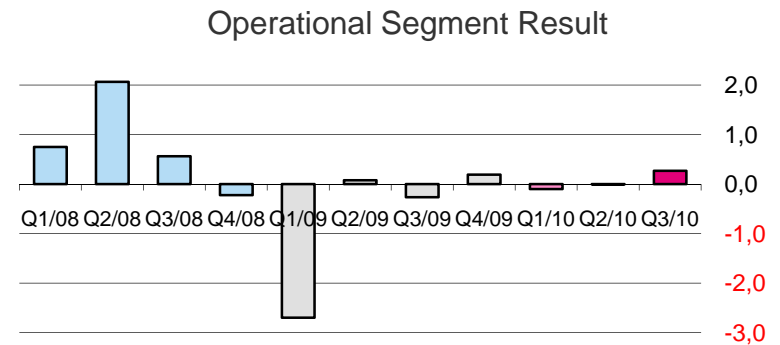
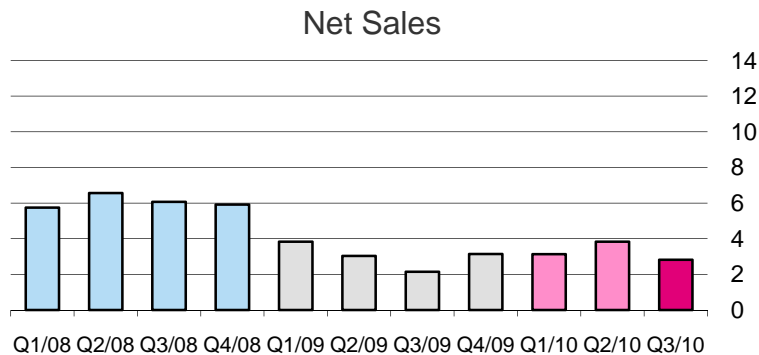
- Net sales approx. 2.8 M€ (2.6 M€)
 - 8% growth
 - Examples of customer deals: Dong, Kombit
- Operational segment result 0.2 M€ / 9% (0.0 M€)
- Improving market conditions, good customer activity



Business areas - Baltic



- Net sales 2.8 M€ (2.1 M€)
 - 31% growth
 - Examples of customer deals: Lithuanian Ministry of Health Care
- Operational segment result was 0.3 M€ / 10% (-0.3 M€)
- Local market not recovered yet, but increased activity
 - Tight price competition in the local market
 - GDP stabilising after decline in 2009



Segment comparison Q3/2010



Net Sales

By segment	7-9/10	7-9/09	Growth	2009
Finland	10 529	9 401	12 %	45 003
Norway	5 636	4 118	37 %	20 152
Sweden	2 845	3 398	-16 %	15 823
Denmark	2 788	2 575	8 %	11 494
Baltic	2 822	2 149	31 %	12 163
Eliminations	-744	-71		-1 628
Total	23 877	21 570	11 %	103 006

By business line	7-9/10	7-9/09	Growth	2009
Information Management Solutions	21 402	19 287	11 %	93 147
Geographic Information Services	2 569	2 508	2 %	10 168
Eliminations	-94	-224		-308
Group total	23 877	21 570	11 %	103 006

Result

By segment	7-9/10	Margin	7-9/09	Margin	2009	Margin
Finland	1 729	16 %	575	6 %	5 096	11 %
Norway	552	10 %	520	13 %	2 286	11 %
Sweden	-544	-19 %	77	2 %	887	6 %
Denmark	243	9 %	26	1 %	886	8 %
Baltic	268	9 %	-266	-12 %	-2 699	-22 %
Unallocated	-606		-178		-1 754	
Operational Segment Result	1 642	7 %	754	3 %	4 702	5 %
IFRS amortisation	-499		-533		-2 081	
Goodwill Impairment	-		-		-6 207	
Operating profit	1 143	5 %	221	1 %	-3 587	-3 %

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

Income statement Q3/2010



(1 000 EUR)	7-9/10	7-9/09	1-9/10	1-9/09	2009
Net sales	23 877	21 570	78 032	75 270	103 006
Other operating income	9	0	23	16	27
Changes in inventories of finished goods and work in progress	-116	-135	-163	-225	-351
Materials and services	-4 621	-4 107	-15 082	-13 496	-19 775
Personnel expenses	-13 274	-12 715	-46 969	-45 298	-59 660
Other operating expenses	-3 901	-3 496	-12 471	-12 551	-16 983
Other depreciation and amortisation	-332	-360	-1 026	-1 129	-1 563
Operational segment result	1 642	754	2 343	2 584	4 702
IFRS3 amortisation	-499	-533	-1 489	-1 577	-2 081
Goodwill impairment	-	-	-	-6 207	-6 207
Operating profit/loss	1 143	221	853	-5 200	-3 587
Finance costs (net)	-295	-452	-1 357	-2 457	-2 684
Profit/loss before income tax	848	-231	-504	-7 657	-6 271
Income tax	-207	-20	88	237	-868
Non-controlling interest	8	-	10	-	-
Profit/loss for the period	650	-251	-406	-7 419	-7 139
Diluted	0.03	-0.01	-0.02	-0.35	-0.33

- Normal depreciation 0.3 M€
 - Capex 0.5 M€
- Acquisition related IFRS3 amortization 0.5 M€ (0.5 M€)
 - Estimate:
 - 2.0 M€ in 2010
 - 2.0 M€ in 2011

Balance sheet



(1 000 EUR)	9/2010	9/2009	12/2009
Property, plant and equipment	2 058	2 362	2 102
Goodwill	72 169	69 058	69 415
Other intangible assets	8 498	10 026	9 585
Other long-term assets	2 216	2 535	1 888
	84 941	83 982	82 992
Current assets	32 864	26 768	33 781
Restricted cash and cash equiv.	-	376	-
Cash and cash equivalents	9 377	17 999	19 525
	42 242	45 144	53 306
Total assets	127 183	129 125	136 298
Equity for shareholders	53 509	52 699	53 568
Minority interest	393	-	-
Non-current liabilities	4 463	42 987	40 440
Current liabilities	68 818	33 439	42 290
Total equity and liabilities	127 183	129 125	136 298

- Main changes since 12/2009
 - Increased working capital
 - Minor Nordic currency fluctuation
 - Dividend 1.3 M€
 - Shares acquired for Affecto Management Oy
 - Bank loan presented as short-term debt due to covenants
- Interest-bearing net debt 29.1 M€ (20.9 M€ 12/09)
- Gearing 54% (39%)
- Equity ratio 45% (43%)

Ownership structure – 31 October 2010



<u>Owner</u>	<u>%</u>
CapMan Public Market Investment SARL	12,3 %
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 %
Taaleritehdas Arvo Markka Fund	2,8 %
EQ Pikkujättiläiset Fund	2,5 %
ABN Amro Finland	2,2 %
Other shareholders	43,4 %
Affecto Management Oy	3,8 %
Treasury shares	0,0 %
<hr/>	
Total	100,0 %

- 21.5 million shares in total

Flaggings in 2010

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

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



Outlook

Market environment

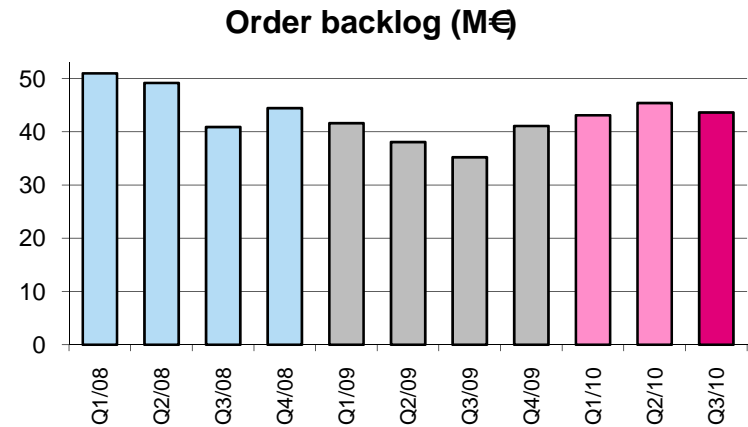


- Nordic: only small growth in general IT services in 2010
 - BI and ECM forecast to grow more rapidly (5-7%)
 - Continuing improvement in customer activity
- Baltic: stabilising after crash
 - Customer activity has increased, although the market has not yet recovered much
 - GDP forecasts improving: small decrease or increase in 2010
 - Importance of EU as the financier of the investment has grown
 - Price competition in the local market

Outlook



- Order backlog 44 M€
 - Increase in Q3/2010 compared to Q3/2009 and Q3/2008



- 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. The last quarter is expected to be the best both regarding the net sales and profitability.

Affecto's largest customers in 2009



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

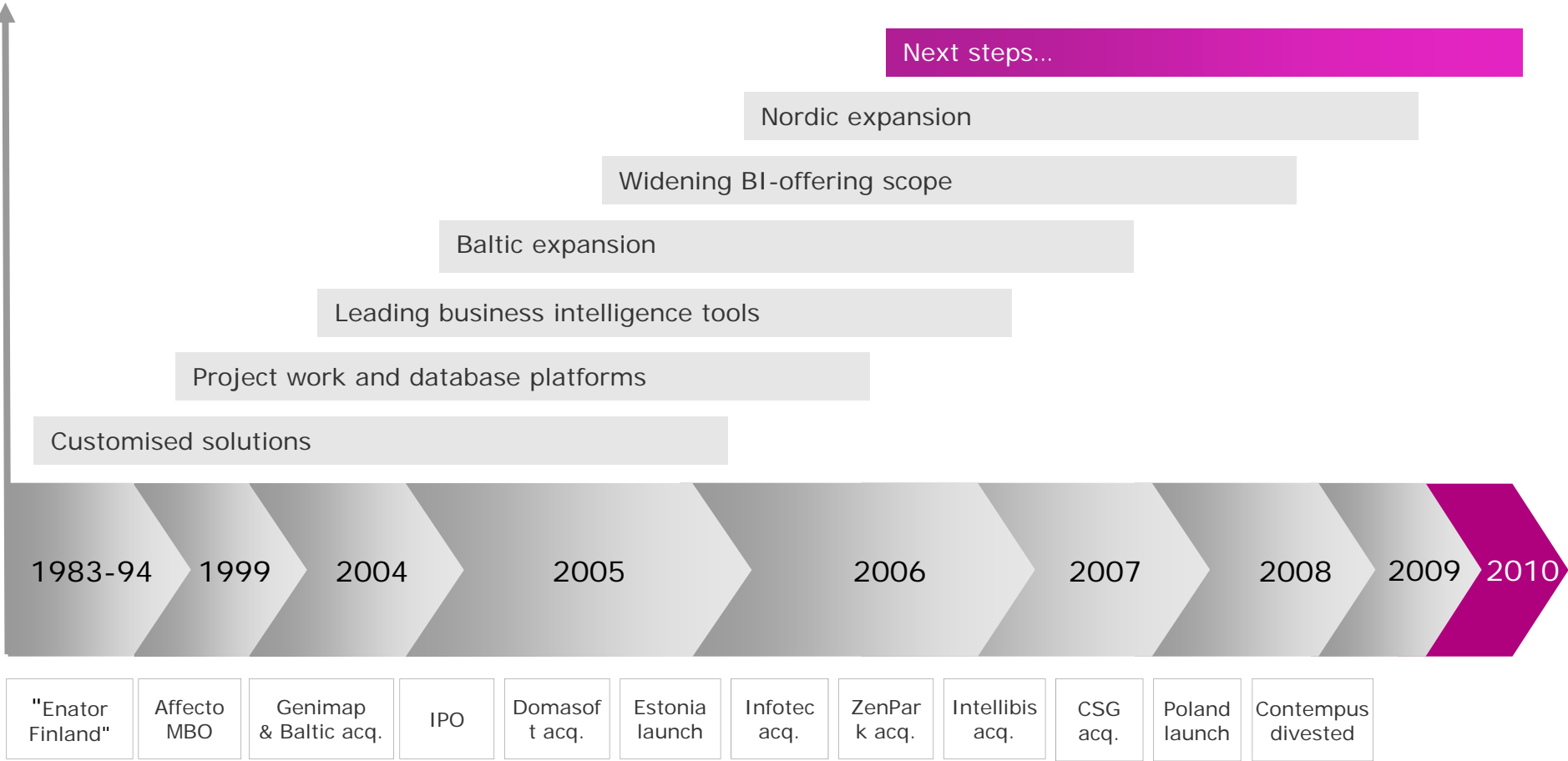
- Affecto is the best investment for its stakeholders
 - Employees: best added value for her/his competence and market value
 - Customers: first-class solutions and services, based on deep understanding of the customer needs
 - Investors: solid shareholder value creation

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

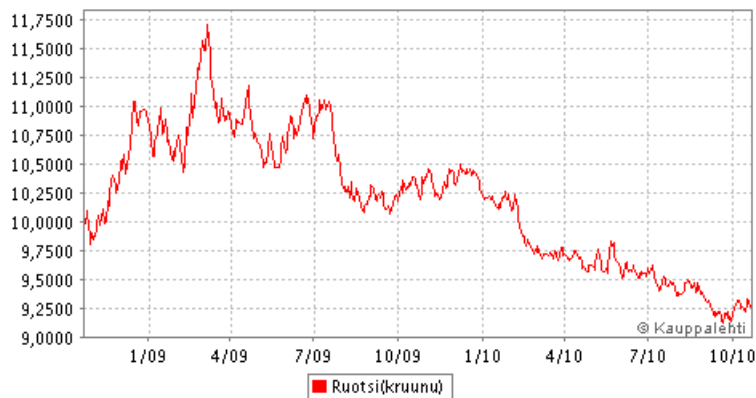
- Personal development
- Inspiring leadership
- Competitive incentive system

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

