

Interim Report 1-9/2007

29 October 2007

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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.

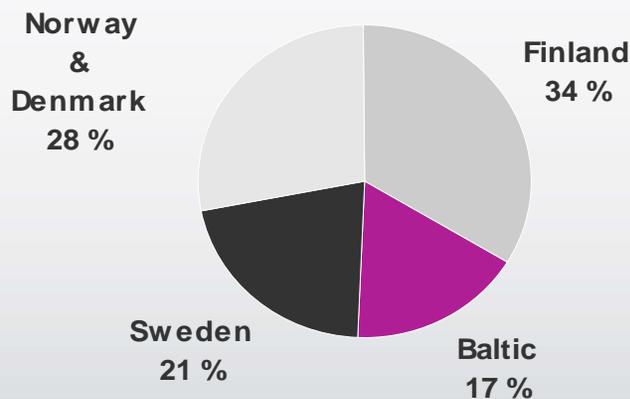
Words such as 'forecasts', 'estimates', 'expects', 'plans', and variations of these words and similar expressions are intended to identify forward-looking statements, which include, but are not limited to, Affecto's performance and profitability, market growth and industry developments.

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.

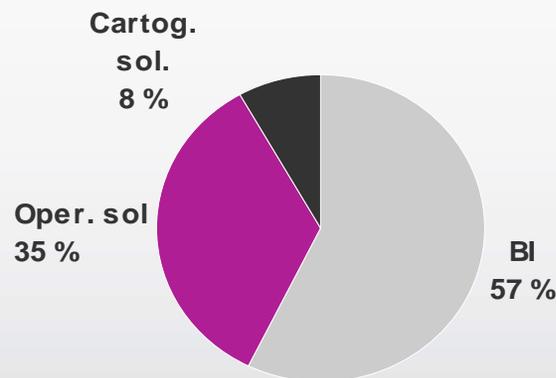
Affecto: Leading BI solution provider in Nordic & Baltics

- Net sales target: over 90 M€ in 2007 (50 M€ in 2006)
 - Pro forma 120 M€ in 2007
- Approx. 1100 employees

Sales per region – 1-9/07 (pf)



Sales per segment – 1-9/07 (pf)



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The major event in Q3: Completion of the acquisition of Component Software (CSG)

- Public Tender Offer in July-August
 - NOK 40.03 in cash and 0.81063 Affecto shares for each Component Software share
 - Approx 4.5 million new Affecto shares were issued
 - Approx. 21% shareholding in Affecto to CSG owners
- Completion at end of August, CSG consolidated to Affecto as of 1 September 2007
 - Mandatory offer and squeeze-out began September 19th
 - CSG delisted from Oslo Börs on 24 October
- Operations in Sweden to be integrated by January 2008

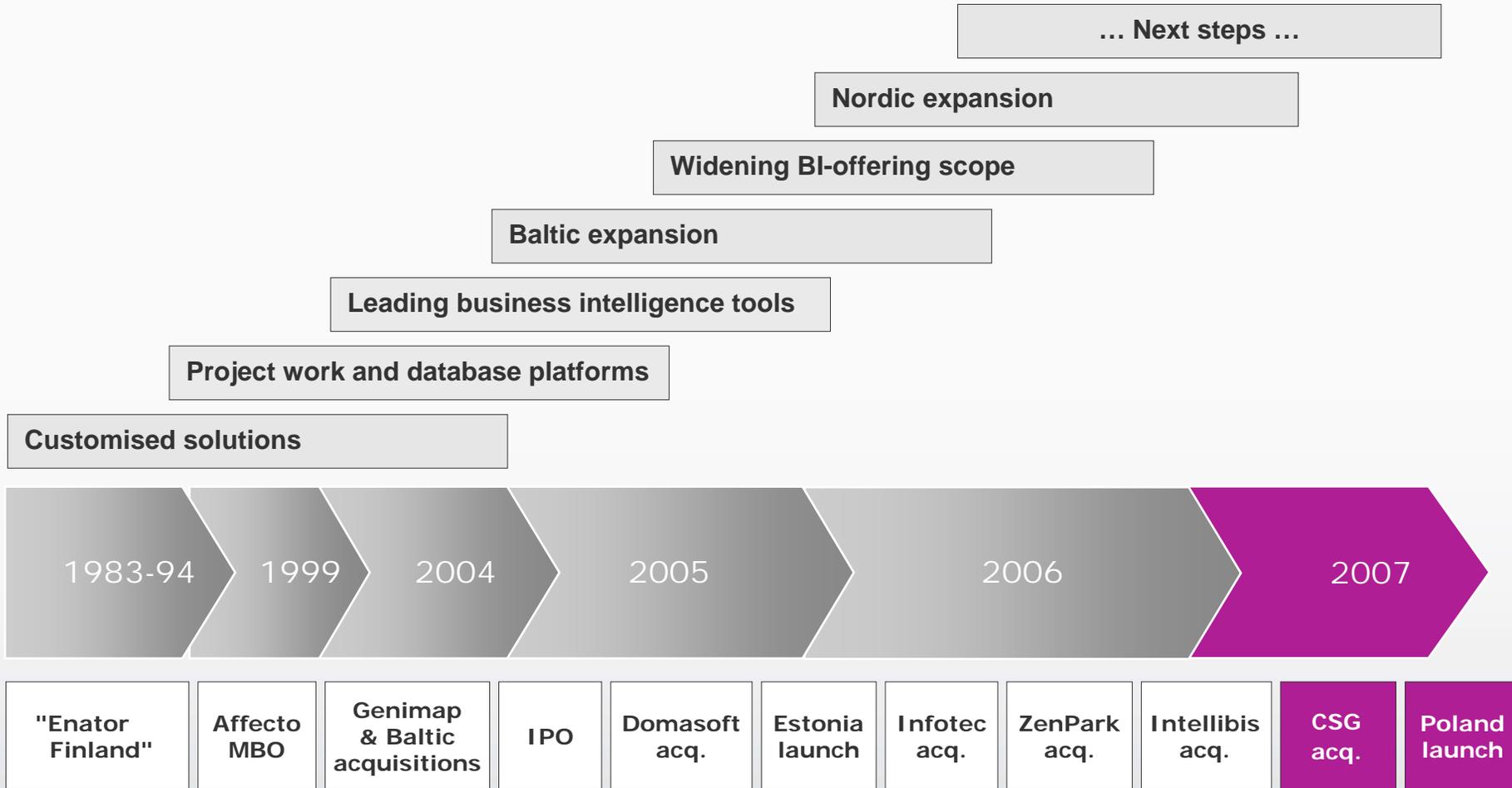
Vision 2009

- 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

Financial targets: Profitable growth

- Profitable and sustainable growth is the key element in our strategy
- Financial targets 2009
 - ❖ **Net Sales: exceeding 160 MEUR in 2009**
 - ❖ **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



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Affecto's 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

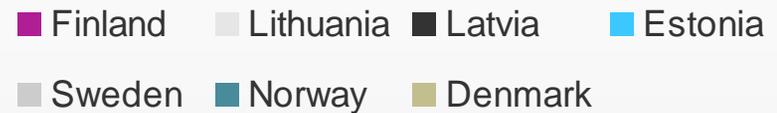
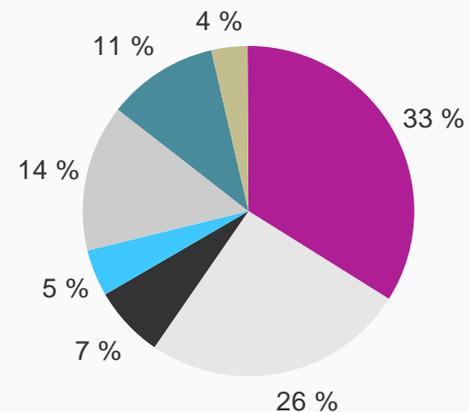
Employees

- Personal development
- Inspiring leadership
- Competitive incentive system

Resources



Personnel by country (Q3)

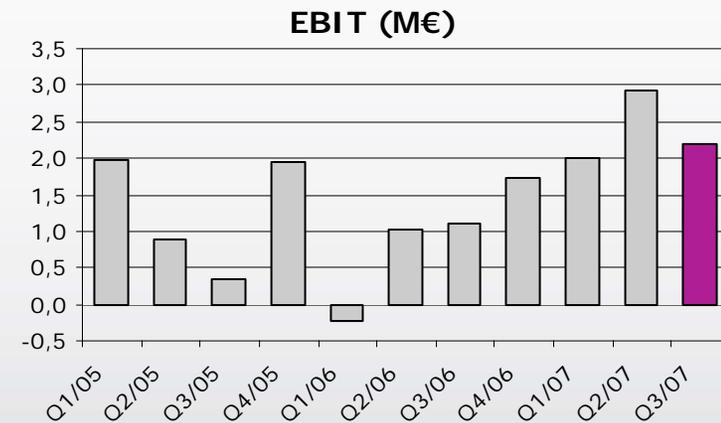
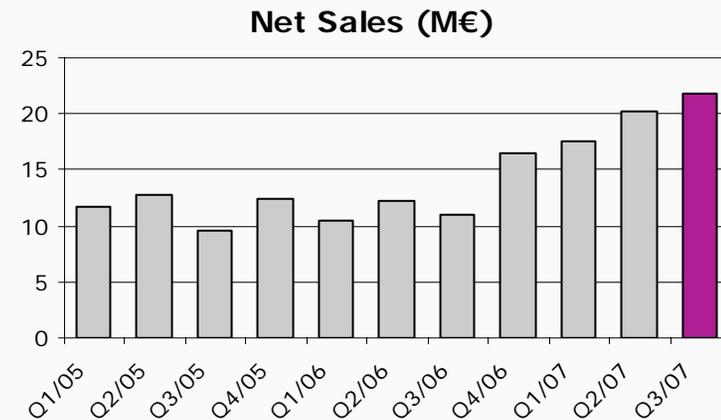


- Approx. 1100 employees
 - 370 in Finland
 - 415 in Baltic countries
 - 320 in Scandinavia

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Overview to Q3/2007

- "Summer quarter" - CSG acquisition is the major event
- Net sales 21.8 M€ (10.9 M€)
 - Growth 99%
 - High organic growth in Baltic
 - All-time-highest quarter despite summer vacations, thanks to CSG acquisition
- EBIT 2.2 M€ (1.1 M€)
 - Margin approx 10%
 - Very strong Baltic
 - Healthy business in Finland, Sweden, Norway & Denmark



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Geographical segments & business areas



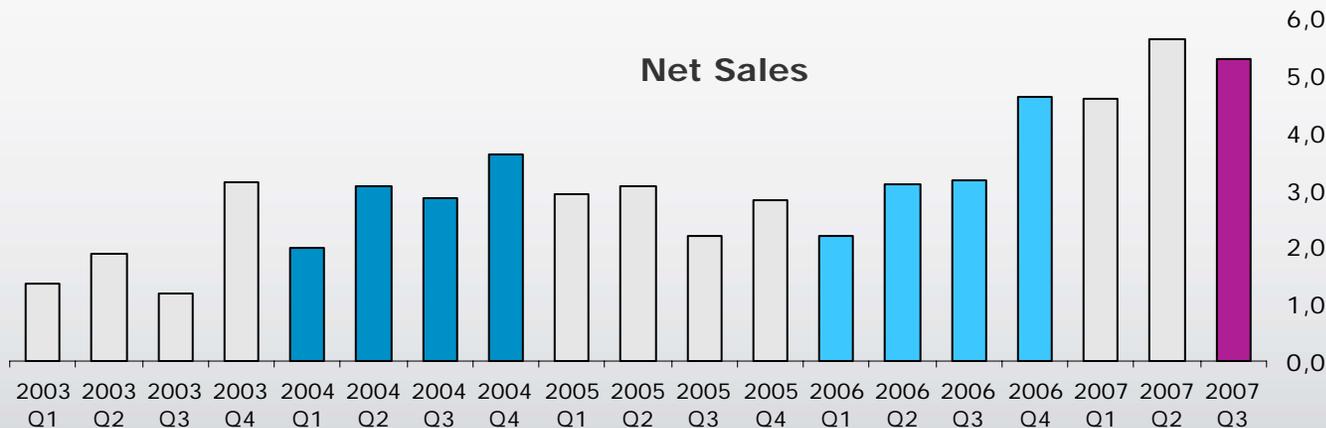
	BI	Operational Solutions	Cartographic Solutions
Finland	Large purple circle	Medium pink circle	Small pink circle
Baltic	Small pink circle	Large purple circle	
Sweden	Large purple circle		
Norway & Denmark	Large purple circle	Small pink circle	

Business areas - Finland

- Net sales 9.0 M€ (7.8 M€), EBIT 0.6 M€ (1.2 M€)
 - Growth 16%, EBIT margin 7%
 - Weak profitability in Cartographic solutions, YT-process launched in October
- Business trends continuing
 - Increasing demand for BI solutions
 - Good demand for application integration services
 - Growth in sales of digital cartographic content
- Recruitments to boost delivery capacity

Business areas - Baltic

- Very good quarter
- Net sales 5.3 M€ (3.2 M€), EBIT 1.4 M€ (0.2 M€)
 - Growth 66% compared with Q3/06
 - Excellent EBIT margin: 27%
- Normal business conditions
 - Long-term projects providing basis for stable utilization
 - Active recruitment



Business areas - Sweden

- Good quarter
- Sales grew to approx. 4.2 M€
 - Includes one month of CSG Sweden operations
- EBIT was 0.4 M€ (10%)
 - Reported EBIT includes 0.2 MEUR IFRS3 depreciation
→ operational profitability was higher
- Growth is expected to continue
 - Price development has been positive
 - Utilization rate has remained high
- Integration of CSG operations to Affecto
 - Some cost impact in Q4, approx 0.2 MEUR

Business areas - Norway & Denmark

- CSG consolidated since 1 September 2007
 - One month included in Q3 results
- Normal summer quarter
- Net sales in September approx. 3.3 M€
- EBIT was 0.2 M€ (6%)
 - Operational EBIT excluding IFRS3 depreciation was 0.3 MEUR higher
- Growth is expected to continue

Segment comparison Q3/2007

Net Sales

Segment	7-9/07	7-9/06	Growth	2006
Finland	9 015	7 770	16 %	36 267
Baltic	5 255	3 160	66 %	13 083
Sweden	4 201	0		881
Norway & Denmark	3 291	0		
Eliminations	0	-9		-36
Total	21 763	10 921	99 %	50 194

Segment	7-9/07	7-9/06	2006
BI	10 557	2 228	11 863
Operational Sol.	8 833	6 405	28 715
Cartographic Sol.	2 372	2 297	9 652
Eliminations	0	-9	-36
Total	21 763	10 921	50 194

EBIT

Segment	7-9/07	Margin	7-9/06	Margin	2006	Margin
Finland	589	7 %	1 222	16 %	4 641	13 %
Baltic	1400	27 %	174	6 %	497	4 %
Sweden	431	10 %			-22	
Norway & Denmark	195	6 %				
Group manag.	-419		-288		-1 474	
Total	2 195	10 %	1 108	10 %	3 642	7 %

- Strong organic growth in Baltic
- Organic growth in BI boosted by acquisitions (CSG, ZenPark and Intellibis)
- Very high EBIT margin in Baltic

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Income statement Q3/2007

(1 000 EUR)	7-9/07	7-9/06	1-9/07	1-9/06	2006
Net sales	21 763	10 921	59 567	33 628	50 194
Other operating income	7	9	68	109	138
Changes in inventories of finished goods and work in progress	15	103	161	394	287
Materials and services	-4 569	-3 005	-11 281	-9 509	-13 177
Personnel expenses	-11 069	-4 848	-30 202	-16 150	-23 996
IFRS3 Depreciation	-638	-65	-1 248	-175	-409
Other depreciation, amortization and impairment charges	-275	-236	-875	-683	-963
Other operating expenses	-3 039	-1 770	-9 062	-5 709	-8 432
Operating result	2 195	1 108	7 127	1 906	3 642
Finance costs (net)	-594	-41	-811	-158	-184
Result before income tax	1 601	1 066	6 316	1 748	3 458
Income tax	-318	-282	-1 583	-517	-824
Minority interest	0	0	0	0	0
Result for the period for equity holders of the company	1 283	784	4 733	1 230	2 633
EPS (eur/share)	0,07	0,05	0,27	0,08	0,16

Normal deprec.
0.3 M€

– Capex 0.2 M€

Acquisition related
IFRS depreciation
0.6 M€ (0.1 M€)

– Estimated to be
2.5 M€ in 2007

• 2.8 MEUR in '08

• 2.6 MEUR in '09

Higher finance
costs

Pro Forma 1-9/2007:	Net sales	89.9 M€
	Op.profit bef.IFRS3	10.6 M€
	EBIT	7.6 M€

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Balance sheet

(1 000 EUR)	9/2007	9/2006	2006
Tangible assets	2 584	2 049	2 110
Goodwill	85 594	33 342	43 579
Other intangible assets	19 336	3 807	7 550
Other long-term assets	2 939	699	744
Non-current assets	110 453	39 898	53 983
Inventories and receivables	33 020	14 779	18 893
Restricted cash	649	265	381
Cash and cash equivalents	8 235	6 511	5 484
Current assets	41 904	21 555	24 758
Total assets	152 356	61 453	78 741
Equity for shareholders	62 693	35 554	39 092
Minority interest	0	0	0
Non-current liabilities	51 002	9 633	18 252
Current liabilities	38 662	16 267	21 397
Total equity and liabilities	152 356	61 453	78 741

- Major changes due to CSG acquisition
- Interest-bearing net debt 40.3 M€ (13.7 M€ 12/06)
- Gearing 64% (35%)
- Equity ratio 42% (52%)

Ownership structure - 23 October 2007

<u>Owner</u>	<u>%</u>
Arendals Fossekompani ASA*	5,5 %
Mika Laine	5,4 %
Nordea Nordic Small Cap Ilmarinen	4,7 %
Lovika Invest AB	3,9 %
EQ Pikkujättiläiset Fund	3,3 %
Eläke-Fennia	2,9 %
Mandatum Suomi Kasvuosake	2,8 %
OP-Suomi Small Firms	2,7 %
Gyllenberg Small Firm	2,5 %
Nominee registered foreign owners	21,4 %
Other shareholders	42,1 %
Treasury shares	0,2 %
<hr/>	
Total	100,0 %

*) Nominee registered, based
on flagging announcement

- 21.5 million shares in total
- Approx. 21% ownership by CSG's ex-owners (at end of August)

Flaggings

- Eqvitec and Fenno sold their shares in October
- M.Laine exceeded 5% in October

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Outlook

How hot is BI as a topic?

- IDC estimates that global BI market grew by over 11% in 2006, expects 9% annual growth until 2011
 - Rising new entrants: Microsoft #4 (+28%) and SAP #6 (+18%)
- Datamonitor expects global BI market to grow by 12% annually and to double in size by 2012
- CIOs see investments into BI growing more rapidly than investments into other IT needs (Gartner 2006)
- SAP has made an offer to acquire Business Objects
- Additional tie-in technologies are being created
 - e.g. "enterprise search"
- Demand for advanced service models is growing
 - e.g. "hosted BI", "BI as a service"

Market environment

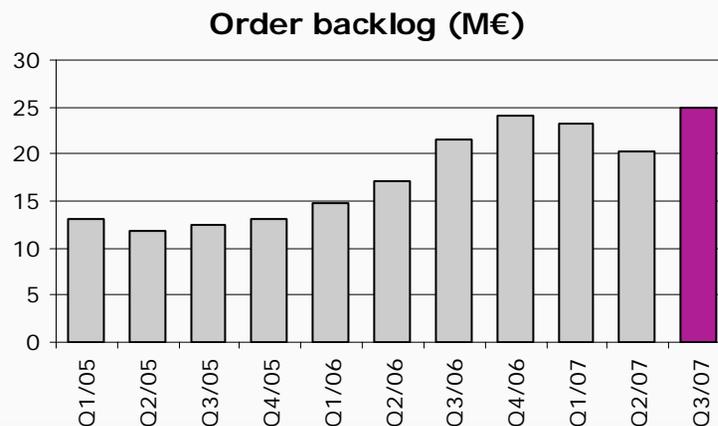
- Growing demand for BI solutions in Finland and in Sweden
- Baltic market developing well on overall basis
 - GDP is growing fast, but also general wage inflation
 - EITO's IT services growth forecasts are over 13% for years 2007 and 2008 in Estonia, Latvia and Lithuania
- High demand for skilled workforce
 - Wage pressure especially in Baltic

Implication from CSG acquisition: increased license sales

- Sales of licences make a larger portion of Component Software's business than they do in Affecto
 - In 2006, license sales made approx. 20% of CSG's net sales and less than 10% of Affecto's net sales
 - License sales tend to fluctuate between quarters
 - Q4 is usually the most active license sales quarter
- For these reasons the fluctuation of sales and profit between quarters may be larger and reliable forecasting more difficult in future

Outlook

- Order backlog 25 M€



- Positive development is expected to continue during year 2007. The company seeks to reach net sales of over 90 MEUR in 2007. The profitability of the whole year 2007 is also expected to improve from 2006