

# Digia Plc

## Financial Statement Bulletin 1-12/2010

4 February 2011

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CEO



digia

# Summary

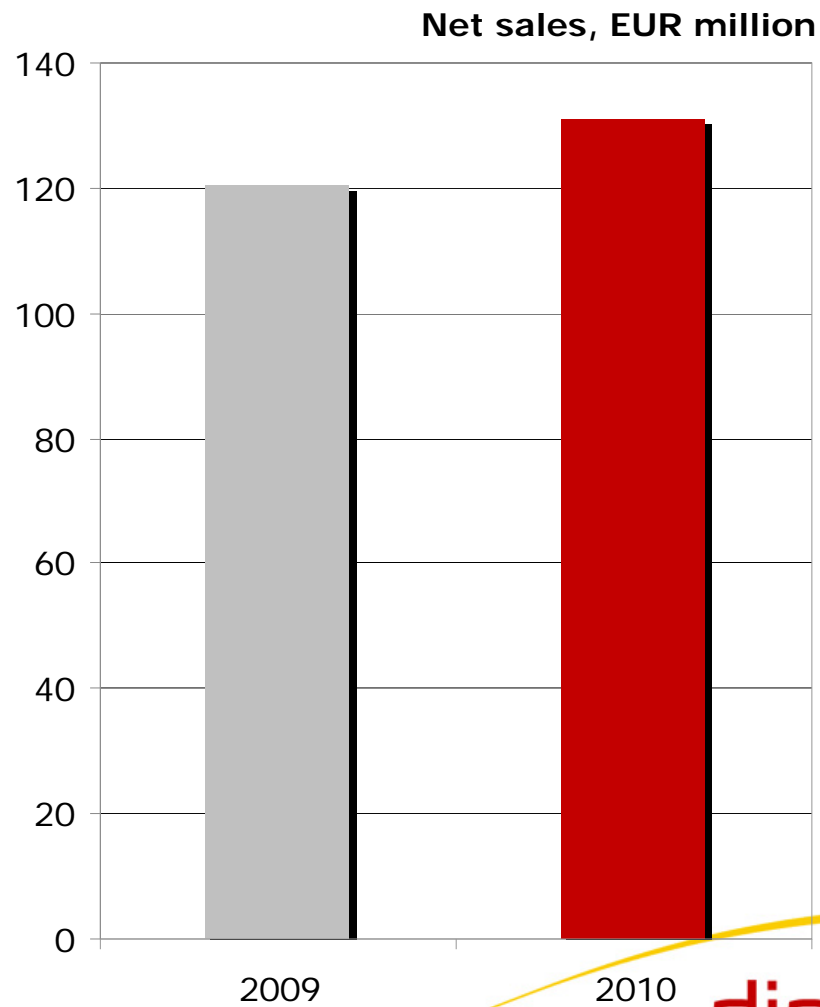


# Summary 1-12/2010

- Strong increase in net sales
  - Consolidated net sales EUR 130.8 (120.3) million, up 8.7 per cent
- Comparable operating profit improved slightly
  - Operating profit EUR 17.2 million
  - Operating profit before one-off items in 2009 (-24,7 MEUR) was EUR 16.9 million
  - Operative profitability (EBIT-%) 13.1 (14.1) per cent decreased mainly due to recruitment of new professionals and investments into increasing our replicable product business
- Earnings per share increased to EUR 0.56 (EUR 0.53 before one-off items in 2009)

# Net sales 1-12/2010

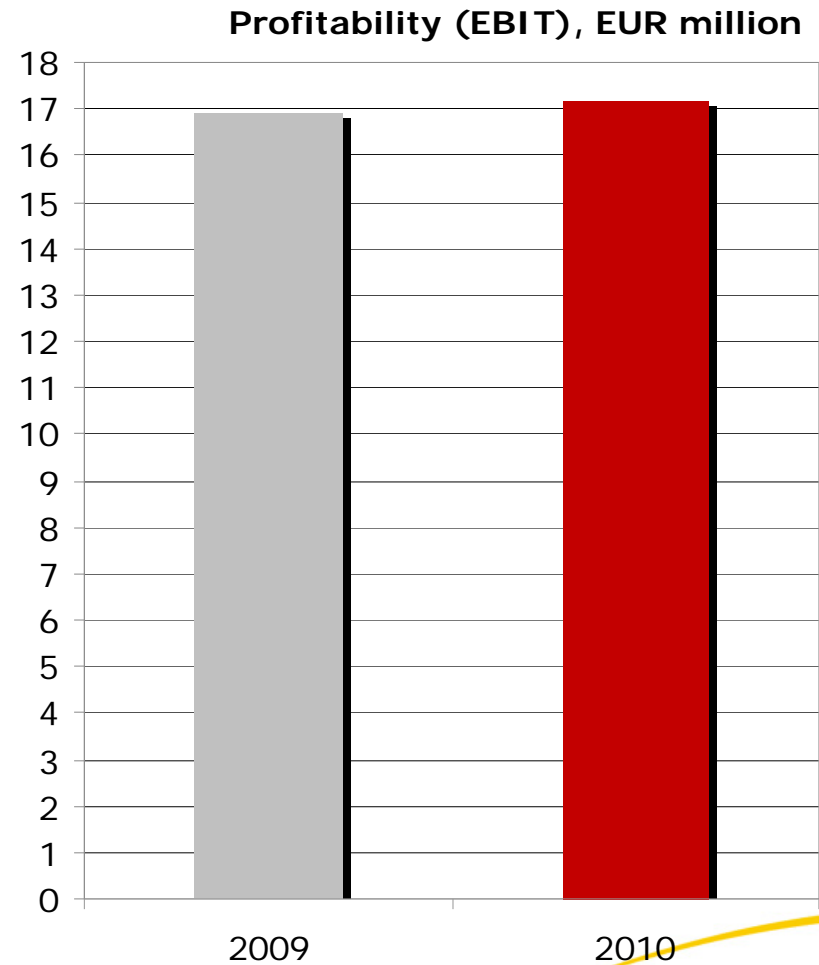
	1-12/ 2010	1-12/ 2009
Mobile Solutions	55.2	49.5
Enterprise Solutions	75.7	70.8
<b>Digia Group</b>	<b>130.8</b>	120.3



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# Operative profitability 1-12/2010

	1-12/ 2010	1-12/ 2009
Mobile Solutions	6.2	4.6
Enterprise Solutions	11.0	12.2
<b>Digia Group</b>	<b>17.2</b>	16.9



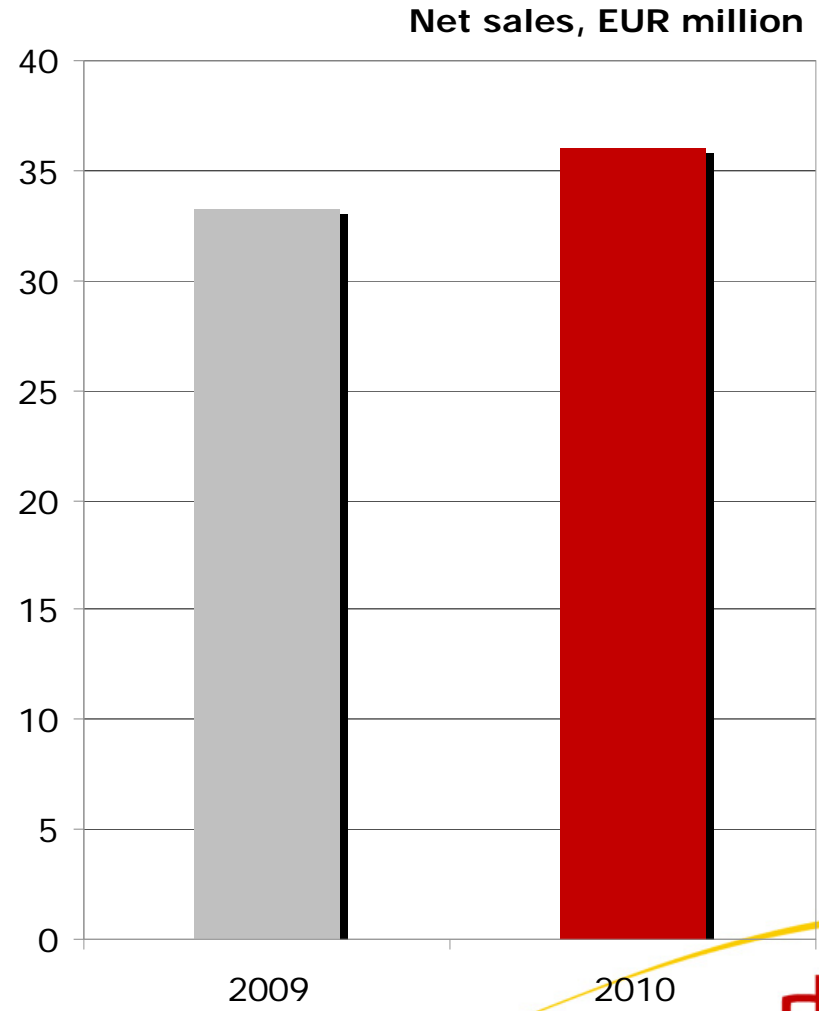
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# Summary Q4/2010

- Strong increase in net sales
  - Consolidated net sales EUR 36.0 (33.2) million, up 8.5 per cent
- Operating profit and profitability burdened by investments on boosting growth and consolidation of Helsinki offices
  - Operating profit EUR 4.8 million
  - Operating profit before one-off items in 2009 was EUR 5.4 million
  - Probitability (EBIT-%) 13.3 per cent
  - Probitability (EBIT-%) before one-off items in 2009 was 16.3 per cent

# Net sales Q4/2010

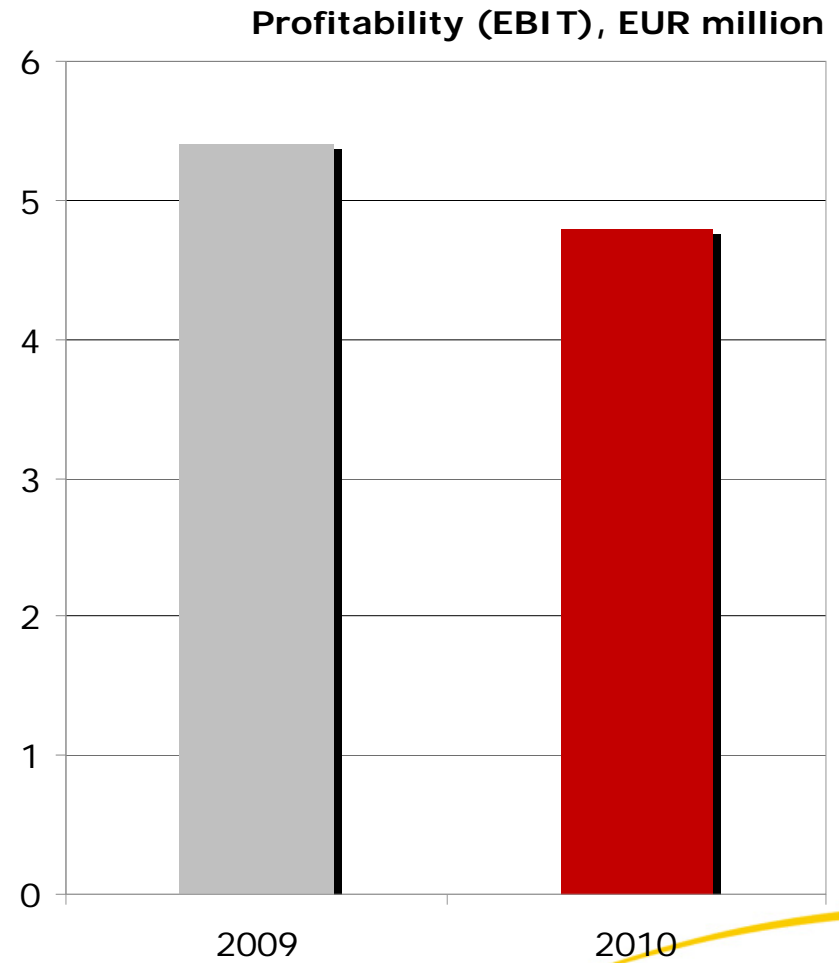
	10-12/ 2010	10-12/ 2009
Mobile Solutions	15.3	14.0
Enterprise Solutions	20.7	19.2
<b>Digia Group</b>	<b>36.0</b>	33.2



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# Operative profitability Q4/2010

	10-12/ 2010	10-12/ 2009
Mobile Solutions	2.0	1.9
Enterprise Solutions	2.8	3.5
<b>Digia Group</b>	<b>4.8</b>	<b>5.4</b>



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# Financing

- One of Company's main targets has been to bolster its balance sheet by decreasing indebtedness
  - During 2009 the Company repaid its interest-bearing liabilities in aggregate by EUR 26.3 million
  - During the reporting period the Company has repaid its interest-bearing liabilities by a further EUR 7.1 million
  - In the end of the reporting period the Company's loans from the credit institutions amount to a total of EUR 22.0 million
- In the future strong cash flow enables further extra loan repayments or investments to growth

# Markets and Digia's business



# Markets and Digia's business

- Business during the reporting period went well
  - Net sales increased above the market level
  - Good profitability and strong positive cash flow maintained
  - Recruitment of new professionals and investments into increasing our replicable product business burdened profitability compared to 2009
- Company will systematically develop the operation of the units in China and Russia to form a seamless part of Company's service concept
  - First local customers acquired in both countries during 2010

# Markets and Digia's business

- Net sales and especially operating profit have improved significantly from the corresponding period last year
  - Solid demand for software and user experience development for smart phones
  - Growth of Linux-based software development for smartphones continued and currently makes up a significant part of the company's entire smartphone development revenue
  - Company has further developed expertise in new technology platforms to meet the increasing demand

# Markets and Digia's business

- Enterprise Solutions segment saw increase in net sales but profitability has decreased compared to 2009
  - Demand for solutions for Digital business-, ERP- and customer experience management on good level
  - Investments into increase of productisation level, e-business competence and resource development as well as increase of cost level and relatively low license sales to the logistics and finance sectors have impeded the profitability
  - Customer pricing has not been increased corresponding to increased cost level in all customer segments

# Outlook and targets for 2011



# Outlook and targets for 2010

- Digia estimates that IT-market will continue in moderate growth mode during 2011
- Digia's main target in 2011 will be the increase of net sales, which the company expects to grow at least corresponding to the market level
- Uncertainty in mobile market has increased
- Digia expects to be able to maintain the good profitability of its operative business
- In addition to looking after the good operative profitability level Digia will aim at maintaining strong positive cash flow
- Moderate internationalisation will continue as Digia will actively search for possibilities to develop its product business.

# Thank you!

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