

Digia Plc

Interim Report 1-9/2010

29 October 2010

Juha Varelius
CEO



digia

Summary



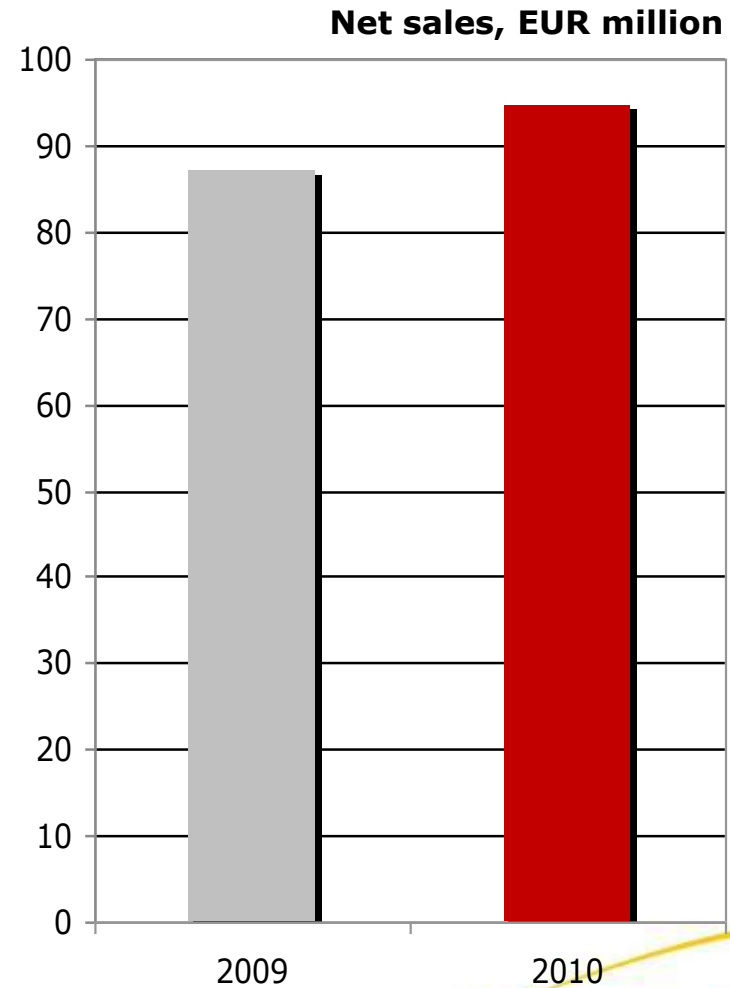
digia

Summary 1-9/2010

- Strong increase in net sales
 - Consolidated net sales EUR 94.8 million (EUR 87.1 million), up 8.8 per cent
- Operating profit improved
 - Operating profit EUR 12.4 million (11.5 MEUR), up 7.3 per cent
 - Profitability (EBIT-%) 13.1 per cent (13.2 per cent)
- Earnings per share increased to EUR 0.40 (EUR 0.35)

Net sales 1-9/2010

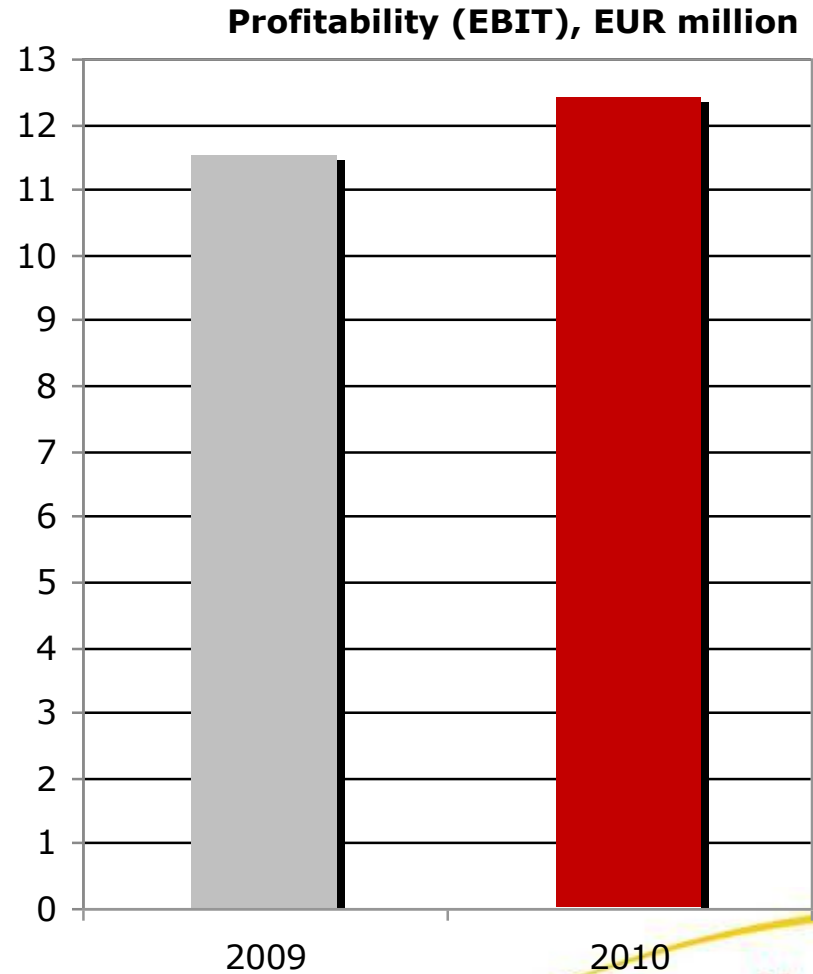
	1-9/ 2010	1-9/ 2009
Mobile Solutions	39.9	35.5
Enterprise Solutions	54.9	51.6
Digia Group	94.8	87.1



digia

Profitability 1-9/2010

	1-9/ 2010	1-9/ 2009
Mobile Solutions	4.2	2.7
Enterprise Solutions	8.2	8.8
Digia Group	12.4	11.5



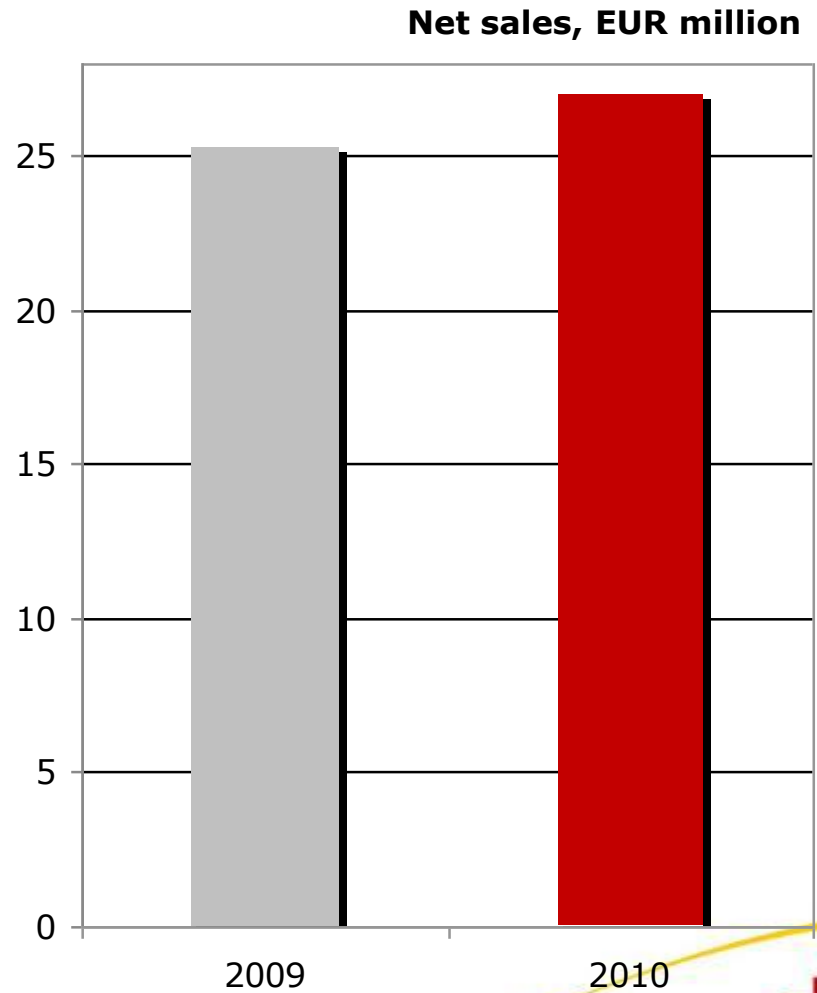
digia

Summary 7–9/2010

- Increase of net sales slower than during beginning of the reporting period
 - Consolidated net sales EUR 27.0 million (25.3 MEUR), up 6.6 per cent
- Operating profit burdened by investments on boosting growth
 - Operating profit EUR 2.9 million (3.4 MEUR), down 14.6 per cent
 - Probitability (EBIT-%) 10.9 per cent (13.6 per cent)
- Earnings per share remained on same level at EUR 0.10

Net sales 7-9/2010

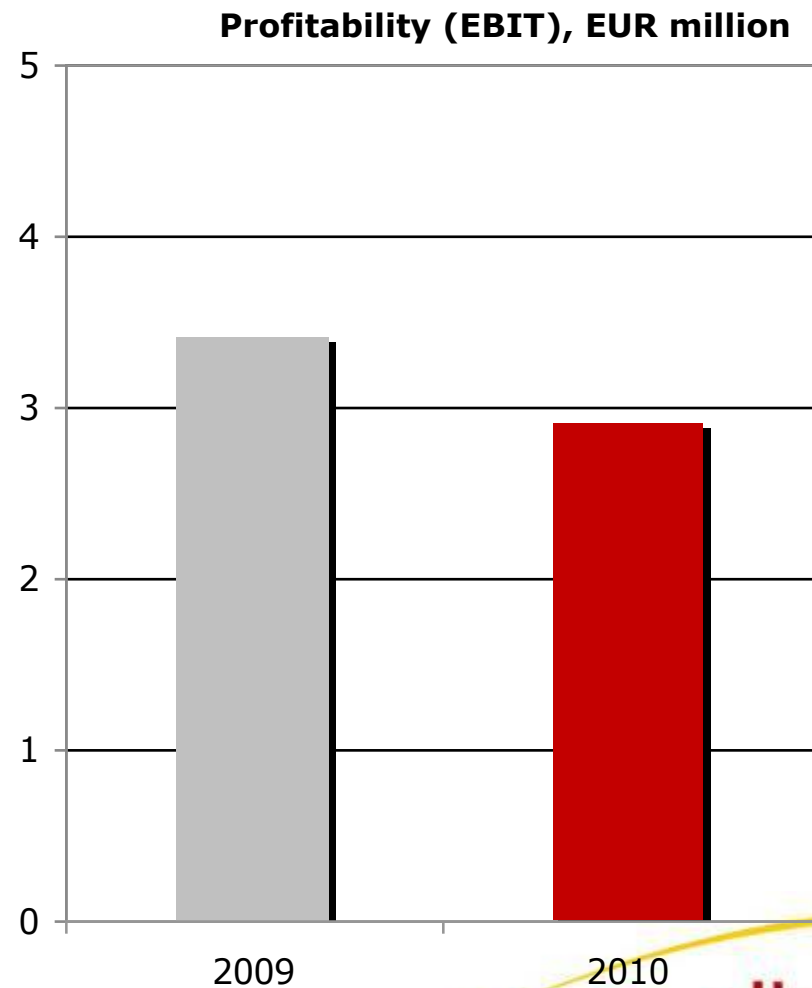
	7-9/ 2010	7-9/ 2009
Mobile Solutions	11.3	10.1
Enterprise Solutions	15.6	15.1
Digia Group	27.0	25.3



digia

Profitability 7-9/2010

	7-9/ 2010	7-9/ 2009
Mobile Solutions	0.5	0.6
Enterprise Solutions	2.4	2.8
Digia Group	2.9	3.4



digia

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 7.0 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



digia

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
 - Q3 profitability burdened by recruitments and investments to scalable product business
- Market situation looks reasonable
 - Company estimates that the IT-market will see moderate growth during 2010
 - Company's business in good shape, good basis for growth at least corresponding to the market and maintaining good operative profitability
- Company will systematically develop the operation of the units in China and Russia to form a seamless part of Company's service concept

Markets and Digia's business

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

Markets and Digia's business

- Enterprise Solutions segment saw increase in net sales but slight decrease in profitability
 - Demand for solutions for Digital business-, ERP- and customer experience management still on good level
 - Investments into e-business competence and resource development as well as relatively low license sales to the logistics and finance sectors slightly impeded the profitability
 - In the future the profitability affected also by salary increases and tightening price competition especially in finance and public sector

Outlook and Targets for 2010



digia

Outlook and Targets for 2010

- Digia estimates that IT-market will see moderate growth during 2010
- Digia will invest heavily on facilitating growth and expects its own net sales to grow at least corresponding to the market also during the end of the year. Favourable development applies to both operating segments
- Digia expects to be able to maintain the good profitability of its operative business also during the rest of the year
- 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. Focus is especially on the development of the business in Russia

Thank you!

juha.varelius@digia.com

www.digia.com



digia