

The Digia logo is rendered in a white, lowercase, sans-serif font. The letters are clean and modern, with a slight shadow effect that makes them stand out against the red background.

digia

# Interim Report 1-6/2012

Juha Varelius, CEO

9 August 2012

# SUMMARY FOR 1-6/2012

- ▶ Turnover decreased notably
  - ▶ Consolidated net sales EUR 50.6 (65.7) million
  - ▶ Q2 consolidated net sales EUR 24.5 (32.4) million
  - ▶ Decrease due to significant drop in the demand of contract engineering services
  
- ▶ Operating profit decreased slightly
  - ▶ Profit before one-off items EUR 2.7 (2.9) million
  - ▶ One-off items (EUR 0.6 million) consisted of changes in the management team and were allocated to Q2
  
- ▶ Q2 profit before one-off items EUR 1.3 (0.6) million
  
- ▶ Earnings per share before one-off items
  - ▶ EUR 0.08 (0.12) during 1-6/2012
  - ▶ EUR 0.04 (0.05) during Q2
  
- ▶ Qt business at good level
  - ▶ Profitability improved during the period and was very good at the end of the period

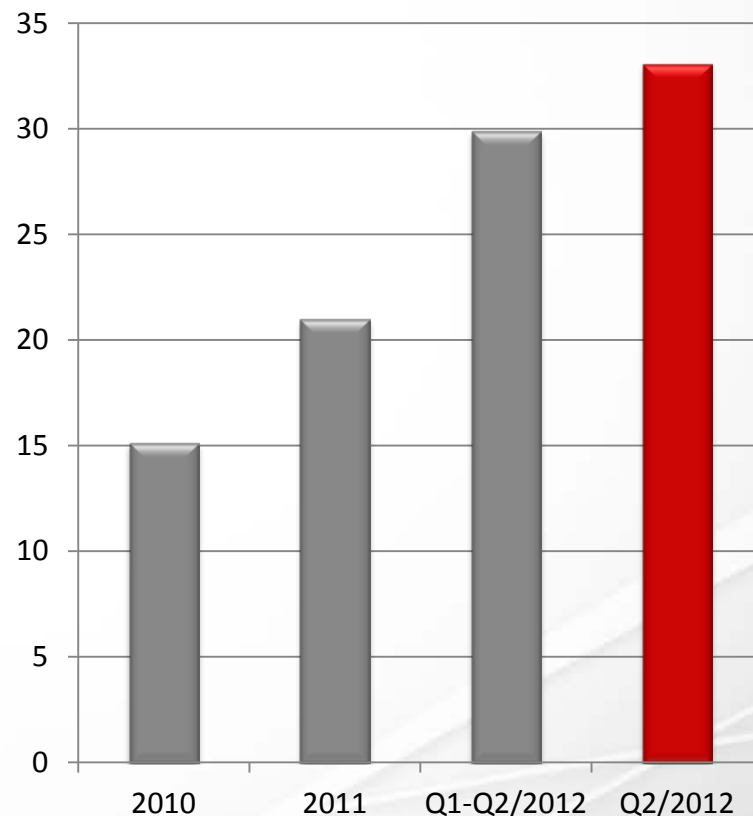
## SUMMARY FOR 1-6/2012

- ▶ Starting Q2/2011 Digia has consistently carried out significant activities to adjust its business and organisation to match the changed operating environment
  - ▶ As an effect of these activities, majority of the business is in good shape
  - ▶ Nokia risk removed, but Nokia's strategic choices still had an affect to the company's remaining of contract engineering services business during Q2
  
- ▶ Investments to international business had an effect to business profitability especially early of the period

# SUMMARY 1-6/2012

- ▶ Product business grew significantly
  - ▶ Product business accounted for EUR 15.1 (11.9) million and 29.9 (18.2) per cent, up 26.9 per cent

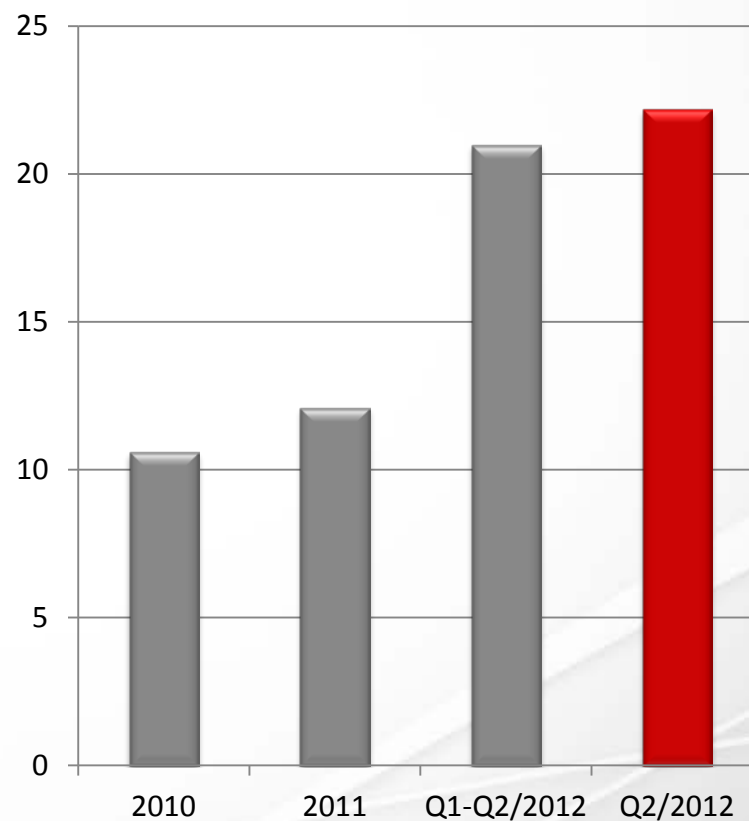
	Q2/ 2012	Q1-Q2/ 2012	2011	2010
<b>Digia Group</b>	<b>33.1%</b>	29.9%	21.0%	15.1%



# SUMMARY 1-6/2012

- ▶ International business grew significantly
  - ▶ International business accounted for EUR 10.6 (5.7) million and 21.0 (8.7) per cent, up 86.0 per cent

	Q2/ 2012	Q1-Q2/ 2012	2011	2010
<b>Digia Group</b>	<b>22.2%</b>	21.0%	12.1%	10.6%



## MARKETS AND DIGIA'S BUSINESS

- ▶ IT-service demand relatively steady, economic threats can to some extent been seen as postponed projects and price consciousness from customers
- ▶ Shortage of experienced architecture and business professionals causes longer recruitment times and pressure for labour cost increase
- ▶ Demand for ERP and other operative systems as well as integration services in the reporting period was reasonable
- ▶ Russian and Chinese units will be more strongly directed towards local customers

## OUTLOOK

- ▶ Company expects IT market to remain in 2012 on the previous year level or growing slightly
- ▶ Company expects the demand for ERP, operative systems and integration services to grow during the rest of the year
- ▶ Company will continue activities to make low profitability business areas more efficient, especially contract engineering services
- ▶ Company expects the made Qt acquirement to further support the positive development of Qt business, it's profitability to remain good and the net sales from it to develop positively during the rest of the year
- ▶ In conclusion, company estimates it's profitability to improve and raise to a good level during H2/2012

# digia

## Events after the reporting period

**Digia to acquire Qt-technology and business from Nokia**





## SUMMARY FOR THE TRANSACTION

- ▶ On 8 August 2012, Digia signed an agreement to acquire Qt software technologies and Qt business from Nokia
- ▶ With the acquisition, Digia will assume responsibility for all liabilities and operations, previously handled by Nokia, associated with Qt technologies
- ▶ As part of the transaction, a maximum of 125 employees will transfer to Digia. Most are located in Oslo, Norway and Berlin, Germany, with others in the USA and Finland
- ▶ Following the acquisition, Digia plans to expand Qt to also support the popular Android, iOS and Windows 8 platforms
- ▶ This business transaction will significantly strengthen Digia's product business and supports Digia's strategic objective to grow internationally



## MAIN OBJECTIVES

- ▶ Since Digia acquired the Qt Commercial licensing business from Nokia in March 2011, the operation has continued to be successful and has grown substantially
- ▶ The most significant objective for the transaction is to improve Digia's position in the Qt ecosystem
- ▶ Digia forecasts the impact of this transaction to 2012 revenues to be slightly positive and earnings neutral
- ▶ In the following years, Digia estimates the Qt business will continue to grow profitably



# BUSINESS ENVIRONMENT



- ▶ Digia is committed to guarantee Qt application framework availability under both open source and commercial license
- ▶ Qt technology is being used by over 450,000 developers and thousands of leading companies worldwide in over 70 industries
- ▶ The application framework is used to enable innovative and renowned applications and Uis
- ▶ Qt Commercial is a leader in a number key market segments including automotive, medical, advanced visualization & animation, industrial automation and aerospace & defense
- ▶ In the future, Digia expects that Qt will have a key role bringing world-class user experience and user interfaces to embedded systems and consumer electronics

# digia

[www.digia.com](http://www.digia.com)