

Digia Oyj

Interim Report 1-9/2009

30.10.2009

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CEO



digia

Summary 1-9/2009



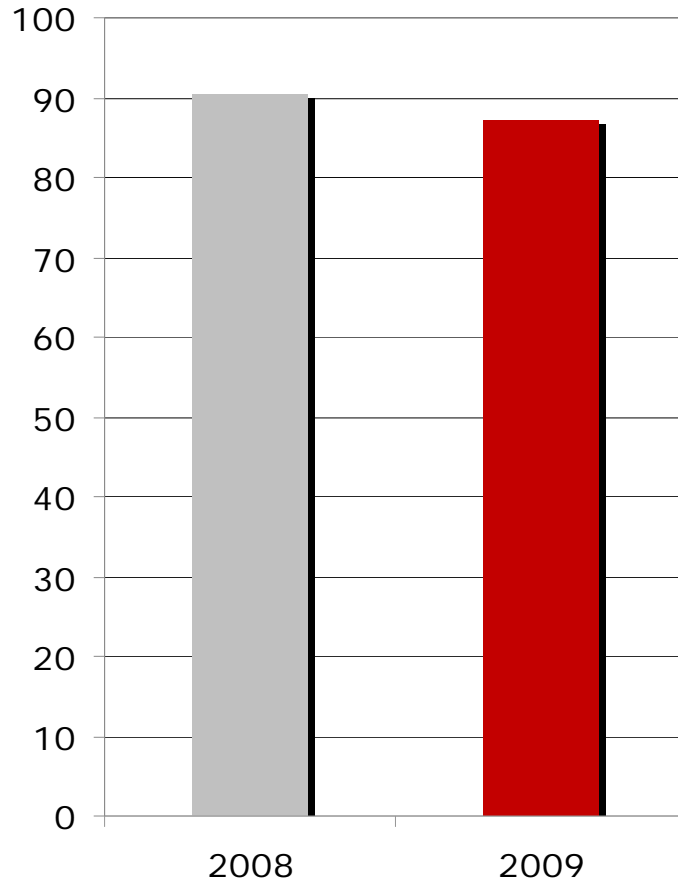
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Summary 1-9/2009

- Net sales declined slightly
 - Consolidated net sales EUR 87.1 million, down 3.6 per cent (EUR 90.4 million 1-9/2008)
- Profitability increased and on a good level
 - Profitability (EBIT-%) 13.2 per cent (11.6 per cent 1-9/2008)
- Earnings per share increased to EUR 0.35, up 16.7 per cent (EUR 0.30, 1-9/2008)

Net sales 1-9/2009

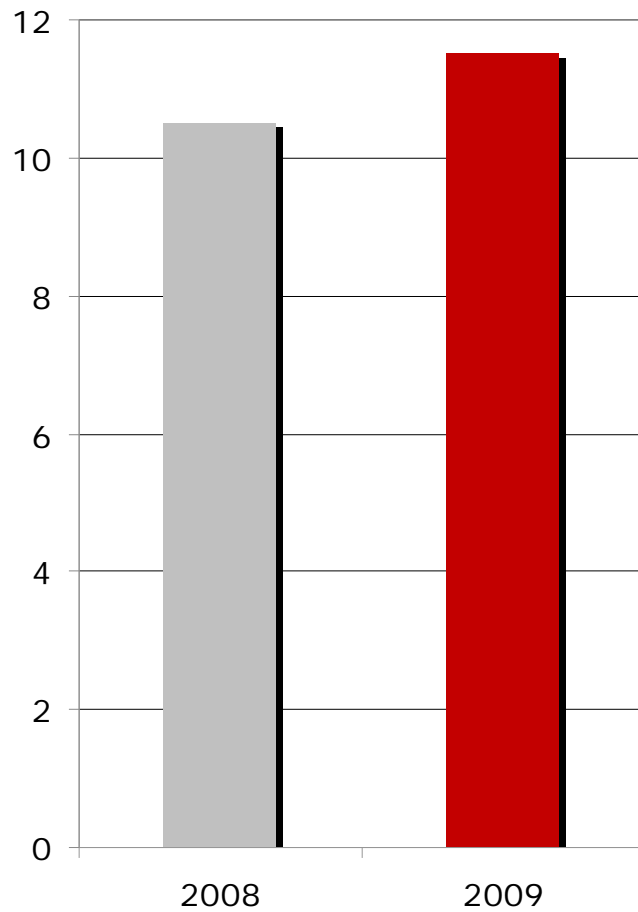
Net Sales, EUR million



	1-9/ 2009	1-9/ 2008
Mobile Solutions	35,5	39,5
Enterprise Solutions	51,6	50,9
Digia Group	87,1	90,4

Profitability 1-9/2009

Profitability (EBIT), EUR million



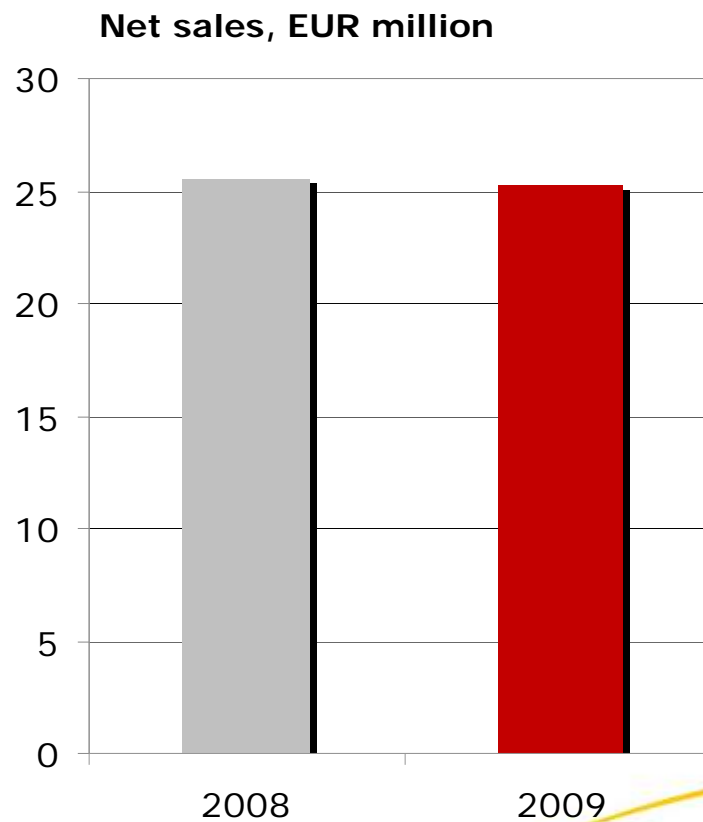
	1-9/ 2009	1-9/ 2008
Mobile Solutions	2,7	4,8
Enterprise Solutions	8,8	5,7
Digia –konserni	11,5	10,5

Summary 7-9/2009

- Net sales declined slightly
 - Consolidated net sales EUR 25.3 million, down 1.4 per cent (EUR 25.6, 7-9/2008)
- Profitability increased considerably
 - Profitability (EBIT-%) 13.6 per cent (10.0 per cent 7-9/2008)
- Earnings per share increased to EUR 0.10, up 66.7 per cent (EUR 0.06, 7-9/2008)

Net sales 7-9/2009

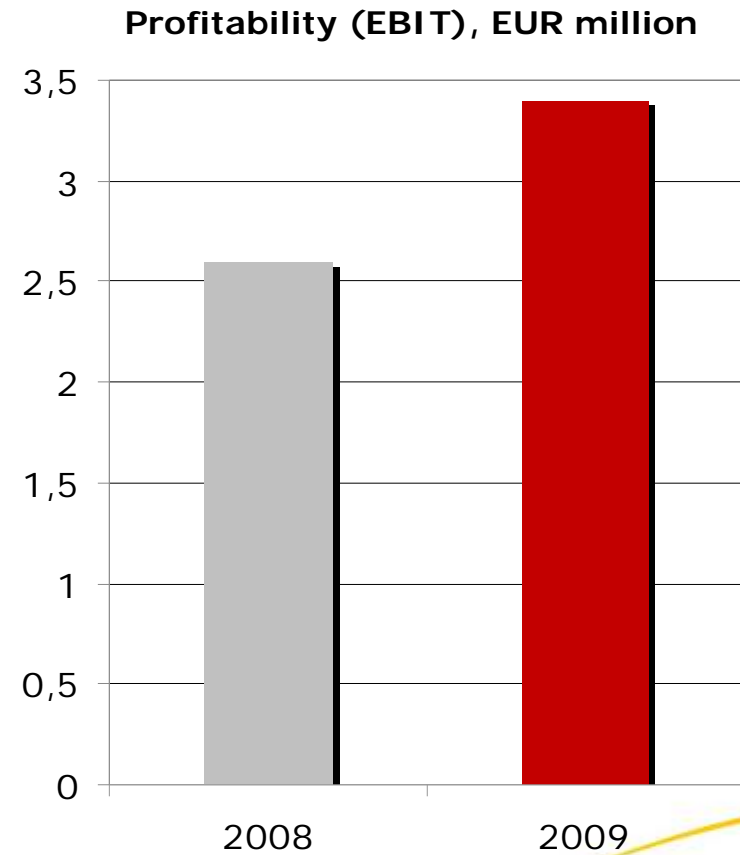
	7-9/ 2009	7-9/ 2008
Mobile Solutions	10,1	10,6
Enterprise Solutions	15,1	15,0
Digia -konserni	25,3	25,6



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Profitability 7-9/2009

	7-9/ 2009	7-9/ 2008
Mobile Solutions	0,6	0,4
Enterprise Solutions	2,8	2,2
Digia –konserni	3,4	2,6



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Credit facility

- Company has in February agreed on a new EUR 50 million credit facility of 3-years term, by which the current loans will be repaid in their entirety
- Credit facility covers a bank-financed package of EUR 42 million (Pohjola, Nordea ja Varma) and re-borrowing of employee pension contributions totalling EUR 8 million
- One of Company's main targets has been to bolster its balance sheet by decreasing indebtedness
 - During reporting period in aggregate EUR 16.1 million
 - In October EUR 10 million
 - After these payments the Company's debts amount currently to a total of EUR 29 million

Markets and Digia's business



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Markets and Digia's business

- Business succeeded well during the reporting period in the prevailing circumstances
 - Good profitability and strong positive cash flow maintained
 - Repayment of loans by a total of EUR 16.1 million during the reporting period.
- Market situation still remains challenging
 - Company estimates that the effects of the general economical recession to the IT-market will continue the entire year resulting in decline of the market as a whole in 2009
 - Biggest decline in demand of IT-services is, however, over
- Business in China has grown fast
 - Personnel and business in China have grown and customer projects have progressed in line with plans
 - Head count over 120 as per 30 Oct 2009

Markets and Digia's business

- Demand and profitability of the Mobile Solutions business behind the expectations
 - Business burdened by the ongoing structural changes in the business environment and increasing price competition
 - Company has developed expertise in new technology platforms
 - Growth during the reporting period centred in China
- Enterprise Solutions business grew slightly and has improved its profitability significantly (+54.7 % vs. 1-9/2008) by developing project business and raising the utilization rate
 - Pipeline has grown for operative information systems
 - Many earlier postponed projects are expected to start during Q4

Consolidation of office
network and
cooperation
negotiations related
thereto



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Actions

- Digia plans to close down the sites in Kuopio, Turku, Lahti and Vaasa, which employ a total of ca. 80 persons
- In addition, the company plans to reduce the staff of its software testing, product support and integration service functions in Pori by a maximum of ten employees.
- Cooperation negotiations affect ca. 110 employees, of which the Company aims at employing as many as possible in its remaining sites
- Moreover, the company will close its site in Yaroslavl/Russia by the end of this year. This measure will affect a total of nine employees.

Grounds and objectives

- Ongoing structural changes of the Mobile Solutions business and the fragmented site structure have resulted in over-capacity of resources
- In Pori and Yaroslavl certain service areas are affected by a permanent decline in demand or competitiveness
- By consolidating its network of business locations according to market demands and clustering its expertise in fewer but larger units to better meet customers' needs, the company is striving to increase its organisational efficiency and improve its profitability and competitiveness, especially regarding the Mobile Solutions business.
- The announced measures will have no effect on the services offered to the company's customers.
- Possible one-off expenses will affect the company's result for Q4/2009, and the positive impacts are expected to realise from Q1/2010 onwards.

Outlook and Targets for 2009



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Outlook and Targets for 2009

- Global recession will result in decline of the IT-market, which will have an effect also on the demand of Digia's services; however, speed of decline has steadied
- Digia nevertheless believes to be able to maintain good profitability of its operative business also during the rest of 2009 by upgrading operational efficiency and exercising strict control of costs
- In addition to maintaining good profitability level Digia's targets for 2009 are to maintain strong positive cash flow
- Digia will continue its internationalisation by actively searching for possibilities to develop its product business. Activities in China will continue to increase

Thank you!

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