



Financial Statement Bulletin 1-12/2011

Juha Varelius, CEO

3 February 2012

SUMMARY FOR 1-12/2011

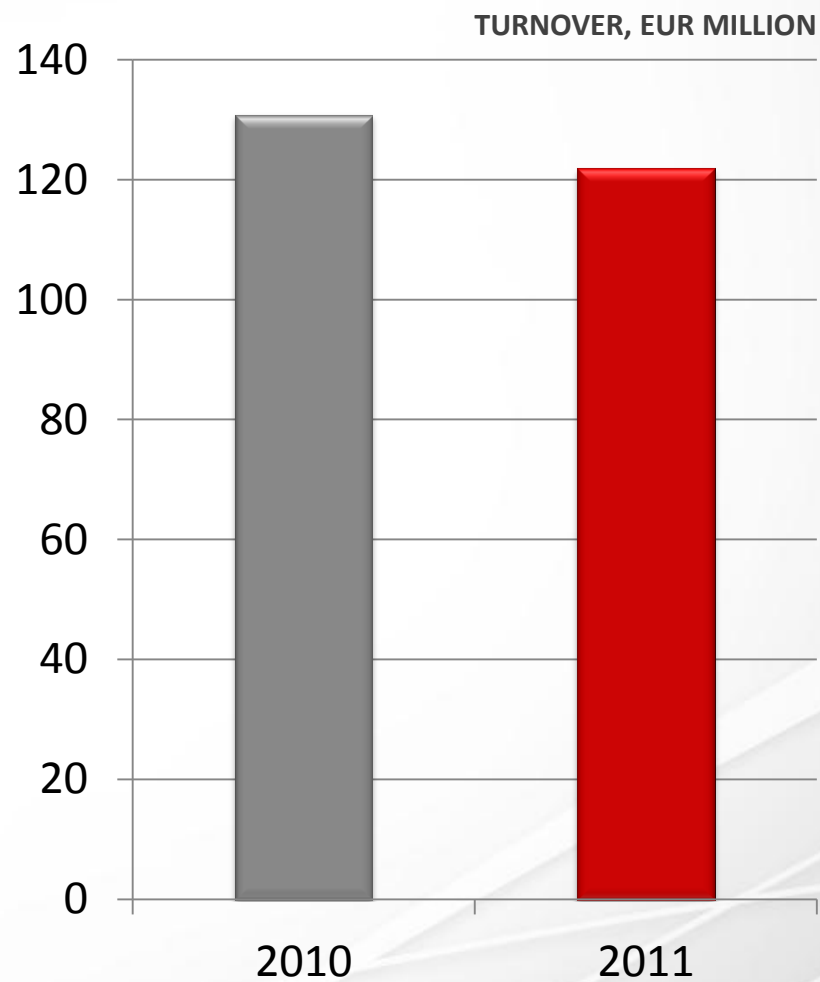
- ▶ Turnover decreased by 6.8 per cent
 - ▶ Turnover EUR 121.9 (130.8) million
- ▶ Operating profit negative due to one-off items
 - ▶ Operating profit EUR -22.2 (17.2) million
 - ▶ One-off items include a restructuring provision of EUR 4.9 million and a writedown of EUR 25.4 million for customer relationships and goodwill
- ▶ Operating profit decreased notably
 - ▶ Operating profit before one-off items EUR 8.1 (17.2) million
 - ▶ Decrease was due to decreased service demand following Nokia's new strategy, expenses of overcapacity in resources and the decreased license sales and higher expenses (recruitments and Qt starting expenses) in Enterprise Solutions segment
- ▶ Operative probitability (EBIT-%) 6.6 (13.1) per cent
- ▶ Enterprise Solutions segment profitability (EBIT-%) good 10.1 per cent
 - ▶ Profitability without Qt business 11.0 per cent
- ▶ Earnings per share before one-off items EUR 0.36 (0.56)

SUMMARY 1-12/2011

- ▶ Product business accounted for 21.0 (15.1) per cent
- ▶ International business accounted for 12.1 (8.1) per cent
- ▶ Four co-operation negotiations conducted to adapt the Mobile Solutions segment to the changed market situation and relating to organisation renewal
 - ▶ Sites in Pori and Lappeenranta closed
 - ▶ A total of 344 employees has been laid off
- ▶ Qt-business purchased from Nokia is running well as a part of Digia's Enterprise Solutions segment
 - ▶ Turnover EUR 6.0 million
 - ▶ Starting expenses lessened profitability, yet was positive on the second half of the year

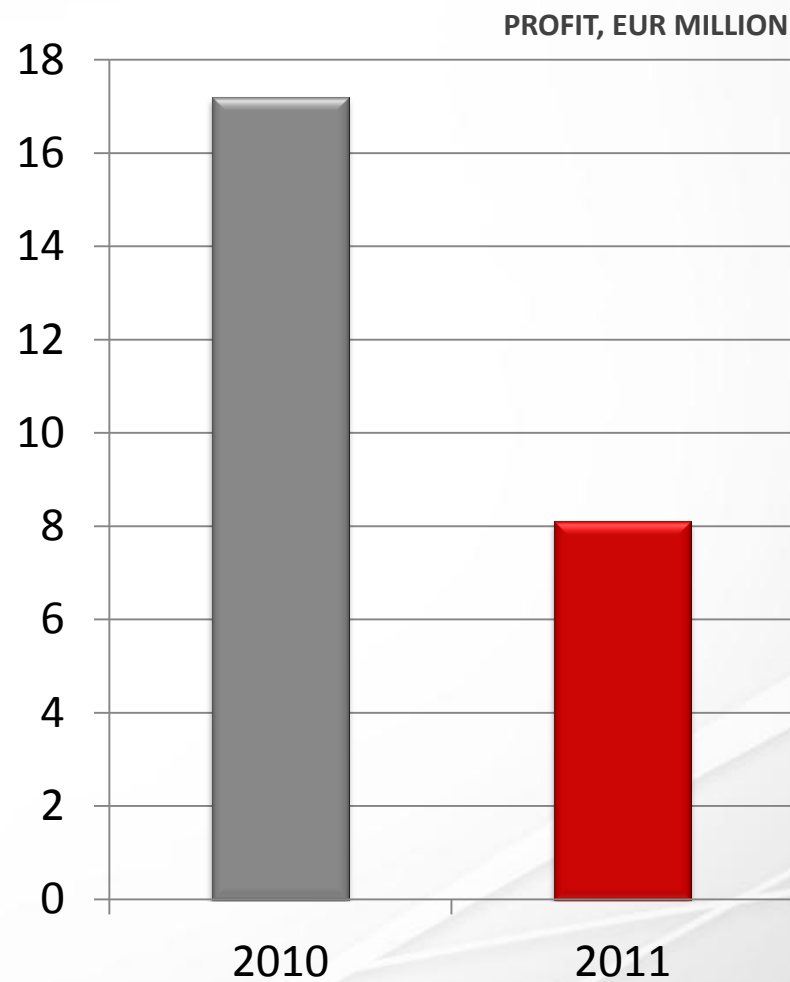
1-12/2011 TURNOVER

	1-12/2011	1-12/2010
Mobile Solutions	39.3	55.2
Enterprise Solutions	82.7	75.7
Digia Group	121.9	130.8



1-12/2011 OPERATING PROFIT

	1-12/2011	1-12/2010
Mobile Solutions	-0.3	6.2
Enterprise Solutions	8.3	11.0
Digia Group	8.1	17.2



SUMMARY 10-12/2011

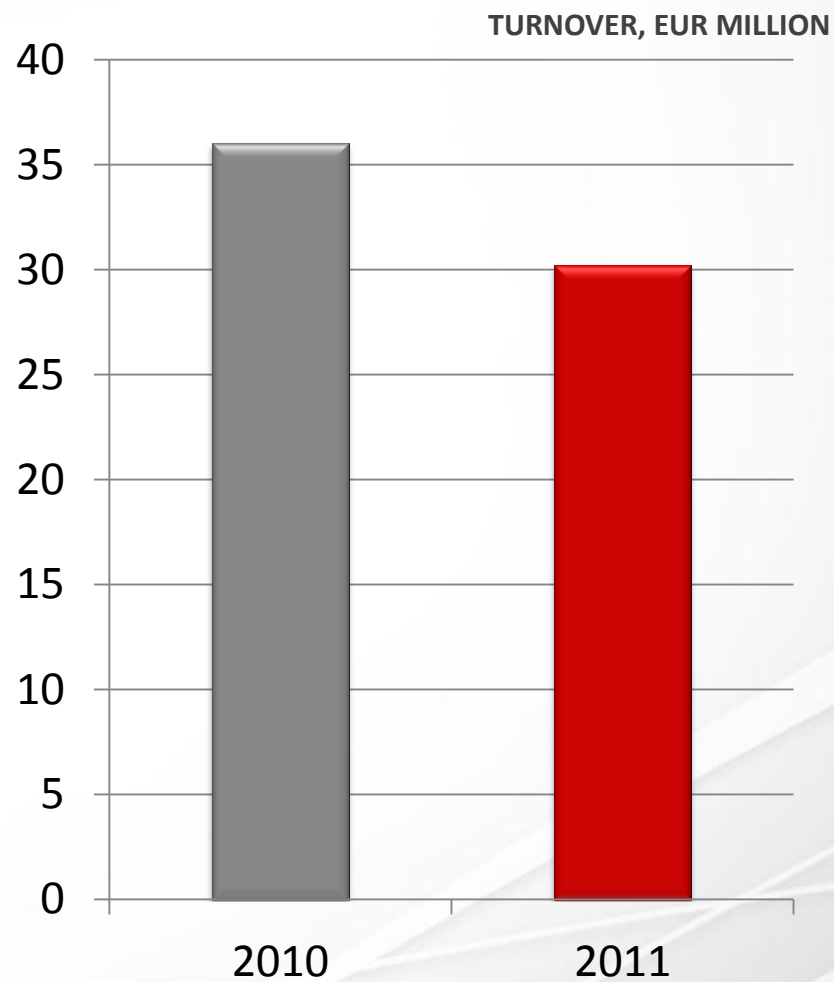
- ▶ Turnover decreased 16.2 per cent
 - ▶ Turnover EUR 30.2 (36.0) million
 - ▶ Decrease was due to strong decline of demand in Mobile Solutions segment (-52.4 % vs. Q4/2010)
 - ▶ Turnover in Enterprise Solutions segment increased by 10.5 per cent
- ▶ Profit decreased
 - ▶ Operating profit EUR 2.5 (4.8) million
 - ▶ Operating profitability (EBIT-%) 8.2 (13.3) per cent
 - ▶ Profit after one-off items (MEUR 1.1) EUR 1.4 million
 - ▶ Enterprise Solutions segment operating profitability (EBIT-%) was good 10.1 per cent and without Qt business 10.8 per cent
 - ▶ Mobile Segment profit decreased notably, but was positive (EUR 0.2 million)

SUMMARY 10-12/2011

- ▶ Product business accounted for 25.3 (13.8) per cent
- ▶ International business accounted for 17.0 (7.3 per cent)
- ▶ The implemented organisation renewal
 - ▶ As a result for the co-operation negotiations that ended on 3rd of November, a total of 67 employees has been laid off
 - ▶ In the new organisation, the business will be managed from a perspective of four strategic portfolios
 - ▶ In connection with the organisation renewal, Digia will move to report only one segment from the beginning of 2012

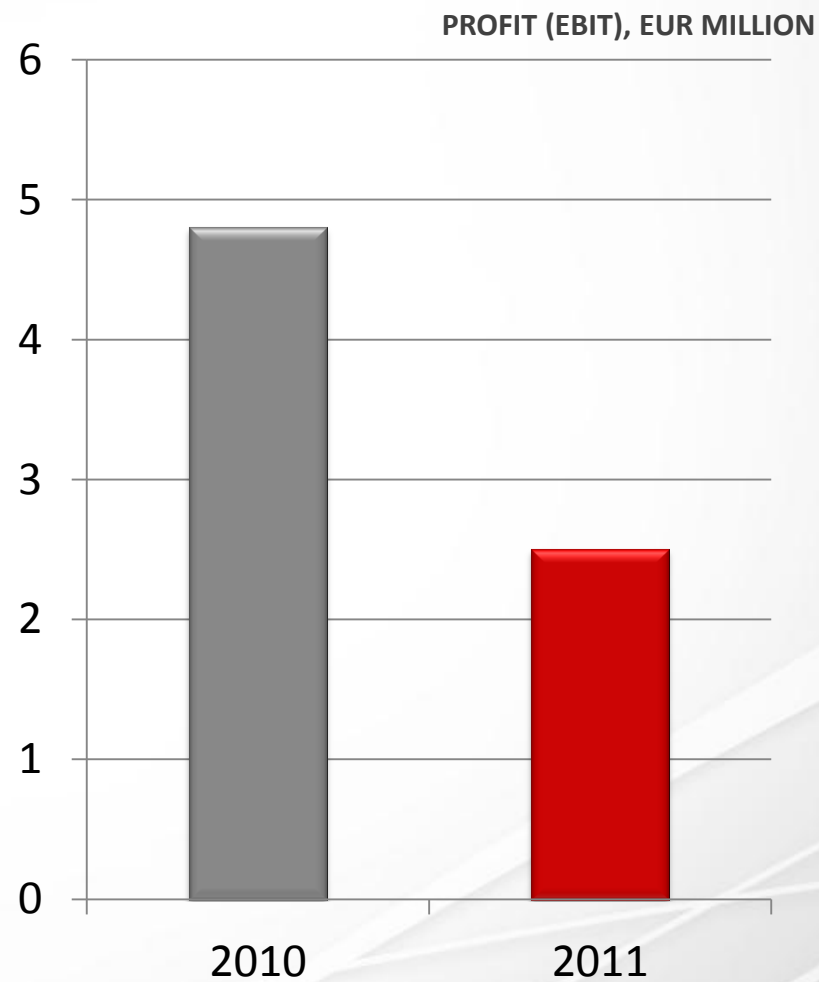
TURNOVER 10-12/2011

	10-12/2011	10-12/2010
Mobile Solutions	7.3	15.3
Enterprise Solutions	22.9	20.7
Digia Group	30.2	36.0



OPERATING PROFIT 10-12/2011

	10-12/2011	10-12/2010
Mobile Solutions	0.2	2.0
Enterprise Solutions	2.3	2.8
Digia Group	2.5	4.8



MARKETS AND DIGIA'S BUSINESS

- ▶ Nokia's new strategy changed Mobile Business segment's business environment significantly and permanently
- ▶ Mobile Solutions customer demand have continuously decreased during the review period and continues decreasing during Q1/2012
- ▶ Mobile Solutions adaptation measures have been completed and by the organisation renewal the company's operation adjusted to the new situation and to better support company's long-term objectives
- ▶ Demand for ERP systems in Enterprise Solutions segment still at a quite good level
- ▶ Lower-than-expected license sales and increased expenses has hindered Enterprise Solutions segment development. However, the trend was positive towards the end of the review period

OUTLOOK

- ▶ Overall economic situation keeps creating uncertainty
 - ▶ IT market hardly to grow during 2012
 - ▶ Cautious positive signs in sight, threats have not increased
- ▶ Demand for product creation services will continue to decrease during Q1, causing Digia's turnover for Q1/2012 to stay behind the level of Q4/2011
- ▶ Turnover decrease and starting the new organisation will strain the company profitability during Q1
- ▶ The profitability is estimated to improve from Q2 onwards and to rise to a good level during the second half supported by increased efficiency, Qt business and Russian operations

digia

www.digia.com