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Digia Plc's first quarter 2008 (IFRS)

Summary

- Consolidated net sales: EUR 31.7 million, up 20.5 per cent year on year
- Organic growth: 14.4 per cent
- Consolidated operating profit: EUR 4.2 million, up 47.0 per cent year on year
- Profitability (EBIT-%): 13.3 per cent (10.9 per cent 1–3/2007)
- Product business accounted for 13.0 per cent of net sales (17.8 per cent 1–3/2007)
- Earnings per share: EUR 0.12, up 71.4 per cent

- For the second quarter of 2008 Digia estimates its organic growth to continue to outperform the market average and its profitability to continue to stay on a good level
- Digia continues to focus on organic development of its businesses targeting to improve profitability and earnings per share

GROUP KEY FIGURES AND RATIOS

	1-3/2008	1-3/2007	Change, %	2007
Net sales	31,678	26,279	21 %	105,839
Operating profit	4,228	2,876	47 %	11,080
- % of net sales	13 %	11 %		10 %
Profit for the period	2,472	1,402	76 %	5,871
- % of net sales	8 %	5 %		6 %
Return on equity, %	14 %	9 %		9 %
Return on investment, %	14 %	10 %		9 %
Interest-bearing liabilities	56,543	56,317	0 %	56,413
Cash and cash equivalents	11,901	15,025	-21 %	11,739
Net gearing, %	66 %	66 %		65 %
Equity ratio, %	45 %	44 %		47 %
Earnings per share, EUR, undiluted	0.12	0.07	71 %	0.29
Earnings per share, EUR, diluted	0.12	0.07	71 %	0.29

MARKETS AND DIGIA'S BUSINESS

As a whole, Digia performed in line with plans during the first quarter. The company succeeded extremely well in achieving its key target of boosting its organic growth while showing a substantial improvement in its profitability.

While the market situation has been good in Digia's main business fields, the development of the world economy and its impact on Digia customers' investment propensity is creating uncertainties. Increased personnel costs are putting a strain on the company's profitability, due to which company seeks further operational efficiency. Due to the active labour market, employee turnover has remained at a high level.

At present, the availability of skilled labour is one of the major risk factors affecting the software sector. However, Digia has succeeded well in its recruitments, which is the key prerequisite for organic growth.

Digia has implemented its internationalisation strategy in a controlled yet determined manner. The new Digia units in Russia and China extend the company's service range to near-shore and off-shore services and also provide a stable foothold in these rapidly growing markets.

During the reporting period, Digia initiated a brand renewal project. As part of this project, the Annual General Meeting changed the company name to Digia Plc. Costs arising from the brand renewal including corporate image, marketing and communication activities will be allocated to the first and second quarter.

Telecommunications

Telecommunications sector had a strong quarter as its organic growth level concluded 29.4 per cent. During the reporting period, the division's customer relationships developed favourably, and it used its production capacity efficiently. Furthermore, customer satisfaction was at a high level. The division has further strengthened its delivery capacity by continuing to pursue its active recruitment policy initiated in the previous period. Recruitment measures have also been extended to countries with lower cost levels.

The investment made in the Russian market in January (Sunrise-r) will further expand the division's service offering, enhance its competitiveness and facilitate the expansion of its customer base in the contract engineering market. After the end of the reporting period, in early April, Digia opened a development unit in Chengdu, China. China offers very favourable and strongly developing conditions for software development activities, for instance from educational and infrastructure perspective. Chengdu is especially rapidly developing area and many of Digia's customers and partners have also placed their operations in Chengdu area. The launch of the operations in Chengdu will incur expenses during 2008 which have been taken into account in targets and estimates for company's financial development.

Demand has remained good, and the order book has remained strong even after entering the second quarter.

Finance and Services

The organic growth of Finance and Services sector reached 10.6 per cent on reported period but the utilisation rate fell compared to Q4/2007 due to delays in the launch of customer projects. If the general uncertainty of the finance sector continues, it may continue to adversely affect the development of the project situation.

In the public services sector, Digia supplied the Finnish Tax Administration with an e-service solution enabling citizens to make adjustments to their pre-completed tax returns. As of spring 2007, Digia has been participating in the digitalising of taxation services. The bilateral frame agreement between the Finnish Tax Administration and Digia relating to IT consultation was signed during the reporting period and remains valid until 2012. The agreement is based on Hansel Ltd's frame agreement pertaining to public administration technical IT consultation.

Industry and Trade

Digia has expanded its supplying of ERP systems to the municipal sector. The first project was the creation of a Microsoft Dynamics AX –based system for Oulun Tekninen Liikelaitos (Oulu City Technical Enterprise). The project began in 2007 and the system was taken into production in the first quarter of 2008. The growth in net sales generated by ERP systems has outperformed the market average.

The volumes of the portal and document management business have grown organically according to plan. With respect to integration solutions, the increase in net sales and staff numbers during the period was slightly above plan while profitability was close to the target level. With respect to consulting services, the division achieved major breakthroughs in both existing and new key customer relationships. Industry and Trade did not quite reach its net sales target, and investments in organic growth and the general increase in costs eroded profitability.

The division has seen signs of lengthening consideration periods among customers. However, with respect to portal and document management solutions, the company expects its net sales to continue to develop favourably. In integration solutions, the division expects to keep up with its growth and profitability targets.

Competition for skilled resources and the general increase in costs will pose challenges to the division's profitability, which it is attempting to enhance by improving its internal efficiency and utilising the resources of lower-cost countries.

RISKS AND UNCERTAINTIES

Digia's short-term uncertainties are related to the availability and cost of skilled personnel, employee turnover and the impact of the unpredictable economic situation to Digia customers' investment decisions. Furthermore, the growth in customer project size and scope increases risks related to projects and their profitability. A more detailed description of Digia's risk management is provided in its annual report and on the company website.

PROSPECTS FOR 2008 AND COMPANY OBJECTIVES

Digia's main targets for 2008 are to continue its organic growth while maintaining its high profitability. For the second quarter of 2008 Digia estimates its organic growth to continue to outperform the market average and its profitability to continue to be strong. The company's management will focus on customers, personnel and further internalisation of operations. The key short-term targets include organic growth, expanding the company's service offerings, deepening customer relationships and enhancing employee satisfaction. Furthermore, Digia will continue to increase its operational efficiency while pursuing a strict cost policy.

In the long-term Digia seeks primarily to concentrate on strengthening of organic growth. At the same time company aims to reduce dept-equity ratio. Digia will partly renounce its revolving credit facility, announced on November 9, 2006 and which was meant for financing possible acquisitions. By renouncing the credit facility, company will save over EUR 100,000 annually. Company is still able to execute strategically important acquisitions but the company focuses now on organic development of businesses seeking of improvement for profitability and for earnings per share. Thereby strategic objective is to further develop current competencies and products over the earlier announced revenue target of EUR 200 million for 2010.

NET SALES

Digia's consolidated net sales for the period 1-3/2008 were EUR 31.7 million, up by 20.5 per cent year on year (1-3/2007: EUR 26.3 million). This includes EUR 1.6 million of net sales of Sunrise Resources Ltd., a subsidiary acquired on 14 January 2008 and Capital C AB, a subsidiary acquired on 31 August 2007.

Net sales posted by Telecommunications for the period were EUR 15.9 million, up by 35.0 per cent (1-3/2007: EUR 11.8 million) while net sales by Finance and Services totalled EUR 8.6 million, up by 25.2 per cent (1-3/2007: EUR 6.9 million). Industry and Trade recorded net sales of EUR 7.2 million, down by 6.1 per cent (1-3/2007: EUR 7.6 million).

During the reporting period, the product business accounted for EUR 4.1 million (1-3/2007: EUR 4.7 million) of consolidated net sales, or 13.0 per cent (1-3/2007: 17.8 per cent).

International business accounted for 15.5 per cent of consolidated net sales (1-3/2007: 8.9 per cent).

PROFIT PERFORMANCE AND PROFITABILITY

Digia's consolidated operating profit (EBIT) for the period amounted to EUR 4.2 million, up 47.0 per cent on a year earlier (1-3/2007: EUR 2.9 million). This includes EUR 0.2 million of operating profit of Sunrise Resources Ltd., a subsidiary acquired on 14 January 2008 and Capital C AB, a subsidiary acquired on 31 August 2007. Profitability (EBIT-%) was 13.3 per cent (1-3/2007: 10.9 per cent).

Telecommunications reported an operating profit of EUR 3.1 million, representing a year-on-year growth of 115.0 per cent (1-3/2007: EUR 1.4 million), and profitability (EBIT-%) was 19.4 per cent (1-3/2007: 12.2 per cent). Finance and Services reported an operating profit of EUR 0.6 million, showing an increase of 289.6 per cent (1–3/2007: EUR 0.1 million) and profitability was 6.5 per cent (1–3/2007: 2.1 per cent). Industry and Trade posted an operating profit of EUR 0.6 million, representing a year-on-year decrease of 55.7 per cent (1-3/2007: EUR 1.3 million) and profitability (EBIT-%) was 8.0 per cent (1-3/2007: 17.0 per cent).

The Group's reported earnings before tax stood at EUR 3.4 million, representing a year-on-year growth of 64.5 per cent (1-3/2007: EUR 2.1 million), and net profit totalled EUR 2.5 million, up by 76.4 per cent (1-3/2007: EUR 1.4 million).

Earnings per share for the period were EUR 0.12, representing a year-on-year increase of 71.4 per cent (1-3/2007: EUR 0.07).

The Group's net financial expenses totalled EUR 0.8 million (1-3/2007: EUR 0.8 million).

FINANCIAL POSITION AND EXPENDITURE

On 31 March 2008, Digia's consolidated balance sheet total stood at EUR 153.0 million (12/2007: EUR 149.6 million) and equity ratio was 45.1 per cent (12/2007: 46.5 per cent). Net gearing stood at 65.8 per cent (12/2007: 65.1 per cent). The period-end cash and cash equivalents totalled EUR 11.9 million (12/2007: EUR 11.7 million), and interest-bearing liabilities amounted to EUR 56.5 million (12/2007: EUR 56.4 million).

The Group carries out annual impairment tests for goodwill and intangible assets with an indefinite useful life in accordance with the IAS 36 standard.

The table below shows goodwill and values subject to testing by business segment at the end of the reporting period:

EUR 1,000	Specified intangible assets	Depreciation during the reporting period	Goodwill	Other items	Total value subject to testing
Telecommunications	8,487	303.5	49,546	5,577	63,610
Finance and Services	2,094	75.9	13,692	2,849	18,635
Industry and Trade	3,340	146.2	26,410	2,465	32,214
Group total	13,920	525.5	89,648	10,891	114,459

Present values are determined on the basis of actual operating profit and five-year forecasts by the CGU, with growth varying between three and five per cent and the operating margin between 10 and 12 per cent.

Cash flows following the forecast period are estimated by extrapolating the cash flows using a steady net sales growth forecast of three per cent, with operating profit estimated at 10 per cent of net sales. Discount rates have been determined in view of the industry's general risk level, corresponding to an annual interest rate of 11 per cent.

Net sales growth is reckoned to constitute the most critical factor in calculating the present values of cash flows. The amount of goodwill for Telecommunications requires average annual long-term growth of around two per cent in its net sales and an operating margin of 10 per cent before amortisation of intangible assets. The amount of goodwill for Finance and Services requires average annual growth of two per cent for the business operations and six per cent profitability before amortisation of intangible assets. The amount of goodwill for Industry and Trade requires average annual long-term growth of two per cent in its net sales and an operating margin of nine per cent before amortisation of intangible assets.

Based on a reasonable estimate, any change in key variables used in calculations during the reporting period would not lead to a situation in which the segment's carrying amount would exceed its recoverable amount. Consequently, in the management's view, there is no need to recognise impairment losses.

The Group's cash flow from business operations for the period was positive by EUR 6.1 million (1-3/2007: positive cash flow of EUR 5.8 million), cash flow from investments was negative by EUR 3.5 million (1-3/2007: negative EUR 0.7 million) and cash flow from finance was negative by EUR 2.5 million (1-3/2007: negative EUR 1.6 million). Cash flow from investments was influenced by acquisition of Sunrise Resources Ltd of which amounted negatively EUR 2.8 million. Cash flow from finance was influenced by acquisition of own shares amounting negatively EUR 0.5 million and payment of dividends amounting to EUR 2.0 million.

Gross capital expenditure during the period totalled EUR 0.6 million (1-3/2007: EUR 0.5 million). Acquisitions of tangible fixed assets totalled EUR 0.5 million (1-3/2007: EUR 0.2 million).

Return on investment (ROI) for the period stood at 13.9 per cent (12/2007: 9.4 per cent) and return on equity (ROE) at 14.5 per cent (12/2007: 8.9 per cent).

HUMAN RESOURCES, MANAGEMENT AND ADMINISTRATION

On 31 March 2007, the number of Group employees totalled 1,281, up by 126, or 10.9 per cent, from the staff number on 31 December 2007 (2007: 1,155). During the reporting period, the number of employees averaged 1,252, showing an increase of 136, or 12.2 per cent, (2007: 1,116) over the same period a year earlier.

Employees by function on 31 March 2008:

Telecommunications	53 %
Finance and Services	23 %
Industry and Trade	20 %
Administration and Management	4 %

As of 31 March 2008, altogether 76 Digians were working abroad.

The Annual General Meeting (AGM) of 11 March 2008 elected the following Board members: Pekka Sivonen (Chairman), Pertti Kyttälä (Vice Chairman), Kari Karvinen, Harri Koponen and Martti Mehtälä. Pekka Sivonen was elected as a full-time chairman of the board on board's organising meeting but from the beginning of April 2008 Sivonen moved to be a part-time chairman of the board until the end of August.

Harri Koponen refrained from Board work 27 March 2008 for the time being, until the public tender offer of Cidron Services Oy for all the outstanding shares in TietoEnator Corporation, following which Koponen would be appointed TietoEnator's Executive Chairman of the Board, has been resolved. Juha Varelius has been Digia's President and CEO beginning from 1 January 2008. Juha Sihvonen, who was the company's acting CEO at the end of 2007 and, as of 1 January 2008, the company's Deputy CEO, resigned on 13 March 2008.

Ernst & Young Oy, a firm of authorised public accountants, is the Group's auditor, with Heikki Ilkka, Authorised Public Accountant, as the chief auditor.

Transactions with related parties
Digia Group's related parties include the CEO and the members of the Board of Directors and the Management Group. The Group had no transactions with related parties during the reporting period.

GROUP STRUCTURE AND ORGANISATION

On 31 March 2008, Digia Group consisted of Digia Plc, the parent company, and active subsidiaries Digia Finland Ltd (parent company holding 100 %), Capital C AB (100 %), which operates in Sweden, and Sunrise Resources Oy, which has an active subsidiary, OOO Sunrise-r Spb (100 %), in Russia. In addition, Digia Finland Ltd has the wholly-owned active subsidiaries Digia Service Ltd (100 %) and Digia Financial Software Ltd (100 %).

SHAREHOLDERS' MEETINGS

Annual General Meeting on 11 March 2008

Convening on 11 March 2008, Digia Plc's Annual General Meeting (AGM) adopted the financial statement for 2007, discharged Board members and the CEO from liability and, as proposed by the Board of Directors, approved the profit distribution for 2007, determined Board emoluments and elected the company's Board of Directors for a new term. In addition, the AGM decided to change the company name to Digia Plc and selected a new auditor for the company. The AGM granted the Board the following authorisations:

Authorising the Board of Directors to decide on a share issue and granting of special rights

The Annual General Meeting authorised the Board of Directors to decide on a rights issue or a capitalisation issue and on granting option rights and other special rights on the following terms:
- The authorisation can be exercised, for instance, for the development of company's capital structure, for exercising the share based incentive systems or for enabling and financing company and business acquisitions and other co-operation, or other such restructuring;
- The Board of Directors is entitled to decide to issue new shares or existing shares in company's possession in one or more sets provided that the maximum total number of shares issued is 4,000,000;
- The Board of Directors is also entitled to decide to sell company's own shares in the public trading on OMX Nordic Exchange Helsinki in order to finance possible business acquisitions;
- The Board of Directors is otherwise authorised to decide on other terms of share issue including the right to decide on a private placement or granting special rights on a private placement basis;
- The authorisation replaces the authorisation granted by the annual general meeting of shareholders on 28 February 2007, and will be valid for 18 months from the issue date of the authorisation, or until 11 September 2009.

Authorisation of the Board of Directors to decide on the buyback of own shares

The Annual General Meeting authorised the Board of Directors to decide on the buyback of own shares with the following terms:
- Own shares can be bought back, for instance, for the purpose of strengthening the company's capital structure, for exercising the share based incentive systems or for enabling and financing company and business acquisitions and other co-operation, or other such restructuring or for the purpose of being invalidated;
- The shares may be bought back in one or more sets, provided that the maximum number of shares involved will be 2,000,000;

- Own shares shall not be bought back in proportion to the shareholders' holdings but in public trading organised by the OMX Nordic Exchange Helsinki;
- The shares shall be bought back for the price determined by the Board of Directors, based on the fair value quoted in public trading on the buyback date;
- The shares may be acquired with free shareholders' equity and the acquisition of shares will decrease the free shareholders' equity and distributable assets;
- The Board of Directors is otherwise authorised to decide on other terms of buyback of own shares; and
- The authorisation replaces the authorisation granted by the annual general meeting of shareholders on 28 February 2007, and will be valid for 18 months from the issue date of the authorisation, or until 11 September 2009.

The Board of Directors decided in its meeting after the Annual General Meeting of 11 March 2008 to continue the buyback of own shares in accordance with the terms of the General Meeting's authorisation and the terms published on 13 February 2008.

SHARE CAPITAL AND SHARES

On 31 March 2008, the total number of Digia shares was 20,853,645.

According to Finnish Central Securities Depository Ltd, on 31 March 2008 Digia had 3,174 shareholders. The ten major shareholders were:

Shareholder	Proportion (%) of shares and votes
Pekka Sivonen	24.4 %
Kari Karvinen	7.6 %
Matti Savolainen	6.3 %
OP-Suomi Pienyhtiöt mutual fund	3.6 %
Varma Mutual Pension Insurance Company	3.6 %
Nordea Bank Finland Plc / Nominee-registered	3.2 %
Skandinaviska Enskilda Banken / Nominee-registered	3.2 %
Veikko Laine Oy	2.8 %
Nordea Bank Finland Plc	2.4 %
Jorma Kylätie's estate	2.2 %

Shareholding by number of shares held on 31 March 2008:

Number of shares	Proportion (%) of holdings	Proportion (%) of shares and votes
1 – 100	22.5 %	0.3 %
101 – 1,000	52.4 %	3.8 %
1,001 – 10,000	21.5 %	9.7 %
10,001 – 100,000	2.8 %	12.0 %
100,001 – 1,000,000	0.7 %	35.9 %
1,000,001 – 3,000,000	0.1 %	38.3 %

Shareholding by sector on 31 March 2008

	Proportion (%) of holdings	Proportion (%) of shares
Companies	6.2 %	11.8 %
Financial institutions and insurance companies	0.5 %	16.4 %
Non-corporate public sector	0.1 %	3.8 %

Non-profit organisations	0.4 %	0.4 %
Households	92.3 %	66.3 %
Foreign holding	0.5 %	1.3 %

REPORTED SHARE PERFORMANCE ON THE HELSINKI STOCK EXCHANGE

Digia Plc shares are listed on the Nordic Exchange under Information Technology IT Services. The company's short name is DIG1V. The lowest reported share quotation was EUR 2.55 and the highest was EUR 3.25. The share closed at EUR 3.00 on the period's last trading day. The trade-weighted average amounted to EUR 2.99. The Group's market capitalisation totalled EUR 62,560,935 at the end of the period.

During the reporting period, the company did not receive new announcements based on the Finnish Securities Markets Act.

STOCK OPTION SCHEMES

The current option schemes of Digia include the stock option scheme 2003D, on the basis of which a maximum number of 150,000 shares in Digia can be subscribed, and stock option scheme 2005A-C, on the basis of which a maximum number of 900,000 shares in Digia can be subscribed.

On 31 March 2008, the remaining number of warrants issued by Digia totalled 1,050,000. Shares subscribed for using the warrants represent a maximum of 4.79 per cent of the company's share capital and voting rights after any potential increase in share capital. On 31 March 2008, the number of warrants held by Digia still totalled 534,082 of all valid warrants. On 31 March 2008, the maximum dilution effect of the issued warrants was 2.41 per cent.

Helsinki, 29 April 2008

Digia Plc

Board of Directors

BRIEFING FOR MEDIA AND ANALYSTS

Digia will hold a briefing on its Interim Report for Q1/2008 and financial statement for analysts and the media on Tuesday 29 April 2008 at 11.00 am in the Marski Cabinet of the World Trade Center, Aleksanterinkatu 17, Helsinki, Finland. All are welcome.

FURTHER INFORMATION

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The Interim Report and access to the related live briefing for the media and analysts (in Finnish) will be available in the 'Investors' section at www.digia.fi. The briefing starts at 11.00 a.m.

DISTRIBUTION
OMX Nordic Exchange Helsinki
Key media

ATTACHMENTS
Consolidated income statement
Consolidated balance sheet
Consolidated cash flow statement
Consolidated statement of changes in shareholders' equity
Notes to the accounts

The Interim Report has been prepared in compliance with IFRS recognition and measurement principles. This Interim Report is based on unaudited figures.

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CONSOLIDATED INCOME STATEMENT, EUR 1,000

	1-3/2008	1-3/2007	Change, %	2007
Net sales	31,678.4	26,278.9	21 %	105,839.4
Other operating income	5.3	123.4	-96 %	211.6
Materials and services	-2,822.5	-1,922.2	47 %	-8,363.5
Depreciation and impairment	-1,276.8	-1,270.1	1 %	-4,893.5
Other operating expenses	-23,356.9	-20,333.8	15 %	-81,713.9
Operating profit	4,227.6	2,876.2	47 %	11,080.1
Financial expenses (net)	-797.1	-790.4	1 %	-3,182.5
Pre-tax profit	3,430.5	2,085.8	64 %	7,897.6
Direct tax	-958.6	-684.1	40 %	-2,026.4
Profit for the period	2,471.9	1,401.6	76 %	5,871.2
Allocation:				
Parent company shareholders	2,471.9	1,401.6	76 %	5,871.2
Minority shareholders	0.0	0.0		0.0
Earnings per share, EUR	0.12	0.07	71 %	0.29
Earnings per share (diluted), EUR	0.12	0.07	71 %	0.29

CONSOLIDATED BALANCE SHEET, EUR 1,000

Assets	31.3.2008	31.12.2007	Change, %
Fixed and other non-current assets			
Intangible assets	105,180.6	102,107.6	3 %
Tangible assets	2,897.5	2,935.5	-1 %
Financial assets	652.8	660.3	-1 %
Deferred tax assets	2,088.4	2,312.0	-10 %
Total fixed and other non-current assets	110,819.3	108,015.4	3 %
Current assets			
Current receivables	30,274.4	29,889.0	1 %
Available-for-sale financial assets	3,334.3	5,180.4	-36 %
Cash and cash equivalents	8,566.5	6,558.4	31 %
Total current assets	42,175.1	41,627.8	1 %
Total assets	152,994.4	149,643.2	2 %

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Shareholders' equity and liabilities	31.12.2007	31.12.2007	Change, %
Share capital	2,085.4	2,085.4	0 %
Issue premium fund	7,899.5	7,892.5	0 %
Other reserves	5,203.8	5,203.8	0 %
Unrestricted invested shareholders' equity	35,069.1	38,110.6	-8 %
Translation difference	-4.4	-11.8	-63 %
Retained earnings/loss	15,103.9	9,450.3	60 %
Profit for the period	2,471.9	5,871.2	-58 %
Equity attributable to parent company shareholders	67,829.2	68,602.0	-1 %
Minority interest	0.0	0.0	
Total shareholders' equity	67,829.2	68,602.0	-1 %
Liabilities			
Long-term, interest-bearing liabilities	55,726.0	55,646.7	0 %
Deferred tax liabilities	3,469.2	3,442.4	1 %
Total long-term liabilities	59,195.2	59,089.1	0 %
Current interest-bearing liabilities	816.7	766.3	7 %
Other short-term debt	25,153.3	21,185.8	19 %
Total short-term liabilities	25,970.0	21,952.1	18 %
Total liabilities	85,165.2	81,041.2	5 %
Shareholders' equity and liabilities	152,994.4	149,643.2	2 %

CONSOLIDATED CASH FLOW STATEMENT, EUR 1,000

Cash flow from business operations:	1.1.2008 - 31.3.2008	1.1.2007 - 31.3.2007	1.1.2007 - 31.12.2007
Profit for the period	2,472	1,401	5,871
Adjustments to net profit	3,048	2,796	10,165
Change in working capital	1,548	2,776	-4,566
Interest paid	-836	-711	-3,329
Interest received	101	35	250
Income tax paid	-208	-480	-2,233
Net cash flow from operating activities	6,125	5,817	6,157
Cash flow from investments:			
Purchase of property, plant and equipment, and intangible assets	-637	-507	-1,979
Proceeds from sale of intangible assets and PPE			-
Acquisition of subsidiary, net of cash acquired	-2,816	-209	-2,339
Proceeds of sale of other investments	-	-	-

Dividends received	-	-	-
Cash flow from investments	-3,452	-716	-4,318
Cash flow from financing:			
Proceeds from share issue	7	2	1,241
Acquisition of own shares	-476	-	-
Equity financing of share-based bonus scheme	-	-	-971
Repayment of current loans	-	-	-
Repayments of non-current loans	-	-150	-252
Withdrawals of current loans	-	-	-
Withdrawals of non-current loans	-	-	-
Dividends paid and other profit distribution	-2,041	-1,433	-1,625
Cash flow from financing:	-2,510	-1,582	-1,606
Change in liquid assets:	162	3,519	234
Liquid assets at beginning of period	11,739	11,506	11,506
Change in fair value of cash and cash equivalents	-	-	-
Change in liquid assets	162	3,519	234
Liquid assets at period end	11,901	15,025	11,739

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, EUR 1,000

	a	b	c	d	e	f	g	h
Balance 1 Jan. 2007	2,031	6,729	44,939	0	0	9,305	114	63,119
Available-for-sale investments:								0
Fair value gains/losses								0
Other						51		51
Items recognised directly in equity	0	0	0	0	0	51	0	51
Profit for the period						1,401	0	1,401
Total recognised income and expenses for the period	0	0	0	0	0	1,452	0	1,452
Increase of share capital	0	1						1
Dividend payment						-1,625		-1,625
Other						8	-114	-106
BALANCE 31 March 07	2,031	6,731	44,939	0	0	9,140	0	62,842

	a	b	c	d	e	f	g	h
Balance 1 Jan 2008	2,085	7,893	43,314	-12	0	15,321	0	68,602
Available-for-sale investments:								0
Fair value gains/losses								0
Other								
Items recognised directly in	0	0	0	0	0	0	0	0

	a	b	c	d	e	f	g	h
equity								
Profit for the period						2,471	0	2,471
Total recognised income and expenses for the period	0	0	0	0	0	2,471	0	2,471
Increase of share capital		7						7
Dividend payment			-2,041					-2,041
Own-share redemption reserve			-1,000			524		-476
Share-based transactions settled in equity						-742		-742
Other				7				7
BALANCE 31 March 2008	2,085	7,899	40,273	-4	0	17,576	0	67,829

a = Share capital
b = Share premium
c = Other reserves and invested unrestricted equity
d = Currency translation differences
e = Fair value reserve
f = Retained earnings
g = Minority interest
h = Total shareholders' equity

NOTES TO THE ACCOUNTS

Accounting principles:
The accounting principles and calculation methods used in the previous year-end accounts have been applied to this Interim Report.

The subsidiary acquired in the first quarter, Sunrise Resources Oy, has been included in the consolidated financial statement as of 1 January 2008.

Seasonal nature of business:
The Group's business is affected by the number of workdays each month as well as by holiday seasons.

Dividends paid:
A per-share dividend of EUR 0.10, or a total of EUR 2,041,426.80, was paid based on the decision of the AGM of 11 March 2008. The dividend payment date was 25 March 2008.

Events after the balance sheet date:
There have been no major events since the report period.

Segment information:

NET SALES, EUR 1,000	1-3/2008	1-3/2007	Change, %	1-12/2007
Telecommunications	15,933	11,798	35 %	47,963
Finance and Services	8,587	6,861	25 %	29,298
Industry and Trade	7,158	7,620	-6 %	28,578
Group total	31,678	26,279	21 %	105,839

OPERATING PROFIT, EUR 1,000	1-3/2008	1-3/2007	Change, %	1-12/2007
Telecommunications	3,094	1,439	115 %	5,671
Finance and Services	561	144	289 %	2,617
Industry and Trade	572	1,292	-56 %	3,511
One-off items				-719
Group total	4,228	2,876	47 %	11,080

Acquired business operations:
Digia acquired all shares of Sunrise Resources Ltd on 14 January 2008. The acquisition price was EUR 3.6 million paid as a cash consideration and Digia financed the transaction through its cash reserves. In addition, the sellers may receive an additional sales price based on Sunrise-r objectives for the year 2008. The maximum amount of the additional sales price is EUR 0.6 million, which may be paid either in cash or in Digia's shares, as determined by Digia. The acquisition generated EUR 2.5 million of goodwill, in addition to which EUR 0.6 million of the acquisition price was allocated for the acquired customers.

EUR 1,000	Fair value recognised upon combination	Book value before combination
Property, plant and equipment	50	50
Intangible assets	4	4
Financial assets	32	32
Receivables	463	463
Cash and cash equivalents	865	865
Total assets	1,413	1,413
Income tax liabilities	27	27
Other creditors	260	260
Total liabilities	287	287
Net assets	1,126	1,126
Acquisition cost	4,311	
Goodwill	3,185	
Total acquisition cost	-4,311	
Additional purchase price, conditional	630	
Liquid assets of the acquired subsidiary	865	
Cash flow effect	-2,816	

Consolidated income statement by quarter:

EUR 1,000	1-3/2008	10-12/2007	7-9/2007	4-6/2007	1-3/2007
Net sales	31,678.4	31,012.5	22,645.0	25,903.1	26,278.9
Other operating income	5.3	-5.2	13.0	80.3	123.4
Materials and services	-2,822.5	-2,706.7	-1,978.7	-1,755.9	-1,922.2
Depreciation and impairment	-1,276.8	-1,285.6	-1,178.2	-1,159.6	-1,270.1
Other operating expenses	-23,356.9	-22,803.1	-17,977.2	-20,599.8	-20,333.8
Operating profit	4,227.6	4,211.9	1,524.0	2,468.0	2,876.2
Financial expenses (net)	-797.1	-858.2	-800.2	-733.8	-790.4
Pre-tax profit	3,430.5	3,353.7	723.8	1,734.3	2,085.8
Direct tax	-958.6	-699.0	-177.5	-465.8	-684.1
Profit for the period	2,471.9	2,654.7	546.3	1,268.6	1,401.6
Allocation:					
Parent company shareholders	2,471.9	2,654.7	546.3	1,268.6	1,401.6
Minority shareholders	0	0.0	0.0	0.0	0.0
Earnings per share, EUR	0.12	0.13	0.03	0.06	0.07
Earnings per share (diluted), EUR	0.12	0.13	0.03	0.06	0.07

Group key figures and ratios:

	1-3/2008	1-3/2007	2007
Extent of business			
Net sales	31,678.4	26,279	105,839.4
- change from previous year	21 %	55 %	25 %
Average capital invested	124,693	119,472	123,994
Personnel at period-end	1,281	1,091	1,155
Average number of personnel	1,252	1,087	1,116
Profitability			
Operating profit	4,228	2,876	11,080
- % of net sales	13 %	11 %	10 %
Result before taxes	3,431	2,086	7,898
- % of net sales	11 %	8 %	7 %
Profit for the period	2,472	1,402	5,871
- % of net sales	8 %	5 %	6 %
Return on equity, %	14 %	9 %	9 %
Return on investment, %	14 %	10 %	9 %
Financing and financial position			
Interest-bearing liabilities	56,543	56,317	56,413

Short-term investments & cash and bank receivables	11,901	15,025	11,739
Net gearing, %	66 %	66 %	65 %
Equity ratio, %	45 %	44 %	47 %
Net cash flow from operating activities	6,125	5,817	6,157
Basic earnings per share (EUR)	0.12	0.07	0.29
Earnings per share (EUR), diluted	0.12	0.07	0.29
Equity per share	3.25	3.09	3.32
Lowest share price	2.55	3.37	2.93
Highest share price	3.25	3.99	4.26
Average share price	2.99	3.66	3.77
Market capitalisation	62,561	73,734	61,079

The formulae for the key figures and ratios are available in the financial statements section. These formulae remained unchanged during the reporting period.

The weighted average number of shares during the reporting period, adjusted for share issues, totalled 20,514,525. The weighted average number of shares during the reporting period, adjusted for dilution, totalled 20,514,525. The number of outstanding shares totalled 20,853,635 at the end of the reporting period.

The company held a total of 146,377 treasury shares at the end of reporting period. In accordance with the decision of the Board of Directors, the company will continue the buyback of own shares until it holds 300,000 treasury shares or has used EUR 1,000,000 for the buybacks.

Relating to the company's performance-based incentive system, Digia has financed the acquisition of 300,000 own shares. In the coming years, these shares are intended for distribution to key personnel as rewards for targets achieved in accordance with the conditions of the performance-based incentive system. In accordance with the Board of Directors' decision, performance-based incentives to key personnel will be paid in company shares.

The Group has no liabilities associated with derivative contracts.