digia

Digia Plc's second quarter 2008 (IFRS)

Summary

January-June

- Consolidated net sales: EUR 64.8 million, up 24.2 per cent year on year
- Organic growth: 17.4 per cent
- Consolidated operating profit: EUR 8.0 million, up 49.1 per cent year on year
- Profitability (EBIT-%): 12.3 per cent (10.2 per cent 1-6/2007)
- Product business accounted for 14.0 per cent of net sales (17.5 per cent 1-6/2007)
- Earnings per share: EUR 0.23, up 76.9 per cent

April-June

- Consolidated net sales: EUR 33.1 million, up 27.9 per cent year on year
- Organic growth: 20.5 per cent
- Consolidated operating profit: EUR 3.7 million, up 51.5 per cent year on year
- Profitability (EBIT-%): 11.3 per cent (9.5 per cent 4-6/2007)
- Product business accounted for 14.9 per cent of net sales (17.3 per cent 4-6/2007)
- Earnings per share: EUR 0.11, up 83.3 per cent

- Digia's main targets for 2008 are to continue strong organic growth while maintaining the profitability at a good level. The target takes into account the holiday season's impact weakening the third quarter's consolidated net sales and profitability. Digia estimates that the organic growth will continue to outperform the market average during the second half of the year.

GROUP KEY FIGURES AND RATIOS

	4-6/2008	4-6/2007	Change, %	1-6/2008	1-6/2007	Change, %	2007
Net sales	33,133	25,903	28 %	64,812	52,182	24 %	105,839
Operating profit	3,739	2,468	51 %	7,966	5,344	49 %	11,080
- % of net sales	11 %	10 %		12 %	10 %		10 %
Net profit	2,286	1,269	80 %	4,757	2,670	78 %	5,871
- % of net sales	7 %	5 %		7 %	5 %		6 %
Return on equity, %	13 %	8 %		14 %	8 %		9 %
Return on investment, %	12 %	9 %		13 %	9 %		9 %
Interest-bearing liabilities	56,623	56,416	0 %	56,623	56,416	0 %	56,413
Cash and cash equivalents	15,942	12,843	24 %	15,942	12,843	24 %	11,739
Net gearing, %	58 %	68 %		58 %	68 %		65 %
Equity ratio, %	45 %	44 %		45 %	44 %		47 %
Earnings per share, EUR, undiluted	0.11	0.06	83 %	0.23	0.13	77 %	0.29
Earnings per share, EUR, diluted	0.11	0.06	83 %	0.23	0.13	77 %	0.29

MARKETS AND DIGIA'S BUSINESS

As a whole, the first half of the year was excellent for Digia. During both the first and second quarters the company succeeded extremely well in achieving its key target of boosting the organic growth. Moreover, also second quarter's operating profit improved markedly year on year.

While the market situation in the second quarter remained positive in Digia's main business fields, the development of the world economy and its impact on Digia's customers' investment propensity continues to create uncertainties. Increased personnel costs continued to put strain on the company's profitability in the second quarter and cost pressures will remain intense in the future. Although employee turnover saw a slight decrease in the second quarter, it still remains at a high level. However, Digia has succeeded well in its recruitments, which is the key prerequisite for organic growth.

On 24 June 2008, Nokia, Sony Ericsson, Motorola and NTT DOCOMO announced their intent to unite the Symbian OS operating system, S60, UIQ and MOAP(S) to create one, open mobile software platform. According to Digia's estimates the announced project will create new business opportunities to independent smartphone experts such as Digia. Enabling more equipment manufacturers to develop smartphones on the Symbian platform, the project offers Digia an opportunity to provide the manufacturers with in-depth expertise.

Digia has implemented its internationalisation strategy in a controlled and determined manner. Establishing a Digia unit in China is well underway, with the first customer projects commencing in the third quarter. The Swedish and Russian business activities have also reported expected successes.

Telecommunications

During the reporting period, the division's customer relationships developed favourably and it enjoyed a high level of customer satisfaction, while making efficient use of production capacity. During the second quarter, demand temporarily weakened slightly but is still stronger than in the corresponding period in the previous year.

The division has also further strengthened its delivery capacity by continuing to pursue its active recruitment policy initiated in the previous financial year. Recruitment is mainly focused in countries with lower cost levels.

In 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 perspectives. Chengdu is an especially rapidly developing area and many of Digia's customers and partners have also located their operations in the Chengdu area. The launch of operations in Chengdu will incur expenses during 2008 which have been taken into account in targets and estimates for the company's financial development.

The release of the Symbian operating system to Open Source will in long term create interesting development opportunities for Digia's business.

Finance and Services

Finance and Services increased its business during the second quarter, while its profitability decreased year on year. This was caused by projects closing and delays in the initiation of new major projects replacing them, as well as a provision made for a fixed-price project. The division's invoicing rates saw an improvement towards the end of the reporting period.

Demand in the public sector has remained healthy. In spite of the general uncertainty prevailing in the finance sector, demand for the Finance division remained relatively good.

Industry and Trade

Digia's ERP business launched a development project, targeted for the trade sector and in particular for speciality goods industry, and has concluded new delivery agreements with wholesale and industry customers. Expanding the ERP supply in the public sector has also shown expected progress. In June, Digia concluded an agreement with Medbit Oy, a provider for Varsinais-Suomi and Satakunta Hospital Districts, on the delivery of an integrated system for materials and purchasing.

For integration solutions, growth of net sales and profitability continued positively. For its key customers, the company has expanded its operations which now involve business process modelling, service-oriented architecture and technical integration services. Investments made on sales are anticipated to have a positive effect in the creation of new customer relationships.

New customers won for eBusiness solutions have enabled the attainment of expected growth.

While second quarter market demand in Trade and Industry was satisfactory, global economic trends are generating uncertainties for the autumn, which could be reflected on the ERP market.

RISKS AND UNCERTAINTIES

Digia's short-term uncertainties are related to any major changes occurring in the company's core markets, 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 strong organic growth while maintaining the profitability at a good level. The target takes into account the holiday season's impact weakening the third quarter's consolidated net sales and profitability. Digia estimates that its organic growth will continue to outperform the market average during the second half of the year.

The company's management focuses on customers, personnel and further internationalisation 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 organic growth. Digia renounced its revolving credit facility, announced on 9 November 2006, meant for financing possible acquisitions. By renouncing the credit facility, the company will save over EUR 100,000 annually. While the company is still able to execute strategically important acquisitions, reaching the revenue target of EUR 200 million for 2010 as announced earlier is not company's main focus. Instead, the company now focuses on organic growth of the businesses by developing current competencies and products, with an aim to improve profitability, earnings per share and the balance sheet figures.

In order to enhance its operations, Digia has initiated an organisational reform project which will lead to the integration of the company's sales, product and service range and competencies. The Group's sales and marketing is headed by Antti Lastunen, who took up his duties at Digia on 16 June 2008, leaving SAP Finland Ltd. Mr. Lastunen is also appointed as a member of Digia's Management Group. The company's product and service range and its development including competencies are, similarly, managed in a centralised manner. Digia expects to complete the necessary preparations for the reorganisation by the end of September. The organisational reform aims to further enhance the use of the company's resources, increase the invoicing rate and, thus, improve profitability.

NET SALES

Digia's consolidated net sales for the period 1-6/2008 were EUR 64.8 million, up by 24.2 per cent year on year (1-6/2007: EUR 52.2 million). This includes EUR 3.0 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 32.4 million, up by 36.2 per cent (1-6/2007: EUR 23.8 million) while net sales by Finance and Services totalled EUR 17.2 million for the period, up by 26.7 per cent (1-6/2007: EUR 13.6 million). Industry and Trade recorded net sales of EUR 15.2 million for the period, up by 2.6 per cent (1-6/2007: EUR 14.8 million).

During the reporting period, the product business accounted for EUR 9.1 million (1-6/2007: EUR 9.1 million) of consolidated net sales, or 14.0 per cent (1-6/2007: 17.5 per cent).

International operations accounted for 13.2 per cent of consolidated net sales (1-6/2007: 9.1 per cent).

For the second quarter, Digia's consolidated net sales amounted to EUR 33.1 million, up by 27.9 per cent (4-6/2007: EUR 25.9 million). This includes EUR 1.4 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 by Telecommunications for the second quarter were EUR 16.5 million, up by 37.3 per cent year on year (4-6/2007: EUR 12.0 million). Finance and Services reported net sales of EUR 8.6 million, up by 28.3 per cent (4-6/2007: EUR 6.7 million). Industry and Trade recorded net sales of EUR 8.0 million, up by 11.7 per cent (4-6/2007: EUR 7.2 million).

During the second quarter, the product business accounted for EUR 4.9 million (4-6/2007: EUR 4.5 million) of consolidated net sales, or 14.9 per cent (4-6/2007: 17.3 per cent).

International business accounted for 11.9 per cent of consolidated net sales in the second quarter (4-6/2007: 9.2 per cent).

PROFIT PERFORMANCE AND PROFITABILITY

Digia's consolidated operating profit (EBIT) for the reporting period amounted to EUR 8.0 million, up 49.1 per cent on a year earlier (1-6/2007: EUR 5.3 million). This includes EUR 0.3 million of net sales of Sunrise Resources Ltd and Capital C AB. Profitability (EBIT-%) was 12.3 per cent (1-6/2007: 10.2 per cent).

Telecommunications reported an operating profit of EUR 5.6 million for the period, representing a year on year growth of 95.5 per cent (1-6/2007: EUR 2.9 million), and profitability (EBIT-%) was 17.3 per cent (1-6/2007: 12.1 per cent). Finance and Services recorded an operating profit of EUR 0.7 million, showing an increase of 37.8 per cent (1-6/2007: EUR 0.5 million) and profitability was 4.1 per cent (1-6/2007: 3.8 per cent). Industry and Trade posted an operating profit of EUR 1.6 million, representing a year-on-year decrease of 16.5 per cent (1-6/2007: EUR 2.0 million) and profitability (EBIT-%) was 10.8 per cent (1-6/2007: 13.2 per cent).

During the second quarter, Digia's consolidated operating profit (EBIT) amounted to EUR 3.7 million, representing growth of 51.5 per cent on a year earlier (4-6/2007: EUR 2.5 million). This includes EUR 0.1 million of net sales of Sunrise Resources Ltd and Capital C AB. Profitability (EBIT-%) was 11.3 per cent (4-6/2007: 9.5 per cent).

Telecommunications reported an operating profit of EUR 2.5 million for the second quarter, representing a year on year growth of 76.1 per cent (4-6/2007: EUR 1.4 million), and profitability (EBIT-%) was 15.3 per cent (4-6/2007: 12.0 per cent). Finance and Services recorded an operating profit of EUR 0.1 million, showing a decrease of 60.1 per cent (4-6/2007: EUR 0.4 million) and profitability was 1.7 per cent (4-6/2007: 5.5 per cent). Industry and Trade posted an operating profit of EUR 1.1 million, representing a year on year increase of 60.2 per cent (4-6/2007: EUR 0.7 million) and profitability (EBIT-%) was 13.3 per cent (4-6/2007: 9.2 per cent).

The Group's reported earnings before tax stood at EUR 6.4 million for the period, representing growth of 68.8 per cent (1-6/2007: EUR 3.8 million), and net profit totalled EUR 4.8 million, up by 78.2 per cent (1-6/2007: EUR 2.7 million).

Earnings per share for the period were EUR 0.23, representing a year on year increase of 76.9 per cent (1-6/2007: EUR 0.13). Earnings per share in the second quarter were EUR 0.11 (4-6/2007: EUR 0.06).

The Group's net financial expenses for the reported period totalled EUR 1.5 million (1-6/2007: EUR 1.5 million).

FINANCIAL POSITION AND CAPITAL EXPENDITURE

On 30 June 2008, Digia's consolidated balance sheet total stood at EUR 157.9 million (12/2007: EUR 149.6 million) and equity ratio was 45.0 per cent (12/2007: 46.5 per cent). Net gearing stood at 58.3 per cent (12/2007: 65.1 per cent). The period-end cash and cash equivalents totalled EUR 15.9 million (12/2007: EUR 11.7 million), and interest-bearing liabilities amounted to EUR 56.6 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	8,187	606	49,546	5,566	63,299
Finance and Services	2,015	152	13,692	2,790	18,498
Industry and Trade	3,193	292	26,410	2,465	32,069
Group total	13,395	1,050	89,649	10,822	113,866

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 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 11.1 million (1-6/2007: positive cash flow of EUR 4.3 million), cash flow from investments was negative by EUR 4.1 million (1-6/2007: negative EUR 1.2 million) and cash flow from finance was negative by EUR 2.9 million (1-6/2007: negative EUR 1.8 million). Cash flow from investments was negatively influenced by the acquisition of Sunrise Resources Ltd, with a negative effect of EUR 2.8 million. Cash flow from finance was negatively affected by the acquisition of own shares, with a negative effect of EUR 0.8 million, and payment of dividends, with a negative effect of EUR 2.0 million.

Gross capital expenditure during the period totalled EUR 1.3 million (1-6/2007: EUR 1.0 million). Acquisitions of tangible fixed assets totalled EUR 1.0 million (1-6/2007: EUR 0.6 million).

Return on investment (ROI) for the period stood at 13.1 per cent (12/2007: 9.4 per cent) and return on equity (ROE) was 13.8 per cent (12/2007: 8.9 per cent).

HUMAN RESOURCES, MANAGEMENT AND ADMINISTRATION

On 30 June 2008, the number of Group employees totalled 1,335, up by 180 individuals or 15.6 per cent, from the staff number on 31 December 2007 (2007: 1,155). During the reporting period, the number of employees averaged 1,284, showing an increase of 168 individuals or 15.1 per cent, (2007: 1,116) over the same period a year earlier.

Employees by function at the end of the period:

Telecommunications	54 %
Finance and Services	23 %
Industry and Trade	19 %
Administration and Management	4 %

As of 30 June 2008, altogether 91 staff were working abroad (2007: 26).

The Annual General Meeting (AGM) of 11 March 2008 elected the following Board members: Pekka Sivonen, Pertti Kyttälä, Kari Karvinen, Harri Koponen and Martti Mehtälä. At the Board's organising meeting, Pekka Sivonen was elected as full-time Chairman of the Board, responsible for the duties referred to in the Finnish Companies Act and, additionally, operational duties, on the terms and conditions specified in a separate service contract concluded between the company and Sivonen, in the areas including group strategy planning, strategic partnerships, equity markets and communications. From the beginning of April 2008 until the end of August, Sivonen is functioning as a part-time Chairman of the Board and, during this period, the above-mentioned operational duties are under the responsibility of the CEO. Board member Harri Koponen has on August 4th requested resignation from Digia's Board work because he was nominated as the CEO of Tele2 operator.

As of 1 January 2008, Digia's President and CEO is Juha Varelius.

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 Group Management Team. The Group had no significant transactions with related parties during the reporting period.

GROUP STRUCTURE AND ORGANISATION

On 30 June 2008, Digia Group consisted of Digia Plc, the parent company; and active subsidiaries Digia Finland Ltd (parent company holding 100 %); Capital C AB (100 %) operating in Sweden; and Digia Estonia Oü (100 %) operating in Estonia; as well as 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 %). Digia Service Ltd is intended to be merged with Digia Finland Ltd during 2009.

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 AGM 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 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;
- The Board of Directors is entitled to decide to issue new shares or existing shares in the 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 the 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 AGM of 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 AGM 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 is 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 AGM of 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 AGM 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 30 June 2008, the number of Digia shares was 20,853,645.

According to Finnish Central Securities Depository Ltd, on 30 June 2008 Digia had 3,251 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	3.6 %
Veikko Laine Oy	2.8 %
Nordea Bank Finland Plc	2.4 %
Jorma Kylätie's estate	2.2 %
Evli Bank Plc	1.6 %

Distribution of holdings by number of shares held on 30 June 2008:

Number of shares	Proportion (%) of holdings	Proportion (%) of shares and votes
1 – 100	21.7 %	0.3 %
101 – 1,000	51.3 %	3.8 %
1,001 – 10,000	23.4 %	10.6 %
10,001 – 100,000	2.8 %	12.7 %
100,001 – 1,000,000	0.7 %	34.3 %
1,000,001 – 3,000,000	0.1 %	38.3 %

Shareholding by sector on 30 June 2008

	Proportion (%) of holdings	Proportion (%) of shares
Companies	6.2 %	12.1 %
Financial institutions and insurance companies	0.5 %	15.0 %
Non-corporate public sector	0.1 %	3.8 %
Non-profit organisations	0.4 %	0.4 %
Households	92.3 %	67.3 %
Foreign holding	0.5 %	1.4 %

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 3.30. The share closed at EUR 2.96 on the period's last trading day. The trade-weighted average amounted to EUR 3.04. The Group's market capitalisation totalled EUR 61,726,789 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 30 June 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 30 June 2008, the number of warrants still held by Digia totalled 534,082 of all valid warrants. On 30 June 2008, the maximum dilution effect of the issued warrants was 2.41 per cent.

Helsinki, 5 August 2008

Digia Plc

Board of Directors

BRIEFING FOR MEDIA AND ANALYSTS

Digia will hold a briefing on its Interim Report for Q2/2008 and financial statement for analysts and the media on Tuesday 5 August 2008 at 11.00 a.m. 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.com. 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 and standard IAS 34. This Interim Report is based on unaudited figures.

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CONSOLIDATED INCOME STATEMENT, EUR 1,000

	4-6/2008	4-6/2007	Change, %	1-6/2008	1-6/2007	Change, %	2007
Net sales	33,133.1	25,903.1	28 %	64,811.6	52,182.0	24 %	105,839.4
Other operating income	4.0	80.3	-95 %	9.3	203.7	-95 %	211.6
Materials and services	-3,271.2	-1,755.9	86 %	-6,093.7	-3,678.2	66 %	-8,363.5
Depreciation and impairment	-1,159.4	-1,159.6	0 %	-2,436.2	-2,429.7	0 %	-4,893.5
Other operating expenses	-24,967.9	-20,599.8	21 %	-48,324.8	-40,933.6	18 %	-81,713.9
Operating profit	3,738.6	2,468.0	51 %	7,966.2	5,344.3	49 %	11,080.1
Financial expenses (net)	-721.4	-733.8	-2 %	-1,518.5	-1,524.2	0 %	-3,182.5
Pre-tax profit	3,017.2	1,734.3	74 %	6,447.7	3,820.1	69 %	7,897.6
Direct tax	-731.6	-465.8	57 %	-1,690.2	-1,149.9	47 %	-2,026.4
Net profit	2,285.6	1,268.6	80 %	4,757.5	2,670.2	78 %	5,871.2
Allocation:							
Parent company shareholders	2,285.6	1,268.6	80 %	4,757.5	2,670.2	78 %	5,871.2
Minority shareholders	0.0	0.0		0.0	0.0		0.0
Earnings per share, EUR	0.11	0.06	83 %	0.23	0.13	77 %	0.29
Earnings per share, EUR, diluted	0.11	0.06	83 %	0.23	0.13	77 %	0.29

CONSOLIDATED BALANCE SHEET, EUR 1,000

Assets	30 June 2008	31 Dec. 2007	Change, %
Fixed and other non-current assets			
Intangible assets	104,570.4	102,107.6	2 %
Tangible assets	2,989.5	2,935.5	2 %
Financial assets	655.4	660.3	-1 %
Deferred tax assets	2,022.3	2,312.0	-13 %
Total fixed and other non-current assets	110,237.5	108,015.4	2 %
Current assets			
Current receivables	31,713.9	29,889.0	6 %
Available-for-sale financial assets	5,203.0	5,180.4	0 %
Cash and cash equivalents	10,738.8	6,558.4	64 %
Total current assets	47,655.7	41,627.8	14 %
Total assets	157,893.2	149,643.2	6 %

Shareholders' equity and liabilities	30 June 2008	31 Dec. 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	-11.6	-11.8	-2 %
Retained earnings/loss	14,801.9	9,450.3	57 %
Net profit	4,757.5	5,871.2	-19 %
Equity attributable to parent company shareholders	69,805.7	68,602.0	2 %
Minority interest	0.0	0.0	
Total shareholders' equity	69,805.7	68,602.0	2 %
Liabilities			
Long-term, interest-bearing liabilities	55,794.5	55,646.7	0 %
Deferred tax liabilities	3,406.2	3,442.4	-1 %
Total long-term liabilities	59,200.6	59,089.1	0 %
Current interest-bearing liabilities	828.7	766.3	8 %
Other short-term debt	28,058.2	21,185.8	32 %
Total short-term liabilities	28,886.9	21,952.1	32 %
Total liabilities	88,087.5	81,041.2	9 %
Shareholders' equity and liabilities	157,893.2	149,643.2	6 %

CONSOLIDATED CASH FLOW STATEMENT, EUR 1,000

Cash flow from business operations:	1 Jan.- 30 June 2008	1 Jan.- 30 June 2007	1 Jan.- 31 Dec. 2007
Net profit	4,757	2,670	5,871
Adjustments to profit for the period	5,660	5,206	10,165
Change in working capital	2,684	-1,270	-4,566
Interest paid	-1,621	-1,427	-3,329
Interest received	180	90	250
Income tax paid	-517	-956	-2,233
Net cash flow from operating activities	11,143	4,312	6,157
Cash flow from investments:			
Purchase of property, plant and equipment, and intangible assets	-1,280	-1,008	-1,979
Proceeds from sale of intangible assets and PPE	0		-
Acquisition of subsidiary, net of cash acquired	-2,803	-209	-2,339
Proceeds of sale of other investments	-	-	-
Dividends received	-	-	-
Cash flow from investments	-4,083	-1,217	-4,318

Cash flow from financing:			
Proceeds from share issue	7	17	1,241
Acquisition of own shares	-790	-	-
Equity financing of share-based bonus scheme	-	-	-971
Repayment of current loans	-33	-	-
Repayments of non-current loans	-	-150	-252
Withdrawals of current loans	-	-	-
Withdrawals of non-current loans	-	-	-
Dividends paid and other profit distribution	-2,041	-1,625	-1,625
Cash flow from financing:	-2,858	-1,758	-1,606
Change in cash and cash equivalents	4,203	1,337	234
Cash and cash equivalents at beginning of period	11,739	11,506	11,506
Change in fair value of cash and cash equivalents	-	-	-
Change in cash and cash equivalents	4,203	1,337	234
Cash and cash equivalents at the end of the period	15,942	12,842	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						103		103
Items recognised directly in equity	0	0	0	0	0	103	0	103
Net profit						2,670	0	2,670
Total recognised income and expenses for the period	0	0	0	0	0	2,773	0	2,773
Increase of share capital	0	17						17
Dividend payment						- 1,625		-1,625
Other						25	-114	-89
BALANCE 30 June 2007	2,031	6,746	44,939	0	0	10,479	0	64,196

	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 equity	0	0	0	0	0	0	0	0
Net profit						4,757	0	4,757

Total recognised income and expenses for the period	0	0	0	0	0	4,757	0	4,757
Increase of share capital		7						7
Dividend payment			-2,041					-2,041
Own-share redemption reserve			-1,000			210		-789
Share-based transactions settled in equity						-730		-730
Other				0				0
BALANCE 30 June 2008	2,085	7,899	40,273	-12	0	19,559	0	69,806

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	4-6/2008	4-6/2007	Change, %	1-6/2008	1-6/2007	Change, %	1-12/2007
Telecommunications	16,513	12,025	37 %	32,446	23,823	36 %	47,963
Finance and Services	8,611	6,710	28 %	17,198	13,572	27 %	29,298
Industry and Trade	8,008	7,168	12 %	15,166	14,787	3 %	28,578
Group total	33,133	25,903	28 %	64,812	52,182	24 %	105,839

OPERATING PROFIT, EUR 1,000	4-6/2008	4-6/2007	Change, %	1-6/2008	1-6/2007	Change, %	1-12/2007
Telecommunications	2,530	1,437	76 %	5,624	2,876	96 %	5,671
Finance and Services	147	368	-60 %	707	513	38 %	2,617
Industry and Trade	1,062	663	60 %	1,633	1,955	-16 %	3,511
One-off items							-719
Group total	3,739	2,468	51 %	7,966	5,344	49 %	11,080

Acquired business operations:

Digia Plc 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 purchase 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	
Cash and cash equivalents of the acquired subsidiary	865	
Cash flow effect	-2,816	

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Consolidated income statement by quarter:

EUR 1,000	4-6/2008	1-3/2008	10-12/2007	7-9/2007	4-6/2007
Net sales	33,133.1	31,678.4	31,012.5	22,645.0	25,903.1
Other operating income	4.0	5.3	-5.2	13.0	80.3
Materials and services	-3,271.2	-2,822.5	-2,706.7	-1,978.7	-1,755.9
Depreciation and impairment	-1,159.4	-1,276.8	-1,285.6	-1,178.2	-1,159.6
Other operating expenses	-24,967.9	-23,356.9	-22,803.1	-17,977.2	-20,599.8
Operating profit	3,738.6	4,227.6	4,211.9	1,524.0	2,468.0
Financial expenses (net)	-721.4	-797.1	-858.2	-800.2	-733.8
Pre-tax profit	3,017.2	3,430.5	3,353.7	723.8	1,734.3
Direct tax	-731.6	-958.6	-699.0	-177.5	-465.8
Net profit	2,285.6	2,471.9	2,654.7	546.3	1,268.6
Allocation:					
Parent company shareholders	2,285.6	2,471.9	2,654.7	546.3	1,268.6
Minority shareholders	0.0	0	0.0	0.0	0.0
Earnings per share, EUR	0.11	0.12	0.13	0.03	0.06
Earnings per share, EUR, diluted	0.11	0.12	0.13	0.03	0.06

Group key figures and ratios:

	1-6/2008	1-6/2007	2007
Extent of business			
Net sales	64,812.0	52,182	105,839.4
- change from previous year	24 %	42 %	25 %
Average capital invested	125,722	119,007	123,994
Personnel at period-end	1,335	1,122	1,155
Average number of personnel	1,284	1,099	1,116
Profitability			
Operating profit	7,966	5,344	11,080
- % of net sales	12 %	10 %	10 %
Earnings before tax	6,448	3,820	7,898
- % of net sales	10 %	7 %	7 %
Net profit	4,757	2,670	5,871
% of net sales	7 %	5 %	6 %
Return on equity, %	14 %	8 %	9 %
Return on investment, %	13 %	9 %	9 %
Financing and financial position			
Interest-bearing liabilities	56,623	56,416	56,413
Short-term investments & cash and bank receivables	15,942	12,843	11,739
Net gearing, %	58 %	68 %	65 %
Equity ratio, %	45 %	44 %	47 %
Net cash flow from operating activities	11,143	4,312	6,157

Earnings per share, EUR, undiluted	0.23	0.13	0.29
Earnings per share, EUR, diluted	0.23	0.13	0.29
Equity per share	3.35	3.16	3.32
Lowest share price	2.55	3.37	2.93
Highest share price	3.30	4.26	4.26
Average share price	3.04	3.82	3.77
Market capitalisation	61,727	85,341	61,079

The formulae for the key figures and ratios are available in the presentation of the previous year-end accounts. These formulae remained unchanged during the reporting period.

The weighted average number of shares during the reporting period, adjusted for share issues, totalled 20,427,556. The weighted average number of shares during the reporting period, adjusted for dilution, totalled 20,427,556. The number of outstanding shares totalled 20,853,645 at the end of the reporting period.

The company held a total of 249,599 treasury shares at the end of the reporting period. All shares have been acquired during the 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 as per 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.