



Digia Plc Q2 2010: Clear rise in net sales (12.9%), Profitability remains good (13.6%)

Summary

January-June

- Consolidated net sales: EUR 67.8 million, up 9.7 per cent
- Consolidated operating profit: EUR 9.5 million, up 16.6 per cent
- Profitability (EBIT %): 13.9 per cent (13.1 per cent)
- Product business accounted for 15.6 per cent (16.5 per cent)
- Earnings per share: EUR 0.30, up 20.0 per cent

April-June

- Consolidated net sales: EUR 35.0 million, up 12.9 per cent
- Consolidated operating profit: EUR 4.8 million, up 7.6 per cent
- Profitability (EBIT %): 13.6 per cent (14.3 per cent)
- Product business accounted for 14.9 per cent (18.9 per cent)
- Earnings per share: EUR 0.15, up 7.1 per cent

In the first half of the year, the company succeeded well in its objective of profitably increasing its consolidated net sales. While the growth in net sales clearly exceeded the general market growth rate, the company also maintained a good level of profitability, even managing to increase it somewhat over the same period last year. Operating profit and earnings per share improved considerably. Business growth was even faster in the second quarter than the first quarter.

Cash flow from operations was decidedly positive in the review period, which meant that the company was able to reduce its liabilities by a total of EUR 6 million. After these repayments, the company had a total of EUR 23.0 million in loans from financial institutions at the end of the review period.

For the rest of 2010, Digia predicts continued moderate growth in overall demand for IT services, at a rate of approx. 2-4 per cent above 2009 levels. The company will continue to develop its sales and increase its operational efficiency, aiming for organic growth at a rate equaling or exceeding the general market rate. Operational profitability is also expected to remain good, taking into account the usual weakening effect of the staff vacation period on third-quarter net sales and profit.

GROUP KEY FIGURES AND RATIOS

	4-6/2010	4-6/2009	Change %	1-6/2010	1-6/2009	Change %	2009
Net sales	35,018	31,018	12.9 %	67,849	61,864	9.7 %	120,335
Operating profit before extraordinary items	4,776	4,438	7.6 %	9,456	8,111	16.6 %	16,936
- % of net sales	13.6 %	14.3 %		13.9 %	13.1 %		14.1 %
Operating profit	4,776	4,438	7.6 %	9,456	8,111	16.6 %	-7,796
- % of net sales	13.6 %	14.3 %		13.9 %	13.1 %		-6.5 %
Net profit	3,152	2,860	10.2 %	6,135	5,045	21.6 %	-13,664
- % of net sales	9.0 %	9.2 %		9.0 %	8.2 %		-11.4 %
Return on equity, %	21.0 %	15.2 %		20.5 %	13.6 %		-21.0 %
Return on investment, %	22.2 %	14.6 %		21.8 %	13.4 %		-7.1 %
Interest-bearing liabilities	24,088	41,715	-42.3 %	24,088	41,715	-42.3 %	30,429
Cash and cash equivalents	6,492	12,710	-48.9 %	6,492	12,710	-48.9 %	10,469
Net gearing, %	28.5 %	37.9 %		28.5 %	37.9 %		34.3 %
Equity ratio, %	55.4 %	53.0 %		55.4 %	53.0 %		52.3 %
Earnings per share, EUR, undiluted	0.15	0.14	7.1 %	0.30	0.25	20.0 %	-0.67
Earnings per share, EUR, diluted	0.15	0.14	7.1 %	0.30	0.25	20.0 %	-0.67

The figures for 2009 include extraordinary items comprising a fourth-quarter goodwill writedown of EUR -23.8 million, as well as a restructuring provision of EUR -0.9 million related to the closure of offices.

MARKETS AND DIGIA'S BUSINESS

The general market uncertainty caused by the recession abated somewhat during the review period, though significant sector-specific differences could be observed in the rate of recovery. To achieve its target growth rate, the company focused strongly on developing its sales personnel and on increasing its competence in new technologies by training existing staff and recruiting new professionals. In line with its strategy, Digia also continued taking measures to rationalize its site structure, which it had begun in 2009, and made the decision to join together its current three offices in Helsinki in a single location during 2011.

In foreign operations, business developed according to plan in the Chinese and Russian units. The Chinese unit is designed to produce services that cover the entire life cycle of the solutions produced by Digia for its local customers. The Russian unit's competence will be developed further to correspond to demand for open architecture expertise in both mobile and ERP systems. The number of personnel working with customers at the Russian unit was increased during the review period.

Enterprise Solutions:

Demand for ERP systems remained high during the period. Demand for e-business and customer experience management solutions was reasonable. However, investments into e-business competence and resource development as well as relatively low license sales to the logistics and finance sectors somewhat impeded the growth of the segment's profitability.



Digia expects the Enterprise market to continue its forecasted moderate growth for the rest of the year. There are, however, significant sector-specific differences in demand. For example, the transport sector, manufacturing industry and financial sector are still cautious in their investments. The company predicts that its market position will improve towards the end of the year, particularly within ERP systems, IT systems that increase customers' operational efficiency, and systems which support customers' service operations.

Mobile Solutions:

In the Mobile Solutions segment, demand remained high, especially for Linux-based software development for smartphones. These operations currently make up a significant part of the company's smartphone development revenue. Also demand for online services and user experience development picked up.

The company continued to improve its efficiency in the segment, as well as its investments into developing competence in new technologies. As an example, Digia now offers selected higher education institutions a comprehensive educational package designed for studying MeeGo programming in the latest Intel environment. Intel has contributed to the project development environments equipped with the latest Intel Moorestown processors. The courses in MeeGo programming are scheduled to begin in autumn 2010. The company is also training new Android experts out of its own staff.

In Digia's view, the technology revolution, launch of new technologies onto the market and the fact that customers are ordering increasingly large-scale turnkey deliveries maintained market demand at a higher level than expected during the review period, and these are expected to exert continuing impact in the near future as well. The company expects this to have a positive effect on demand for its services in the final two quarters. This is despite the fact that in certain service and competence fields, demand has decreased and will continue its partial shifting to low-cost countries.

NET SALES

Digia's consolidated net sales for the reporting period were EUR 67.8 million, up 9.7 per cent on the same period in 2009 (EUR 61.9 million).

The Enterprise Solutions segment posted net sales of EUR 39.3 million, up 7.7 per cent (EUR 36.5 million). The Mobile Solutions segment had net sales of EUR 28.6 million, up 12.5 per cent (EUR 25.4 million).

During the reporting period, the product business accounted for EUR 10.6 million (EUR 10.2 million) or 15.6 per cent (16.5 per cent) of consolidated net sales.

International operations accounted for EUR 5.9 million (EUR 5.2 million) or 8.7 per cent (8.4 per cent) of consolidated net sales.

Digia's consolidated net sales for the second quarter were EUR 35.0 million, up 12.9 per cent on the same period in 2009 (EUR 31.0 million).

The second-quarter net sales of the Enterprise Solutions segment were EUR 19.9 million, up 5.2 per cent (EUR 18.9 million). The second-quarter net sales of Mobile Solutions were EUR 15.1 million, up 25.0 per cent (EUR 12.1 million).



During the second quarter, the product business accounted for EUR 5.2 million (EUR 5.9 million) or 14.9 per cent (18.9 per cent) of consolidated net sales.

International operations accounted for EUR 3.2 million (EUR 2.5 million) of consolidated second-quarter net sales, or 9.3 per cent (8.1 per cent).

PROFIT PERFORMANCE AND PROFITABILITY

Digia's consolidated operating profit (EBIT) for the review period was EUR 9.5 million, up 16.6 per cent from the same period in 2009 (EUR 8.1 million). Profitability (EBIT%) was 13.9 per cent (13.1 per cent). The growth in operating profit was due above all to organic business growth and improved operational efficiency.

The Enterprise Solutions segment's operating profit was EUR 5.8 million, down 2.9 per cent (EUR 6.0 million). The Mobile Solutions segment's operating profit was EUR 3.6 million, up 71.2 per cent (EUR 2.1 million).

Digia's consolidated operating profit for the second quarter was EUR 4.8 million, up 7.6 per cent (EUR 4.4 million). Profitability (EBIT%) was 13.6 per cent (14.3 per cent). The slight reduction in profitability, despite the increase in operating profit, was mainly due to the significant investment into recruiting new experts in the second quarter.

The Enterprise Solutions segment recorded an operating profit in the second quarter of EUR 3.0 million, down 19.5 per cent (EUR 3.7 million). The second-quarter operating profit of Mobile Solutions was EUR 1.8 million, up 149.8 per cent (EUR 0.7 million).

Consolidated earnings before tax for the period totaled EUR 8.7 million (EUR 6.9 million), and net profit was EUR 6.1 million (EUR 5.0 million). For the second quarter, consolidated earnings before tax for the second quarter totaled EUR 4.5 million (EUR 3.9 million), and net profit was EUR 3.2 million (EUR 2.9 million).

Earnings per share for the review period were EUR 0.30, up by 20.0 per cent (EUR 0.25). Earnings per share for the second quarter were EUR 0.15, up 7.1 per cent (EUR 0.14).

The consolidated net financial expenses for the reporting period were EUR 0.8 million (EUR 1.2 million) and for the second quarter, after loan repayments, EUR 0.3 million (EUR 0.5 million).

FINANCIAL POSITION AND EXPENDITURE

At the end of the reporting period, the Digia Group's consolidated balance sheet total stood at EUR 112.2 million (EUR 112.8 million in 2009) and the equity ratio was 55.4 per cent (52.3 per cent). Net gearing was 28.5 per cent (34.3 per cent). The period-end cash and cash equivalents totaled EUR 6.5 million (EUR 10.5 million).

Interest-bearing liabilities amounted to EUR 24.1 million (EUR 30.4 million). Interest-bearing liabilities comprised EUR 23.0 million in loans from financial institutions, EUR 1.0 million in financial leasing liabilities and EUR 0.1 million in product development loans. During the reporting period, the company repaid EUR 6 million in loans from financial institutions.

The Group carries out quarterly impairment testing on goodwill and intangible assets with an indefinite useful life.

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

EUR 1000	Specified intangible assets	Depreciation during the reporting period	Goodwill	Other items	Total value subject to testing
Enterprise Solutions	3,872	358	43,244	4,256	51,372
Mobile Solutions	5,525	583	22,301	4,197	32,022
Group total	9,397	941	65,545	8,453	83,394

Present values for the Enterprise Solutions segment were calculated for the forecast period based on the following assumptions: net sales for 2010 according to the latest forecast, after which annual growth of 3 per cent; operating profit for 2010 in accordance with the latest forecast and then growth of 10 per cent, with discount rates of 11.2 per cent. Cash flows following the forecast period are estimated by extrapolating the cash flows, using the assumptions given above.

Present values for the Mobile Solutions segment were calculated for the forecast period based on the following assumptions: net sales for 2010 according to the latest forecast, after which annual growth of 0 per cent; operating profit for 2010 in accordance with the latest forecast and then growth of 8 per cent, with discount rates of 14.7 per cent. Cash flows following the forecast period are estimated by extrapolating the cash flows, using the assumptions given above.

Net sales growth is reckoned to constitute the most critical factor in calculating the present values of cash flows. The amount of goodwill for Enterprise Solutions requires average annual growth of two per cent for business operations and five per cent profitability. For Mobile Solutions, the goodwill requires business to be maintained at the current level, with seven per cent profitability.

Digia's management sees no need for goodwill write-downs in either segment.

The Group's cash flow from business operations for the period was positive by EUR 5.5 million (positive by EUR 9.5 million), cash flow from investments was negative by EUR 0.6 million (negative by EUR 0.5 million) and cash flow from financing was negative by EUR 8.9 million (negative by EUR 15.2 million). The reduction in cash flow from operations in comparison with the same period last year was mainly due to changes in working capital. Cash flow from financing was negatively affected by the repayment of loans totaling EUR 6.0 million, as well as the payment of dividends for a total of EUR 2.9 million.

The Group's total investments into fixed assets were EUR 0.6 million (EUR 0.5 million). Acquisitions of tangible fixed assets totaled EUR 0.3 million (EUR 0.5 million).

Return on investment (ROI) for the period was 21.8 per cent (13.4 per cent) and return on equity (ROE) was 20.5 per cent (13.6 per cent).

HUMAN RESOURCES, MANAGEMENT AND ADMINISTRATION

At the end of the period, the number of Group personnel totaled 1,519, representing an increase of 48 employees or 3.3 per cent since the end of 2009 (1,471). During the reporting period, the number of employees averaged 1,489, an increase of 102 employees or 7.4 per cent over 2009 (1,387).

Employees by function at the end of the period:

Enterprise Solutions	45 %
Mobile Solutions	51 %
Administration and management	4 %

As of the end of the period, a total of 190 employees were working abroad (2009: 219). The reduction in personnel since the end of 2009 was due to the closure of the Yaroslavl unit in Russia and to the natural turnover of personnel in Chengdu, China.

Digia Plc's Annual General Meeting of 3 March 2010 re-elected Kari Karvinen, Pertti Kyttälä, Martti Mehtälä and Pekka Sivonen as members of the Board, and elected Robert Ingman, Tommi Uhari and Marjatta Virtanen as new members. At the organization meeting of the Board, Pertti Kyttälä was elected as Chairman of the Board and Martti Mehtälä as Vice Chairman. The separate employment contract applying to Pekka Sivonen's term as full-time Chairman of the Board ended upon the conclusion of the Annual General Meeting.

Juha Varelius has been Digia Plc's President and CEO since 1 January 2008.

Ernst & Young Oy, authorized public accountants, are the Group's auditors, with Heikki Ilkka, Authorized Public Accountant, as the chief auditor.

RISKS AND UNCERTAINTIES

The company short-term operating risks and uncertainties are described in the 2009 financial statements. There have been no changes. Risks and their management are described on the company's website at www.digia.com.

FUTURE PROSPECTS

Digia's main objective for 2010 is to achieve organic growth while maintaining a strong positive cash flow and a high level of profitability. To do this, the company will continue to increase its human resources, develop its sales operations and implement efficiency-enhancing measures.

The company will also continue to pursue the prudent internationalization of its business operations, making a concerted effort to seek opportunities for enlarging and developing its replicable product business. The company will continue to develop its international operations, particularly in China and Russia.

Digia considers the IT market to be recovering and stabilizing now that the general uncertainty has abated, and expects it to grow by approximately 2-4 per cent over 2009. The company expects its net sales to grow organically, at least at this predicted market level, for the rest of the year. The company also believes it will maintain a good level of operational profitability. The summer vacation period will have its usual weakening effect on the company's third-quarter sales and profit.

In the long term, the cornerstones of Digia's success will be strengthening organic growth and maintaining good cash flow.

OTHER EVENTS DURING THE REVIEW PERIOD

Digia Plc's Annual General Meeting (AGM) was held on 3 March 2010. The decisions of the AGM were published in the interim report of 29 April 2010, which can be seen at www.digia.com.

Based on authorization received from the AGM, the Board of Directors decided to establish a new stock-based incentive scheme for the Chief Executive Officer and the other members of the Group Management Team. The scheme comprises four earning periods, which are the calendar years 2010-2013. The earnings principles are the consolidated earnings per share and the growth in consolidated net sales compared to the budget, according to formulae settled separately by the Board. According to the scheme, rewards totaling a maximum value equivalent to 40,000 shares will be paid for the 2010 earning period, and a maximum value of 200,000 shares will be paid for each of the earning periods from 2011 to 2013. Of the rewards paid, one half will be awarded to the CEO and one half to the other management team members in total. The reward will be paid as a 50/50 combination of shares and cash. The cash portion of the bonus will primarily be used to cover taxes and other comparable costs of the scheme.

SHARE CAPITAL AND SHARES

On 30 June 2010, the number of Digia Plc shares totaled 20,853,645.

At the end of the period, according to Finnish Central Securities Depository Ltd, Digia had 4,641 shareholders.

The ten major shareholders were:

Shareholder	Shares and votes
Ingman Group Oy Ab	14.4 %
Pekka Sivonen	12.6 %
Jyrki Hallikainen	10.2 %
Kari Karvinen	6.9 %
Matti Savolainen	6.3 %
Nordea Bank Finland Plc (nominee-registered)	3.8 %
Varma Mutual Pension Insurance Company	3.6 %
Skandinaviska Enskilda Banken (nominee-registered)	2.2 %
Etola Oy	1.0 %
Olli Ahonen	0.9 %

Distribution of holdings by number of shares held on 30 June 2010

Number of shares	Holding (%)	Shares and votes
1 - 100	21.5 %	0.3 %
101 - 1,000	57.0 %	5.8 %
1,001 - 10,000	19.3 %	12.1 %
10,001 - 100,000	1.7 %	10.9 %
100,001 - 1,000,000	0.4 %	20.4 %
1,000,001 - 3,000,000	0.1 %	50.5 %

Shareholding by sector on 30 June 2010

	Holding (%)	Shares (%)
Companies	5.0 %	19.2 %
Financial institutions and insurance companies	0.3 %	8.1 %
Non-corporate public sector	0.1 %	3.7 %
Non-profit organizations	0.3 %	0.5 %
Households	93.9 %	67.4 %
Foreign ownership	0.4 %	1.1 %



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 in the review period was EUR 3.36 and the highest was EUR 5.89. The share officially closed at EUR 5.15 on the last trading day. The trade-weighted average was EUR 4.87. The Group's market capitalization totaled EUR 107,396,272 at the end of the period.

The company received no flagging notifications during the reporting period.

STOCK OPTION SCHEMES

During the reporting period, Digia Plc had a stock option scheme from 2005 as part of its key personnel incentive scheme. The number of warrants under that scheme totaled 900,000, of which 300,000 were marked as 2005A, 300,000 as 2005B and 300,000 as 2005C. The warrants entitle their holders to subscribe a maximum total of 900,000 Digia Plc shares.

At the end of the 2009 financial year, all A options in the 2005 scheme had expired. 22,000 B options were held by previous employees of the company, while all the rest had been returned to the company. All C options had been returned. The returned options will not be exercised for subscribing shares. The maximum dilution effect of the outstanding options was only 0.1 per cent on 30 June 2010.

Helsinki, 11 August 2010

Digia Plc

Board of Directors

BRIEFING FOR MEDIA AND ANALYSTS

Digia will hold a briefing on its Financial Statement for analysts and the media on Thursday 12 August 2010 at 11 A.M., in Meeting Room 2 of WTC Sodexo at the World Trade Center, Aleksanterinkatu 17, 00100 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 from 11 A.M.

DISTRIBUTION
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ABBREVIATED FINANCIAL STATEMENTS AND 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 the IAS 34 standard. This interim report is based on unaudited figures.

CONSOLIDATED INCOME STATEMENT, EUR 1,000

	4-6/2010	4-6/2009	Change %	1-6/2010	1-6/2009	Change %	2009
NET SALES	35,018.0	31,017.9	12.9 %	67,848.7	61,864.4	9.7 %	120,335.2
Other operating income	37.8	44.1	-14.2 %	100.4	47.4	112.1 %	219.7
Materials and services	-2,942.1	-2,737.3	7.5 %	-5,718.3	-4,458.6	28.3 %	-7,996.5
Depreciation and impairment	-905.1	-1,107.3	-18.3 %	-1,841.7	-2,212.2	-16.7 %	-28,051.3
Other operating expenses	-26,432.4	-22,779.4	16.0 %	-50,933.0	-47,129.9	8.1 %	-92,303.1
Operating profit	4,776.2	4,438.1	7.6 %	9,456.1	8,111.0	16.6 %	-7,796.1
Financial expenses (net)	-323.0	-522.8	-38.2 %	-802.2	-1,176.0	-31.8 %	-2,323.2
Pre-tax profit	4,453.1	3,915.3	13.7 %	8,653.9	6,935.0	24.8 %	-10,119.3
Direct tax	-1,301.3	-1,055.3	23.3 %	-2,518.9	-1,890.0	33.3 %	-3,544.6
NET PROFIT	3,151.9	2,859.9	10.2 %	6,135.0	5,045.1	21.6 %	-13,663.9
Components of statement of comprehensive income:							
Exchange differences on translating foreign operations	50.9	20.4	149.0 %	180.0	10.8	1,562.5 %	128.3
TOTAL COMPREHENSIVE INCOME	3,202.8	2,880.4	11.2 %	6,314.9	5,055.9	24.9 %	-13,535.6
Distribution of net profit:							
Parent company shareholders	3,151.9	2,859.9	10.2 %	6,135.0	5,045.1	21.6 %	-13,663.9
Minority shareholders	0.0	0.0		0.0	0.0		0.0
Distribution of comprehensive income:							
Parent company shareholders	3,202.8	2,880.4	11.2 %	6,314.9	5,055.9	24.9 %	-13,535.6
Minority shareholders	0.0	0.0		0.0	0.0		0.0
Earnings per share, EUR	0.15	0.14	7.1 %	0.30	0.25	20.0 %	-0.67
Earnings per share (diluted), EUR	0.15	0.14	7.1 %	0.30	0.25	20.0 %	-0.67

CONSOLIDATED BALANCE SHEET, EUR 1,000

Assets	30.6.2010	31.12.2009	Change %
Non-current assets			
Intangible assets	75,714.3	76,577.3	-1 %
Tangible assets	2,219.5	2,616.7	-15 %
Financial assets	628.0	628.0	0 %
Long-term receivables	205.0	202.9	1 %
Deferred tax assets	768.6	1,211.6	-37 %
Total fixed and other non-current assets	79,535.4	81,236.6	-2 %
Current assets			
Current receivables	26,122.9	21,048.3	24 %
Available-for-sale financial assets	296.2	293.4	1 %
Cash and cash equivalents	6,195.7	10,175.2	-39 %
Total current assets	32,614.8	31,517.0	3 %
Total assets	112,150.2	112,753.5	-1 %

Shareholders' equity and liabilities	30.6.2010	31.12.2009	Change %
Share capital	2,085.4	2,085.4	0 %
Issue premium fund	7,899.5	7,899.5	0 %
Other reserves	5,203.8	5,203.8	0 %
Unrestricted invested shareholders' equity	35,447.8	35,447.8	0.0 %
Translation difference	54.0	-126.0	-143 %
Retained earnings	4,917.7	21,337.1	-77 %
Net profit	6,135.0	-13,663.9	-145 %
Equity attributable to parent company shareholders	61,743.2	58,183.7	6 %
Minority interest	0.0	0.0	
Total shareholders' equity	61,743.2	58,183.7	6 %
Liabilities			
Long-term interest-bearing liabilities	22,421.6	23,601.3	-5 %
Deferred tax liabilities	2,418.8	2,672.3	-9 %
Total long-term liabilities	24,840.4	26,273.7	-5 %
Short-term interest-bearing liabilities	1,666.3	6,827.4	-76 %
Other short-term liabilities	23,900.3	21,468.7	11 %
Total short-term liabilities	25,566.6	28,296.1	-10 %
Total liabilities	50,407.0	54,569.8	-8 %
Shareholders' equity and liabilities	112,150.2	112,753.5	-1 %

CONSOLIDATED CASH FLOW STATEMENT, EUR 1,000

	1.1.2010 - 30.6.2010	1.1.2009 - 30.6.2009	1.1.2009 - 31.12.2009
Cash flow from business operations:			
Net profit	6,135	5,045	-13,664
Adjustments to net profit	5,162	5,278	33,919
Change in working capital	-3,344	1,345	6,817
Interest paid	-382	-1,078	-1,929
Interest received	3	74	91
Income tax paid	-2,040	-1,128	-5,002
Net cash flow from operating activities	5,534	9,537	20,232
Cash flow from investments:			
Purchase of tangible and intangible assets	-581	-524	-1,342
Cash flow from investments	-581	-524	-1,342
Cash flow from financing:			
Acquisition of own shares	-	-33	-33
Repayment of current term loans	-5,044	-57,149	-58,242
Repayments of non-current loans	-1,000	-8,000	-18,000
Withdrawals of current loans	-	5,000	5,000
Withdrawals of non-current loans	-	45,000	45,000
Dividends paid and other profit distribution	-2,885	-	-1,024
Cash flow from financing	-8,929	-15,182	-27,300
Change in liquid assets	-3,977	-6,169	-8,410
Liquid assets at beginning of period	10,469	18,879	18,879
Change in fair value of liquid assets	-	-	-
Change in liquid assets	-3,977	-6,169	-8,410
Liquid assets at end of period	6,492	12,710	10,469

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

	a	b	c	d	e	f	g
SHAREHOLDERS' EQUITY 1 Jan 2009	2,085	7,893	34,938	5,204	-254	22,210	72,083
Net profit						5,045	5,045
Items of comprehensive income					11		11
Increase in share capital							
Dividends						-1,024	-1,024
Own share redemption fund			510			-169	340
Share-based payments recognized against equity						25	25
SHAREHOLDERS' EQUITY 30 June 2009	2,085	7,899	35,448	5,204	-243	26,087	76,480

	a	b	c	d	e	f	g
SHAREHOLDERS' EQUITY 1 Jan 2010	2,085	7,899	35,448	5,204	-126	7,673	58,184
Net profit						6,135	6,135
Items of comprehensive income					180		180
Dividends						-2,885	-2,885
Own share redemption fund							
Share-based payments recognized against equity						130	130
SHAREHOLDERS' EQUITY 30 June 2010	2,085	7,899	35,448	5,204	54	11,053	61,743

a = share capital

b = share premium

c = unrestricted invested shareholders' equity reserve

d = other reserves

e = currency translation differences

f = retained earnings

g = total shareholders' equity

NOTES TO THE ACCOUNTS

Accounting principles:

The interim report has been drafted in line with IFRS. At the beginning of the fiscal year, the company adopted certain new or updated IFRS standards and IFRIC interpretations, as described in the 2009 Annual Report. These changes have not yet had any visible effect on the reported figures. In other respects, the same accounting principles have been applied as in the 2009 financial statements. The accounting principles and formulas for the calculation of key figures and ratios are unchanged and are presented in the 2009 financial statements.

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:

Dividends paid during the reporting period totalled EUR 2,885,461.88.

Events after the review period:

There have been no major events since the end of the reporting period.

Related party transactions:

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

Segment information:

Since the beginning of 2009, a new organization has been in force in the company, merging the company's sales, products, services and competencies. Digia's business operations are now divided into two main business segments: Enterprise Solutions and Mobile Solutions. Enterprise Solutions is divided into ERP and Financial Administration, Digital Services and Integration Solutions. The Mobile Solutions segment is divided into Contract Engineering Services and User Experience Services.

NET SALES, EUR 1,000	4-6/2010	4-6/2009	Change %	1-6/2010	1-6/2009	Change %	2009
Enterprise Solutions	19,919	18,937	5.2 %	39,289	36,478	7.7 %	70,841
Mobile Solutions	15,099	12,081	25.0 %	28,560	25,386	12.5 %	49,494
Digia Group	35,018	31,018	12.9 %	67,849	61,864	9.7 %	120,335

OPERATING PROFIT BEFORE EXTRAORDINARY ITEMS, EUR 1,000	4-6/2010	4-6/2009	Change %	1-6/2010	1-6/09	Change %	2009
Enterprise Solutions	3,000	3,727	-19.5 %	5,810	5,981	-2.9 %	12,301
Mobile Solutions	1,776	711	149.8 %	3,646	2,130	71.2 %	4,636
Digia Group	4,776	4,438	7.6 %	9,456	8,111	16.6 %	16,936

OPERATING PROFIT, EUR 1,000	4-6/2010	4-6/2009	Change %	1-6/2010	1-6/09	Change %	2009
Enterprise Solutions	3,000	3,727	-19.5 %	5,810	5,981	-2.9 %	12,211
Mobile Solutions	1,776	711	149.8 %	3,646	2,130	71.2 %	-20,007
Digia Group	4,776	4,438	7.6 %	9,456	8,111	16.6 %	-7,796

ASSETS, EUR 1,000	30.6.2010	31.12.2009
Enterprise Solutions	63,257	61,240
Mobile Solutions	41,004	39,205
Unallocated	7,888	12,308
Digia Group	112,150	112,753

Consolidated income statement by quarter:

EUR1000	4-6/2010	1-3/2010	10-12/2009	7-9/2009	4-6/2009
Net sales	35,018.0	32,830.8	33,189.4	25,281.5	31,017.9
Other operating income	37.8	62.6	90.6	81.7	44.1
Materials and services	-2,942.1	-2,776.2	-2,041.9	-1,496.0	-2,737.3
Depreciation and impairment	-905.1	-936.7	-24,826.4	-1,012.8	-1,107.3
Other operating expenses	-26,432.4	-24,500.6	-25,747.1	-19,426.2	-22,779.4
Operating profit	4,776.2	4,679.9	-19,335.4	3,428.3	4,438.1
Financial expenses (net)	-323.0	-479.1	-477.8	-669.5	-522.8
Pre-tax profit	4,453.1	4,200.8	-19,813.1	2,758.8	3,915.3
Direct tax	-1,301.3	-1,217.7	-1,037.1	-617.5	-1,055.3
NET PROFIT	3,151.9	2,983.1	-20,850.3	2,141.3	2,859.9
Allocation:					
Parent company shareholders	3,151.9	2,983.1	-20,850.3	2,141.3	2,859.9
Minority shareholders	0	0	0	0.0	0.0
Earnings per share, EUR	0.15	0.14	-1.01	0.10	0.14
Earnings per share (diluted), EUR	0.15	0.14	-1.01	0.10	0.14

Group key figures and ratios:

	1-6/2010	1-6/2009	2009
Extent of business			
Net sales	67,849	61,864	120,335
- change from previous year	9.7 %	-4.5 %	-2.3 %
Average capital invested	87,222	123,614	104,042
Personnel at period-end	1,519	1,367	1,471
Average number of personnel	1,489	1,342	1,387
Profitability			
Operating profit before extraordinary items and impairment	9,456	8,111	16,936
- % of net sales	13.9 %	13.1 %	14.1 %
Operating profit	9,456	8,111	-7,796
- % of net sales	13.9 %	13.1 %	-6.5 %
Pre-tax profit	8,654	6,935	-10,119
- % of net sales	12.8 %	11.2 %	-8.4 %
Net profit	6,135	5,045	-13,664
% of net sales	9.0 %	8.2 %	-11.4 %
Return on equity, %	20.5 %	13.6 %	-21.0 %
Return on investment, %	21.8 %	13.4 %	-7.1 %
Financing and financial standing			
Interest-bearing liabilities	24,088	41,715	30,429
Short-term investments & cash and bank receivables	6,492	12,710	10,469
Net gearing	28.5 %	37.9 %	34.3 %
Equity ratio	55.4 %	53.0 %	52.3 %
Net cash flow from operating activities	5,534	9,537	20,232
Basic earnings per share (EUR)	0.30	0.25	-0.67
Earnings per share, diluted (EUR)	0.30	0.25	-0.67
Equity per share	2.96	3.67	2.79
Lowest share price	3.36	1.39	1.39
Highest share price	5.89	2.23	3.88
Average share price	4.87	1.83	2.72
Market capitalization	107,396	43,793	71,528

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, totaled 20,853,645. The weighted average number of shares during the reporting period, adjusted for dilution, was 20,863,764. The number of outstanding shares totaled 20,632,942 at the end of the review period.



The company held a total of 129,964 treasury shares at the end of the reporting period. The accounting counter value of own shares is EUR 0.10 per share. The company held about 0.6 per cent of the capital stock as of 30 June 2010. The buyback program was terminated by the Board at its meeting on 3 February 2009.

Relating to the company's performance-based incentive system, Digia has financed the acquisition of 300,000 own shares. Said shares were not distributed at the end of the review period and Evli Alexander Management Ltd held 90,739 shares.