Digia Plc's third quarter 2009 (IFRS)

Summary

January-September

- Consolidated net sales: EUR 87.1 million, down 3.6 per cent
- Consolidated operating profit: EUR 11.5 million, up 9.7 per cent
- Profitability (EBIT-%): 13.2 per cent (11.6 per cent 1-9/2008)
- Product business accounted for 16.5 per cent of net sales (14.5 per cent 1-9/2008)
- Earnings per share: EUR 0.35, up 16.7 per cent

July-September

- Consolidated net sales: EUR 25.3 million, down 1.4 per cent
- Consolidated operating profit: EUR 3.4 million, up 34.1 per cent
- Profitability (EBIT-%): 13.6 per cent (10.0 per cent 7-9/2008)
- Product business accounted for 16.5 per cent of net sales (15.7 per cent 7-9/2008)
- Earnings per share: EUR 0.10, up 66.7 per cent

During the review period, the company met with huge success in achieving its objectives by maintaining both good profitability and a strong positive cash flow, as well as lowering its gearing ratio. Operating profit and earnings per share in the third quarter were significantly higher than in the corresponding period of 2008.

The Enterprise Solutions business maintained excellent profitability during the entire reporting period and posted slight year-on-year growth.

The company's Mobile Solutions business, on the other hand, was hampered throughout the period by structural changes in its operating environment and by intensifying price competition. As a result of these combined factors, demand for the company's services and the segment's profitability remained below the set targets.

A total of EUR 16.1 million in interest-bearing liabilities was repaid during the reporting period. After the end of the review period on 19 October 2009, the company repaid an additional EUR 10 million in loans, after which interest-bearing liabilities stood at EUR 29 million. During 2009, the company repaid a total of EUR 26.1 million in loans.

The company forecasts that general economic uncertainty will prevail in the market during the rest of the year and that overall demand will weaken to some degree compared with last year. However, the severest decrease in demand for IT services appears to be over. The company will continue to carry out and step up measures to improve sales and the efficiency of its operative business, and believes that it will maintain its profitability of its operative business at a high level during the remainder of the year.

In order to improve long-term operating conditions, the company has announced the launch of measures aimed at rationalising its site network and organisation in line with market requirements and concentrating its expertise in fewer but larger units. In this way, customers' needs will be met more effectively. In connection with these streamlining measures, the company will announce the initiation of statutory cooperation negotiations concerning ca. 110 employees, in accordance with a separate stock exchange release issued today. The aim of these measures is to improve the efficiency of the company's organisation and the profitability and competitiveness of the Mobile Solutions business in particular. Possible one-off expenses related to these measures will affect the company's result for the last quarter of 2009 and their positive impacts are estimated to be realised from the first quarter of 2010 onwards.

GROUP KEY FIGURES AND RATIOS

	7-9/2009	7-9/2008	Change, %	1-9/2009	1-9/2008	Change, %	2008
Net sales	25,281	25,630	-1 %	87,146	90,442	-4 %	123,203
Operating profit	3,428	2,556	34 %	11,539	10,522	10 %	13,437
- % of net sales	14 %	10 %		13 %	12 %		11 %
Profit for the period	2,141	1,302	64 %	7,186	6,060	19 %	7,409
- % of net sales	8 %	5 %		8 %	7 %		6 %
Return on equity, %	11 %	7 %		13 %	12 %		11 %
Return on investment, %	11 %	9 %		12 %	12 %		11 %
Interest-bearing liabilities	40,525	56,881	-29 %	40,525	56,881	-29 %	56,950
Cash and cash equivalents	13,483	15,684	-14 %	13,483	15,684	-14 %	18,879
Gearing, %	34 %	58 %		34 %	58 %		53 %
Equity ratio, %	56 %	46 %		56 %	46 %		47 %
Earnings per share, EUR, undiluted	0.10	0.06	66.7 %	0.35	0.30	16.7 %	0.36
Earnings per share, EUR, diluted	0.10	0.06	66.7 %	0.35	0.30	16.7 %	0.36

MARKETS AND DIGIA'S BUSINESS

Uncertainty in the markets continued during the entire reporting period, impacting on demand for the company's services and the development of net sales. However, the decrease in net sales slowed down during the third quarter and the final figures were only slightly lower year on year.

In spite of the challenging market, the company was hugely successful in achieving its objectives in maintaining both good profitability and a strongly positive cash flow as well as in reducing its gearing ratio during the reporting period. Operating profit and earnings per share in the third quarter were significantly higher than in the corresponding period of 2008. Both were at a very good level, considering the current market conditions and the effects of the summer holiday season.

Thanks to its robust cash flow, the company was able to substantially reduce its gearing ratio during the reporting period. The company repaid EUR 16.1 million in loans during the period and an additional EUR 10 million on 19 October 2009, after which interest-bearing liabilities stand at a total of EUR 29.0 million.

During the reporting period, the company's international operations focused on China. The operations of the Chengdu unit, which was opened last year, developed according to plan during the reporting period. In addition, the company opened a new location in Beijing during the second quarter. These measures are geared towards honing the cost-effectiveness and competitiveness of the company's operations and expanding its current clientele.

After the end of the reporting period, the company announced the beginning of statutory cooperation negotiations concerning the closure of its sites in Kuopio, Turku, Lahti and Vaasa as well as the reduction of staff in certain segments at the Pori site. In total, these negotiations will affect ca. 110 employees. The company is striving to employ as many employees as possible in positions open at company’s other sites.

In addition, the company has announced the closure of its site in Yaroslavl/Russia by the end of this year. This measure will affect a total of nine employees.

The above measures are geared at concentrating the company's site network and organisation in line with market demands and concentrating its expertise in fewer but larger units, to better meet customers' needs. At the same time, the company is seeking to improve the profitability and competitiveness of the Mobile Solutions business in particular. The overall goal is to preserve the company's long-term basis for success.

Enterprise Solutions:
The company's Enterprise Solutions business maintained excellent profitability during the entire reporting period and posted substantial year-on-year growth in each quarter. Net sales grew slightly year on year as well as throughout the reporting period. The general market situation remains challenging, but the order book for operative information systems has grown and the company believes that many customer projects postponed earlier will start during the last quarter in several of Digia's business segments. In light of the current conditions, the business operations of Enterprise Solutions are on a solid footing overall, and the company expects its operations to remain highly profitable in the last quarter of the year as well.

Mobile Solutions:
The net sales and, in particular, the profitability of the Mobile Solutions business declined compared with the corresponding period in the previous year.

Ongoing technological changes in the market and the introduction of new technologies have led to the fragmentation of demand into a larger number of specialised segments. In certain service and competence fields, demand has decreased and in part shifted towards low-cost countries. In addition, price competition in the service sector has seen continual growth. These changes in the business environment as well as the company's current site structure have created a situation in which the company is unable to match all of its resources precisely to market demand. As a result, there has been excess labour capacity in certain areas of expertise.

On the whole, the net sales and profitability of the Mobile Solutions business fell short of their targets in the third quarter, as well as during the entire reporting period. In the future, the company will have to pay special attention to the development of the Mobile Solutions segment.

Simultaneously with the streamlining measures mentioned earlier, the company will have to focus on the development of its offering and expertise, as well as on improving efficiency.

RISKS AND UNCERTAINTIES

The key risks and uncertainties of the company's business have mostly remained unchanged. However, the structural change in the business environment of the Mobile Solutions segment is raising concerns about a possible permanent weakening of demand for services and lower profitability, leading to a higher risk of goodwill write-downs.

Short-term uncertainties are related to any major changes occurring in the company's core markets and the impacts of the prevailing economic recession on Digia customers' investment decisions and their liquidity, and thus also on the company's net sales and earnings. The possible protraction of the recession may weaken the financial position of customers and lead to payment difficulties, which could mean credit losses. There are already indications that the financial situation has impacted on investment decisions, liquidity and the postponement of planned projects. However, the third quarter has seen the first indications of a turnaround in the situation. Furthermore, the growth in customer project size increases the risks related to projects and their profitability.

PROSPECTS FOR THE FUTURE

The company's main goals for 2009 are to maintain a strong positive cash flow and good profitability and to bolster its balance sheet by reducing indebtedness.

The company will continue to pursue the conservative internationalisation of its business operations, making a concerted effort to seek opportunities for enlarging and developing its product business. Furthermore, the company will continue to step up its operations in countries with favourable cost levels, especially China

The company expects that the general economic uncertainty will continue and impact on customers' IT investments, at least for the rest of this year. On the whole, the company expects the IT market to decline to some extent during 2009 compared with 2008. The severest fall in demand for IT services, however, appears to be over. With the decrease of turnover slowing down, and through streamlining its operations, the company believes that it will be able to maintain the profitability of its operative business at a high level during the remainder of 2009.

Digia's long-term focus is first and foremost on strengthening its organic growth and balance sheet as well as on maintaining good cash flow. The company will continue to develop its sales and make outlays on actions improving the cost-effectiveness of operations.

NET SALES

Digia's consolidated net sales during the reporting period amounted to EUR 87.1 million, down 3.6 per cent (1-9/2008: EUR 90.4 million).

The Enterprise Solutions segment posted net sales of EUR 51.6 million during the reporting period, up 1.4 per cent (1-9/2008: EUR 50.9 million). The net sales of the Mobile Solutions segment were EUR 35.5 million, down 10.1 per cent (1-9/2008: EUR 39.5 million).

During the reporting period, the product business accounted for EUR 14.4 million (1-9/2008: EUR 13.1 million) of consolidated net sales, or 16.5 per cent (1-9/2008: 14.5 per cent).

International operations accounted for EUR 7.2 million (1-9/2008: EUR 12.8 million) of consolidated net sales during the review period, or 8.3 per cent (1-9/2008: 14.2 per cent). The 2008 comparison period includes EUR 5.1 million in net sales from a Swedish software company UIQ, which went bankrupt in the beginning of 2009.

Digia's consolidated third-quarter net sales amounted to EUR 25.3 million, down 1.4 per cent (7-9/2008: EUR 25.6 million).

The third-quarter net sales of the Enterprise Solutions segment posted EUR 15.1 million, up 0.9 per cent (7-9/2008: EUR 15.0 million). Net sales of the Mobile Solutions segment were EUR 10.1 million, a decrease of 4.5 per cent (7-9/2008: EUR 10.6 million).

During the third quarter, the product business accounted for EUR 4.2 million (7-9/2008: EUR 4.0 million) of consolidated net sales, or 16.5 per cent (7-9/2008: 15.7 per cent).

International operations accounted for EUR 2.0 million (7-9/2008: EUR 1.9 million) of consolidated third-quarter net sales, or 7.9 per cent (7-9/2008: 7.5 per cent). The 2008 comparison period includes EUR 0.6 million in net sales from a Swedish software company UIQ.

PROFIT PERFORMANCE AND PROFITABILITY

Digia's consolidated operating profit (EBIT) for the review period amounted to EUR 11.5 million, a 9.7 per cent year-on-year increase (1-9/2008: EUR 10.5 million). Profitability (EBIT-%) was 13.2 per cent (1-9/2008: 11.6 per cent).

The Enterprise Solutions segment recorded an operating profit of EUR 8.8 million for the review period, up 54.9 per cent (1-9/2008: EUR 5.7 million). The Mobile Solutions segment posted an operating profit of EUR 2.7 million, down 43.8 per cent (1-9/2008: EUR 4.8 million).

Digia's consolidated operating profit (EBIT) for the third quarter was EUR 3.4 million, a 34.1 per cent year-on-year increase (7-9/2008: EUR 2.6 million). Profitability (EBIT-%) was 13.6 per cent (7-9/2008: 10.0 per cent).

The Enterprise Solutions segment recorded an operating profit of EUR 2.8 million for the third quarter, up 30.5 per cent (7-9/2008: EUR 2.2 million). The Mobile Solutions segment posted an operating profit of EUR 0.6 million, up 54.9 per cent (7-9/2008: EUR 0.4 million).

The Group's reported earnings before tax stood at EUR 9.7 million, representing year-on-year growth of 16.6 per cent (1-9/2008: EUR 8.3 million), and net profit totalled EUR 7.2 million, up by 18.6 per cent (1-9/2008: EUR 6.1 million). The Group's reported earnings before tax for the third quarter were EUR 2.8 million, rising by 48.0 per cent (7-9/2008: EUR 1.9 million), and net profit amounted to EUR 2.1 million, up 64.4 per cent (7-9/2008: EUR 1.3 million).

Earnings per share for the review period were EUR 0.35, representing growth of 16.7 per cent (1-9/2008: EUR 0.30). Third-quarter earnings per share amounted to EUR 0.10, up 66.7 per cent (7-9/2008: EUR 0.06).

The Group's net financial expenses were EUR 1.8 million for the reporting period (1-9/2008: EUR 2.2 million) and EUR 0.7 million for the third quarter (7-9/2008: EUR 0.7 million).

FINANCIAL POSITION AND EXPENDITURE

At the end of the report period, Digia Group's consolidated balance sheet total stood at EUR 141.9 million (2008: EUR 153.4 million) and its equity ratio was 56.1 per cent (2008: 47.1 per cent). Net gearing was 34.3 per cent (2008: 52.8 per cent). Liquid assets at the end of the period totalled EUR 13.5 million (2008: EUR 18.9 million), and interest-bearing liabilities amounted to EUR 40.5 million (2008: EUR 56.9 million). Interest-bearing liabilities comprise EUR 39.0 million in loans from financial institutions, EUR 1.3 million in financial leasing liabilities and EUR 0.2 million in product development loans. After the end of the review period on 19 October 2009, the company repaid an additional EUR 10.0 million in loans, after which interest-bearing liabilities stood at a total of EUR 29.0 million. After the end of the review period, loan covenants were altered to give the company the possibility of paying 30% of the Group's previous year's net profit as dividends.

In the current conditions, impairment tests in accordance with the IAS 36 standard are applied each quarter to goodwill and intangible assets with an unlimited useful life.

As from 1 January 2009, the allocation of goodwill was changed in line with the new segment structure. Goodwill is now allocated to Enterprise Solutions and to Mobile Solutions.

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
Enterprise Solutions	4 408	664	43 244	4 135	51 787
Mobile Solutions	6 400	875	46 138	4 115	56 652
Group total	10 808	1 539	89 381	8 250	108 439

Present values are determined on the basis of actual operating profit and five-year forecasts by business segment, with growth at three per cent and the operating margin between 8 and 11 per cent. As regards the current year, however, both growth and profitability are updated in the calculations to correspond to the company management's view of current market developments.

Cash flows following the forecast period are estimated by extrapolating cash flows, using a steady net sales growth forecast of three per cent, with operating profit estimated at 8-10 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 Enterprise Solutions requires average annual growth of two per cent for business operations and six per cent profitability before the amortisation of intangible assets. The amount of goodwill for Mobile Solutions requires average annual long-term growth of around two per cent for business operations and 10 per cent profitability before the amortisation of intangible assets.

Based on the conducted impairment tests, there is, in the management's view, no need for goodwill write downs at the moment. However, the risk of a need for write-downs in the Mobile Solutions segment has grown due to the long-term structural changes affecting said segment. Therefore the company will pay special attention to the development of the Mobile Solutions segment in the future.

The Group's cash flow from operations for the reporting period was positive by EUR 12.8 million (1-9/2008: positive cash flow of EUR 11.7 million), cash flow from investments was negative by EUR 0.9 million (1-9/2008: negative EUR 4.8 million) and cash flow from financing was negative by EUR 17.3 million (1-9/2008: negative EUR 2.9 million). Cash flow from financing was affected negatively by a substantial repayment of loans totalling EUR 16.1 million as well as by the payment of dividends, the effect of which amounted to EUR 1.0 million.

The Group's total investments in fixed assets during the reporting period amounted to EUR 0.9 million (1-9/2008: EUR 2.0 million). The Group's investments in tangible fixed assets were EUR 0.7 million (1-9/2008: EUR 1.6 million).

Return on investment (ROI) for the period was 12.5 per cent (12/2008: 11.3 per cent) and return on equity (ROE) was 12.7 per cent (12/2008: 10.5 per cent).

HUMAN RESOURCES, MANAGEMENT AND ADMINISTRATION

At the end of the period, the number of Digia Group personnel totalled 1,410, representing an increase of 73 employees, or 5.5 per cent, since the end of fiscal 2008 (2008: 1,337). During the reporting period, the number of employees averaged 1,361, an increase of 47 employees, or 3.6 per cent compared to 2008 (2008: 1,314).

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 180 employees were working abroad (2008: 123).

Digia Plc's Annual General Meeting of 10 March 2009 re-elected Pekka Sivonen, Pertti Kyttälä, Kari Karvinen and Martti Mehtälä as members of the Board and elected Heikki Mäkijärvi and Jari Pasanen as new members. At the organisation meeting of the Board, Pekka Sivonen was elected as its full-time Chairman and Pertti Kyttälä as the Vice Chairman.

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

RELATED PARTY TRANSACTIONS

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

GROUP STRUCTURE AND ORGANISATION

At the end of the period, the Digia Group consisted of parent company Digia Plc and its active subsidiaries: Digia Finland Ltd (parent company holding 100%), Digia Sweden AB (100%), Digia Estonia Oü (100%), Digia Hong Kong Ltd (100%) and Sunrise Resources Oy (100%).

Digia Finland Ltd also has the wholly-owned active subsidiaries Digia Financial Software Ltd (100%) and Digia Service Ltd (100%).

Digia Hong Kong Ltd has a wholly-owned company, Digia Software (Chengdu) Co. Ltd (100%), operating in China, which registered a branch in Beijing during the reporting period (18 June 2009).

Sunrise Resources Oy has a subsidiary, OOO Sunrise-r Spb (100%), operating in Russia, which will be renamed OOO Digia RUS.

SHAREHOLDERS' MEETINGS

Annual General Meeting on 10 March 2009

Convening on 10 March 2009, Digia Plc's Annual General Meeting (AGM) adopted the financial statements for 2008, released the Board members and the CEO from liability, determined Board emoluments, resolved to raise the number of Board members to six (6), and elected the company's Board of Directors for a new term. The AGM granted the following authorisations to the Board:

Authorising the Board of Directors to decide on the payment of dividends

The AGM authorised the Board of Directors to decide at its discretion, and if the financial situation of the company is favourable, on the payment of a dividend for 2008 such that:
- The dividend shall amount to no more than EUR 0.05 per share;
- The Board of Directors shall decide on the record date for the dividend and its payment date, which can at the earliest be the fifth banking day from the record date; and
- The authorisation shall be valid until the beginning of the next AGM.

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 as set forth in Section 1, Chapter 10 of the Companies Act, subject to the following conditions:

- On the basis of the authorisation, the Board of Directors can decide on the conveyance in one or more instalments of a maximum total of 4,000,000 new or own shares held by the company;
- The Board of Directors is also entitled to decide on the sale of own shares in public trading. By virtue of the authorisation, the Board of Directors has the right to decide on share issues and the granting of special rights, waiving the pre-emptive subscription rights of the shareholders (directed issue);
- The Board of Directors is otherwise authorised to decide on all terms relating to the share issue, including the subscription price, its payment and its recognition in the company's balance sheet; and
- The authorisation replaces the authorisation granted by the Shareholders' Meeting on 11 March 2008 and shall be valid for 18 months from the issue date of the authorisation, i.e. until 10 September 2010.

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 the company's own shares subject to the following conditions:

- A maximum total of 2,000,000 shares may be bought back in one or more instalments;
- The Board shall decide on how the shares are acquired. Own shares can be bought back in disproportion to the holdings of the shareholders. The authorisation also includes the acquisition of shares through public trading organised by NASDAQ OMX Helsinki Oy in accordance with its rules and instructions or through offers made to shareholders;
- The shares shall be acquired at the going price in public trading. The minimum price of the shares to be acquired shall be the lowest quotation in public trading while the authorisation is in force and, correspondingly, the maximum price shall be the highest quotation in public trading while the authorisation is in force;
- Own shares can be bought back only with non-restricted equity. Share buyback thus reduces the company's distributable funds;
- The Board of Directors is otherwise authorised to decide on all terms relating to share buyback; and
- The authorisation replaces the authorisation granted by the Shareholders' Meeting on 11 March 2008 and shall be valid for 18 months from the issue date of the authorisation, i.e. until 10 September 2010.

On the basis of the authorisations granted by the AGM, the Board of Directors decided:

- At its meeting on 10 March 2009 to convey own shares as the additional purchase price agreed for Sunrise Resources Oy. The additional purchase price was EUR 576,413, which was paid by conveying 198,080 of the company's shares; and
- At its meeting on 12 June 2009 to pay a dividend of EUR 0.05 per share on shares not owned by the company, to a maximum of EUR 1,024,289.55. The Board of Directors decided to set 26 June 2009 as the record date for the dividend and 3 July 2009 as its payment date; and
- At its meeting on 30 September, on the following incentive schemes based on a directed share issue without payment and treasury shares held by the company to the management and key employees of the company:
  - The President and CEO Juha Varelius and a total of 15 other key employees of the company will be offered a share bonus system, whereunder such key employees are entitled to convert their existing option rights under option scheme 2005A-C into a maximum total of 51,900 company shares and a cash bonus of equal amount;
  - A new share-based incentive system will be created for the company's key employees other than the CEO, whereunder such key employees are entitled to a bonus to be decided by the Board each year on the basis of the company's performance and fulfilment of the objectives set by the Board during the respective accounting period preceding the Board's decision. Regarding the year 2009, this bonus amounts to the value of a maximum of 200,000 company shares. The bonus for the year 2009 will be paid in a 50/50 combination of shares and cash in equal slots over a period of four years as of 30.1.2010 onwards, provided

that the employment of the respective key employee is in force on the date when the respective payment is due;

- The CEO's current share incentive scheme agreed in 2007 will be terminated and replaced with a new scheme, pursuant to which:
  - the CEO will be awarded a bonus equal to the value of 100,000 company shares payable in a 50/50 combination of shares and cash in October 2009, without any disposition restrictions. Such a bonus will be paid on the basis of the CEO's good work performance during the year 2008 and, so far in 2009, the challenging market situation; and
  - a new share bonus system will be launched for the CEO, covering two earning periods (years 2009 and 2010), whereunder the CEO is entitled to a maximum bonus equal to the value of 80,000 company shares for each earning period depending on the earning per share (EPS) value reached during said earning period. The maximum total bonus available for the CEO under the scheme thus equals the value of 160,000 shares. The bonus will begin to accrue when the EPS amounts to 0.41 EUR (entitling the CEO to a bonus at a value of 20,000 shares) for an earning period, whereafter the bonus will increase in steps so that the maximum bonus will become payable if the EPS amounts to 0.69 EUR for the earning period. The bonus will be paid in a 50/50 combination of shares and cash, without any disposition restrictions, after the adoption of the financial statements following the close of the respective earning period.

SHARE CAPITAL AND SHARES

As of the end of the period, the number of Digia Plc shares totalled 20,853,645.

According to Finnish Central Securities Depository Ltd, Digia had 3,884 shareholders on 30 June 2009. The ten major shareholders were:

Shareholder	Proportion (%) of shares and votes
Pekka Sivonen	24.4 %
Jyrki Hallikainen	10.2 %
Kari Karvinen	7.6 %
Matti Savolainen	6.3 %
Varma Mutual Pension Insurance Company	3.6 %
Veikko Laine Oy	2.8 %
Evli Alexander Management Oy	1.1 %
Etra Trading Oy	1.0 %
Ulkomarkkinat Oy	0.9 %
Skandinaviska Enskilda Banken (Nominee-registered)	0.9 %

Distribution of holdings by number of shares held on 30 September 2009

Number of shares	Holding (%)	Shares and votes
1 – 100	19.5 %	0.3 %
101 – 1,000	53.6 %	4.9 %
1,001 – 10,000	23.7 %	12.3 %
10,001 – 100,000	2.6 %	14.9 %
100,001 – 1,000,000	0.5 %	19.0 %
1,000,001 – 3,000,000	0.1 %	48.6 %

Shareholding by sector on 30 September 2009

	Holding (%)	Proportion (%) of shares
Companies	5.8 %	10.2 %
Financial institutions and insurance companies	0.4 %	3.5 %
Non-corporate public sector	0.1 %	3.8 %
Non-profit organisations	0.4 %	0.4 %
Households	92.8 %	80.7 %
Foreign ownership	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 1.39 and the highest was EUR 3.36, with the share closing at EUR 3.20 on the final trading day. The trade-weighted average was EUR 2.30. The Group's market capitalisation totalled EUR 66,731,664 at the end of the period.

The company received the following flagging notifications during the reporting period:
- Jyrki Hallikainen announced on 6 March 2009 that his holding in the company had exceeded the 5% flagging threshold and amounted to 9.12% of the company's shares and votes.
- Jyrki Hallikainen announced on 27 March 2009 that his holding in the company had exceeded the 10% flagging threshold and amounted to 10.24%.

STOCK OPTION SCHEMES

Digia Plc's current option schemes include the stock option scheme 2005A-C, on the basis of which a maximum number of 900,000 Digia shares can be subscribed.

On 30 September 2009, the remaining number of warrants issued by Digia totalled 900,000. Shares subscribed for using the warrants represent a maximum of 4.13 % of the company's share capital and voting rights after a potential increase in share capital. On 30 September 2009, the number of warrants still held by Digia totalled 527,000. The maximum dilution effect of the distributed warrants was stood at 1.8 per cent on 30 September 2009.

At its meeting on 30 September, the Board of Directors decided to entitle the company's key employees to exchange their stock options for the company's shares. All key employees have exercised this possibility after the reporting period, and the number of stock options held by the company has thus risen to 803,000 and the maximum dilution effect of the issued warrants decreased to a maximum of 0.5 per cent after a potential increase in share capital. At the same time, the Board of Directors has decided not to create new management incentives based on option rights in the future.

Helsinki, 30 October 2009

Digia Plc

Board of Directors

BRIEFING FOR MEDIA AND ANALYSTS

Digia will hold a briefing on its financial statements for analysts and the media on Friday, 30 October 2009 at 11.00 a.m. at the Pavilion Cabinet of Scandic Hotel Simonkenttä, Simonkatu 9, 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. The briefing starts at 11.00 a.m.

DISTRIBUTION
NASDAQ OMX 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.

CONSOLIDATED INCOME STATEMENT, EUR 1,000

	7-9/2009	7-9/2008	Change, %	1-9/2009	1-9/2008	Change, %	2008
NET SALES	25,281.5	25,630.2	-1.4 %	87,145.8	90,441.8	-3.6 %	123,203.4
Other operating income	81.7	17.5	368.1 %	129.1	26.7	383.2 %	59.6
Materials and services	-1,496.0	-1,996.5	-25.1 %	-5,954.6	-8,090.1	-26.4 %	-10,048.7
Depreciation and impairment	-1,012.8	-1,156.8	-12.5 %	-3,225.0	-3,593.0	-10.2 %	-4,762.6
Other operating expenses	-19,426.2	-19,938.7	-2.6 %	-66,556.1	-68,263.5	-2.5 %	-95,014.3
Operating profit	3,428.3	2,555.7	34.1 %	11,539.3	10,521.9	9.7 %	13,437.4
Financial expenses (net)	-669.5	-692.2	-3.3 %	-1,845.5	-2,210.7	-16.5 %	-3,031.3
Pre-tax profit	2,758.8	1,863.4	48.0 %	9,693.8	8,311.2	16.6 %	10,406.1
Direct tax	-617.5	-561.3	10.0 %	-2,507.5	-2,251.6	11.4 %	-2,997.1
NET PROFIT	2,141.3	1,302.1	64.4 %	7,186.4	6,059.6	18.6 %	7,409.0
Components of comprehensive income statement:							
Exchange differences on translating foreign operations	118.1	-61.0	-293.7 %	129.0	-60.8	-312.1 %	-242.4
TOTAL COMPREHENSIVE INCOME	2,259.4	1,241.1	82.0 %	7,315.3	5,998.8	21.9 %	7,166.6
Distribution of net profit:							
Parent company shareholders	2,141.3	1,302.1	64.4 %	7,186.4	6,059.6	18.6 %	7,409.0
Minority shareholders	0.0	0.0		0.0	0.0		0.0
Distribution of comprehensive income:							
Parent company shareholders	2,259.4	1,241.1	82.0 %	7,315.3	5,998.8	21.9 %	7,166.6
Minority shareholders	0.0	0.0		0.0	0.0		0.0
Earnings per share, EUR	0.10	0.06	66.7 %	0.35	0.30	16.7 %	0.36
Earnings per share (diluted), EUR	0.10	0.06	66.7 %	0.35	0.30	16.7 %	0.36

CONSOLIDATED BALANCE SHEET, EUR 1,000

Assets	30 Sep 2009	31 Dec 2008	Change, %
Fixed and other non-current assets			
Intangible assets	100,956.9	103,045.2	-2 %
Tangible assets	2,588.3	3,125.6	-17 %
Financial assets	628.0	628.0	0 %
Deferred tax assets	1,129.0	1,756.1	-36 %
Total fixed and other non-current assets	105,302.2	108,554.9	-3 %
Current assets			
Current receivables	23,153.4	25,957.4	-11 %
Available-for-sale financial assets	271.7	273.2	-1 %
Cash and cash equivalents	13,211.0	18,605.6	-29 %
Total current assets	36,636.1	44,836.3	-18 %
Total assets	141,938.3	153,391.2	-7 %

Shareholders' equity and liabilities	30 Sep 2009	31 Dec 2008	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	34,938.2	1 %
Translation difference	-125.3	-254.3	-51 %
Retained earnings/loss	21,249.1	14,801.0	44 %
Profit for the period	7,186.4	7,409.0	-3 %
Equity attributable to parent company shareholders	78,946.7	72,082.6	10 %
Minority interest	0.0	0.0	
Total shareholders' equity	78,946.7	72,082.6	10 %
Liabilities			
Long-term, interest-bearing liabilities	27,755.4	935.2	2867,7 %
Deferred tax liabilities	2,984.5	3,137.8	-5 %
Total long-term liabilities	30,739.8	4,073.0	655 %
Current interest-bearing liabilities	12,769.8	56,014.8	-77 %
Other short-term debt	19,482.0	21,220.8	-8 %
Total short-term liabilities	32,251.8	77,235.6	-58 %
Total liabilities	62,991.6	81,308.6	-23 %
Shareholders' equity and liabilities	141,938.3	153,391.2	-7 %

CONSOLIDATED CASH FLOW STATEMENT, EUR 1,000

Cash flow from business operations:	1.1.2009 - 30.9.2009	1.1.2008 - 30.9.2008	1.1.2008 - 31.12.2008
Profit for the period	7,186	6,059	7,409
Adjustments to net profit	7,578	8,070	10,821
Change in working capital	1,133	758	1,321
Interest paid	-1,644	-2,743	-3,533
Interest received	83	406	596
Income tax paid	-1,566	-866	-1,141
Net cash flow from operating activities	12,770	11,685	15,473
Cash flow from investments:			
Purchase of property, plant and equipment, and intangible assets	-867	-2,002	-2,512
Proceeds from sale of intangible assets and PPE	-	-	-
Acquisition of subsidiary, net of cash acquired	-	-2,803	-2,803
Proceeds of sale of other investments	-	-	-
Dividends received	-	-	-
Cash flow from investments	-867	-4,804	-5,315
Cash flow from financing:			
Proceeds from share issue	-	7	7
Acquisition of own shares	-33	-868	-951
Equity financing of share-based bonus scheme	-	-	-
Repayment of current loans	-58,242	-33	-33
Repayments of non-current loans	-8,000	-	-
Withdrawals of current loans	5,000	-	-
Withdrawals of non-current loans	45,000	-	-
Dividends paid and other profit distribution	-1,024	-2,041	-2,041
Cash flow from financing:	-17,300	-2,935	-3,019
Change in liquid assets	-5,396	3,945	7,140
Liquid assets at beginning of period	18,879	11,739	11,739
Change in fair value of cash and cash equivalents	-	-	-
Change in liquid assets	-5,396	3,945	7,140
Liquid assets at period end	13,483	15,684	18,879

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

	a	b	c	d	e	f	g
SHAREHOLDERS' EQUITY, 1 Jan 2008	2,085	7,893	38,111	5,204	-12	15,322	68,602
Net profit					,	6,060	6,060
Other comprehensive income					-61		-61
Increase in share capital		7					7
Dividends			-2,041			,	-2,041
Own share redemption fund			-1,000			133	-867
Share-based payments recognised against equity						-700	-700
SHAREHOLDERS' EQUITY, 30 September 2008	2,085	7,899	35,069	5,204	-73	20,814	70,999

	a	b	c	d	e	f	g
Shareholders' equity, 1 Jan 2009	2,085	7,899	34,938	5,204	-254	22,210	72,083
Net profit						7,186	7,186
Other comprehensive income					129		129
Dividends						-1,024	-1,024
Own share redemption fund			510			-169	340
Share-based payments recognised against equity						233	233
SHAREHOLDERS' EQUITY, 30 September 2009	2,085	7,899	35,448	5,204	-125	28,436	78,947

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. As from 1 January 2009, the Group has applied the following new and revised standards: IFRS 8 Operating Segments and IAS 1 Presentation of Financial Statements. In other respects, the same accounting principles have been applied as in the 2008 financial statements. The accounting principles and formulas for the calculation of key figures and ratios are unchanged and are presented in the 2008 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 review period totalled EUR 1,024,289.55.

Interest hedge of bank loans:

On 30 September 2009, the Group had a total of EUR 39 million in bank loans that are hedged with interest rate cap and floor agreements. The cap agreement covers loan capital of EUR 25 million and the floor agreement covers loan capital of EUR 12.5 million. The threshold interest rate is 5% and agreements that will expire on 9 November 2009 have been valued at fair value. Hedge accounting is not applied to the agreements.

Events after the balance sheet date:

On 19 October 2009, the company repaid EUR 10 million in loans, after which interest-bearing liabilities stood at a total of EUR 29 million.

After the end of the review period, loan covenants were altered to give the company the possibility of paying 30% of the Group's previous year's net profit as dividends.

Segment information:

Since the beginning of 2009, a new organisation has been in force, 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	7-9/09	7-9/08	Change, %	1-9/09	1-9/08	Change, %	2008
Enterprise Solutions	15,136	15,007	0.9 %	51,614	50,905	1.4 %	69,795
Mobile Solutions	10,145	10,623	-4.5 %	35,532	39,537	-10.1 %	53,408
Digia Group	25,281	25,630	-1.4 %	87,146	90,442	-3.6 %	123,203

OPERATING PROFIT, EUR 1,000	7-9/09	7-9/08	Change, %	1-9/09	1-9/08	Change, %	2008
Enterprise Solutions	2,844	2,179	30.5 %	8,825	5,696	54.9 %	8,821
Mobile Solutions	584	377	54.9 %	2,715	4,826	-43.8 %	4,617
Digia Group	3,428	2.556	34.1 %	11,539	10,522	9.7 %	13,437

ASSETS	30 Sep 2009
Enterprise Solutions	62,473
Mobile Solutions	64,226
Unallocated	15,240
Digia Group	141,938

Consolidated income statement by quarter:

EUR 1,000	7-9/2009	4-6/2009	1-3/2009	10-12/2008	7-9/2008
Net sales	25,281.5	31,017.9	30,846.4	32,761.6	25,630.2
Other operating income	81.7	44.1	3.3	32.9	17.5
Materials and services	-1,496.0	-2,737.3	-1,721.4	-1,958.5	-1,996.5
Depreciation and impairment	-1,012.8	-1,107.3	-1,104.9	-1,169.7	-1,156.8
Other operating expenses	-19,426.2	-22,779.4	-24,350.5	-26,750.8	-19,938.7
Operating profit	3,428.3	4,438.1	3,672.9	2,915.5	2,555.7
Financial expenses (net)	-669.5	-522.8	-653.2	-820.6	-692.2
Pre-tax profit	2,758.8	3,915.3	3,019.7	2,094.9	1,863.4
Direct tax	-617.5	-1,055.3	-834.6	-745.5	-561.3
Net profit	2,141.3	2,859.9	2,185.1	1,349.4	1,302.1
Allocation:					
Parent company shareholders	2,141.3	2,859.9	2,185.1	1,349.4	1,302.1
Minority shareholders	0.0	0.0	0.0	0.0	0
Earnings per share, EUR	0.10	0.14	0.11	0.07	0.06
Earnings per share (diluted), EUR	0.10	0.14	0.11	0.07	0.06

Group key figures and ratios:

	1-9/2009	1-9/2008	2008
Extent of business			
Net sales	87 146	90 442	123 203
- change from previous year	-4 %	21 %	16 %
Average capital invested	124 252	126 448	127 023
Personnel at period-end	1 410	1 346	1 337
Average number of personnel	1 361	1 305	1 314
Profitability			
Operating profit	11,539	10,522	13,437
- % of net sales	13 %	12 %	11 %
Result before taxes	9,694	8,311	10,406
- % of net sales	11 %	9 %	8 %
Net profit	7,186	6,060	7,409
- % of net sales	8 %	7 %	6 %
Return on equity, %	13 %	12 %	11 %
Return on investment, %	12 %	12 %	11 %
Financing and financial position			
Interest-bearing liabilities	40,525	56,881	56,950
Short-term investments & cash and bank receivables	13,483	15,684	18,879
Gearing, %	34 %	58 %	53 %
Equity ratio, %	56 %	46 %	47 %
Net cash flow from operating activities	12,770	11,685	15,473
Basic earnings per share (EUR)	0.35	0.30	0.36
Earnings per share (EUR), diluted	0.35	0.30	0.36
Equity per share	3.79	3.40	3.46
Lowest share price	1.39	2.55	1.73
Highest share price	3.36	3.35	3.35
Average share price	2.30	3.05	2.83
Market capitalisation	66,732	58,390	38,788

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 20,853,645. The weighted average number of shares during the reporting period, adjusted for dilution, totalled 20,853,645. The number of outstanding shares totalled 20,485,791 at the end of the reporting period.

The company held a total of 129,964 treasury shares at the end of reporting period. The accounting countervalue of own shares is EUR 0.10 per share. The company held about 0.6 per cent of the capital stock as of 30 September 2009. The buyback programme 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 Pankki Plc holds 237,890 shares.