



Digia Plc third quarter 2010: Net sales continued to increase (+6.6%) with good profitability (EBIT 10.9%)

Summary

January-September

- Consolidated net sales: EUR 94.8 (87.1) million, up 8.8 per cent
- Operating profit: EUR 12.4 (11.5) million, up 7.3 per cent
- Profitability (EBIT %): 13.1 (13.2) per cent
- Product business accounted for 15.6 (16.5) per cent
- Earnings per share: EUR 0.40 (0.35), up 14.3 per cent

July-September

- Consolidated net sales: EUR 27.0 (25.3) million, up 6.6 per cent
- Operating profit EUR 2.9 (3.4) million, down 14.6 per cent
- Profitability (EBIT %): 10.9 (13.6) per cent
- Product business accounted for 15.5 (16.5) per cent
- Earnings per share: EUR 0.10 (0.10)

The company's main objective for 2010 is to achieve organic growth while maintaining a strongly positive cash flow and a high level of operational profitability. The company succeeded in doing this during the period under review, as net sales grew at a significantly higher rate than the market in general, despite a slight slowdown in the third quarter.

Operational profitability remained solid, while earnings per share grew significantly over the same period last year. In the third quarter, however, recruitment activities to ensure future growth had a negative impact on operating profit and profitability.

Operating cash flow remained positive. Thanks to strong cash flow, the company was able to pay off some of its liabilities, so that at the end of the period loans from financial institutions totaled EUR 22.0 million. In future the company's strong cash reserves enable further extra loan repayments or investments aimed at business growth.

For the rest of 2010, the company forecasts continued moderate growth in demand for IT services, at a rate of approx. 2-4 per cent over 2009. Digia also expects organic growth in its net sales, at least matching the general market rate, and continued profitability.

CONSOLIDATED KEY FIGURES AND RATIOS

	7-9/2010	7-9/2009	Change %	1-9/2010	1-9/2009	Change %	2009
Net sales	26,951	25,281	6.6%	94,800	87,146	8.8%	120,335
Operating profit before extraordinary items	2,927	3,428	-14.6%	12,384	11,539	7.3%	16,936
- % of net sales	10.9%	13.6%		13.1%	13.2%		14.1%
Operating profit	2,927	3,428	-14.6%	12,384	11,539	7.3%	-7,796
- % of net sales	10.9%	13.6%		13.1%	13.2%		-6.5%
Profit for the period	2,065	2,141	-3.5%	8,200	7,186	14.1%	-13,664
- % of net sales	7.7%	8.5%		8.7%	8.2%		-11.4%
Return on equity, %	13.1%	11.0%		17.9%	12.7%		-21.0%
Return on investment, %	13.7%	11.3%		18.9%	12.5%		-7.1%
Interest-bearing liabilities	23,321	40,525	-42.5%	23,321	40,525	-42.5%	30,429
Cash and cash equivalents	3,677	13,483	-72.7%	3,677	13,483	-72.7%	10,469
Net gearing, %	30.7%	34.3%		30.7%	34.3%		34.3%
Equity ratio, %	58.7%	56.1%		58.7%	56.1%		52.3%
Earnings per share, EUR, undiluted	0.10	0.10	0.0%	0.40	0.35	14.3%	-0.67
Earnings per share, EUR, diluted	0.10	0.10	0.0%	0.40	0.35	14.3%	-0.67

The figures for 2009 include one-off 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

Financial uncertainty dissipated somewhat during the review period and the IT market has at least partly recovered from the financial crisis and the ensuing downturn. Digia's order intake developed positively, although there were still clear segment-based differences.

With regard to international operations, Digia continued to develop the competence of its Chinese and Russian units, as well as the Group's ability to serve customers locally. The task of the Chinese unit is to produce services covering the entire life cycle of solutions produced by Digia for its customers, on a global basis. The Russian unit operates as a near-shore resource for Digia's Finnish customers, and the company will continue to develop its services while focusing on selling chosen services to local customers.

Enterprise Solutions:

Demand for ERP system remained high in the review period. Demand for e-business and customer experience management solutions was fair.

The effects of the revival of the international export industry in particular were visible, for example in logistics ventures. As a customer, the financial and insurance sector displayed cautious optimism, as did the retail and service market. There was somewhat less demand for system work than before from the public sector.



In the review period, the company focused on creating the necessary conditions for growth, with means including the recruitment of new personnel. The third quarter's increases in demand in the IT sector were reflected in the process as longer recruitment periods and even a shortage of certain types of specialists.

In the future, the company will concentrate on developing sector-specific solutions in line with market demand.

Mobile Solutions:

Demand for smartphone software development and user experience development services continued to be strong in the period.

The company expects smartphones to continue growing in popularity. Businesses and consumers use more and more services over wireless Internet connections. End users want devices and applications to be visually attractive and user-friendly. Demand for the company's services is also being upheld by the technology revolution, the arrival of new technologies and the fact that customers are ordering larger and larger entities.

Testing and maintenance services are still being outsourced to cheaper countries. Digia is carrying out long-term work to improve its ability to deliver new technologies. The company is also improving its competence in conceptualization and user experience service production, as well as its ability to provide global customers services spanning the entire life cycle of products using various technology platforms.

NET SALES

Digia's consolidated net sales for the reporting period totaled EUR 94.8 (87.1) million, up 8.8 per cent from the same period in 2009.

The Enterprise Solutions segment posted net sales of EUR 54.9 (51.6) million, up 6.4 per cent. The Mobile Solutions segment had net sales of EUR 39.9 (35.5) million, up 12.2 per cent.

The product business accounted for EUR 14.8 (14.4) million of consolidated net sales, or 15.6 (16.5) per cent.

International operations accounted for EUR 8.0 (7.2) million of consolidated net sales, or 8.5 (8.3) per cent.

Digia's consolidated net sales for the third quarter totaled EUR 27.0 (25.3) million, up 6.6 per cent from the same period in 2009.

In Q3, the Enterprise Solutions segment posted net sales of EUR 15.6 (15.1) million, up 3.3 per cent, while the Mobile Solutions segment had net sales of EUR 11.3 (10.1) million, up 11.5 per cent. The product business accounted for EUR 4.2 (4.2) million of third—quarter consolidated net sales, or 15.5 (16.5) per cent.

International operations accounted for EUR 2.1 (2.0) million of third—quarter consolidated net sales, or 7.7 (7.9) per cent.

PROFIT PERFORMANCE AND PROFITABILITY

Digia's consolidated operating profit for the reporting period totaled EUR 12.4 (11.5) million, up 7.3 per cent from the same period in 2009. Profitability (EBIT %) was 13.1 (13.2) per cent.

The Enterprise Solutions segment made an operating profit of EUR 8.2 (8.8) million in the period, down 6.9 per cent. Mobile Solutions had an operating profit of EUR 4.2 (2.7) million, up 53.4 per cent.

Digia's consolidated operating profit for the third quarter totaled EUR 2.9 (3.4) million, which was down 14.6 per cent from the same period in 2009. Profitability (EBIT %) was 10.9 (13.6) per cent. The fall in profitability was mostly due to recruitment of new personnel and investments into increasing its duplicable product business.

In Q3, the Enterprise Solutions segment had an operating profit of EUR 2.4 (2.8) million, down 15.3 per cent, and the corresponding figure for Mobile Solutions was EUR 0.5 (0.6) million, down 11.0 per cent.

Earnings before taxes for the reporting period stood at EUR 11.2 (9.7) million, and earnings after taxes came to EUR 8.2 (7.2) million. Earnings before taxes for the third quarter totaled EUR 2.6 (2.8) million, and earnings after taxes were EUR 2.1 (2.1) million.

Earnings per share for the review period were EUR 0.40 (0.35), up by 14.3 per cent. In the third quarter, earnings per share totaled EUR 0.10 (0.10), thus remaining the same as in the same period in the previous year.

The Group's net financial expenses were EUR 1.2 (1.8) million for the whole reporting period and EUR 0.4 (0.7) for the third quarter.

FINANCIAL POSITION AND EXPENDITURE

At the end of the reporting period, the Digia Group's consolidated balance sheet total stood at EUR 110.4 million (EUR 112.8 million in 12/2009) and the equity ratio was 58.7 per cent (52.3 per cent). Net gearing was 30.7 per cent (12/2009: 34.3 per cent). The period-end cash and cash equivalents totaled EUR 3.7 million (12/2009: EUR 0.5 million).

Interest-bearing liabilities amounted to EUR 23.3 million (12/2009: EUR 30.4 million). Interest-bearing liabilities comprised EUR 22.0 million in loans from financial institutions, EUR 1.2 million in financial leasing liabilities and EUR 0.1 million in product development loans. The company repaid EUR 7 million of its loans from financial institutions during the review period.

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:

EUR1,000	Specified intangible assets	Depreciation during the reporting period	Goodwill	Other items	Total value subject to testing
Enterprise Solutions	3,693	536	43,244	4,331	51,268
Mobile Solutions	5,233	875	22,301	4,267	31,801
Group total	8,926	1,411	65,545	8,599	83,070

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 an 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 4.2 million (positive by EUR 12.8 million), cash flow from investments was negative by EUR 1.1 million (negative by EUR 0.9 million) and cash flow from financing was negative by EUR 9.9 million (negative by EUR 17.3 million). Cash flow from operations was lower than in the same period last year, mostly due to the fact that some receivables were received in advance before the end of the previous financial period. Cash flow from financing was negatively affected by the repayment of loans totaling EUR 7.0 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 1.1 million (EUR 0.9 million). Acquisitions of tangible fixed assets totaled EUR 0.9 million (EUR 0.7 million).

Return on investment (ROI) for the period was 18.9 per cent (12.5 per cent) and return on equity (ROE) was 17.9 per cent (12.7 per cent).

HUMAN RESOURCES, MANAGEMENT AND ADMINISTRATION

At the end of the period, the number of Group personnel totaled 1,514, representing an increase of 43 employees or 2.9 per cent since the end of 2009 (1,471). During the reporting period, the number of employees averaged 1,496, an increase of 109 employees or 7.9 per cent over 2009 (1,387).

Employees by function at the end of the period:

Enterprise Solutions	46%
Mobile Solutions	50%
Administration and management	4%

As of the end of the period, a total of 185 employees were working abroad (12/2009: 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's 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. It 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.

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

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 September 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 5,083 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	6.5%
Matti Savolainen	6.1%
Nordea Bank Finland Plc (nominee-registered)	3.9%
Varma Mutual Pension Insurance Company	3.6%
Skandinaviska Enskilda Banken (nominee-registered)	2.1%
Etola Oy	1.0%
Olli Ahonen	0.9%

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

Number of shares	Holding (%)	Shares and votes
1 - 100	21.7%	0.4%
101 - 1,000	57.8%	6.5%
1,001 - 10,000	18.4%	12.3%
10,001 - 100,000	1.6%	10.7%
100,001 - 1,000,000	0.4%	20.3%
1,000,001 - 3,000,000	0.1%	49.8%

Shareholding by sector on 30 September 2010

	Holding (%)	Shares (%)
Companies	5.0%	19.1%
Financial institutions and insurance companies	0.3%	8.3%
Non-corporate public sector	0.1%	3.7%
Non-profit organizations	0.3%	0.5%
Households	93.9%	67.3%
Foreign ownership	0.4%	1.1%

REPORTED SHARE PERFORMANCE ON THE HELSINKI STOCK EXCHANGE

Digia Plc shares are listed on NASDAQ OMX Helsinki 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 5.41 on the last trading day. The trade-weighted average was EUR 4.96. The Group's market capitalization totaled EUR 112,818,219 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 a 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 to 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 September 2010.

Helsinki, 28 October 2010

Digia Plc

Board of Directors

BRIEFING FOR MEDIA AND ANALYSTS

Digia will hold a briefing on its Interim Report for analysts and the media on Friday 29 October 2010 at 11 A.M., in the Marski Hall of WTC Sodexo in 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

NASDAQ OMX Helsinki

Key media

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

	7-9/2010	7-9/2009	Change %	1-9/2010	1-9/2009	Change %	2009
NET SALES	26,951.0	25,281.5	6.6%	94,799.8	87,145.8	8.8%	120,335.2
Other operating income	184.8	81.7	126.1%	285.2	129.1	120.9%	219.7
Materials and services	-1,689.6	-1,496.0	12.9%	-7,407.9	-5,954.6	24.4%	-7,996.5
Depreciation and impairment	-922.8	-1,012.8	-8.9%	-2,764.5	-3,225.0	-14.3%	-28,051.3
Other operating expenses	-21,596.0	-19,426.2	11.2%	-72,529.0	-66,556.1	9.0%	-92,303.1
Operating profit	2,927.5	3,428.3	-14.6%	12,383.6	11,539.3	7.3%	-7,796.1
Financial expenses (net)	-350.1	-669.5	-47.7%	-1,152.3	-1,845.5	-37.6%	-2,323.2
Pre-tax profit	2,577.4	2,758.8	-6.6%	11,231.3	9,693.8	15.9%	-10,119.3
Direct tax	-512.1	-617.5	-17.1%	-3,031.0	-2,507.5	20.9%	-3,544.6
NET PROFIT	2,065.3	2,141.3	-3.5%	8,200.3	7,186.4	14.1%	-13,663.9
Components of statement of comprehensive income:							
Exchange differences on translating foreign operations	114.4	118.1	-3.1%	294.4	129.0	128.3%	128.3
TOTAL COMPREHENSIVE INCOME	2,179.7	2,259.4	-3.5%	8,494.7	7,315.3	16.1%	-13,535.6
Distribution of net profit:							
Parent company shareholders	2,065.3	2,141.3	-3.5%	8,200.3	7,186.4	14.1%	-13,663.9
Minority shareholders	0.0	0.0		0.0	0.0		0.0
Distribution of comprehensive income:							
Parent company shareholders	2,179.7	2,259.4	-3.5%	8,494.7	7,315.3	16.1%	-13,535.6
Minority shareholders	0.0	0.0		0.0	0.0		0.0
Earnings per share, EUR	0.10	0.10	0.0%	0.40	0.35	14.3%	-0.67
Earnings per share (diluted), EUR	0.10	0.10	0.0%	0.40	0.35	14.3%	-0.67

CONSOLIDATED BALANCE SHEET, EUR 1,000

Assets	30.9.2010	31.12.2009	Change %
Non-current assets			
Intangible assets	75,186.7	76,577.3	-1.8%
Tangible assets	2,358.8	2,616.7	-9.9%
Financial assets	628.0	628.0	0.0%
Long-term receivables	70.0	202.9	-65.5%
Deferred tax assets	611.2	1,211.6	-49.6%
Total non-current assets	78,854.6	81,236.6	-2.9%
Current assets			
Current receivables	27,848.7	21,048.3	32.3%
Available-for-sale financial assets	298.9	293.4	1.9%
Cash and cash equivalents	3,377.6	10,175.2	-66.8%
Total current assets	31,525.2	31,517.0	0.0%
Total assets	110,379.8	112,753.5	-2.1%

Shareholders' equity and liabilities	30.9.2010	31.12.2009	Change %
Share capital	2,125.1	2,085.4	1.9%
Issue premium fund	7,899.5	7,899.5	0.0%
Other reserves	5,203.8	5,203.8	0.0%
Unrestricted invested shareholders' equity	35,447.8	35,447.8	0.0%
Translation difference	168.4	-126.0	-233.7%
Retained earnings	4,984.4	21,337.1	-76.6%
Net profit	8,200.3	-13,663.9	-160.0%
Equity attributable to parent company shareholders	64,029.3	58,183.7	10.0%
Minority interest	0.0	0.0	
Total shareholders' equity	64,029.3	58,183.7	10.0%
Liabilities			
Long-term interest-bearing liabilities	16,615.0	23,601.3	-29.6%
Deferred tax liabilities	2,300.6	2,672.3	-13.9%
Total long-term liabilities	18,915.5	26,273.7	-28.0%
Short-term interest-bearing liabilities	6,706.0	6,827.4	-1.8%
Other short-term liabilities	20,729.0	21,468.7	-3.4%
Total short-term liabilities	27,435.0	28,296.1	-3.0%
Total liabilities	46,350.4	54,569.8	-15.1%
Total shareholders' equity and liabilities	110,379.8	112,753.5	-2.1%

CONSOLIDATED CASH FLOW STATEMENT, EUR 1,000

	1.1.2010 - 30.9.2010	1.1.2009 - 30.9.2009	1.1.2009 - 31.12.2009
Cash flow from business operations:			
Net profit	8,200	7,186	-13,664
Adjustments to net profit	6,947	7,578	33,919
Change in working capital	-7,640	1,133	6,817
Interest paid	-582	-1,644	-1,929
Interest received	6	83	91
Income tax paid	-2,700	-1,566	-5,002
Net cash flow from operating activities	4,233	12,770	20,232
Cash flow from investments:			
Purchase of tangible and intangible assets	-1,116	-867	-1,342
Cash flow from investments	-1,116	-867	-1,342
Cash flow from financing:			
Proceeds from share issue	40	-	-
Acquisition of own shares	-	-33	-33
Repayment of current term loans	-6,063	-58,242	-58,242
Repayment 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	-1,024
Cash flow from financing	-9,908	-17,300	-27,300
Change in liquid assets	-6,792	-5,396	-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	-6,792	-5,396	-8,410
Liquid assets at end of period	3,677	13,483	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						7,186	7,186
Items of comprehensive income					129		129
Increase in share capital							
Dividends						-1,024	-1,024
Own share redemption fund			510			-169	340
Share-based payments recognized against equity						233	233
SHAREHOLDERS' EQUITY 30 September 2009	2,085	7,899	35,448	5,204	-125	28,436	78,947

	a	b	c	d	e	f	g
SHAREHOLDERS' EQUITY 1							
January 2010	2,085	7,899	35,448	5,204	-126	7,673	58,184
Net profit						8,200	8,200
Items of comprehensive income					294		294
Dividends						-2,885	-2,885
Own share redemption fund							
Share-based payments recognized against equity	40					197	236
SHAREHOLDERS' EQUITY 30 September 2009	2,125	7,899	35,448	5,204	168	13,185	64,029

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 totaled 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 the 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	7-9/2010	7-9/2009	Change %	1-9/2010	1-9/2009	Change %	2009
Enterprise Solutions	15,641	15,136	3.3%	54,929	51,614	6.4%	70,841
Mobile Solutions	11,310	10,145	11.5%	39,870	35,532	12.2%	49,494
Digia Group	26,951	25,281	6.6%	94,800	87,146	8.8%	120,335

OPERATING PROFIT BEFORE EXTRAORDINARY ITEMS, EUR 1,000	7-9/2010	7-9/2009	Change %	1-9/2010	1-9/2009	Change %	2009
Enterprise Solutions	2,407	2,844	-15.3%	8,219	8,825	-6.9%	12,301
Mobile Solutions	520	584	-11.0%	4,165	2,715	53.4%	4,636
Digia Group	2,927	3,428	-14.6%	12,384	11,539	7.3%	16,936

OPERATING PROFIT, EUR 1,000	7-9/2010	7-9/2009	Change %	1-9/2010	1-9/2009	Change %	2009
Enterprise Solutions	2,407	2,844	-15.3%	8,219	8,825	-6.9%	12,211
Mobile Solutions	520	584	-11.0%	4,165	2,715	53.4%	-20,007
Digia Group	2,927	3,428	-14.6%	12,384	11,539	7.3%	-7,795

ASSETS, EUR 1,000	30.9.2010	31.12.2009
Enterprise Solutions	63,972	61,240
Mobile Solutions	41,492	39,205
Unallocated	4,916	12,308
Digia Group	110,380	112,753

Consolidated income statement by quarter:

EUR 1000	7-9/2010	4-6/2010	1-3/2010	10-12/2009	7-9/2009
Net sales	26,951.0	35,018.0	32,830.8	33,189.4	25,281.5
Other operating income	184.8	37.8	62.6	90.6	81.7
Materials and services	-1,689.6	-2,942.1	-2,776.2	-2,041.9	-1,496.0
Depreciation and impairment	-922.8	-905.1	-936.7	-24,826.4	-1,012.8
Other operating expenses	-21,596.0	-26,432.4	-24,500.6	-25,747.1	-19,426.2
Operating profit	2,927.5	4,776.2	4,679.9	-19,335.4	3,428.3
Financial expenses (net)	-350.1	-323.0	-479.1	-477.8	-669.5
Pre-tax profit	2,577.4	4,453.1	4,200.8	-19,813.1	2,758.8
Direct tax	-512.1	-1,301.3	-1,217.7	-1,037.1	-617.5
Net profit	2,065.3	3,151.9	2,983.1	-20,850.3	2,141.3
Allocation:					
Parent company shareholders	2,065.3	3,151.9	2,983.1	-20,850.3	2,141.3
Minority shareholders	0	0	0	0	0
Earnings per share, EUR	0.10	0.15	0.14	-1.01	0.10
Earnings per share (diluted), EUR	0.10	0.15	0.14	-1.01	0.10

Group key figures and ratios:

	1-9/2010	1-9/2009	2009
Extent of business			
Net sales	94,800	87,146	120,335
- change from previous year	8.8%	-3.6%	-2.3%
Average capital invested	87,981	124,252	104,042
Personnel at period-end	1,514	1,410	1,471
Average number of personnel	1,496	1,361	1,387
Profitability			
Operating profit before extraordinary items and impairment	12,384	11,539	16,936
- % of net sales	13.1%	13.2%	14.1%
Operating profit	12,384	11,539	-7,796
- % of net sales	13.1%	13.2%	-6.5%
Pre-tax profit	11,231	9,694	-10,119
- % of net sales	11.8%	7.8%	-8.4%
Net profit	8,200	7,186	-13,664
% of net sales	8.7%	5.8%	-11.4%
Return on equity, %	17.9%	12.7%	-21.0%
Return on investment, %	18.9%	12.5%	-7.1%
Financing and financial standing			
Interest-bearing liabilities	23,321	40,525	30,429
Short-term investments & cash and bank receivables	3,677	13,483	10,469
Net gearing	30.7%	34.3%	34.3%
Equity ratio	58.7%	56.1%	52.3%
Net cash flow from operating activities	4,233	12,770	20,232
Basic earnings per share (EUR)	0.40	0.35	-0.67
Earnings per share, diluted (EUR)	0.40	0.35	-0.67
Equity per share	3.07	3.79	2.79
Lowest share price	3.36	1.39	1.39
Highest share price	5.89	3.36	3.88
Average share price	4.96	2.30	2.72
Market capitalization	112,818	66,732	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 20,868,824. 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 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 September 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.