

DIGIA PLC HALF YEAR FINANCIAL REPORT, 1 JANUARY - 30 JUNE 2016, 12 AUGUST 2016 AT 8:00 AM**DIGIA'S GROWTH CONTINUES, PROFITABILITY IMPROVES**

Digia Plc and Qt Group Plc's demerger came into force on 1 May 2016. This half year financial report presents the business operations of Digia Plc, the former domestic business (continuing operations). Qt Group's business operations are treated in the half year financial report as discontinued operations; in addition to Qt's net profit, the reported figures include the demerger expenses and the difference between the fair values and carrying amounts of net assets transferred to Qt.

The comparison figures provided in parentheses in this report always refer to the corresponding period of the previous year, unless stated otherwise.

April-June 2016:

- Net sales EUR 22.4 (20.5) million, up 9.3 per cent
- Operating profit EUR 1.8 (1.7) million, representing 7.9 (8.1) per cent of net sales
- Earnings per share EUR 0.07 (0.07)
- Earnings per share of discontinued operations EUR 3.64

January-June 2016:

- Net sales EUR 43.8 (39.9) million, up 9.9 per cent
- Operating profit EUR 2.7 (1.9) million, representing 6.2 (4.8) per cent of net sales
- Earnings per share EUR 0.11 (0.08)
- Earnings per share of discontinued operations EUR 3.65

Digia's net sales continued to grow during the second quarter of 2016. In January-June, year-on-year growth amounted to 9.9 per cent. The trend in net sales was supported particularly by growth in the ERP business based on the company's own technologies, the customised solutions service business, integration business and financial-sector software solutions business in Finland.

In January-June, the operating margin also improved, rising to 6.2 per cent as compared with 4.8 per cent in the corresponding period of the previous year.

After the demerger of Digia and Qt came into force on 1 May 2016, Digia's new growth strategy aims to strengthen the company's position, particularly in the growing markets for digital services, process digitalisation and the service business. Digia is a visionary partner to its customers in modernising and developing business processes. The company wants to grow at a significantly faster pace than the IT market and seeks average annual growth of 15 per cent during the strategy period. Growth is sought both organically and inorganically.

During the second quarter, Digia agreed on the acquisition of Igence Oy Ab, a webshop expert. With this acquisition, Digia expanded its current offering and expertise, especially in solutions for webshops and commercial product data management. Igence's technological expertise complements Digia's services excellently. By combining Igence's expertise with Digia's strong competence in service design and integration and deep knowledge of processes and background systems, Digia will create webshop solutions for its customers that are practical in day-to-day operations and integrated into background systems. The acquisition was carried out on 1 July 2016 and is reported as part of Digia as from that date.

Digia reiterates its earlier guidance, estimating that demand will remain reasonable and net sales will continue to grow during the rest of 2016. The company expects that in 2016 the operating margin will remain on a par with the previous year.

GROUP KEY FIGURES

EUR 1,000	4-6/2016	4-6/2015	Change,%	1-6/2016	1-6/2015	Change,%	2015
Continuing operations							
Net sales	22,397	20,489	9.3%	43,829	39,888	9.9%	80,946
Operating profit	1,777	1,653	7.5%	2,714	1,914	41.8%	5,854
- % of net sales	7.9%	8.1%		6.2%	4.8%		7.1%
Net profit	1,542.8	1,554	-0.7%	2,242	1,604	39.7%	4,246
- % of net sales	6.9%	7.6%		5.1%	4.0%		4.8%
Net profit, discontinued operations	75,646	104		75,771	326		981
Net profit, continuing and discontinued operations, total	77,189	1,658		78,013	1,930		5,228
Return on equity, %	15.3%	17.9%		11.2%	10.4%		13.5%
Return on investment, %	15.9%	18.0%		12.4%	12.4%		15.6%
Interest-bearing liabilities	12,228	15,229	-19.7%	12,228	15,229	-19.7%	13,513
Cash and cash equivalents	1,752	4,842	-63.8%	1,752	4,842	-63.8%	6,710
Net gearing, %	33.9%	27.5%		33.9%	27.5%		16.6%
Equity ratio, %	50.6%	51.8%		50.6%	51.8%		53.7%
Earnings per share, EUR, undiluted	0.07	0.07		0.11	0.08		0.20
Earnings per share, EUR, diluted	0.07	0.07		0.11	0.08		0.20

APPLICATION OF NEW ESMA GUIDELINES

Digia Plc has adjusted the terms used in its financial reporting in accordance with the new guidelines on Alternative Performance Measures (APM) issued by the European Securities and Markets Authority (ESMA).

INVITATION TO THE BRIEFING ON THE HALF YEAR FINANCIAL REPORT

Digia will hold a briefing on this half year financial report for analysts on Friday, 12 August 2016 at 11:00 am, in the Bursa cabinet of Hotel Scandic Simonkenttä, Simonkatu 9, 00100 Helsinki, Finland. Welcome.

FURTHER INFORMATION

Timo Levoranta, CEO, tel. +358 (0)10 313 3000 (exchange)

The half year financial report and presentation will be available in the Investors section at www.digia.com from 11 am on 12 August 2016.

DISTRIBUTION

NASDAQ Helsinki
Key media
www.digia.com

DIGIA PLC HALF YEAR FINANCIAL REPORT, 1 JANUARY - 30 JUNE 2016

Digia Plc and Qt Group Plc's demerger came into force on 1 May 2016. This half year financial report presents the business operations of Digia Plc, the former domestic business. Qt Group's business operations are treated in the half year financial report as discontinued operations; in addition to Qt's net profit, the reported figures include the demerger expenses and the difference between the fair values and carrying amounts of net assets transferred to Qt.

The comparison figures provided in parentheses in this report always refer to the corresponding period of the previous year, unless stated otherwise.

NET SALES

Digia's net sales in the second quarter amounted to EUR 22.4 (20.5) million, year-on-year growth of 9.3 per cent. Net sales in January-June were EUR 43.8 (39.9) million, up 9.9 per cent on the previous year.

Net sales growth in January-June was supported by good demand for services and successful sales in many of the company's business areas. Growth in net sales outperformed general IT market growth in many areas of operations.

Demand remained good for integration and analytics services during the review period, and business operations saw year-on-year growth. In line with Digia's growth strategy, development investments were targeted at building new kinds of service packages to support the digitalisation of processes and services.

In ERP and MES, the company's ERP business based on Digia's own technologies developed favourably during the first half of the year. The ERP business based on Microsoft technologies also saw growth in January-June, gaining momentum particularly in the second quarter thanks to good licence sales. Net sales growth in the Microsoft-based solution business was down compared with the previous year due to the decline in the public sector project volume, challenges related to resource availability during the first part of the year and stronger than usual outlays on sales.

The business segment based on financial-sector software solutions also continued to grow in Finland. In addition to customer-specific projects, a substantial share of employees in this business area are being kept busy by market changes (T2S) concerning the settlement of securities in Finland and Sweden.

Good demand supported growth in the customised solution service business. The company recruited more employees to enable the continuity of growth.

The net sales of the product business in April-June amounted to EUR 7.3 (6.1) million, or 32.6 (30.0) per cent of net sales. In January-June, the net sales of the product business were EUR 13.9 (11.6) million, or 31.8 (29.1) per cent of net sales.

PROFIT AND PROFITABILITY

Operating profit for April-June was EUR 1.8 (1.7) million and the operating margin (EBIT%) stood at 7.9 (8.1) per cent.

Operating profit for January-June was EUR 2.7 (1.9) million, or 6.2 (4.8) per cent of net sales. In the first part of 2015, operating profit included a total of EUR 0.6 million in restructuring expenses.

The profitability of integration and analytics services was good, but major investments were made in the development of product and business models for site optimisation, which weakened the business area's profitability, as expected.

The operating result of the ERP business based on Digia's own technologies developed favourably thanks to the good trend in net sales. Delays were encountered in starting new projects in the ERP business based on Microsoft technologies, which burdened the earnings of this business, particularly in the first quarter. In addition, greater-than-usual sales outlays in the solution business based on Microsoft technologies weakened profitability in January-June.

Recruitments in the business based on financial-sector software solutions and investments in the service business continued to burden profitability in Finland. The operating result in Sweden is still burdened by the ending of a significant long-term maintenance customer relationship, as previously announced.

The company's profit before taxes in April-June was EUR 1.7 (1.6) million and profit after taxes EUR 1.5 (1.6) million. In January-June, profit before taxes was EUR 2.6 (1.7) million and profit after taxes EUR 2.2 (1.6) million.

Earnings per share for continuing operations in April-June amounted to EUR 0.07 (0.07) and in January-June to EUR 0.11 (0.08). Earnings per share for discontinued operations in April-June amounted to EUR 3.64 and in January-June to EUR 3.65.

Net financial expenses were EUR -0.1 (-0.1) million in the second quarter and EUR -0.1 (-0.2) million in January-June.

STRATEGY IMPLEMENTATION AND BUSINESS DEVELOPMENT

Digia is a profitably growing IT service company that helps its customers harness digital opportunities. As a visionary partner, Digia develops and innovates solutions that support business operations together with its customers. Our ability to provide solutions extends to customers' core systems, ERP and the integration of business processes.

The key themes of Digia's strategy for 2016-2019 are:

- digitalisation of services and processes
- bolstering the service business
- adapting the offering for selected industries
- deep partnership with customers
- expert and enthusiastic employees

Digia seeks growth from areas that are seeing stronger growth than the traditional IT market, such as digital services and process development. We are expanding our international presence together with our customers. In addition to organic growth, Digia is proactively looking for acquisition targets that would support its strategy.

In the first half of 2016, the company's business strategy proceeded in line with plans.

On 14 June 2016, Digia and Transaktum Oy Ab signed an agreement whereby Digia Plc acquired the entire share capital of Igence Oy Ab from Transaktum Oy Ab. Igence Oy Ab is a webshop expert that helps its customers thrive in a multichannel business environment. With this acquisition, Digia bolstered its position in the growing webshop market in line with its strategy. Igence Oy Ab's net sales in 2015 amounted to EUR 2.26 million and it had 24 employees. The acquisition was carried out on 1 July 2016.

FINANCING, CASH FLOW AND EXPENDITURE

At the end of June 2016, the company's balance sheet total stood at EUR 61.6 million (12/2015: EUR 84.3 million) and the equity ratio at 50.6 (12/2015: 53.7) per cent. Net gearing was 33.9 (12/2015: 16.6) per cent. Cash and cash equivalents totalled EUR 1.8 million at the end of June (12/2015: EUR 6.7 million). The balance sheet comparison figures presented above include the Qt business.

The Group's interest-bearing liabilities amounted to EUR 12.2 million (12/2015: EUR 13.5 million) at the end of June. These consisted of EUR 9.0 million in long-term and EUR 2.0 million in short-term loans from financial institutions and EUR 1.2 million in financial leasing liabilities.

On 14 April 2016, Digia Plc agreed on a new three-year financial loan arrangement with Danske Bank Oyj that replaced Digia's earlier loan portfolio, which totalled EUR 12 million. The new financial arrangement totals EUR 17 million. The financial agreement includes customary covenants concerning the company's solvency and debt-servicing capability.

Cash flow from operating activities for January-June was EUR 1.3 million (1-6/2015: EUR 2.9 million). Cash flow from investments was EUR -0.9 million (EUR -1.0 million). Cash flow after investments was EUR 0.4 million (EUR 1.9 million).

Return on investment (ROI) for January-June was 12.4 (12.4) per cent, and return on equity (ROE) was 11.2 (10.4) per cent.

PERSONNEL, MANAGEMENT AND ADMINISTRATION

At the end of June 2016, the total number of company personnel was 797, representing an increase of 38 employees or 5.0 per cent since the end of the 2015 fiscal period (31 Dec. 2015: 759). During the first half of 2016, the average number of employees was 775, an increase of 22 employees, or 2.9 per cent, on the 2015 average (2015: 753).

Once the demerger of Digia Plc and Qt Group Plc came into effect on 1 May 2016, Timo Levoranta, M.Sc. (Tech.), B.Sc. (Econ. & Bus.Adm.), born in 1965, became the new CEO of Digia.

KMPG Oy Ab, Authorised Public Accountants, has served as the auditor of the company since the 2015 Annual General Meeting, with Authorised Public Accountant Virpi Halonen as the principal auditor.

Digia Plc's Annual General Meeting

Digia Plc's Annual General Meeting (AGM) was held on 16 March 2016. The AGM adopted the financial statements for 2015, released the Board members and the CEO from liability, determined the Board and auditor fees, decided to set the number of Board members at five (5) and elected the company's Board of Directors for a new term. In addition, the AGM decided to amend Article 4 of the Articles of Association in accordance with the proposal of the Board of Directors in such a way that the number of members of the Board of Directors, previously 5-8, was amended to 4-8 members.

Päivi Hokkanen, Robert Ingman, Pertti Kyttälä and Seppo Ruotsalainen were re-elected as members of the Board. Martti Ala-Härkönen was elected as a new member. At the Board's organisation meeting, Pertti Kyttälä was elected Chairman of the Board and Robert Ingman was elected Vice Chairman.

With regard to profit distribution for 2015, the AGM approved the Board's proposal to pay a dividend of EUR 0.08 per share to all shareholders listed in the shareholder register maintained by Euroclear Finland Ltd on the reconciliation date of 18 March 2016. The dividend payment date was set at 29 March 2016.

Valid authorisations are described under Share Capital and Shares.

In addition, in accordance with the proposal of the Board of Directors, the Annual General Meeting approved the demerger plan signed by the Board on 16 December 2015, and decided on the partial demerger of Digia Plc.

As set out in the demerger plan, all assets, liabilities and responsibilities related to the Qt business were transferred to a new company established in the demerger called Qt Group Plc. Digia Plc continued the operations of the domestic business. As part of the demerger, the Articles of Association of Qt Group Plc and the decrease in Digia Plc's additional paid-in capital by its entire amount of EUR 7,899,485.80 were approved.

When the demerger came into effect, Juha Varelius, MBA, who served as the President and CEO of Digia, assumed the position of President and CEO of Qt Group Plc, as agreed. Timo Levoranta, M.Sc. (Tech.), B.Sc. (Econ. & Bus.Adm.), born in 1965, became the new CEO of Digia Plc.

As set out in the demerger plan, Digia Plc was demerged such that all assets, liabilities and responsibilities related to its Qt business were transferred to a new company established in the demerger called Qt Group Plc. Digia Plc continued the operations of the domestic business.

The demerger came into force when its implementation was entered in the Trade Register on 1 May 2016.

SHARE CAPITAL AND SHARES

On 30 June 2016, the number of Digia Plc shares totalled 20,875,645. According to Euroclear Finland Ltd, the company had a total of 4,263 shareholders.

The weighted average number of shares during January-June, adjusted for share issues, came to 20,750,816. The number of outstanding shares at the end of June 2016 was 20,780,260.

Digia Plc held a total of 57,372 treasury shares at the end of the review period. The company held about 0.5 per cent of the capital stock as of 30 June 2016. Digia has financed the acquisition of 45,658 treasury shares for distribution through incentive schemes for key personnel. At the end of the period, 83,671 of these shares remained undistributed and were under the management of Evli Alexander Management Ltd.

Up to date information on the company's largest shareholders and ownership is available on the company's web site at www.digia.com.

On 16 March 2016, the Annual General Meeting granted the following authorisations to the Board of Directors:

Authorising the Board of Directors to decide on buying back own shares and/or accepting them as collateral

The AGM authorised the Board of Directors to decide on the buyback and/or acceptance as collateral of no more than 2,000,000 shares in the company. This buyback can only be executed by means of the company's unrestricted equity. The Board shall decide on how these shares are to be bought. Own shares may be bought back in disproportion to the holdings of the shareholders. The authorisation also includes acquisition of shares through public trading organised by NASDAQ Helsinki Oy in accordance with the rules and instructions of NASDAQ Helsinki and Euroclear Finland Ltd, or through offers made to shareholders. Shares may be acquired in order to improve the company's capital structure, to fund or complete acquisitions or other business transactions, for offering share-based incentive schemes, to sell on, or to be annulled. The shares must be acquired at the market price in public trading. The authorisation replaced the authorisation granted by the Annual General Meeting of 12 March 2015 and is valid for 18 months from the granting date until 16 September 2017.

The company's Board of Directors had not used its valid authorisation by the end of the review period.

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

The AGM authorised the Board to decide on an ordinary or bonus issue of shares and the granting of special rights (as defined in Section 1, Chapter 10 of the Limited Liability Companies Act) in one or more instalments, as follows: The issue may total 4,000,000 shares at a maximum. The authorisation applies both to new shares and to treasury

shares held by the company. By virtue of the authorisation, the Board has the right to decide on share issues and the granting of special rights, in deviation from the pre-emptive subscription rights of the shareholders (a directed issue). The authorisation may be used to fund or complete acquisitions or other business transactions, for offering share-based incentive schemes, to develop the company's capital structure, or for other purposes decided by the Board. The Board was authorised to decide on all terms related to the share issue or special rights, including the subscription price, its payment in cash or (partly or wholly) in capital contributed in kind or its being written off against the subscriber's receivables, and its recognition in the company's balance sheet. The authorisation replaced the authorisation granted by the Annual General Meeting of 12 March 2015 and is valid for 18 months from the granting date until 16 September 2017.

The company's Board of Directors had not used its valid authorisation by the end of the review period.

REPORTED SHARE PERFORMANCE ON THE HELSINKI STOCK EXCHANGE

Digia Plc shares are listed on NASDAQ Helsinki under IT, IT Consulting & Other Services. The company's ticker symbol is DIG1V. The lowest reported share quotation in January-June 2016 was EUR 2.81 in June and the highest was EUR 7.40 in April before the partial demerger came into force. The share officially closed at EUR 3.45 on the last trading day of the review period. The volume-weighted average share price was EUR 5.16. The company's market capitalisation totalled EUR 72,020,975 at the end of the review period on 30 June 2016.

FLAGGING NOTIFICATIONS

On 26 April 2016, Digia Plc was notified, in accordance with Chapter 9, Section 10 of the Finnish Securities Market Act, of a change in the company's ownership. Kari Juhani Karvinen informed Digia that the amount of Digia Plc's shares and votes under his control had fallen to under 5 per cent of Digia Plc's shares and votes. After the notification, Kari Karvinen had a total of 1,000,000 Digia shares, corresponding to 4.79 per cent of all of Digia's shares and votes.

EVENTS AFTER THE REVIEW PERIOD

On 1 July 2016, the company carried out an acquisition whereby Digia Plc acquired the entire share capital of Igence Oy Ab from Transaktum Oy Ab in accordance with an agreement signed on 14 June 2016.

RISKS AND UNCERTAINTIES

Digia's short-term risks and uncertainties are described in the 2015 financial statements and in the view of the company's management have remained unchanged with respect to continuing operations.

Risks and their management are described in more detail on the company's website at www.digia.com.

OUTLOOK AND GUIDANCE

In 2016, Digia will strongly invest in building better growth opportunities for its business. Besides pursuing organic growth, Digia will actively seek potential acquisitions to support its strategy and to accelerate business growth.

In the view of the company's management digitalisation, the growing popularity of multi-channel services and the revolution in business models involve major business opportunities. To fully tap into these opportunities, the company will continue to make determined investments in personnel development and recruitment, and in bolstering its offering.

The company reiterates its earlier guidance, estimating that demand will remain reasonable and net sales will continue to grow in 2016. The company expects that in 2016 the operating margin will remain on a par with the previous year.

Helsinki, 12 August 2016

Digia Plc

Board of Directors

CONDENSED FINANCIAL STATEMENTS AND NOTES

Consolidated Income Statement
 Consolidated Balance Sheet
 Consolidated Cash Flow Statement
 Consolidated Statement of Changes in Shareholders' Equity
 Notes to the accounts

CONSOLIDATED INCOME STATEMENT, EUR 1,000

EUR 1,000	4-6/2016	4-6/2015	Change,%	1-6/2016	1-6/2015	Change,%	2015
Continuing operations							
NET SALES	22,397	20,489	9.3%	43,829	39,888	9.9%	80,946
Other operating income	254	60	321.5%	376	125	200.4%	428
Materials and services	-3,116	-2,116	47.3%	-5,804	-4,157	39.6%	-9,152
Depreciation, amortisation and impairment	-395	-471	-16.2%	-867	-899	-3.5%	-1,607
Other operating expenses	-17,364	-16,310	6.5%	-34,819	-33,043	5.4%	-64,761
Operating profit	1,777	1,653	7.5%	2,714	1,914	41.8%	5,854
Financial expenses (net)	-38	-31	22.1%	-96	-236	-59.4%	-513
Profit before taxes	1,740	1,622	7.3%	2,618	1,677	56.1%	5,341
Income taxes	-197	-68	189.8%	-376	-73	415.5%	-1,095
NET PROFIT, CONTINUING OPERATIONS	1,543	1,554	-0.7%	2,242	1,604	39.7%	4,246
Other comprehensive income:							
Items which may be reclassified subsequently to profit or loss:							
Exchange differences on translation of foreign operations	-4	-1		-187	-1		-27
TOTAL COMPREHENSIVE INCOME, continuing operations	1,538	1,553	-0.9%	2,055	1,603	28.2%	4,219
Distribution of net profit:							
Parent company shareholders	1,543	1,554	-0.7%	2,242	1,604	39.7%	4,246
Distribution of comprehensive income, continuing operations							
Parent company shareholders	1,538	1,553	-0.9%	2,055	1,603	28.2%	4,219
Discontinued operations							
Net profit	75,740	143		75,266	355		1,099
Parent company shareholders	75,740	143		75,266	355		1,099
Continuing and discontinued operations, total							
Comprehensive income for the review period	77,278	1,696		77,321	2,107		5,319
Parent company shareholders	77,278	1,696		77,321	2,107		5,319

Earnings per share, EUR, continuing operations (basic and diluted EPS)	0.07	0.07	-0.6%	0.11	0.08	39.9%	0.20
Earnings per share, EUR, discontinued operations (basic and diluted EPS)	3.64	0.01		3.65	0.02		0.05
Earnings per share, EUR, continuing and discontinued operations, total (basic and diluted EPS)	3.72	0.08		3.76	0.09		0.25

CONSOLIDATED BALANCE SHEET, EUR 1,000

Assets	30.6.2016	31.12.2015
Non-current assets		
Goodwill	38,112	44,550
Other intangible assets	302	6,486
Tangible assets	1,573	1,859
Investments	627	627
Non-current receivables	53	30
Deferred tax assets	287	293
Total non-current assets	40,954	53,844
Current assets		
Current receivables	18,880	23,741
Available-for-sale financial assets	331	331
Cash and cash equivalents	1,421	6,379
Total current assets	20,632	30,451
Total assets	61,586	84,295

Shareholders' equity and liabilities	30.6.2016	31.12.2015
Share capital	2,088	2,088
Issue premium fund	0	7,899
Other reserves	5,204	5,204
Unrestricted shareholders' equity reserve	30,050	31,370
Translation difference	-200	492
Retained earnings	-84,243	-11,394
Net profit	78,013	5,228
Equity attributable to parent-company shareholders	30,911	40,887
Total shareholders' equity	30,911	40,887
Liabilities		
Long-term interest-bearing liabilities	9,646	8,196
Received long-term advances	0	875
Deferred tax liabilities	27	254
Total long-term liabilities	9,672	9,324

Short-term interest-bearing liabilities	2,583	5,317
Other short-term liabilities	18,420	28,767
Total short-term liabilities	21,003	34,084
Total liabilities	30,675	43,408
Shareholders' equity and liabilities	61,586	84,295

The comparison period figures presented in the balance sheet include Qt business-related assets and liabilities that were transferred to the Qt Group in the demerger on 1 May 2016.

CONSOLIDATED CASH FLOW STATEMENT, EUR 1,000

	1.1.2016-30.6.2016	1.1.2015-30.6.2015
Cash flow from operations:		
Net profit	78,013	1,773
Adjustments to net profit	481	1,067
Change in working capital	763	861
Interest paid	-78	-116
Interest income	0	0
Taxes paid	-1,341	102
Discontinued operations	-76,535	-747
Cash flow from operations	1,303	2,941
Cash flow from investments:		
Purchases of tangible and intangible assets	-662	-1,152
Discontinued operations	-217	188
Cash flow from investments	-879	-964
Cash flow from financing:		
Payments of finance lease liabilities	-243	45
Repayments of current loans	-10,900	-1,500
Withdrawals of current loans	2,000	-414
Withdrawals of non-current loans	9,925	0
Dividends paid and other profit distribution	-1,878	-766
Discontinued operations	-951	369
Cash flow from financing	-2,047	-2,266
Change in cash and cash equivalents	-2,592	-290
Cash and cash equivalents at beginning of period	6,710	5,132
Net foreign exchange difference	-64	0
Cash and cash equivalents transferred in the demerger	-2,301	
Change in cash and cash equivalents	-2,592	-290
Cash and cash equivalents at end of period	1,752	4,842

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

	a	b	c	d	e	f	g	h
SHAREHOLDERS' EQUITY 1.1.2015	2,088	0	7,899	31,370	5,204	401	-10,243	36,719
Net profit							1,930	1,930
Other comprehensive income						177		177
Repayment of capital							-1,039	-1,039
Share-based payments recognised against equity							44	44
SHAREHOLDERS' EQUITY 30.6.2015	2,088	0	7,899	31,370	5,204	578	-9,308	37,831
	a	b	c	d	e	f	g	h
SHAREHOLDERS' EQUITY 1.1.2016	2,088	0	7,899	31,370	5,204	492	-6,166	40,887
Net profit							78,013	78,013
Other comprehensive income						-692		-692
Repayment of capital							-1,659	-1,659
Share-based payments recognised against equity							6	6
Demerger consideration, fair value							-85,771	-85,771
Dissolution of issue premium fund ¹⁾			-7,899	7,899				0
Effect of demerger				-9,220			9,220	0
Other items							128	128
SHAREHOLDERS' EQUITY 30.6.2016	2,088	0	0	30,050	5,204	-200	-6,230	30,911

a = Share capital

b = Rights issue

c = Issue premium fund

d = Unrestricted shareholders' equity reserve

e = Other reserves

f = Translation difference

g = Retained earnings

h = Total shareholders' equity

¹⁾ The demerger-related transfer of the issue premium fund to the unrestricted shareholders' equity reserve was carried out by a decision of the Annual General Meeting

NOTES TO THE ACCOUNTS
Accounting principles:

The half year financial report was prepared in compliance with IFRS and the IAS 34 standard. The report has not been audited. The same accounting principles have been applied as in the 2015 financial statements. The amendments to and interpretations of IFRS standards effective as of 1 January 2016 had no material effect on this half year financial report.

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 1,659,291.52.

Related-party transactions:

Digia Group's related parties include the CEO and the members of the Board of Directors and Group Management, their related parties and their controlled entities. There were no significant transactions between the Group and its related parties during the review period.

On 1 July 2016, the company carried out an acquisition whereby Digia Plc acquired the entire share capital of Igence Oy Ab from Transaktum Oy Ab in accordance with an agreement signed on 14 June 2016. The allocation of the transaction price has not been finalised yet.

DIGIA'S QUARTERLY INCOME STATEMENT FOR CONTINUING OPERATIONS:

EUR 1,000	4-6/2016	1-3/2016	10-12/2015	7-9/2015	4-6/2015
Net sales	22,397	21,432	23,184	17,874	20,489
Other operating income	254	121	229	74	60
Materials and services	-3,116	-2,688	-3,207	-1,788	-2,116
Depreciation, amortisation and impairment	-395	-473	-477	-490	-471
Other operating expenses	-17,364	-17,456	-17,688	-13,770	-16,310
Operating profit	1,777	936	2,042	1,899	1,653
Financial expenses (net)	-38	-58	-210	-8	-31
Profit before taxes	1,740	878	1,832	1,891	1,622
Income taxes	-197	-179	-368	-546	-68
Net profit	1,543	699	1,464	1,346	1,554
Distribution of net profit:					
Parent company shareholders	1,543	699	1,464	1,346	1,554
Earnings per share, EUR	0.07	0.03	0.07	0.06	0.07
Earnings per share, diluted, EUR	0.07	0.03	0.07	0.06	0.07

GROUP KEY FIGURES (FOR CONTINUING OPERATIONS UNLESS SPECIFIED OTHERWISE)

EUR 1,000	1-6/2016	1-6/2015
Extent of business:		
Net sales	43,829	52,761
- change from previous year	-16.9%	8.9%
Average capital invested	49,080	53,066
Personnel	791	930
Average number of personnel	775	931
Profitability:		
Operating profit	2,714	2,997
- % of net sales	6.2%	5.7%
Earnings before tax	2,618	2,517
- % of net sales	6.0%	4.8%
Net profit	2,242	1,930
- % of net sales	5.1%	3.7%
Return on equity	11.2%	10.4%
Return on investment	12.4%	12.4%
Financing and financial standing:		
Interest-bearing liabilities	12,228	15,229
Short-term investments & cash and bank receivables	1,752	4,842
Net gearing	33.9%	27.5%
Equity ratio	50.6%	51.8%
Cash flow from operations	1,303	2,941
Earnings per share, EUR, undiluted (continuing operations)	0.11	0.09
Earnings per share, EUR, diluted (continuing operations)	0.11	0.09
Equity/share, EUR	1.48	1.81
Lowest share trading price during reporting period, EUR	2.81	2.74
Lowest share trading price after demerger, EUR	2.81	
Highest share trading price during reporting period, EUR	7.40	4.88
Highest share trading price after demerger, EUR	3.99	
Average share price, EUR	5.16	3.55
Market capitalisation on 30 Apr. (before demerger)	153,436	
Market capitalisation on 30 Jun.	72,021	90,183

Formulae for key figures are presented in the 2015 financial statements. These remained unchanged during the reporting period. Key figures for comparison periods and the highest price of the share in trading include the Qt business.

DISCONTINUED OPERATIONS

In accordance with the decision of Digia Plc's Annual General Meeting of 16 March 2016, Digia's partial demerger came into force on 1 May 2016. Digia Plc was demerged such that all assets, liabilities and responsibilities related to its Qt business were transferred to a new company established in the demerger called Qt Group Plc. The table below reports the key financial figures of the Qt business as discontinued operations. In addition to Qt's net profit,

the figures reported for discontinued operations include the demerger expenses and the difference between the fair values and carrying amounts of net assets transferred to Qt.

KEY FIGURES FOR DISCONTINUED OPERATIONS, EUR 1,000

	1-6/2016
Net sales	10,619
Operating profit	777 ¹⁾
Effect of demerger on earnings	74,994
Net profit	75,771
Goodwill	6,562
Other intangible rights	5,742
Tangible assets	515
Accounts receivable	6,532
Cash and cash equivalents	2,301
Other receivables	1,058
Advance payments received	6,550
Other liabilities	4,947

¹⁾ Includes EUR 0.4 million in demerger-related expenses