

DIGIA PLC INTERIM REPORT, 1 JANUARY - 30 SEPTEMBER 2016, 28 OCTOBER 2016 AT 8:00 AM**DIGIA'S GROWTH CONTINUES, SIGNIFICANT STEPS TAKEN TO IMPLEMENT THE STRATEGY**

Digia Plc and Qt Group Plc's demerger came into force on 1 May 2016. This interim report presents the business operations of Digia Plc, the former domestic business (continuing operations). Qt Group's business operations are treated in the interim 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.

July-September 2016:

- Net sales 18.9 (17.9) million, up 6.0 per cent
- Operating profit EUR 1.1 (1.9) million, representing 6.0 (10.4) per cent of net sales
- Earnings per share EUR 0.04 (0.07)

January-September 2016:

- Net sales 62.8 (57.8) million, up 8.7 per cent
- Operating profit EUR 3.8 (3.8) million, representing 6.1 (6.6) per cent of net sales
- Earnings per share EUR 0.15 (0.15)
- Earnings per share of discontinued operations EUR 3.63

Digia's net sales continued to grow during the third quarter of 2016. In January-September, year-on-year growth amounted to 8.7 per cent. The trend in net sales was supported particularly by growth in the customised solutions service business, the ERP business based on the company's own technologies, and the integration business.

In January-September, operating profit represented 6.1 per cent of net sales. Growth outlays on increasing the number of personnel in line with the company's strategy and the substantial sales investments made during the competitive tendering for the national income register solution contributed to weaker profitability in July-September.

Digia's growth strategy seeks 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 third quarter, the company took major steps in implementing its strategy.

Digia agreed on the acquisition of Igence Oy Ab, a webshop expert. With this acquisition, Digia is expanding its current offering and expertise, especially in solutions for webshops and commercial product data management. The acquisition was carried out on 1 July 2016 and will be reported as part of Digia as from that date.

In September, Digia made a major agreement in its service business, whereby Digia will take responsibility for NAV calculation and shareholder register maintenance for funds managed by the investment services provider FIM. Digia will also be carrying out administrative tasks for discretionary asset management portfolios for FIM. For Digia, this agreement marks entry into a whole new business focusing on financial back office services. The aim is to build a service centre based on local market knowledge and the Digia Financial Systems product family, providing

customers with cost-savings and efficiency through process digitalisation and software robotics. In addition to back-office functions, other examples of services that can be outsourced to Digia in the future include analytics services for management and e-solutions.

After the review period, on 14 October, the Finnish Tax Administration announced that it had chosen Digia as the supplier of the national income register solution. It is intended that the register will be launched at the beginning of 2019. The solution will be delivered as a fixed-price project worth EUR 13.7 million. The project will be started in late 2016 and it has no impact on the outlook or guidance for 2016. The package also includes the system's maintenance and further development. Digia's share of the overall value of the solution over a 15-year contract period is about EUR 60 million, including the fixed-price component of the project, provided that the solution is implemented according to the assumptions made in the Tax Administration's invitation to tender.

"We have taken major steps to develop our business and implement our strategy during the past year. By setting up a service business in the financial sector, the company is making great inroads into a new area. The software as a service is also becoming more common in other business functions. The Finnish Tax Administration's income register project is also highly significant to Digia. It's wonderful that a national project of this scale is being implemented with Finnish resources," says President and CEO Timo Levoranta.

"We're now implementing a structural reorganisation to support growth. The goal of this reorganisation is to create a firm foundation that will support the implementation of our new strategy.," he continues.

From 1 October, Digia will consist of four service areas which are Digital Services, Integration and Information Management, Industry Solutions, and Digia Financial Solutions and Services. The reorganisation will not have an effect on the Company's financial reporting that will consist of one segment.

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 its operating margin will remain on a par with the previous year.

GROUP KEY FIGURES

EUR 1,000	7-9/2016	7-9/2015	Change, %	1-9/2016	1-9/2015	Change, %	2015
Continuing operations							
Net sales	18,939	17,874	6.0%	62,768	57,762	8.7%	80,946
Operating profit	1,132	1,864	-39.3%	3,819	3,816	0.1%	5,854
- % of net sales	6.0%	10.4%		6.1%	6.6%		7.1%
Net profit	818.3	1,526	-46.4%	3,034	2,962	2.4%	4,246
- % of net sales	4.3%	8.5%		4.8%	5.1%		4.8%
Net profit, discontinued operations	51	132		75,821	-1,032		981
Net profit, continuing and discontinued operations, total	869	1,658		78,855	1,930		5,228
Return on equity, %	10.1%	17.9%		10.3%	13.3%		13.5%
Return on investment, %	10.3%	18.0%		11.1%	15.0%		15.6%
Interest-bearing liabilities	14,709	15,229	-3.4%	14,709	15,153	-2.9%	13,513
Cash and cash equivalents	1,027	3,397	-69.8%	1,027	3,397	-69.8%	6,710
Net gearing, %	43.2%	27.5%		43.2%	29.9%		16.6%
Equity ratio, %	50.1%	51.8%		50.1%	53.8%		53.7%

Earnings per share, EUR, undiluted	0.04	0.07		0.15	0.15		0.20
Earnings per share, EUR, diluted	0.04	0.07		0.15	0.15		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 INTERIM REPORT

Digia will hold a briefing on this interim report for analysts on Friday, 28 October 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 10 313 3000 (exchange)

The interim report and presentation will be available in the Investors section at www.digia.com from 11 am on 28 October 2016.

DISTRIBUTION

NASDAQ Helsinki
Key media
www.digia.com

DIGIA PLC INTERIM REPORT, 1 JANUARY - 30 SEPTEMBER 2016

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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 third quarter amounted to EUR 18.9 (17.9) million, year-on-year growth of 6.0 per cent. Net sales in January-September were EUR 62.8 (57.8) million, up 8.7 per cent on the previous year.

Net sales growth in January-September was supported particularly by the good trend in the customised solutions service business, the ERP business based on the company's own technologies, and the integration business.

Demand remained good for integration and analytics services during the third quarter, and net sales in both January-September and July-September 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. The site optimisation business focused on productisation in line with Digia's business area strategy and the delivery of ongoing customer projects, as a result of which the net sales of this business decreased in comparison with the previous year.

In ERP and MES, the company's ERP business based on Digia's own technologies continued to develop favourably during the third quarter. The ERP business based on Microsoft technologies also saw growth in January-September. On the other hand, net sales in the Microsoft-based solution business were down compared with the previous year due to the decline in the public sector project volume and substantial outlays on the sale of the national income register solution.

In the third quarter, the net sales of the business segment based on financial-sector software solutions decreased compared with the previous year. Net sales were down especially in Sweden, where the previously announced ending of a significant maintenance customer relationship resulted in a year-on-year decline in net sales. Net sales in January-September were at the previous year's level.

Strong growth continued in the customised solution service business in the third quarter. Supported by good demand, the company recruited more employees.

The net sales of the product business in July-September amounted to EUR 5.4 (5.6) million, or 28.7 (31.2) per cent of net sales. The net sales of the product business in January-September amounted to EUR 19.7 (17.2) million, or 31.3 (28.6) per cent of net sales.

PROFIT AND PROFITABILITY

Operating profit for July-September was EUR 1.1 (1.9) million and the operating margin (EBIT-%) stood at 6.0 (10.4) per cent.

Operating profit for January-September was EUR 3.8 (3.8) million, or 6.1 (6.6) 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 continued to weaken the business area's profitability in the third quarter.

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. Substantial sales outlays on the national income register solution weakened profitability in the solution business based on Microsoft technologies.

The profitability of the business based on financial-sector software solutions declined in January-September compared with the previous year, especially in Sweden, where profitability was decreased by the ending of a significant long-term maintenance customer relationship in the spring. Profitability was also affected by warranty work related to delivery projects of the company's own products.

The operating profit of the customised solutions service business saw a significant year-on-year increase and its profitability is good.

The company's profit before taxes in July-September was EUR 1.0 (1.8) million and profit after taxes EUR 0.8 (1.5) million. Profit before taxes in January-September was EUR 3.6 (3.5) million and profit after taxes EUR 3.0 (3.0) million.

Earnings per share for continuing operations in July-September amounted to EUR 0.04 (0.07) and in January-September to EUR 0.15 (0.15). Earnings per share for discontinued operations in January-September amounted to EUR 3.63.

Net financial expenses were EUR 0.09 (0.03) million in the third quarter and EUR 0.2 (0.4) million in January-September.

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 our customers' strategic 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 our 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.

During the third quarter, the company took major steps in implementing its strategy.

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. With this acquisition, Digia is bolstering 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.

In September, Digia made a major agreement in its service business, whereby Digia will take responsibility for NAV calculation and shareholder register maintenance for funds managed by the investment services provider FIM. Digia will also be carrying out administrative tasks for discretionary asset management portfolios for FIM. For Digia, this agreement marks entry into a whole new business focusing on financial back office services. The aim is to build a service centre based on local market knowledge and the Digia Financial Systems product family, providing customers with cost-savings and efficiency through process digitalisation and software robotics. Efficient automation enables a high level of service close to the customer, without outsourcing to low-cost countries. In addition to back-office functions, other examples of services that can be outsourced to Digia include analytics services for management and e-solutions.

To support growth Digia will renew its organisational structure. The goal is to create a firm foundation that will support the implementation of the Company's new strategy. From 1 October, Digia will consist of four service areas which are Digital Services, Integration and Information Management, Industry Solutions, and Digia Financial Solutions and Services. The reorganisation will not have an effect on the Company's financial reporting that will consist of one segment.

FINANCING, CASH FLOW AND EXPENDITURE

At the end of September 2016, the company's balance sheet total stood at EUR 64.4 million (12/2015: EUR 84.3 million) and the equity ratio at 50.1 (12/2015: 53.7) per cent. Net gearing was 43.2 (12/2015: 16.6) per cent. Cash and cash equivalents totalled EUR 1.0 million at the end of September (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 14.7 million (12/2015: EUR 13.5 million) at the end of September. These consisted of EUR 9.0 million in long-term and EUR 4.0 million in short-term loans from financial institutions and EUR 1.7 million in financial leasing liabilities.

Cash flow from operating activities for January-September was EUR 1.0 million (1-9/2015: EUR 1.9 million). Cash flow from investments was EUR -3.8 million (EUR -1.4 million). The Igence acquisition is included in the cash flow from investments. Cash flow after investments was EUR -0.5 million (EUR -1.5 million).

Return on investment (ROI) for January-September was 11.1 (15.1) per cent, and return on equity (ROE) was 10.3 (13.3) per cent.

PERSONNEL, MANAGEMENT AND ADMINISTRATION

In July-September, the number of personnel grew by 42. At the end of September 2016, the total number of company personnel was 839, representing an increase of 80 employees or 10.5 per cent since the end of the 2015 fiscal period (31 Dec. 2015: 759). The average number of employees was 790, an increase of 38 employees, or 5.0 per cent, on the 2015 average (2015: 753).

When the Igence transaction came into force on 1 July, 24 people transferred into Digia's employ.

SHARE CAPITAL AND SHARES

On 30 September 2016, the number of Digia Plc shares totalled 20,875,645. According to Euroclear Finland Ltd, the company had a total of 4,272 shareholders.

The weighted average number of shares during January-September, adjusted for share issues, came to 20,742,765. The number of outstanding shares at the end of September 2016 was 20,726,838.

Digia Plc held a total of 57,372 treasury shares at the end of the review period. The company held about 0.7 per cent of the capital stock as of 30 September 2016. Digia has financed the acquisition of 53,423 treasury shares for distribution through incentive schemes for key personnel. At the end of the period, 91,435 of these shares remained undistributed and were under the management of Evli Awards Management Ltd.

Up to date information on the company's largest shareholders and ownership is available on the company's website 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-September 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 3.19 on the last trading day of the review period. The volume-weighted average share price was EUR 4.94 (including the price prior to the demerger). The company's market capitalisation totalled EUR 66,593,308 at the end of the review period on 30 September 2016.

FLAGGING NOTIFICATIONS

The company did not receive any flagging notifications in accordance with Chapter 9, Section 10 of the Finnish Securities Market Act in July-September 2016.

EVENTS AFTER THE REVIEW PERIOD

On 14 October, the Finnish Tax Administration announced that it had chosen Digia as the supplier of the national income register. It is intended that the service solution will be ready for launch at the beginning of 2019. In the first phase, information on wages and salaries and any related payments will be included in the register. In the second phase, in 2020, information on paid pensions and benefits will also be added to the register. The solution will be delivered as a fixed-price project worth EUR 13.7 million. The project will be started at the end of 2016. The package also includes the maintenance and further development of the solution. Digia's share of the overall value of the solution over a 15-year contract period is about EUR 60 million, including the fixed-price component of the project, provided that the solution is implemented according to the assumptions made in the Tax Administration's invitation to tender.

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 during the rest of 2016. The company expects that in 2016 its operating margin will remain on a par with the previous year.

Helsinki, 28 October 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	7-9/2016	7-9/2015	Change, %	1-9/2016	1-9/2015	Change, %	2015
Continuing operations							
NET SALES	18,939	17,874	6.0%	62,768	57,762	8.7%	80,946
Other operating income	86	74	16.0%	461	199	132.0%	428
Materials and services	-2,341	-1,788	30.9%	-8,145	-5,945	37.0%	-9,152
Depreciation, amortisation and impairment	-406	-434	-6.5%	-1,152	-1,210	-4.8%	-1,607
Other operating expenses	-15,147	-13,861	9.3%	-50,114	-46,990	6.6%	-64,761
Operating profit	1,132	1,864	-39.3%	3,819	3,816	0.1%	5,854
Financial expenses (net)	-94	-31		-190	-366		-513
Profit before taxes	1,038	1,833	-43.4%	3,629	3,450	5.2%	5,341
Income taxes	-220	-306	-28.3%	-595	-488	22.0%	-1,095
NET PROFIT, CONTINUING OPERATIONS	818	1,526	-46.4%	3,034	2,962	2.4%	4,246
Other comprehensive income:							
Items which may be reclassified subsequently to profit or loss:							
Exchange differences on translation of foreign operations	-5	1		59	1		-27
TOTAL COMPREHENSIVE INCOME, continuing operations	813	1,528	-46.8%	3,093	2,963	4.4%	4,219
Distribution of net profit:							
Parent company shareholders	818	1,526	-46.4%	3,034	2,962	2.4%	4,246
Distribution of comprehensive income, continuing operations							
Parent company shareholders	813	1,528	-46.8%	3,093	2,963	4.4%	4,219
Discontinued operations							
Net profit	51	156		75,316	718		1,099
Parent company shareholders	51	156		75,316	718		1,099
Continuing and discontinued operations, total							
Comprehensive income for the	864	0		78,409	0		5,319

review period							
Parent company shareholders	864	1,719		78,409	3,826		5,319
Earnings per share, EUR, continuing operations (basic and diluted EPS)	0.04	0.07		0.15	0.15		0.20
Earnings per share, EUR, discontinued operations (basic and diluted EPS)	0.00	0.08		3.63	0.03		0.05
Earnings per share, EUR, continuing and discontinued operations, total (basic and diluted EPS)	0.04	0.16		3.78	0.18		0.25

CONSOLIDATED BALANCE SHEET, EUR 1,000

Assets	30.9.2016	31.12.2015
Non-current assets		
Goodwill	40,669	44,550
Other intangible assets	1,240	6,486
Tangible assets	2,326	1,859
Investments	627	627
Non-current receivables	54	30
Deferred tax assets	287	293
Non-current assets, total	45,203	53,844
Current assets		
Current receivables	18,170	23,741
Available-for-sale financial assets	333	331
Cash and cash equivalents	694	6,379
Current assets, total	19,198	30,451
Total assets	64,400	84,295

Shareholders' equity and liabilities	30.9.2016	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	-265	492
Retained earnings	-84,240	-11,394
Net profit	78,855	5,228
Equity attributable to parent-company shareholders	31,691	40,887
Total shareholders' equity	31,691	40,887
Liabilities		
Long-term interest-bearing liabilities	10,037	8,196
Received long-term advances	0	875

Deferred tax liabilities	207	254
Total long-term liabilities	10,244	9,324
Short-term interest-bearing liabilities	4,672	5,317
Other short-term liabilities	17,793	28,767
Total short-term liabilities	22,465	34,084
Total liabilities	32,709	43,408
Shareholders' equity and liabilities	64,400	84,295

The comparison 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

	1.1.2016-30.9.2016	1.1.2015-30.9.2015
Cash flow from operations:		
Net profit	78,855	3,118
Adjustments to net profit	224	2,112
Change in working capital	-19	-2,737
Interest paid	-86	-171
Interest income	0	1
Taxes paid	-1,472	256
Discontinued operations	-76,535	-694
Cash flow from operations	967	1,884
Cash flow from investments:		
Purchases of tangible and intangible assets	-3,545	-1,436
Discontinued operations	-217	83
Cash flow from investments	-3,762	-1,353
Cash flow from financing:		
Payments of finance lease liabilities	-724	45
Repayments of current loans	-10,900	-1,500
Withdrawals of current loans	4,000	-414
Withdrawals of non-current loans	9,925	0
Dividends paid and other profit distribution	-1,878	610
Discontinued operations	-951	-241
Cash flow from financing	-528	-1,500
Change in cash and cash equivalents	-3,323	-1,736
Cash and cash equivalents at beginning of period	6,710	5,132
Net foreign exchange difference	-59	0
Cash and cash equivalents transferred in the merger	-2,301	
Change in cash and cash equivalents	-3,323	-1,736
Cash and cash equivalents at end of period	1,027	3,396

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							3,781	3,781
Other comprehensive income						45		45
Repayment of capital							-1,039	-1,039
Share-based payments recognised against equity							-146	-146
SHAREHOLDERS' EQUITY 30.9.2015	2,088	0	7,899	31,370	5,204	446	-7,647	39,360
	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							78,855	78,855
Other comprehensive income						-757		-757
Dividends paid							-1,659	-1,659
Share-based payments recognised against equity							9	9
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 30.9.2016	2,088	0	0	30,050	5,204	-265	-5,385	31,691

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 interim 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 interim 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.

Acquisitions:

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.

DIGIA'S QUARTERLY INCOME STATEMENT FOR CONTINUING OPERATIONS:

EUR 1,000	7-9/2016	4-6/2016	1-3/2016	10-12/2015	7-9/2015
Net sales	18,939	22,397	21,432	23,184	17,874
Other operating income	86	254	121	229	74
Materials and services	-2,341	-3,116	-2,688	-3,207	-1,788
Depreciation, amortisation and impairment	-406	-366	-378	-397	-434
Other operating expenses	-15,147	-17,393	-17,551	-17,768	-13,826
Operating profit	1,132	1,777	936	2,042	1,899
Financial expenses (net)	-94	-38	-58	-210	-8
Profit before taxes	1,038	1,740	878	1,832	1,891
Income taxes	-220	-197	-179	-368	-546
Net profit	818	1,543	699	1,464	1,346
Distribution of net profit:					
Parent company shareholders	818	1,543	699	1,464	1,346
Earnings per share, EUR	0.04	0.07	0.03	0.07	0.06
Earnings per share, diluted, EUR	0.04	0.07	0.03	0.07	0.06

GROUP KEY FIGURES (FOR CONTINUING OPERATIONS UNLESS SPECIFIED OTHERWISE):

EUR 1,000	1-9/2016	1-9/2015
Extent of business:		
Net sales	62,768	77,313
Average capital invested	50,711	53,758
Personnel	839	932
Average number of personnel	790	929
Profitability:		
Operating profit	3,819	6,170
- % of net sales	6.1%	8.0%
Earnings before tax	3,629	5,513
- % of net sales	5.8%	7.1%
Net profit	3,034	4,991
- % of net sales	4.8%	6.5%
Return on equity	10.3%	13.3%
Return on investment	11.1%	15.0%
Financing and financial standing		
Interest-bearing liabilities	14,709	15,153
Short-term investments & cash and bank receivables	1,027	3,397
Net gearing	43.2%	29.9%
Equity ratio	50.1%	53.8%
Cash flow from operations	967	1,884
Earnings per share, EUR, undiluted (continuing operations)	0.15	0.18
Earnings per share, EUR, diluted (continuing operations)	0.15	0.18
Equity/share, EUR	1.52	1.89
Lowest share trading price, EUR	2.81	2.74
Highest share trading price, EUR	7.40	5.65
Average share price, EUR	4.94	3.75
Market capitalisation	66,593	115,442

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 reported figures 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

	1-4/2016
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.