

DIGIA PLC Q1/2014: NET SALES GREW AND THE RESULT IMPROVED SLIGHTLY

Summary

January-March

- Consolidated net sales: EUR 24.0 (23.5) million, up 1.9 per cent
- Operating profit: EUR -0.3 (-0.5) million
- Profitability (EBIT%): -1.2 (-2.0) per cent
- Product business accounted for 40.6 (37.5) per cent
- Earnings per share: EUR -0.02 (-0.02)

The consolidated net sales and the result for the period improved slightly from the previous year's comparison figures.

The growth in net sales was due to the Qt business, whose net sales increased by 20.8 per cent compared to the same period in the previous year. As expected, however, the Qt business made a loss during the period; this was due to significant, target-oriented investments aimed at developing the business.

Net sales from domestic operations fell slightly from the comparison period. The profitability of the operations was also lower than hoped for. The domestic business also saw investments aiming to increase sales in the future, which had a negative impact on the review period's net sales and profitability.

The company expects demand to remain generally good in all domestic business areas, and that income from operations and operational profitability will improve as the year progresses.

The company estimates that net sales from the Qt business will grow markedly in 2014 compared to 2013. Significant investments will continue in developing the Qt business and Qt technology, while the company will reinforce its sales network, especially in Asia. Investments aimed at securing growth will continue to burden profitability.

Overall, the company predicts its consolidated net sales for 2014 to grow organically at a rate exceeding that of the general market. Further investments in growing the Qt business will continue to hold back the whole company's profitability.

GROUP KEY FIGURES AND RATIOS

	Q1/2014	Q1/2013	Change, %
Net sales	23,958	23,513	1.9%
Operating profit before extraordinary items	-280	-473	40.7%
- % of net sales	-1.2%	-2.0%	
Operating profit	-280	-473	40.7%
- % of net sales	-1.2%	-2.0%	
Net profit	-331	-472	29.9%
- % of net sales	-1.4%	-2.0%	
Return on equity, %	-3.8%	-9.8%	
Return on capital invested, %	-1.6%	-2.7%	
Interest-bearing liabilities	16,873	19,114	-11.7%
Cash and cash equivalents	2,652	6,617	-59.9%
Net gearing	42.4%	31.3%	
Equity ratio (%)	48.7%	50.3%	
Earnings per share, undiluted, EUR	-0.02	-0.02	
Earnings per share, diluted, EUR	-0.02	-0.02	

MARKETS AND DIGIA'S BUSINESS OPERATIONS

Domestic Segment

There was a strong focus on growth in the business comprising integration, analytics and workforce management. Demand for services was good in the period, but the profitability of the business was negatively affected by growth investments and, to some extent, increasing price competition.

Demand for ERP systems was also good in the review period, although there were significant sector-specific differences. Sales cycles remained long, but the order book and bid volumes were healthy.

Market uncertainty was most clearly reflected in the business for tailored solutions and services, where the cost pressure endured by customers significantly hamper the profitability of the business. However, demand for services has remained relatively good, even though customers' decision-making processes have lengthened and many projects have been broken down into smaller orders. Again, there were clear sector-specific differences in demand.

Qt Segment

The Qt business progressed well and its like-for-like net sales grew strongly compared to the same period in the previous year. Demand and bid volumes were both good. There were no individual deals with a significant impact on net sales in the period.

The Qt business made a loss during the period; this was due to significant, target-oriented investments aimed at developing the business.

The focus of Qt operations was primarily on licence sales, which meant that the product business accounted for significantly more than the target level of 75 per cent of net sales.

During the period, the company continued fulfilling previously reported plans related to Qt product development and areas of focus. The network of distributors expanded to Korea during the period, and efforts were made to strengthen sales to the large enterprises customer segment and European sales.

NET SALES

Digia's consolidated net sales for the reporting period were EUR 24.0 (23.5) million, up 1.9 per cent on the same period in 2013.

Net sales from the domestic segment for the review period totalled EUR 19.2 (19.6) million, which was down 1.9 per cent. Net sales from the Qt segment for the review period totalled EUR 4.8 (4.0) million, up 20.8 per cent.

The consolidated net sales for the period improved slightly from the previous year's comparison figures. The rise was due to growth in the Qt business. The slight decline in domestic net sales was partly due to the lack of income from local operations in Russia, which were shut down in 2013. The domestic business also saw investments that aimed to increase sales in the future, which had a negative impact on the billing rate and consequently the net sales.

During the reporting period, the product business accounted for EUR 9.7 (Q1/2013: 8.8) million or 40.6 (37.5) per cent of consolidated net sales.

International operations accounted for EUR 4.8 (Q1/2013: 4.4) million or 19.9 (18.6) per cent of consolidated net sales.

PROFIT PERFORMANCE AND PROFITABILITY

Digia's consolidated operating profit for the reporting period was EUR -0.3 (-0.5) million. Profitability (EBIT%) was -1.2 (-2.0) per cent.

Operating profit from domestic operations for the reporting period totalled EUR 0.6 (0.4) million, up 44.5 per cent, and the segment's profitability (EBIT%) was 3.4 (2.3) per cent.

Operating profit from Qt operations for the reporting period was EUR -0.9 (-0.9) million. The segment's profitability (EBIT%) was -19.4 (-23.3) per cent.

The domestic operating profit fell short of targets during the period. It was negatively affected by investments aimed at future growth.

In the Qt business growth investments affected operational profitability, as predicted.

Consolidated earnings before tax for the period totalled EUR -0.4 (-0.7) million, and net profit was EUR -0.3 (-0.5) million.

Earnings per share were EUR -0.02 (-0.02).

The Group's net financial expenses were EUR 0.2 (0.3) million.

FINANCIAL POSITION AND EXPENDITURE

At the end of the reporting period, the Digia Group's consolidated balance sheet total stood at EUR 79.6 million (12/2013: EUR 83.3 million), and the equity ratio was 48.7 (12/2013: 49.9) per cent. Net gearing was 42.4 (12/2013: 28.9) per cent. Period-end cash and cash equivalents totalled EUR 2.7 (12/2013: 6.5) million.

Interest-bearing liabilities amounted to EUR 16.9 (12/2013: 16.9) million at the period end. These consisted of EUR 15.0 million in loans from financial institutions, EUR 0.6 in a used overdraft facility and EUR 1.3 million in financial leasing liabilities.

Consolidated net cash flow from operating activities was negative by EUR 1.7 million during the period (Q1/2013: positive by EUR 0.9 million). Cash flow from investments for the review period was negative by EUR 0.3 (0.0) million. Cash flow from finance for the review period was negative by EUR 1.7 (2.6) million. Cash flow from finance was negatively affected by a repayment of capital totalling EUR 1.8 million and by the repayment of loans totalling EUR 0.5 million during the reporting period.

The Group's investments in fixed assets during the review period totalled EUR 0.3 (0.0) million.

Return on investment (ROI) for the period was -1.6 (-2.7) per cent, and return on equity (ROE) was -3.8 (-9.8) per cent.

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

The tables below shows the distribution of goodwill and values subject to testing at the end of the reporting period

EUR 1,000	Specified intangible assets	Amortisations during the reporting period	Goodwill	Other items	Total value subject to testing
Digia, domestic operations	1,191	122	37,987	5,746	44,925

EUR 1,000	Specified intangible assets	Amortisations during the reporting period	Goodwill	Other items	Total value subject to testing
Digia, Qt business	6,625	218	6,562	1,891	15,079

EUR 1,000	Specified intangible assets	Amortisations during the reporting period	Goodwill	Other items	Total value subject to testing
Group total	7,816	341	44,550	7,637	60,003

Present values for domestic operations were calculated for the five-year forecast period based on the following assumptions: Net sales and operating profit for the first quarter of the forecast period according to the confirmed figures for the latest quarter, and for the following three quarters according to budget; after this, annual growth in net sales of 3.0 per cent and in operating profit of 8.0 per cent, and a pre-tax discount rate of 8.9 per cent. Post-forecast-period cash flows were extrapolated using the same assumptions as for the forecast period.

According to a completed sensitivity analysis, the goodwill related to domestic operations requires either net sales to remain at the current level with profitability of 4.6 per cent, or a 3.0 per cent growth in net sales with profitability of 2.6 per cent. The management sees no risk of goodwill impairment associated with domestic operations.

Present values for the Qt business were calculated for the five-year forecast period based on the following assumptions: Net sales and operating profit for the first quarter of the forecast period according to the confirmed figures for the latest quarter, and for the following three quarters according to budget; after this, annual growth in net sales of 6.5 per cent and in operating profit of 5.3 per cent, and a pre-tax discount rate of 8.9 per cent. Post-forecast-period cash flows were extrapolated using the same assumptions as for the forecast period.

According to a completed sensitivity analysis, the goodwill of the Qt business requires either net sales to remain at the current level with profitability of 4.2 per cent, or a 5.0 per cent growth in net sales with profitability of 1.2 per cent. The management sees no risk of goodwill impairment associated with Qt operations.

PERSONNEL, MANAGEMENT AND ADMINISTRATION

At the end of the period, the total number of Group personnel was 938, which was the same as at the end of 2013 (938). The average number of personnel during the review period was 934, which was 5 persons or 0.5 per cent less than the average for the 2013 fiscal year (939).

Employees by function at the end of the period

Domestic Operations	75%
Qt Operations	20%
Administration and management	5%

As of the end of the period, 154 (12/2013: 170) employees were working abroad.

The Digia Plc Annual General Meeting of 11 March 2014 re-elected Päivi Hokkanen, Robert Ingman, Kari Karvinen, Pertti Kyttälä, Seppo Ruotsalainen, Leena Saarinen and Tommi Uhari as members of the Board. At the organisation meeting of the Board, Pertti Kyttälä was elected Chairman of the Board and Robert Ingman, Vice Chairman.

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

Ernst & Young Oy, Authorised Public Accountants, are the Group's auditors, with Authorised Public Accountant Heikki Ilkka as the principal auditor.

RISKS AND UNCERTAINTIES

The company's short-term business risks and uncertainties were described in the 2013 Financial Statements. These are unchanged.

Risks and their management are described on the company's website at <http://www.digia.com/en/Company/Investors/Corporate-Governance/Internal-Control-and-Risk-Management/>.

FUTURE PROSPECTS

The objective for the company's domestic operations is to raise profitability to a good level, and to achieve organic growth at least equivalent to general market development. Besides organic growth, the company will actively pursue opportunities to make carefully considered business acquisitions that support its strategy.

Within the Qt business, the emphasis is clearly on creating the necessary conditions for growth. Besides investing in growth, the company will pay attention to improving profitability. The aim is that the income from the Qt business should cover its expenses.

The company expects the Finnish IT market to remain at roughly the previous year's level in 2014.

Efforts will continue in order to develop the company's customer understanding and sales and service portfolio, to ensure that it can offer increasingly competitive services and solutions for boosting its customers' business efficiency. On the other hand, there will also be an emphasis on improving operational efficiency.

The company expects demand to remain generally good in all domestic business areas, and that income from operations and operational profitability will improve as the year progresses. The general market uncertainty may, however, be reflected in the company's order book and bid volumes.

The Qt order book is healthy, considering the time of year and general market situation, and the company expects demand to continue growing even in the large customer segment. Contract lead times are very long in this market, however – typically 6–18 months – which can cause significant fluctuations between quarters in terms of net sales and, particularly, profitability.

The company estimates that net sales from the Qt business will grow markedly in 2014 compared to 2013. Significant investments will continue in developing the Qt business and Qt technology, while the company will reinforce its sales network, especially in Asia. Investments aimed at securing growth will continue to burden profitability.

Overall, the company predicts its consolidated net sales for 2014 to grow organically at a rate exceeding that of the general market. Further investments in growing the Qt business will continue to hold back the whole company's profitability.

OTHER EVENTS DURING THE REVIEW PERIOD

Convening on 11 March 2014, Digia Plc's Annual General Meeting (AGM) adopted the financial statements for 2013, released the Board members and the CEO from liability, determined Board emoluments, resolved to raise the number of Board members to seven (7), and elected the company's Board of Directors for a new term.

With regard to profit distribution for 2013, the AGM approved the Board's proposal to make a repayment of capital of EUR 0.10 per share to all shareholders listed on the shareholder list maintained by Euroclear Finland Ltd on the reconciliation date of 14 March 2014. The date for the repayment of capital was set as 21 March 2014.

The AGM granted the following authorisations to the Board

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

The AGM authorised the Board to decide on the buyback and/or acceptance as collateral of a maximum of 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 OMX Helsinki Oy in accordance with the rules and instructions of NASDAQ OMX 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 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. This authorisation supersedes that granted by the AGM of 12 March 2013 and is valid for 18 months – i.e. until 11 September 2015.

Authorisation for 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 a maximum of 4,000,000 shares. 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. 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. This authorisation supersedes that granted by the AGM of 12 March 2013 and is valid for 18 months – i.e. until 11 September 2015.

SHARE CAPITAL AND SHARES

On 31 March 2014, the number of Digia Plc shares totalled 20,875,645.

At the end of the period, according to Finnish Central Securities Depository Ltd, Digia had 4,886 shareholders.

The 10 biggest shareholders were

Shareholder	Shares and votes
Ingman Group Oy Ab	20.1%
Ilmarinen Mutual Pension Insurance Company	11.5%
Jyrki Hallikainen	10.2%
Kari Karvinen	6.0%
Matti Savolainen	5.8%
Varma Mutual Pension Insurance Company	4.6%
Evli Finnish Small Cap investment fund	1.5%
Nordea Finnish Small Cap investment fund	1.4%
Nordea Bank Finland Plc (nominee-registered)	1.3%
Etola	1.0%

Distribution of holdings by number of shares held on 31 March 2014

Number of shares	Shareholders	Shares and votes
1 – 100	23.5%	0.4%
101 – 1,000	58.6%	6.1%
1,001 – 10,000	16.2%	10.2%
10,001 – 100,000	1.3%	9.8%
100,001 – 1,000,000	0.4%	19.8%
1,000,001 – 4,000,000	0.1%	53.8%

Shareholding by sector on 31 March 2014

	Shareholders	Shares
Non-financial corporations	4.3%	25.1%
Financial and insurance corporations	0.2%	4.9%
General government	0.1%	16.2%
Not-for-profit institutions serving households	0.3%	1.2%
Households	94.6%	50.1%
Rest of the world	0.5%	2.6%

Adjusted for share issues, the weighted average number of shares during the reporting period totalled 20,795,340. The number of outstanding shares came to 20,775,273 in total at the end of the review period.

The company held a total of 100,372 treasury shares at the end of the reporting period. The accounting counter value of these treasury shares is EUR 0.10 per share. The company held about 0.5 per cent of the capital stock as of 31 March 2014.

REPORTED SHARE PERFORMANCE ON THE HELSINKI STOCK EXCHANGE

Digia Plc shares are listed on the NASDAQ OMX Nordic Exchange under IT, IT Consulting & Other Services. The company's short name is DIG1V. The lowest reported share quotation was EUR 3.90 and the highest was EUR 4.59. The share officially closed at EUR 4.06 on the last trading day. The trade-weighted average was EUR 4.19. The Group's market capitalisation totalled EUR 84,755,119 at the end of the period.

The company received the following flagging notifications during the reporting period

- Ilmarinen Mutual Pension Insurance Company announced on 18 February 2014 that its holding in the company had risen above the 10% flagging threshold to 10.05% of all shares and votes in the company
- The Ingman Group announced on 25 March 2014 that its holding in the company had risen above the 20% flagging threshold to 20.12% of all shares and votes

STOCK OPTION SCHEMES

Digia Plc had no outstanding options.

Helsinki, 30 April 2014

Digia Plc

Board of Directors

BRIEFING

Digia will hold a briefing on its Interim Report for analysts on Wednesday 30 April 2014 at 11 am, in the Tapiola cabinet of Hotel Scandic Simonkenttä, Simonkatu 9, 00100 Helsinki, Finland. All are welcome.

FURTHER INFORMATION

Juha Varelius, President and CEO, mobile: +358 400 855 849, email: juha.varelius@digia.com

The Interim Report and the CEO's presentation will be available on www.digia.com, in the 'Investors' section, from 11 am on 30 April 2014.

DISTRIBUTION

NASDAQ OMX Helsinki
Key media

ABBREVIATED FINANCIAL STATEMENTS AND ATTACHMENTS

Consolidated Income Statement
 Consolidated Balance Sheet
 Consolidated Cash Flow Statement
 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

EUR 1,000	Q1/2014	Q1/2013	Change, %	2013
NET SALES	23,957.9	23,512.9	1.9%	99,740.5
Other operating income	400.8	291.7	37.4%	1,542.7
Materials and services	-2,378.0	-2,311.8	2.9%	-11,989.4
Depreciation, amortisation and impairment	-702.8	-731.5	-3.9%	-9,977.0
Other operating expenses	-21,558.3	-21,234.0	1.5%	-82,138.8
Operating profit	-280.4	-472.8	40.7%	-2,822.0
Financial expenses (net)	-150.8	-267.5	-43.6%	-784.0
Earnings before tax	-431.2	-740.2	41.7%	-3,605.9
Income taxes	100.4	268.6	-62.6%	-461.2
NET PROFIT	-330.8	-471.7	29.9%	-4,067.1
Other comprehensive income:				
Items which may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	-44.1	-116.4	-62.1%	-36.2
TOTAL COMPREHENSIVE INCOME	-375.0	-588.1	36.2%	-4,103.3
Distribution of net profit:				
Parent-company shareholders	-330.8	-471.7	29.9%	-4,067.1
Minority interest	0.0	0.0		0.0
Distribution of total comprehensive income:				
Parent-company shareholders	-375.0	-588.1	36.2%	-4,103.3
Minority interest	0.0	0.0		0.0
Earnings per share, EUR	-0.02	-0.02		-0.02
Earnings per share (diluted), EUR	-0.02	-0.02		-0.02

CONSOLIDATED BALANCE SHEET, EUR 1,000

Assets	31/3/2014	31/12/2013	Change, %
Non-current assets			
Intangible assets	53,037.0	53,327.2	-0.5%
Tangible assets	1,888.2	1,986.0	-4.9%
Financial assets	627.0	627.0	0.0%
Inventories	0.0	0.6	-100.0%
Long-term receivables	64.6	64.6	0.0%
Deferred tax assets	442.2	370.9	19.2%
Total non-current assets	56,059.0	56,376.2	-0.6%
Current assets			
Current receivables	20,928.0	20,447.8	2.3%
Available-for-sale financial assets	325.4	324.0	0.4%
Cash and cash equivalents	2,326.8	6,129.8	-62.0%
Total current assets	23,580.2	26,901.7	-12.3%
Total assets	79,639.3	83,277.9	-4.4%
Shareholders' equity and liabilities	31/3/2014	31/12/2013	Change, %
Share capital	2,087.6	2,087.6	0.0%
Rights issue	0.0	0.0	
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	31,370.3	33,447.8	-6.2%
Translation difference	473.5	517.6	-8.5%
Retained earnings	-13,181.2	-9,028.6	-46.0%
Net profit	-330.8	-4,067.1	91.9%
Equity attributable to parent-company shareholders	33,522.5	36,060.6	-7.0%
Minority interest	0.0	0.0	
Total shareholders' equity	33,522.5	36,060.6	-7.0%
Liabilities			
Long-term interest-bearing liabilities	13,301.1	12,741.9	4.4%
Received long-term advances	2,187.7	2,876.5	-23.9%
Other long-term liabilities	0.0	0.0	
Deferred tax liabilities	396.3	461.0	-14.0%
Total long-term liabilities	15,885.2	16,079.4	-1.2%
Short-term interest-bearing liabilities	3,571.7	4,140.9	-13.7%
Other short-term liabilities	26,659.8	26,996.9	-1.2%
Total short-term liabilities	30,231.6	31,137.8	-2.9%
Total liabilities	46,116.7	47,217.3	-2.3%
Shareholders' equity and liabilities	79,639.3	83,277.9	-4.4%

CONSOLIDATED CASH FLOW STATEMENT, EUR 1,000

	1/1/2014-31/3/2014	1/1/2013-31/3/2013
Cash flow from operations:		
Net profit	-331	-472
Adjustments to net profit	166	179
Change in working capital	-1,328	1,402
Interest paid	-82	-141
Interest income	0	0
Taxes paid	-168	-28
Net cash flow from operations	-1,742	941
Cash flow from investments:		
Purchases of tangible and intangible assets	-315	-25
Cash flow from investments	-315	-25
Cash flow from financing:		
Proceeds from share issue	0	0
Acquisition of own shares	0	0
Repayment of current loans	-500	-500
Repayments of non-current loans	0	0
Withdrawals of current loans	0	0
Withdrawals of non-current loans	560	0
Dividends paid and other profit distribution	-1,804	-2,082
Cash flow from financing	-1,744	-2,582
Change in liquid assets	-3,802	-1,666
Liquid assets at beginning of period	6,454	8,283
Change in fair value		
Change in liquid assets	-3,802	-1,666
Liquid assets at end of period	2,652	6,617

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

	a	b	c	d	e	f	g	h
Shareholders' equity, 1 January 2013	2,088	0	7,899	33,448	5,204	554	-7,129	42,063
Net profit							-472	-472
Other comprehensive income						116		116
Dividends							-2,082	-2,082
Share-based payments recognised against equity							274	274
Other items								
Shareholders' equity, 31 December 2013	2,088	0	7,899	33,448	5,204	670	-9,409	39,900
	a	b	c	d	e	f	g	h
Shareholders' equity, 1 January 2014	2,088	0	7,899	33,448	5,204	518	-13,096	36,061
Net profit							-331	-331
Other comprehensive income						-44		-44
Repayment of capital				-2,078				-2,078
Share-based payments recognised against equity							-86	-86
Shareholders' equity, 31 March 2013	2,088	0	7,899	31,370	5,204	473	-13,512	33,523

a = share capital

b = rights issue

c = share premium

d = unrestricted invested shareholders' equity

e = other reserves

f = currency translation differences

g = retained earnings

h = total shareholders' equity

NOTES TO THE ACCOUNTS

Accounting principles

The interim report has been drafted in line with IFRS. In other respects, the same accounting principles have been applied as in the 2013 Financial Statements. The accounting principles and formulas for the calculation of key figures and ratios are unchanged and are presented in the 2013 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 in the form of capital repayments during the reporting period totalled EUR 2,081,827.30.

Related-party transactions

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

Segment information

Digia's business operations are divided into two main business segments: Domestic and Qt.

NET SALES, EUR 1,000	Q1/2014	Q1/2013	Change, %	2013
Domestic Operations	19,181	19,557	-1.9%	79,850
Qt Operations	4,777	3,955	20.8%	19,891
Digia Group	23,958	23,513	1.9%	99,740

OPERATING PROFIT BEFORE EXTRAORDINARY ITEMS, EUR 1,000	Q1/2014	Q1/2013	Change, %	2013
Domestic Operations	646	447	44.5%	5,395
Qt Operations	-926	-920	-0.7%	-846
Digia Group	-280	-473	40.7%	4,549

OPERATING PROFIT, EUR 1,000	Q1/2014	Q1/2013	Change, %	2013
Domestic Operations	646	447	44.5%	-1,976
Qt Operations	-926	-920	-0.7%	-846
Digia Group	-280	-473	40.7%	-2,822

ASSETS, EUR 1,000	31/3/2014	31/12/2013
Domestic Operations	51,064	53,336
Qt Operations	17,128	16,884
Unallocated	11,487	13,058
Digia Group	79,679	83,278

Consolidated income statement by quarter

EUR 1,000	Q1/2014	Q4/2013	Q3/2013	Q2/2013	Q1/2013
Net sales	23,957.9	26,781.8	21,435.2	28,010.6	23,512.9
Other operating income	400.8	504.2	305.9	441.0	291.7
Materials and services	-2,378.0	-3,033.5	-1,871.3	-4,772.7	-2,311.8
Depreciation, amortisation and impairment	-702.8	-7,761.9	-708.5	-775.0	-731.5
Other operating expenses	-21,558.3	-21,768.2	-18,163.8	-20,972.8	-21,234.0
Operating profit	-280.4	-5,277.6	997.4	1,931.0	-472.8
Financial expenses (net)	-150.8	-247.3	-264.9	-4.3	-267.5
Earnings before tax	-431.2	-5,524.9	732.5	1,926.8	-740.2
Income taxes	100.4	128.6	-278.2	-580.2	268.6
Net profit	-330.8	-5,396.3	454.3	1,346.5	-471.7
Allocation:					
Parent-company shareholders	-330.8	-5,396.3	454.3	1,346.5	-471.7
Minority interest	0.0	0.0	0.0	0.0	0.0
Earnings per share, EUR	-0.02	-0.26	0.02	0.04	-0.02
Earnings per share (diluted), EUR	-0.02	-0.26	0.02	0.04	-0.02

Group key figures and ratios

EUR 1,000	Q1/2014	Q1/2013
Extent of business:		
Net sales	23,958	23,513
- change from previous year	1.9%	-9.8%
Average capital invested	51,669	60,463
Personnel at period end	938	943
Average number of personnel	934	947
Profitability:		
Operating profit before extraordinary items and impairment	-280	-473
- % of net sales	-1.2%	-2.0%
Operating profit	-280	-473
- % of net sales	-1.2%	-2.0%
Earnings before tax	-431	-740
- % of net sales	-1.8%	-3.1%
Net profit	-331	-472
- % of net sales	-1.4%	-2.0%
Return on equity, %	-3.8%	-9.8%
Return on investment, %	-1.6%	-2.7%
Financing and financial standing:		
Interest-bearing liabilities	16,873	19,114
Short-term investments & cash and bank receivables	2,652	6,617
Net gearing	42.4%	31.3%
Equity ratio	48.7%	50.3%
Net cash flow from operations	-1,742	941
Earnings per share, undiluted, EUR	-0.02	-0.02
Earnings per share, diluted, EUR	-0.02	-0.02
Equity/share, EUR	1.61	1.91
Lowest share trading price, EUR	3.90	2.65
Highest share trading price, EUR	4.59	3.18
Average share price, EUR	4.19	3.00
Market capitalisation	84,755	61,583

Formulae for key figures and ratios are presented in the 2013 financial statements. These remained unchanged during the reporting period.