digia

DIGIA'S FOURTH QUARTER 2013: GROWTH IN CONSOLIDATED NET SALES AND IMPROVEMENT IN OPERATING PROFIT; LOSS DUE TO EXTRAORDINARY ITEMS

Summary

January-December

- Consolidated net sales: EUR 99.7 (100.4) million, down 0.7 per cent
- Operating profit before extraordinary items: EUR 4.5 (8.2) million
- Extraordinary items comprise a EUR 7.0 million writedown and EUR 0.4 million in restructuring costs for reorganisation purposes (1-12/2012: restructuring costs EUR 0.7 million). Of the writedown, EUR 0.4 million applies to itemised intangible assets and EUR 6.6 million to goodwill
- Operating profit after extraordinary items: EUR -2.8 (6.9) million
- Profitability (EBIT%): 4.6 (8.2) per cent before extraordinary items and -2.8 (6.9) per cent after extraordinary items
- Product business accounted for 41.1 (36.4) per cent
- Earnings per share: EUR 0.15 (0.26) before extraordinary items and -0.20 (0.19) after extraordinary items

October-December

- Consolidated net sales: EUR 26.8 (25.5) million, up 5.2 per cent
- Operating profit before extraordinary items: EUR 2.1 (1.0) million
- Extraordinary items comprise a EUR 7.0 million writedown and EUR 0.4 million in restructuring costs for reorganisation purposes (1-12/2012: restructuring costs EUR 0.7 million). Of the writedown, EUR 0.4 million applies to itemised intangible assets and EUR 6.6 million to goodwill
- Operating profit after extraordinary items: EUR -5.3 (0.2) million
- Profitability (EBIT%): 7.8 (3.8) per cent before extraordinary items and -19.7 (1.0) per cent after extraordinary items
- Product business accounted for 37.1 (35.8) per cent
- Earnings per share: EUR 0.09 (0.03) before extraordinary items and -0.26 (-0.01) after extraordinary items

During the reporting period, the group's consolidated net sales fell slightly from the previous year's comparison figure. This was due to the fact that in 2012 the company had EUR 4.5 million in accrued income from the mobile contract engineering business, which no longer existed in 2013 as the business unit was closed down at the end of 2012. The comparison figures for 2012 also include an exceptional net sales item of EUR 4.2 million related to a Qt business acquisition licensing deal made in the third quarter of 2012. Excluding the effect of the aforementioned factors, the company's like-for-like consolidated net sales increased by 6.7 per cent during the period. Net sales grew also during the fourth quarter.

Operating profit for the review period as well as for the fourth quarter was negative, after the company's board decided in its meeting on 6 February 2014 to make a writedown of EUR 7.0 million applicable to the fourth quarter. The writedown derives from a change in the company's estimate of the long-term profit forecast for its domestic business operations, on which evaluations must be based according to standards. Investments in international operations also had a negative impact on the result for the review period, pushing down the review period's operating profit before extraordinary items compared to 2012. In the fourth quarter operating profit clearly improved compared to the same period in the previous year.

The Qt business progressed well and its like-for-like net sales grew by 25.0 per cent for the review period and 23.7 per cent for the fourth quarter compared to the previous year. Demand and bid volumes were both good. No major

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individual deals were made during the fourth quarter, however. The profitability of the operations was low during the review period due to significant growth-oriented investments.

The company gave up its loss-making Russian operations during the last quarter of 2013. In future, the Russian unit will focus on Qt licence sales.

For 2014, the company predicts organic growth of its net sales exceeding the general market growth rate. The company expects its overall profitability to rise from last year's levels, although further investments in growing the Qt business will continue holding back the whole company's profitability.

Proposal for dividend distribution

At the end of 2013, the distributable shareholders' equity of Digia Plc was EUR 32,893,730.71, of which EUR 1,850,830.89 was the net loss for the year. At the Annual General Meeting, the Board of Directors will propose that a repayment of capital totalling EUR 0.10 per share be paid according to the confirmed statement of financial position for the fiscal year ending 31 December 2013. Shareholders listed on the shareholder register maintained by Euroclear Finland Oy on the reconciliation date, 14 March 2014, will be eligible for the capital repayment. The repayment date is 21 March 2014.

GROUP KEY FIGURES AND RATIOS

	10-12/2013	10-12/2012	Change, %	1-12/2013	1-12/2012	Change, %
Net sales	26,782	25,451	5.2%	99,740	100,448	-0.7%
Operating profit before extraordinary items	2,093	977	114.3%	4,549	8,196	-44.5%
- % of net sales	7.8%	3.8%		4.6%	8.2%	
Operating profit	-5,278	244		-2,822	6,884	
- % of net sales	-19.7%	1.0%		-2.8%	6.9%	
Net profit	-5,396	-125	4,228.1%	-4,067	4,024	
- % of net sales	-20.1%	-0.5%		-4.1%	4.0%	
Return on equity, %	-55.5%	-1.2%		-10.4%	9.8%	
Return on capital invested, %	-36.1%	1.6%		-4.4%	11.3%	
Interest-bearing liabilities	16,883	19,849	-14.9%	16,883	19,849	-14.9%
Cash and cash equivalents	6,454	8,283	-22.1%	6,454	8,283	-22.1%
Net gearing	28.9%	27.5%		28.9%	27.5%	
Equity ratio, %	49.9%	52.6%		49.9%	52.6%	
Earnings per share, undiluted (EUR)	-0.26	-0.01		-0.20	0.19	
Earnings per share, diluted (EUR)	-0.26	-0.01		-0.20	0.19	

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MARKETS AND DIGIA'S BUSINESS OPERATIONS

Caution arising from the global economic situation lengthened customers' decision-making processes and caused cost pressure as customers opened their purchases to competitive tendering.

Digia has invested significantly in growing its integration business. The delivery capacity of this business area was reinforced during the review period with personnel increase through external recruitment and internal transfers, training and with productisation efforts. Growth was higher than expected thanks to these efforts and good customer demand. The growth trend continued strong through the last quarter.

Demand for ERP systems was good in the review period. There were clear differences in demand from different sectors, customers continued displaying caution in their purchasing behaviour, and sales cycles remained long. Order and bid volumes were at a healthy level. Net sales grew compared to the previous year, meeting the targets set for the review period. Profitability remained at the previous year's level.

During the review period, the company reassessed the position of Russia in its growth strategy with regard to future growth potential, business risks and overall investment management. As a result, the company gave up its loss-making Russian operations during the last quarter, focusing in the future on Qt licence sales in Russia.

The Qt business progressed well and its like-for-like net sales grew by 25.0 per cent for the review period and 23.7 per cent for the fourth quarter compared to the previous year. Demand and bid volumes were both good. No major individual deals were made during the fourth quarter, however.

The profitability of the operations was low during the review 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 more than the target level of 75% of net sales.

During the period, the company continued fulfilling previously reported plans related to Qt product development and areas of focus. In December the company launched a new version of the Qt development environment intended for mobile developers, including Android and iOS support. New mobile platforms will be incorporated in coming versions.

NET SALES

Digia's consolidated net sales for the reporting period totalled EUR 99.7 (100.4) million, down 0.7 per cent from the same period in 2012.

The operating profit for the period fell slightly from the comparison figures. This was due to the fact that in 2012 the company had EUR 4.5 million in accrued income from the mobile contract engineering business, which no longer existed in 2013 as the business unit was closed down at the end of 2012. The comparison figures for 2012 also include an exceptional net sales item of EUR 4.2 million related to a Qt business acquisition licensing deal made in the third quarter of 2012. Excluding the effect of this licensing deal, the accrued income of the Qt business grew both in the review period (25.0 per cent) and in Q4 (23.7 per cent). Thanks to this growth, the whole company's net sales grew like-for-like, both in the review period (6.7 per cent) and in Q4 (7.2 per cent). Besides the Qt business, net sales were positively affected by other operations, especially an individual third-party software maintenance deal with low margins worth EUR 2.4 million, made in Q2.

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During the reporting period, the product business accounted for EUR 41.0 (1-12/2012: 36.5) million or 41.1 (36.4) per cent of consolidated net sales.

International operations accounted for EUR 21.1 (1-12/2012: 20.6) million or 21.2 (20.5) per cent of consolidated net sales.

The Qt business accounted for EUR 19.9 (1-12/2012: 18.7) million of consolidated net sales.

Digia's consolidated net sales for the fourth quarter were EUR 26.8 (10-12/2012: 25.5) million, up 5.2 per cent on the same period in 2012.

During the fourth quarter, the product business accounted for EUR 9.9 (10-12/2012: 9.1) million of consolidated net sales, or 37.1 (35.8) per cent.

In the same period, the international business accounted for EUR 5.3 (10-12/2012: 5.2) million of consolidated net sales, or 19.9 (20.6) per cent.

The Qt business accounted for EUR 5.0 (10-12/2012: 4.1) million of consolidated net sales in the fourth quarter.

PROFIT PERFORMANCE AND PROFITABILITY

Digia's consolidated operating profit before extraordinary items for the review period was EUR 4.5 (8.2) million, down 44.5 per cent year-on-year. Profitability (EBIT%) before extraordinary items was 4.6 (8.2) per cent.

Digia's consolidated operating profit after extraordinary items for the review period was EUR -2.8 (6.9) million. Profitability (EBIT%) after extraordinary items was -2.8 (6.9) per cent.

Digia's consolidated fourth-quarter operating profit before extraordinary items was EUR 2.1 (1.0) million, representing a year-on-year increase of 114.3 per cent. Profitability (EBIT%) before extraordinary items was 7.8 (3.8) per cent.

Digia's consolidated operating profit after extraordinary items for the fourth quarter was EUR -5.3 (0.2) million. Profitability (EBIT%) after extraordinary items was -19.7 (1.0) per cent.

Investments in international business had a negative impact on cost structure and profitability during the period under review.

Consolidated earnings before tax for the period totalled EUR -3.6 (5.6) million, and net profit was EUR -4.1 (4.0) million. Consolidated earnings before tax for the fourth quarter were EUR -5.5 (-0.0) million, and net profit EUR -5.4 (-0.1) million.

Consolidated earnings per share for the review period totalled EUR 0.15 (0.26) before extraordinary items and -0.20 (0.19) after extraordinary items. Consolidated earnings per share for the fourth quarter totalled EUR 0.09 (0.03) before extraordinary items and -0.26 (-0.01) after extraordinary items.

The Group's net financial expenses for the review period were EUR 0.8 (1.3) million and for the fourth quarter EUR 0.2 (0.3) million.

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FINANCIAL POSITION AND EXPENDITURE

At the end of the reporting period, Digia Group's consolidated balance sheet total stood at EUR 83.3 million (12/2012: EUR 92.4 million), and the equity ratio was 49.9 (12/2012: 52.6) per cent. Net gearing was 28.9 (12/2012: 27.5) per cent. Period-end cash and cash equivalents totalled EUR 6.5 (12/2012: 8.3) million.

Interest-bearing liabilities amounted to EUR 16.9 (12/2012: 19.8) million at the period end. These consisted of EUR 15.5 million in loans from financial institutions and EUR 1.4 million in financial leasing liabilities.

The Group's cash flow from business operations for the period was positive by EUR 4.9 (19.9) million. In 2012, cash flow from operations included EUR 12.2 million in cash flow related to the Qt acquisition. Cash flow from investments for the review period was negative by EUR 1.6 (16.2) million. In 2012, cash flow from investments included EUR 14.5 million in cash flow related to the Qt acquisition. Cash flow from finance for the review period was negative by EUR 5.1 (3.6) million. The cash flow from finance was negatively affected by repayment of company loans.

The Group's investments in fixed assets during the review period totalled EUR 1.6 (0.8) million.

Return on investment (ROI) for the period was -4.4 (11.3) per cent, and return on equity (ROE) was -10.4 (9.8) per cent.

On 19 December 2013, Digia renewed the company's three-year loan plan, replacing the company's old loans, 15 MEUR. The new loan plan totals 25 MEUR, of which the company drew out 15 MEUR. Nordea Bank Finland Plc and Pohjola Bank Plc continued as the company's financing institutions.

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

The tables below show 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	1,313	656	37,987	6,227	45,528

EUR 1,000	Specified intangible assets	Amortisations during the reporting period	Goodwill	Other items	Total value subject to testing
Digia, Qt business	6,843	862	6,562	1,367	14,773

EUR 1,000	Specified intangible assets	Amortisations during the reporting period	Goodwill	Other items	Total value subject to testing
Group total	8,157	1,519	44,550	7,594	60,300

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The group has made a EUR 0.4 million writedown related to itemised intangible assets allocated to the fourth quarter. After this, the company found it necessary to make a EUR 6.6 million writedown related to the goodwill of its domestic operations. The writedown derives from a change in the company's estimate of the long-term profit forecast for its domestic business operations, on which evaluations must be based according to standards.

Present values for domestic operations were calculated for the five-year forecast period based on the following assumptions: consolidated net sales and operating profit for 2014 according to budget; after this, annual growth in net sales of 0.8 per cent and in operating profit of 3.6 per cent, and a pre-tax discount rate of 8.9 per cent.

Present values for the Qt business were calculated for the five-year forecast period based on the following assumptions: consolidated net sales and operating profit for 2014 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 for both the tested units were extrapolated using the same assumptions as for the forecast period.

According to a completed sensitivity analysis, Qt business requires either net sales to remain at the current level with profitability of 3.9 per cent, or a 5.0 per cent growth in net sales with profitability of 1.2 per cent.

PERSONNEL, MANAGEMENT AND ADMINISTRATION

At the end of the period, the total number of Group personnel was 938, representing a decrease of 44 employees or 4.5 per cent since the end of 2012 (982). During the reporting period the number of employees averaged 939, a decrease of 86 employees or 8.4 per cent from the 2012 average (1,025).

Employees by function at the end of the period

Business units	95%
Administration and management	5%

As of the end of the period, 170 (12/2012: 195) employees were working abroad.

The Digia Plc Annual General Meeting of 12 March 2013 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

Short-term uncertainties are related to any major changes occurring in the company's core business areas.

The company made a significant investment into Qt technology and related business opportunities with the Qt business acquisition completed in 2012. If the Qt business fails to develop according to the company's expectations, the investments and related costs may have a significant impact on the company's short-term profitability. Possible changes in the competitive scenario or market for that business may also impact the company's future net sales and profitability.

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In addition, the general economic recession may affect customers' investment decisions and liquidity, and thereby the company's sales and profits. Signs of the impact of the global economy on customers' investment decisions and the schedules of planned projects were seen steadily throughout the period under review.

Furthermore, the growth in customer project sizes increases the risks related to projects and their profitability.

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

FUTURE PROSPECTS

With the structural reorganisation that took effect at the beginning of 2014, Digia hopes to enhance the focus of its business units and investments in order to improve efficiency. Within the Qt business, the emphasis is clearly on creating the foundations for growth. At the same time, the company works to maintain the profitability of the business. In domestic operations, the company will look to bring profitability to a good level and to achieve organic growth that at least matches the general market rates. Besides organic growth, the company will actively pursue opportunities to make carefully considered business acquisitions that support its strategy.

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

Efforts will continue 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.

The company expects demand for its ERP systems to remain at a good level, although increased caution on the customer side and lengthening sales cycles may have an effect on future order intake and requests for tenders.

Demand for integration services is also expected to stay at a good level. The company predicts that the net sales for this business unit will continue to grow, although at a slightly slower rate than in 2013 due to customers' cost-saving pressures.

The company believes that the cost pressures felt by customers and the resulting caution will have an impact mostly on demand for solutions and services, where decision-making may be delayed, especially in larger projects.

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 enterprises customer segment. Contract lead times are very long in this segment, however – typically 6–18 months – which can cause significant fluctuations between quarters in terms of net sales and, particularly, profitability.

In future the Chinese and Russian units will form part of the Qt segment and will focus on Qt licence sales.

The company predicts a continued strong growth of income generated by the Qt business in 2014. Significant investments will continue to be made in developing the Qt business and Qt technology, while the company will further reinforce its sales network, especially in Asia. Investments made with the aim of securing growth will have a negative impact on profitability, which is why the company expects the profitability of the Qt business to be only slightly positive in 2014.

Overall, the company predicts its consolidated net sales for 2014 to grow organically at a rate exceeding that of the general market. Overall profitability is expected to rise from last year's levels, but further investments in growing the Qt business will continue to hold back the whole company's profitability.

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OTHER EVENTS DURING THE REVIEW PERIOD

Convening on 12 March 2013, Digia Plc's Annual General Meeting (AGM) adopted the financial statements for 2012, 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 2012, the AGM approved the Board's proposal to pay a dividend of EUR 0.10 per share to all shareholders listed in the shareholder register maintained by Euroclear Finland Ltd on the reconciliation date of 15 March 2013. The dividend payment date was 22 March 2013.

The AGM granted the following authorisations to the Board

Authorisation of 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 13 March 2012 and is valid for 18 months – i.e. until 12 September 2014.

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 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 13 March 2012 and is valid for 18 months – i.e. until 12 September 2014.

Based on the authorisation received, the Board decided on 12 March 2013 to make a directed share issue of 33,326 to the company's management, in accordance with Section 4 of Chapter 9 of the Limited Liability Companies Act, as part of the payments related to the share-based incentive scheme for 2012.

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SHARE CAPITAL AND SHARES

On 31 December 2013, the number of Digia Plc shares totalled 20,875,645.

At the year-end, according to Finnish Central Securities Depository Ltd, Digia had 5,034 shareholders.

The 10 biggest shareholders were

Shareholder	Shares and votes
Ingman Group Oy Ab	19.6%
Jyrki Hallikainen	10.2%
Ilmarinen Mutual Pension Insurance Company	9.6%
Kari Karvinen	6.0%
Matti Savolainen	5.8%
NASDAQ OMXBS/Skandinaviska Enskilda Banken AB	4.6%
Varma Mutual Pension Insurance Company	3.6%
Nordea Bank Finland Plc (nominee-registered)	1.4%
Etola Oy	1.0%
Juha Varelius	0.9%

Distribution of holdings by number of shares held on 31 December 2013

Number of shares	Shareholders	Shares and votes
1 – 100	23.2%	0.4%
101 – 1,000	58.8%	6.4%
1,001 – 10,000	16.2%	10.4%
10,001 – 100,000	1.3%	9.7%
100,001 – 1,000,000	0.4%	21.9%
1,000,001 – 4,000,000	0.1%	51.2%

Shareholding by sector on 31 December 2013

	Shareholders	Shares
Non-financial corporations	4.2%	24.1%
Financial and insurance corporations	0.2%	2.5%
General government	0.1%	13.2%
Not-for-profit institutions serving households	0.3%	0.9%
Households	94.7%	51.8%
Rest of the world	0.6%	7.5%

Adjusted for share issues, the weighted average number of shares during the reporting period totalled 20,808,855. The number of outstanding shares came to 20,818,273 in total at the end of the review period.

The company held a total of 57,372 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 0.3 per cent of the capital stock as of 31 December 2013.

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 2.65 and the highest was EUR 4.34. The share officially closed at EUR 3.91 on the last trading day. The trade-weighted average was EUR 3.19. The Group’s market capitalisation totalled EUR 81,623,772 at the end of the period.

The company received the following flagging notifications during the reporting period

- Ilmarinen Mutual Pension Insurance Company announced on 22 February 2013 that its holding in the company had risen above the 5% flagging threshold, to 9.12% of all shares and votes in the company
- Pekka Päiviö Sivonen announced on 25 February 2013 that his holding in the company had fallen below the 5% flagging threshold, to 0.85% of the company's shares and votes

STOCK OPTION SCHEMES

Digia Plc had no outstanding options.

Helsinki, 7 February 2014

Digia Plc

Board of Directors

COMMUNICATIONS

Digia will hold a briefing on its Financial Statement for analysts on Friday 7 February 2014 at 11 am, in the Roba cabinet of Hotel Scandic Simonkenttä, Simonkatu 9, 00100 Helsinki, Finland. All are welcome.

FURTHER INFORMATION

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The financial statements and the related PowerPoint presentation will be available in the Investors section at www.digia.com from 11 am.

DISTRIBUTION

NASDAQ OMX Helsinki
Key media

ABBREVIATED FINANCIAL STATEMENTS AND ATTACHMENTS

Consolidated Income Statement
Consolidated Balance Sheet
Consolidated Cash Flow Statement
Consolidated Statement of Changes In Shareholders' Equity
Notes to the Accounts

The financial statements were prepared in compliance with IFRS and the IAS 34 standard.
These financial statements are unaudited.

CONSOLIDATED INCOME STATEMENT, EUR 1,000

EUR 1,000	10-12/2013	10-12/2012	Change, %	1-12/2013	1-12/2012	Change, %
NET SALES	26,781.8	25,451.2	5.2%	99,740.5	100,448.2	-0.7%
Other operating income	504.2	380.2	32.6%	1,542.7	1,090.4	41.5%
Materials and services	-3,033.5	-2,502.1	21.2%	-11,989.4	-9,194.4	30.4%
Depreciation, amortisation and impairment	-7,761.9	-886.3	775.7%	-9,977.0	-3,318.6	200.6%
Other operating expenses	-21,768.2	-22,198.5	-1.9%	-82,138.8	-82,141.3	0.0%
Operating profit	-5,277.6	244.4		-2,822.0	6,884.2	
Financial expenses (net)	-247.3	-265.2	-6.7%	-784.0	-1,280.9	-38.8%
Earnings before tax	-5,524.9	-20.8	26,489.0%	-3,605.9	5,603.3	
Income taxes	128.6	-103.9		-461.2	-1,579.0	-70.8%
NET PROFIT	-5,396.3	-124.7	4,228.1%	-4,067.1	4,024.3	
Other comprehensive income:						
Items which may subsequently be reclassified to profit or loss :						
Exchange differences on translation of foreign operations	-48.8	-274.7		-36.2	345.4	
TOTAL COMPREHENSIVE INCOME	-5,445.1	-399.4	1,263.4%	-4,103.3	4,369.7	
Distribution of net profit:						
Parent-company shareholders	-5,396.3	-124.7	4,228.1%	-4,067.1	4,024.3	
Minority interest	0.0	0.0		0.0	0.0	
Distribution of total comprehensive income:						
Parent-company shareholders	-5,445.1	-399.4	1,263.4%	-4,103.3	4,369.7	
Minority interest	0.0	0.0		0.0	0.0	
Earnings per share (EUR)	-0.26	-0.01		-0.20	0.19	
Earnings per share, diluted (EUR)	-0.26	-0.01		-0.20	0.19	

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CONSOLIDATED BALANCE SHEET, EUR 1,000

Assets	31/12/2013	31/12/2012	Change, %
Non-current assets			
Intangible assets	53,327.2	61,265.0	-13.0%
Tangible assets	1,986.0	2,152.3	-7.7%
Financial assets	627.0	627.0	0.0%
Inventories	0.6	25.3	-97.8%
Long-term receivables	64.6	69.5	-7.1%
Deferred tax assets	370.9	535.0	-30.7%
Total non-current assets	56,376.2	64,674.0	-12.8%
Current assets			
Current receivables	20,447.8	19,418.5	5.3%
Available-for-sale financial assets	324.0	318.7	1.7%
Cash and cash equivalents	6,129.8	7,964.5	-23.0%
Total current assets	26,901.7	27,701.7	-2.9%
Total assets	83,277.9	92,375.7	-9.8%
Shareholders' equity and liabilities	31/12/2013	31/12/2012	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	33,447.8	33,447.8	0.0%
Translation difference	517.6	553.8	-6.5%
Retained earnings	-9,028.6	-11,153.7	-19.1%
Net profit	-4,067.1	4,024.3	
Equity attributable to parent-company shareholders	36,060.6	42,063.1	-14.3%
Minority interest	0.0	0.0	
Total shareholders' equity	36,060.6	42,063.1	-14.3%
Liabilities			
Long-term interest-bearing liabilities	12,741.9	13,026.6	-2.2%
Received long-term advances	2,876.5	4,192.7	-31.4%
Other long-term liabilities	0.0	0.0	
Deferred tax liabilities	461.0	639.4	-27.9%
Total long-term liabilities	16,079.4	17,858.7	-10.0%
Short-term interest-bearing liabilities	4,140.9	6,822.5	-39.3%
Other short-term liabilities	26,996.9	25,631.4	5.3%
Total short-term liabilities	31,137.8	32,453.9	-4.1%
Total liabilities	47,217.3	50,312.6	-6.2%
Shareholders' equity and liabilities	83,277.9	92,375.7	-9.8%

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CONSOLIDATED CASH FLOW STATEMENT, EUR 1,000

	1/1/2013-31/12/2013	1/1/2012-31/12/2012
Cash flow from operations:		
Net profit	-4,067	4,024
Adjustments to net profit	8,162	8,176
Change in working capital	1,312	8,072
Interest paid	-571	-728
Interest income	0	7
Taxes paid	19	395
Net cash flow from operations	4,855	19,946
Cash flow from investments:		
Purchases of tangible and intangible assets	-1,602	-16,210
Cash flow from investments	-1,602	-16,210
Cash flow from financing:		
Proceeds from share issue	0	0
Acquisition of own shares	0	0
Repayment of current loans	-11,500	-5,544
Repayments of non-current loans	-9,500	0
Withdrawals of current loans	6,000	500
Withdrawals of non-current loans	12,000	3,500
Dividends paid and other profit distribution	-2,082	-2,078
Cash flow from financing	-5,082	-3,623
Change in liquid assets	-1,829	113
Liquid assets at beginning of period	8,283	8,170
Change in fair value		
Change in liquid assets	-1,829	113
Liquid assets at end of period	6,454	8,283

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

	a	b	c	d	e	f	g	h
Shareholders' equity, 1 January 2012	2,088	0	7,899	35,525	5,204	208	-11,172	39,753
Net profit							4,024	4,024
Other comprehensive income						345		345
Repayment of capital				-2,077				-2,077
Share-based payments recognised against equity							33	33
Other items							-15	-15
Shareholders' equity, 31 December 2012	2,088	0	7,899	33,448	5,204	554	-7,129	42,063
	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							-4,067	-4,067
Other comprehensive income						-36		-36
Dividends							-2,082	-2,082
Share-based payments recognised against equity							183	183
Shareholders' equity, 31 December 2013	2,088	0	7,899	33,448	5,204	518	-13,096	36,061

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 Financial Statement has been drafted in line with IFRS. In other respects, the same accounting principles have been applied as in the 2012 Financial Statements. The accounting principles and formulas for the calculation of key figures and ratios are unchanged and are presented in the 2012 Financial Statements.

Seasonal nature of business
The Group's business is affected by the number of workdays each month, as well as by holiday seasons.

Dividends paid
Dividends paid during the reporting period totalled EUR 2,081,827.30.

Events after the reporting period
In a board meeting of 6 February 2014, the board of Digia decided that from the beginning of 2014 the company will report its figures according to two business segments, which are Qt and Domestic.

The Qt segment comprises the company's international Qt software operations. The Domestic segment covers all of the company's other operations in Finland and Sweden.

A separate stock exchange release on this decision was published today, 7 February 2014.

In January the company made a distribution agreement with a Korean partner to increase Qt sales in South Korea.

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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.

Consolidated income statement by quarter

EUR 1,000	10-12/2013	7-9/2013	4-6/2013	1-3/2013	10-12/2012
Net sales	26,781.8	21,435.2	28,010.6	23,512.9	25,451.2
Other operating income	504.2	305.9	441.0	291.7	380.2
Materials and services	-3,033.5	-1,871.3	-4,772.7	-2,311.8	-2,502.1
Depreciation, amortisation and impairment	-7,761.9	-708.5	-775.0	-731.5	-886.3
Other operating expenses	-21,768.2	-18,163.8	-20,972.8	-21,234.0	-22,198.5
Operating profit	-5,277.6	997.4	1,931.0	-472.8	244.4
Financial expenses (net)	-247.3	-264.9	-4.3	-267.5	-265.2
Earnings before tax	-5,524.9	732.5	1,926.8	-740.2	-20.8
Income taxes	128.6	-278.2	-580.2	268.6	-103.9
Net profit	-5,396.3	454.3	1,346.5	-471.7	-124.7
Allocation:					
Parent-company shareholders	-5,396.3	454.3	1,346.5	-471.7	-124.7
Minority interest	0.0	0.0	0.0	0.0	0.0
Earnings per share (EUR)	-0.26	0.02	0.04	-0.02	-0.01
Earnings per share, diluted (EUR)	-0.26	0.02	0.04	-0.02	-0.01

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Group key figures and ratios

EUR 1,000	1-12/2013	1-12/2012
Extent of business:		
Net sales	99,740	100,448
- change from previous year	-0.7%	-17.6%
Average capital invested	57,428	61,768
Personnel at period end	938	982
Average number of personnel	939	1,025
Profitability:		
Operating profit before extraordinary items and impairment	4,549	8,154
- % of net sales	4.6%	8.2%
Operating profit	-2,822	6,884
- % of net sales	-2.8%	6.9%
Earnings before tax	-3,606	5,603
- % of net sales	-3.6%	5.6%
Net profit	-4,067	4,024
% of net sales	-4.1%	4.0%
Return on equity, %	-10.4%	9.8%
Return on investment, %	-4.4%	11.3%
Financing and financial standing:		
Interest-bearing liabilities	16,883	19,849
Short-term investments & cash and bank receivables	6,454	8,283
Net gearing	28.9%	27.5%
Equity ratio	49.9%	52.6%
Net cash flow from operations	4,855	20,251
Earnings per share, undiluted (EUR)	-0.20	0.19
Earnings per share, diluted (EUR)	-0.20	0.19
Equity/share (EUR)	1.73	2.01
Lowest share trading price (EUR)	2.65	2.28
Highest share trading price (EUR)	4.34	3.30
Average share price (EUR)	3.19	2.82
Market capitalisation	81,624	54,694

Formulae for key figures and ratios are presented in the 2012 financial statements. These remained unchanged during the reporting period.

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