

Digia's second quarter 2013: A significant rise in net sales and operating profit

Summary

January-June

- Consolidated net sales: EUR 51.5 (50.6) million, up 1.9 per cent
- Consolidated operating profit: EUR 1.5 million (1-6/2012: EUR 2.7 before extraordinary items and EUR 2.1 million after extraordinary items)
- Profitability (EBIT%): 2.8 per cent (1-6/2012: 5.3 per cent before extraordinary items and 4.1 per cent after extraordinary items)
- Product business accounted for 42.6 (29.9) per cent
- Per share: EUR 0.02 (1-6/2012: EUR 0.08 before extraordinary items and EUR 0.05 after extraordinary items)

April-June

- Consolidated net sales: EUR 28.0 (24.5) million, up 14.4 per cent
- Consolidated operating profit: EUR 1.9 million (Q2/2012: EUR 1.3 before extraordinary items and EUR 0.7 million after extraordinary items)
- Profitability (EBIT%): 6.9 per cent (Q2/2012: 5.1 per cent before extraordinary items and 2.8 per cent after extraordinary items)
- Product business accounted for 46.9 (33.1) per cent
- Earnings per share: EUR 0.04 (Q2/2012: EUR 0.04 before extraordinary items and EUR 0.01 after extraordinary items)

The company's net sales grew slightly during the review period, and showed major year-on-year improvement in the second quarter. Positive net sales development was primarily attributed to the increased net sales in Qt business and the EUR 2.4 million low-margin maintenance deal concluded in the second quarter for a third-party software product. However, the previous year's comparison figures included EUR 3.4 million worth of net sales from the mobile contract engineering operations, which the company no longer has as the business was discontinued at the end of 2012.

Investments in international business strained the business cost structure, especially at the beginning of the review period, explaining the decrease in operating profit from the same period a year earlier. Nevertheless, performance improved towards the year-end and both operating profit and profitability showed a clear improvement in the second quarter compared with last year.

The Qt business performed well during the period, with net sales showing marked growth from the same period a year earlier. Demand and bid volumes were at a healthy level. Positive development continued in the large global customer base, which offered new business opportunities.

The company expects net sales from the Qt business to continue growing, thereby maintaining healthy operational profitability. However, net sales growth in the second half of 2013 is expected to be more moderate than in the same period last year. This is because Digia concluded a business transaction with Nokia in the third quarter last year, which contributed to exceptionally active licence sales and had a tremendous impact – EUR 3.8 million – on the quarter's net sales.

Digia expects its overall net sales in 2013 to remain at the previous year's level or to grow slightly. Profitability is expected to show a positive development towards the end of the financial period.

GROUP KEY FIGURES AND RATIOS

	4-6/2013	4-6/2012	Change, %	1-6/2013	1-6/2012	Change, %	2012
Net sales	28,011	24,493	14.4%	51,523	50,558	1.9%	100,448
Operating profit before extraordinary items	1,931	1,256	53.8%	1,458	2,674	-45.5%	8,196
- % of net sales	6.9%	5.1%		2.8%	5.3%		8.2%
EBIT	1,931	676	185.5%	1,458	2,095	-30.4%	6,884
- % of net sales	6.9%	2.8%		2.8%	4.1%		6.9%
Net profit	1,347	280	381.4%	875	1,077	-18.8%	4,024
- % of net sales	4.8%	1.1%		1.7%	2.1%		4.0%
Return on equity, %	16.0%	2.9%		2.9%	5.5%		9.8%
Return on capital invested, %	14.7%	5.1%		5.8%	7.4%		11.3%
Interest-bearing liabilities	19,383	18,407	5.3%	19,383	18,407	5.3%	19,849
Cash and cash equivalents	6,948	8,375	-17.0%	6,948	8,375	-17.0%	8,283
Net gearing	30.3%	25.5%		30.3%	25.5%		27.5%
Equity ratio, %	49.9%	50.9%		49.9%	50.9%		52.6%
Earnings per share, EUR, undiluted	0.04	0.01		0.02	0.05		0.19
Earnings per share, EUR, diluted	0.04	0.01		0.02	0.05		0.19

MARKETS AND DIGIA'S BUSINESS OPERATIONS

Caution arising from the global economic situation occasionally lengthened customers' decision-making processes and delayed the start of new projects. Furthermore, continuing cost pressures reflected on procurement decisions and demand, particularly in the Solutions and Services business.

The Integration and Site Optimization business developed favourably and even exceeded expectations thanks to new customer relationships and existing key accounts.

Demand for ERP systems and operational systems was healthy during the period, although there were marked differences between different sectors. At the same time, however, customers continued to exercise caution in their purchasing behaviour, and sales cycles were still long. Order and bid volumes remained at a healthy level.

The Qt business performed well during the period, with net sales showing marked growth from the same period a year earlier. Demand and bid volumes were at a healthy level. Positive development continued in the large global customer base, which offered new business opportunities. Several long-term licence agreements were signed during the period, with the five-year agreement worth EUR 3.0 million signed in the second quarter providing a particular growth driver. The agreement increased net sales in the review period and in the second quarter by EUR 1.3 million. Business development has been positive in all main markets, particularly in the United States and China.

The low profitability of the Qt business, especially at the beginning of the period, could be expected as the acquisition made in Q3 2012 strained the cost structure of the business. However, profitability improved as expected during the course of the review period, and was excellent in the second quarter. Business has been strongly focused on licence sales, which explains why product business was able to exceed its 75% target level in net sales. Product business grew faster than the consulting services business. The renewal rate for expiring maintenance agreements was also very high.

During the period, Digia proceeded with previously reported plans related to Qt product development and operational focus areas. The Qt 5.1 product version released during the period will enable application development for the popular Android and iOS operating systems. New Qt releases have been well received in the market. Business development was another major focus area. In response to active demand, the sales organisations in the United States, Germany and China have been reorganised and strengthened. In June, Digia organised a major event for software developers in Beijing. The event was very popular, reflecting favourable market conditions, and received plenty of media coverage in the local technology magazines. Digia has also opened a Qt sales office in Shanghai.

In Digia's Russian unit, business operations focused on providing analytics solutions for local customers within the retail value chain. The unit failed to reach its net sales and profitability targets for the period. Besides offering services locally, the Russian unit also supports Qt sales and Finnish operations by providing near shore services, particularly within ERP system solutions.

NET SALES

Digia's consolidated net sales for the period were EUR 51.5 (50.6) million, showing an increase of 1.9 per cent on the same period a year earlier.

The positive net sales development can be attributed particularly to the net sales growth generated by the Qt business. In addition, the EUR 2.4 million low-margin maintenance deal for a third-party software product concluded in the second quarter boosted net sales. However, the previous year's comparison figures include EUR 3.4 million worth of net sales from the mobile contract engineering operations, which the company no longer has as the business was discontinued at the end of 2012.

During the reporting period, the product business accounted for EUR 21.9 (15.1) million or 42.6 (29.9) per cent of consolidated net sales.

International operations accounted for EUR 10.8 (10.6) million or 20.9 (21.0) per cent of consolidated net sales. During the reporting period, the Qt business accounted for EUR 9.7 (7.0) million of consolidated net sales.

Digia's consolidated net sales for the second quarter were EUR 28.0 (24.5) million, up 14.4 per cent on the same period last year.

In the second quarter, product business accounted for EUR 13.1 (8.1) million of consolidated net sales, or 46.9 (33.1) per cent.

International operations accounted for EUR 6.4 (5.4) million of consolidated net sales in the second quarter, or 22.8 (22.2) per cent. The Qt business accounted for EUR 5.9 (3.7) million of consolidated net sales in the second quarter.

PROFIT PERFORMANCE AND PROFITABILITY

Digia's consolidated operating profit in the period was EUR 1.5 million (1-6/2012 EUR 2.7 million before extraordinary items), representing a year-on-year decrease of 45.5 per cent. Profitability (EBIT %) was 2.8 (5.3) per cent. A year earlier, operating profit after extraordinary items was EUR 2.1 million and profitability (EBIT%) was 4.1 per cent.

Digia's consolidated second-quarter operating profit was EUR 1.9 million (Q2/2012 EUR 1.3 million before extraordinary items); an increase of 53.8 per cent from the same time last year. Profitability (EBIT %) was 6.9 (5.1) per cent. In Q2 of 2012, operating profit after extraordinary items was EUR 0.7 million and profitability (EBIT%) was 2.8 per cent.

Investments in international business strained the business cost structure, especially at the beginning of the review period.

Consolidated earnings before tax for the period totalled EUR 1.2 (1.5) million, and net profit was EUR 0.9 (1.1) million. Consolidated earnings before tax for the second quarter amounted to EUR 1.9 (0.4) million, and net profit after taxes totalled EUR 1.3 (0.3) million.

Consolidated earnings per share were EUR 0.02 (1-6/2012: EUR 0.08 before extraordinary items and EUR 0.05 after extraordinary items). Consolidated earnings per share in the second quarter were EUR 0.04 (1-6/2012: EUR 0.04 before extraordinary items and EUR 0.01 after extraordinary items).

The Group's net financial expenses for the reporting period were EUR 0.3 (0.6) million and for the second quarter EUR 0.0 (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 95.2 million (12/2012: EUR 92.4 million) and the equity ratio was 49.9 (12/2012: 52.6) per cent. Net gearing was 30.3 per cent (12/2012: 27.5 cent). Cash and cash equivalents at the end of the period totalled EUR 6.9 (12/2012: 8.3) million.

Interest-bearing liabilities amounted to EUR 19.4 (12/2012: 19.8) million at the period end. These consisted of EUR 18.5 million in loans from financial institutions and EUR 0.9 million in financial leasing liabilities.

The Group's cash flow from operations for the period was positive by EUR 0.9 (6.5) million, cash flow from investments was negative by EUR 0.1 (1.2) million, and cash flow from financing was negative by EUR 2.1 (5.1) million. Cash flow from finance was negatively affected by the payment of dividends totalling EUR 2.1 million in the reporting period.

The Group has made no material investments in fixed assets during the review period (1-6/2012: EUR 0.3 million).

Return on investment (ROI) for the period was 5.8 (7.4) per cent, and return on equity (ROE) was 2.9 (5.5) per cent.

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

The table 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
Group total	9,075	745	51,105	6,930	67,110

Present values were calculated for the forecast period based on the following assumptions: Net sales and operating profit for the first two quarters of the forecast period according to the confirmed figures for the latest two quarters, and for the following two quarters according to budget. After this, annual growth in net sales of 3.0 per cent and in operating profit of 10.0 per cent, and a pre-tax discount rate of 9.4 per cent. Cash flows after the forecast period were estimated by means of cash-flow extrapolation, applying the assumptions given above.

According to a completed sensitivity analysis, the goodwill requires either net sales to remain at the current level with profitability of 5.6 per cent, or a 3.0 per cent growth in net sales with profitability of 3.1 per cent. The management sees no risk of goodwill impairment.

PERSONNEL, MANAGEMENT AND ADMINISTRATION

At the end of the period, the total number of Group personnel was 936, representing a decrease of 46 employees or 4.7 per cent since the end of 2012 (982). During the reporting period the number of employees averaged 941, a decrease of 84 employees or 8.2 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, 177 (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

The company's short-term business risks and uncertainties were described in the 2012 Financial Statements. These are unchanged.

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

FUTURE PROSPECTS

The company is focusing heavily on paving the way for growth. Besides organic growth, the company will actively pursue opportunities to make carefully considered business acquisitions that support its strategy.

The company expects the IT market in Finland to remain at roughly the previous year's level in 2013.

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, operational systems and integration services to remain good, although increased caution on the customer side and lengthening sales cycles may have an effect on future order intake.

Customers' cost pressures and the resulting prudence are expected to affect the demand for customer-specific solutions and services, particularly where major projects are concerned.

Strategy for the Russian business will be specified in more detail in the second half of 2013. The Chinese unit will focus on Qt licence sales and supporting service.

Net sales from the Qt business are expected to continue growing, thereby maintaining healthy operational profitability. However, net sales growth in the second half of 2013 is expected to be more moderate than in the same period last year. This is because Digia concluded a business transaction with Nokia in the third quarter last year, which contributed to exceptionally active licence sales and had a tremendous impact – EUR 3.8 million – on the quarter's net sales.

Digia will continue to make determined investments in its Qt business and technology development in the second half. Efforts will also be made to build up the company sales network, particularly in Asia. Digia plans to release new products supporting the Qt business during the second half. Bid volume is good considering the time and the overall market conditions. Digia expects the increase in demand seen in the major customer markets to continue. In these markets, contract turnaround times are very long, typically around 6–18 months, which can cause significant fluctuation in quarterly net sales and particularly profitability.

Digia expects its overall net sales in 2013 to remain on the previous year's level or to grow slightly. Profitability is expected to show a positive development towards the end of the financial period.

OTHER EVENTS DURING THE REVIEW PERIOD

Digia Plc's Annual General Meeting (AGM) was held on 12 March 2013. The AGM adopted the financial statements for 2012, released the Board members and the CEO from liability, determined Board emoluments, resolved to keep the number of Board members at 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 not 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 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, at a maximum, 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.

SHARE CAPITAL AND SHARES

On 30 June 2013, 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 5,377 shareholders.

The 10 biggest shareholders were

Shareholder	Shares and votes
Ingman Group Oy Ab	19.3%
Jyrki Hallikainen	10.2%
Ilmarinen Mutual Pension Insurance Company	9.1%
Kari Karvinen	6.3%
Matti Savolainen	6.1%
NASDAQ OMXBS/Skandinaviska Enskilda Banken AB	3.9%
Varma Mutual Pension Insurance Company	3.6%
Nordea Bank Finland Plc (nominee-registered)	2.3%
Etola Oy	1.0%
Juha Varelius	0.9%

Distribution of holdings by number of shares held on 30 June 2013

Number of shares	Shareholders	Shares and votes
1 – 100	22.4%	0.4%
101 – 1,000	59.1%	6.9%
1,001 – 10,000	16.9%	11.6%
10,001 – 100,000	1.1%	9.2%
100,001 – 1,000,000	0.4%	21.0%
1,000,001 – 4,000,000	0.1%	51.0%

Shareholding by sector on 30 June 2013

	Shareholders	Shares
Non-financial corporations	4.2%	23.7%
Financial and insurance corporations	0.2%	1.8%
General government	0.1%	12.8%
Not-for-profit institutions serving households	0.2%	0.4%
Households	94.8%	53.6%
Foreign holding	0.5%	7.7%

The weighted average number of shares during the reporting period, adjusted for share issues, was 20,779,281. The number of outstanding shares was 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 30 June 2013.

REPORTED SHARE PERFORMANCE ON THE HELSINKI STOCK EXCHANGE

Digia Plc shares are listed on the Nordic Exchange under 'Information Technology IT Services'. The company's short name is DIG1V. The lowest reported share quotation was EUR 2.65 and the highest was EUR 3.40. The share officially closed at EUR 3.00 on the last trading day. The trade-weighted average was EUR 3.02. The Group's market capitalisation totalled EUR 62,626,935 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, 13 August 2013

Digia Plc

Board of Directors

COMMUNICATIONS

Digia will hold a briefing on its Interim Report for analysts on Tuesday 13 August 2013 at 11 am, at WTC Sodexo's Marski cabinet, at World Trade Center, Aleksanterinkatu 17, 00100 Helsinki, Finland. All are welcome.

FURTHER INFORMATION

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The Interim Report and presentation thereof will be available at the company's website at www.digia.com in the Investors section, 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 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	4-6/2013	4-6/2012	Change, %	1-6/2013	1-6/2012	Change, %	2012
NET SALES	28,010.6	24,493.4	14.4%	51,523.5	50,557.8	1.9%	100,448.2
Other operating income	441.0	251.6	75.3%	732.7	453.8	61.5%	1,090.4
Materials and services	-4,772.7	-2,184.9	118.4%	-7,084.5	-4,729.2	49.8%	-9,194.4
Depreciation, amortisation and impairment	-775.0	-697.5	11.1%	-1,506.6	-1,345.5	12.0%	-3,318.6
Other operating expenses	-20,972.8	-21,186.2	-1.0%	-42,206.8	-42,842.0	-1.5%	-82,141.3
EBIT	1,931.0	676.4	185.5%	1,458.2	2,094.9	-30.4%	6,884.2
Financial expenses (net)	-4.3	-289.1	-98.5%	-271.7	-636.8	-57.3%	-1,280.9
Earnings before tax	1,926.8	387.3	397.5%	1,186.5	1,458.1	-18.6%	5,603.3
Income taxes	-580.2	-107.6	439.4%	-311.6	-380.7	-18.1%	-1,579.0
NET PROFIT	1,346.5	279.7	381.4%	874.9	1,077.4	-18.8%	4,024.3
Other comprehensive income:							
Items which may be reclassified subsequently to profit or loss:							
Exchange differences on translation of foreign operations	-317.7	192.3		-201.3	317.4		345.4
TOTAL COMPREHENSIVE INCOME	1,028.8	472.0	118.0%	673.5	1,394.8	-51.7%	4,369.7
Distribution of net profit:							
Parent-company shareholders	1,346.5	279.7	381.4%	874.9	1,077.4	-18.8%	4,024.3
Minority interest	0.0	0.0		0.0	0.0		0.0
Distribution of total comprehensive income:							
Parent-company shareholders	1,028.8	472.0	118.0%	673.5	1,394.8	-51.7%	4,369.7
Minority interest	0.0	0.0		0.0	0.0		0.0
Earnings per share, EUR	0.04	0.01		0.02	0.05		0.19
Earnings per share (diluted), EUR	0.04	0.01		0.02	0.05		0.19

CONSOLIDATED BALANCE SHEET, EUR 1,000

Assets	30 June 2013	31 December 2012	Change, %
Non-current assets			
Intangible assets	60,475.3	61,265.0	-1.3%
Tangible assets	1,529.8	2,152.3	-28.9%
Financial assets	627.0	627.0	0.0%
Inventories	1.2	25.3	-95.3%
Long-term receivables	69.5	69.5	0.0%
Deferred tax assets	430.1	535.0	-19.6%
Total non-current assets	63,132.9	64,674.0	-2.4%
Current assets			
Current receivables	25,099.2	19,418.5	29.3%
Available-for-sale financial assets	321.3	318.7	0.8%
Cash and cash equivalents	6,626.4	7,964.5	-16.8%
Total current assets	32,046.9	27,701.7	15.7%
Total assets	95,179.8	92,375.7	3.0%
Shareholders' equity and liabilities	30 June 2013	31 December 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	352.5	553.8	-36.4%
Retained earnings	-8,845.9	-11,153.7	-20.7%
Net profit	874.9	4,024.3	-78.3%
Equity attributable to parent-company shareholders	41,020.2	42,063.1	-2.5%
Minority interest	0.0	0.0	
Total shareholders' equity	41,020.2	42,063.1	-2.5%
Liabilities			
Long-term interest-bearing liabilities	9,767.3	13,026.6	-25.0%
Received long-term advances	4,312.9	4,192.7	2.9%
Other long-term liabilities	0.0	0.0	
Deferred tax liabilities	696.7	639.4	9.0%
Total long-term liabilities	14,776.9	17,858.7	-17.3%
Short-term interest-bearing liabilities	9,615.4	6,822.5	40.9%
Other short-term liabilities	29,767.3	25,631.4	16.1%
Total short-term liabilities	39,382.7	32,453.9	21.3%
Total liabilities	54,159.6	50,312.6	7.6%
Shareholders' equity and liabilities	95,179.8	92,375.7	3.0%

CONSOLIDATED CASH FLOW STATEMENT, EUR 1,000

	1/1/2013- 30/6/2013	1/1/2012- 30/6/2012	1/1/2013- 31/12/2013
Cash flow from operations:			
Net profit	875	1,077	4,024
Adjustments to net profit	-297	3,830	8,176
Change in working capital	18	1,226	8,072
Interest paid	-222	-358	-728
Interest income	0	2	7
Taxes paid	496	713	395
Net cash flow from operations	871	6,490	19,946
Cash flow from investments:			
Purchases of tangible and intangible assets	-124	-1,163	-16,210
Cash flow from investments	-124	-1,163	-16,210
Cash flow from financing:			
Proceeds from share issue	0	0	0
Acquisition of own shares	0	0	0
Repayment of current loans	-3,000	-3,044	-5,544
Repayments of non-current loans	0	0	0
Withdrawals of current loans	3,000	0	500
Withdrawals of non-current loans	0	0	3,500
Dividends paid and other profit distribution	-2,082	-2,078	-2,078
Cash flow from financing	-2,082	-5,123	-3,623
Change in liquid assets	-1,336	205	113
Liquid assets at beginning of period	8,283	8,170	8,170
Change in fair value			
Change in liquid assets	-1,336	205	113
Liquid assets at end of period	6,948	8,374	8,283

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							1,077	1,077
Other comprehensive income						317		317
Repayment of capital				-2,077				-2,077
Share-based payments recognised against equity							219	219
SHAREHOLDERS' EQUITY, 30 June 2012	2,088	0	7,899	33,448	5,204	526	-9,875	39,289
	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							875	875
Other comprehensive income						-201		-201
Distribution of dividends							-2,082	-2,082
Share-based payments recognised against equity							365	365
SHAREHOLDERS' EQUITY, 30 June 2013	2,088	0	7,899	33,448	5,204	353	-7,971	41,020

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. Otherwise, the the same accounting principles have been applied as in the 2012 financial statements. The accounting principles and formulae 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.

Related-party transactions

Digia Group's related parties include the CEO and the members of the Board of Directors 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	4-6/2013	1-3/2013	10-12/2012	7-9/2012	4-6/2012
Net sales	28,010.6	23,512.9	25,451.2	24,439.2	24,493.4
Other operating income	441.0	291.7	380.2	256.4	251.6
Materials and services	-4,772.7	-2,311.8	-2,502.1	-1,963.1	-2,184.9
Depreciation, amortisation and impairment	-775.0	-731.5	-886.3	-1,086.8	-697.5
Other operating expenses	-20,972.8	-21,234.0	-22,198.5	-17,100.8	-21,186.2
EBIT	1,931.0	-472.8	244.4	4,544.9	676.4
Financial expenses (net)	-4.3	-267.5	-265.2	-378.9	-289.1
Earnings before tax	1,926.8	-740.2	-20.8	4,166.0	387.3
Income taxes	-580.2	268.6	-103.9	-1,094.4	-107.6
Net profit	1,346.5	-471.7	-124.7	3,071.6	279.7
Allocation:					
Parent-company shareholders	1,346.5	-471.7	-124.7	3,071.6	279.7
Minority interest	0.0	0.0	0.0	0.0	0.0
Earnings per share, EUR	0.04	-0.02	-0.01	0.15	0.01
Earnings per share (diluted), EUR	0.04	-0.02	-0.01	0.15	0.01

Group key figures and ratios

EUR 1,000	1-6/2013	1-6/2012	2012
Extent of business:			
Net sales	51,523	50,558	100,448
- change from previous year	1.9%	-23.1%	-17.6%
Average capital invested	61,158	59,660	61,768
Personnel at period end	936	997	982
Average number of personnel	941	1,045	1,025
Profitability:			
Operating profit before extraordinary items and impairment	1,458	2,674	8,196
- % of net sales	2.8%	5.3%	8.2%
EBIT	1,458	2,095	6,884
- % of net sales	2.8%	4.1%	6.9%
Earnings before tax	1,187	1,458	5,603
- % of net sales	2.3%	2.9%	5.6%
Net profit	875	1,077	4,024
% of net sales	1.7%	2.1%	4.0%
Return on equity, %	2.9%	5.5%	9.8%
Return on investment, %	5.8%	7.4%	11.3%
Financing and financial standing:			
Interest-bearing liabilities	19,383	18,407	19,849
Short-term investments & cash and bank receivables	6,948	8,375	8,283
Net gearing	30.3%	25.5%	27.5%
Equity ratio	49.9%	50.9%	52.6%
Net cash flow from operations	871	6,490	19,946
Earnings per share, undiluted (EUR)	0.02	0.05	0.19
Earnings per share, diluted (EUR)	0.02	0.05	0.19
Equity/share, EUR	1.96	1.88	2.01
Lowest share trading price, EUR	2.65	2.28	2.28
Highest share trading price, EUR	3.40	3.30	3.30
Average share price, EUR	3.02	2.92	2.82
Market capitalisation	62,627	49,058	54,694

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