

## **DIGIA'S SECOND QUARTER 2014: NET SALES AND OPERATING PROFIT FELL, OPERATING PROFIT FROM DOMESTIC OPERATIONS SHOWED MARKED IMPROVEMENT**

### **Summary**

#### **January-June**

- Consolidated net sales: EUR 48.5 (51.5) million, down 6.0 per cent
- Operating profit EUR 1.1 (1.5) million
- Profitability (EBIT%) 2.4 (2.8) per cent
- Product business accounted for 41.0 (42.6) per cent
- Earnings per share: EUR 0.03 (0.02)

#### **April-June**

- Consolidated net sales: EUR 24.5 (28.0) million, down 12.5 per cent
- Operating profit EUR 1.4 (1.9) million
- Profitability (EBIT%) 5.8 (6.9) per cent
- Product business accounted for 41.4 (46.9) per cent
- Earnings per share: EUR 0.05 (0.04)

Consolidated net sales and operating profit fell from the previous year's comparison figures. Net sales decreased in both segments. The decrease can be primarily attributed to exceptional net sales items included in previous year's comparison figures, which did not exist in the reporting period.

In addition, last year's comparison figures for domestic business included a one-off EUR 2.4 million low-margin maintenance deal for a third-party software product. Excluding the impact of this deal, net sales from domestic business in the second quarter were at the previous year's level.

In the Qt business, the net sales recorded in the reporting period generated by the five-year deal worth EUR 3.0 million signed in Q2 last year were EUR 1.1 million lower than in the corresponding period a year earlier. Excluding the impact of this exceptional deal, Qt net sales grew by 10.0 per cent, even though prolonged negotiations on a number of major new deals have held back growth.

In domestic business, operating profit rose significantly both in the reporting period and in the second quarter. Meanwhile, Qt business recorded a loss as expected, and as a result the company's net sales fell from previous year's comparison figures. However, losses from the Qt business shrank towards the end of the review period.

Overall, Digia expects demand to remain good in all domestic business areas and the net sales from operations and profitability to remain at least at a reasonable level. The general market uncertainty may, however, reflect on the company's order book and bid volume development.

Digia expects the Qt business to generate more net sales in 2014 than in the previous year. Investments made to secure this growth will continue to burden profitability development.

Overall, Digia expects its net sales to slightly fall short of the previous year's level. Investments in Qt business growth are expected to stall the company's overall profitability development.

## GROUP KEY FIGURES AND RATIOS

	4-6/2014	4-6/2013	Change, %	1-6/2014	1-6/2013	Change, %
Net sales	24,497	28,011	-12.5%	48,455	51,523	-6.0%
Operating profit before extraordinary items	1,425	1,931	-26.2%	1,144	1,458	-21.5%
- % of net sales	5.8%	6.9%		2.4%	2.8%	
Operating profit	1,425	1,931	-26.2%	1,144	1,458	-21.5%
- % of net sales	5.8%	6.9%		2.4%	2.8%	
Net profit	1,029	1,347	-23.6%	698	875	-20.2%
- % of net sales	4.2%	4.8%		1.4%	1.7%	
Return on equity, %	12.1%	16.0%		4.0%	2.9%	
Return on capital invested, %	12.3%	14.7%		5.2%	5.8%	
Interest-bearing liabilities	17,759	19,383	-8.4%	17,759	19,383	-8.4%
Cash and cash equivalents	4,202	6,948	-39.5%	4,202	6,948	-39.5%
Net gearing	39.2%	30.3%		39.2%	30.3%	
Equity ratio, %	48.8%	49.9%		48.8%	49.9%	
Earnings per share, EUR, undiluted	0.05	0.04		0.03	0.02	
Earnings per share, EUR, diluted	0.05	0.04		0.03	0.02	

## MARKETS AND DIGIA'S BUSINESS OPERATIONS

### Domestic Segment

The general economic conditions are making companies increasingly cautious; this continues to translate into prolonged decision-making and growing cost pressure in the competitive bidding procedures.

The Integration, Analytics and Site Optimization business showed positive overall development during the reporting period, with performance improving notably towards the period end.

Similarly, demand for ERP systems was healthy, although there were significant differences in demand between sectors. Despite long sales cycles, the order book and bid volumes remained healthy.

Market uncertainty was most clearly reflected in the business for tailored solutions and services, where the customers' cost pressure is eroding business profitability significantly. Despite a slight improvement towards the end of the reporting period, profitability remained weak. Demand for services has remained relatively good, but with marked differences between sectors.

## Qt Segment

Qt business failed to reach its net sales targets for the reporting period, with development being particularly disappointing in the second quarter. Key factors contributing to poor net sales performance included prolonged negotiations concerning major deals.

The Qt business recorded a loss for the reporting period. This could be attributed to weaker-than-expected net sales development and to the company's determined and strong investments in business development to enable future growth.

The Qt user ecosystem has seen powerful growth, with version 5.2 having been downloaded more than one million times since its launch in December 2013. The new version Qt 5.3 launched in May 2014 contains significant improvements to mobile offering, and a new version for creating embedded systems. During the first two months the new Qt version has been downloaded with record-breaking pace over 500 000 times. Feedback from users has been extremely positive.

During the period, Digia continued to implement the previously reported Qt product development plans. The Qt online store offering and the retail network in Taiwan were expanded. Steps were also taken to reorganise sales to major customers and European sales. Special attention has been paid to sales development, with several projects designed to generate net sales growth currently in progress.

## NET SALES

Digia's consolidated net sales for the reporting period totalled EUR 48.5 (51.5) million, down 6.0 per cent on the same period in 2013.

Net sales from the domestic segment decreased by 6.7 per cent to EUR 38.8 (41.7) million. Net sales from the Qt segment amounted to EUR 9.6 (9.9) million, showing a decrease of 2.6 per cent.

In the domestic business, the net sales decline could be primarily attributed to the fact that last year's comparison figures included a one-off EUR 2.4 million low-margin maintenance deal for a third-party software product. Excluding the impact of this deal, net sales from domestic business in the second quarter were at the previous year's level. Furthermore, local business operations in Russia were discontinued in 2013 and therefore generated no net sales during the reporting period. In domestic business, investments aimed at future net sales growth were made which have a negative impact on net sales performance in the reporting period.

Similarly, the net sales decline in the Qt business could be attributed to an exceptional net sales item included in last year's comparison figures. Net sales recorded in the review period generated by a five-year deal worth EUR 3.0 million signed in Q2 last year were EUR 1.1 million lower than in the corresponding period a year earlier. Excluding the impact of this exceptional deal, net sales from Qt business grew by 10.0 per cent, even though prolonged negotiations on a number of major new deals have held back growth.

During the reporting period, the product business accounted for EUR 19.8 million (1-6/2013: EUR 21.9 million), or 41.0 (42.6) per cent of consolidated net sales.

International operations accounted for EUR 9.5 million (1-6/2013: EUR 10.8 million), or 19.5 (20.9) per cent of consolidated net sales during the reporting period.

Digia's consolidated net sales for the second quarter were EUR 24.5 (28.0) million, down 12.5 per cent on the same period a year earlier.

In the second quarter, net sales from the domestic segment decreased by 11.0 per cent to EUR 19.7 (22.1) million, while net sales from the Qt business decreased by 18.3 per cent to EUR 4.8 (5.9) million.

In the second quarter, product business accounted for EUR 10.1 (13.1) million or 41.4 (46.9) per cent of consolidated net sales.

International operations accounted for EUR 4.7 (6.4) million, or 19.2 (22.8) per cent of consolidated net sales in the second quarter.

## **PROFIT PERFORMANCE AND PROFITABILITY**

Digia's consolidated operating profit for the reporting period was EUR 1.1 (1.5) million, down 21.5 per cent from the same period a year earlier. Profitability (EBIT %) was 2.4 (2.8) per cent.

Digia's consolidated operating profit for the second quarter was EUR 1.4 (1.9) million, down 26.2 per cent on the same period a year earlier. Profitability (EBIT %) was 5.8 (6.9) per cent.

Operating profit from domestic operations for the reporting period totalled EUR 2.4 (1.6) million, up 48.6 per cent, and the segment's profitability (EBIT%) was 5.8 (3.9) per cent. Operating profit from domestic operations in the second quarter amounted to EUR 1.8 (1.2) million, up 50.2 per cent, and the profitability (EBIT%) was 9.0 (5.3) per cent.

Operating profit in the Qt business fell by 653.7 per cent to EUR -1.3 (-0.2) million, while profitability (EBIT %) was -12.9 (-1.7) per cent. Operating profit in the Qt business fell by 146.2 per cent to EUR -0.3 (0.8) million in the second quarter, while profitability (EBIT %) was -7.2 (12.7) per cent.

In domestic business, operating profit saw positive development towards the end of the period, and almost reached the healthy target level aimed for in the second quarter.

In the Qt business, investments made to boost business growth reduced profitability, as expected. Profitability was also adversely affected by the weak net sales performance in the reporting period. Losses did, however, shrink towards the end of the period.

Consolidated earnings before taxes for the period totalled EUR 0.9 (1.2) million, and net profit was EUR 0.7 (0.9) million. Consolidated earnings before taxes for the second quarter amounted to EUR 1.4 (1.9) million, and net profit after taxes totalled EUR 1.0 (1.3) million.

Earnings per share in the reporting period were EUR 0.03 (1-6/2013: EUR 0.02), while earnings per share for the second quarter were EUR 0.05 (Q2/2013: EUR 0.04).

The Group's net financial expenses for the reporting period were EUR 0.2 (0.3) million and for the second quarter EUR 0.1 (0.0) million.

## **FINANCIAL POSITION AND EXPENDITURE**

At the end of the reporting period, the Digia Group's consolidated balance sheet total stood at EUR 80.7 million (12/2013: EUR 83.3 million) and the equity ratio was 48.8 (12/2013: 49.9) per cent. Net gearing was 39.2 per cent (12/2013: 28.9 cent). Cash and cash equivalents at the end of the period totalled EUR 4.2 (12/2013: 6.5) million.

Interest-bearing liabilities amounted to EUR 17.8 (12/2013: 16.9) million at the period end. These consisted of EUR 16.5 million in loans from financial institutions and EUR 1.3 million in financial leasing liabilities.

Consolidated net cash flow from operating activities for the period was negative by EUR 1.3 million (1-6/2013: positive by EUR 0.9 million). Cash flow from investments for the period was negative by EUR 0.7 (0.1) million. Cash flow from finance for the period was negative by EUR 0.2 (2.1) million, with a EUR 1.5 million positive net impact of loans on cash flow. Repayments of bank loans totalled EUR 1.5 million, and short-term loan withdrawals amounted to EUR 3.0 million.

The Group's investments in fixed assets during the period totalled EUR 0.7 (0.0) million.

Return on investment (ROI) for the period was 5.2 (5.8) per cent, and return on equity (ROE) was 4.0 (2.9) 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
Digia, domestic business	1,069	245	37,987	5,763	44,819

EUR 1,000	Specified intangible assets	Amortisations during the reporting period	Goodwill	Other items	Total value subject to testing
Digia, Qt business	6,475	368	6,562	2,012	15,050

EUR 1,000	Specified intangible assets	Amortisations during the reporting period	Goodwill	Other items	Total value subject to testing
Digia Group, total	7,544	613	44,550	7,776	59,869

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 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 8.0 per cent, and a pre-tax discount rate of 8.9 per cent. Cash flows following the forecast period were extrapolated using the same assumptions as for the forecast period.

According to a 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 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 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 4.7 per cent, or a 5.0 per cent growth in net sales with profitability of 1.3 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 937, representing a decrease of one employee or -0.1 per cent since the end of fiscal 2013 (938). The average number of personnel during the reporting period was 936, which was 3 persons or 0.3 per cent less than the average for fiscal 2013 (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, 151 (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 was elected 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.

Tommi Laitinen, who was previously in charge of the Qt business, decided to step down in the end of the review period. Digia's CEO Juha Varelius is temporarily in charge of the Qt business in addition his other duties. Digia has initiated the recruitment campaign to hire a new director for Qt business.

## 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 [www.digia.com](http://www.digia.com).

## FUTURE PROSPECTS

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

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 actively pursues opportunities to make carefully considered business acquisitions that support its strategy.

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. Measures aimed at further improving the company's operational efficiency will also continue.

Overall, Digia expects demand to remain good in all domestic business areas and the net sales and profitability to remain at least at a reasonable level. The general market uncertainty may, however, reflect on the company's order book and bid volume development.

In the Qt business, operational focus is on sales development and on creating better growth opportunities. Besides making growth-targeted investments, Digia is also keeping a close eye on business profitability. The objective is to ensure that income from the Qt business covers any operating expenses.

The Qt order book is satisfactory, considering the time of year and general market situation, and the company expects to see continued growth in demand in the large customer segment. However, contract turnaround times in these markets are very long, typically around 6–18 months, which can cause significant fluctuation in quarterly net sales and, particularly, profitability.

Digia will continue to invest significantly in Qt business and sales development. Business development efforts will focus on embedded systems in automotive, digital TV and DTV receivers. Areas targeted in product development include value-added features and tools required for building embedded systems.

Digia expects the Qt business to generate more net sales in 2014 than in the previous year. Investments made to secure this growth will continue to tax Digia's profitability performance.

Overall, Digia expects its net sales to slightly fall short of the previous year's level. Investments in Qt business growth are expected to stall the company's overall profitability development.

## **OTHER EVENTS DURING THE REVIEW PERIOD**

Digia Plc's Annual General Meeting (AGM) was held on 11 March 2014. The AGM adopted the financial statements for 2013, 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 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 at 21 March 2014.

### **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 12 March 2013 and is valid for 18 months, i.e. until 11 September 2015.

## 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 12 March 2013 and is valid for 18 months, i.e. until 11 September 2015.

In a meeting held on 17 June 2014, Digia Plc's Board of Directors has authorized the company's management to further streamline the company's organizational structure between Digia's domestic business and the international Qt business. This will be carried out by setting up a new company entity for Qt under the parent company Digia Plc.

## SHARE CAPITAL AND SHARES

On 30 June 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 4,772 shareholders.

### The 10 biggest shareholders were

Shareholder	Shares and votes
Ingman Group Oy Ab	20.1%
Ilmarinen Mutual Pension Insurance Company	12.2%
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 30 June 2014

Number of shares	Shareholders	Shares and votes
1 – 100	23.3%	0.4%
101 – 1,000	58.7%	6.1%
1,001 – 10,000	16.2%	9.9%
10,001 – 100,000	1.2%	9.0%
100,001 – 1,000,000	0.4%	20.2%
1,000,001 – 4,000,000	0.1%	54.4%



## Shareholding by sector on 30 June 2014

	Shareholders	Shares
Non-financial corporations	4.3%	24.9%
Financial and insurance corporations	0.1%	4.7%
General government	0.1%	16.9%
Not-for-profit institutions serving households	0.3%	1.1%
Households	94.7%	49.8%
Foreign holding	0.5%	2.6%

The weighted average number of shares during the reporting period, adjusted for share issues, was 20,785,251. The number of outstanding shares was 20,775,273 in total at the end of the 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 30 June 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 3.80 and the highest was EUR 4.59. The share officially closed at EUR 3.81 on the last trading day. The trade-weighted average was EUR 4.15. The Group's market capitalisation totalled EUR 79,536,207 at the end of the reporting 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, 8 August 2014

Digia Plc

Board of Directors

## **BRIEFING**

Digia will hold a briefing on its Interim Report for analysts on Friday, 8 August 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](mailto:juha.varelius@digia.com)

The Interim Report and the CEO's presentation will be available on [www.digia.com](http://www.digia.com), in the 'Investors' section, from 11 am on 8 August 2014.

## **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	4-6/2014	4-6/2013	Change, %	1-6/2014	1-6/2013	Change, %	2013
NET SALES	24,497.2	28,010.6	-12.5%	48,455.1	51,523.5	-6.0%	99,740.5
Other operating income	322.8	441.0	-26.8%	723.6	732.7	-1.2%	1,542.7
Materials and services	-2,343.1	-4,772.7	-50.9%	-4,721.2	-7,084.5	-33.4%	-11,989.4
Depreciation, amortisation and impairment	-607.2	-775.0	-21.7%	-1,309.9	-1,506.6	-13.1%	-9,977.0
Other operating expenses	-20,444.9	-20,972.8	-2.5%	-42,003.2	-42,206.8	-0.5%	-82,138.8
Operating profit	1,424.8	1,931.0	-26.2%	1,144.4	1,458.2	-21.5%	-2,822.0
Financial expenses (net)	-53.2	-4.3	1145.0%	-204.0	-271.7	-24.9%	-784.0
Earnings before tax	1,371.6	1,926.8	-28.8%	940.4	1,186.5	-20.7%	-3,605.9
Income taxes	-342.8	-580.2	-40.9%	-242.4	-311.6	-22.2%	-461.2
NET PROFIT	1,028.9	1,346.5	-23.6%	698.0	874.9	-20.2%	-4,067.1
Other comprehensive income:							
Items which may be reclassified subsequently to profit or loss:							
Exchange differences on translation of foreign operations	-80.9	-317.7	-74.5%	-125.0	-201.3	-37.9%	-36.2
TOTAL COMPREHENSIVE INCOME	947.9	1,028.8	-7.9%	573.0	673.5	-14.9%	-4,103.3
Distribution of net profit:							
Parent-company shareholders	1,028.9	1,346.5	-23.6%	698.0	874.9	-20.2%	-4,067.1
Minority interest	0.0	0.0		0.0	0.0		0.0
Distribution of total comprehensive income:							
Parent-company shareholders	947.9	1,028.8	-7.9%	573.0	673.5	-14.9%	-4,103.3
Minority interest	0.0	0.0		0.0	0.0		0.0
Earnings per share, EUR	0.05	0.04		0.03	0.02		-0.20
Earnings per share (diluted), EUR	0.05	0.04		0.03	0.02		-0.20

# CONSOLIDATED BALANCE SHEET, EUR 1,000

Assets	30/06/2014	31/12/2013	Change, %
Non-current assets			
Intangible assets	52,879.7	53,327.2	-0.8%
Tangible assets	1,830.0	1,986.0	-7.9%
Financial assets	627.0	627.0	0.0 %
Inventories	0.5	0.6	-2.3%
Long-term receivables	64.6	64.6	0.0%
Deferred tax assets	499.1	370.9	34.6%
Total non-current assets	55,900.9	56,376.2	-0.8%
Current assets			
Current receivables	20,571.2	20,447.8	0.6%
Available-for-sale financial assets	327.0	324.0	0.9%
Cash and cash equivalents	3,875.1	6,129.8	-36.8%
Total current assets	24,773.2	26,901.7	-7.9%
Total assets	80,674.2	83,277.9	-3.1%
Shareholders' equity and liabilities			
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	392.6	517.6	-24.2%
Retained earnings	-13,083.5	-9,028.6	-44.9%
Net profit	698.0	-4,067.1	117.2%
Equity attributable to parent-company shareholders	34,568.2	36,060.6	-4.1%
Minority interest	0.0	0.0	
Total shareholders' equity	34,568.2	36,060.6	-4.1%
Liabilities			
Long-term interest-bearing liabilities	12,724.1	12,741.9	-0.1%
Received long-term advances	1,515.0	2,876.5	-47.3%
Other long-term liabilities	0.0	0.0	
Deferred tax liabilities	289.1	461.0	-37.3%
Total long-term liabilities	14,528.2	16,079.4	-9.6%
Short-term interest-bearing liabilities	5,035.3	4,140.9	21.6 %
Other short-term liabilities	26,542.4	26,996.9	-1.7%
Total short-term liabilities	31,577.7	31,137.8	1.4%
Total liabilities	46,105.9	47,217.3	-2.4%
Shareholders' equity and liabilities	80,674.2	83,277.9	-3.1%

# CONSOLIDATED CASH FLOW STATEMENT, EUR 1,000

	1/1/2014-30/6/2014	1/1/2013-30/6/2013
Cash flow from operations:		
Net profit	698	875
Adjustments to net profit	100	-297
Change in working capital	-1,949	18
Interest paid	-171	-222
Interest income	0	0
Taxes paid	20	496
Net cash flow from operations	-1,301	871
Cash flow from investments:		
Purchases of tangible and intangible assets	-706	-124
Cash flow from investments	-706	-124
Cash flow from financing:		
Proceeds from share issue	0	0
Acquisition of own shares	0	0
Repayment of current loans	-2,000	-3,000
Repayments of non-current loans	0	0
Withdrawals of current loans	3,000	3,000
Withdrawals of non-current loans	560	0
Dividends paid and other profit distribution	-1,804	-2,082
Cash flow from financing	-244	-2,082
Change in liquid assets	-2,252	-1,336
Liquid assets at beginning of period	6,454	8,283
Change in fair value		
Change in liquid assets	-2,252	-1,336
Liquid assets at end of period	4,202	6,948

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

	a	b	c	d	e	f	g	h
SHAREHOLDERS' EQUITY, 01/01/2013	2,088	0	7,899	33,448	5,204	554	-7,129	42,063
Net profit							875	875
Other comprehensive income						-201		-201
Dividends							-2,082	-2,082
Share-based payments recognised against equity							365	365
Other items								
SHAREHOLDERS' EQUITY 30 June 2013	2,088	0	7,899	33,448	5,204	353	-7,971	41,020
	a	b	c	d	e	f	g	h
SHAREHOLDERS' EQUITY, 01/01/2014	2,088	0	7,899	33,448	5,204	518	-13,096	36,061
Net profit							698	698
Other comprehensive income						-125		-125
Repayment of capital				-2,078				-2,078
Share-based payments recognised against equity							12	12
SHAREHOLDERS' EQUITY, 30/06/2014	2,088	0	7,899	31,370	5,204	393	-12,385	34,568

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 2013 financial statements. The accounting principles and formulae 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

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.

## Segment information

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

NET SALES, EUR 1,000	4-6/2014	4-6/2013	Change, %	1-6/2014	1-6/2013	Change, %	2013
Domestic operations	19,663	22,093	-11.0%	38,844	41,651	-6.7%	79,850
Qt operations	4,834	5,918	-18.3%	9,611	9,873	-2.6%	19,891
Digia Group	24,497	28,011	-12.5%	48,455	51,523	-6.0 %	99,740

OPERATING PROFIT BEFORE EXTRAORDINARY ITEMS, EUR 1,000	4-6/2014	4-6/2013	Change, %	1-6/2014	1-6/2013	Change, %	2013
Domestic operations	1,772	1,180	50.2%	2,418	1,627	48.6%	5,395
Qt operations	-347	751	-146.2%	-1,273	-169	-653.7%	-846
Digia Group	1,425	1,931	-26.2%	1,144	1,458	-21.5%	4,549

OPERATING PROFIT, EUR 1000	4-6/2014	4-6/2013	Change, %	1-6/2014	1-6/2013	Change, %	2013
Domestic operations	1 772	1 180	50,2 %	2 418	1 627	48,6 %	-1 976
Qt operations	-347	751	-146,2 %	-1 273	-169	-653,7 %	-846
Digia Group	1 425	1 931	-26,2 %	1 144	1 458	-21,5 %	-2 822

ASSETS, EUR 1,000	30 Jun 2014	31 Dec 2013
Domestic operations	51,962	53,336
Qt operations	16,418	16,884
Unallocated	12,293	13,058
Digia Group	80,674	83,278

## Consolidated income statement by quarter

EUR 1,000	4-6/2014	1-3/2014	10-12/2013	7-9/2013	4-6/2013
Net sales	24,497.2	23,957.9	26,781.8	21,435.2	28,010.6
Other operating income	322.8	400.8	504.2	305.9	441.0
Materials and services	-2,343.1	-2,378.0	-3,033.5	-1,871.3	-4,772.7
Depreciation, amortisation and impairment	-607.2	-702.8	-7,761.9	-708.5	-775.0
Other operating expenses	-20,444.9	-21,558.3	-21,768.2	-18,163.8	-20,972.8
Operating profit	1,424.8	-280.4	-5,277.6	997.4	1,931.0
Financial expenses (net)	-53.2	-150.8	-247.3	-264.9	-4.3
Earnings before tax	1,371.6	-431.2	-5,524.9	732.5	1,926.8
Income taxes	-342.8	100.4	128.6	-278.2	-580.2
Net profit	1,028.9	-330.8	-5,396.3	454.3	1,346.5
Allocation:					
Parent-company shareholders	1,028.9	-330.8	-5,396.3	454.3	1,346.5
Minority interest	0.0	0.0	0.0	0.0	0.0
Earnings per share, EUR	0.05	-0.02	-0.26	0.02	0.04
Earnings per share (diluted), EUR	0.05	-0.02	-0.26	0.02	0.04

## Group key figures and ratios

EUR 1,000	1-6/2014	1-6/2013
Extent of business:		
Net sales	48,455	51,523
- change from previous year	-6.0%	1.9%
Average capital invested	52,636	61,158
Personnel at period end	937	936
Average number of personnel	936	941
Profitability:		
Operating profit before extraordinary items and impairment	1,144	1,458
- % of net sales	2.4%	2.8%
Operating profit	1,144	1,458
- % of net sales	2.4%	2.8%
Earnings before tax	940	1,187
- % of net sales	1.9%	2.3%
Net profit	698	875
% of net sales	1.4%	1.7%
Return on equity, %	4.0%	2.9%
Return on investment, %	5.2%	5.8%
Financing and financial standing:		
Interest-bearing liabilities	17,759	19,383
Short-term investments & cash and bank receivables	4,202	6,948
Net gearing	39.2%	30.3%
Equity ratio	48.8%	49.9%
Net cash flow from operations	-1,301	871
Earnings per share, undiluted (EUR)	0.03	0.02
Earnings per share, diluted (EUR)	0.03	0.02
Equity/share, EUR	1.66	1.96
Lowest share trading price, EUR	3.80	2.65
Highest share trading price, EUR	4.59	3.40
Average share price, EUR	4.15	3.02
Market capitalisation	79,536	62,627

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