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SOLTEQ PLC'S INTERIM REPORT 1.1.-31.3.2011

- Turnover increased by 11.1% and totalled 6.9 million euros (6.2 million euros)
- Operating profit totalled 365 thousand euros (-1.019 thousand euros)
- In 2011, the turnover is believed to be at the same level as in 2010, but the operating profit, however, is believed to have improved to nearly 5 per cent
- Earnings per share were 0.02 euros (-0.07 euros)

KEY FIGURES

Turnover by operation:

%	1-3/11	1-3/10	1-12/10
Softwareservices	65	65	65
Licences	28	28	27
Hardware	7	7	8

Managing Director Repe Harmanen:

"We have improved our operations and performance compared to the situation last year. A comparison of the key figures from a year ago that correspond to the period under review shows good progress. Working solutions as well as the long-term confidence of our customer relationships have helped in this process. These fundamentals combined with the operational measures that were done have led to this positive development.

The current level nevertheless still provides us with good, long-term opportunities to improve our profitability and, in particular, our predictability.

We have during the last months managed to get a better grasp of our business operations and made progress with initiated development activities. I think that our situation is reasonable, even good. It must be remembered that our goal is to achieve a long term profitability level of 10%. This work is in the early stages. Our direction is good, our momentum suitable, but the trip is largely still ahead of us.

In different business areas, demand has remained good and has even increased in the areas of operational and financial control, as well as master data management. We received new orders during the period of review, and I see a clear pick-up in the market as compared to the autumn. Our most active actions still aim at further improving profitability and predictability, but we have begun the implementation of growth-oriented measures in all of our business areas.

The execution of the strategy that we announced in February has proceeded according to plan. The first signs and feedback from our customers have been very inspiring and encouraging. Development has occurred in each of our strategic areas during the quarter, as example we might mention our new public administration agreement with the City of Tampere. We will continue implementing the strategy and inform you about its progress in various stages.

During the second quarter we will continue the improvement in our operational activity and profitability, as well as predictability.

I see our future as a positive one, but at the same time I emphasize restraint and the continuation of detailed work with our project deliveries and our big new projects. I feel that we

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have good opportunities to grow our business in a controlled manner among our clientele due to the increased number of projects.

We retain our outlook for this year's revenue and profit levels in accordance with our previous notice."

BUSINESS ENVIRONMENT AND BUSINESS DEVELOPMENT

Solteq offers pragmatically developing operational and financial control services to commercial, logistics, industrial and public administration actors. We complement our core offering with solutions for specialized retail management, maintenance and servicing management, as well as solutions for quality improvement and the management of systems in which master data is contained. With the help of our solutions developed using technology from the world's leading companies, our clients guide their businesses more efficiently and improve their profitability.

Starting from 1.1.2010, Solteq's operations were divided into four business areas and the results of the company are monitored through these areas. Business areas are: ERP (enterprise resource planning), EAM (enterprise asset management), Data (data management, optimization and integration) and Store (retail solutions and technology).

Solteq's turnover in the first quarter of 2011 was 6.850 thousand euros (6.168 thousand euros).

Solteq's operating profit was 365 thousand euros (-1.019 thousand euros). The company's operating margin was 5.3% (-16.5% in 2010).

ERP

Solteq's ERP business area offers its clientele enterprise resource planning systems and supporting optimization and reporting solutions as well as a set of other different added value solutions. These solutions help customers lead their operations and enhance, for example, their purchases, sales and warehouse management, as well as reporting. A wide group of customers use these solutions every day in the trade, industry, auto trade and public sector operating areas, among others.

The revenue of the ERP business area totalled 4.3 million euros. The business area's operating profit was 0,4 million euros.

EAM

Solteq's EAM solutions include systems for maintenance management, asset management optimization, fieldwork management and maintenance. Through these solutions, Solteq's customers can anticipate the need for service of production lines and machines, monitor the malfunction history and control the machinery maintenance related material flows from purchasing to warehousing. The clientele consists of, among others, energy and production plants, companies in the processing and engineering industries, as well as the maintenance related service sector.

During the review period, the revenue of the EAM business area totalled 1.0 million euros and the operating profit was 0.0 million euros.

Data

Solteq's Data business area is responsible for services and products relating to the data (namely, masterdata) that are crucial to the customers' businesses as well as e-commerce and integration technologies. Solteq offers to its customers masterdata-related quality improvement projects, data maintenance services in which the services are outsourced to masterdata service centers, software technologies and consultancy services that can be utilized in masterdata management. The aim of these services is to ensure that the data that is stored in the programs

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that support customers' enterprise resource planning and decision-making is high-quality, compatible and up to date.

During the review period the revenue of the Data business area totalled 0.5 million euros and the operating profit was -0.1 million euros.

Store

The solutions of Solteq's Store business sector enhance the management of the purchases, sales and customer relationships of specialty stores and chained commerce. Every day hundreds of retailers, entrepreneurs and salespersons lead their businesses and serve their customers in thousands of store locations by means of these solutions.

The revenue of Store business area totalled 1.1 million euros and the operating profit was 0.1 million euros during the review period.

TURNOVER AND RESULT

Turnover increased by 11.1% compared to the previous year and totalled 6.850 thousand euros (previous review period 6.168 thousand euros).

Turnover consists of several individual clienteles. At the most, one client corresponds to less than ten per cent of the turnover.

The operating profit for the review period was 365 thousand euros (-1,019 thousand euros), the operating profit before taxes was 315 thousand euros (-1,066 thousand euros) and the operating profit for the review period was 228 thousand euros (-802 thousand euros).

BALANCE SHEET AND FINANCING

The total assets amounted to 16.447 thousand euros (20.657 thousand euros). Liquid assets totalled 85 thousand euros (202 thousand euros).

Solteq Group's interest-bearing liabilities were 6.103 thousand euros (6.767 thousand euros).

Solteq Group's equity ratio was 33.0 per cent (40.6%).

INVESTMENTS, RESEARCH AND DEVELOPMENT

Gross investment during the review period was 21 thousand euros (28 thousand euros).

Research and development

Solteq's research and development costs consist mainly of personnel costs. When developing basic products, it is Solteq's strategy to cooperate with global actors such as SAP, Wincor Nixdorf and Microsoft and utilize their resources and distribution channels. Own development efforts are focused on added value products and developing tailored service concepts.

During the fiscal year, product development costs were not amortized in accordance with IFRS standards (comparison year also not amortized for the review period).

PERSONNEL

The number of permanent employees at the end of the review period was 208 (242). The average number of personnel during the review period was 225 (239). In the end of the review period the number of personnel could be divided as follows ERP: 98 people; EAM: 33 people; DATA: 22 people; STORE: 24 people and 31 people in shared functions.

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RELATED PARTY TRANSACTIONS

Solteq's related parties include the board of directors, managing director and the management team.

The company has on 1/3 and 23/3/2011 provided notification about an arrangement in which interest bearing loans and a directed issuance have been given to Solteq Management Oy, which is owned by management.

Solteq Management Oy is combined into consolidated financial statements on the basis of the shareholders' agreement.

SHARES, SHAREHOLDERS AND TREASURY SHARES

Solteq Plc's equity on 31.3.2011 was 1,009,154.17 euros which was represented by 12,148,429 shares. The shares have no nominal value.

At the end of the review period, the amount of treasury shares in Solteq Plc and the group company Solteq Management Oy's possession were 564,081 shares. The amount of treasury shares represented 4.6% of the total amount of shares and votes at the end of the review period. The equivalent value of acquired shares was 46.857 euros.

Exchange and share price

During the review period, the exchange of Solteq's shares on the Helsinki Stock Exchange was 0.8 million shares (0.2 million shares) and 0.8 million euros (0.3 million euros). The highest price during the review period was 1.19 euros and the lowest price was 0.96 euros. The weighted average price of the share was 1.07 euros and the price ending was 0.99 euros. The market value of the company's shares in the end of the review period totalled 12.0 million euros (18.6 million euros).

Ownership

At the end of the review period, Solteq had a total of 1,914 shareholders (1,981 shareholders). Solteq's 10 largest shareholders owned 8,444 thousand shares, amounting to 69.5 per cent of the company's shares and votes. Solteq Plc board members owned a total of 5,149 thousand shares which equals 42.4 per cent of the company's shares and votes.

ANNUAL GENERAL MEETING

At Solteq Plc's annual general meeting on 16 March 2011 the 2010 financial statements were adopted and the members of the board and the managing director were discharged from liability for the 2010 review period.

The annual general meeting decided in accordance with the board's proposal that no dividend will be paid for the review period ending on 31 December 2010.

The annual general meeting decided to authorize the board of directors to decide on acquiring and distress the company's own shares so that the amount in the possession of the company may reach up to 10 per cent of the company's total shares at that moment. The shares can be acquired in order to develop the company's capital structure, finance and execute acquisitions or similar arrangements or be used as part of the incentive scheme of the personnel or be otherwise conveyed or cancelled. The shares can be acquired in proportions other than the shareholders' holdings. The shares are to be acquired through public trading. The authorization is valid until the next annual general meeting.

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The General Meeting approved proposal by the Board to cover the loss of 3.412.908,22 euros in balance sheet by the fund for invested unrestricted equity.

BOARD OF DIRECTORS AND AUDITORS

Five members were elected to the board of directors. Ali Saadetdin, Seppo Aalto, Markku Pietilä, Sirpa Sara-aho and Jukka Sonninen continued as members of the board. The board elected Ali Saadetdin to act as the Chairman of the Board.

KPMG Oy Ab, Authorized Public Accountants, was re-elected as Solteq's auditors. Frans Kärki, APA, acts as the chief auditor.

EVENTS AFTER THE REVIEW PERIOD

No events have occurred that require reporting after the review period.

RISKS AND UNCERTAINTIES

The key uncertainties and risks in short term are related to the timing and pricing of business deals that are the basis for revenue, changes in the level of costs and the company's ability to manage extensive contract agreements and deliveries.

The key business risks and uncertainties of the company are monitored constantly as a part of the board of directors' and management team's duties. The company has not organized a separate internal audit organization or committee.

PROSPECTS

Relating to year 2011, Solteq believes that the annual revenue will be at the same level as in 2010. The operating profit, however, is believed to have clearly improved to approximately 5 per cent.

Financial Reporting

This interim report has been prepared in accordance with the recognition and measurement principles of IFRS-standards.

The financial result is reported through four business areas. The ERP business area includes systems for finance and enterprise resource planning. The EAM business area consists of asset management optimization, material management and maintenance management systems. The Data business area includes tools for data collection, assurance of data's quality and accuracy, as well as tools for data integration between different systems. The Store business area includes point-of-sale and store management systems. The most essential product and service types of the Solteq group of companies are software services, licenses and hardware sales.

All forecasts and estimates presented in the interim report are based on the current views of management on the economic environment and outlook. Because of this, the results can differ as a result of, among other factors, changes in economy, markets and competitive conditions, changes in the regulatory environment and other government actions.

The interim report is unaudited.

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FINANCIAL INFORMATION

GROUP PROFIT AND LOSS ACCOUNT (TEUR)

	1.1.- 31.3.2011	1.1.- 31.3.2010	1.1.- 31.12.2010
NET TURNOVER	6 850	6 168	26 998
Other operating income	9	11	52
Raw materials and services	-1 485	-1 778	-7 394
Staff expenses	-3 743	-4 124	-15 688
Depreciation	-205	-211	-3 223
Other operating expenses	-1 061	-1 085	-5 060
OPERATING RESULT	365	-1 019	-4 315
Financial income and expenses	-50	-47	-172
RESULT BEFORE TAXES	315	-1 066	-4 487
Income taxes	-87	264	780
RESULT FOR THE PERIOD	228	-802	-3 707
OTHER ITEMS OF TOTAL COMPREHENSIVE INCOME			
Cash flow hedging	20	-42	-18
Other items of total comprehensive income after taxes	15	-31	-13
TOTAL COMPREHENSIVE INCOME	243	-833	-3 720
Total profit for the period attributable to Owners of the parent	228	-802	-3 707
Total comprehensive income attributable to Owners of the parent	243	-833	-3 720

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Earnings / share, e(undiluted)	0,02	-0,07	-0,32
Earnings / share, e(diluted)	0,02	-0,07	-0,32

Taxes corresponding to the result have been presented as taxes for the period.

GROUP BALANCE SHEET (TEUR) 31.3.2011 31.3.2010 31.12.2010

ASSETS

NON-CURRENT ASSETS

Intangible assets			
Intangible rights	2 008	2 651	2 093
Goodwill	6 199	8 286	6 199
Tangible assets	2 643	2 650	2 660
Investments			
Other shares and similar rights of ownership	93	93	93
Deferred tax assets	568	139	654
Other receivables	87	0	87
Total non-current assets	11 598	13 819	11 786
CURRENT ASSETS			
Short-term debtors	4 764	6 636	5 294
Cash in hand and at banks	85	202	131
Total current assets	4 849	6 838	5 425
TOTAL ASSETS	16 447	20 657	17 211

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EQUITY AND LIABILITIES

CAPITAL AND RESERVES ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY

Share capital	1 009	1 009	1 009
Company's own shares	-686	-371	-618
Share premium account	75	75	75
Account for cash flow hedging	-5	-38	-20
Unrestricted equity fund	3 801	7 214	7 214
Retained earnings	1 012	1 307	1 306
Result for the financial period	228	-802	-3 707
Total equity	5 434	8 394	5 259
Non-current liabilities			
Other non-current liabilities	3 101	4 367	3 016
Current liabilities	7 912	7 896	8 936
Total liabilities	11 013	12 263	11 952
TOTAL EQUITY AND LIABILITIES	16 447	20 657	17 211

FINANCIAL PERFORMANCE INDICATORS (IFRS)

	1-3/2011	1-3/2010	1-12/2010
Net turnover MEUR	6,9	6,2	27,0
Change in net turnover	11,1 %	-14,4 %	-5,4 %
Operating result MEUR	0,4	-1,0	-4,3
% of turnover	5,3 %	-16,5 %	-16,0 %
Result before taxes MEUR	0,3	-1,1	-4,5
% of turnover	4,6 %	-17,3 %	-16,6 %
Equity ratio, %	33,0	40,6	30,6
Gearing, %	110,8 %	78,2 %	132,8 %
Gross investments in non-current assets MEUR	0,0	0,0	0,2
Return on equity, %	13,4 %	-37,7 %	-48,7 %
Return on investment, %	11,1 %	-28,3 %	-29,3 %
Personnel at end of period	208	242	220
Personnel average for period	225	239	233

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KEY INDICATORS PER SHARE

Earnings / share, e	0,02	-0,07	-0,32
Earnings / share, e(diluted)	0,02	-0,07	-0,32
Equity / share, e	0,47	0,71	0,45

SEGMENT INFORMATION

Turnover by segment:

Me	1-3/11	1-3/10	Change
ERP	4,3	4,0	+0,3
EAM	1,0	0,9	+0,1
DATA	0,5	0,4	+0,1
STORE	1,1	0,9	+0,2
Total	6,9	6,2	+0,7

Operating result by segment:

Me	1-3/11	1-3/10	Change
ERP	0,4	-0,5	+0,9
EAM	0,0	-0,2	+0,2
DATA	-0,1	-0,2	+0,1
STORE	0,1	-0,1	+0,2
Total	0,4	-1,0	+1,4

QUARTERLY KEY INDICATORS (MEUR)

	2Q/09	3Q/09	4Q/09	1Q/10
Net turnover	7,49	5,62	8,23	6,17
Operating result	0,41	0,46	0,78	-1,02
Result before taxes	0,40	0,42	0,75	-1,07
	2Q/10	3Q/10	4Q/10	1Q/11
Net turnover	6,59	6,75	7,49	6,85
Operating result	-1,16	-0,04	-2,10	0,37
Result before taxes	-1,20	-0,08	-2,15	0,32

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CASH FLOW STATEMENT
(MEUR)

	1-3/2011	1-3/2010	1-12/2010
Cash flow from business operations	1,04	0,14	0,82
Cash flow from capital expenditure	-0,02	-0,03	-0,15
Cash flow from financing activities			
Dividend distribution	0,00	0,00	-0,71
Own shares	-0,07	-0,03	-0,28
Loan agreement	-1,00	-0,14	0,19
Cash flow from financing activities	-1,07	-0,17	-0,80
Change in cash and cash equivalents	-0,05	-0,06	-0,13

TOTAL INVESTMENTS (TEUR)

	1-3/2011	1-3/2010	1-12/2010
Continuing operations, group total	21	28	153

LIABILITIES (MEUR)

	31.3.2011	31.3.2010	31.12.2010
Company quorantee for credit limits	2,61	2,61	2,61
Perfomance bonds	0,00	0,05	0,00
Lease contracts, machinery & equipment	0,60	0,61	0,41
Lease liability, premises	1,69	2,11	1,80
Pledged shares	1,59	1,59	1,59

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MAJOR SHAREHOLDERS MARCH 31, 2011

		%
1. Saadetdin Ali	3 481 383	28,7
2. Aalto Seppo	1 662 206	13,7
3. Profiz Business Solution Oyj	1 384 823	11,4
4. TP-Yhtiöt Oy	513 380	4,2
5. Solteq Management Oy	400 000	3,3
6. Roininen Matti	350 000	2,9
7. Hakamäki Jorma	228 430	1,9
8. Solteq Oyj	164 081	1,4
9. Saadetdin Katiye	156 600	1,3
10. Aukia Timo	103 230	0,8
10 largest shareholders total	8 444 133	69,5
Total of nominee-registered	21 016	0,2
Others	3 683 280	30,3
Total	12 148 429	100,0

STATEMENT OF CHANGES IN GROUP EQUITY (TEUR)

A=Share capital

B=Company's own shares

C=Share premium account

D=Account for cash flow hedging

E=Unrestricted equity fund

F=Retained earnings

G=Total

	A	B	C	D	E	F	G
EQUITY 1.1.2010	1 009	-337	75	-7	7 213	2 020	9 973
Total comprehensive income				-31		-802	-833
Acquiring of own shares		-34					-34
dividend distribution						-712	-712
EQUITY 31.3.2010	1 009	-371	75	-38	7 213	506	8 394
EQUITY 1.1.2011	1 009	-618	75	-20	7 213	-2 400	5 259
Total comprehensive income				15		228	243
Acquiring of own shares		-68					-68
Loss covered by fund					-3 413	3 413	0
EQUITY 31.3.2011	1 009	-686	75	-5	3 800	1 241	5 434

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CALCULATION OF FINANCIAL RATIOS

Solvency ratio, in percentage	$\frac{\text{equity}}{\text{balance sheet total - advances received}} \times 100$
Gearing	$\frac{\text{interest bearing liabilities - cash, bank balances and securities}}{\text{equity}} \times 100$
Return on Equity (ROE) in percentage	$\frac{\text{profit or loss before taxation - taxes}}{\text{equity}} \times 100$
Profit from invested equity in percentage	$\frac{\text{profit or loss before taxation + interest expenses and other financing expenses}}{\text{balance sheet total - non-interest bearing liabilities}} \times 100$
Earnings per share	$\frac{\text{pre-tax result - taxes +/- minority interest}}{\text{diluted average share issue corrected number of shares}}$
Diluted earnings per share	$\frac{\text{diluted profit before taxation - taxes +/- minority interest}}{\text{diluted average share issue corrected number of shares}}$
Equity per share	$\frac{\text{equity}}{\text{number of shares}}$

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Financial Reporting

Solteq Plc's financial information bulletins in 2011 have been scheduled as follows:

- Interim Report 1-6/2011 Friday, 22/07/2011
- Interim Report 1-9/2011 Thursday, 20/10/2011

More investor information is available from Solteq's website at www.solteq.com

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