DIGIA PLC INTERIM REPORT 1 JANUARY - 31 MARCH 2016

NET SALES GROW BY MORE THAN 10 PER CENT IN BOTH BUSINESSES. OPERATING PROFIT IN THE DOMESTIC BUSINESS IMPROVED SIGNIFICANTLY AND QT REMAINED PROFITABLE IN SPITE OF DEMERGER EXPENSES.

Summary

January-March 2016 (comparison figures for 2015 are in parenthesis)

- Net sales EUR 28.6 (25.7) million, up 11.4 per cent
- Net sales of continuing operations EUR 21.4 (19.4) million, up 10.5 per cent; net sales of the Qt business EUR 7.1 (6.3) million, up 14.3 per cent
- Operating profit EUR 1.2 (0.7) million, operating margin 4.2 (2.7) per cent
- Operating profit of continuing operations EUR 0.9 (0.3) million, operating margin 4.4 (1.3) per cent
- Operating profit of the Qt business EUR 0.3 (0.4) million, operating margin 3.5 (6.9) per cent
- Earnings per share EUR 0.04 (0.01)

In accordance with the proposal of the Board of Directors, Digia Plc's Annual General Meeting, held on 16 March 2016, approved the demerger plan signed by the Board on 16 December 2015, and decided on the partial demerger of Digia Plc.

As set out in the demerger plan, Digia Plc is being demerged such that all assets, liabilities and responsibilities related to Digia's Qt business are transferred to a new company called Qt Group Plc. Digia Plc will continue the operations of the domestic business.

The demerger will come into force once its implementation has been registered in the Trade Register. The planned date of registration is 1 May 2016. Once the demerger comes into effect, it has been agreed that Juha Varelius will assume the position of President and CEO of Qt Group Plc. Timo Levoranta, M.Sc. (Tech.), B.Sc. (Econ. & Bus.Adm.), born in 1965, has been appointed as the new CEO of Digia Plc.

This interim report presents the financial development of both Digia's domestic business (continuing operations) and the Qt business (discontinued operations).

In addition, Digia Plc will publish a separate stock exchange release today, 29 April 2016, to provide more detailed information on the financial development of the Qt business.

The net sales of the Digia Group continued to grow vigorously during the first quarter of 2016. The rate of growth exceeded 10 per cent in both businesses, amounting to 10.5 per cent in the domestic business and 14.3 per cent in Qt. At the Group level, growth was 11.4 per cent compared with the figures for the corresponding period of the previous year.

As net sales grew, consolidated operating profit also improved substantially. Operating profit in the domestic business almost trebled compared with 2015. In the first months of the year, the expenses incurred by Qt due to the demerger and setting up administrative functions required for Qt to operate independently remained smaller than expected, thanks to which the Qt business also remained profitable during the review period, even though its operating profit did see a year-on-year decrease.

Digia expects that demand in the domestic business will remain reasonable and its net sales will continue to grow in 2016. The company expects that in 2016 the operating margin of the domestic business will remain on a par with the previous year, even though after the demerger the domestic business will be burdened by fixed costs that were earlier partly allocated to the Qt business.

Digia estimates that Qt's net sales will see year-on-year growth of more than 10 per cent in 2016. An exceptional licensing deal made with Nokia Corporation in 2012 in connection with the acquisition of the Qt business will no longer generate net sales in 2016. In 2015, net sales of a total of about EUR 1.4 million were still recognised from this deal.

Digia's demerger and the resulting establishment of Qt as an independent public listed company involve considerable expenses that will tax the profitability of the Qt business in the future. Due to these expenses and growth investments, the company estimates that Qt's operating profit will remain in the red in 2016.

KEY FIGURES FOR CONTINUING AND DISCONTINUED OPERATIONS

	1-3/2016	1-3/2015	Change, %	2015
Net sales	28,580	25,652	11.4%	107,880
Operating profit	1,189	690	72.4%	7,641
- % of net sales	4.2%	2.7%		7.1%
Net profit	824	272	202.6%	5,228
- % of net sales	2.9%	1.1%		4.8%
Return on equity, %	8.1%	3.0%		13.5%
Return on capital invested, %	9.3%	7.0%		15.6%
Interest-bearing liabilities	13,613	16,468	-17.3%	13,513
Cash and cash equivalents	6,421	4,529	41.8%	6,710
Net gearing, %	17.9%	33.0%		16.6%
Equity ratio, %	53.2%	51.0%		53.7%
Earnings per share, EUR, undiluted	0.04	0.01		0.25
Earnings per share, EUR, diluted	0.04	0.01		0.25

KEY FIGURES FOR CONTINUING OPERATIONS

	1-3/2016	1-3/2015	Change, %	2015
Net sales	21,432	19,399	10.5%	80,946
Operating profit	936	261	259.0%	5,854
- % of net sales	4.4%	1.3%		7.2%
Net profit	695	51	1,274.3%	4,246
- % of net sales	3.2%	0.3%		5.2%
Earnings per share, EUR, undiluted	0.03	0.00		0.20
Earnings per share, EUR, diluted	0.03	0.00		0.20

KEY FIGURES FOR DISCONTINUED OPERATIONS

	1-3/2016	1-3/2015	Change, %	2015
Net sales	7,148	6,253	14.3%	26,934
Operating profit	253	429	-41.0%	1,786
- % of net sales	3.5%	6.9%		6.6%
Net profit	129	222	-41.8%	981
- % of net sales	1.8%	3.5%		3.6%
Earnings per share, EUR, undiluted	0.01	0.01		0.05
Earnings per share, EUR, diluted	0.01	0.01		0.05

MARKETS AND DIGIA'S BUSINESS OPERATIONS

DOMESTIC BUSINESS

Demand remained good for integration and analytics services during the review period. Digia's business outperformed general IT market growth, and profitability was at a solid level. Development investments were targeted at building new kinds of service packages enabled by digitisation and Digia's extensive offering. These investments are expected to enhance competitiveness in 2016. Further major investments were made in the development of product and business models for site optimisation, which as expected weakened the segment's overall profitability.

In ERP and MES, the company's ERP business based on Digia's own technologies developed as planned and grew faster than the market. The ERP business based on Microsoft technologies also saw growth, but delays in starting new projects burdened earnings. Net sales growth in the Microsoft-based solution business was negative due to the decline in the public sector project volume and challenges related to resource availability.

The business segment based on financial-sector software solutions continued to grow vigorously throughout the review period and its profitability remained reasonable. The segment signed many new agreements. For instance, the number of customers for official reporting services in Sweden continued to grow. On the other hand, a significant long-term maintenance customer relationship in Sweden ended during the review period.

The service business grew substantially during the review period and its profitability was good. Demand for the company's services continued to develop extremely favourably.

QT BUSINESS

The Qt business continued to grow throughout the period, although growth slowed down from the extremely strong figures recorded last year. Operations were slightly in the black.

During the review period, the new Qt 5.6 version was launched. A new office was opened in Japan during the period and sales resources were strengthened, especially in Asia. Business development efforts were particularly focused on the consumer electronics and automotive segments.

An ISO 9001:2008 certificate was granted to the Qt quality system during the review period.

NET SALES

Consolidated net sales for the period totalled EUR 28.6 (25.7) million, representing an increase of 11.4 per cent year-on-year.

Net sales in the domestic business during the review period amounted to EUR 21.4 (19.4) million, up 10.5 per cent. Qt's net sales in the review period were EUR 7.1 (6.3) million, an increase of 14.3 per cent.

Consolidated net sales grew thanks to good demand for services and successful sales in many of the Group's business areas. Unlike in 2015, changes in exchange rates did not have a significant effect on the growth in net sales from the Qt segment. The effect of exchange rate changes on Qt's net sales growth only amounted to EUR 0.05 million in total, whereas it was EUR 0.5 million in the corresponding period of 2015. Qt's net sales for the comparison period include EUR 0.6 million in net sales based on an exceptional licensing deal made with Nokia Corporation in 2012. The figure for the review period is weaker as net sales were no longer recognised from this deal. Qt's comparable net sales, excluding the Nokia licensing deal, saw year-on-year growth of 26.2 per cent during the review period.

During the reporting period, the product business accounted for EUR 12.9 million (1-3/2015: EUR 10.3 million), or 45.3 (40.1) per cent of consolidated net sales.

International operations accounted for EUR 7.7 million (1-3/2015: EUR 6.4 million), or 27.0 (25.1) per cent of consolidated net sales.

PROFIT PERFORMANCE AND PROFITABILITY

Consolidated operating profit for the review period was EUR 1.2 (0.7) million. Operating margin (EBIT%) stood at 4.2 (2.7) per cent. Comparable consolidated operating profit for the review period was EUR 1.2 (1.1) million. Comparable operating margin (EBIT%) stood at 4.2 (4.5) per cent.

Comparable operating profit for 2015 included a total of EUR 0.4 million in restructuring expenses in the domestic business and operating profit for 2016 includes a total of EUR 0.2 million in expenses due to demerger-related fees paid to external service providers, which are allocated to the Qt business.

In the domestic business, operating profit for the review period amounted to EUR 0.9 (0.3) million and the operating margin (EBIT%) to 4.4 (1.4) per cent. Comparable operating profit for the domestic business in the review period amounted to EUR 0.9 (0.7) million, up 37.1 per cent, and the comparable operating margin (EBIT%) to 4.4 (3.5) per cent.

Qt's operating profit was EUR 0.3 (0.4) million and the operating margin (EBIT%) was 3.5 (6.9) per cent. Qt's comparable operating profit for the review period amounted to EUR 0.5 (0.5) million and the comparable operating margin (EBIT%) to 6.4 (7.4) per cent.

Consolidated operating profit for the review period grew thanks to the increase in the domestic business's net sales and the improvement in its profitability. Qt's operating profit declined as a result of expenses incurred due to the demerger and setting up administrative functions required for the segment to operate independently.

Consolidated earnings before tax for the period totalled EUR 1.0 (0.4) million, and after tax EUR 0.8 (0.3) million.

Consolidated earnings per share for the review period were EUR 0.04 (1-3/2015: 0.01). Earnings per share for continuing operations in the period amounted to EUR 0.03 (1-3/2015: 0.0) and for discontinued operations EUR 0.01 (1-3/2015: 0.01).

The Group's net financial expenses for the review period were EUR -0.1 (-0.3) million.

FINANCIAL POSITION AND EXPENDITURE

At the end of the review period, the Digia Group's consolidated balance sheet total stood at EUR 83.3 million (12/2015: EUR 84.3 million) and the equity ratio stood at 53.2 (12/2015: 53.7) per cent. Net gearing was 17.9 per cent (12/2015: 16.6) per cent. Cash and cash equivalents totalled EUR 6.4 million at period end (12/2015: EUR 6.7 million).

Interest-bearing liabilities amounted to EUR 13.6 million (12/2015: EUR 13.5 million) at period end. These consisted of EUR 12.0 million in short-term loans from financial institutions and EUR 1.6 million in financial leasing liabilities.

On 14 April 2016, Digia Plc agreed on a new three-year financial loan arrangement with Danske Bank Oyj that replaces Digia's current loan portfolio, which totals EUR 12 million. The new financial arrangement totals EUR 17 million. The financial agreement includes customary covenant terms concerning the company's solvency and debt-servicing ability.

Ilmarinen Mutual Pension Insurance Company granted Qt Group a loan of EUR 6.0 million on 29 February 2016. The loan must be drawn down within six months of the signature of the agreement at the latest. It is a bilateral loan secured with collateral. The collateral for the loan consists of a corporate mortgage on Qt's mortgageable assets and the shares outstanding in the Qt subsidiary The Qt Company Oy, which will be transferred into the direct ownership of Qt on the day of the demerger. In addition to the terms presented above, the loan is subject to other covenants and terms customary to financial agreements.

Cash flow from operating activities for the period was EUR 1.8 million positive (1-3/2015: EUR 0.6 million positive). Cash flow from investments for the period was negative by EUR 0.5 million (EUR 0.4 million negative). Cash flow from finance for the period was negative by EUR 1.5 million (EUR 0.9 million negative).

Investments in fixed assets during the period totalled EUR 0.5 (0.5) million.

Return on investment (ROI) for the period was 9.3 (7.0) per cent, and return on equity (ROE) was 8.1 (3.0) per cent.

PERSONNEL, MANAGEMENT AND ADMINISTRATION

At the end of the period, the total number of Group personnel was 967, representing an increase of 23 employees or 2.4 per cent since the end of the 2015 fiscal period (12/2015: 944). During the review period, the number of employees averaged 962, an increase of 30 employees, or 3.2 per cent, on the 2015 average (2015: 932).

Employees by function at the end of the period:

Domestic business	75%
Qt business	20%
Administration and management	4%

As of the end of the period, 152 (12/2015: 145) employees were working abroad.

The Digia Plc Annual General Meeting of 16 March 2016 re-elected Päivi Hokkanen, Robert Ingman, Pertti Kyttälä and Seppo Ruotsalainen as members of the Board. Martti Ala-Härkönen was elected as a new member. At the Board's organisation meeting, 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.

KMPG Oy Ab, Authorised Public Accountants, has served as the auditor of the Group since the 2015 Annual General Meeting, with Authorised Public Accountant Virpi Halonen as the principal auditor.

RISKS AND UNCERTAINTIES

Digia's short-term risks and uncertainties are described in the 2015 financial statements and have remained unchanged. In the company's view, there are no significant indications that the general downward trend in the economy would have impacted on the company's operations during the review period.

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

FUTURE PROSPECTS

In 2016, Digia will strongly invest in building better growth opportunities for both business businesses. Besides pursuing organic growth, Digia will actively seek potential acquisitions to support its strategy and to accelerate domestic business growth.

Digia believes that digitalisation, the growing popularity of multi-channel services and the revolution in business models involve major business opportunities. To fully tap into these opportunities, Digia will make determined investments in personnel development and recruitment, and in bolstering its offering. Overall, Digia expects to hire approximately 150 new employees, most of them in the domestic business.

Digia expects that demand in the domestic business will remain reasonable and its net sales will continue to grow in 2016. The company expects that in 2016 the operating margin of the domestic business will remain on a par with the previous year, even though after the demerger the domestic business will be burdened by fixed costs that were earlier partly allocated to the Qt business.

Considering the time of year and general market situation, demand for the Qt business's services is at a moderate level, and the long-term business outlook is promising. The company will continue to introduce changes to open source code licensing in forthcoming versions of its Qt software. These changes are aimed at promoting licence sales to commercial players.

Qt's business development efforts will particularly focus on embedded systems in the automotive sector, digital TV and industrial automation. Areas targeted in product development include value-added features and tools required for building embedded systems.

Sales growth associated with embedded systems will also reflect on the earnings logic. Licence revenue from these sales accumulates over the long term, as opposed to one-off licence payments. Consequently, Digia anticipates no major impact from embedded systems sales growth on Qt's net sales in 2016.

Digia estimates that Qt's net sales will see year-on-year growth of more than 10 per cent in 2016. An exceptional licensing deal made with Nokia Corporation in 2012 in connection with the acquisition of the Qt business will no longer generate net sales in 2016. In 2015, net sales of a total of about EUR 1.4 million were still recognised from this deal.

Exchange rate fluctuations, particularly between the US dollar and euro, may have a large impact on Qt's net sales development, but no such fluctuations are currently foreseen. Another factor contributing to considerable fluctuation in quarterly net sales and profitability in particular is contract turnaround times which, in the major customer segment, are very long at up to 18 months.

Digia's demerger and the resulting establishment of Qt as an independent public listed company involve considerable expenses that will tax the profitability of the Qt business in the future. Due to these expenses and growth investments, the company estimates that Qt's operating profit will remain in the red in 2016.

OTHER MAJOR EVENTS OF THE REVIEW PERIOD

Digia Plc's Annual General Meeting

Digia Plc's Annual General Meeting (AGM) was held on 16 March 2016. The AGM adopted the financial statements for 2015, released the Board members and the CEO from liability, determined the Board and auditor fees, decided to set the number of Board members at five (5) and elected the company's Board of Directors for a new term.

The AGM decided to amend Article 4 of the Articles of Association in such a way that the current number of members of the Board of Directors, 5-8, was amended to 4-8 members.

With regard to profit distribution for 2015, the AGM approved the Board's proposal to pay a dividend of EUR 0.08 per share to all shareholders listed in the shareholder register maintained by Euroclear Finland Ltd on the reconciliation date of 18 March 2016. The dividend payment date was set at 29 March 2016.

The AGM granted the following authorisations to the Board:

Authorising 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 no 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 Helsinki Oy in accordance with the rules and instructions of NASDAQ 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 or complete 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 2015 and is valid for 18 months, i.e. until 16 September 2017.

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 4,000,000 shares at a maximum. 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 decided by the

Board. 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 2015 and is valid for 18 months, i.e. until 16 September 2017.

Demerger of Digia Plc to form two separate listed companies

In accordance with the proposal of the Board of Directors, Digia Plc's Annual General Meeting, held on 16 March 2016, approved the demerger plan signed by the Board on 16 December 2015, and decided on the partial demerger of Digia Plc. As set out in the demerger plan, Digia Plc is being demerged such that all assets, liabilities and responsibilities related to Digia's Qt business are transferred to a new company established in the demerger called Qt Group Plc. Digia Plc will continue the operations of the domestic business. As a part of the demerger, the Articles of Association of Qt Group Plc and the decrease in Digia Plc's additional paid-in capital by its entire amount of EUR 7,899,485.80 were approved.

The Annual General Meeting determined Qt Group Plc's Board and auditor fees, decided to set the number of Board members at five (5) and elected the company's Board of Directors and auditor.

Robert Ingman, Matti Rossi, Leena Saarinen, Tommi Uhari and Kai Öistämö were elected as members of Qt Group Plc's Board of Directors. At the Board's organisation meeting, Robert Ingman was elected Chairman of the Board and Tommi Uhari was elected Vice Chairman.

The Annual General Meeting granted the following authorisations to the Board of Directors of Qt Group Plc:

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

The AGM authorised the Board of Qt Group Plc to decide on the buyback and/or acceptance as collateral of no more than 1,000,000 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 Helsinki Oy in accordance with the rules and instructions of NASDAQ 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 or complete 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. The authorisation is valid until 16 September 2017. Qt Group Plc's Board of Directors may only make decisions on the basis of the authorisation after the implementation of the demerger has been registered.

Authorising the Board of Directors to decide on a share issue and granting of special rights

The AGM authorised the Board of Qt Group Plc 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 2,000,000 shares at a maximum. 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 decided by the Board. 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. The authorisation is valid until 16 September 2017. Qt Group Plc's Board of Directors may only make decisions on the basis of the authorisation after the implementation of the demerger has been registered.

On 3 March 2016, Digia Plc announced that it had published a demerger prospectus that had been drafted on behalf of Qt Group Plc for implementing the partial demerger of Digia and applying for the listing of Qt Group shares on the official list of NASDAQ Helsinki Oy.

The demerger will come into force once its implementation has been registered in the Trade Register. The planned date of registration is 1 May 2016. Once the demerger comes into effect, it has been agreed that Juha Varelius will assume the position of President and CEO of Qt Group Plc. Timo Levoranta, M.Sc. (Tech.), B.Sc. (Econ. & Bus.Adm.), born in 1965, has been appointed as the new CEO of Digia Plc.

SHARE CAPITAL AND SHARES

On 31 March 2016, the number of Digia Plc shares totalled 20,875,645.

According to Finnish Central Securities Depository Ltd, Digia had 4,237 shareholders on 31 March 2016.

The ten major shareholders were:

Shareholder	Percentage of shares and votes
Ingman Development Oy Ab	20.6%
Ilmarinen Mutual Pension Insurance Company	14.6%
Jyrki Hallikainen	7.4%
Kari Karvinen	5.0%
Varma Mutual Pension Insurance Company	4.6%
Matti Savolainen	4.3%
Aktia Capital investment fund	2.9%
Investment Fund Säästöpankki Small Cap	1.4%
Aktia Nordic Small Cap investment fund	1.3%
Juha Varelius	1.1%

Distribution of holdings by number of shares held on 31 Mar 2016

Number of shares	Shareholders	Percentage of shares and votes
1 – 100	27.0%	0.4%
101 – 1 000	55.3%	4.9%
1 001 – 10 000	15.5%	8.8%
10 001 – 100 000	1.6%	11.1%
100 001 – 1 000 000	0.5%	27.2%
1 000 001 – 4 000 000	0.1%	47.6%

Shareholding by sector on 31 March 2016

	Shareholders	Shares
Non-financial corporations	4.1%	27.5%
Financial and insurance corporations	0.4%	10.0%
General government	0.1%	19.2%
Not-for-profit institutions serving households	0.2%	0.6%
Households	94.6%	40.7%
Foreign holding	0.6%	1.8%

The weighted average number of shares during the reporting period, adjusted for share issues, came to 20,741,144 in total. The number of outstanding shares at the end of the review period was 20,741,144.

Digia Plc held a total of 57,372 treasury shares at the end of the review period. The accounting counter value of these treasury shares is EUR 0.10 per share. The company held about 0.6 per cent of the capital stock as of 31 March 2016. Digia has financed the acquisition of 121,000 treasury shares for distribution through incentive schemes for key personnel. At the end of the period, 77,129 of these shares remained undistributed and were under the management of Evli Alexander Management Ltd.

REPORTED SHARE PERFORMANCE ON THE HELSINKI STOCK EXCHANGE

During the review period, Digia Plc shares were 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 5.36 and the highest was EUR 7.20. The share officially closed at EUR 6.52 on the last trading day. The trade-weighted average was EUR 6.44. The Group's market capitalisation totalled EUR 136,109,205 at the end of the period.

The company did not receive flagging notifications during the review period.

EVENTS AFTER THE REVIEW PERIOD

On 14 April 2016, Digia Plc agreed on a new three-year financial loan arrangement with Danske Bank Oyj that replaces Digia's current loan portfolio, which totals EUR 12 million. The new financial arrangement totals EUR 17 million. The financial agreement includes customary covenant terms concerning the company's solvency and debt-servicing ability.

Helsinki, 29 April 2016

Digia Plc

Board of Directors

BRIEFING
Digia will hold a briefing on this interim report for analysts on Friday, 29 April 2016 at 11:00 am, in the Tapiola cabinet of Hotel Scandic Simonkenttä, Simonkatu 9, 00100 Helsinki, Finland. Welcome.

FURTHER INFORMATION
Juha Varelius, CEO, tel. +358 (0)10 313 3000 (exchange)

The interim report and CEO's presentation will be available in the Investors section at www.digia.com from 11 am on 29 April 2016.

DISTRIBUTION
NASDAQ Helsinki
Key media

CONDENSED FINANCIAL STATEMENTS AND NOTES

CONSOLIDATED INCOME STATEMENT, EUR 1,000

EUR 1,000	1-3/2016	1-3/2015	Change, %	2015
Continuing operations				
NET SALES	21,431.8	19,398.9	10.5%	80,946.3
Other operating income	121.4	64.7	87.5%	427.7
Materials and services	-2,688.4	-2,041.0	31.7%	-9,151.8
Depreciation, amortisation and impairment	-472.9	-428.1	10.4%	-1,607.1
Other operating expenses	-17,455.5	-16,733.6	4.3%	-64,760.8
Operating profit	936.4	260.9	259.0%	5,854.4
Financial expenses (net)	-58.1	-205.3	-71.7%	-513.3
Profit before taxes	878.2	55.5	1,481.2%	5,341.0
Income taxes	-183.5	-5.0	3,578.0%	-1,094.7
NET PROFIT	694.8	50.6	1,274.3%	4,246.4
Other comprehensive income:				
Items which may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	-82.6	149.2		-26.9
TOTAL COMPREHENSIVE INCOME, continuing operations	612.2	199.7	206.5%	4,219.5
Distribution of net profit:				
Parent-company shareholders	694.8	50.6	1,274.3%	4,246.4
Distribution of comprehensive income, domestic business				
Parent-company shareholders	612.2	199.7	206.5%	4,219.5
Discontinued operations				
Comprehensive income	173.6	211.7	-18.0%	1,099.2
Parent-company shareholders	173.6	211.7	-18.0%	1,099.2

Continuing and discontinued operations, total				
Comprehensive income	785.8	411.5	91.0%	5,318.7
Parent-company shareholders	785.8	411.5	91.0%	5,318.7
Earnings per share, EUR, continuing operations	0.03	0.00		0.20
Earnings per share, EUR, discontinued operations	0.01	0.01		0.05
Earnings per share, EUR, continuing and discontinued operations, total	0.04	0.01		0.25
Earnings per share, diluted, EUR, continuing operations	0.03	0.00		0.20
Earnings per share, diluted, EUR, discontinued operations	0.01	0.01		0.05
Earnings per share, diluted, EUR, continuing and discontinued operations, total	0.04	0.01		0.25

QT'S INCOME STATEMENT, EUR 1,000

EUR 1,000	1-3/2016	1-3/2015	Change, %	2015
NET SALES	7,148.2	6,252.8	14.3%	26,933.8
Other operating income and expenses	-6,895.2	-5,823.9	18.4%	-25,343.0
Profit before taxes	171.5	330.4	-48.1%	1,590.8
Income taxes	-42.4	-108.7	-61.0%	-609.6
NET PROFIT	129.1	221.7	-41.8%	981.2
Other comprehensive income:				
Items which may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	44.5	-10.0		118.0
TOTAL COMPREHENSIVE INCOME, discontinued operations	173.6	211.7	-18.0%	1,099.2

CONSOLIDATED BALANCE SHEET, EUR 1,000

Assets	31.3.2016	31.12.2015
Non-current assets		
Goodwill	44,549.7	44,549.7
Other intangible assets	6,217.8	6,485.7
Tangible assets	2,005.5	1,859.1
Investments	627.0	627.0
Long-term receivables	28.9	29.7
Deferred tax assets	380.7	293.3
Total non-current assets	53,809.6	53,844.4
Current assets		
Current receivables	23,106.0	23,741.1
Available-for-sale financial assets	330.4	330.6
Cash and cash equivalents	6,090.2	6,379.2
Total current assets	29,526.6	30,450.9
Total assets	83,336.2	84,295.3

Shareholders' equity and liabilities	31.3.2016	31.12.2015
Share capital	2,087.6	2,087.6
Issue premium fund	7,899.5	7,899.5
Other reserves	5,203.8	5,203.8
Unrestricted shareholders' equity reserve	31,370.3	31,370.3
Translation difference	454.0	492.1
Retained earnings	-7,638.3	-11,393.6
Net profit	823.9	5,227.6
Equity attributable to parent-company shareholders	40,200.8	40,887.2
Total shareholders' equity	40,200.8	40,887.2
Liabilities		
Long-term interest-bearing liabilities	679.0	8,195.9
Received long-term advances	825.1	874.6
Deferred tax liabilities	244.0	253.9
Total long-term liabilities	1,848.3	9,324.4
Short-term interest-bearing liabilities	11,595.6	5,316.8
Other short-term liabilities	28,453.1	28,766.8
Total short-term liabilities	41,287.1	34,083.7
Total liabilities	43,135.5	43,408.1
Shareholders' equity and liabilities	83,336.2	84,295.3

The comparison period figures presented in the balance sheet include Qt business-related assets and liabilities that will be transferred to the Qt Group in the demerger on 1 May 2016.

CONSOLIDATED CASH FLOW STATEMENT, EUR 1,000

	1.1.2016-31.3.2016	1.1.2015-31.3.2015
Cash flow from operations:		
Net profit	824	272
Adjustments to net profit	976	445
Change in working capital	424	-265
Interest paid	-45	-78
Interest income	0	0
Taxes paid	-182	-62
Discontinued operations	-193	274
Cash flow from operations	1,804	586
Net cash flow from operations:		
Purchases of tangible and intangible assets	-466	-413
Discontinued operations	-23	-18
Net cash flow from investments	-489	-431
Cash flow from financing:		
Proceeds from share issue	0	0
Payments of finance lease liabilities	-75	0
Repayments of current loans	0	0
Repayments of non-current loans	0	0
Withdrawals of current loans	0	0
Withdrawals of non-current loans	0	0
Dividends paid and other profit distribution	-1,440	-888
Discontinued operations	-26	-45
Cash flow from financing	-1,541	-933
Change in cash and cash equivalents	-225	-778
Cash and cash equivalents at beginning of period	6,710	5,132
Net foreign exchange difference	-64	175
Change in cash and cash equivalents	-225	-778
Cash and cash equivalents at end of period	6,421	4,529
Cash and cash equivalents, continuing operations	3,150	1,286
Cash and cash equivalents, discontinued operations	3,271	3,243

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

	a	b	c	d	e	f	g	h
SHAREHOLDERS’ EQUITY 1.1.2015	2,088	0	7,899	31,370	5,204	401	-10,243	36,719
Net profit							5,228	5,228
Other comprehensive income						91		91
Repayment of capital							-1,039	-1,039
Share-based payments recognised against equity							-111	-111
SHAREHOLDERS’ EQUITY 31.12.2015	2,088	0	7,899	31,370	5,204	492	-6,166	40,887
	a	b	c	d	e	f	g	h
SHAREHOLDERS’ EQUITY 1.1.2016	2,088	0	7,899	31,370	5,204	492	-6,166	40,887
Net profit							824	824
Other comprehensive income						-38		-38
Repayment of capital							-1,659	-1,659
Share-based payments recognised against equity							59	59
Other items							128	128
SHAREHOLDERS’ EQUITY 31.3.2016	2,088	0	7,899	31,370	5,204	454	-6,814	40,201

a = Share capital
b = Rights issue
c = Issue premium fund
d = Unrestricted shareholders’ equity reserve
e = Other reserves
f = Translation difference
g = Retained earnings
h = Total shareholders’ equity

NOTES TO THE ACCOUNTS

Accounting principles:
The interim report was prepared in compliance with IFRS and the IAS 34 standard. The report has not been audited.

The same accounting principles have been applied as in the 2015 financial statements. The amendments to and interpretations of IFRS standards effective as of 1 January 2016 had no material effect on this interim report.

Due to the demerger approved by the Annual General Meeting, the Qt business is presented under discontinued operations.

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 1,659,291.52.

Related-party transactions:
Digia Group's related parties include the CEO and the members of the Board of Directors and Group Management, their related parties and their controlled entities. There were no significant transactions between the Group and its related parties during the review period.

Quarterly income statement for continuing and discontinued operations:

EUR 1,000	1-3/2016	10-12/2015	7-9/2015	4-6/2015	1-3/2015
Net sales	28,580.0	30,566.7	24,552.5	27,109.2	25,651.7
Other operating income	163.5	628.9	771.4	424.8	423.1
Materials and services	-2,858.8	-3,484.4	-2,020.0	-2,358.3	-2,292.7
Depreciation, amortisation and impairment	-610.1	-614.3	-675.9	-655.6	-615.3
Other operating expenses	-24,085.3	-24,968.6	-20,112.8	-22,212.5	-22,477.0
Operating profit	1,189.4	2,128.2	2,515.2	2,307.6	689.8
Financial expenses (net)	-139.6	-187.7	-40.7	-176.8	-303.8
Profit before taxes	1,049.8	1,940.5	2,474.5	2,130.8	386.0
Income taxes	-225.9	-494.0	-623.7	-472.9	-113.7
Net profit	823.9	1,446.6	1,850.9	1,657.8	272.3
Distribution of net profit:					
Parent-company shareholders	823.9	1,446.6	1,850.9	1,657.8	272.3
Earnings per share, EUR	0.04	0.07	0.09	0.08	0.01
Earnings per share, diluted, EUR	0.04	0.07	0.09	0.08	0.01

Key figures for continuing and discontinued operations:

EUR 1,000	1-3/2016	1-3/2015
Extent of business:		
Net sales	28,580	25,652
- change from previous year	11.4%	7.1%
Average capital invested	54,282	52,856
Personnel	967	927
Average number of personnel	932	930
Profitability:		
Operating profit	1,189	690
- % of net sales	4.2%	2.7%
Earnings before tax	1,050	386
- % of net sales	3.7%	1.5%
Net profit	824	272
- % of net sales	2.9%	1.1%
Return on equity	8.1%	3.0%
Return on investment	9.3%	7.0%
Financing and financial standing:		
Interest-bearing liabilities	13,613	16,468
Short-term investments & cash and bank receivables	6,421	4,529
Net gearing	17.9%	33.0%
Equity ratio	53.2%	51.0%
Cash flow from operations	1,804	761
Earnings per share, EUR, undiluted	0.04	0.01
Earnings per share, EUR, diluted	0.04	0.01
Equity/share, EUR	1.93	1.73
Lowest share trading price, EUR	5.36	2.74
Highest share trading price, EUR	7.20	4.30
Average share price, EUR	6.44	3.42
Market capitalisation	136,109	88,513

Formulae for key figures are presented in the 2015 financial statements. These remained unchanged during the reporting period.