



SOLTEQ PLC'S INTERIM REPORT 1.1.-30.9.2007

- Turnover increased by 16,8% and totalled 19,4 million euros (16,6 million euros)
- Operating result was 0,8 million euros (-0,5 million euros)
- The company defines the earlier profit estimate (the operating result will improve significantly from -0,5 million euros) and estimates the yearly operating profit to reach a level of 1,5 million euros

KEY FIGURES

Turnover by operation:

%	1-09/07	1-09/06	1-12/06
Services	65	61	60
Licences	24	26	26
Hardware	11	13	14

Turnover by segment:

Me	1-09/07	1-09/06	1-12/06
Trade	12,6	11,0	+1,6
Industry and services	6,8	5,6	+1,2
Total	19,4	16,6	+2,8

Operating result by segment:

Me	1-09/07	1-09/06	1-12/06
Trade	0,4	-0,8	+1,2
Industry and services	0,4	0,3	+0,1
Total	0,8	-0,5	+1,3

Managing Director Hannu Ahola:

"During the third quarter the turnover growth rate accelerated from before and it was now approximately 26 per cent. The relative profitability of the company has improved likewise quarter by quarter. We believe that the same trend both in the development of turnover and profitability will continue also during the last quarter of the year. The systematic work to increase sales projects backlog, which will appear more and more as realized sales, was the major factor behind the improvement of key figures. On the other hand, the integration process to the group in connection with the acquired companies has proceeded well, that has brought both significant synergy benefits and cost-efficiency. The measures taken during this year and the development of

business operations give a good starting point to the next year and back up the long-term objectives that were issued by the board of directors in the last interim report."

BUSINESS ENVIRONMENT AND BUSINESS DEVELOPMENT

Solteq is a strategic partner for trade and industry, whose core competency is IT solutions that are critical to business. Solteq combines its own product portfolio with the products from the leading software companies in the world to deliver individual business development and ERP solutions for its customers. The information that is processed by means of these solutions is helping customers to lead their business even better than before and to improve their profitability.

TRADE

Business environment

The rapid development of retail trade both in small and large chains has had a positive impact to the demand of store management systems during the review period. All solutions that are related to the development and rationalisation of customer service are in the interest of retail trade and thus have had a substantial effect on the sales of Solteq. There is also more and more often demand for solutions that improve customer service in the whole sale trade.

The demand is furthermore strengthened by chaining and internationalization of stores that have an extensive effect on all store management systems. Tight integration and accuracy of data are both prerequisites so that the new data can be entered to the system as a continuous flow and the operations remain effective both domestic and foreign places of business of the chain.

Also the changed role of the point-of-sale systems has had an essential influence on the operational environment - the point-of-sale system is the brains behind the store. The current status of the store and whole chain, product sales, product information and loyal customerships are all view by the means of a centralized system. Even small chains of stores are interested in loyal customership systems and there is a lot of ongoing analysis in connection with this issue at the moment.

The strengthened demand is also influenced by the fact that stores have used old solution generations for a long time and renewal of point-of-sale system is naturally ahead. According to the analysis f the market researcher Market-Visio the renewals of point-of-sales systems are also one of the most influential trends and drivers in the IT-markets of trade.

The role of payment transaction itself has been emphasized in this same turning point. People are more and more used to use payment cards, but compromises can not be done in connection with the efficiency and safety of the payment transaction. In the trade branch the companies are still waiting for the definition of policies in connection with EU's regulations over payment cards, but there has been enormous development in connection with payment devices.

It is also significant to notice that retail trade and chained commerce converge all the time. The activities are interlocked and boundaries crossed, what is perking up the sales.

The business environment of car unit has remained stable. Both consumers and car dealers have been waiting government's decisions on car tax reform. Solteq doesn't expect the future tax reforms to have immediate effect on demand for management systems. Majority of the IT-investments in car sales are emphasized in the development of pre-existing systems.

According to the market researcher Market-Visio the most important drivers for information technology in the car sales, by the year end 2008, are improvement of customer service during the purchase moment and better utilization of customer information. Both of those above mentioned drivers are core competence of Solteq's car sales unit. The unit will continue its development work in these sectors to further strengthen its supply of solutions.

Business development

The trade unit is approaching its setting of financial objectives. The system development has been intensive especially during first half of the year. The sales of advisory services have remained effective and the sales of management systems are perking up towards the year end, what is expected to have a positive affect on the all-year business objectives.

The development in the demand for loyal customership systems and e-commerce has been especially favorable. One of the most significant projects during the review period was the establishment of e-commerce and the start-up of rationalisation of procurement optimisation for Koivunen Oy, which is a company with diversified activities of technical trade in the automotive field.

In connection with procurement optimisation there are several other ongoing projects, thus a couple of years work among with this solution comes now to fruition. Procurement optimising can be made more effective by the means of system automation. This has also an effect to

the usage of shelf space, whose efficiency the companies are interested in.

The upturn in the sales of store management systems has improved also the sales of Solteq's harmonization solutions. In the trade segment the product and customer master files are the basement of activities. Companies want to get the overlapping and faulty data of their systems, because that kind of data causes extra costs. The data is uniform, real time and in a more efficient form after the harmonisation. This improves usability and efficiency.

During the review period Solteq announced the Solteq Store -concept. The aim of this concept is to increase the understanding of trade segment companies about stores at whole and to promote the sales of solutions. Solteq Store is a complex solution that in addition with store management system includes also for example e-commerce, data communication solutions for financial administration and technical maintenance. Customer is able to choose the required features from the concept for its own business needs, which intensify sales and communications.

The business operations of car sales unit developed favorable and the unit achieved its turnover and result objectives during the review period. Majority from the turnover of car sales unit consisted of development of customer's pre-existing systems. The modernization of IT systems of Automa and ERP- project in connection with Renault's importing company, that were launched earlier this year, were the most important single projects during the review period.

INDUSTRY AND SERVICES

Business environment

The amount of export ventures in the Finnish export industry was still expanding. Strong development of export companies increase the demand for the Solteq's IT- solutions for industry.

According to the market researcher Market-Visio the Finnish companies want to improve the utilisation of pre-existing information. This is shown up in the markets as increasing interest in the development of Business Intelligence -systems and integration projects, in which interface links are built between different systems, such as ERP and CRM systems.

There were no significant changes in the business environment in connection with maintenance and harmonisation services during the review period. The economic boom in public economy and the positive



development of industry continued during the review period and this was shown up as brisk demand for maintenance and harmonisation services.

Business development

Solteq's industry segment exceeded its setting of turnover and result objectives. The best development was among the demand for maintenance and harmonization services, the turnover and result of these services increased faster than expected. The services in connection with industry's ERP solutions lag a bit behind expectations due to changes in the planned schedules in two projects. These projects are postponed to be realized during the last quarter of 2007 and the first quarter of 2008.

As per the first half of the year the demand for large and comprehensive ERP- solutions in the industry segment has been quite dull. The demand for ERP subsystems, such as customership management systems and reporting systems and services, was increasing instead. However compared to the first three quarters in previous year the backlog of sales projects at the end of the review period in connection with ERP- systems was clearly larger. Solteq expects that couple of SAP- and Microsoft projects will be launched during the last quarter.

IDO's Sanitec unit's SAP ERP- system was the most significant one among the ERP- projects, and the implementation project in connection with this continued during the review period.

During the review period there has been strong development among the business operations in connection with maintenance and harmonization services. The interest of industrial companies towards the possibilities of harmonization has increased strongly during the review period. This is shown up in the unit's sales projects backlog that is largest in the history.

The recruitments, which have begun during the first half of the year, continued during the review period. The unit will also hire more employees along with the increased demand during the rest of the year.

Among the large single projects, the company has launched harmonization project with Ruukki (Rautaruukki Oyj) in connection with customer's title registers. This harmonization of data is continuance to the delivery of a maintenance system to Ruukki's Raahe production plant that was started in April.

Solteq's maintenance projects in Russia moved ahead according to plan. The company has launched a maintenance project and continues the

expansion of maintenance business in the St. Petersburg region during the rest of the year.

TURNOVER AND RESULT

Turnover increased 16,8% compared to the previous year and totalled 19.382 thousand euros (16.592 thousand euros).

Turnover consists of several individual customerships. At the most, one client corresponds to a less than five percentages from the turnover.

The reported income taxes are positive mainly due to intercompany structuring. The loss due to the arrangement, 3.559 thousand euros, in 2005 is written off in taxation and as a change in deferred taxes in income statement during 2006-2007. The reported income taxes for 2007 will be reduced by change in deferred taxes by 77 thousand euros in the last quarter of 2007.

The operating profit for the review period totalled 758 thousand euros (-519 thousand euros), result before taxes was 630 thousand euros (-453 thousand euros) and the profit for the review period 719 thousand euros (0 thousand euros).

BALANCE SHEET AND FINANCING

The total assets amounted to 20.101 thousand euros (17.435 thousand euros). Liquid assets totalled 108 thousand euros (315 thousand euros).

The company's interest-bearing liabilities were 6.996 thousand euros (4.161 thousand euros).

The company's equity ratio was 46,0% (53,3%).

INVESTMENTS, RESEARCH AND DEVELOPMENT

Gross investments during the review period were 1.702 thousand euros (4.509 thousand euros). For the most part these gross investments consist of corporate acquisitions that have been carried out during the review period.

Corporate acquisitions

Solteq Plc announced 13.3.2007 that the company acquires all the shares of Fulmentum Oy. Fulmentum is specialised in global master data harmonising and maintenance projects. The company has been consolidated in the financial statements starting from 1.5.2007.

The basic purchase price was 1.500 thousand euros and it has been paid in cash according to the purchase agreement. The additional price, that is 1.400 thousand euros at the maximum, consists of the possible financial benefit received from the ongoing and future projects of Fulmentum at the time of acquisition in the forthcoming three years.



The acquisition price exceeding Fulmentum Oy's equity at the time of the acquisition has been allocated as goodwill totalling 1.422 thousand euros. The goodwill represents future income expectations that relate to cross-utilising customers, knowledgeable personnel and complementing product knowledge.

Changes in the group structure

During the review period the company has started operations to merge its subsidiaries that carry on business operations with their parent company. The merger of Artekus Oy realised 1.10.2007. The estimated implementation date of the mergers of Fulmentum Oy and Tampereen Systeemitiiimi Oy is 31.12.2007.

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 utilise their resources and distribution channels. Own development efforts are focused on added value products and developing tailored service concepts.

During the financial period development costs under IFRS have been capitalised in the amount of 95 thousand euros (331 thousand euros). Mainly the costs relating to research and development are presented due to their nature as yearly costs in profit and loss account. Two development projects have been completed during the previous financial year and thus the depreciation according to plan have been started for the capitalized amount. Two other development projects are still unfinished and the depreciation according to plan will be started along with the commercial implementation of the projects.

PERSONNEL

The number of permanent employees at the end of the review period was 257(242). Average number of personnel during the review period was 243 (243). At the end of the review period the number of personnel divided as follows: trade 116, industry and services 101 and shared functions 40.

RELATED PARTY TRANSACTIONS

The company has related party relationships with members of the Board of Directors, the managing director and the management group of the company. There haven't been significant changes in the company's related party transactions after the issue of financial statements from year 2006.

SHARES AND SHAREHOLDERS

Solteq Plc's equity on 30.9.2007 was 1.000.498,41 euros which was represented by 12 044 229 shares. The shares have no nominal value.

Exchange and rate



During the review period, the exchange of Solteq's shares in the Helsinki Stock Exchange was 1,9 million shares (2,7 million shares) and 3,0 million euros (5,2 million euros). Highest rate during the review period was 1,84 euros and lowest rate 1,28 euros. Weighted average rate of the share was 1,54 euros and end rate 1,60 euros. The market value of the company's shares at the end of the review period totalled 19,3 million euros (16,7 million euros).

Ownership

At the end of the review period, Solteq had a total of 2.258 shareholders (2.603 shareholders). Solteq's 10 largest shareholders owned 7.441 thousand shares i.e. they owned 61,8 per cent of the company's shares and votes. Solteq Plc's members of the board owned a total of 4.862 thousand shares which equals 40,4 per cent of the company's shares and votes.

During the review period there has been one announcement on change of ownership in accordance with chapter 2, section 9, of the securities market act, as Profiz Business Solution Plc's ownership of Solteq shares exceeded 28.5.2007 the 5 % proportion.

ANNUAL GENERAL MEETING

Solteq Plc's annual general meeting on 23.3.2007 adopted the financial statements for 2006 and the members of the board and the managing director were discharged from liability for the financial year 2006.

The annual general meeting decided in accordance with the board's proposal to authorize the board of directors to decide on dividend distribution or other distribution of funds from the distributable equity fund. The board of directors is authorized to decide on dividend distribution or other distribution of funds from the distributable equity fund or both, totalling altogether a maximum of 0,10 euros per share. The authorization is valid until the beginning of the next annual general meeting.

The annual general meeting decided that the equity account formed in the extraordinary general meeting on 9.9.2005 and governed by the general meeting of shareholders, an amount of 5.962.338,50 euros is transferred to the distributable equity fund. The distributable equity fund is a fund based on the new Finnish Companies Act and may be used among other things to dividend distribution or other distribution of funds.

The annual general meeting decided that the company's share capital is increased from 993.654,69 euros to one million (1.000.000) euros by transferring the respective amount from the distributable equity fund.

The annual general meeting decided to authorize the board of directors to decide on acquiring the company's own shares so that the amount in the possession of the company does not exceed 10 percent 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 used as part of the incentive scheme of the personnel or convey otherwise or be invalidated. The shares can be acquired in other proportion than the shareholders' holdings. The shares are to be acquired through public trading and at market price. The acquiring is to be done with the unrestricted shareholders' equity. The authorization is valid until the beginning of the next annual general meeting.



The annual general meeting decided to authorize the board of directors to give or convey company's own shares, maximum amount being 3.000.000 shares. The shares can be given or conveyed in order to finance and fulfill terms of an acquisition or similar or develop company's capital structure or be used as part of the incentive scheme of the personnel or otherwise develop the company's business operations. The authorization includes a right to deviate from the shareholders' preemptive right of subscription if there is a weighty financial reason for the company. The authorization includes that the board of directors may decide the terms and other matters concerning the share issue according to the instructions of the Finnish Companies Act. The authorization is valid for five years starting from the decision.

The annual general meeting decided that the funds in the share premium account at the time of the annual general meeting totaling 2.164.197,45 euros are transferred to the distributable equity fund.

BOARD OF DIRECTORS AND AUDITORS

Five members were elected to the board of directors. Seppo Aalto, Ari Heiniö, Veli-Pekka Jokiniiva, Ali Saadetdin and Jukka Sonninen will continue as members of the board. The board elected Ali Saadetdin to act as the chairman of the board.

KPMG Oy Ab, Authorised Public Accountants, were re-elected as Solteq's auditors. Frans Kärki, APA, acts as the lead partner.

RETURN OF EQUITY AND LOWERING OF THE SHARE PREMIUM FUND

The board of directors has decided in its meeting 7.8.2007 to return equity the amount of 0,10 euros per share using the maximum authorization granted by the annual general meeting. The date of dividend ex-date was 14 August 2007, the date of record was 16 August 2007 and the payment date was 23 August 2007.

The company has received an announcement that was dated 5.9.2007 from The Finnish Register of Companies that the transfer of funds, totaling 2.164.197,45 euros, from the share premium account to distributable equity fund can be carried out. According to the new Companies Act no separate entry to the Finnish Trade Register has to be done in connection with the lowering of share premium fund.

EVENTS AFTER THE REVIEW PERIOD

No significant new reportable matters have taken place since after the review period.

RISKS AND UNCERTAINTIES

The key uncertainties and risks are related to the timing and pricing of the business deals that are the basis of the turnover, changes in the level of costs and to 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 and management group work. The company has not organized a separate internal audit organisation or committee.

PROSPECTS

So far it was estimated the turnover to increase over 20 % on a yearly basis and the operating result to improve substantially.

The turnover estimate remains unchanged. The company defines the earlier profit estimate and estimates the yearly operating profit to reach a level of 1,5 million euros.

FINANCIAL INFORMATION

GROUP PROFIT AND LOSS ACCOUNT (TEUR)

	1.7.- 30.9.2007	1.7.- 30.9.2006	1.1.- 30.9.2007	1.1.- 30.9.2006	1.1.- 31.12.2006
NET TURNOVER	5 857	4 652	19 382	16 592	23 166
Other operating income	10	1	65	22	42
Raw materials and services	-1 426	-1 106	-4 099	-3 708	-5 378
Staff expenses	-2 907	-2 610	-10 341	-9 273	-12 831
Depreciation	-179	-169	-566	-502	-698
Other operating expenses	-1 052	-1 464	-3 683	-3 650	-4 799
OPERATING RESULT	303	-696	758	-519	-498
Financial income and expenses	-58	-33	-128	66	19
PROFIT BEFORE APPROPRIATION AND TAXES	245	-729	630	-453	-479
Income taxes	29	536	89	453	602

PROFIT/LOSS FOR THE PERIOD

**SOLTEQ**

Solteq Plc Stock Exchange Bulletin 24.10.2007 at 9.00am 11/16

	274	-193	719	0	123
Earnings / share, e(undiluted)	0,02	-0,02	0,06	0,00	0,01
Earnings / share, e(diluted)	0,02	-0,02	0,06	0,00	0,01
GROUP BALANCE SHEET (TEUR)	30.9.2007	30.9.2006	31.12.2006		
ASSETS					
NON-CURRENT ASSETS					
Intangible assets					
Intangible rights	2 091	2 137	2 140		
Goodwill	8 086	5 394	6 600		
Tangible assets	2 784	3 128	3 019		
Investments					
Other shares and similar rights of ownership	117	89	81		
Other long-term debtors	0	140	0		
Deferred tax assets	801	554	663		
Total non-current assets	13 879	11 442	12 503		
CURRENT ASSETS					
Short-term debtors	6 114	5 472	5 619		
Investments	0	206	1 579		
Cash in hand and at banks	108	315	646		
Total current assets	6 222	5 993	7 844		
TOTAL ASSETS	20 101	17 435	20 347		

EQUITY AND LIABILITIES

CAPITAL AND RESERVES ATTRIBUTABLE TO THE SHAREHOLDERS
OF THE PARENT COMPANY

Share capital	1 001	994	994
Share issue	3	0	0
Share premium account	4	2 164	2 164
Equity account	0	5 962	5 962
Unrestricted equity fund	7 213	0	298
Retained earnings	302	172	173
Profit for the financial year	719	0	123
Total equity	9 242	9 292	9 714

LIABILITIES

Non-current liabilities	163	163	163
Current liabilities	10 696	7 980	10 470
Total liabilities	10 859	8 143	10 633
TOTAL EQUITY AND LIABILITIES	20 101	17 435	20 347

FINANCIAL PERFORMANCE
INDICATORS

	1-09/2007	1-09/2006	1-12/2006
Net turnover MEUR	19,38	16,59	23,17
Change in net turnover	16,81 %	7,01 %	7,41 %
Operating result MEUR	0,76	-0,52	-0,50
% of turnover	3,91 %	-3,13 %	-2,15 %
Result before taxes MEUR	0,63	-0,45	-0,48
% of turnover	3,25 %	-2,73 %	-2,07 %
Equity ratio, %	45,98	53,29	47,74
Gearing, %	74,53 %	39,18 %	15,78 %
Gross investments in non-current assets MEUR	1,70	4,51	7,68
Return on equity, %	10,38 %	0,01 %	1,20 %

Return on investment, %	6,95 %	-3,61 %	-2,44 %
Personnel at end of period	257	242	234
Personnel average for period	243	243	240

KEY INDICATORS PER SHARE

Earnings / share, e	0,06	0,00	0,01
Earnings / share, e(diluted)	0,06	0,00	0,01
Equity / share, e	0,77	0,79	0,81

QUARTERLY KEY INDICATORS (MEUR)

	4Q/05	1Q/06	2Q/06	3Q/06
Net turnover	6,06	5,78	6,16	4,65
Operating result	0,46	0,22	-0,04	-0,70
Result before taxes	0,46	0,35	-0,07	-0,73

	4Q/06	1Q/07	2Q/07	3Q/07
Net turnover	6,58	6,38	7,14	5,86
Operating result	0,02	0,13	0,33	0,30
Result before taxes	-0,03	0,10	0,29	0,24

CASH FLOW STATEMENT (MEUR)

	1-09/2007	1-09/2006	1-12/2006
Cash flow from business operations	-0,66	-0,14	0,25
Cash flow from capital expenditure	-3,38	0,07	1,86
Cash flow from financing activities			
Income from issued shares	0,01	0,02	0,02
Return of equity(paid)	-1,20	-3,54	-3,54
Loan agreement	3,24	3,67	3,27
Cash flow from financing activities	2,04	0,15	-0,24
Change in cash and cash equivalents	-2,00	0,08	1,87

TOTAL INVESTMENTS (MEUR)

	1-09/2007	1-09/2006	1-12/2006
Continuing operations, group total	1 702	4 509	7 680

LIABILITIES (MEUR)

	30.9.2007	30.9.2006	31.12.2006
Performance bonds	0,05	0,00	0,05
Lease contracts, machinery & equipment	0,77	0,95	0,71
Lease liability, premises	3,09	3,38	3,42

The Group has no liabilities from derivative instruments.

STATEMENT OF CHANGES IN GROUP EQUITY (TEUR)

A=Share capital

B=Share issue

C=Share premium account

D=Equity account

E=Unrestricted equity fund

F=Retained earnings

G=Total

	A	B	C	D	E	F	G
EQUITY 1.1.2006	908	0	234	9 500	0	167	10 809
Granted option rights						5	5
Result for the period						0	0
Total gains and losses						0	0
Subscription issue	2						2
Directed issue	84						84
Emission gain			1 930				1 930
Return of equity				-3 538			-3 538
EQUITY 30.9.2006	994	0	2 164	5 962	0	172	9 292

EQUITY 1.1.2007	994	0	2 164	5 962	298	296	9 714
Granted option rights						5	5
Result for the period						719	719
Total gains and losses						719	719
Subscription issue	1	3	4				8
Transfer between equity accounts	6		-2 164	-5 962	8 120		0
Return of equity					-1 204		-1 204
EQUITY 30.9.2007	1 001	3	4	0	7 214	1 020	9 242

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

The Financial Statements is unaudited.

CALCULATION OF FINANCIAL RATIOS

Return on Equity (ROE) in percentage

$$\frac{\text{profit or loss before taxation - taxes}}{\text{equity}} \times 100$$

Profit from invested equity in percentage

$$\frac{\text{profit or loss before taxation + interest expenses and other financing expenses}}{\text{balance sheet total - non-interest bearing liabilities}} \times 100$$

Solvency ratio, in percentage

$$\frac{\text{equity}}{\text{balance sheet total - advances received}} \times 100$$

Gearing

interest bearing liabilities - cash, bank balances and securities -----	
equity	X 100

Diluted earnings per share

diluted profit before taxation - taxes +/- minority interest -----
diluted average share issue corrected number of shares

Earnings per share

pre-tax result - taxes +/- minority interest -----
diluted average share issue corrected number of shares

Equity per share

equity -----
number of shares

This interim report has been prepared in accordance with IAS 34 - standard and the same accounting policies as in the annual financial statements 2006.

Financial reporting in 2007

Solteq Plc will publish the financial statements bulletin from the financial year 2007 January 30, 2008.

More information for investors at Solteq's website at www.solteq.com

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