



SOLTEQ PLC'S INTERIM REPORT 1.1.-30.6.2008

- Turnover increased during the review period by 14,2 % and during the second quarter by 19,5 %.
- The operating result for the period remained at the same level as previous year and totalled 0,4 million euros. During the second quarter operating result was slightly better compared to the previous year.
- The company estimates turnover and result to increase as expected during year 2008.

KEY FIGURES

Turnover by operation:

%	1-06/08	1-06/07	1-12/07
Services	62	65	63
Licences	22	24	24
Hardware	16	11	13

Turnover by segment:

Me	1-06/08	1-06/07	Change
Trade	10,1	7,9	+2,2
Industry and services	5,3	5,6	-0,3
Total	15,4	13,5	+1,9

Operating result by segment:

Me	1-06/08	1-06/07	Change
Trade	0,5	0,1	+0,4
Industry and services	-0,1	0,4	-0,5
Total	0,4	0,5	-0,1

Managing Director Hannu Ahola:

"During the first half of the year company's turnover has increased faster as expected. The increase in turnover is influenced by good existing project backlog and successes both in device and software sales. The profit development in proportion with the turnover growth for the first year-half didn't reach the long-term target mainly because of the structure of the turnover was emphasized by the device- and partner software sales and the growth of the staff expenses. This growth couldn't yet be completely transferred to customer prices.



During the second quarter of the year the company achieved to improve profitability clearly compared to the first quarter of 2008. After the first half of the year we can more definitely believe in the fulfillment of the objectives related to growth of turnover and profitability that are set for the whole year 2008. This means organic growth of over 10 percent and the improvement of last year's operating profit of nearly 5 percent.

In addition to the profitable domestic activities the growth potential in Russian markets seems to strengthen. During the last part of the year we'll increase our efforts in Russia. In the growth phase of business operations, the adequate availability of proper employees will become one of the most crucial success factors as well in the domestic front as in Russia. We have already recruited exceptionally considerable number of new employees to strengthen our know-how."

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.

In the beginning of year 2008 Solteq's operations were internally divided to five separate units. The result is still monitored through two business segments. The segment Trade consists of Trade and Auto Trade units. Industry and services segment consists of Industry and Information Management units. Application Services is company's internal service unit. OOO Solteq Russia acts as an independent subsidiary, which serves with the support of the parent company's organization Solteq's customers operating in Russia.

TRADE

Business environment - Trade

A quite positive economic trend is prevailing in the business branch trade. Companies in chained commerce are opening new stores and investigations to build new shopping centers are picking up all around Finland. The growth of companies in business branch trade appears directly also to the business operation of companies that provide IT-solutions and services to companies in trade branch.

In addition to the growth of companies the second driver for IT- system investments is the improvement of effectiveness, because by means of improvement in effectiveness companies are preparing themselves to



weaker economic trends. Interest towards self-service solutions is increasing all the time. To the consumer the most visible example of improvement of trade's effectiveness is the usage of payment card in card reader and PIN-code key entry during the payment situation.

The expansion of Finnish store chains to abroad appear also as growth of demand for IT- solutions. In abroad companies in trade want to implement IT- systems whose properties have been developed and tested on the domestic front. In addition to the demand for IT- systems the globalization of companies in trade appears also in the demand for consultancy services.

The continuance of IT- investments in the trade branch is also backed up by the retailers' need for replace already or soon out-of-date systems. At the moment there are a plenty of systems in use at stores that don't support or make possible at all the implementation of new services such as advanced reporting tools.

Business environment - Auto Trade

The business environment of Auto Trade remained stable during the review period. In the Auto Trade branch the difficulties of American car manufacturers, increased fuel costs and increasing interests have engendered uncertainty to the branch, but this uncertainty has had no influence in IT- investments of Auto Trade. The increasing environmental consciousness of customers and consequential changes in buying and consumption behaviour cause also changes in the business environment. In Finland the focus of demand for information technology for Auto Trade branch is concentrated on different services and added value products, which Solteq and different interest groups of Auto Trade branch are providing. Solteq implements terminal interfaces between added value products and existing systems of Auto Trade.

In the branch Auto Trade there are signs that companies' have increasing interest towards building up comprehensive IT- strategy. Companies want to fully utilize their IT- systems and take care that their systems are harnessed as efficient as possible to serve management of business operations and to achieve business objectives.

Business development - Trade

The development of business operations in the Trade unit was slightly better than expected and the unit exceeded its financial objectives. Compared with the second quarter of 2007 the turnover of business unit trade increased clearly.

The good economic development during the review period was boosted by systematic investments in the supply of trade related solutions and both cooperation and product integration with Solteq's partners, such as Wincor Nixdorf, Microsoft, IBM and SAP. Along with the own product development and partners' versatile supply of solutions Solteq develops solutions for all sized companies in the business branch trade.



Among the IT- systems the demand for TP.net-store management system, Solteq Merx and Microsoft Dynamics' NAV - ERP system have been brisk. During the review period the number of concluded deals related to Tekso- point-of-sale systems was also above average.

The largest single project during the review period was the renewal of Tokmanni group of companies' of point-of-sale systems, which was continued as installations of systems to the stores. Respecta's NAV-project, that begun in the first quarter of the year, continued also during the second quarter.

In May Solteq announced that it will carry out an inventory management renewal project for Anttila in which the Hämeenkylä distribution centre's picking services for department stores and the functionalities of dispatch department are renewed by the means of Solteq's Merx-solution. At the moment the project is ongoing and it will be finalized during the last quarter of the year.

The focuses of product development were on message communications. In addition service production standard was developed alongside with a couple of customers. New operations models for project management development were created similarly.

Business development - Auto Trade

The business operations in the Auto Trade unit developed satisfactory during the review period, but the unit remained slightly below its financial expectations. No major single ERP development projects were launched in the beginning of the year, on the contrary the focus of the unit's business consisted of development of customers' existing systems and service sales.

INDUSTRY AND SERVICES

Solteq's Industry and Services business segment consists of Industry and Information Management business units. The expertise in enterprise resource planning (ERP) and maintenance systems has been centralized in the Industry business segment. Information Management, that is a new business unit and that was launched in the beginning of 2008, provides harmonization projects for IT- systems and master data maintenance services as well as data collection services. These projects and services are provided both domestically and globally along with international customers. The objective for segregation of Information Management unit is to ensure that harmonization services will be effectively available to all customers of Solteq.

Business environment - Industry

In Finland the propensity to invest in enterprise resource planning (ERP) -systems and maintenance IT- systems among industrial companies remained stable during the review period and there were no signs of downtrend related to investments. The customers in forest industry,



whose decision-making was stressed by difficulties in the line of business, made exception. As a whole the activity in maintenance IT-systems has remained unchanged, and in addition the activity among ERP-systems has increased both in SAP and Microsoft Dynamics NAV- systems.

Russia is the growing market area for Solteq's Industry unit. In Russia the investments in production plants of foreign companies are still in clear upswing. The companies that are investing in Russia want to build the IT- systems of their new production plants so that they match with existing IT- systems in other units and so that the new systems integrate smoothly to existing ones. In Russia there is constant and increasing demand for maintenance systems.

Business environment - Information Management

Solteq's Information Management business unit offers harmonization of information system master data (product, customer and supplier information). The objective for harmonization is to improve quality of the data that is recorded to the IT- systems. Companies' investment in quality of data is internationally an upward trend, in which especially large companies pay more and more attention.

In Finland the demand for harmonization services remained brisk during the second quarter of the year. Earlier the demand was originated by the needs of industrial companies, but now also the trade branch is going to activate. Especially the companies among wholesale are interested in the benefits of harmonization.

Industry is still the forerunner branch related to harmonization projects. Industrial companies continue their efforts to gain cost savings by harmonizing the data of their different ERP- systems and by removing overlap data from those systems. Solteq's Information Management unit accompanies SAP and other enterprise resource planning projects in earlier phase than before. By the means of harmonization the data from ERP- system is accurately transferred to new a system as real time as possible.

Business development - Industry

During the review period the financial success of business unit Industry exceeded significantly its objectives.

During year 2008 the Industry unit's growth is foreseen to remain strongest among maintenance, in which both the number of customers and the services needed are going to increase. Solteq's business activities in Russia bring possibilities for additional growth. The sales project backlog of Russian unit is strong and during the second half of year 2008 efforts will be made to start new projects in Russia, especially in the St. Petersburg area.

During the review period investments in the development work of Arttu-, Artturi-, and PowerMaint- maintenance systems were continued. Earlier the industrial companies took care of the maintenance by themselves,



but in the future more and more companies are going to outsource this function. It is Solteq's objective to bring new functionalities, which correspond to the needs of maintenance outsourcers and network -like operating companies, to its maintenance systems.

Ruukki's maintenance project was the most important one among single projects. Ruukki's project continued according to plan during the review period. The maintenance project of Pohjolan Voima was finalized and moved on follow-up projects. After the renewal of maintenance systems of seven power plants new projects were started related to system renewals of Pori's and Laanila's plants.

During the review period the SAP version upgrade that was carried out for Medix Biochemicals and implementation of SAP in Componenta's unit in Pori have given work among enterprise resource planning systems. Version upgrades are also on the go for several other customers.

During the review period company invested also in recruitments and along with those recruitments the Solteq's ability to deal with more and more projects simultaneously is going to improve.

Business development - Information Management

Solteq's Information Management unit increased its sales by 30 per cent compared to the first quarter of 2008. The increase in sales is boosted by one large and several smaller harmonization projects. Ongoing projects run to time and the projects are finalized, as planned, in the third quarter of year.

TURNOVER AND RESULT

Turnover increased by 14,2% compared to the previous year and totalled 15.439 thousand euros (13.525 thousand euros).

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

The operating profit for the review period totalled 420 thousand euros (455 thousand euros), result before taxes was 262 thousand euros (385 thousand euros) and the profit for the review period 181 thousand euros (455 thousand euros).

BALANCE SHEET AND FINANCING

The total assets amounted to 22.072 thousand euros (20.592 thousand euros). Liquid assets totalled 258 thousand euros (277 thousand euros).

The company's interest-bearing liabilities were 6.360 thousand euros (5.330 thousand euros)



The company's equity ratio was 41,5% (49,4%).

INVESTMENTS, RESEARCH AND DEVELOPMENT

Gross investments during the review period were 565 thousand euros (1.585 thousand euros).

The additional price 200 thousand euros, due to the acquisition of Fulmentum Oy, is included in the gross investments.

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 and Wincor-Nixdorf and utilize their resources and distribution channels. Own development efforts are focused on added value products and developing tailored service concepts.

During the review period development costs under IFRS have been capitalized in the amount of 273 thousand euros (10 thousand euros). Mainly the costs relating to research and development are presented due to their nature as yearly costs in profit and loss account. Capitalized costs relate to two product development projects. 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 271 (251). Average number of personnel during the review period was 262 (241). At the end of the review period the number of personnel divided as follows: trade 126, industry and services 116 and shared functions 29.

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 Solteq group of companies. There haven't been significant changes in the company's related party transactions after the issue of financial statements from year 2007.

SHARES AND SHAREHOLDERS

Solteq Plc's equity on 30.6.2008 was 1.009.154,17 euros which was represented by 12.148.429 shares. The shares have no nominal value.

In the end of the review period the amount of treasury shares in Solteq Plc's possession was 9.000 shares. The amount of treasury shares represented 0,07 % from total amount of shares and votes in the end of



the review period. The equivalent value of acquired shares was 748 euros.

Exchange and rate

During the review period, the exchange of Solteq's shares in the Helsinki Stock Exchange was 0,3 million shares (1,4 million shares) and 0,5 million euros (2,0 million euros). Highest rate during the review period was 1,77 euros and lowest rate 1,28 euros. Weighted average rate of the share was 1,54 euros and end rate 1,42 euros. The market value of the company's shares at the end of the review period totalled 17,3 million euros (20,5 million euros).

Ownership

At the end of the review period, Solteq had a total of 2.061 shareholders (2.314 shareholders). Solteq's 10 largest shareholders owned 7.883 thousand shares i.e. they owned 64,9 per cent of the company's shares and votes. Solteq Plc's members of the board owned a total of 4.867 thousand shares which equals 40,1 per cent of the company's shares and votes.

ANNUAL GENERAL MEETING

Solteq Plc's annual general meeting on 28.3.2008 adopted the financial statements for 2007 and the members of the board and the managing director were discharged from liability for the financial year 2007.

The annual general meeting decided in accordance with the board's proposal a dividend of 0,06 euros per share. The balancing date of dividend was 2.4.2008 and payment date 9.4.2008.

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.

BOARD OF DIRECTORS AND AUDITORS

Six 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. Markku Pietilä was elected as new member of the board of directors. The board elected Ali Saadetdin to act as the chairman of the board.



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

EVENTS AFTER THE REVIEW PERIOD

Mr Seppo Aalto, the member of the board of directors, is for the present unable to act in the board. He is on a sick leave recovering from having a fit.

After the review period Solteq Plc has started acquiring of the company's own shares in accordance with company's stock exchange bulletin 21.5.2008.

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 organization or committee.

PROSPECTS

In the interim review 8.8.2007 Solteq Plc set a long-term objective for years 2008-2010 that is to achieve 10 % yearly organic growth of turnover. Additional growth is sought by allocated acquisitions.

Company's objective for yearly operating profit is significant improvement compared to previous years as the objective is 10 % of turnover. There are still realistic conditions for achieving these objectives. The operating profit for 2008 is expected to improve even though it is expected not yet to reach the above-mentioned target-level.

FINANCIAL INFORMATION

GROUP PROFIT AND LOSS ACCOUNT
(TEUR)

	1.4.- 30.6.2008	1.4.- 30.6.2007	1.1.- 30.6.2008	1.1.- 30.6.2007	1.1.- 31.12.2007
NET TURNOVER	8 544	7 147	15 439	13 525	27 926
Other operating income	35	20	39	55	69
Raw materials and services	-2 558	-1 329	-4 015	-2 673	-6 398
Staff expenses	-4 095	-3 985	-8 180	-7 434	-14 356
Depreciation	-184	-206	-359	-387	-742
Other operating expenses	-1 372	-1 319	-2 504	-2 631	-5 195
OPERATING RESULT	370	328	420	455	1 304
Financial income and expenses	-84	-45	-158	-70	-214
PROFIT BEFORE APPROPRIATION AND TAXES	286	283	262	385	1 090
Income taxes	-95	8	-81	60	28
PROFIT FOR THE PERIOD	191	291	181	445	1 118
Earnings / share, e(undiluted)	0,02	0,03	0,01	0,04	0,09
Earnings / share, e(diluted)	0,02	0,03	0,01	0,04	0,09

GROUP BALANCE SHEET
(TEUR)

30.6.2008 30.6.2007 31.12.2007

ASSETS

NON-CURRENT ASSETS

Intangible assets

Intangible rights	2 233	2 055	2 069
Goodwill	8 286	8 086	8 086

Tangible assets	2 742	2 799	2 743
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Investments

Other shares and similar rights of ownership	99	122	117
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Deferred tax
assets

	563	836	661
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Total non-current
assets

	13 923	13 898	13 676
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CURRENT ASSETS

Short-term debtors	7 891	6 417	8 025
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Cash in hand and at
banks

	258	277	345
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Total current
assets

	8 149	6 694	8 370
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TOTAL ASSETS

	22 072	20 592	22 046
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EQUITY AND LIABILITIES

CAPITAL AND RESERVES ATTRIBUTABLE TO THE SHAREHOLDERS
OF THE PARENT COMPANY

Share capital	1 009	1 001	1 002
Share issue	0	0	64
Company's own shares	-14	0	0
Share premium account	75	2 168	18

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Unrestricted equity fund	7 213	6 254	7 213
Retained earnings	693	300	304
Profit for the financial period	181	445	1 118
Total equity	9 157	10 168	9 719
LIABILITIES			
Non-current liabilities	2 163	163	163
Current liabilities	10 752	10 261	12 164
Total liabilities	12 915	10 424	12 327
TOTAL EQUITY AND LIABILITIES	22 072	20 592	22 046
FINANCIAL PERFORMANCE INDICATORS			
	1-06/08	1-06/07	1-12/07
Net turnover MEUR	15,44	13,52	27,93
Change in net turnover	14,16 %	13,27 %	20,55 %
Operating result MEUR	0,42	0,46	1,30
% of turnover	2,72 %	3,37 %	4,67 %
Result before taxes MEUR	0,26	0,39	1,09
% of turnover	1,70 %	2,85 %	3,90 %
Equity ratio, %	41,49	49,38	44,08
Gearing, %	66,63 %	49,70 %	69,01 %
Gross investments in non-current assets MEUR	0,56	1,59	1,83
Return on equity, %	3,78 %	9,14 %	11,50 %
Return on investment, %	5,49 %	6,62 %	8,72 %
Personnel at end of period	271	251	259
Personnel average for period	262	241	252

KEY INDICATORS PER SHARE

Earnings / share, e	0,01	0,04	0,09
Earnings / share, e(diluted)	0,01	0,04	0,09
Equity / share, e	0,75	0,84	0,81

QUARTERLY KEY INDICATORS (MEUR)

	3Q/06	4Q/06	1Q/07	2Q/07
Net turnover	4,65	6,58	6,38	7,14
Operating result	-0,70	0,02	0,13	0,33
Result before taxes	-0,73	-0,03	0,10	0,29

	3Q/07	4Q/07	1Q/08	2Q/08
Net turnover	5,86	8,55	6,89	8,55
Operating result	0,30	0,54	0,05	0,37
Result before taxes	0,24	0,45	-0,02	0,28

CASH FLOW STATEMENT (MEUR)

	1-06/2008	1-06/2007	1-12/2007
Cash flow from business operations	1,89	-0,64	-0,46
Cash flow from capital expenditure	-0,54	-2,76	-3,47
Cash flow from financing activities			
Income from issued shares	0,00	0,01	0,08
Dividend distribution	-0,73	0,00	0,00
Return of equity(paid)	0,00	0,00	-1,20
Own shares	-0,01	0,00	0,00
Loan agreement	-0,69	1,57	3,29
Cash flow from financing activities	-1,43	1,58	2,17
Change in cash and cash equivalents	-0,09	-1,82	-1,76

TOTAL INVESTMENTS (MEUR)	1-06/2008	1-06/2007	1-12/2007
Continuing operations,			
group total	565	1 585	1 833

LIABILITIES (MEUR)	30.6.2008	30.6.2007	31.12.2007
Company quorantee for			
credit limits	1,18	1,18	1,18
Perfomance bonds	0,05	0,05	0,05
Lease contracts, machinery & equipment	0,62	0,74	0,56
Lease liability, premises	2,71	3,15	2,93

The Group has no liabilities from derivative instruments.

MAJOR SHAREHOLDERS JUNE 30, 2008

	Shares and votes	
	Number	%
1. Saadetdin Ali	3 159 312	26,0 %
2. Aalto Seppo	1 662 206	13,7 %
3. Profiz Business Solution Oyj	1 292 974	10,6 %
4. TP-Yhtiöt Oy	513 380	4,2 %
5. Roininen Matti	326 740	2,7 %
6. Onninen-Sijointus Oy	322 071	2,7 %
7. Hakamäki Jorma	228 430	1,9 %
8. Saadetdin Katiye	156 600	1,3 %
9. Kiiveri Jouko	118 280	1,0 %
10. Aukia Timo	103 230	0,8 %
10 largest shareholders total	7 883 223	64,9 %
Total of nominee-registered	84 196	0,7 %
Others	4 181 010	34,4 %
Total	12 148 429	100,0 %

STATEMENT OF CHANGES IN GROUP EQUITY (TEUR)

A=Share capital

B=Share issue

C=Company's own shares

D=Share premium account
E=Unrestricted equity fund
F=Equity account
G=Retained earnings
H=Total

	A	B	C	D	E	F	G	H
EQUITY 1.1.2007	994	0	0	2 164	298	5 962	296	9 714
Granted option rights							4	4
Result for the period							445	445
Total gains and losses							449	449
Subscription issue	1			4				5
Transfer between equity accounts	6				5 956	-5 962		0
EQUITY 30.6.2007	1 001	0	0	2 168	6 254	0	745	10 168
EQUITY 1.1.2008	1 002	64	0	18	7 213	0	1 422	9 719
Result for the period							181	181
Total gains and losses							181	181
Subscription issue	7	-64		57				0
Acquiring of own shares			-14					-14
dividend distribution							-728	-728
EQUITY 30.6.2008	1 009	0	-14	75	7 213	0	874	9 157

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

CALCULATION OF FINANCIAL RATIOS

Solvency ratio, in percentage		
	equity	X 100

	balance sheet total - advances received	
Gearing		
	interest bearing liabilities - cash, bank balances and securities	X 100

	equity	
Return on Equity (ROE) in percentage		
	profit or loss before taxation - taxes	X 100

	equity	
Profit from invested equity in percentage		
	profit or loss before taxation + interest expenses and other financing expenses	X 100

	balance sheet total - non-interest bearing liabilities	
Earnings per share		
	pre-tax result - taxes +/- minority interest	

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

	diluted average share issue corrected number of shares	
Equity per share		
	equity	

	number of shares	



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This financial statements bulletin has been prepared in accordance with IAS 34 -standard and the same accounting policies as in the annual financial statements 2007.

All forecasts and estimates presented in the financial interim review are based on the current views of the management on the economic environment and outlook. Results can differ from those implied as a result of, among other factors, changes in economic market and competitive conditions, changes in the regulatory environment and other government actions.

The interim review is unaudited.

SOLTEQ'S FINANCIAL INFORMATION IN 2008

Solteq Plc's financial information bulletins in 2008 have been scheduled as follows:

- Interim report 1-9/2008 Wednesday 15.10.2008

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

Additional information:

Managing Director Hannu Ahola

Telephone +358 20 1444 211 or +358 40 8444 211

E-mail hannu.ahola@solteq.com

CFO Antti Kärkkäinen

Telephone +358 20 1444 393 or +358 40 8444 393

E-mail antti.karkkainen@solteq.com

Distribution:

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