SOLTEQ

Report of the Board of Directors and Financial Statements

1.1.2009 - 31.12.2009

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Report of the Board of Directors

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 manage their business even better than before and to improve their profitability.

Solteq's operations were internally divided into five separate units during 2009. The result was monitored through two business segments and in this financial statements bulletin the figures are reported in accordance with above-mentioned allocation. 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 operates as an independent subsidiary which with the assistance of the parent company's organization serves customers that are operating in Russia. The figures of OOO Solteq Russia are reported according to the operating segment of the end customer.

Solteq Plc announced 16.9.2009 that company's organizational structure will be reformed to correspond to company's strategic focus areas ERP (enterprise resource planning), EAM (enterprise asset management), DATA (data management and integration) and STORE (retail solutions and technology). The reform enables prerequisites at streamlining operations further and further improves the selling of company's product range to new areas. The organizational change has taken effect on 1.1.2010. As of the first quarter of 2010, Solteq's figures will be reported in accordance with new organizational structure.

During fourth quarter of 2009 Solteq's revenue totalled 8.226 thousand euros in which contains decrease of 4,9 per cent compared to corresponding period in 2008. The total revenue from financial year 2009 decreased six per cent and amounted to 28.550 thousand euros. The decrease of revenue was mainly due to decrease in hardware sales that was fainter compared to previous year. Instead the sales of services and licenses have run according to plans.

Solteq's operating result for the fourth quarter increased to 786 thousand euros from 657 thousand euros that was the operating result in the corresponding period 2008. The operating profit for the whole year 2009 was 1.464 thousand euros and that was in the same level as in 2008 (1.460 thousand euros). Company's operating profit percentage was 9,6 during the last quarter (7,6 in 2008) and during the whole financial year 5,1 (4,8). Improved profitability, especially during the last half of the year, is mainly due to the efficiency measures that company has taken during the first quarter of 2009.

Company's order backlog remained at good level during the last quarter of 2009. Current order backlog and strong sales project backlog build up confidence that the number of IT-investments will gradually increase during 2010 and also Solteq has a good chance to improve its profitability level compared to last year. The reforms that were executed during 2009 build up the wherewithal for the improvement of profitability. In the beginning of 2009 Solteq conducted co-operation negotiations with its employees and the number of company's offices was reduced. In addition during summer Solteq implemented new ERP-system that improves company's ability to monitor and develop its operations.

REVENUE AND RESULT

Revenue decreased by 6,0% compared to the previous year and totalled 28.550 thousand euros (previous financial year 30.383 thousand euros).

Revenue consists of several individual customerships. At the most, one client corresponds to less than ten percentages of the revenue.

The operating result for the financial year was 1.464 thousand euros (1.460 thousand euros), result before taxes was 1.329 thousand euros (1.136 thousand euros) and profit for the financial year 935 thousand euros (867 thousand euros).

Operating result is burdened by termination benefits in the amount of 440 thousand euros.

BALANCE SHEET AND FINANCING

The total assets amounted to 21.130 thousand euros (22.033 thousand euros). Liquid assets totalled 258 thousand euros (695 thousand euros).

The Group's interest-bearing liabilities were 6.909 thousand euros (6.316 thousand euros).

The Group's equity ratio was 47,2 percent (43,6%).

INVESTMENTS, RESEARCH AND DEVELOPMENT

Gross investments during the financial year were 651 thousand euros (920 thousand euros).

Research and development

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

During the financial year development costs capitalized under IFRS totalled 424 thousand euros (587 thousand euros). Governmental grants have been taken into account in the capitalized amount. Most costs relating to development are annually expensed due to their nature. Capitalized costs relate to one development project. Amortization according to plan will begin when the project has been commercially implemented.

PERSONNEL

The number of permanent employees at the end of the review period was 235 (268). Average number of personnel during the financial year was 240 (266). In the end of the financial year the number of personnel could be divided as follows: Trade 120, Industry and Services 91 and Shared Functions 24.

RELATED PARTY TRANSACTIONS

Solteq's related parties include parent company, subsidiaries and parent company's board of directors, managing director and the management team. There have been no significant changes in the company's related party transactions since the financial statements 2008.

SHARES, SHAREHOLDERS AND OWN SHARES

Solteq Plc's equity on 31.12.2009 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 financial year the amount of treasury shares in Solteq Plc's possession was 258.436 shares. The amount of treasury shares represented 2,13 % from the total amount of shares and votes in the end of the review period. The equivalent value of acquired shares was 21.468 euros.

Exchange and price

During the financial year, the exchange of Solteq's shares in the Helsinki Stock Exchange was 0,5 million shares (1,0 million shares) and 0,7 million euros (1,5 million euros). Highest rate during the financial year was 1,39 euros and lowest rate 1,02 euros. Weighted average rate of the share was 1,25 euros and end rate 1,33 euros. The market value of the company's shares in the end of the financial year totalled 16,2 million euros (14,1 million euros).

Corporate Governance Statement

Solteq has issued its Corporate Governance Statement as a separate report. The auditor of Solteq Plc has audited that the Corporate Governance Statement has been issued and that the systems of internal control and risk management relating to the reporting of financial results that are described in the report are consistent with Solteq Plc's financial statements. Solteq Plc's Corporate Governance Statement is available on company's website at www.solteq.com/investors

Ownership

In the end of the financial year, Solteq had a total of 1.985 shareholders (2.003 shareholders). Solteq's 10 largest shareholders owned 8.244 thousand shares i.e. they owned 67,9 per cent of the company's shares and votes. Solteq Plc's members of the board owned a total of 5.189 thousand shares which equals 42,7 per cent of the company's shares and votes.

ANNUAL GENERAL MEETING

Solteq Plc's annual general meeting on 27.3.2009 adopted the financial statements for 2008 and the members of the board and the managing director were discharged from liability for the financial year 2008.

The annual general meeting decided in accordance with the board's proposal to distribute a dividend in the amount of 0,04 euros per share. The reconciliation date for the dividend was 1.4.2009 and payment date 8.4.2009.

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. The authorization is valid until 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 Jokiniva, Ali Saadetdin, Jukka Sonninen and Markku Pietilä continued as members of the board. The board elected Ali Saadetdin to act as the chairman of the board.

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

EVENTS AFTER THE REVIEW PERIOD

After the review period no events have occurred that require reporting.

RISKS AND UNCERTAINTIES

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

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

PROSPECTS

Relating to year 2010 Solteq believes that the annual revenue will be at the same level as in 2009. The operating result instead is believed to clearly improve and to end up between 6 and 8 per cent.

PROPOSAL OF THE BOARD FOR DISTRIBUTION OF DIVIDEND

At the end of the financial period 2009, the distributable equity of the Group's parent company is 8.444.686,56 euros.

The Board of Directors proposes to the annual general meeting a dividend of 0,06 euros per share, excluding own shares, for the financial period 2009 (2008: 0,04 euros/share).

CONSOLIDATED INCOME STATEMENT

THOUSAND EUR	NOTE	1.1.-31.12. 2009	1.1.-31.12. 2008
Revenue	1,3	28 550	30 383
Other income	4	94	44
Materials and services		-7 524	-7 744
Employee benefit expenses	7	-14 868	-15 583
Depreciation and amortisation expenses	6	-710	-718
Other expenses	5,8	-4 078	-4 922
Operating profit		**1 464**	**1 460**
Financial income	9	29	16
Financial expenses	10	-164	-340
Profit before taxes		1 329	1 136
Income tax expense	11	-394	-269
Profit for the financial period		**935**	**867**
Other Comprehensive income			
Cashflow hedges		-9	0
Other Comprehensive income, net of tax		-7	0
Total Comprehensive income		**928**	**857**
Earnings per share attributable to equity holders of the parent			
Earnings per share, undiluted, continuing operations (EUR)	12	0,08	0,07

Diluted result does not differ from the undiluted result for the financial year or the previous year.

Consolidated balance sheet

THOUSAND EUR	NOTE	1.1.-31.12. 2009	1.1.-31.12. 2008
ASSETS			
Non-current assets			
Property, plant and equipment	13	2 645	2 707
Goodwill	14	8 286	8 286
Other intangible assets	14	2 755	2 417
Available-for-sale financial assets	15	93	93
Deferred tax assets	16	0	268
		13 779	**13 771**
Current assets			
Trade and other receivables	17	7 093	7 567
Cash and cash equivalents	18	258	695
		7 351	**8 262**
Total assets		**21 130**	**22 033**
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	19	1 009	1 009
Share premium reserve	19	75	75
Hedging reserve	19	-7	0
Reserve for own shares	19	-337	-255
Distributable equity reserve	19	7 213	7 213
Retained earnings	19	2 019	1 560
Total equity		**9 973**	**9 602**
Non-current liabilities			
Deferred tax liabilities	16	125	0
Interest-bearing liabilities	21	4 337	3 663
		4 462	**3 663**
Current liabilities			
Trade and other payables	22	4 123	6 115
Short-term interest bearing liabilities	21	2 572	2 653
		6 695	**8 768**
Total liabilities		**11 157**	**12 431**
Total equity and liabilities		**21 130**	**22 033**

Consolidated statement of cash flows

THOUSAND EUR	NOTE	1.1.-31.12. 2009	1.1.-31.12. 2008
Cash flow from operating activities			
Operating profit		1 644	1 460
Adjustments for operating profit	24	710	718
Changes in working capital		-2 035	966
Interest paid		-164	-340
Interest received		29	16
Paid taxes		0	124
Net cash from operating activities		**184**	**2 944**
Cash flows from investing activities			
Acquisition of subsidiaries		0	-200
Investments in tangible and intangible assets		-650	-675
Net cash used in investing activities		**-650**	**-875**
Cash flow from financing activities			
Withdrawal of non-current loans		2 000	5 000
Repayment of non-current loans		-1 000	-500
Repayment of current loans		-413	-5 236
Acquisition of treasury shares		-82	-255
Dividend distribution		-476	-728
Net cash used in financing activities		**29**	**-1 720**
Changes in cash and cash equivalents		**-437**	**350**
Cash and cash equivalents 1.1.		695	345
Cash and cash equivalents 31.12.	**18**	**258**	**695**

Cash and cash equivalents presented in the cash flow statement consist of the following items:

THOUSAND EUR	2009	2008
Cash and bank accounts	258	695
Total	**258**	**695**

Consolidated statement of changes in equity

thousand EUR	Share capital	Share issue	Reserve for own shares	Share premium reserve	Hedging reserve	Distributable equity reserve	Retained earnings	Total
Equity 1.1.2008	1 002	64	0	18	0	7 213	1 422	9 719
Profit for the financial period							867	867
Total recognised income and expense							**867**	**867**
Own shares acquired			-255					-255
Dividend distribution							-728	-728
Subscription issue	7	-64		57				0
Equity 31.12.2008	1 009	0	-255	75	0	7 213	1 560	9 602
Profit for the financial period							935	935
Other comprehensive income					-7			-7
Total recognised income and expense							**935**	**928**
Own shares acquired			-82					-82
Dividend distribution							-475	-475
Equity 31.12.2009	1 009	0	-337	75	-7	7 213	2 020	9 973

Notes to consolidated financial statements

Group information

Solteq group is an IT solutions and service provider to domestic companies in the trade and industry sectors. It has specialist know-how in the fields of chained trade, retail and wholesale trade, car trade and selected industry segments' IT systems and related services. The Group operates mainly in Finland. In Russia operates a fully-owned subsidiary OOO Solteq Russia, which has its domicile in St. Petersburg.

The Group's parent company is Solteq Plc. The parent company is a Finnish publicly limited company, domiciled in Tampere and its registered address is Eteläpuisto 2 C, FI-33200 TAMPERE, Finland. A copy of the consolidated financial statements is available from the aforementioned address as well as the company's website at www.solteq.com/annual-reports.

In its meeting 26.1.2010, the Board of Directors of Solteq Plc has approved these financial statements to be published. According to the Finnish Companies act, the shareholders may adopt or reject the financial statements in the annual general meeting held after the publication. The annual general meeting also has an option to make changes in the financial statements.

Accounting policies

Basis of preparation

Solteq Group's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) complying with the IAS and IFRS standards as well as the SIC and IFRIC interpretations valid as at 31.12.2009. International Financial Reporting Standards mean the standards and their interpretations that have been approved for adoption in the EU in accordance with the procedure No. 1606/2002 enacted in the Finnish Accounting Act and EU (EC) regulations laid down by the Act. The notes to the consolidated financial statements are also in accordance with the requirements of the Finnish Accounting and Companies Acts.

The consolidated financial statements have been prepared on historical cost convention basis, with the exception of available-for-sale financial assets which are measured at fair value. Financial statement information is presented in thousands of euros.

The Group has adopted following new and revised standards, amendments and interpretations effective from 1.1.2009:

- Reformed IAS 1 Presentation of Financial Statements. The revision has mainly had an effect on the manner in which the statement of comprehensive income and statement of changes in the equity are presented in the consolidated financial statements. In addition the reformed standard has also changed the terminology used in other standards and in the financial statements. The accounting principle relating to earnings per share –ratio has remained unchanged.
- Revised IFRS 7 Financial Instruments. Disclosures: The revision did not have a material effect on the disclosures.
- IFRS 8 Operating Segments. The standard requires the given segment information to be based

on internal group reporting presented to the management and the accounting principles applied therein. Adoption of IFRS 8 did not have material changes in the segment information, because the segment information issued by Solteq Group has been already earlier based on the internal reporting structure.

- Improvements of IFRS standards (Improvements to IFRS, May 2008). Through the Annual Improvements process, small and less urgent amendments are collected into one entity and implemented periodically. The effects of the amendments vary depending on the standard, but the amendments did not have a material effect on consolidated financial statements.

Following new and revised standards had not effect on Solteq Plc Group:

- Revised IFRS 2 Share-based payment – The revisions refer to the terms and conditions of vesting as well as reversals. Revision provides that entity shall take into account all non-vesting conditions when estimating the fair value of the equity instruments granted. Revision did not have any material impact on disclosures.
- Revised IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements. The revisions refer to puttable financial instruments and liabilities generated when an entity is dissolved.
- Revised IAS 23 Borrowing Costs
- IFRIC 13 Customer Loyalty Programmes

The preparation of the financial statement in accordance with the IFRS standards requires the group management to make certain estimates and assumptions that affect the application of accounting policies. Information of these considerations that the management has used in applying accounting policies and which have the most effect in the figures shown in the financial statement, have been presented in the section "Accounting policies requiring management judgement and significant uncertainties relating to accounting estimates".

Accounting policies for the consolidated financial statement

Subsidiaries

The consolidated financial statements include Solteq Plc and its subsidiaries. OOO Solteq Russia has been consolidated in the consolidated financial statements starting from 1.5.2008.

The aforementioned subsidiaries are companies where the group holds the right of control. Right of control is assumed when the group owns more than half of the votes or it otherwise has the right of control. Right of control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The group's mutual shareholdings have been eliminated using the acquisition method. Companies acquired are included in the consolidated financial statements from the date when the group has acquired right of control and subsidiaries sold until the date when the right of control seizes. All intra-group business transactions, receivables, debts and unrealised profits as well as internal distribution of profit are eliminated in the preparation of the consolidated financial statements. Unrealised losses are not eliminated in the event that they are caused by impairment.

Foreign currency items

Figures on the result and the financial position of the Group's entities are measured in the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in euros, which is the parent company's functional and presentation currency.

Transactions in foreign currencies are translated to the presentation currency at the monthly average rate close to the date of the transaction. At the time of closing the annual accounts, receivables and debts in foreign currencies have been converted to functional currency at the exchange rate of that date. Any exchange rate gain or loss from transactions in foreign currencies has been recognised in the financial statements under financial income and expense.

Property, plant and equipment

Property, plant and equipment consist mainly of buildings, machines and equipment. They are measured at historical cost less accumulated depreciation and possible impairment losses. Shares in real estate companies have been presented in the balance sheet as buildings and land. Costs from building maintenance have been expensed over the financial period, which is why no depreciation has been recognised for buildings and land.

Depreciation is calculated on a straight-line basis over their estimated useful life. The estimated useful lives are as follows:

Machinery and equipment	3-5 years
Other tangible assets	consists of works of art which are not depreciated

The residual values and useful lives are reviewed at each reporting date and, when necessary, are corrected to reflect any possible changes in expected future economic benefit.

Gains and losses from disposal and divestment of tangible assets are recognised under other income or expenses.

Intangible assets

An intangible asset is recognised in the balance sheet only if the asset's acquisition cost can be reliably measured and if it is probable that future economic benefits will flow to the entity. Intangible assets with a finite useful life are recognised in the balance sheet at historical cost and are amortised on a straight-line basis during their useful life. Estimated amortisation periods are as follows:

Development costs	5-10 years
Intangible rights	3-5 years
Other intangible assets	3-10 years

Goodwill

Goodwill is the part of the acquisition cost that exceeds the group's share in the acquired company's net assets' fair value at the time of acquisition which has taken place after 1.1.2004. Acquisitions prior to the IFRS transition date have in accordance with IFRS 1 not been restated but the balance sheet values according to the previous accounting standards are taken as the deemed cost. The classification of these acquisitions or their accounting treatment has not been adjusted in the group's opening IFRS balance sheet.

Goodwill is not amortised but is tested annually for impairment. For this purpose the goodwill is allocated to cash-generating units. The goodwill is valued at the original acquisition cost less impairment losses.

Research and development costs

Research costs are recognised as expenses in the income statement. Development cost for new or substantially improved product or service processes are capitalised in the balance sheet as intangible assets from the date when the product is technically and commercially feasible and it is expected to bring financial benefit. Development costs previously expensed will not be capitalised at a later date. Assets are amortised from the date when they are ready for use. Assets that are not yet ready for use are tested annually for impairment. Development expenses that have been capitalised have a useful life of 5 to 10 years, during which capitalised assets are expensed on a straight-line basis.

Government grants

Government grants, such as grants from public institutions for acquisition of intangible assets, are deducted from the carrying amount of the asset when it is reasonably certain that they will be received and the group fulfils the requirements to receive such grants. Grants are recognized in the form of lower depreciation expense during the useful life of the asset. Grants that compensate for expenses incurred are recognized in the income statement when the expenses are recognized. These grants are presented in other income.

Leases

Group as a lessee

Lease contracts for tangible assets for which the group have a significant part of the risks and rewards incidental to ownership, are classed as financial leases. At the inception of the lease term, a finance lease is recognised on the balance sheet at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payment. Assets acquired by a finance lease are depreciated during the asset's useful life or, if shorter, the lease term. Lease payments are apportioned between financial expenses and loan repayments during the rental period so that the remaining debt at the end of a financial period has a constant periodic interest rate. Lease commitments are included in interest-bearing liabilities.

Lease agreements where the risks and rewards incidental to ownership remain with the lessor, are classified as other lease agreements. Lease payments under other lease agreements are recognised as expense in the income statement in equal amounts throughout the lease term.

Impairment of tangible and intangible assets

The group estimates at the end of each financial period whether or not there is any indication of impairment on any asset. In the event of any such indication, the recoverable amount of the asset is estimated. Recoverable amounts are also estimated annually on the following asset groups regardless of whether or not there is any indication of impairment: goodwill and intangible assets not yet available for use. Need for impairment is monitored at the cash-generating unit level, that is, at the level of units that are independent from other units and whose cash flows can be separated from other cash flows.

Recoverable amount is the greater of the asset's fair value less selling costs or its value in use. Value in use is defined as the present value of the future cash flows expected to be derived from an asset or a cash generating unit. In the calculation of present value, discounting percentage is pre-tax rate which reflects the market's view of time value of money and asset-specific risks.

Impairment loss is recognised when the asset's carrying amount is higher than its recoverable amount. Impairment loss is immediately recognised in the income statement. If the impairment loss is allocated to a cash-generating unit, it is first allocated to decrease the carrying amount of any goodwill allocated to the cash-generating unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Impairment loss is reversed, if circumstances change and the asset's recoverable value has changed from the time of the recognition of the impairment loss. Reversal amount cannot, however, be higher than the asset's book value would be without the recognition of the impairment loss. Impairment loss on goodwill is not reversed under any circumstances.

Employee benefits

Pension liabilities

Pension arrangements are classed as defined benefit plans and defined contribution plans. The group has only defined contribution plans. Payments under the Finnish pension system and other contribution based pension schemes are recognised as expenses as incurred.

Share based payments

The group has applied IFRS 2 - Share based payments - standard to all its option arrangements, where the options had been issued after 7.11.2002 and which had not vested prior to 1.1.2005. The group has had option arrangements since 26.8.1999. The latest option programme has ended 31.12.2007. Accordingly, there has been no ongoing option programmes during financial period 2009.

Provisions and contingent liabilities

Provision is recognised when the group has a present legal or constructive obligation as a result of a past event, realisation of the payment obligation is probable and the amount of the obligation can be reliably estimated. Provisions are valued at the present value required to cover the obligation. Present values are determined by discounting the expected future cash flows at a pre-tax rate that reflects the market's view of that moment's time value and risks associated with the obligation. If part of the obligation is possible to be covered by a third party, the obligation is recognised as a separate asset, but only once this coverage is virtually certain.

Provisions are recognised for loss-making contracts, when the expenses necessary for fulfilling the obligations exceed the benefits receivable from that contract.

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group. Also present obligation that is not probable to cause liability to pay or the amount of obligation can not be measured with sufficient reliability are considered contingent liabilities. Contingent liabilities are disclosed as notes to the financial statements.

Income taxes

Tax expenses for the financial period comprise current tax based on the taxable income of the financial period and deferred taxes. Tax calculated from the taxable income of the financial period is based on the tax rate prevailing in each country. Taxes are adjusted with possible taxes relating to previous financial periods.

Deferred taxes are calculated from temporary differences between book value and taxable value. Most significant temporary differences are due to carryforward of unused tax losses and goodwill tax amortisation. Deferred taxes are not recognised on temporary differences arising from goodwill impairment losses that are not tax deductible. Deferred taxes are neither recognised on undistributed profit from subsidiaries when the differences are unlikely to reverse in the foreseeable future.

Deferred taxes are calculated using the tax rates enacted at the end of the financial period. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available, against which the temporary differences can be utilised.

Revenue recognition

Income from the sale of goods, software licences and hardware is recognised at fair value excluding indirect taxes, discounts and exchange rate differences from sales in currencies.

Services rendered and sale of software licences and hardware

Income from services is recognised when the service has been rendered. Maintenance income is recognized over the agreement period.

In order to recognise revenue from sales of software licences and hardware, there must be a binding agreement, delivery of product or equipment has taken place, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the group has transferred to the buyer the significant risks and rewards of ownership of the software licence or hardware. Software licences with right of return or conditions relating to start-up project are recognized when the right of return has expired or conditions have been fulfilled.

Long-term projects

When the outcome of the project can be estimated reliably, income and expenses for long-term projects are recognised as income and expenses based on the stage of completion. Stage of completion is defined by comparing the costs incurred for work performed at the reporting date to the estimated total cost of the project. When it is likely that a project's completion costs are going to exceed the income from the project, the expected loss is immediately recognised in income statement.

When the final result of a long-term project cannot be reliably estimated, costs incurred are recognised as expense during the period when incurred. Revenue from the project is recognised only to the extent of contract costs incurred and when it is probable that it will be recoverable. Losses from the project will immediately be recognised as cost in income statement.

Other income

Other income comprises gains from assets and income not relating to actual sales, such as rental income and government grants. Government grants are recognised in the income statement at the same time with those expenses that the government grants were intended to cover.

Interest income and dividends

Interest income is recognised using the effective interest method and dividends at the time the right for the dividend has been earned.

Operating profit

IAS 1 Presentation of financial statements standard does not define operating profit. The group has defined it as follows: operating profit is the net sum that is calculated by adding other income to the revenue, deduct material and services, employee benefit expense, depreciation and amortisation expense, possible impairment losses and other expenses. Everything else, except the aforementioned items, is presented below the operating profit.

Financial assets and liabilities

Financial assets

The group has classified its financial assets to the following classes: loans and receivables and available-for-sale financial assets. The classification is based on the purpose of purchasing financial assets and the classification is made at the time of the initial purchase.

Transaction costs are included in the financial asset value at initial measurement. All purchases and sales of financial assets are recognised on the trade date.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the group has transferred substantially all the risks and rewards of ownership outside the group.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market and the group is not holding them for trading. They are valued at amortised cost. They are classified in the balance sheet under current assets due to their nature.

Available-for-sale financial assets are assets that are not designated to other categories. They are classified in non-current assets. Available-for-sale financial assets consist of shares. They are recognised at fair value or, if fair value can not be measured reliably, at cost.

Cash and cash equivalents

Cash and cash equivalents consist of cash and bank deposits that can be withdrawn on demand. Account with overdraft facility is included in current financial liabilities. Unused overdraft facility in the amount of 2,1 M€, has not been recognised in the balance sheet.

Impairment of financial assets

The group assesses at the end of the financial period whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such evidence exists, the loss is recognised in the income statement.

Based on a risk estimate, an impairment loss for non-recoverable trade receivables is recognised in the income statement.

Financial liabilities

Financial liabilities are initially recognised at fair value. Transaction costs are included in the financial liability value at the initial measurement. Later all financial liabilities are valued at amortised cost using the effective interest method. Financial liabilities are classified under non-current and current liabilities which can be either interest-bearing or interest-free.

Cash flow hedges

For cash flow hedges, the effective portion of the change in fair value of the derivative that is determined to be an effective hedge shall be recognized in other comprehensive income and shall be disclosed in the hedging reserve in that case the hedging relationship qualifies the requirements for hedge accounting as set in IAS 39. The ineffective portion of the the change in fair value of the derivative shall be recognised in profit or loss. Cumulative gain or loss of the effective portion of derivatives deferred to other comprehensive income is transferred to the profit and loss and classified as revenue or expense for the accounting period or periods when the hedged item is recognized in the profit and loss, e.g. when the interest expenses of a loan are accrued in the profit and loss. The group applies hedge accounting on an interest rate swap that is hedging cash flows. Interest rate swaps are used to hedge against interest rate risks arising from fluctuating rate loans.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they incur. Transaction costs directly attributable to acquisition of loans which clearly relate to a certain loan are included in the original amortised cost of the loan and are expensed using effective interest method.

Equity

Costs relating to the acquisition of own shares are deducted from the equity. If Solteq Plc acquires its own shares, the acquisition costs are deducted from the equity.

Accounting policies requiring management judgement and significant uncertainties relating to accounting estimates

In preparation of the consolidated financial statements, estimates and assumptions regarding the future must be made. The end results may deviate from these assumptions and estimates. In addition, some judgement must be exercised in the application of the policies of the financial statements.

Management judgement regarding selection and application of accounting policies

The group management uses judgement regarding selection and application of accounting policies. This applies especially to those cases where the IFRS standards and interpretations in effect have recognition, measurement and presentation alternatives.

Uncertainties relating to accounting estimates

Accounting estimates in preparation of the financial statements are based on management's best estimate at the end of the financial period. These estimates and assumptions are based on experience and other reasonable assumptions, which are believed to be appropriate in the circumstances that form the basis on which the consolidated financial statements are prepared. Uncertainties relate to the outcome of projects, recoverability of trade receivable and changes in economic environment when the overall economic situation is uncertain. Possible changes in estimates and assumptions are recognised in accounting during the financial year when the estimate or assumption is revised, and all the periods after that.

Impairment test

The group carries out annual tests for the possible impairment of goodwill and intangible assets not yet available for use, and indications of impairment are evaluated in accordance with the principles described earlier in these financial statement. Recoverable amount of cash-generating units is defined with calculations based on value in use. These calculations require the use of estimates. Additional information about sensitivity analyses regarding changes in assumptions relating to recoverable amount are disclosed under note 14 Intangible assets.

Adoption of new and amended standards and interpretations

IASB has published the following new or amended standards and interpretations which are not yet effective and which the group has not yet applied. The group will introduce each standard and interpretation starting from the date they become effective or, if the effective date is other than the first date of the financial period, from the beginning of the next financial year:

- Annual improvements to several IFRS standards (Improvements to IFRS, April 2009). Through the Annual Improvements process, small and less urgent amendments are collected into one entity and implemented periodically. The group estimates that the amendments will not have a material effect on upcoming consolidated financial statements.
- Revised IFRS 2 Share-based Payment. The revisions refer to share based transactions settled in cash within the Group. The group estimates that the revision will not have a significant effect on the upcoming consolidated financial statements.
- Revised IFRS 3 Business Combinations. The amendments broaden the scope of IFRS 3. Revised standard includes significant amendments in Solteq group of companies' point of view. The amendments impact the amount of goodwill recognized on acquisitions and sales results of businesses. Amendments have also impact on the expenses and income recognized through profit and loss both during the acquisition date and during those financial periods in which the additional purchase price is paid or additional acquisitions are made. In accordance with the

transition provision of IFRS 3 the assets and liabilities that arose from business combinations whose acquisition dates preceded the application of this IFRS shall not be adjusted upon application of this IFRS.

- Amended IAS 27 Consolidated and Separate Financial Statements. The amendments affect the accounting treatment of acquisitions and sales achieved in stages. Amended standard provides that if the parent company retains control, impacts from changes in ownership in a subsidiary shall be recognized directly in group's equity. In case the control is lost, any remaining interest is measured at fair value through profit or loss. After amendments, the losses of a subsidiary may be attributed to non-controlling interest even if this results in the non-controlling interests having a deficit balance. The group estimates that the amendments will not have a significant effect on the upcoming consolidated financial statements.
- Amendment to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items. The amendment relates to hedge accounting and the amendment clarifies the guidelines of IAS 39 relating to the hedging of one-sided risk and inflation risk if the hedged item is a financial asset or financial liability. The group estimates that the amendment will not have a significant effect on the upcoming consolidated financial statements.

It is estimated that following new or amended standards and interpretations will not have effect on Solteq Plc Group:

- IFRIC 12 Service Concession Arrangements
- IFRIC 15 Agreements for the Construction of Real Estate
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation
- IFRIC 17 Distributions of Non-cash Assets to Owners
- IFRIC 18 Transfers of Assets from Customers

1 Segment information

Segment information is presented based on group's business segments. Geographical segment information is not disclosed as the group's main business operations are in group's home country which is one geographical segment. Business segments are based mainly on the group's internal organisational structure and internal financial reporting.

Business segments consist of assets and business operations, whose products or services bear risks and profitability that deviate from the other business segments.

Business segments

The group's business segments are:

Trade: all trade customers

Industry and services: industry customers

2009, thousand EUR			
Business segment	**Retail and wholesale trade**	**Industry and services**	**Total**
Revenue	18 634	9 916	28 550
Operating result	80	1 384	1 464
Interests and taxes	-107	-422	-529
Result for the financial period	-27	962	935
Segment's assets	9 745	11 385	21 130
Total assets	9 745	11 385	21 130
Segment's liabilities	7 252	3 905	11 157
Total liabilities	7 252	3 905	11 157
Investments	147	503	650
Depreciation	462	249	710

2008, thousand EUR			
Business segment	**Retail and wholesale trade**	**Industry and services**	**Total**
Revenue	19 766	10 617	30 383
Operating result	1 581	-121	1 460
Interests and taxes	-385	-208	-593
Result for the financial period	1 196	-329	867
Segment's assets	9 768	12 265	22 033
Total assets	9 768	12 265	22 033
Segment's liabilities	7 459	4 972	12 431
Total liabilities	7 459	4 972	12 431
Investments	80	840	920
Depreciation	467	251	718

2 Business combinations

No new business combinations took place during financial year 2009. In January 2008, additional purchase price in the amount of 200 thousand euros was paid relating to the acquisition of Fulmentum Oy on 13.3.2007. The additional price has been allocated as goodwill. It is considered not to be likely that the final part of additional price has to be paid.

3 Revenue and long-term projects

Revenue

THOUSAND EUR	2009	2008
Services	18 416	18 590
Sales of software licences	7 500	7 788
Sales of hardware	2 634	4 005
Total	**28 550**	**30 383**

Revenue from long-term projects totalled 2.182 thousand euros in 2009 (2.220 thousand euros in 2008).

The consolidated income statement includes income from long-term projects in process in total 1.974 thousand euros as at 31.12.2009 (1.868 thousand euros as at 31.12.2008). Receivable from long-term projects in process were included in prepayments and accrued income in the amount of 1.100 thousand euros as at 31.12.2009 (288 thousand euros as at 31.12.2008).

4 Other income

THOUSAND EUR	2009	2008
Other income	94	44
Total	**94**	**44**

5 Other expenses

THOUSAND EUR	2009	2008
Expenses from telephone and telecommunications	389	451
Rental expenses	1 120	1 115
Car and travel expenses	1 242	1 436
External services	481	551
Other expenses	846	1 369
Total	**4 078**	**4 922**

External services include audit fees 44 thousand euros (35 thousand euros in 2008) and other services 8 thousand euros (17 thousand euros 2008) to the company's audit firm.

6 Depreciation, amortisation and impairment

THOUSAND EUR	2009	2008
Depreciation and amortisation by asset group		
Intangible assets		
Development costs	120	118
Intangible rights	125	123
Other intangible assets	35	20
Total	**280**	**261**
Tangible assets		
Machines and equipment	430	457
Total	**430**	**457**

7 Employee benefit expenses

THOUSAND EUR	2009	2008
Wages	12 039	12 528
Pension expenses - defined contribution plans	2 187	2 128
Other personnel expenses	642	927
Total	**14 868**	**15 583**
Average number of employees in group during financial period		
Trade	121	133
Industry and services	94	109
Shared functions	25	24
Total	**240**	**266**
Employees as at 31.12.	235	268

Information on the management remuneration is disclosed in note 27 Related party transactions. Information on awarded options is disclosed in note 20 Share-based payments.

8 Research and development costs

Income statement for 2009 includes research and development costs in the amount of 798 thousand euros (777 thousand euros in 2008), mainly comprising wages.

9 Financial income

THOUSAND EUR	2009	2008
Interest income from loans and receivables	28	13
Dividend income from held-for-sale financial assets	1	3
Total	**29**	**16**

10 Financial expenses

THOUSAND EUR	2009	2008
Interest expenses from financial liablities at amortized cost	116	269
Other financial expenses	48	71
Total	**164**	**340**

Other financial expenses include 1 thousand euros of variable rents relating to financial leasing contracts (4 thousand euros in 2008).

11 Income taxes

THOUSAND EUR	2009	2008
Taxes based on the taxable income of the financial period	0	0
Deferred taxes	394	269
Total	**394**	**269**

Reconciliation between income statement's tax expense and taxes based on the group's domestic income tax rate (26 %):

THOUSAND EUR	2009	2008
Result before taxation	1 329	1 136
Taxes based on domestix tax rate	346	295
Non-deductible expenses	24	36
Previously unrecognized losses in taxation	0	-73
Unrecognized losses in taxation relating to subsidiaries	32	0
Other differences	-8	10
Taxes in the income statement	**394**	**269**

12 Earnings per share

Undiluted EPS is calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of shares outstanding.

EPS corrected by dilution calculated by using the weighted average number of shares takes into account all potentially diluting stock shares transformed into ordinary shares thus creating a diluting effect. The Group had not ongoing share option programs or convertible bonds that would have had a diluting effect. The share's fair value is based on the average price of the shares over the financial period.

	2009	2008
Profit for the financial period attributable to equity holders of the parent (thousand EUR), continuing operations	935	867
Weighted average of the number of shares during the financial period (1000)	11 925	12 013
Undiluted EPS EUR (per share), continuing operations	0,08	0,07
Dilutive effect has no influence on earnings per share (EPS).		

13 Property, plant and equipment

thousand EUR	Land	Buildings	Machinery and equipment	Other tangible assets	Total
Acqusition cost 1.1.2009	160	1 836	2 907	21	4 924
Additions	0	0	368	0	368
Acquisition cost 31.12.2009	**160**	**1 836**	**3 275**	**21**	**5 292**
Accumulated depreciation and impairment 1.1.2009	0	0	2 217	0	2 217
Depreciation	0	0	430	0	430
Accumulated depreciation and impairment 31.12.2009	**0**	**0**	**2 647**	**0**	**2 647**
Book value 1.1.2009	160	1 836	690	21	2 707
Book value 31.12.2009	160	1 836	628	21	2 645
Acqusition cost 1.1.2008	160	1 860	2 462	21	4 503
Additions	0	0	445	0	445
Deductions	0	-24	0	0	-24
Acquisition cost 31.12.2008	**160**	**1 836**	**2 907**	**21**	**4 924**
Accumulated depreciation and impairment 1.1.2008	0	0	1 760	0	1 760
Depreciation	0	0	457	0	457
Accumulated depreciation and impairment 31.12.2008	**0**	**0**	**2 217**	**0**	**2 217**
Book value 1.1.2008	160	1 860	702	21	2 743
Book value 31.12.2008	160	1 836	690	21	2 707

EUR 523 thousand remained to be depreciated of the group's machinery and equipment on 31.12.2009 (EUR 574 thousand on 31.12.2008).

Financial leases

Property, plant and equipment include property acquired by financial leases as follows:

thousand EUR	Machinery and equipment	Total
31.12.2009		
Acquisition cost	489	489
Accumulated depreciation	0	0
Book value	489	489
31.12.2008		
Acquisition cost	489	489
Accumulated depreciation	0	0
Book value	489	489

EUR 335 thousand worth of assets under financial leases is included in the additions in 2009 (EUR 332 thousand in 2008).

14 Intangible assets

thousand EUR	Goodwill	Development costs	Intangible rights	Other intangible assets	Total
Acquisition costs 1.1.2009	8 396	2 194	2 189	224	13 003
Capitalised development costs	0	424	0	0	424
Additions	0	0	111	83	194
Acquisition costs 31.12.2009	**8 396**	**2 618**	**2 300**	**307**	**13 621**
Accumulated amortisation and impairment 1.1.2009	110	354	1 678	158	2 300
Amortisation	0	120	125	35	280
Accumulated amortisation and impairment 31.12.2009	**110**	**474**	**1 803**	**193**	**2 580**
Book value 1.1.2009	8 286	1 840	511	66	10 703
Book value 31.12.2009	8 286	2 144	497	114	11 041
Acquisition costs 1.1.2008	8 196	1 625	2 049	324	12 194
Capitalised development costs	0	587	0	0	587
Additions	200	0	15	7	222
Acquisition costs 31.12.2008	**8 396**	**2 212**	**2 064**	**331**	**13 003**
Accumulated amortisation and impairment 1.1.2008	110	236	1 555	138	2 039
Amortisation	0	118	123	20	261
Accumulated amortisation and impairment 31.12.2008	**110**	**354**	**1 678**	**158**	**2 300**
Book value 1.1.2008	8 086	1 389	494	186	10 155
Book value 31.12.2008	8 286	1 858	386	173	10 703

During this reporting period and comparative year, the company has been involved in one large-scale project in added value product development, and 424 thousand euros (587 thousand euros) of expenses have been capitalised during the reporting period.

Impairment

Goodwill originating from business combinations and intangible assets relating to development projects not yet available for use are allocated to cash-generating units which are based, starting from 1.1.2010, on the Group's budgeting and reporting structure used in monitoring business operations. These cash generating units according to the reporting structure are SAP, Microsoft Dynamics, Optimization, Solteq Solutions, EAM, Store and Data.

As at 31.12.2009 the book value of goodwill totalled 8.286 thousand euros (8.286 thousand euros as at 31.12.2008). The book value of intangible assets not yet available for use totalled 1.162 thousand euros (1.075 thousand euros as at 31.12.2008).

Goodwill is allocated as follows (thousand euros):

	2009	2008
SAP	2.223	2.223
Microsoft Dynamics	1.168	1.168
Optimization	0	0
Solteq Solutions	334	334
EAM	2.939	2.939
Store	0	0
Data	1.622	1.622
Total	**8 286**	**8 286**

Intangible assets not yet available for use are allocated as follows (thousand euros):

	2009	2008
SAP	0	316
Microsoft Dynamics	0	0
Optimization	0	0
Solteq Solutions	0	0
EAM	1.162	759
Store	0	0
Data	0	0
Total	**1 162**	**1 075**

Impairment tests have been carried out at cash-generating unit level. Recoverable amount has been determined by using value in use. Defined estimated cash flows are based on the operating result budget for 2010 and operating result estimates for the following four years. Testing is carried out for the first time based on the cash-generating units that were formed 1.1.2010. In consequence it is not possible to disclose comparative information relating to the tests.

The increase of forecasted cash flows is estimated as follows: the cash flows relating to SAP and Solteq Solutions will not increase. Cash flows relating to Microsoft Dynamics and Store will increase approximately 10 per cent per annum. Cash flows relating to Optimization, EAM and Data will increase approximately 20 per cent per annum.

Assets are not estimated to have residual value at the end of the 5-year period, thus the valuation is conservative. If residual value is used the outcome of test work would be substantially more positive.

The discount rate used in the calculations 9 per cent (9 per cent in 2008) is the weighted average cost of capital before taxes. Borrowing costs have decreased significantly compared to previous year and it is compensating the increased yield requirement for equity.

Impairment tests did not result in impairment for either goodwill or intangible assets not yet available for use. If the forecasted increase in all cash-generating units would not realize and other assumptions would remained unchanged, the impairment tests would have resulted in an impairment loss of 1.095 thousand euros relating to EAM and 529 thousand euros relating to Data in 2009. If the discount rate would have been 10 per cent and other assumptions would remain unchanged, the impairment tests would have resulted in an impairment loss of 33 thousand relating to Data in 2009.

15 Available-for-sale financial assets

thousand EUR	2009	2008
Beginning of financial period	93	117
Additions/deductions	0	-24
End of financial period	93	93

16 Deferred tax assets and liabilities

Changes in deferred taxes during 2009:

thousand EUR	31.12. 2008	Recorded in the income statement	31.12. 2009
Deferred tax assets:			
Project accruals	14	-14	0
Booked depreciation in excess of tax depreciation	32	8	40
Carryforward of unused tax losses	825	-305	520
Total	**871**	**-311**	**560**
Deferred tax liabilities:			
Amortisation of goodwill	522	90	612
Other items	81	-8	73
Total	**603**	**82**	**685**
Deferred tax net	**268**	**-394**	**-125**

17 Trade and other receivables

THOUSAND EUR	2009	2008
Loans and other receivables		
Trade receivables	4 347	5 235
Prepayments and accrued income	2 337	2 261
Other receivables	407	71
Total	**7 093**	**7 567**

Significant items included in prepayments and accrued income relate to normal business accruals. The interest rate for loan receivable has been Euribor + 1,0 %.

Analysis of trade receivables by age and amounts expensed as bad debt:

THOUSAND EUR	2009	Impairment losses	Net 2009	2008	Impairment losses	Net 2008
Not due	3 235	-	3 235	4 296	-	4 296
Due	1 112	-	1 112	939	-	939
Under 30 days	644	-	644	307	-	307
31-60 days	185	-	185	37	-	37
61-90 days	50	-	50	148	-	148
Over 90 days	233	-	233	447	-	447
Total	**4 347**	**-**	**4 347**	**5 235**	**-**	**5 235**

All current receivables are denominated in euros. During the financial year the company has not recognized material impairment losses. There are no significant concentrations of risk related to receivables. Balance sheet values are equivalent to the maximum exposure of credit risk. Because the receivables are current their fair value is equivalent to carrying value.

18 Cash and cash equivalents

THOUSAND EUR	2009	2008
Cash and bank accounts	258	695
Total	**258**	**695**

An amount of 19 thousand euros has been pledged as guarantee period collaterals (2008: 48 thousand euros).

19 Notes to equity

Below is the reconciliation of the number of shares and the statement of changes in equity:

THOUSAND EUR	Number of shares (1 000)	Share capital	Share issue	Reserve for own shares	Share premium reserve	Hedging reserve	Distributable equity reserve	Total
1.1.2008	**12 065**	**1 002**	**64**	**0**	**18**	**0**	**7 213**	**8 297**
Acquisition of own shares	0	0	0	-255	0	0	0	-255
Use of share options	83	7	-64	0	57	0	0	0
31.12.2008	**12 148**	**1 009**	**0**	**-255**	**75**	**0**	**7 213**	**8 042**
Acquisition of own shares	0	0	0	-82	0	0	0	-82
Measurement of hedging instruments	0	0	0	0	0	-7	0	-7
31.12.2009	**12 148**	**1 009**	**0**	**-337**	**75**	**-7**	**7 213**	**7 954**

The maximum number of shares is 28.539.504 (28.539.504 in 2008). The shares have no nominal value. The Group's maximum share capital according to the articles of association is 2.4 million euros (2.4 million euros in 2008).

The reserves included in equity are as follows:

Share premium reserve

A reserve to be used in accordance with the old Companies Act § 12:3a.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Distributable equity reserve

In accordance with the Companies Act 8:2 §, the proportion of payments received from shares that is not recognised as share capital is recognised in this reserve.

Reserve for own shares

Reserve for own shares consists of acquisition cost of own shares acquired by the group. The acquisition cost of the shares was 336.972,70 euros which is deducted from equity. At the end of the financial year Solteq Plc had 258.436 own shares in its possession (2008: 188.600 shares). The amount of acquired shares corresponded to 2,13 percent of the shares and votes at the end of the financial year. The equivalent value of acquired shares was 21.468,00 euros.

Dividends

After the balance sheet date the Board of Directors has proposed to the Annual General Meeting a dividend of 0,06 euros per share for the financial period 2009.

20 Share-based payments

The group has had option arrangements since 26.8.1999. Information on option rights and conditions:The Group has had option arrangements since 26.8.1999. The latest option programme has ended on 31.12.2007. Accordingly, there were no ongoing option programmes during financial period 2009.

21 Interest-bearing liabilities

thousand EUR	2009 Book value	2009 Fair value	2008 Book value	2008 Fair value
Financial liabilities at amortized cost				
Long-term				
Loans from financial institutions	4 167	4 174	3 500	3 500
Finance lease obligations	163	163	163	163
	4 330	**4 337**	**3 663**	**3 663**
Short-term				
Loans from financial institutions	2 246	2 246	2 327	2 327
Finance lease obligations	326	326	326	326
	2 572	**2 572**	**2 653**	**2 653**

The fair value of interest-bearing liabilities is mainly equivalent to their carrying value because the interests are based on short-term reference rates of interest. The effect of interest rate swap has been recognized as an increase of interest-bearing liabilities.

Due dates for interest-bearing liabilities:

2009	2010	2011	2012	2013-2015
thousand EUR				
Loans from financial institutions	2 246	1 340	1 333	1 500
Finance lease obligations	326	163	0	0
Long-term debt total	**2 572**	**1 503**	**1 333**	**1 500**

2008	2009	2010	2011	2012-2013
thousand EUR				
Loans from financial institutions	2 327	1 000	1 000	1 500
Finance lease obligations	326	163	0	0
Long-term debt total	**2 653**	**1 163**	**1 000**	**1 500**

The average rate of interest of loans was 1,8 percentages in 2009. (5,0 % in 2008). Interest-bearing liabilities are denominated in euros. The amounts of Group's interest-bearing liabilities with a fluctuating rate of interest and re-pricing periods according to contracts are as follows:

THOUSAND EUR	2009	2008
under 6 months	4 908	6 316
1-5 years	2 000	0
Total	**6 908**	**6 316**

Due dates for financial lease obligations:

THOUSAND EUR	2009	2008
Financial lease obligations - total amount of minimum payments		
Within 12 months	326	326
Between 1 and 5 years	163	163
	489	**489**
Finance lease obligations - current value of miminum liabilities		
Within 12 months	322	322
Between 1 and 5 years	161	161
	483	**483**
Future financing expenses	6	6
Total financial lease obligations	**489**	**489**

22 Trade and other payables

THOUSAND EUR	2009	2008
Financial liabilities at amortized cost		
Current		
Trade payable	830	2 268
Accruals and deferred income	2 333	2 602
Other debts	960	1 245
Total	**4 123**	**6 115**

Current liabilities are denominated in euros and their fair values equal their book values. Significant items included in accruals and deferred income relate to usual accruals for business operations.

23 Financial risk management and capital management

The Group is subject to a number of financial risks in its business operations. The Group's risk management aims to minimise the adverse effects of the finance markets to the Group's result. The general principles of the Group's risk management are approved by the board and their implementation is the responsibility of the accounting department together with the different business units.

Credit risk

The Group's operating style defines the customers' and investment transactions' credit-worthiness demands and investment principles. The Group does not have any significant credit risk concentrations in its receivables, because it has a wide customer-base and it gives credit only to companies who have an unblemished credit rating. During the financial period, the effect of credit losses has not been significant. The Group's credit risk's maximum amount is the carrying value of financial assets as at 31.12.2009.

Liquidity risk

The Group monitors and estimates continuously the amount of funds needed to run the business operations, so that the group will, at all times, retain enough liquid assets to fund the operation and repay debts that fall due. The availability of funding and its flexibility is ensured by unused credit limits and by using a number of different banks and financing methods in the procurement of funding. The amount of unused credit limits as at 31.12.2009 totalled 2.087 thousand euros.

Interest rate risk

Group's income and operative cash flows are mainly free from market rate fluctuation effects. Group is able to take out either fixed-rate or fluctuating rate loans and to use interest rate swaps to achieve its objective relating to the financial principles.

The Group is partially subject to fair value interest rate risk relating to the portion of the loan portfolio that is not subject to hedging. A one percentage change in the interest rate of loans with floating interest has an effect on the company's interest expenses in the amount of approximately +/- 30 thousand euros.

In the end of the reporting period the Group had one interest rate swap denominated in euros. Based on the interest swap contract the Group receives approximately Euribor 1 month + 0,5 % fluctuating interest rate and pays approximately 2,47 % fixed interest rate. The Group has entered in to an interest rate swap to hedge the cash flows a fluctuating rate loan with a nominal contract amount of 3.500 thousand euros. The interest rate swap has been classified as an effective cash flow hedge and the correlation to interest cash flows is 100 % for both the value and timing.

The fair value of interest rate swap is verified quarterly by means of a confirmation from 3rd party.

Capital management

The objective for the Group's capital management is to secure the continuance of activities (going concern) and increase in shareholder value. The capital structure can be managed among other things through decisions regarding dividend distribution and return of equity, purchase of own shares as well as share issues.

Annually reviewed covenants relating to Group's loans from financial institutions (3,5 million euros as at 31.12.2009) and to the account with overdraft facility (the limit is 3,0 million euros as at 31.12.2009 of which 0,9 million was in use) are usual requirements. The financier has right to call in loan contracts if company's equity ratio decreases below 25 per cent or the interest-bearing liabilities / operating margin –ratio exceeds 8 during two consecutive financial periods. The financing margin can vary between 0,30 and 1,50 per cent depending on the changes in equity ratio and interest-bearing liabilities / gross margin –ratio. The Group's interest rate margin has been 0,5 % during financial years 2009 and 2008. Interest rate margin is not expected to change during financial year 2010 and the risk of realization relating to the call in conditions is not estimated to be significant.

Equity ratio and net gearing -% are characteristic key figures for capital structure. Equity ratio in 2009 was 47,2 % (43,6 % in 2008). Net gearing percentage in 2009 was 66,7 % (58,5 % in 2008).

24 Adjustments to cash flow from business operations

Significant events are listed in the cash flow statement. Significant adjustments to cash flow from business operations are due to scheduled depreciation.

25 Other lease agreements

Group as a lessee

Non-cancellable other lease agreements carry the following minimum lease amounts to be paid:

THOUSAND EUR	2009	2008
Within a year	778	662
One to five years	1 714	1 703
More than five years	414	708
Total	**2 906**	**3 073**

The group has leased most of the cars, copiers and mobile telephones in its use. The lease agreements include the possibility to continue the agreement after the expiration of the original. The agreements differ in terms of index, renewal and other conditions. Lease liability for premises in Helsinki has been presented for the set lease period. The move to these premises took place in March 2006.

The income statement for 2009 includes lease expenses based on other lease agreement 1.120 thousand euro (1.115 thousand euros in 2008).

26 Contingent liabilities and collateral

THOUSAND EUR	2009	2008
Collateral given on our own behalf		
Performance guarantees	19	50
Business mortgages	2 614	1 178
Carrying amount of pledged shares	1 590	0
Total	**4 223**	**1 228**

The business mortgages as well as the pledged shares are given as collateral by the parent company for credit limits and long-term loans.

27 Related party transactions

Group's related parties consist of the parent company and its subsidiaries. Also members of the Board of Directors and management group including the managing director as well as close members of their families are considered as related parties.

Group's parent and subsidiary relations are as follows:

Company	Domicile	Share of ownership (%)	Share of votes (%)
Solteq Oyj			
Solteq Finance Oy	Finland	100 %	100 %
Qetlos Oy	Finland	100 %	100 %
Solorus Holding Oy	Finland	100 %	100 %
OOO Solteq Russia	Russia	100 %	100 %

Operating group companies have been included in the consolidated financial statements. Qetlos Oy has not been consolidated as the company is dormant and its effect on the group's result and financial position is insignificant. OOO Solteq Russia has been consolidated starting from 1.5.2008.

The following related party transactions took place:

Rental arrangements	2009	2008
thousand EUR		
Renting expenses		
Key management personnel	76	76

Management employee benefits	2009	2008
thousand EUR		
Wages and other short-term employment benefits	1 226	1 298
Total	**1 226**	**1 298**

Wages and salaries	2009	2008
thousand EUR		
Managing Director Hannu Ahola	179	163
Members of the Board		
Saadetdin Ali U. Chairman of the Board	46	46
Aalto Seppo	12	12
Jokiniva Veli-Pekka	12	12
Heiniö Ari	12	12
Pietilä Markku	12	12
Sonninen Jukka	12	12

The members of the Board and the Managing Director owned 5.188.589 shares at the end of 2009 (2008: 5.188.589 shares).

The Managing Director's notice period is three months. If terminated, nine months salaries are to be paid as termination compensation.

28 Events after the balance sheet date

After the balance sheet date no events have occurred that require reporting.

29 Five year figures

Financial period 1.1.-31.12.	2009	2008	2007	2006	2005
Key figures outlining the group's financial development (million EUR)	IFRS	IFRS	IFRS	IFRS	IFRS
Revenue	28,6	30,4	27,9	23,2	21,6
Increase in revenue	-6,0 %	8,8 %	20,6 %	7,4 %	-0,7 %
Operating profit/loss	1,5	1,5	1,3	-0,5	1,2
% of revenue	5,1 %	4,8 %	4,7 %	-2,2 %	5,7 %
Profit/loss before taxes	1,3	1,1	1,1	-0,5	1,5
% of revenue	4,7 %	3,7 %	3,9 %	-2,1 %	6,9 %
Return on equity, %	9,6 %	9,0 %	11,5 %	1,2 %	11,4 %
Return on investment, %	9,1 %	9,0 %	8,7 %	-2,4 %	13,3 %
Equity ratio %	47,2 %	43,6 %	44,1 %	47,7 %	75,2 %
Gross investments in non-current assets	0,7	0,9	1,8	7,7	1,3
% of turnover	2,3 %	3,0 %	6,6 %	33,1 %	5,8 %
Research and development costs	1,6	0,6	0,1	0,5	1,1
% of turnover	5,7 %	1,9 %	0,5 %	1,3 %	5,2 %
Net Gearing	66,7 %	58,5 %	69,0 %	15,8 %	-8,0 %
Average number of employees over the financial period	240	266	252	240	193

Financial period 1.1.-31.12.	2009	2008	2007	2006	2005
Group's key figures per share	IFRS	IFRS	IFRS	IFRS	IFRS
Earnings per share, EUR	0,08	0,07	0,09	0,01	0,11
Equity attributable to the equity holders of the parent, EUR	0,84	0,80	0,81	0,81	1,00
Dividends per share, EUR	0,06	0,04	0,06	0,00	0,00
Dividend from result, %	76,5 %	55,4 %	64,7 %	0,0 %	0,0 %
Effective dividend yield, %	4,5 %	3,5 %	3,4 %	0,0 %	0,0 %
Price/earnings (P/E)	17,0	16,1	18,9	122,2	17,8
Highest share price, EUR	1,39	1,77	1,86	2,24	2,17
Lowest share price, EUR	1,02	1,16	1,28	1,28	1,58
Average share price, EUR	1,25	1,44	1,59	1,79	1,90
Market value of the shares, 1000 EUR	16 157	14 092	20 632	15 890	21 820
Shares trade volume, 1000 pcs	532	1 017	2 694	3 930	3 519
Shares trade volume, %	4,5 %	8,5 %	22,4 %	34,4 %	32,8 %
Weighted average of the share issue corrected number of shares during the financial period, 1000 pcs	11 925	12 013	12 052	11 420	10 733
Number of shares corrected by share issue at the end of the financial period, 1000 pcs	11 890	11 960	12 065	12 038	10 802

When calculating the number of shares, the number of own shares retained by the company has been deducted from the number of shares.

In 2010 the Board of Directors has proposed to the Annual General Meeting a dividend of 0,06 euros per share from financial year 2009.

CALCULATION OF FINANCIAL RATIOS

Return on Equity (ROE) %	$\frac{\text{net result}}{\text{average equity}}$	x 100
Return on investment %	$\frac{\text{result after the financial items + financial expenses}}{\text{total assets - interest-free liabilities (average)}}$	x 100
Equity ratio	$\frac{\text{equity}}{\text{total assets - advances received}}$	x 100
Net gearing	$\frac{\text{interest-bearing liabilities - cash, bank and securities}}{\text{equity}}$	x 100
Diluted earnings per share	$\frac{\text{net result -/+ minority interest}}{\text{average number of shares added with number of shares at the end of the period}}$	
Earnings per share:	$\frac{\text{net result -/+ minority interest}}{\text{average number of shares}}$	
Equity per share	$\frac{\text{equity}}{\text{number of shares}}$	
Dividend per share	$\frac{\text{dividend for the period}}{\text{number of shares at the time of payment}}$	
Dividend from result %	$\frac{\text{dividend per share}}{\text{earnings per share}}$	x 100
Effective dividend yield	$\frac{\text{dividend per share}}{\text{share price at the year-end}}$	x 100
Price/earnings	$\frac{\text{share price at the year-end}}{\text{earnings per share}}$	

30 Distribution of ownership and shareholder information

DISTRIBUTION OF OWNERSHIP BY SECTOR 31.12.2009	Number of owners	Shares and votes %	pcs
Companies	92	19,8 %	2 404 260
Financier and insurance institutions	7	0,7 %	83 586
Public organisations	1	0,1 %	11 300
Households	1 874	79,4 %	9 639 922
Not for profit organisations	5	0,0 %	3 971
Outside Finland	6	0,0 %	5 390
Total	1 985	100,0 %	12 148 429
of which nominee registered	4	0,7 %	84 826

DISTRIBUTION OF OWNERSHIP BY SIZE 31.12.2009

Number of shares	Number of owners	Shares and votes %	pcs
1 - 100	348	0,2 %	27 910
101 - 1 000	1 103	4,4 %	536 461
1 001 - 10 000	456	11,6 %	1 410 455
10 001 - 100 000	67	15,0 %	1 826 562
100 001 - 1 000 000	8	15,1 %	1 829 356
1 000 000 -	3	53,7 %	6 517 685
Total	1 985	100,0 %	12 148 429
of which nominee registered	4	0,7 %	84 826

MAJOR SHARE OWNERS 31.12.2009

	Shares and votes pcs	%
1. Saadetdin Ali	3 481 383	28,7 %
2. Aalto Seppo	1 662 206	13,7 %
3. Profiz Business Solution Oyj	1 374 096	11,3 %
4. TP-Yhtiöt Oy	513 380	4,2 %
5. Roininen Matti	345 000	2,8 %
6. Solteq Oyj	258 436	2,1 %
7. Hakamäki Jorma	228 430	1,9 %
8. Saadetdin Katiye	156 600	1,3 %
9. Kiiveri Jouko	118 280	1,0 %
10. Halmet Jarmo	106 000	0,9 %
10 largest total	8 243 811	67,9 %
Nominee registered total	84 826	0,7 %
Others	3 819 792	31,4 %
Total	12 148 429	100,0 %

Parent company's financial statements 2009

Parent company's income statement

Parent company's income statement	1.1.-31.12.2009	1.1.-31.12.2008
Net turnover	28 574 487,58	30 163 455,28
Other operating income	93 526,31	43 995,16
Raw materials and services	-7 578 472,84	-7 689 233,15
Personnel expenses	-15 302 016,13	-15 934 754,16
Depreciation, amortisation and reduction in value	-1 545 087,90	-1 534 151,01
Other operating expenses	-3 860 872,29	-4 825 826,41
Operating result	**381 564,73**	**223 485,71**
Financial income and expenses	-122 442,99	-317 123,91
Result before appropriations and taxes	**259 121,74**	**-93 638,20**
Income taxes	-304 577,97	-147 899,81
Result for the period	**-45 456,23**	**-241 538,01**

Parent company's balance sheet

Assets	31.12.2009	31.12.2008
NON-CURRENT ASSETS		
Intangible assets	9 982 163,24	10 775 104,51
Tangible assets	135 928,83	198 308,70
Investments		
Shares in group companies	109 725,86	9 725,86
Other investments	2 136 127,03	2 136 127,03
TOTAL NON-CURRENT ASSETS	**12 363 944,96**	**13 119 266,10**
CURRENT ASSETS		
Short-term receivables	7 506 033,09	8 241 920,68
Cash in hand and at banks	250 113,88	690 966,22
TOTAL CURRENT ASSETS	**7 756 146,97**	**8 932 886,90**
TOTAL ASSETS	**20 120 091,93**	**22 052 153,00**

Equity and liabilities	31.12.2009	31.12.2008
EQUITY		
Share capital	1 009 154,17	1 009 154,17
Share premium account	74 490,83	74 490,83
Distributable equity reserve	7 213 547,90	7 213 547,90
Retained earnings	1 276 594,89	2 075 650,45
Result for the financial year	-45 456,23	-241 538,01
TOTAL EQUITY	**9 528 331,56**	**10 131 305,34**
LIABILITIES		
Long-term liabilities	4 166 668,00	3 500 000,00
Short-term liabilities	6 425 092,37	8 420 847,66
TOTAL LIABILITIES	**10 591 760,37**	**11 920 847,66**
TOTAL EQUITY AND LIABILITIES	**20 120 091,93**	**22 052 153,00**

Parent company's cash flow statement

Parent company's cash flow statement	2009	2008
CASH FLOW FROM BUSINESS OPERATIONS		
Operating profit	381 565	223 486
Adjustments to operating profit	1 545 088	1 534 151
Change in net working capital	-1 582 601	1 352 844
Paid interests and payments	-151 802	-333 295
Received interests	28 075	16 171
Paid taxes	0	125 741
CASH FLOW FROM BUSINESS OPERATIONS	**220 325**	**2 919 097**
CASH FLOW FROM CAPITAL EXPENDITURE		
Acquisition of subsidiaries	0	-19 038
Capital expenditure in tangible and intangible assets	-691 051	-675 347
Sales proceeds from tangible and intangible assets	0	23 671
Received dividends from investments	1 284	2 756
CASH FLOW FROM CAPITAL EXPENDITURE	**-689 767**	**-667 958**
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in longt-term loans	2 000 000	5 000 000
Repayments of long-term loans	-1 000 000	-500 000
Repayments of short-term loans	-413 892	-5 236 213
Purchase of own shares	-81 918	-255 055
Dividend distribution	-475 600	-728 366
CASH FLOW FROM FINANCING ACTIVITIES	**28 590**	**-1 719 633**
CHANGE IN CASH AND CASH EQUIVALENTS	**-440 852**	**531 506**
Cash and cash equivalents 1.1.	690 966	159 461
Cash and cash equivalents 31.12	250 114	690 966

Notes to the parent company's financial statements

Notes concerning company belonging to a group

The company is a part of the Solteq Group.

Solteq Group's parent company is Solteq Plc, domiciled in Tampere.

Accounting principles

Currency used in financial statements

Financial statements have been prepared in euro.

Depreciation periods

Machinery and equipment	3-5 years
Software	3-5 years
Goodwill	10 years
Other intangible assets	3-10 years
Development costs	5-10 years

Research and development

Research costs are expensed as incurred. Development costs for new or further developed products are capitalised as intangible assets starting from the date that product is considered to be technically possible to produce, it can be commercially utilised and the product is expected to yield financial gain. Development costs expensed earlier can not be capitalised. Depreciation is started when the item is ready for use. Items not yet available for use are tested annually for impairment. The economic life of capitalised development costs is 10 years, during which capitalised assets are depreciated using straight-line method.

Pensions

Pension arrangements are classified as benefit based and contribution based arrangements. Solteq Plc carries only contribution based pension arrangements. Payments under Finnish pension system and other contribution based pension plans are expensed during the financial year to which the payments correspond to.

Revenue recognition

Income from sale of assets is recorded when the significant rewards and plans have been transferred to the buyer.

Income from services is recorded when the service has been carried out. Revenue is recognised to the amount that can be reliably estimated to be the outcome. Income and expenses for long-term projects are recognised and expensed based on the degree of completion. The degree of completion is defined by comparing the costs incurred at the time of the reporting date to the estimated total cost of the project. When it is likely that the total costs will exceed total proceeds from the project, the estimated loss is recorded immediately. When the final outcome of a long-term project can not be estimated reliably, costs incurred from the project are expensed and any income from the project is only recorded up to the amount that equals the expenses incurred. Losses from a project will be expensed immediately.

Notes to income statement

	2009	2008
Materials and services		
Materials and consumables		
Purchases during the financial year	4 526 439,02	5 839 039,45
External services	3 052 033,82	1 850 193,70
Total materials and services	**7 578 472,84**	**7 689 233,15**
Personnel		
Average number of personnel		
Trade	121	132
Industry and services	94	109
Shared functions	25	25
Total	**240**	**266**
Number of employees as at 31.12.	235	268
Personnel expenses		
Wages and salaries	12 478 764,07	12 884 776,50
Pension expenses	2 181 407,69	2 122 426,71
Other social security expenses	641 844,37	927 550,95
Total	**15 302 016,13**	**15 934 754,16**
Depreciation, amortisation and reduction in value		
Machinery and equipment	95 461,15	125 345,20
Intangible rights	1 449 626,75	1 408 805,81
Total	**1 545 087,90**	**1 534 151,01**
Financial income and expenses		
Dividend income, external	1 284,00	2 756,40
Interest income and other financial income, external	28 074,92	13 414,73
Interest expenses and other financial expenses, external	-151 801,91	-333 295,04
Total financial income and expenses	**-122 442,99**	**-317 123,91**

Notes to balance sheet

Non-current assets	2009	2008
Intangible assets		
Development costs		
Acquisition cost 1.1.	2 151 430,94	1 609 141,79
Additions	463 073,00	542 289,15
Acquisition cost 31.12.	2 614 503,94	2 151 430,94
Accumulated depreciation 1.1.	350 167,04	232 472,47
Depreciation for the period	120 052,97	117 694,57
Accumulated depreciation 31.12.	470 220,01	350 167,04
Book value 31.12.	**2 144 283,93**	**1 801 263,90**
Intangible rights		
Acquisition cost 1.1.	1 781 748,43	1 742 850,11
Additions	110 581,85	15 096,41
Subsidiary merger	0,00	23 801,91
Acquisition cost 31.12.	1 892 330,28	1 781 748,43
Accumulated depreciation 1.1.	1 706 692,61	1 645 124,21
Depreciation for the period	62 212,13	61 568,40
Accumulated depreciation 31.12.	1 768 904,74	1 706 692,61
Book value 31.12.	**123 425,54**	**75 055,82**
Goodwill		
Acquisition cost 1.1.	3 073 003,38	3 073 003,38
Acquisition cost 31.12.	3 073 003,38	3 073 003,38
Accumulated depreciation 1.1.	1 537 609,72	1 127 603,38
Depreciation for the period	410 006,34	410 006,34
Accumulated depreciation 31.12	1 947 616,06	1 537 609,72
Book value 31.12.	**1 125 387,32**	**1 535 393,66**

	2009	2008
Other long-term expenditure		
Acquisition cost 1.1.	8 420 920,25	4 095 992,18
Subsidiary merger	0,00	4 297 431,03
Additions	83 030,63	27 497,04
Acquisition cost 31.12.	8 503 950,88	8 420 920,25
Accumulated depreciation 1.1.	1 057 529,12	237 992,62
Depreciation for the period	857 355,31	819 536,50
Accumulated depreciation 31.12.	1 914 884,43	1 057 529,12
Book value 31.12.	**6 589 066,45**	**7 363 391,13**
Intangible assets total book value 31.12.	**9 982 163,24**	**10 775 104,51**
Tangible assets		
Acquisition cost 1.1.	691 401,00	585 202,14
Additions	33 081,28	90 464,69
Subsidiary merger	0,0	15 734,17
Acquisition cost 31.12.	724 482,28	691 401,00
Accumulated depreciation 1.1.	493 092,29	367 747,10
Depreciation for the period	95 461,15	125 345,19
Accumulated depreciation 31.12.	588 553,44	493 092,29
Tangible assets total book value 31.12.	**135 928,84**	**198 308,71**

INVESTMENTS

Group companies		Company's share of ownership %
Solteq Finance Oy, Savonlinna		100 %
Solorus Holding Oy, Tampere		100 %
OOO Solteq Russia, St. Petersburg, Russia (Parent company: Solorus Holding Oy, share of ownership 100 %)		

Group company Qetlos Oy has not been consolidated. The company is dormant and thus would have no material effect on Solteq Group's result or distributable reserves.

Other shares and holdings	Shares	Book value
Kiinteistö Oy Villakarstaaja	888	769 924,80
Kiinteistö Oy Nukanleikkaaja	844	708 878,54
Vierumäen Kuntokylä Oy, K-sarja	2 640	261 620,00
Asunto Oy Ylläsnäkyy	150	144 983,88
Klingendahlin Pysäköinti Oy	105	111 190,68
Qetlos Oy	150	57 189,30
Kiinteistö Oy Levinhovi		40 538,40
Other shares		41 801,43
Total		2 136 127,03

Notes to balance sheet

Current assets	2009	2008
Receivables		
Trade receivables	4 344 531,16	5 235 278,67
Group receivables		
Other receivables	150 466,66	115 490,48
Total	**150 466,66**	**115 490,48**
Other receivables	56 544,03	58 644,74
Prepayments and accrued income	2 954 491,24	2 832 506,79
Total	**3 011 035,27**	**2 891 151,53**
Total receivables	**7 506 033,09**	**8 241 920,68**
Equity and liabilities		
Equity		
Share capital	1 009 154,17	1 009 154,17
Share premium reserve	74 490,83	74 490,83
Distributable equity reserve	7 213 547,90	7 213 547,90
Retained earnings	1 276 594,89	2 075 650,45
Result for the period	-45 456,23	-241 538,01
Total equity	**9 528 331,56**	**10 131 305,34**
Distributable reserves		
Retained earnings	1 834 112,44	3 059 071,06
Dividend distribution	-475 599,72	-728 365,74
Purchase of own shares	-81 917,83	-255 054,87
Result for the period	-45 456,23	-241 538,01
Distributable equity reserve	7 213 547,90	7 213 547,90
Total	**8 444 686,56**	**9 047 660,34**
Long-term liabilities		
Loans from financial institutions	4 166 668,00	3 500 000,00
Short-term liabilities		
Loans from financial institutions	2 246 471,14	2 327 032,06
Intra-group debts	14 333,59	14 333,59
Trade payable	830 239,09	2 264 047,04
Other debts	923 775,84	1 245 331,33
Accruals and deferred income	2 410 272,71	2 570 103,64
Total	**6 425 092,37**	**8 420 847,66**
Significant items included in accruals and deferred income		
Significant items in accruals and deferred income relate to normal accruals relating to the business operations.		

Other notes	2009	2008
Contingent liabilities		
Payments for leasing contracts		
To be paid during the next financial period	595 363,35	513 119,61
To be paid later	454 117,91	510 029,28
Total	**1 049 481,26**	**1 023 148,89**
Leasing contracts vary in length and do not include any specific redemption clauses.		
Other collateral and contingent liabilities		
Business mortgage for credit limits	2 613 700,00	1 178 000,00
Debts with collateral	8 500 000,00	3 505 000,00
Collaterals		
Business mortgages	2 613 700,00	1 178 000,00
Deposits for performance guarantees	18 570,85	48 304,05
Carrying amount of pledged shares	1 589 994,12	0,00
Total guarantees	**4 222 264,97**	**1 226 304,05**
Leasing liabilities for the company's premises total 2.210.617 euros as at 31.12.2009.		

List of accounting records, document types and method of filing	
Accounting records	**Method of filing**
Journal and general ledger	IT lists on paper print-outs
Financial statements and related material	Book printed on paper and bound
Document types	
Purchase ledger vouchers	As paper documents and CDs
Sales ledger vouchers	As paper documents and CDs
Salary vouchers	On paper
Memorial vouchers	On paper

Proposal for distribution of profits and signatures

The distributable equity of the parent company Solteq Plc as at 31.12.2009 is:

Distributable equity reserve	7.213.547,90 euros
Profit for previous financial periods	1.276.594,89 euros
Loss for the financial period	-45.456,23 euros
Total	8.444.686,56 euros

Of this amount 8.444.686,56 euros are distributable funds.
The Board of Directors proposes a dividend of 0,06 euros per share for the financial period 2009.

No significant changes have taken place in the company's financial situation after the balance sheet date. The company's liquidity is good and thus the Board does not consider that the proposed distribution of dividend would weaken the liquidity of the company.

Signatures of the financial statements and the report of the Board of Directors

Tampere 26 January 2010

Ali U. Saadetdin
Chairman of the Board

Seppo Aalto
Member of the Board

Veli-Pekka Jokiniva
Member of the Board

Ari Heiniö
Member of the Board

Markku Pietilä
Member of the Board

Jukka Sonninen
Member of the Board

Hannu Ahola
Managing Director

The Auditor's Note

Our auditors' report has been issued today.
Tampere 26 February 2010

KPMG Oy Ab

Frans Kärki
Authorised Public Accountant

Auditor's Report

To the Annual General Meeting of Solteq Plc

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Solteq Plc for the year ended on 31 December, 2009. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, cash flow statement and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

The Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the financial statements and the report of the Board of Directors and for the fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the fair presentation of the parent company's financial statements and the report of the Board of Directors in accordance with laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to perform an audit in accordance with good auditing practice in Finland, and to express an opinion on the parent company's financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. Good auditing practice requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements and the report of the Board of Directors are free from material misstatement and whether the members of the Board of Directors of the parent company and the Managing Director have complied with the Limited Liability Companies Act.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements or of the report of the Board of Directors, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and the report of the Board of Directors in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

The audit was performed in accordance with good auditing practice in Finland. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Consolidated Financial Statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the Company's Financial Statements and the Report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Tampere 26 February 2010

KPMG Oy Ab

Frans Kärki
Authorised Public Accountant

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