FINANCIAL STATEMENTS 2012

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SOLTEQ

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REPORT OF THE BOARD OF DIRECTORS

BUSINESS ENVIRONMENT AND BUSINESS DEVELOPMENT

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

Since 1.7.2012, Solteq Plc's reported segments are Grocery and special retail, HoReCa; Wholesale trade, Logistics and Services and Enterprise resource planning of services.

The aim of the segmentation is to respond to customer demand as a field total supplier and therefore to improve the availability of services and ease for our customers.

Solteq's turnover totalled 39.016 thousand euros in which contains increase of 43,7 per cent compared to corresponding period in 2011. Solteq's operating result for the fourth quarter increased to 2.731 thousand euros from 1.453 thousand euros that was the operating result in the corresponding period 2011. The company's operating margin was 7,0 % (5,4 % in 2011).

Grocery and Special Retail, HoReCa

Solteq's Grocery and Special Retail Segment provides its clients with total solutions that they can utilise to improve efficiency in terms of logistics, store operations, customer service, point of sale operations, as well as loyal customer management.

The grocery and special retail solutions help optimise the management of the product selection, space, deliveries, logistics and customer satisfaction while increasing sales and improving the result. The solutions speed up the basic operations, improve delivery reliability, reduce storage value, increase stock turnover and enhance predictability. The store always has the right products in the right place, at the right time, and at the right price.

During the review period the revenue of the Grocery and Special Retail segment totalled 17,0 million euros and the operating result was 0,7 million euros.

Wholesale Trade, Logistics and Services

Solteq's Wholesale Trade, Logistics and Services Segment provides its clients with ERP and financial management systems, as well as optimisation, integration and reporting solutions that support these systems.

Solteq's solutions help clients manage their operations and enhance purchases, sales, stock management and reporting. The systems can be utilised to improve delivery reliability, reduce storage value, increase stock turnover and enhance predictability. Materials flow management ensures that the right goods reach the right customers at the right time, packed in an optimal manner.

Solteq's wholesale trade, logistics and services systems improve the effectiveness of operations and enable more flexible and versatile customer service. At the same time, automated data management enhances the company's internal operations. Solteq's solutions are used daily by a large number of clients representing various industries and sectors, such as wholesale, retail and public administration.

During the review period the revenue of the Wholesale Trade, Logistics and Services segment totalled 16,9 million euros and the operating result was 2,3 million euros.

Service business and maintenance management

Solteq's Service Business and Maintenance Management Segment (former: Optimisation of supply and services processes) provides its clients with ERP and master data management solutions.

The enterprise resource planning solutions developed for the optimisation of service processes help clients manage their operations in many ways, for instance enhance production plant reliability, task and resources management, field work, sales and customer service, partner network management and materials management. The solutions are utilised by a large number of clients representing various industries and sectors, such as energy production, maintenance services, life cycle services, engineering and technical services of cities and municipalities, property management services, and home and care services.

The Service business and maintenance management Segment also provides client companies with services and products related to business critical data (master data) in the form of master data improvement projects, data maintenance services outsourced to master data service centres, software technologies for master data management, and consultation services. The aim of these services is to ensure that the data in the systems that support the clients' enterprise resource planning and decision making processes are of high quality, compatible and up-to-date. Solteq's master data management solutions are used by clients across industries and sectors.

During the review period the revenue of the Service business and maintenance management. segment totalled 5,1 million euros and the operating result was -0,3 million euros.

REVENUE AND RESULT

Revenue increased by 43,7 % compared to the previous year and totalled 39.016 thousand euros (previous financial year 27.144 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 2.731 thousand euros (1.453 thousand euros), result before taxes was 2.433 thousand euros (1.280 thousand euros) and result for the financial year 1.697 thousand euros (897 thousand euros).

Growth in the operating profit results from the impact of the company acquisition on the financial result (852 thousand EUR), profitable organic growth and the accelerating actions in accordance with the Solteq Group's strategy.

The operating profit for the review period includes a total of 276 thousand EUR of one-time profit and expenses as gross. The instalments are sales profit from property, EUR 887 thousand, which is presented in other income for the financial period and 611 thousand EUR relating to the acquisition of Aldata Finland Solution Ltd, which is presented in other expenses for the financial period.

BALANCE SHEET AND FINANCING

The total assets amounted to 27.096 thousand euros (17.374 thousand euros). Liquid assets totalled 1.242 thousand euros (277 thousand euros). In addition to liquid assets, the company has unused bank account limits amounting to a total of 1.500 thousand euros.

The Group's interest-bearing liabilities were 6.430 thousand euros (4.169 thousand euros). As part of the corporate acquisition announced on 20 March 2012, Solteq signed a total of 3.500 thousand EUR of long-term funding agreements. At the same time, the main financial backer also changed.

The directed issue of shares, carried out during the review period on 20 March 2012 was entered in its entirety into the invested unrestricted equity fund. During the directed issue of shares, 2.849.632 new shares were subscribed as the subscription price was EUR 1.10. Therefore, the addition adjusted by the related costs of the directed issue to the invested unrestricted equity fund was 3.017 thousand EUR.

Solteq Group's equity ratio was 37,2 per cent (34,2 per cent).

As part of the financial arrangements for the funding of the corporate acquisition announced on 20.3.2012, the company bought and re-leased its office space properties in Tampere. The balance sheet value of the office space properties at the time of sale was 1.590 thousand EUR. The sales profit relating to the sale of commercial property shares, 887 thousand EUR, is presented in other income.

Of the corporate acquisition's 8.301 thousand EUR in the acquisition cost calculations, 6.529 thousand EUR of business value, 2.344 thousand EUR of allocated intangible rights and deferred tax debt of 574 thousand EUR were entered on the balance sheet.

Costs arising from the execution of the corporate acquisition are totally presented as part of the cash flow from business operations.

INVESTMENTS, RESEARCH AND DEVELOPMENT

Gross investment during the review period was 7.439 thousand euros (473 thousand euros).

Of the investments during the review period, 8.301 thousand EUR was connected to the corporate acquisition, and correspondingly, 1.590 thousand EUR of disinvestments was connected to the sale of the office space properties in Tampere. Otherwise, investments are replacement investments.

On 22 March 2012, Solteq Plc and Aldata Solution Plc completed a transaction in which Solteq Plc acquired Aldata Solution Finland Ltd, the daughter company under 100% ownership of Aldata Solution Plc. After the acquisition took place, the company's name was changed to Solteq Retail Oy. The company was consolidated into the Solteq Group from 1.3.2012.

The merger of Solteq Retail Oy took place at 31.12.2012.

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, Microsoft 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 product development costs were not amortized in accordance with IFRS standards (none in the reference year, either).

PERSONNEL

The number of permanent employees at the end of the review period was 288 (212). The average number of personnel during the review period was 270 (211). In the end of the review period the number of personnel could be divided as follows: Grocery and special retail, HoReCa segment: 119 people; Wholesale trade, Logistics and Services: 89 people; Service business and maintenance management; 46 people and 34 people in shared functions. The increase of personnel contains the personnel of Solteq Retail Ltd, acquired in March 2012, a total of 75 employees.

RELATED PARTY TRANSACTIONS

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

The company has on 17/7 and 31/8/2012 provided notification about an arrangement in which interest bearing loans and a directed issuance have been given to Solteq Management Team Oy, which is owned by management.

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

SHARES, SHAREHOLDERS AND TREASURY SHARES

Solteq Plc's equity on 31.12.2012 was 1.009.154,17 euros which was represented by 14.998.061 shares. The shares have no nominal value. The increase in the amount of shares during the review period is related to the directed issue of shares carried out on 20 March 2012, in which 2.849.632 new shares were subscribed. The subscription price of the shares was entered entirely into the invested unrestricted equity fund.

At the end of the review period, the amount of treasury shares in Solteq Plc and the group companies Solteq Management Oy's and Solteq Management Team Oy's possessions were 788.404 shares. The amount of treasury shares represented 5,3 % of the total amount of shares and votes at the end of the review period. The equivalent value of acquired shares was 53.048 euros.

During the review period, five flagging announcements were made. As a result of the directed issue of shares carried out in relation to the funding of the corporate acquisition in March, Mutual insurance company Eläke-Fennia's share exceeded the 10 per cent flagging threshold in accordance with the Securities Market Act, Ali Saadetdin's share decreased below the 25 per cent flagging threshold in accordance with the Securities Market Act, and Profiz Business Solution Plc's share fell below the 10 per cent flagging threshold in accordance with the Securities Market Act. The fourth flagging announcement was caused by a correction regarding Markku Pietilä's ownership share. In May Profiz Business Solution Plc's share exceeded the 10 per cent lagging threshold and the fifth flagging announcement was made.

After the directed issue of shares during the review period, Mutual insurance company Eläke-Fennia's ownership of Solteq is 13.3% and Mutual pension insurance company Varma's ownership is 4.3%.

Exchange and rate

During the financial year, the exchange of Solteq's shares in the Helsinki Stock Exchange was 1,9 million shares (1,6 million shares) and 2,1 million euros (1,7 million euros). Highest rate during the financial year was 1,39 euros and lowest rate 0,99 euros. Weighted average rate of the share was 1,16 euros and end rate 1,20 euros. The market value of the company's shares in the end of the financial year totalled 18,0 million euros (11,9 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 1.804 shareholders (1.829 shareholders). Solteq's 10 largest shareholders owned 11.271 thousand shares i.e. they owned 75,2 per cent of the company's shares and votes. Solteq Plc's members of the board owned a total of 5.502 thousand shares which equals 36,7 per cent of the company's shares and votes.

ANNUAL GENERAL MEETING

At Solteq Plc's Annual General Meeting on 14 March 2012 the 2011 financial statements were adopted and the members of the board and the managing director were discharged from liability for the 2011 review period.

The Annual General Meeting accepted that the Board is authorized in accordance with the Finnish Companies Act 13 chapter 6§ 2 paragraph to decide on a maximum dividend of 0,05 euros per share or other distribution of funds from the distributable equity fund as well as to decide upon the timing of the distribution and other details was accepted. The authorization is valid until the beginning of the next Annual General Meeting.

The Annual General Meeting authorized the Board of Directors to decide on the purchase of the Company's own shares to improve the capital structure, to be used as a part of remuneration of personnel, to finance and execute business acquisitions and other business arrangements or to be further transferred or cancelled. The proposal includes authorization to take company's own shares as a pledge. According to the proposal, the total number of the shares purchased shall not exceed 10 percent of all shares of the Company and they can be purchased otherwise than in proportion to the shareholdings of the shareholders. The shares shall be purchased through public trading. The authorization includes that the Board of Directors may decide the terms and other matters concerning the purchase of own shares. The authorization is effective until the next Annual General Meeting.

The Annual General Meeting authorized the Board of Directors to give new shares or convey company's own shares. The authorization would be executed by one or more share issues, maximum total amount being 3.000.000 shares. The authorization includes a right to deviate from the shareholders' pre-emptive right of subscription. The authorization includes that the Board of Directors may decide the terms and other matters concerning the share issue. The authorization is effective until March 31, 2013. This authorization does not overrule earlier given authorizations by the Annual General Meeting.

BOARD OF DIRECTORS AND AUDITORS

Six members were elected to the Board of Directors. Ali Saadetdin, Seppo Aalto, Markku Pietilä, Sirpa Sara-aho and Jukka Sonninen continued as members of the board. Matti Roininen was elected as a new member of the Board. The Board elected Ali Saadetdin to act as the Chairman of the Board.

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

EVENTS AFTER THE REVIEW PERIOD

No events requiring reporting have taken place after the review period.

RISKS AND UNCERTAININITIES

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

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

PROSPECTS

For 2013, we estimate our turnover to be approx. 40-43- million EUR and operating profit approx. 6-9 %.

PROPOSAL OF THE BOARD OF DIRECTORS ON THE DISPOSAL OF PROFIT FOR THE FINANCIAL YEAR

At the end of the financial period 2012 , the distributable equity of the Group's parent company is 8 357 854,99 euros.

The Solteq Plc Board proposes to the Annual General Meeting that a dividend of EUR 0.04 per share will be paid for each share. In view of the current number of the shares, this would mean the distribution of approx. 600 thousand euros to the shareholders.

In addition to this is proposed that the Board be authorised, on the basis of Chapter 13, Section 6, Subsection 2 of the Finnish Companies Act, to decide on the distribution of a dividend amounting to a maximum of EUR 0.04 per share or of other assets from the distributable equity reserve, as well as decide on the timing and other details concerning the possible distribution. In view of the current number of the shares, this would mean the distribution of approx. 600 thousand euros to the shareholders (in the Annual General Meeting 2012 the Board got an authorisation for a dividend, or other assets from the distributable equity reserve amounting to a maximum of EUR 0.05. The Board decided, based on this authorisation, on 26.9.2012 on a distribution of EUR 0.03).

The liquidity of the company is good, and in the Board's estimation the proposed distribution of dividends or other assets will not endanger the company's financial standing.

No essential changes have taken place in the company's financial situation after the end of the financial period. The liquidity of the company is good, and in the Board's estimation the proposed distribution of dividend or other assets will not endanger the company's liquidity.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		The Group		The Parent Company	
thousand EUR	Note	1.1.-31.12. 2012	1.1.-31.12. 2011	1.1.-31.12. 2012	1.1.-31.12. 2011
Revenue	1,3	39 016	27 144	36 169	27 136
Other income	4	900	15	905	15
Materials and services		-10 369	-6 383	-9 512	-6 382
Employee benefit expenses	7	-19 304	-14 165	-18 084	-14 205
Depreciation and impairments	6	-1 126	-750	-700	-689
Other expenses	5,8	-6 386	-4 408	-6 733	-4 384
Operating result		**2 731**	1 453	**2 044**	1 491
Financial income	9	38	24	31	24
Financial expenses	10	-336	-198	-325	-187
Result before taxes		**2 433**	**1 280**	**1 750**	**1 327**
Income tax expense	11	-735	-383	-622	-585
Result for the financial period		**1 697**	**897**	**1 128**	**742**
Other comprehensive income:					
Cash flow hedges		-45	8	0	0
Taxes related to cash flow hedge		11	-2	0	0
Other comprehensive income, net of tax		-34	6	0	0
Total comprehensive income		**1 663**	903	1 128	742
Earnings per share attributable to equity holders of the parent					
Earnings per share undiluted (EUR)				0,12	0,12

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

Result for the financial period and total comprehensive income belong exclusively to the owners of the parent company.

CONSOLIDATED BALANCE SHEET

thousand EUR	Note	The Group 1.1.-31.12. 2012	The Group 1.1.-31.12. 2011	The Parent Company 1.1.-31.12. 2012	The Parent Company 1.1.-31.12. 2011
ASSETS					
Non-current assets					
Property, plant and equipment	13	942	2 264	942	2 264
Goodwill	14	12 728	6 199	2 393	2 393
Other intanglible assets	14	3 590	1 780	12 156	4 942
Available-for-sales financial assets	15	538	524	560	544
Shares in subsidiaries	29	0	0	7	7
Deferred tax assets	16	0	280	0	528
Trade receivables	18	63	67	63	67
		17 861	**11 114**	**16 121**	**10 745**
Current assets					
Inventories	17	126	0	126	0
Trade and other receivables	18	7 867	5 983	8 537	6 293
Cash and cash equivalents	18	1 242	277	1 213	236
		9 235	6 260	**9 876**	6 529
Total assets		**27 096**	**17 374**	**25 997**	**17 274**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share capital	20	1 009	1 009	1 009	1 009
Share premium reserve	20	75	75	74	74
Hedging reserve	20	-49	-14	0	0
Reserve for own shares	20	-933	-835	0	0
Distributable equity reserve	20	6 368	3 801	7 163	4 220
Retained earnings	20	3 607	1 909	1 195	169
Total equity		**10 077**	**5 945**	**9 441**	**5 472**

		The Group		The Parent Company	
thousand EUR	Note	1.1.-31.12. 2012	1.1.-31.12. 2011	1.1.-31.12. 2012	1.1.-31.12. 2011
Non-current liabilities					
Deferred tax liablilities	16	1 048	0	583	489
Financial liabilities	22	4 827	1 948	4 619	1 834
		5 875	1 948	**5 202**	2 323
Current liabilities					
Trade and other payables	23	8 800	6 526	9 010	6 524
Financial liabilities	22	1 603	2 218	1 603	2 218
Provisions	21	741	737	741	737
		11 144	9 481	**11 354**	9 479
Total liabilities		**17 019**	**11 429**	**16 556**	**11 802**
Total equity and liabilities		**27 096**	**17 374**	**25 997**	**17 274**

CONSOLIDATED STATEMENT OF CASH FLOWS

		The Group		The Parent Company	
thousand EUR	Note	1.1.–31.12.2012	1.1.–31.12.2011	1.1.–31.12.2012	1.1.–31.12.2011
Cash flow from operating activities					
Result for the financial period		1 697	897	1 128	742
Adjustments for operating profit	25	239	750	579	923
Changes in working capital		645	2 302	19	1 703
Interest paid		-336	-195	-304	-183
Interest received		38	24	31	23
Net cash from operating activities		**2 283**	3 778	**1 453**	**3 208**
Cash flows from investing activities					
Acquisition of subsidiary reduced by cash in hand and at banks at the date of acquisition		-7 759	0	-7 517	0
Gain from divestment of tangible assets		2 490	0	2 490	0
Investments in tangible and intangible assets		-684	-473	-205	-142
Net cash used in investing activities		**–5 953**	-473	**–5 232**	-142
Cash flow in financing activities					
Dues paid for issue of shares		3 016	0	3 026	0
Withdrawal of non-current loans		5 060	100	5 000	0
Repayment of non-current loans		-1 500	-1 333	-1 500	-1 333
Short-term loans drawn, including financial leasing liabilities		204	107	0	0
Repayment of current loans		-1 596	-1 817	-1 596	-1 815
Acquisition of treasury shares		-100	-216	-100	-216
Selling of own shares		0	0	375	419
Refund of equity (paid)		-449	0	-449	0
Net cash used in financing activities		**4 635**	-3 159	**4 756**	-2 945
Changes in cash and cash equivalents		**965**	146	**977**	121
Cash and cash equivalents 1.1.		277	131	236	115
Cash and cash equivalents 31.12.	**19**	**1 242**	277	**1 213**	236

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

	The Group		The Parent Company	
thousand EUR	2012	2011	2012	2011
Cash and bank accounts	1 242	277	1 213	236
Total	**1 242**	**277**	**1 213**	**236**

Consolidated statement of changes in equity

The Group	Equity belonging to the shareholders						
thousand EUR	Share capital	Reserve for own shares	Share premium reserve	Hedging reserve	Distributable equity reserve	Retained earnings	Total equity
Equity 1.1.2011	**1 009**	**-618**	**75**	**-20**	**7 213**	**-2 400**	**5 259**
Profit for the financial period						897	897
Other comprehensive income				6			6
Total comprehensive income for the financial period				**6**		**897**	**903**
Transactions with owners							
Own shares acquired		-217					-217
Covering the losses					-3 413	3 413	0
Equity 31.12.2011	**1 009**	**-835**	**75**	**-14**	**3 800**	**1 910**	**5 945**
Profit for the financial period						1 697	1 697
Other comprehensive income				-34			-34
Total comprehensive income for the financial period				**-34**		**1 697**	**1 663**
Transactions with owners							
Own shares acquired		-99					-99
Directed issue					3 017		3 017
Refund of equity (paid)					**-449**		**-449**
Equity 31.12.2012	**1 009**	**-933**	**75**	**-48**	**6 368**	**3 607**	**10 077**

Consolidated statement of changes in equity

The Parent Company	Equity belonging to the shareholders				
thousand EUR	Share capital	Share premium reserve	Distributable equity reserve	Retained earnings	Total equity
Equity 1.1.2011	1 009	74	7 214	**-3 413**	4 884
IFRS transition 1.1.2011				-358	-358
Profit for the financial period				743	743
Total comprehensive income for the financial period				**743**	**743**
Transactions with owners					
Acquiring of own shares				-217	-217
Selling of own shares			419		419
Covering the losses			-3 413	3 413	0
Equity 31.12.2011	1 009	74	4 220	**169**	5 472
Profit for the financial period				1 128	1 128
Total comprehensive income for the financial period				**1 128**	**1 128**
Transactions with owners					
Acquiring of own shares				-100	-100
Selling of own shares			375		375
Directed issue			3 017		3 017
Refund of equity (paid)			-449		-449
Equity 31.12.2012	1 009	74	**7 163**	**1 195**	**9 441**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

GROUP INFORMATION

Solteq is a leading retail and service industry software service company. We offer long-term partnership and the markets' widest range of retail and service industry software services, from the optimisation of the entire supply chain to the management of consumer-customer information. Our technology-independent solutions help our customers to guide their business operations as efficiently and profitably as possible.

Since 1.7.2012, Solteq Plc's reported segments are Grocery and special retail, HoReCa; Wholesale trade, Logistics and Services and Service Business and Maintenance Management.

The aim of the segmentation is to respond to customer demand as a field total supplier and therefore to improve the availability of services and ease for our customers.

In its meeting 14.2.2013, 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'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 31.12.2012. 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 legilation.

The Parent Company Solteq Oy adopted IFRS compliant financial statements as from 1 January 2011. The IFRS 1 Standard "First-time Adoption of International Financial Reporting" was applied in the transition. According to the Standard, when the parent company becomes a first time adopter of IFRS for the part of its Separate Financial Statements later than on the part of the Consolidated Financial Statements, the parent company shall measure its assets and liabilities to the same values as in the Consolidated Financial Statements, with the exception of adjustments based on the accounting policies applied to the Consolidated Financial Statements.

As from 1 January 2012, the Group has applied the following new and amended standards and interpretations: They have not, however, had a significant impact on the financial statements.

- Amendment to IFRS 7 Financial Instruments: disclosures. The amendment increases transparency in the reporting of the transfer transactions of financial assets and improves the understanding of the users of the financial statements of the risks related to the transfers of financial assets and the effect of these risks on the entity's financial position, particularly those involving the securitisation of financial assets. The amendment has not had a significant impact on the Group's consolidated financial statements.

The Group accounting policies described here are applied to both the Group financial statement as well as to the parent company financial statement, unless otherwise mentioned. In addition to this, the term "company" refers to both the Group as well as the parent company

The consolidated financial statements have been prepared on the historical cost basis of accounting, except for available-for-sale financial assets measured at fair value. The values are presented in thousand euros. As the values have been rounded, the total of the individual values may deviate from the presented totals.

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

Consolidated financial statements include Solteq Plc and its subsidiaries, as well as Solteq Management Oy and Solteq Management Team Oy, which is included in the consolidated financial statements on the basis of a shareholders' agreement. The financial statements of the mutual real estate companies which own the commercial properties are included in the consolidated financial statements by using proportionate consolidation. These companies have been sold in period 2012

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 mutual real estate companies have been consolidated as associates, i.e. jointly controlled assets, by using proportionate line by line consolidation

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 intragroup 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.

In March 2011, Solteq's senior management (CEO and CFO) established a limited liability company called Solteq Management Oy, and in July 2012 the rest of Solteq's Management Team established a limited liability company called Solteq Management Team Oy. A share-based incentive scheme for the management has been implemented through these companies. The companies hold a total of 750,000 shares in Solteq Plc. Further information on the arrangements in Note 29 "Related Party Disclosures". As Solteq Management Oy is controlled by the parent company on the basis of a shareholders' agreement, it is included in the consolidated financial statements. The shares that Solteq Management Oy and Solteq Management Team Oy holds in the parent company are deducted from the consolidated balance sheet and from the distributable equity of the Group. The deduction from equity is disclosed in the reserve for own shares.

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.

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

Machinery and equipment	2-5 years
Buildings	40 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

The goodwill arising from business consolidations that occurred after 1/1/2010 is recorded to an amount whereby the sum of the released consideration, controlling interest in the acquiree and previously owned share exceed the group's share of the acquired net asset value.

Company acquisitions occurring from 1/1/2004 until 31/12/2009 are recorded in accordance with the the previous IFRS norm (IFRS 3 (2004)). 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 before 1.1.2004. 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.

In the parent company, the transaction is handled at book value as for companies under mutual control

Research and development costs

Research costs are recorded 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 liabilities are included in the financial 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 Company 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 pretax 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.

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.

Warranty provision is booked on anticipated warranty obligations related to project activity. The Group recognises a provision for onerous contracts when the expected benefits from a contract are less than the unavoidable costs of meeting the obligations.

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 cannot 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. 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.

The calculated tax receivables and liabilities are deducted from each other, only in the case that the company has a legally enforceable right to even the tax receivables and liabilities of the period, and these are related to the income taxes of the same tax holder.

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 1,5 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.

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 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. If there is certain known criteria concerning qualifying asset, the borrowing costs are capitalized. 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 are related to, inter alia, existing uncertainty in the assessment of project outcomes, valuation of accounts receivable, the measuring and recognition of deferred tax assets and the development of the overall financial environment. 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 APPLICABLE IN FUTURE FINANCIAL YEARS

The Company has not yet adopted the following new and amended standards already issued by the IASB. The Group will adopt them as of the effective date or,

if the date is other than the first day of the financial year, from the beginning of the subsequent financial year. Based on the current assessment the new or amended standards will not have significant impact on the company's financial statements.
* = not yet endorsed for use by the European Union

Financial year 2013

- Amendments to IAS 1 Presentation of Financial Statements (effective for financial years beginning on or after 1 July 2012): The major change is the requirement to group items of other comprehensive income as to whether or not they will be reclassified subsequently to profit or loss when specific conditions are met. The amendments only have an impact on the presentation of the other comprehensive income.
- Amendment to IAS 19 Employee Benefits (effective for financial years beginning on or after 1 January 2013): The major changes are as follows: in future all actuarial gains and losses are immediately recognized in other comprehensive income, i.e. the corridor approach is eliminated, and finance costs are calculated on a net funding basis.
- IFRS 13 Fair Value Measurement (effective for financial years beginning on or after 1 January 2013): IFRS 13 establishes a single source for all fair value measurements and disclosure requirements for use across IFRSs. The new standard also provides a precise definition of fair value. IFRS 13 does not extend the use of fair value accounting, but it provides guidance on how to measure fair value under IFRSs when fair value is required or permitted. IFRS 13 will expand the disclosures to be provided for non-financial assets measured at fair value.
- Annual Improvements to IFRSs 2009-2011* (May 2012) (effective for financial years beginning on or after 1 January 2013): The annual improvements process provides a mechanism for minor and non-urgent amendments to IFRSs to be grouped together and issued in one package annually. The amendments cover in total five standards.
- Amendments to IFRS 7 Financial Instruments: Disclosures (effective for financial years beginning on or after 1 January 2013): The amendments clarify disclosure requirements for financial assets and liabilities that are offset in the statement of financial position or subject to master netting arrangements or similar agreements. The disclosures required by those amendments are to be provided retrospectively.

Financial year 2014

- IFRS 10 Consolidated Financial Statements and subsequent amendments (in the EU effective for financial years beginning on or after 1 January 2014): IFRS 10 builds on existing principles by identifying the concept of control as the determining factor when deciding whether an entity should be incorporated within the consolidated financial statements. The standard also provides additional guidance to assist in the determination of control where this is difficult to assess.
- IFRS 11 Joint Arrangements and subsequent amendments (in the EU effective for financial years beginning on or after 1 January 2014): In the accounting of joint arrangements IFRS 11 focuses on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. In future jointly controlled entities are to be accounted for using only one method, equity method, and the other alternative, proportional consolidation is no longer allowed.
- IFRS 12 Disclosures of Interests in Other Entities and subsequent amendments (in the EU effective for financial years beginning on or after 1 January 2014): IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including associates, joint arrangements, structured entities and other off-balance sheet vehicles.The new standard will expand the notes the Group provides for its interests in other entities.
- IAS 27 Separate Financial Statements (revised 2011) and subsequent amendments (in the EU effective for financial years beginning on or after 1

January 2014): The revised standard includes the provisions on separate IFRS financial statements that were left after the control provisions were included in the new IFRS 10.

- IAS 28 Investments in Associates and Joint Ventures (revised 2011) and subsequent amendments (in the EU effective for financial years beginning on or after 1 January 2014): Following the issue of IFRS 11 the revised IAS 28 includes the requirements for joint ventures, as well as associates, to be equity accounted.
- Amendments to IAS 32 Financial Instruments: Presentation (effective for financial years beginning on or after 1 January 2014): The amendments provide clarifications on the application of presentation requirements for offsetting financial assets and financial liabilities on the statement of financial position and give more related application guidance. The amended standard is to be applied retrospectively.

Financial year 2015

- IFRS 9 Financial Instruments* and subsequent amendments (effective for financial years beginning on or after 1 January 2015): IFRS 9 is the first step of the IASB's originally three-phase project to replace the current IAS 39 Financial Instruments: Recognition and Measurement. The amendments resulting from the first phase (published in November 2009) address the classification and measurement of financial assets. Based on measurement, financial assets are classified into two main groups: financial assets at amortised cost and financial assets at fair value. Classification depends on a company's business model and the characteristics of contractual cash flows. The amendments published in October 2010 deal with the classification and measurement of financial liabilities and the standard retains most of the related IAS 39 requirements. The unfinished parts of IFRS 9, i.e. the impairment of financial assets and general hedge accounting phases are still a work in progress. Furthermore, the IASB is also considering limited amendments regarding the classification and measurement of financial assets. The macro hedge accounting phase has been taken apart from the IFRS 9 project as a separate project. As the IFRS 9 project is incomplete, the impacts of the standard on the consolidated financial statements cannot yet be assessed.

1 OPERATING SEGMENT INFORMATION

In the Solteq Group, the highest operative decision maker is the CEO, who monitors the results and takes decisions on the allocation of the resources through four business segments. The Group has not combined the business segments in order to form reportable segments; the business segments as such also form reportable segments.

As part of the integration process following the corporate acquisition published on 20 March 2012, Solteq changed the company's organisational structure as from 1 July 2012. The purpose of the organisational change was to sharpen and speed up the operations as a new company in accordance with the corporate acquisition plans and the Solteq Group's strategy.

Since 1.7.2012, Solteq Plc's reported segments are
- Grocery and special retail, HoReCa
- Wholesale trade, Logistics and Services
- Service Business and Maintenance Management (former: Optimisation of supply and services processes)

In 1.1.-30.6.2012, Solteq Plc's reportable segments were Enterprise Resource Planning and Financial Management Solutions and Value Added Solutions (store solutions and technologies, enterprise asset management and solutions for master data management).

The aim of the segmentation is to respond to customer demand as a field total supplier and therefore to improve the availability of services and ease for our customers.

The highest operative decision maker monitors the result of each reportable segment through a profit/loss figure based on IFRS reporting. The assets and liabilities of the reportable segments are not monitored as there is no realistic way of allocating them to the segments. The consolidated turnover is allocated to the segments; the segments have no significant mutual business transactions. The combined operating profit of the segments equals the consolidated operating profit. The reconciliation between the operating profit and the Group's profit before taxes consists of the financial items in the consolidated income statement that are not allocated to the segments.

The most essential products and service types of the Group are software services, licenses and hardware sales.

As the Group mainly operates in Finland, no Community-level geographical information on revenue from external sources or long-term assets has been presented separately. Income from no one customer exceeds 10% of the Group's total revenue.

2012, thousand EUR Reported segments	Grocery and special retail, HoReCa	Wholesale trade, Logistics and Services	Service Business and Maintenance Management	Total
Revenue	17 000	16 890	5 126	39 016
Result for the financial period	715	2 307	-291	2 731
Depreciation and asset write-downs	-491	-487	-148	-1 126
Expenses that do not include payment transactions*	-344	-312	-85	-741

2011, thousand EUR Reported segments	Grocery and special retail, HoReCa	Wholesale trade, Logistics and Services	Service Business and Maintenance Management	Total
Revenue	9 362	11 467	6 315	27 144
Result for the financial period	785	926	-259	1 453
Depreciation and asset write-downs	-259	-317	-174	-750
Expenses that do not include payment transactions*	-257	-316	-164	-737

* Warranty provisions and other provisions

2 BUSINESS COMBINATIONS

On 22 March 2012, Solteq purchased the whole share capital of Aldata Solution Finland Oy, the Finnish subsidiary of Aldata Solutions Plc. As the result of the corporate acquisition, Aldata Solution Finland Oy became Solteq's fully owned subsidiary, and it was registered under the business name of Solteq Retail Oy as from 30 March 2012. The business of Solteq Retail Oy was leased to the parent company as from 1 June 2012, and the merger of the company into the parent company was registered on 31 December 2012.

The corporate acquisition strengthened Solteq's position as a service provider for the wholesale, retail and service sectors: the client base expanded, the product offering increased, and the market area expanded to the hotel and catering sector.

Aldata Solution Finland Oy was merged with the Solteq Group as from 1 March 2012. The allocated purchasing price is about EUR 8.3 million. Approximately EUR 1.8 million associated with customer relationships and acquired technology has been allocated to intangible assets, taking deferred tax liabilities into consideration. The amortisation periods of the allocated intangible assets associated with customer relationships is 8 years and with technology 5 or 10 years, starting from the month of acquisition. On the basis of the synergy benefits expected from the acquisition of Aldata Solution Finland Oy, the acquisition created a goodwill value of EUR 6.5 million. The recognised goodwill is not deductable in taxation.

The values of the acquired assets and liabilities at the point of acquisition were the following:

thousand EUR	Fair values
Intangible assets	49
Tangible assets	92
Intangible rights, technology	1 736
Intangible rights, customer relations	608
Inventories	99
Trade and other receivables	2 057
Cash and cash equivalents	542
Total assets	**5 183**
Deferred tax liabilities	574
Trade and other payables	2 837
Total liabilities	**3 411**
Net assets	**1 772**
Given monetary compensation, non-conditional	8 301
Identified wealth of the acquired object	-1 772
Goodwill	6 529
Costs related to the acquisition in the income statement´s Other Operating Income	**611**
The impact to the Group´s extended income statement 1-12/2012	
Revenue*	9 574
Net operating profit*	852

*The amount of turnover and profit included in the Group from the time of acquisition until the end of review period. The company has been merged to Solteq Group from March 1, 2012. The turnover and profit of the review period is not presented as if the merger would have taken place at the beginning of the review period, because there were significant arrangements in the acquired business previous to the acquisition, in January and February 2012

The Group did not have any acquisitons of businesses during the financial year 2011

3 REVENUE AND LONG-TERM PROJECTS

	The Group		The Parent Company	
thousand EUR	2012	2011	2012	2011
Services	16 171	12 712	14 621	12 704
Income from construction contracts	7 507	4 612	7 507	4 612
Income from software licenses	12 741	8 271	11 791	8 271
Sales of hardware	2 597	1 549	2 250	1 549
Total	39 016	27 144	36 169	27 136

By the end of the year, actual expenses and profits (less losses) amounting to a total of EUR 13.101 were recognised from ongoing long-term projects (EUR 10.057 in 31.12.2011). At 31 December 2011, receivables connected with ongoing long-term projects amounted to EUR 119,000.00 (EUR 107,233.00 at 31 December 2011).

4 OTHER INCOME

	The Group		The Parent Company	
thousand EUR	2012	2011	2012	2011
Other income	900	15	905	15
Total	**900**	**15**	**905**	**15**

In Other Operating Income is reported the capital gain on the sales of property, 887 thousand euros.

5 OTHER EXPENSES

	The Group		The Parent Company	
thousand EUR	2012	2011	2012	2011
Telephone and telecommunications costs	419	301	390	301
Rental expenses	1 212	734	1 286	963
Car and travel expenses	878	734	886	755
External services	1 577	406	2 204	460
Loss-making projects	54	12	54	12
Impairment losses	-5	32	-5	32
Warranty provisions	5	725	5	725
Other expenses	2 246	1 464	1 913	1 136
Total	**6 386**	**4 408**	**6 733**	**4 384**

Auditor's fee

	The Group		The Parent Company	
thousand EUR	2012	2011	2012	2011
Auditing	55	61	55	61
Certificates and statements	35	0	35	0
Tax consulting	24	0	24	0
Other services	99	10	99	10
Total	**213**	**71**	**213**	**71**

6 DEPRECIATION, AMORTISATION AND IMPAIRMENT

	The Group		The Parent Company	
thousand EUR	2012	2011	2012	2011
Depreciation by asset group				
Intangible assets				
Development costs	239	228	239	228
Intangible rights	406	108	48	55
Other intangible assets	56	60	42	51
Total	**701**	396	**328**	**334**
Tangible assets				
Buildings	0	36	0	36
Machinery and equipment	404	318	372	319
Total	**404**	354	372	355
Impairment by commodity groups				
Other intangible assets	21	0	0	0
Total	**21**	0	**0**	**0**

7 EMPLOYEE BENEFIT EXPENSES

	The Group		The Parent Company	
thousand EUR	**2012**	**2011**	**2012**	**2011**
Salaries and wages	15 656	11 530	14 648	11 562
Pension expenses - defined contribution plan	2 785	1 985	2 594	1 993
Other personnel expenses	863	650	842	650
Total	**19 304**	**14 165**	**18 084**	**14 205**
Average number of employees in group during financial period	**2012**	**2011**	**2012**	**2011**
Grocery and Specialty Retail, HoReCa	112	24	112	24
Wholesale, Logistics and Services	83	102	83	102
Service Business and Maintenance Management	43	54	43	54
Shared functions	32	31	32	31
Total	**270**	**211**	**270**	**211**

Information on management's employee benefits is presented in note 29 Related party transactions.

8 RESEARCH AND DEVELOPMENT COSTS

Income statement for 2012 includes research and development costs in the amount of 1.088 thousand euros (820 thousand euros in 2011).

9 FINANCIAL INCOME

	The Group		The Parent Company	
thousand EUR	2012	2011	2012	2011
Interest income from loans and receivable	36	22	29	22
Dividend income from held-for-sale financial assets	2	2	2	2
Total	**38**	**24**	**31**	**24**

10 FINANCIAL EXPENSES

	The Group		The Parent Company	
thousand EUR	2012	2011	2012	2011
Interest expenses from financial expenses at amortized costs	240	168	250	187
Other financial expenses	96	30	75	0
Total	**336**	**198**	**325**	**187**

Other financial expenses include 21 thousand euros of variable rents relating to financial leasing contracts (4 thousand euros in 2011).

11 INCOME TAXES

	The Group		The Parent Company	
thousand EUR	**2012**	**2011**	**2012**	**2011**
Deferred taxes	735	383	622	585
Total	**735**	**383**	**622**	**585**

Reconciliation between the tax expenses in the income statement and the taxes calculated at the tax rate valid in the Group's home country. The taxable income for the financial period has been calculated at a tax rate of 26%, but the tax rate of the deferred taxes is 24.5%.

	The Group		The Parent Company	
thousand EUR	**2012**	**2011**	**2012**	**2011**
Result before tax	2 433	1 280	1 750	1 327
Taxes based on domestic tax rate	596	333	429	345
Losses of the acquired company, before consolidation	-63	0	0	0
Non-deductible expenses	210	16	**193**	**212**
Unrecognised losses in taxation relating to subsidiaries	3	6	0	0
Other differences	-12	12	1	12
Impact of the change in the tax rate	0	16	0	16
Taxes in the income statement	**735**	383	622	585

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.

When calculating the diluted earnings per share, the weighted average number of stocks takes into account the dilutive effect of the reserve own shares held by the company. The Company 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.

	2012	2011
Profit for the financial period attributable to equity holders of the parent (thousand EUR)	1 697	897
Weighted average of the number of shares during the financial period (1 000)	13 756	11 546
Undiluted EPS (EUR/share)	0,12	0,08
Dilutive effect has no influence on earnings per share (EPS)		

13 PROPERTY, PLANT AND EQUIPMENT

The Group thousand EUR	Land	Buildings	Machinery and equipment	Other tangible assets	Total
Acquisition cost 1.1.2012	151	1 438	4 083	21	5 692
Deductions	-151	-1 438	-91	0	-1 680
Additions	0	0	655	0	655
Acquisition of subsidiary	0	0	360	0	360
Acquisition cost 31.12.2012	**0**	**0**	**5 007**	**21**	**5 027**
Accumulated depreciation and impairment 1.1.2012	0	0	3 393	0	3 393
Acquisition of subsidiary	0	0	288	0	288
Depreciation	0	0	404	0	404
Accumulated depreciation **and impairment 31.12.2012**	**0**	**0**	**4 085**	**0**	**4 085**
Book value 1.1.2012	151	1 402	690	21	2 264
Book value 31.12.2012	0	0	922	21	942
Acquisition cost 1.1.2011	160	1 836	3 718	21	5 735
Reclassification	-9	-398	-23	0	-431
Additions	0	0	388	0	388
Acquisition cost 31.12.2011	**151**	**1 438**	**4 083**	**21**	**5 693**
Accumulated depreciation and impairment 1.1.2011	0	0	3 075	0	3 075
Depreciation	0	36	318	0	354
Accumulated depreciation **and impairment 31.12.2011**	**0**	**36**	**3 393**	**0**	**3 429**
Book value 1.1.2011	151	1 438	620	21	2 230
Book value 31.12.2011	151	1 402	690	21	2 264

The Parent Company thousand EUR	Land	Buildings	Machinery and equipment	Other tangible assets	Total
Acquisition cost 1.1.2012	151	1 441	1 688	21	3 301
Deductions	0	0	-91	0	-91
Merger of subsidiaries	0	0	40	0	40
Selling of properties	-151	-1 441	0	0	-1 592
Additions	0	0	659	0	659
Acquisition cost 31.12.2012	**0**	**0**	**2 296**	**21**	**2 317**
Accumulated depreciation and impairment 1.1.2012	0	0	1 001	0	1 001
Depreciation	0	0	372	0	372
Accumulated depreciation **and impairment 31.12.2012**	**0**	**0**	**1 373**	**0**	**1 373**
Book value 1.1.2012	151	1 441	687	21	2 300
Book value 31.12.2012	0	0	921	21	942
Acquisition cost 1.1.2011	0	0	811	21	832
IFRS transition 1.1.2011	151	1 441	489	0	2 081
Additions	0	0	388	0	388
Acquisition cost 31.12.2011	**151**	**1 441**	**1 688**	**21**	**3 301**
Accumulated depreciation and impairment 1.1.2011	0	0	682	0	682
Depreciation	0	36	319	0	355
Accumulated depreciation **and impairment 31.12.2011**	**0**	**36**	**1 001**	**0**	**1 037**
Book value 1.1.2011	151	1 441	687	21	2 300
Book value 31.12.2011	151	1 405	687	21	2 264

On the basis of a decision by the management, certain investments in shares in buildings have been classified as available-for-sale financial assets owing to their factual nature, instead of being classified as property, plant and equipment.

EUR 882 thousand remained to be depreciated of the group's and parent company's machinery and equipment on 31.12.2012 (659 thousand euros 31.12.2011).

Financial leases

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

	The Group	The Parent Company
thousand EUR	Machinery and equipment	**Machinery and equipment**
31.12.2012		
Acquisition cost	3 298	3 298
Accumulated depreciation	2 508	2 508
Book value	790	790
31.12.2011		
Acquisition cost	2 828	2 828
Accumulated depreciation	2 237	2 237
Book value	591	591

EUR 467 thousand worth of assets under financial leases is included in the additions (329 thousand euros 2011).

14 INTANGIBLE ASSETS

The Group

thousand EUR	Goodwill	Development costs	Intangible rights	Other intangible assets	Total
Acquisition cost 1.1.2012	8 396	**2 618**	2 343	**393**	13 750
Acquisition of subsidiary	6 529	0	2 376	152	9 057
Additions	0	0	26	108	134
Acquisition cost 31.12.2012	**14 925**	**2 618**	**4 745**	**653**	**22 941**
Accumulated depreciation and impairment 1.1.2012	2 197	1 241	2 019	314	5 771
Acquisition of subsidiary	0	0	6	124	130
Impairments	0	0	21	0	21
Depreciation	0	229	384	88	701
Accumulated depreciation and impairment 31.12.2012	**2 197**	**1 470**	**2 430**	**526**	**6 623**
Book value 1.1.2012	6 199	1 377	324	79	7 979
Book value 31.12.2012	12 728	1 148	2 315	127	16 318
Acquisition cost 1.1.2011	8 396	**2 618**	2 311	**342**	13 667
Additions	0	0	32	51	83
Acquisition cost 31.12.2011	**8 396**	**2 618**	**2 343**	**393**	**13 750**
Accumulated depreciation and impairment 1.1.2011	2 197	1 013	1 911	254	5 375
Depreciation	0	228	108	60	396
Accumulated depreciation and impairment 31.12.2011	**2 197**	**1 241**	**2 019**	**314**	**5 771**
Book value 1.1.2011	6 199	1 605	400	88	8 292
Book value 31.12.2011	6 199	1 377	324	79	7 979

The Parent Company					
thousand EUR	Goodwill	Development costs	Intangible rights	Other intangible assets	Total
Acquisition cost 1.1.2012	4 751	**2 618**	6 828	**237**	14 434
Merger of subsidiaries	0	0	7 390	0	7390
Additions	0	0	115	37	152
Acquisition cost 31.12.2012	**4 751**	**2 618**	**14 333**	**274**	**21 976**
Accumulated depreciation and impairment 1.1.2012	2 357	1 241	3 337	164	7 099
Depreciation	0	229	52	47	328
Accumulated depreciation and impairment 31.12.2012	**2 357**	**1 470**	**3 389**	**211**	**7 427**
Book value 1.1.2012	2 394	1 377	3 491	73	7 335
Book value 31.12.2012	2 394	1 148	10 944	63	14 549
Acquisition cost 1.1.2011	3 073	**2 618**	8 376	**205**	14 272
IFRS transition 1.1.2011	1 678	0	-1 600	0	78
Additions	0	0	52	32	84
Acquisition cost 31.12.2011	**4 751**	**2 618**	**6 828**	**237**	**14 434**
Accumulated depreciation and impairment 1.1.2011	2 357	1 013	3 287	108	6 765
Depreciation	0	228	50	56	334
Accumulated depreciation and impairment 31.12.2011	**2 357**	**1 241**	**3 337**	**164**	**7 099**
Book value 1.1.2011	716	1 605	5 089	97	7 507
Book value 31.12.2011	2 394	1 377	3 491	73	7 335

No development projects were operating during the review period (none in the reference year, either).

Impairment

The goodwill values originating from business combinations are allocated to the cash-generating units which have, starting from 1 January 2010, been based on the Group's budgeting and reporting structure used in monitoring the business operations. The cash generating units based on the reporting structure are SAP, Microsoft Dynamics, Solteq Solutions, EAM, Store, Data and Aldata.

At 31 December 2012, the carrying amount of the goodwill totalled 12.728 thousand euros (6.199 thousand euros at 31 December 2011). At 31 December 2012, the financial statements did not include intangible assets in process (none in the reference year, either).

Goodwill is allocated as follows (thousand euros):

The Group	2012	2011
SAP	1 593	1 493
Microsoft Dynamics	1 168	1 168
Solteq Solutions	334	334
EAM	3 400	2 398
Store	233	466
Data	806	806
Aldata	8 576	n/a
Other	209	n/a
Total	**16 319**	**6 665**

Impairment tests have been carried out on the cash-generating unit level. The recoverable amount has been determined by means of the value in use. The determined estimated cash flows are based on the operating result budget for 2013 and operating result forecasts for the subsequent four years. The impact of the accumulated cash flows after the forecast period has been considered in the testing only to the extent in which cash flows seem probable, and even then with special caution.

In view of the development of the cash flows during the forecast period, the units are divided in testing as follows:

- SAP, previous Aldata and EAM are expected to grow in accordance with the inflation rate, with the exception of the first year, during which the growth is expected to be slower, reflecting the actual outcome of 2012. It is, however, expected that the lag in growth will be bridged in the following year.
- As to the Microsoft Dynamics Units, we expect a growth rate of about 5%, with the exception of the first year, during which growth is expected to be slower, reflecting the actual outcome of 2012. It is, however, expected that the lag in growth will be bridged in the following year.
- Data and Store are expected to grow in accordance with the inflation rate.
- The growth of Solteq Solutions is expected to decrease at a rate of 2% per year.

The discount rate of 8.4% used in the calculations is the weighted average cost of capital after taxes (equals 11.1% before taxes).

Based on testing performed in 2012, no need was found for impairment allocations: a clear margin was left for each tested unit. No impairment allocations were made in 2012.

The sensitivity analysis

Based on the sensitivity analyses performed, it can be stated that a change in operating profit is the most critical factor in testing the goodwill values of the units. A summary of unit-specific sensitivities is below:

In SAP, EAM and Aldata, there will be a need for a write-down if the operating profit decreases by the 1.5 percentage units used in sensitivity analysis testing. Respectively, in EAM and SAP there will be a need for a write-down if the discount rate increases by the 1.5. percentage units used in sensitivity analysis testing. As to the other units, a need for a write-down would only arise if the change is more than 1.5 percentage units.

15 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	The Group		The Parent Company	
thousand EUR	2012	2011	2012	2011
Beginning of financial period	538	524	560	544
End of financial period	**538**	**524**	**560**	**544**

16 DEFERRED TAX ASSETS AND LIABILITIES

Changes in deferred taxes during 2012:

The Group						
thousand Eur	31.12.2010	Recognized in the income statement	31.12.2011	Recognized in the income statement	Acquired businesses	31.12.2012
Deferred tax assets:						
Carryforward of unused tax losses	1 060	-541	519	-519	0	0
Provisions	0	178	178	4	0	182
Booked depreciation in excess of tax depreciation	44	2	46	4	0	50
Other items	64	-2	62	-20	0	42
Total	**1 168**	**-363**	**805**	**-531**	**0**	**274**
Deferred tax liabilities:						
Tax-deductible goodwill	513	-49	464	52	0	516
Allocated intangible items	0	61	61	-105	574	548
Taxes of the separate companies	0	0	0	257	0	257
Total	**513**	**12**	**525**	**204**	**574**	**1 321**

The Parent Company					
thousand Eur	31.12.2010	Recognized in the income statement	31.12.2011	Recognized in the income statement	31.12.2012
Deferred tax assets:					
Carryforward of unused tax losses	1 060	-541	519	-519	0
Depreciation of shares of the office	0	9	9	-9	0
Total	**1060**	**-532**	**528**	**-528**	**0**
Deferred tax liabilities:					
Tax-deductible goodwill	436	53	489	53	542
Taxes of separate companies	0	0	0	41	41
Total	**436**	**53**	**489**	**94**	**583**

Deferred taxes are recognised in full, except for the losses of the Russian subsidiary. The losses for the previous financial periods of the Russian subsidiary are EUR 239 000 and the loss for the financial period EUR 12 000. The tax losses are carried forward in accordance with the Russian legislation. No losses for deferred tax receivables are recognised as it is probable that during the time the losses are carried forward, no taxable income against which the losses could be set off will accrue for the company.

The booking of the deferred tax asset on parent company's unused tax losses is based on the positive forecast in the near future. According to the forecast the company is able to use the deferred tax asset. During 2012 the company made positive taxable result and the deferred tax asset decreased by 519 thousand euros.

In the valuation at current value of the intangible assets from the acquisition of Aldata Solution Finland Oy, a calculated tax of 574 thousand euros derived.

17 INVENTORIES

	The Group		The Parent Company	
thousand EUR	2012	2011	2012	2011
Finished products	126	0	126	0
Total	**126**	0	**126**	0

18 TRADE AND OTHER RECEIVABLES

Receivables from clients concerning long-term acquisitions are related to credited ongoing projects in accordance with the readiness degree. Significant items included in prepayments and accrued income relate to normal business accruals. The interest rate for loan receivable has been Euribor + 1,0 %.

	The Group		The Parent Company	
thousand EUR	2012	2011	2012	2011
Loans and other receivables				
Trade receivables	6 257	4 183	6 258	4 180
Receivables from clients concerning long-term acquisitions	119	107	119	107
Prepayment and accrued income	1 476	1 688	1 476	1 648
Internal receivables	0	0	670	355
Other receivables	78	72	77	70
Total	**7 930**	6 050	**8 600**	**6 360**

The aging of accounts receivable and items recorded as impairment losses:

The Group						
thousand EUR	2012	Impairment losses	Net 2012	2011	Impairment losses	Net 2011
Not due	4 735	-70	4 665	3 200	-70	3 130
Due	1 592	-	1 592	1 053	-	1 053
Under 30 days	1 118	-	1 118	1 020	-	1 020
31-60 days	75	-	75	12	-	12
61-90 days	20	-	20	2	-	2
Over 90 days	379	-	379	19	-	19
Total	**6 327**	**-70**	**6 257**	4 253	-70	4 183

The Parent Company						
thousand EUR	2012	Impairment losses	Net 2012	2011	Impairment losses	Net 2011
Not due	4 796	-70	4 726	3 197	-70	3 127
Due	1 532	-	1 532	1 053	-	1 053
Under 30 days	1 118	-	1 118	1 020	-	1 020
31-60 days	75	-	75	12	-	12
61-90 days	20	-	20	2	-	2
Over 90 days	319	-	319	19	-	19
Total	**6 328**	**-70**	**6 258**	4 250	-70	4 180

All current receivables are denominated in euros. There are no significant concentrations of risk related to receivables. Because the receivables are current their fair value is equivalent to carrying value.

19 CASH AND CASH EQUIVALENTS

	The Group		The Parent Company	
thousand EUR	2012	2011	2012	2011
Cash and bankaccounts	1 242	277	1 213	236
Total	**1 242**	**277**	**1 213**	**236**

20 NOTES TO EQUITY

Below is the reconciliation of the number of shares

thousand EUR	Number of shares (1 000)	Share capital	Reserve for own shares	Share premium reserve	Hedging reserve	Distributable equity reserve	Total
1.1.2011	12 148	1 009	-618	75	-20	7 213	7 660
Acquisition of own shares	0	0	-217	0	0	0	-217
Covering the losses	0	0	0	0	0	-3 413	-3 413
Valuation of hedging instruments	0	0	0	0	6	0	6
31.12.2011	**12 148**	**1 009**	**-835**	**75**	**-14**	**3 800**	**4 036**
Acquisition of own shares	0	0	-99	0	0	0	-99
Directed issue	2 850	0	0	0	0	3 017	3 017
Refund of equity (paid)	0	0	0	0	0	-449	-449
Valuation of hedging instruments	0	0	0	0	-34	0	-34
31.12.2012	**14 998**	**1 009**	**-934**	**75**	**-48**	**6 368**	**6 471**

The maximum number of shares is 28.539.504 (28.539.504 in 2011). 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 2011).

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 933.497,68 euros which is deducted from equity. At the end of the financial year Solteq Plc had 788.404own shares in its possession (2010: 700.062 shares). The amount of acquired shares corresponded to 5,26 percent of the shares and votes at the end of the financial year. The equivalent value of acquired shares was 53.048 euros.

Dividends

After the balance sheet date the Board proposes to the Annual General Meeting that a dividend of EUR 0.04 per share will be paid for each share. In addition to this is proposed that the Board be authorised, on the basis of Chapter 13, Section 6, Sub-section 2 of the Finnish Companies Act, to decide on the distribution of a dividend amounting to a maximum of EUR 0.04 per share or of other assets from the distributable equity reserve, as well as decide on the timing and other details concerning the possible distribution.

21 PROVISIONS

The Group and the Parent Company			
thousand EUR	Warranty provisions	Other provisions	Total
31.12.2011	**725**	**12**	**737**
Additional/Deducted provisions	-50	54	4
31.12.2012	**675**	**66**	**741**

Warranty provisions

As from the beginning of the financial period of 2011, warranty-based work was monitored more efficiently than before. During the financial period, a provision was made for anticipated warranty-based work in each project. The general warranty period is 6 – 12 months. The warranty provisions are based on the historical information on the amount of warranty obligations. The warranty provisions are expected to be used in 2013.

Other provisions

Other provisions are connected with long-term projects in which the total expenses of completing the project are expected to exceed the total income from the project.

22 FINANCIAL LIABILITIES

The Group thousand EUR	2012 Book value	2012 Fair value	2011 Book value	2011 Fair value
Financial liabilities at amortized cost				
Non-current				
Loans from financial institutions	4 300	4 300	1 614	1 614
Finance lease obligations	527	527	334	334
	4 827	**4 827**	**1 948**	**1 948**
Current				
Loans from financial institutions	1 333	1 333	1 959	1 959
Finance lease obligations	270	270	259	259
	1 603	**1 603**	**2 218**	**2 218**

The Parent Company thousand EUR	2012 Book value	2012 Fair value	2011 Book value	2011 Fair value
Financial liabilities at amortized cost				
Non-current				
Loans from financial institutions	4 092	4 092	1 500	1 500
Finance lease obligations	527	527	334	334
	4 619	**4 619**	**1 834**	**1 834**
Current				
Loans from financial institutions	1 333	1 333	1 959	1 959
Finance lease obligations	270	270	259	259
	1 603	**1 603**	**2 218**	**2 218**

As interests are tied to short-term reference rates, the fair value of the financial liabilities is mainly the same as the book value. The impact of the interest rate swap has been recognised as added financial liabilities.

Due dates of financial liabilities:

The Group				
2012	2013	2014	2015	2016–2018
thousand EUR				
Loans from financial institutions	1 382	1 333	1 334	1 584
Finance lease obligations	270	333	194	0
Long-term debt total	**1 652**	**1 666**	**1 528**	**1 584**

The Group				
2011	2012	2013	2014	2015-2017
thousand EUR				
Loans from financial institutions	2 053	884	353	447
Finance lease obligations	271	155	236	1
Long-term debt total	**2 324**	**1 039**	**589**	**448**

The Parent Company				
2012	2013	2014	2015	2016–2018
thousand EUR				
Loans from financial institutions	1 333	1 333	1 334	1 425
Finance lease obligations	270	333	194	0
Long-term debt total	**1 603**	**1 666**	**1 528**	**1 425**

The Parent Company				
2011	2012	2013	2014	2015-2017
thousand EUR				
Loans from financial institutions	1 959	833	333	334
Finance lease obligations	271	155	236	1
Long-term debt total	**2 230**	**988**	**569**	**335**

The credit limit of the account with overdraft facility has been presented annually as an item that matures in the following year. In 2012, the average interest rate of the loans was 2.9 percent (2.7 percent in 2011).

Due dates for financial lease obligations:

	The Group		The Parent Company	
thousand EUR	2012	2011	2012	2011
Financial lease obligations - total amount of future minimum lease payments				
Within 12 months	527	259	527	259
Between 1 and 5 years	270	334	270	334
	797	**593**	**797**	**593**
Finance lease obligations - present value of minimum lease payments				
Within 12 months	543	267	543	267
Between 1 and 5 years	278	342	278	342
	821	**609**	**821**	**609**
Future financing expenses	-24	-16	-24	-16
Total financial lease obligations	**797**	**593**	**797**	**593**

23 TRADE AND OTHER PAYABLES

	The Group		The Parent Company	
thousand EUR	2012	2011	2012	2011
Financial liabilities at amortized cost				
Current				
Trade payable	1 587	1 437	1 588	1 432
Accruals and deferred income	5 525	4 045	5 990	4 039
Other liabilities	1 688	1 044	1 418	1 039
Internal liabilities	0	0	14	14
Total	**8 800**	6 526	**9 010**	6 524

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. Withheld taxes for paid wages and salaries, social security payments and other social security related items to be accounted for in connection with tax withholding, as well as VAT liability are disclosed in other payables.

24 FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

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

Credit risk

The Company's operating style defines the customers' and investment transactions' credit-worthiness demands and investment principles. The Company 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 Company's credit risk's maximum amount is the carrying value of financial assets as at 31.12.2012.

Liquidity risk

The Company 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 31.12.2012 totalled 1.500 thousand euros.

Interest rate risk

The Company's income and operative cash flows are mainly free from market rate fluctuation effects. Company 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 Company is partly exposed to cash flow interest rate risk. 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 +/- 13 thousand euros.

In the end of the reporting period the Company had one interest rate swap denominated in euros. Based on the interest swap contract the Company receives approximately Euribor 1 month variable interest rate and pays approximately 1,15 % fixed interest rate. The Company has entered in to an interest rate swap to hedge the cash flows a fluctuating rate loan with a nominal contract amount of 3.150 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.

The covenaThe covenants concerning the company's loans from financial institutions (EUR 3,150 thousand at the closure of accounts) and the account with overdraft facility (EUR 1,500 thousand at the closure of accounts, of which none is in use) are normal conditions reviewed quarterly. The finance provider has the right to call in the loans if the company's equity ratio, interest-bearing net liabilities / EBITDA, or the key figures that indicate the cash flow available for loan repayment deviate from the target values determined in advance. The pricing of bank loans also depends on the development of the interest-bearing net liabilities / EBITDA ratio. The margin level of financing may vary between 1.50–4.00% when the interest-bearing net liabilities / EBITDA ratio changes. Owing to the need for capital caused by the corporate acquisition, the company has reorganised the majority of its debt financing during the financial period. In this connection, the main finance provider has been changed, and the covenants described above have been agreed on. Before the reorganisation and in 2011, the bank loan margin was 1.5%, and after 2.5%.

Equity ratio and net gearing -% are characteristic key figures for capital structure. Equity ratio in 2012 was 37,2 % (34,2 % in 2011). Net gearing percentage in 2012 was 51,0 % (65,4 % in 2011). Financial liabilities/operating profit ratio for 2012 was 1,3 (1,8 in 2011).

25 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 and asset write-downs. 1.126 thousand euros (750 thousand euros). In financial year 2012, there is also as an adjustment the capital gain on the sales of the real estate company, 887 thousand euros, which is shown in investment cash flow.

26 ASSET ITEMS UNDER MUTUAL CONTROL

Together with other parties, Solteq exercises shared control over the assets, i.e. real property, that are under shared control. The Group has a 11.29 percent holding in Kiinteistö Oy Nukanleikkaaja (real estate corporation), a 14.48 percent holding in Kiinteistö Oy Villankarstaaja (real estate corporation) , and a 15.56 percent holding in Klingendahlin Pysäköinti Oy (parking services provider).These properties have been sold in Spring 2012 as part of the financing arrangements for the acquisition of subsidiary

Asset items under mutual control are included in the consolidated financial statements by using proportionate consolidation until the point of sales. The assets, liabilities, expenses and income of the associates included in the comprehensive consolidated balance sheet and the consolidated income statement are as follows:

The Group		
thousand EUR	2012	2011
Non-current asset	0	1 344
Current assets	0	4
Non-current liabilities	0	-2
Current liabilities	0	-6
Income	0	71
Expenses	0	-74

The associates have not concluded investment agreements that obligate the Group.

27 OTHER LEASE AGREEMENTS

Company as a lessee

	The Group		The Parent Company	
thousand EUR	2012	2011	2012	2011
Within a year	804	502	804	502
One to five years	2 099	1 154	2 099	1 154
More than five years	1 272	0	1 272	0
Total	**4 175**	**1 656**	**4 175**	**1 656**

Non-cancellable other lease agreements carry the following minimum lease amounts to be paid:
The Company has leased most of the cars and copiers 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 and Tampere has been presented for the set lease period. To Helsinki premises has been moved in on March 2006, and the rental of the Tampere premises started in April 2012 when the company, as part of the financing arrangements for the acquisition of Aldata Solutions Finland Oy, did a sale-and-leaseback agreement for the Tampere premises.

The income statement for 2012 includes lease expenses based on other lease agreement 1.212 thousand euros (734 thousand euros in 2011).

28 CONTINGENT LIABILITIES AND COLLATERAL

	The Group		The Parent Company	
thousand EUR	2012	2011	2012	2011
Collateral given on our own behalf				
Business mortgages	10 000	2 277	10 000	2 277
Carrying amount of pledged shares	0	1 590	0	1 590
Total	**10 000**	**3 867**	**10 000**	**3 867**

The business mortgages as well as the pledged shares are given as collateral by the parent company for credit limits and long-term loans. The pledged shares have been sold in Spring 2012.

29 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.

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 %
Solteq Management Oy *	Finland	0 %	100%
Solteq Management Team Oy *	Finland	0 %	100 %

* Solteq Plc has control over the company on the basis of a shareholders' agreement

Group's parent and subsidiary relations are as follows:
The subsidiary Solteq Retail Oy, which was acquired during financial year 2012, has been merged to parent company Solteq Plc on December 31, 2012.

Solteq has a share-based incentive scheme for the senior management. The scheme is implemented through the companies owned by the senior management.

Solteq Management Oy

Solteq Management Oy owns a total of 400,000 shares in Solteq Plc. The shares were subscribed for through a private offering to the holding company. The acquisition of Solteq shares was financed by a long-term bank loan of EUR 100,000.00 and a loan of EUR 335,000.00 granted by the parent company. The shares will remain in the possession of the holding company until the arrangement is dissolved. The holding company owned by the senior management will operate until the publication of the company's statement of accounts for 2014 or 2015, after which the holding company will be wound up in a manner to be decided on later. The arrangement can be dissolved e.g. by merging Solteq Management Oy with Solteq Plc or by selling the shares held by Solteq Management Oy in another way. The arrangement will be continued by one year at a time if after the publication of the company's financial statements, the stock exchange quotation of the company's share is less than the average price of the shares acquired in the arrangement.

The interest rate of the bank loan is fixed 4.21% for three years, negotiable at the end of the term. The whole capital of the bank loan shall be paid off on 23 September 2016. The interest rate of the loan granted by Solteq Plc is fixed 4.20%.The loan granted by Solteq Plc shall be paid off by 30 April 2015 at the latest. If the validity of the arrangement is extended on the basis of the terms by one year at a time in 2014 and 2015, the repayment period of the loan granted by Solteq Plc will be extended accordingly. The transfer of Solteq Management Oy shares is restricted during the validity period of the arrangement.

Solteq Management Team Oy

Solteq Management Oy owns a total of 350,000 shares in Solteq Plc. The shares were subscribed for through a private offering to the holding company. The acquisition of Solteq shares was financed by a an equity investment of EUR 60,000.00 and a loan of EUR 315,000.00 granted by the parent company. The shares will remain in the possession of the holding company until the arrangement is dissolved. The holding company owned by the senior management will operate until the publication of the company's statement of accounts for 2014 or 2015, after which the holding company will be wound up in a manner to be decided on later. The arrangement can be dissolved e.g. by merging Solteq Management Team Oy with Solteq Plc or by selling the shares held by Solteq Management Team Oy in another way. The arrangement will be continued by one year at a time if after the publication of the company's financial statements, the stock exchange quotation of the company's share is less than the average price of the shares acquired in the arrangement.

The interest rate of the loan granted by Solteq Plc is fixed 4.20%.The loan granted by Solteq Plc shall be paid off by 30 April 2015 at the latest. If the validity of the arrangement is extended on the basis of the terms by one year at a time in 2014 and 2015, the repayment period of the loan granted by Solteq Plc will be extended accordingly. The transfer of Solteq Management Oy shares is restricted during the validity period of the arrangement.

The following related party transactions took place:

	The Group		The Parent Company	
thousand EUR	2012	2011	2012	2011
Sales to Group company	0	0	26	0
Purchases from Group company	0	0	892	0
Renting expenses	76	76	76	76
Outsourcing expenses	3	13	3	13
Loan to Solteq Management Oy	0	335	0	335
Sale of own shares to Solteq Management Oy	0	420	0	420
Loan to Solteq Management Oy	315	0	315	0
Sale of own shares to Solteq Management Oy	375	0	375	0
Key management personnel total	**769**	844	**1 687**	844

Transactions with the insiders have been done at market price and are part of the company's normal software service business. At the closure of accounts, there are no significant receivables from or payables to related parties.

	The Group		The Parent Company	
thousand EUR	2012	2011	2012	2011
Salaries and other short-term employment benefits	1 043	904	1 043	904
	1 043	**904**	**1 043**	**904**

The compensations of managing director, board of directors and management group are included in the management employee benefits.

Management employee benefits:

	The Group		The Parent Company	
thousand EUR	2012	2011	2012	2011
CEO Repe Harmanen	195	180	195	180
Members of the board:				
Saadetdin Ali U., Chairman of the board	46	46	46	46
Aalto Seppo	15	15	15	15
Pietilä Markku	15	15	15	15
Roininen Matti (starting 14.3.2012)	15	0	15	0
Sara-aho Sirpa	15	15	15	15
Sonninen Jukka	15	15	15	15

Wages and salaries of the members of the board and the CEO

The members of the Board and the CEO owned 5.501.789 shares at the end of 2012 (2011: 5.148.589 shares). At the end of 2012, the senior management of the company held indirectly additional 400,000 shares through Solteq Management Oy (2011: 400,00 shares).

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

30 EVENTS AFTER THE BALANCE SHEET DATE

No events requiring reporting have taken place after the review period.

31 FIVE YEAR FIGURES

Key figures outlining the group's financial development (million EUR)	2012	2011	2010	2009	2008
	Financial period 1.1.–31.12.				
Revenue	39,0	27,1	27,0	28,6	30,4
Increase in revenue	43,7 %	0,5 %	-5,4 %	-6,0 %	8,8 %
Operating profit/-loss	2,7	1,5	-4,3	1,5	1,5
% of revenue	7,0 %	5,4 %	-16,0 %	5,1 %	4,8 %
Profit/loss before taxes	2,4	1,3	-4,5	1,3	1,1
% of revenue	6,2 %	4,7 %	-16,6 %	4,7 %	3,7 %
Return on equity, %	21,2 %	16,0 %	-48,7 %	9,6 %	9,0 %
Return on investment, %	20,8 %	13,1 %	-29,3 %	9,1 %	9,0 %
Equity ratio, %	37,2 %	34,2 %	30,6 %	47,2 %	43,6 %
Gross investments in non-current assets	7,4	0,5	0,2	0,7	0,9
% of revenue	19,1 %	1,7 %	0,6 %	2,3 %	3,0 %
Research and development costs	1,1	0,8	1,6	1,6	0,6
% of revenue	2,8 %	2,9 %	5,9 %	5,7 %	1,9 %
Net Gearing	51,5 %	65,4 %	132,8 %	66,7 %	58,5 %
Average number of employees over the financial period	270	211	233	240	266

Group's key figures per share	2012	2011	2010	2009	2008
	Financial period 1.1.–31.12.				
Earnings per share, EUR	0,12	0,08	-0,32	0,08	0,07
Equity attributable to the equity holders of the parent, EUR	0,67	0,52	0,45	0,84	0,80
Dividends per share, EUR	0,04*	0,00	0,00	0,06	0,04
Dividend from result, %	33,1 %*	0,0 %	0,0 %	76,5 %	55,4 %
Effective dividend yield, %	3,3 %*	0,0 %	0,0 %	4,5 %	3,5 %
Price/earnings (P/E)	10,0	12,6	result negative	17,0	16,1
Highest share price, EUR	1,39	1,20	1,56	1,39	1,77
Lowest share price, EUR	0,99	0,95	1,01	1,02	1,16
Average share price, EUR	1,16	1,07	1,20	1,25	1,44
Market value of the shares, 1000 EUR	17 998	11 905	12 634	16 157	14 092
Shares trade volume, 1000 pcs	1 885	1 614	1 270	532	1 017
Shares trade volume, %	13,7 %	14,0 %	10,8 %	4,5 %	8,5 %
Weighted average of the share issue corrected number of shares during the financial period, 1000 pcs	13 756	11 546	11 766	11 925	12 013
Number of shares corrected by share issue at the end of the financial period, 1000 pcs	14 960	11 448	11 644	11 890	11 960

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

*After the balance sheet date the Board proposes to the Annual General Meeting that a dividend of EUR 0.04 per share will be paid for each share. In addition to this is proposed that the Board be authorised, on the basis of Chapter 13, Section 6, Subsection 2 of the Finnish Companies Act, to decide on the distribution of a dividend amounting to a maximum of EUR 0.04 per share or of other assets from the distributable equity reserve, as well as decide on the timing and other details concerning the possible distribution.

CALCULATION ON FINANCIAL RATIOS

Return on Equity (ROE) %::

$$\frac{\text{net result}}{\text{average result}} \times 100$$

Return on investment %:

$$\frac{\text{result after the financial items + financial expenses}}{\text{total assets - interest-free liabilities (average)}} \times 100$$

Equity ratio:

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

Net gearing:

$$\frac{\text{interest-bearing liabilities - cash, bank and securities}}{\text{equity}} \times 100$$

Diluted earnings per share:

$$\frac{\text{net result -/+ ownership share of the non-controlling interest}}{\text{average number of shares added with number of shares at the end of the period}}$$

Earnings per share:

$$\frac{\text{net result -/+ ownership share of the non-controlling interest}}{\text{average number of shares}}$$

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 %:

$$\frac{\text{dividend per share}}{\text{earnings per share}} \times 100$$

Effective dividend yield::

$$\frac{\text{dividend per share}}{\text{share price at the year-end}} \times 100$$

Price/earnings:

$$\frac{\text{share price at the year-end}}{\text{earnings per share}}$$

32 DISTRIBUTION OF OWNERSHIP AND SHAREHOLDER INFORMATION

DISTRIBUTION OF OWNERSHIP BY SECTOR 31.12.2012

	Number of owners	Shares and votes %	pcs
Companies	73	18,2 %	2 728 911
Financier and insurance institutions	8	0,4 %	53 341
Public organisations	3	17,7 %	2 658 719
Households	1 708	63,7 %	9 548 089
Not for profit organisations	5	0,0 %	4 381
Outside Finland	7	0,0 %	4 620
Total	1 804	100,0 %	14 998 061
of which nominee registered	7	0,1 %	20 047

DISTRIBUTION OF OWNERSHIP BY SIZE 31.12.20112

Number of shares	Number of owners	Shares and votes %	pcs
1 - 100	336	0,2 %	25 610
101 - 1 000	1 005	3,3 %	490 452
1 001 - 10 000	389	8,4 %	1 266 298
10 001 - 100 000	62	11,3 %	1 693 543
100 001 - 1 000 000	8	17,8 %	2 668 757
1 000 000 -	4	59,0 %	8 853 401
Total	1 804	100,0 %	14 998 061
of which nominee registered	7	0,1 %	20 047

MAJOR SHAREHOLDERS 31.12.2012

	Shares and notes pcs	%
1. Saadetdin Ali	3 481 383	23,2 %
2. Eläke-Fennia Keskinäinen vakuutusyhtiö	2 000 000	13,3 %
3. Profiz Business Solution Oyj	1 709 812	11,4 %
4. Aalto Seppo	1 662 206	11,1 %
5. Keskinäinen Työeläkevakuutusyhtiö Varma	644 917	4,3 %
6. Pirhonen Jalo	513 380	3,4 %
7. Solteq Management Oy	400 000	2,7 %
8. Roininen Matti	353 200	2,4 %
9. Solteq Management Team Oy	350 000	2,3 %
10. Saadetdin Katiye	156 600	1,0 %
10 largest total	11 271 498	75,2 %
Nominee registered total	20 047	0,1 %
Others	3 706 516	24,7 %
Total	14 998 061	100,0 %

33 ADOPTION OF IFRS FINANCIAL STATEMENTS BY THE PARENT COMPANY

IFRS1: First account reconciliations required by the IFRS Standards and related notes.

The IFRS 1 Standard "First-time Adoption of International Financial Reporting" was applied in the transition. According to the Standard, when the parent company becomes a first time adopter of IFRS for the part of its Separate Financial Statements later than on the part of the Consolidated Financial Statements, the parent company shall measure its assets and liabilities to the same values as in the Consolidated Financial Statements, with the exception of adjustments based on the accounting policies applied to the Consolidated Financial Statements.

Reconciliation of the parent company's equity at 1.1.2011, 1.1.2012 and 31.12.2012

thousand EUR	Note	FAS 31.12.2010	Impact of IFRS: adoption	IFRS 1.1.2011	FAS 31.12.2011	Impact of IFRS adoption	IFRS 1.1.2012	FAS 31.12.2012	Impact of IFRS: adoption	IFRS 31.12.2012
ASSETS										
Non-current assets										
Property, plant and equipment	a) d)	150	2 081	2 231	117	2 147	2 264	152	790	942
Goodwill	b)	715	1 678	2 393	501	1 892	2 393	286	2 107	2 393
Other intanglible assets	c)	6 793	-1 600	5 193	5 720	-778	4 942	12 113	43	12 156
Available-for-sales financial assets	d)	2 136	-1 592	544	2 136	-1 592	544	560		560
Shares of subsidiary		7		7	7		7	7		7
Deferred tax assets	d)	0		1 060	0	9	528	0		0
Trade receivables		0		0	67		67	63		63
		9 801	**567**	**10 368**	**8 548**	**1 678**	**10 745**	**13 181**	**2 940**	**16 121**
Current assets										
Inventories		0		0	0		0	126		126
Trade and other receivables		6 437		5 377	6 812		6 293	8 537		8 537
Cash and cash equivalents		115		115	236		236	1 213		1 213
		6 552	**0**	**6 552**	**7 048**	**0**	**6 529**	**9 876**	**0**	**9 876**
Total assets		**16 353**	**567**	**16 920**	**15 596**	**1 678**	**17 274**	**23 057**	**2 940**	**25 997**

thousand EUR	Note	FAS 31.12.2010	Impact of IFRS: adoption	IFRS 1.1.2011	FAS 31.12.2011	Impact of IFRS adoption	IFRS 1.1.2012	FAS 31.12.2012	Impact of IFRS: adoption	IFRS 31.12.2012
EQUITY AND LIABILITIES										
Equity attributable to equity holders of the parent										
Share capital		1 009		1 009	1 009		1 009	1 009		1 009
Share premium reserve		74		74	74		74	74		74
Hedging reserve		0		0	0		0	0		0
Reserve for own shares		0		0	0		0	0		0
Distributable equity reserve		7 214		7 214	4 220		4 220	7 163		7 163
Retained earnings	b) c) d)	-3 413	-358	-3 771	-428	596	169	-406	1 601	1 195
Total equity		**4 884**	**-358**	**4 526**	**4 875**	**596**	**5 472**	**7 840**	**1 601**	**9 441**
Non-current liabilities										
Deferred tax liablilities	b)	0	436	436	0	489	489	0	542	583
Financial liabilities	a)	2 833	326	3 159	1 500	334	1 834	4 092	527	4 619
		2 833	**762**	**3 595**	**1 500**	**823**	**2 323**	**4 092**	**1 069**	**5 202**
Current liabilities		4 862		4 862	6 525		6 526	9 051		9 010
Trade and other payables		3 774	163	3 937	1 959	259	2 218	1 333	270	1 603
Financial liabilities	a)	0		0	737		737	741		741
Provisions		**8 636**	**163**	**8 799**	**9 221**	**259**	**9 481**	**11 125**	**270**	**11 354**
Total liabilities		**11 469**	**925**	**12 394**	**10 721**	**1 082**	**11 803**	**15 217**	**1 339**	**16 556**
Total equity and liabilities		**16 353**	**567**	**16 920**	**15 596**	**1 678**	**17 274**	**23 057**	**2 940**	**25 997**

Reconciliation of the parent company's profit for the financial period 1.1.–31.12.2012

thousand EUR	Note	1.1.– 31.12.2012	Impact of IFRS adoption	1.1.– 31.12.2012
Revenue		36 169		36 169
Other income	d)	869	35	904
Materials and servuces		-9 512		-9 512
Employee benefit expenses		-18 084		-18 084
Depreciation and impairments	a) b) c)	-1 466	765	-701
Other expenses	a)	-7 019	286	-6 733
Operating result		**957**	**1 086**	**2043**
Financial income		31		31
Financial expenses	a)	-304	-21	-325
Result before taxes		**684**	**1 065**	**1 749**
Income tax expence	b) d)	-561	-61	-622
Profit for the financial period		**122**	**1 004**	**1 126**

Impact of the adoption of IFRS Standards on the parent company's retained earnings

thousand EUR	1.1.2012	31.12.2011
Retained earnings under FAS	**-428**	**-406**
IAS 12 Income tax expense	-480	-541
IAS 16 Property, plant and equipment	-36	0
IAS 17 Lease agreements	-2	-7
IAS 38 Intangible assets	1 115	2 149
Retained earnings under IFRS	**169**	**1 195**

Notes to the reconciliations of the parent company's equity at 1.1.2012 and 31.12.2012 and profit for the financial period 1.1–31.12.2012:

a) Property, plant and equipment

Finance lease agreements

When the Finnish GAAP was applied, finance lease agreements were treated as other lease agreements. After the adoption of the IFRS Standards, several lease agreements have been classified as finance lease agreements. The assets acquired through finance lease agreements less accumulated depreciations totalling EUR 591 thousand at 1.1.2012 and EUR 790 thousand at 31.12.2012 have been capitalised as property, plant and equipment. These assets will be depreciated in accordance with the depreciation plans concerning property, plant and equipment over the life time of the asset concerned. Contractual commitments have been recognised as interest-bearing liabilities respectively. The assets and the finance leasing liability recognised in the Balance Sheet correspond to the Group's IFRS Balance Sheet values at time of transition.

b) Goodwill

When the Finnish GAAP was applied, the consolidation difference was calculated as the difference between the purchase price and the equity of the subsidiary at the time of acquisition and allocated to the assets of the subsidiary to which the difference was regarded as associated with. In the IFRS financial statements, the identifiable assets and liabilities of the purchased company have been measured at fair value at the time of acquisition, in which case the share of good will usually decreases. The amortisation of the goodwill arisen in the acquisition of business has been cancelled as from the transition to the IFRS financial statements. In compliance with the requirements of IFRS 1, impairment testing was performed on the whole goodwill at the time of transition. The testing did not cause impairment entries in the IFRS Balance Sheet to be opened.

c) Merger losses

When the Finnish GAAP was applied, the merger losses were capitalised in the intangible assets and amortised in accordance with the amortisation plans for the intangible assets over the useful lives of the assets concerned. With the adoption of the IFRS Standards, the amortisations of the intangible assets have been cancelled as from the time of transition to the IFRS Standards.

In compliance with the requirements of IFRS 1, impairment testing was performed on the intangible asset at the time of transition. The testing did not cause impairment entries in the IFRS Balance Sheet to be opened.

d) Joint ventures

In compliance with the IFRS Standards, the mutual property companies have been treated as jointly controlled assets and recognised in the Balance Sheet classified by their nature as property plant and equipment. These property companies were sold during the financial period 2012.

e) Deferred tax liabilities

The deferred tax liabilities have been recognised on the temporary differences between the carrying amounts and the tax bases of the assets concerned.

The differences are due to changes in goodwill and merger losses.

PROPOSAL FOR DISTRIBUTION OF PROFITS AND SIGNATURES

The distributable equity of the parent company Solteq Plc as at 31.12.2012 is:

Distributable equity reserve	7 162 570,79 euros
Result for previous financial periods	67 743,55 euros
Result for the financial period	1 127 540,65 euros
Total	8 357 854,99 euros

Of this amount 8 357 854,99 euros are distributable funds.

The Solteq Plc Board proposes to the Annual General Meeting that a dividend of EUR 0.04 per share will be paid for each share. In addition to this is proposed that the Board be authorised, on the basis of Chapter 13, Section 6, Sub-section 2 of the Finnish Companies Act, to decide on the distribution of a dividend amounting to a maximum of EUR 0.04 per share or of other assets from the distributable equity reserve, as well as decide on the timing and other details concerning the possible distribution. The board proposes that the result for the period be transferred to the retained earnings account.

No essential changes have taken place in the company's financial situation after the end of the financial period. The liquidity of the company is good, and in the Board's estimation the proposed distribution of dividend or other assets will not endanger the company's financial standing. No significant changes have taken place in the company's financial situation after the balance sheet date.

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

Helsinki 14 February 2013

Ali U. Saadetdin Chairman of the Board	Seppo Aalto Member of the Board	Markku Pietilä Member of the Board
Matti Roininen Member of the Board	Sirpa Sara-aho Member of the Board	Jukka Sonninen Member of the Board

Repe Harmanen
CEO

The Auditor's Note

Our auditors' report has been issued today.

Tampere 14 February 2013

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 31 December, 2012. The financial statements comprise both the consolidated and parent company statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view 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 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 express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about 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 or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability Companies Act or the articles of association of the company.

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, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

- the financial statements give a true and fair view of the financial position, financial performance, and cash flows of both the parent company and group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.
- 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 14 February 2013
KPMG Oy Ab
Frans Kärki
Authorised Public Accountant

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