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WESTEND ICT INTERIM REPORT 1 JANUARY-30 SEPTEMBER 2010 (IFRS)

- Net sales EUR 3.22 million (EUR 3.02 million)
- Operating result EUR 0.25 million (EUR 0.24 million)
- Result before taxes EUR 0.12 million (EUR 0.16 million)
- Equity ratio 63.3% (-135.8%), shareholders' equity/share EUR 0.005 (EUR -0.003)
- Earnings per share EUR 0.0008 (EUR 0.0012)

STRUCTURE OF THE GROUP

During the review period, the Westend ICT group consisted of the subsidiary operating in Finland, Documenta Oy, in which the group had 100% ownership, and the parent company Westend ICT Plc. The company has one segment and it has business operations only in Finland.

In its business operations, Westend ICT Plc focuses on developing its customers' business processes especially by means of document and workflow management systems and development of quality and customer relationship management, with the emphasis on the Finnish markets. The company will continue to use the operating model in which the operative functions have been centralized into the subsidiary.

NET SALES

The Westend ICT group's net sales for the review period were EUR 3.22 million (EUR 3.02 million).

RESULT DEVELOPMENT

The Westend ICT group's operating result for the review period was EUR 0.25 million (EUR 0.24 million). The result for the review period was EUR 0.12 million (EUR 0.16 million).

The costs for employment benefits on the review period were EUR 1.98 million (EUR 1.76 million), which equals to 62% of the net sales (58%).

Other operating income for the financial period consists of a one-time sales profit of EUR 0.32 million registered for the sales of Group Business Software AG shares.

The financing costs of the review period include an interest cost of EUR 74 thousand for a convertible loan (IAS 32).

THE NET SALES AND RESULT DEVELOPMENT OF THE SUBSIDIARY

Documenta Oy

Documenta Oy's net sales for the review period 1 January–30 September 2010 were EUR 3.23 million (EUR 3.07 million). The operating result was EUR 0.37 million (EUR 0.39 million), which is 11.6% of the net sales.

Documenta Oy is a provider of electronic workflow and document management, quality management and work process intensification solutions. The company offers software, maintenance, operation service and integration solutions for companies and public administration. In addition to its own products, Documenta represents in Finland the Software Innovation ASA workflow and document management solutions and the Gedys Intraware GmbH solutions for email archiving and customer relationship management. The CEO of the company is Asko Ojanen.

SIGNIFICANT EVENTS IN THE REVIEW PERIOD

The Annual General Meeting of Westend ICT Plc on 24 March 2010 resolved to adopt the accounts of Westend ICT Plc for the accounting period of 1 January–31 December 2009. It also granted the members of the Board of Directors and the Chief Executive Officer discharge from liability for the accounting period. The company's profit for the financial period is to be booked against retained earnings. No dividend will be distributed.

The current members of the Board of Directors—Hannu Jokela, Jörg Ott and Mikko Salminen—were reselected as the members of the Board of Directors. No deputy members were selected for the Board of Directors. The Annual General Meeting decided that the members of the Board of Directors will be paid attendance allowance as follows: the Chairman of the Board of Directors will be paid 1,500 euros/month and the members of the Board of Directors 1,000 euros/month. In its first meeting, the Board of Directors decided that Mikko Salminen will continue as the Chairman of the Board.

Ernst & Young Oy, an auditing firm authorised by the Central Chamber of Commerce, with Juha Nenonen (CA) as the main responsible auditor, was elected as the auditor for the company.

The Annual General Meeting decided to change the terms of the company's convertible loan in accordance with the proposal of the Board of Directors. The terms of the convertible loan decided by the Annual General Meeting on 27 March 2003 and changed by the Annual General Meeting on 18 June 2009 (registered on 17 July 2009) will be changed so that the loan period is to be extended until 31 December 2011 and that when the loan is converted, the entire subscription price will be booked to the reserve for invested unrestricted equity.

Additionally, the Annual General Meeting authorised the Board of Directors to negotiate with the subscribers of the loan and agree on changing the terms of the loan to improve the capital and financing situation of the company.

On 9 April 2010, the company announced that Westend ICT Plc has agreed on financing arrangements (later referred to as "Arrangement") with its main owners, Tuomo Tilman and Jyrki Salminen, and that these arrangements will significantly improve the company's financial position. The Arrangement consists of four separate judicial actions: (i) Loan instalment, (ii) sale of shares, (iii) converting convertible loans into shares in the company, and (iv) a directed issue. The Extraordinary General Meeting on 4 May 2010 accepted the Arrangement.

Primary contents of the Arrangement:

(i) Loan instalment; the company will pay a total of EUR 501,686.20 in loan instalments;
(ii) Sale of shares; the company will sell 1,999,357 of Group Business Software AG’s shares in its possession for a total price of EUR 1,199,614.20;
(iii) Conversion of convertible loans; EUR 2,356,000 of the company’s convertible loans will be converted into 15,078,400 of the company’s new shares, and
(iv) A directed issue; the company will hold a directed issue where a total of 32,000,000 new shares will be offered for subscription for a total subscription price of EUR 1,600,000.00.
A more detailed description of the Arrangement can be found in the company’s notice of an Extraordinary General Meeting released on 9 April 2010.

Effects of the Arrangement on the company:

Effect on the balance sheet

The Arrangement will fix the company’s equity into positive. The company’s equity will be directly strengthened by EUR 3,956,000.00 and by EUR 319,897.12 through sales profit from the Group Business Software AG shares via returns, i.e. by a total of EUR 4,275,897.12 compared to the approved financial statement of 31 December 2009. The company’s (parent company) equity will rise to EUR 3,122,635.12. The equity will cover the company’s share capital of EUR 2,569,853.92. The company will have the prerequisites for removing the entry about the loss of share capital from the Trade Register. The register entry concerning loss of share capital was removed on 26 May 2010.

Effect on returns

From selling the Group Business Software AG shares, the company will mark a one-time sales profit of EUR 319,897.12 to be marked under other business profits in the returns for Q2/2010.
The sales price for the shares and the subscription price for the share issue will be set off against receivables from the company. After this, the company will be free from debt; the company has no outstanding loans with interest or otherwise. The removal of financing costs will have a positive effect of approximately EUR 140,000 on the company’s 2010 returns compared to the year 2009.

Effect on funds

In total, the Arrangement will reduce the company’s funds by approximately EUR 360,000 in 2010. The effect on funds is comprised of the margin between the EUR 500,000 loan instalment and the EUR 140,000 reduction in financing costs.

Effect on the company ownership

As a part of the Arrangement, the company will issue a total of 47,078,400 new shares based on the conversion of convertible loans and a directed issue, bringing the total number of the company’s shares to 175,571,096. After the Arrangement, the share of Tuomo Tilman and his authorised company in the company will be approximately 32.88% and Jyrki Salminen’s share will be approximately 31.30%.
In ruling number 3/214/2010, issued on 9 April 2010, the Financial Supervisory Authority has granted Tuomo Tilman and Jyrki Salminen exceptions from the offer brief defined in Chapter 6, Section 10 of the Securities Markets Act, allowing Tilman's and Salminen’s ownership shares of all company share votes to exceed 3/10 without an offer brief for all other shares of the company. The conditions for the ruling to remain valid are that (i) the applicants will not act together as described by the Chapter 6, Section 10 of the Securities Markets Act in order to gain control of Westend ICT Plc and (ii) that the applicants will not acquire or subscribe to any more Westend ICT Plc shares or in other ways increase their share of votes in Westend ICT Plc.

Effect on the company's business activities

The Arrangement will create a basis for developing the company’s business activities and the opportunity to take part in mergers.

The company announced on 4 May 2010 that the Extraordinary General Meeting of Westend ICT Plc had made the following decisions:

1. Accepted the financing arrangement agreement signed by the company and Tuomo Tilman on 9 April 2010;

2. Accepted the financing arrangement agreement signed by the company and Jyrki Salminen on 9 April 2010; and

3. Decided on the share issue directed to Tuomo Tilman and Jyrki Salminen.

The company announced on 18 May 2010 that the new Westend ICT Plc shares, accepted by the Extraordinary General Meeting on 4 May 2010 and consisting of 15,078,400 shares issued on the basis of converting the convertible loans and 32,000,000 shares issued in the directed issue in accordance with the financing arrangement agreements, had been registered in the Trade Register on 18 May 2010.
The new shares entitle to the shareowner rights as of the registration date. After the registration of the new shares, the number of shares in Westend ICT Plc is 175,571,096.

The company announced on 26 May 2010 that the register entry on the loss of parent company's share capital (registered on 20 September 2006) had been removed from the Trade Register.

The company announced on 17 June 2010 that the Extraordinary General Meeting of Westend ICT Plc had made the following decisions:

1. Accepted the covering of losses with unrestricted equity in such a way that the loss of EUR 5,723,116.11 from previous financial periods, as shown by the approved financial statement of 31 December 2009, be covered with EUR 3,956,000.00 from the invested unrestricted equity reserve.

2. Accepted lowering of the share capital to cover losses in such a way that the company's share capital of EUR 2,569,853.92 is to be lowered by EUR 1,767,116.11 to cover losses from previous financial periods. After lowering the share capital, the company's new share capital will be EUR 802,737.81.

3. Accepted lowering the share capital of EUR 802,737.81 by EUR 702,737.91 by transferring the funds to the unrestricted equity reserve. After lowering the share capital, the company's new share capital will be EUR 100,000.00.

The company announced on 8 July 2010 that Westend ICT Plc will publish the prospectus approved on 8 July 2010 by the Finnish Financial Supervisory Authority concerning the convertible loans and the directed issue which was decided by the Extraordinary General Meeting on 4 May 2010. The new shares consisting of 32,000,000 shares issued in the directed issue and 15,078,400 shares issued on the basis of converting the convertible loans have been registered in the Trade Register on 18 May 2010.

The sole reason for preparing the prospectus was to enable the company to apply for the admission of the shares that were subscribed for in the issue to public trading. The prospectus does not constitute an offer or solicitation to purchase or subscribe for the company's shares.

A Finnish language version of the prospectus is available on the company's websites at westendict.fi and westendict.com. The prospectus is not available in printed format, but a printout may be obtained from the company's headquarters.

Trading with the new shares started on 15 July 2010.

The company announced on 22 July 2010 that the lowering of the share capital to cover losses, decided by the Extraordinary General Meeting on 17 June 2010, had been registered in the Trade Register. The new share capital after lowering is EUR 802,736.81.

THE CURRENT AUTHORISATIONS OF THE BOARD OF DIRECTORS

The Annual General Meeting on 18 June 2009 authorised the Board of Directors to grant new shares against payment or a receivable from the company in a share issue and to grant special rights in accordance with the Chapter 10, Section 1 of the Companies Act, including option rights, which give the right to subscribe shares against payment or a receivable from the company. The amount of new shares issued by the company and new shares subscribed on the basis of special rights can be 60,000,000 at the maximum.

The authorisation includes the right to grant shares or special rights entitling to shares in a directed issue, that is, to deviate from the shareholders' privilege on the basis of the prerequisites specified in the

Companies Act. A directed share issue shall require a weighty financial reason on the part of the company, such as managing the company's capital, financing or implementing acquisitions or other business arrangements, implementing incentive systems targeted at the company's personnel, or other important financial reason for the company specified by the Board of Directors. On the basis of the authorisation, the Board of Directors shall have the right to decide on all other terms of the issuing of new shares or granting of the mentioned special rights, including the recipients of shares or special rights and the amount of compensation to be paid. The authorisation shall be valid until 31 December 2012. The authorisation has not been used so far.

FINANCING AND INVESTMENTS

The Westend ICT group's cash funds at the end of the review period were EUR 0.44 million (EUR 0.88 million). The group has a credit limit of EUR 300,000, which has not been used. The equity ratio of the group was 63.3% (-135.8%).

The Westend ICT group's sales receivables at the end of the review period were EUR 0.32 million (EUR 0.32 million).

On the review period, the group's gross investments totalled EUR 84 thousand (EUR 75 thousand), which equals to 2.6% (2.5%) of the net sales.

DEVELOPMENT COSTS

The product development expenses have been entered in accordance with the IAS 38 standard in such a way that the development expenses for entirely new products and new product versions including significant improvements have been activated, if their future accumulativeness can be reliably verified. Other product development expenses have been entered as costs in the profit and loss statement at the time they incurred. During the review period, no product development expenses have been activated in the balance sheet, but all product development expenses have been entered as costs. At the end of the review period, the company's balance sheet does not contain activated, undepreciated product development costs.

PERSONNEL

At the end of the review period, the group had 41 (38) employees. The group employed an average of 41 (38) persons during the review period.

MANAGEMENT, BOARD OF DIRECTORS, AND AUDITORS OF THE COMPANY

The Board of Directors of Westend ICT Plc consists of the Chairman of the Board Mikko Salminen and permanent members Hannu Jokela and Jörg Ott.

The auditor selected by the Annual General Meeting is Ernst Young Oy Authorised Public Accounting Firm with Juha Nenonen (CA) as the principal accountant.

SHARES, SHARE CAPITAL, AND SHAREHOLDERS

Westend ICT Plc's share capital on 30 September 2010 was EUR 802,737.81, and the total number of shares was 175,571,096. Shareholders' equity/share was EUR 0.005.

The company has applied for a public notice from the Trade Register (registered on 23 July 2010) concerning the decision of lowering the share capital made by the General Meeting on 17 June 2010. The amount the share capital was lowered is EUR 702,737.81 and the share capital after the lowering is EUR 100,000.00. The lowering will be registered in the Trade Register around November 2010.

At the end of the review period, the company had 12,856 shareholders.

THE SHARE HOLDING AND WARRANTS OF THE BOARD OF DIRECTORS AND THE MANAGEMENT

On 30 September 2010, the permanent members of the Westend ICT's Board of Directors and the CEO owned a total of 7,000 company shares, that is, 0.004 percent of the company's share capital and votes. They do not have any warrants.

The company does not have existing warrant programs.

The company complies to and adapts the Guidelines for Insiders drawn up by NASDAQ OMX Helsinki Oy.

NEAR-TERM OUTLOOK

The goal for 2010 is to increase the company's net sales and to achieve a positive operating result on an annual level.

The financial statement of Westend ICT Plc for 2010 will be published on 10 February 2011.

Espoo, 21 October 2010

The Board of Directors of Westend ICT
Mikko Salminen, Chairman of the Board
Hannu Jokela
Jörg Ott

CONTACT:
Westend ICT Plc
CEO Hannu Jokela
Tel. +358 207 91 6700

DISTRIBUTION:
NASDAQ OMX Helsinki
Main media
www.westendict.com

The figures in the interim report have not been audited.

In addition to the accounts of the parent company, the interim report of the Westend ICT group consolidates the accounts of Documenta Oy.

The interim report has been drawn up in accordance with the registration and assessment principles of the IFRS standards and the same calculation principles have been used as for the financial report of 2009, but the IAS 34 Interim financial reporting standard has not been observed.

As of 1 January 2010, the group has implemented the following new IFRS standards:
IFRS 3 Business combinations and IAS 27 Consolidated and separate financial statements. However, these did not have an effect during the review period.

The principles and formulas for calculating the key figures have not been changed and they have been presented in the financial report 2009.

CONSOLIDATED PROFIT & LOSS STATEMENT

(EUR thousand)

	1.1.-30.9.2010 9 months	1.1.-30.9.2009 9 months	1.1.-31.12.2009 12 months
Net sales	**3 224**	**3 019**	**4 330**
Change in work in progress,inc(+),dec(-)	12	13	13
Other operating income	320	130	390
Materials and services	377	370	503
Employee benefits expenses	1 983	1 759	2 541
Depreciations			
Depreciations according to plan	76	110	219
Rents	149	138	168
Marketing expenses	89	70	103
Other operating expenses	633	474	752
Operating profit/loss	**249**	**241**	**447**
Financial income and expenses			
Interest income and other financial income	11	218	122
Interest expenses and other financial expenses	-145	-301	-361
Profit/loss for the period	**115**	**158**	**208**
Total comprehensive income	**115**	**158**	**208**
Total comprehensive income distributable to equity holders of the parent	**115**	**158**	**208**
Earnings per share calculated on profit/loss attributable to equity holders of the parent			
Earnings per share (undiluted), EUR	0,0008	0,0012	0,0016
Earnings per share (diluted), EUR	0,0008	0,0012	0,0016

CONSOLIDATED PROFIT & LOSS STATEMENT BY QUARTER

(EUR thousand)	**1.1.- 31.3.2010 3 months**	**1.4.- 30.6.2010 3 months**	**1.7.- 30.9.2010 3 months**	**1.1.- 30.9.2010 Total 9 months**
Net sales	**1 188**	**1 177**	**859**	**3 224**
Change in work in progress,inc(+),dec(-)	14	-12	10	12
Other operating income	0	320	0	320
Materials and services	227	94	56	377
Employee benefits expenses	726	771	486	1 983
Depreciations				
Depreciations according to plan	26	26	24	76
Rents	26	68	55	149
Marketing expenses	16	49	24	89
Other operating expenses	252	182	199	633
Operating profit/loss	**-71**	**295**	**25**	**249**
Financial income and expenses				
Interest income and other financial income	4	2	5	11
Interest expenses and other financial expenses	-107	-36	-2	-145
Profit/loss for the period	-174	261	28	115
Total comprehensive income	**-174**	**261**	**28**	**115**
Total comprehensive income distributable to equity holders of the parent	**-174**	**261**	**28**	**115**

CONSOLIDATED BALANCE SHEET
(EUR thousand)

ASSETS	**30.9.2010**	**30.9.2009**	**31.12.2009**
NON-CURRENT ASSETS			
Intangible assets			
Intangible rights	23	104	21
Tangible assets	171	121	165
Other capitalized expenditure	27	1 002	905
Non-current assets total	**221**	**1 227**	**1 091**
CURRENT ASSETS			
Work in progress	25	13	13
Trade receivables	324	321	1 765
Other current assets	132	93	191
Cash and cash equivalents	443	875	606
Current assets total	**924**	**1 302**	**2 575**
TOTAL ASSETS	**1 145**	**2 529**	**3 666**

SHAREHOLDERS' EQUITY AND LIABILITIES	**30.9.2010**	**30.9.2009**	**31.12.2009**
Equity attributable to equity holders of the parent			
Share capital	803	2 570	2 570
Retained earnings	-193	-6 124	-6 124
Profit/loss for the period	115	158	208
TOTAL SHAREHOLDERS' EQUITY	**725**	**-3 396**	**-3 346**
Long-term liabilities			
Convertible loans	0	1 600	0
Interest-bearing liabilities	0	3 957	1 600
Long-term liabilities total	**0**	**5 557**	**1 600**
Current liabilities			
Convertible loans	0	0	3 983
Interest-bearing liabilities	70	24	12
Trade payables	74	82	100
Other current liabilities	113	114	381
Accrued liabilities	163	148	936
Current liabilities total	**420**	**368**	**5 412**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1 145**	**2 529**	**3 666**

CONSOLIDATED CASH FLOW STATEMENT

(EUR thousand)	1.1.- 30.9.2010 9 months	1.1.- 30.9.2009 9 months	1.1.- 31.12.2009 12 months
Cash flow from operating activities			
Operating profit/loss	**249**	**241**	**447**
Amendments:			
Operations with no cash impact	-320	0	0
Depreciations	76	110	219
Change in working capital:			
Change in trade and other receivables	1 500	1 096	-446
Change in trade and other payables	-1 067	-1 220	-146
Chnage in work in progress	-12	-13	-13
Interests received	8	15	16
Interests paid	-71	-301	-191
Cash flow from operating activities total	**363**	**-72**	**-114**
Cash flow/investments			
Investments in intangible and tangible assets	-84	-75	-145
Cash flow/investments total	**-84**	**-75**	**-145**
Cash flow/financing			
Repayment of loans	-500	-317	-474
Increase of loans	58	0	0
Cash flow/financing total	**-442**	**-317**	**-474**
Change in liquid funds according to the cash flow statement	**-163**	**-464**	**-733**
Change in liquid funds	**-163**	**-464**	**-733**
Liquid funds opening balance	606	1 339	1 339
Liquid funds closing balance	443	875	606

KEY FIGURES

	1.1.-30.9.2010 9 months	1.1.-30.9.2009 9 months	1.1.-31.12.2009 12 months
Net sales, EUR million	3,22	3,02	4,33
Operating profit/loss, EUR million	0,25	0,24	0,45
% of net sales	7,7%	8,0%	10,3 %
Cash flow from operations, EUR million	0,36	-0,07	-0,11
Return on equity, % 1)	-11,7 %	-6,1 %	-6,0 %
Return on investment, % 1)	22,8 %	27,0 %	24,8 %
Interest bearing net debt, EUR million	-0,4	4,7	5,0
Net debt to equity (Net Gearing), %	-51,4 %	-138,6 %	-149,1 %
Equity ratio, %	63,3 %	-135,8 %	-95,1 %
Gross investments	0,08	0,08	0,15
% of net sales	2,6 %	2,5 %	3,3 %
Personnel at the end of the period	41	40	41
Personnel average	41	39	41
Employee benefits expenses/person, EUR thousand	48	45	62

KEY FIGURES PER SHARE

Earnings/share, euro	0,0008	0,0012	0,0016
Shareholders' equity per share, euro	0,005	-0,03	-0,03

1) The percentages for return on equity
and return on investment have been
adjusted to reflect the figures for a 12-month period.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(EUR thousand)	Share capital	Retained earnings	Total
SHAREHOLDERS' EQUITY 1 Jan 2010	2 570	-5 916	-3 346
Reserve for invested unrestricted equity booked against retained losses		3 956	3 956
Lowering of share capital against retained losses	-1 767	1 767	0
Comprehensive income			115
SHAREHOLDERS' EQUITY 30 Sep 2010	**803**	**-193**	**725**

(EUR thousand)	Share capital	Retained earnings	Total
SHAREHOLDERS' EQUITY 1 Jan 2009	2 570	-6 124	-3 554
Comprehensive income			158
SHAREHOLDERS' EQUITY 30 Sep 2009	**2 570**	**-6 124**	**-3 396**