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WESTEND ICT INTERIM REPORT 1 JANUARY-31 MARCH 2010 (IFRS)

- Net sales EUR 1.19 million (EUR 1.21 million)
- Operating profit EUR -71 thousand (EUR 0.11 million)
- Result before taxes EUR -0.17 million (EUR 15 thousand)
- Equity ratio -114.5% (-95.3%), shareholders' equity/share EUR -0.03 (EUR -0.03)
- Earnings per share EUR -0.0014 (EUR 0.0001)

After the review period, on April 9, 2010, a significant conditional financing arrangement was published and the positive effects of this arrangement cannot be seen in the figures for the review period as presented above. The effects of the financing arrangement, for example, on the company's balance sheet, returns, funds, and business activities will be described later in this report.

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/subsidiaries.

NET SALES

The Westend ICT group's net sales for the review period were EUR 1.19 million (EUR 0.21 million).

RESULT DEVELOPMENT

The Westend ICT group's operating result for the review period was EUR -71 thousand (EUR 0.11 million). The result for the review period was EUR -0.17 million (EUR 15 thousand).

The costs for employment benefits on the review period were EUR 0.73 million (EUR 0.65 million), which equals to 61% of the net sales (53%).

At the end of the review period, the group's equity is negative. The loss of share capital of the company has been registered in the Trade register on 20 September 2006.

THE NET SALES AND RESULT DEVELOPMENT OF THE SUBSIDIARY

Documenta Oy

Documenta Oy's net sales for the review period 1 January–31 March 2010 were EUR 1.19 million (EUR 1.23 million). The operating result was EUR 84 thousand (EUR 0.18 million), which is 7.1% 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 Group Business Software AG companies' 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 is to 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 is 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.

EVENTS FOLLOWING THE REVIEW PERIOD

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 stocks, (iii) converting convertible bonds into stocks in the company, and (iv) a directed issue. The Arrangement’s coming into force is subject to the Arrangement’s approval by an Extraordinary General Meeting that will convene on 4 May 2010.

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 stocks; the company will sell 1,999,357 of Group Business Software AG’s stocks in its possession for a total price of EUR 1,199,614.20;
(iii) Conversion of convertible bonds; EUR 2,356,000 of the company’s convertible bonds will be converted into 15,078,400 of the company’s new stocks, and
(iv) A directed issue; the company will hold a directed issue where a total of 32,000,000 new stocks 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 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 stocks 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 losing share capital from the trade register.

Effect on returns

From selling the Group Business AG stocks, 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 stocks and the subscription price for the stock 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 140,000.00 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 360,000.00 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 company ownership

As a part of the Arrangement, the company will issue a total of 47,078,400 new stocks based on the conversion of convertible bonds and a directed issue, bringing the total number of the company’s stocks to 175,571,096. After the Arrangement, the share of Tuomo Tilman and his authorized 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 stocks 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 stocks or in other ways increase their share of votes in Westend ICT Plc.

Effect on 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.

On 9 April 2010, the company published a notice to the Extraordinary General Meeting, which will be held on Tuesday, 9 May 2010, at 10:00 a.m. in the conference room of Radisson Blue Seaside Hotel in Ruoholahdenranta 3, 00180 Helsinki. The reception of persons who have registered for the meeting will commence at 9:30 a.m. at the meeting location.

The agenda of the meeting includes accepting the financing arrangement agreement described above.

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 value of the Westend ICT group’s cash and cash equivalents totaled EUR 1.63 million (EUR 2.22 million) at the end of the review period. The equity ratio of the group was -114.5% (-95.3%).

The Westend ICT group's sales receivables at the end of the review period were EUR 0.33 million (EUR 0.31 million).

On the review period, the group's gross investments totaled EUR 7 thousand (EUR 34 thousand), which equals to 0.6% (2.8%) 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 31 March 2010 was EUR 2,569,853.92, and the total number of shares was 128,492,696. The countervalue of a share is EUR 0.02. Shareholders' equity/share was EUR -0.03. At the end of the review period, the equities of the group and the parent company were negative. The loss of share capital of the parent company has been registered in the Trade register on 20 September 2006.

At the end of the review period, the company had 13,083 shareholders.

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

On 31 March 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, 0.01 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 interim report of the Westend ICT group for 1 January-30 June 2010 will be published on 20 July 2010.

Espoo, 20 April 2010

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

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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 observed the following new IFRS rules: IFRS 3 Business Combinations and IAS 27 Consolidated and Separate Financial Statements. These have however not had any impact 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.-31.3.2010 3 months	1.1.-31.3.2009 3 months	1.1.-31.12.2009 12 months
Net sales	**1 188**	**1 212**	**4 330**
Change in work in progress,inc(+),dec(-)	14	18	13
Other operating income	0	69	390
Materials and services	227	190	503
Employee benefits expenses	726	648	2 541
Depreciations			
Depreciations according to plan	26	39	219
Rents	26	47	168
Marketing expenses	16	58	103
Other operating expenses	252	211	752
Operating profit/loss	**-71**	**106**	**447**
Financial income and expenses			
Interest income and other financial income	4	8	122
Interest expenses and other financial expenses	-107	-99	-361
Profit/loss for the period	**-174**	**15**	**208**
Total comprehensive income	**-174**	**15**	**208**
Total comprehensive income distributable to equity holders of the parent	**-174**	**15**	**208**
Earnings per share calculated on profit/loss attributable to equity holders of the parent			
Earnings per share (undiluted), EUR	-0,0014	0,0001	0,0016
Earnings per share (diluted), EUR	-0,0014	0,0001	0,0016

CONSOLIDATED BALANCE SHEET
(EUR thousand)

ASSETS	**31.3.2010**	**31.3.2009**	**31.12.2009**
NON-CURRENT ASSETS			
Intangible assets			
Intangible rights	19	134	21
Tangible assets	148	121	165
Other capitalized expenditure	864	817	905
Non-current assets total	**1 031**	**1 072**	**1 091**
CURRENT ASSETS			
Work in progress	27	18	13
Trade receivables	330	309	1 765
Other current assets	105	144	191
Cash and cash equivalents	1 626	2 217	606
Current assets total	**2 088**	**2 688**	**2 575**
TOTAL ASSETS	**3 119**	**3 760**	**3 666**

SHAREHOLDERS' EQUITY AND LIABILITIES	**31.3.2010**	**31.3.2009**	**31.12.2009**
Equity attributable to equity holders of the parent			
Share capital	2 570	2 570	2 570
Retained earnings	-5 916	-6 124	-6 124
Profit/loss for the period	-174	15	208
TOTAL SHAREHOLDERS' EQUITY	**-3 520**	**-3 539**	**-3 346**
Long-term liabilities			
Convertible loans	4 002	0	1 600
Interest-bearing liabilities	1 600	1 620	
Long-term liabilities total	**5 602**	**1 620**	**1 600**
Current liabilities			
Convertible loans	0	4 316	3 983
Interest-bearing liabilities	13	17	12
Trade payables	112	125	100
Other current liabilities	106	118	381
Accrued liabilities	806	1 103	936
Current liabilities total	**1 037**	**5 679**	**5 412**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**3 119**	**3 760**	**3 666**

CONSOLIDATED CASH FLOW STATEMENT

(EUR thousand)	**1.1.- 31.3.2010 3 months**	**1.1.- 31.3.2009 3 months**	**1.1.- 31.12.2009 12 months**
Cash flow from operating activities			
Operating profit/loss	**-71**	**106**	**447**
Amendments:			
Depreciations	26	39	219
Change in working capital:			
Change in trade and other receivables	1 520	1 057	-446
Change in trade and other payables	-392	-217	-146
Chnage in work in progress	-14	-18	-13
Interests received	4	8	16
Interests paid	-47	-56	-191
Cash flow from operating activities total	**1 026**	**919**	**-114**
Cash flow/investments			
Investments in intangible and tangible assets	-7	-34	-145
Cash flow/investments total	**-7**	**-34**	**-145**
Cash flow/financing			
Repayment of loans	0	-7	-474
Increasing of loans	1	0	0
Cash flow/financing total	**1**	**-7**	**-474**
Change in liquid funds according to the cash flow statement	**1 020**	**878**	**-733**
Change in liquid funds	**1 020**	**878**	**-733**
Liquid funds opening balance	606	1 339	1 339
Liquid funds closing balance	1 626	2 217	606

KEY FIGURES

	1.1.-31.12.2010 3 months	**1.1.-31.3.2009 3 months**	**1.1.-31.12.2009 12 months**
Net sales, EUR million	1,19	1,21	4,33
Operating profit/loss, EUR million	-0,07	0,11	0,45
% of net sales	-6,0%	8,7%	10,3 %
Cash flow from operations, EUR million	1,03	0,92	-0,28
Return on equity, % 1) and 2)	20,3 %	-1,7 %	-6,0 %
Return on investment, % 1)	-12,3 %	19,2 %	24,8 %
Interest bearing net debt, EUR million	4,0	3,7	5
Net debt to equity (Net Gearing), %	-113,3 %	-105,6 %	-149,1 %
Equity ratio, %	-114,5 %	-95,3 %	-95,1 %
Gross investments	0,01	0,03	0,15
% of net sales	0,6 %	2,8 %	3,3 %
Personnel at the end of the period	41	38	41
Personnel average	41	38	41
Employee benefits expenses/person, EUR thousand	18	17	62

KEY FIGURES PER SHARE

Earnings/share, euro	-0,0014	0,0001	0,0016
Shareholders' equity per share, euro	-0,03	-0,03	-0,03

1) Both indicator and devider are negative in 2010.

2) 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
Comprehensive income			-174
SHAREHOLDERS' EQUITY 31 Mar 2010	**2 570**	**-5 916**	**-3 520**

(EUR thousand)	Share capital	Retained earnings	Total
SHAREHOLDERS' EQUITY 1 Jan 2009	2 570	-6 124	-3 554
Comprehensive income			15
SHAREHOLDERS' EQUITY 31 Mar 2009	**2 570**	**-6 124**	**-3 539**