



MANAGEMENT SOLUTIONS FOR THE INTERNET AGE

ANNUAL REPORT
2000

PROHA IN BRIEF

Proha is a globally operating software company and a leader in its field. Proha's three business areas focus on project management software (Project Management), IT systems and services for financial management (Financial Management), and ASP-services using Internet technologies (Internet Technologies).

The cornerstones of our profitable and growing business are long-standing cooperation with our customers, the ability to supply them globally, and an innovative, advanced product range.

Proha's pro-forma net sales in 2000 totaled over EUR 80 million, 80% of which was generated outside Finland. The Proha Group employs over 650 people, nearly 450 of whom work outside Finland in the USA, Britain, France, Germany, Italy, Norway, Japan, Singapore, and South Korea. Proha's joint ventures employ around 100 people in five countries.

INVESTOR INFORMATION

Proha's Annual Report is available in Finnish and English in print format, and on the Internet at www.proha.com. You can also order the Annual Report by phone at +358 20 4362 000, by fax at +358 20 4362 500, or by e-mail at info@proha.fi.

Proha reports on its financial development quarterly. During 2001, the company will publish interim reports as follows:

Interim report for Q1 will be published on May 17, 2001.

Interim report Q2 will be published on August 16, 2001.

Interim report Q3 will be published on November 15, 2001.

Interim reports will not be printed, but will be available in Finnish and English on the Internet at www.proha.com or on request by phone at +358 20 4362 000.

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2000 IN BRIEF

Proha Plc, that was founded in 1983 and listed on the NM list of the Helsinki Stock Exchange in October 1999, grew to a significant international project management software provider. The Group's net sales totaled EUR 36.1 million and the operating profit amounted to EUR 1.9 million.

In the Project Management business area, the main events of 2000 were the purchase of US-based Artemis Management Systems as well as the other acquisitions and cooperation agreements made in Europe and Asia. They secured the Group with a worldwide distribution channel and leading products for the high-end project management markets.

In the Financial Management business area, the Group grew to be the largest provider of advanced financial management solutions in Finland. Main products include Internet Accounting Partner (IAP) and virtual management system ProCounter.Com.

The Internet Technologies business area launched the Application Service Provider services in Finland.

KEY RATIOS OF THE PROHA GROUP

	1.1.-31.12.2000	31.12.1999 (10 months)		1.1.-31.12.2000	31.12.1999 (10 months)
Net sales (EUR 1000)	36,149	5,186	Earnings/share, EUR	0.03	0.02
change %	597	64	Equity/share, EUR	0.39	0.32
Operating profit (EUR 1000)	1,943	590	Dividend/share	0.00	0.00
% of net sales	5.4	11.4	Personnel, average	249	61
Profit before extraordinary items	1,537	426			
% of net sales	4.3	8.2	Pro forma -figures 1.1.-31.12.2000		
Profit before appropriations and taxes	1,537	426	Net sales (EUR 1000)	82,178	
% of net sales	4.3	8.2	Operating profit*	3,156	
Result for the financial year	925	314			
% of net sales	2.6	6.1			

*Operating profit includes depreciation of goodwill, -3 446.

The pro forma figures include all the companies acquired during 2000 and the new subsidiaries in Singapore and South Korea.

STRATEGY

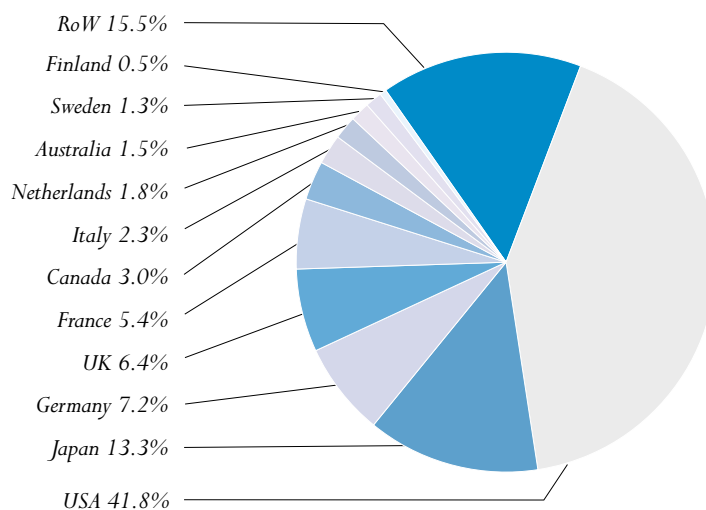
The main strategic target for the Proha Group for fiscal 2000 was internationalization. In the business strategy defined in March, the growth targets were increased and the net sales for the year were estimated to grow over 200% and the operating profit over 120%. Proha's business sectors were also reorganized into three areas:

- 1) Project Management,
- 2) Financial Management, and
- 3) Internet Technologies

The internationalization strategy has been more successful than anticipated, and the growth of the Group has exceeded the targets set. The company has become the leading provider of management solutions for the Internet Age, and Proha now covers more than 77% of the global IT-markets (Digital Planet 2000, The Global Information Economy, 2000, WITSA). The key elements in gaining this position were the acquisitions of Artemis and its largest associated companies.

In 2001, Proha will continue to strengthen its market position in an international level, and to aim at profitable growth. Coverage of all the important markets will help the Group maintain profitability and to achieve growth targets although the economic outlook in some markets is expected to cause short-term uncertainty.

2001 is also the year for new products and solutions. Proha's successful internationalization process has so far opened opportunities for the business strategy of the next generation, in which the software and consulting services of Proha are to be integrated into the seamless Business Management Architecture™ (BMA) model. Business Management Architecture™ offers a common base for all Proha solutions enhancing the customers' businesses and processes in cooperation, coordination, communication and innovation. First steps towards introducing this have already been taken. Proha will launch its new brand and the new products supporting it during 2001.



GLOBAL COVERAGE

The distribution of IT spending around the world according to Digital Planet 2000. Proha Artemis covers over 77% of the global market through its direct operations.

The model encapsulates Proha's vision of the new Project and Resource Collaboration markets. Many market research institutes predict that the Project and Resource Collaboration markets will double within the next three years. Proha is well prepared for the growth. It has a firm position as a developer and provider of resource and project systems focused on business processes.

The Financial Management business area is growing fast and the demand for outsourced services will increase. The services developed in the Internet Technologies business area are believed to raise the interest of even bigger clients.

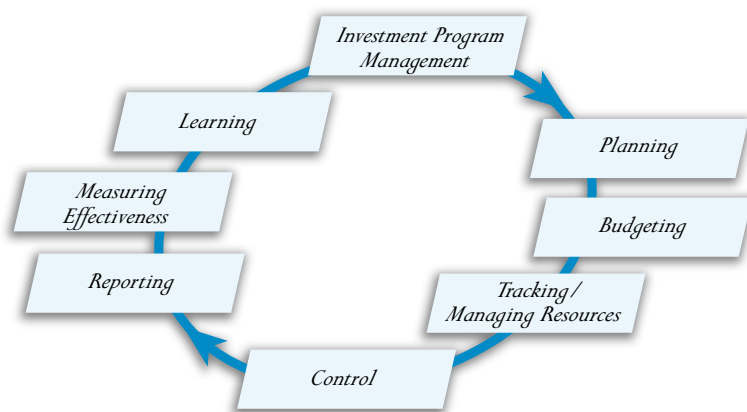
To support the international growth targets of the Financial Management area, the Group is exploring a number of strategic opportunities. Several agreements are under discussion aimed at acquiring a significant interest in Finnish and international financial management companies. In addition, the possibility of improving international competitiveness through strategic business arrangements is also being explored.

ASP service launched during 2000 will strengthen Proha's capability to offer outsourced services. Especially joint ventures are among the target markets for ASP services in the field of financial, resource and project management. In the future, ASP is set to evolve into a separate channel for software sales and distribution and Proha wants to ensure this alternative way of licensing to its customers.

A key element of Proha is its ability to execute and deliver scalable systems. Global coverage makes it possible to support global customers and still be approachable locally. We strive to create even more comprehensive solutions for business management from investment management to e-learning and the latest Internet-based management systems, including PSA (Professional Services Automation) systems. In the fields of both financial and project management, Proha will continue to promote structural changes

BUSINESS MANAGEMENT ARCHITECTURE

Business Management Architecture™ (BMA) offers an integrated underlying structure for solutions for managing projects and contributes to better learning and strategic decision-making.



CHIEF EXECUTIVE OFFICER'S REVIEW

2000 was a year of exceptional growth and international expansion for Proha. After the IPO in the fall of 1999, we began a series of strategic acquisitions. Our aim was to extend our product and service portfolio and build an international distribution channel as quickly as possible. During 2000, we changed from a local IT company to an international software supplier.

Our net sales rose seven-fold and our operating profit increased by nearly 217% compared to 1999. The pro forma net sales of the Proha Group increased to over EUR 82 million.

In the **Project Management business area**, the acquisitions of US-based Artemis Management Systems and its major subsidiaries extended our international subsidiary network to 10 countries: the United States, Finland, Japan, France, Britain, Italy, Germany, Norway, Singapore, and South Korea. Our subsidiary network now covers all the largest IT markets, and extends to over 77% of the total global IT market; and our associated companies and representatives cover virtually all the other important IT markets.

We also concluded several other key acquisitions and signed a number of significant strategic cooperation agreements. Thanks to these moves, we are now in a unique position to supply systems to customers worldwide.

We extended the **Financial Management business area** through acquisitions and cooperation agreements. The area is growing and developing rapidly, and our next aim is to expand the business internationally. We expect to see the demand for outsourced services grow, as larger companies begin to outsource their financial management. To strengthen this business area, we are exploring the opportunities for various ownership-related strategic moves. Proha's virtual management service, ProCountor.Com, will be launched for accounting company customers during 2001.

The most important investment made in the **Internet Technologies business area** was the start-up of an ASP center in Finland to support Application Service Provider services; and we plan to grow and diversify the operations of the center during 2001. Internet Technologies will continue to support our other business areas even more closely, and the business will provide a valuable alternative for small and medium-sized customers in the network economy.

Organizational enhancements will continue in the Internet Technologies area. License agreements already signed will strengthen our product offering and bring new opportunities for integrated services. Strategic arrangements designed to improve the competitiveness of this business area are also under negotiation.

The integration of our acquisitions has generally progressed as planned. Simplification of the Group's structure has commenced. In Finland, project management and financial management operations have been consolidated each into a single subsidiary. Streamlining the Group structure will continue during 2001, and we are committed to utilizing synergy benefits more effectively to achieve greater productivity in product development, marketing, and sales.

Our success in gaining an international distribution channel and building a stronger market position for Proha during 2000 has given us a unique opportunity to move our strategy forward. The project management software market is developing very rapidly, and we are now in a position to take an active role in this change. We will extend our product and service portfolio to enable us to cover the software tools needed for project management; and develop our new concept of Business Management Architecture™ through in-house software development and further acquisitions and partnership agreements.

In terms of growth, we have cut our growth target from 25-30% to 20%, as a result of the uncertainties surrounding economic developments in the United States and the delayed recovery of the Japanese economy. Sales times have lengthened in both the United States and Japan, and customers are becoming more cautious. In Europe, however, prospects continue to look bright. The fact that Proha operates worldwide, and that markets operate differently and are at different stages of their economic cycle, helps balance our business portfolio. Operating so extensively internationally also helps us manage exchange risks effectively.

We value our special relationship with our customers, with Proha working very much as a partner close to customers' core business processes, rather than as a conventional subcontractor. We learn together with our customers, and develop our products and services together. We are privileged to be able to work so close to our customers' core businesses, and I would like to express my deepest gratitude to our customers for putting their trust in us in this way.

Our rapid program of acquisitions and change over the past year has been a tough one for personnel across the Group, and in many cases added to an already full workload. I would like to thank everyone at Proha and Artemis for helping make our transition into a truly international player as smooth as possible.

March 2001



Pekka Pere
President & CEO



INTERNATIONAL OPERATIONS

WORLDWIDE DISTRIBUTION NETWORK – WORLD LEADING PROJECT MANAGEMENT SOFTWARE

- DIRECT OPERATIONS
- JOINT VENTURES
- DISTRIBUTION COMPANIES

STEVEN YAGER, PRESIDENT AND CEO
ARTEMIS MANAGEMENT SYSTEMS INC, USA

“Artemis is the market leader in the enterprise project management solutions. Currently Artemis customers in the US are large Fortune 500 companies. Artemis strategy is to reinvent its products to leverage the Internet. New opportunities in the Application Service Provider markets will allow Artemis to provide its powerful enterprise solutions to middle market corporations who need to deploy the project management discipline across their enterprise to hundreds or even thousands of users.”

HOWARD MAGEE,
SENIOR VICE PRESIDENT, INTERNATIONAL OPERATIONS
ARTEMIS MANAGEMENT SYSTEMS LTD, GREAT BRITAIN

“Our Global network operates through Direct operations in US, Finland, UK, Japan, Asia, France, Germany and Italy, through Joint Ventures in Scandinavia and Benelux as well as through Distribution Partners in Australia, Spain, South Africa, Latin America, Middle East and throughout Asia. Uniquely we have for many years developed and deployed our consulting methodology PM² (Project Management Methodology) globally.”

ROB LEGGE, VICE PRESIDENT, UK OPERATIONS
ARTEMIS MANAGEMENT SYSTEMS LTD, GREAT BRITAIN

“Contract Management, Time to Market and Enterprise Consistency are the three main market categories of Artemis UK. The fastest growing category for Artemis UK is Time to Market where customers are typically corporate IT or R&D departments. Contract Management customers, typically in Aerospace & Defence and heavy engineering. Enterprise Consistency clients are global blue chips. In this category Artemis is frequently the only vendor with operations in each of the clients’ locations and the required scalability. Artemis is frequently integrated with the customers’ ERP systems e.g. SAP, Oracle, JD Edwards, Baan and Peoplesoft.”

PATRICK TERNIER, PRESIDENT
ARTEMIS INTERNATIONAL SARL, FRANCE AND
ARTEMIS INTERNATIONAL GMBH, GERMANY

“Artemis International France (AIF) and Germany (AIG) are the established leading companies in the areas of Corporate Project and Resources Management. Our customers are the top 100 companies in France, Germany, Switzerland and Austria, with a very strong presence in the Financial Services industry and the time to market driven industries like Automotive, and Electronics. During 2000, AIF and AIG expanded their product and service offering to include professional service automation (PSA). In a joint venture with ChangePoint Corporation we offer comprehensive professional service automation products.”

RISTO SAIKKO, MANAGING DIRECTOR
PROJEKTIHALLINTO OY PROHA, FINLAND

“Close cooperation with customers provides us with a strong market position. One of the synergies of the Proha and Artemis is a more diverse product portfolio that opens up new growth opportunities. A strong investment in product development will keep us at the forefront of the technological progress.”

CARLO BOLDI, PRESIDENT AND MANAGING DIRECTOR
ARTEMIS INTERNATIONAL S.P.A, ITALY

“Italy is the 4th largest IT market in Europe with total revenues estimated at EUR 20 bn. Artemis International SpA is the market leader in the Corporate Project and Resource Management Software sector in Italy. Recently Artemis International SpA achieved the highest vendor rate by one of its top customers, a large software company, coming up as #1 for overall quality among a list of over 100 suppliers, which included almost every software and services company operating in Italy.”

STEINAR DALVA, MANAGING DIRECTOR
SAFRAN SOFTWARE SOLUTIONS AS, NORWAY

“The Norwegian Safran Software Solutions offers software and services for management of large and complex projects. Safran Project, our solution for project management in the oil and gas industry, has become the de-facto standard in the industry in Norway. Our second product, a general purpose planning tool Safran Planner, was launched in 2000 and it is already available on more than 18,000 PC's at Statoil, our major customer. Safran Project and Safran Planner are available around the globe through the international Artemis network beginning 2001.”

YOICHIRO SUGII, PRESIDENT
ARTEMIS INTERNATIONAL K.K., JAPAN

“Artemis International started in Japan in 1981. Because of the language and cultural characteristics, Japan has been a major market for Artemis Tools from the beginning. They are applications for creating project management solutions in the mainframe environment. At the moment we are seeing the emergence of project management need for the R&D and Information Technology and Services industries. With new Web applications we have gained new customers in pharmaceuticals industry.”

JOHNNY TAN, CEO
PMSOFT ASIA PTE LTD, SINGAPORE

“PMSOFT Asia has offices in Singapore, Hong Kong and Seoul, Korea and 10 distributors in major Asian countries such as India, Indonesia, Malaysia, Hong Kong/China, Taiwan, Philippines, and Korea. Main market sectors are Information Technology and Services, government, telecommunications and financial sector. The future outlook for the Asian market is good. There is a growing demand for performance visibility and management solutions where emphasis is on aligning and implementing strategy and executing initiatives to deliver results.”

PROJECT MANAGEMENT

Project management methods are more and more integrated into business processes. They save time and costs for example in changing the business and business operations, developing information systems, or building a new production unit.

Proha's Project Management business area grew strongly during the year 2000. Following the acquisition of Artemis Management Systems, Proha achieved a well distinguished position in the project and resource management markets. The company has subsidiaries in the United States, Finland, Japan, France, Germany, Italy, Britain, Singapore and South Korea. In addition, associated companies and representatives cover almost all the other significant IT markets.

At the end of the year, Proha consolidated all of its project management operations into the international organization of Artemis Management Systems. This move was taken to enhance the company's worldwide distribution channel access, to strengthen product development, and to provide improved local services to clients operating internationally.

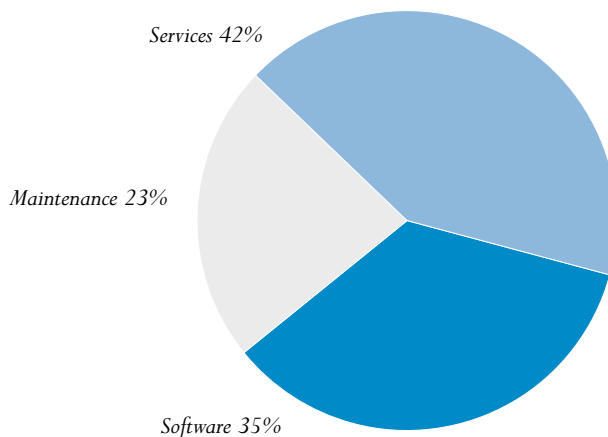
Steven Yager, President and CEO of Artemis Management Systems, heads up the Project Management business area worldwide.

A STRONG POSITION IN THE GROWING PROJECT MANAGEMENT SOFTWARE AND SERVICES MARKETS

During the year 2000 Proha reached one of its most important strategic goals becoming one of the companies redefining and changing project management software markets (Project and Resource Management, PRM) into enlarging and more comprehensive Project and Resource Collaboration (PRC) markets.

Proha-Artemis offers comprehensive applications and services for managing various types of projects efficiently and securely. These tools enable users to plan and control project work with a focus on the best use of their available time, resources, and management costs. The Gartner Group ranks Proha-Artemis as one of the leading players in the Project and Resource Collaboration market space.

PROFORMA NET SALES BY OPERATIONS
WITHIN PROJECT MANAGEMENT



MORE COMPETENCE, PRODUCTS, AND A GLOBAL DISTRIBUTION CHANNEL THROUGH ACQUISITIONS

The company took its most important globalization step to date in August 2000 when it acquired Artemis Management Systems, Inc. Given Proha's established strong expertise in project management in Finland, it was natural to expand operations in this area through acquisitions.

Artemis has offices in the United States, Britain, and Japan, and an international distributor network. Artemis serves over 2,000 major enterprises worldwide within the IT industry, pharmaceuticals, retail sales, banking and finance, telecommunications, aviation and defense, public service institutions, oil and gas, construction, and machinery.

Proha subsequently acquired Artemis' joint ventures in Germany, France, and Italy, becoming the leading high-end project management software supplier in Europe. Proha announced its acquisition of Artemis' joint ventures in Singapore and South Korea in October and finalized the deal January 2001. Following this, Proha now has offices in Singapore, Hong Kong, and Seoul and 10 distributors in major Asian countries including India, Indonesia, Malaysia, Hong Kong/China, Taiwan, and the Philippines.

BROADENING THE PRODUCT PORTFOLIO THROUGH STRATEGIC AGREEMENTS

Proha actively strengthened its global project and resource collaboration product portfolio by signing strategic cooperation agreements with a number of software suppliers during 2000.

A joint venture set up in France and Germany by Artemis Management Systems' local associated companies and Canadian-based Changepoint Corporation enabled operations to be extended to the Professional Service Automation (PSA) markets in France and Germany.

The agreement with Sweden's ECInet covers document management services that complement Proha's ASP service (Application Service Provider).

The agreement on the use and sale of Kronodoc project communications and document management technology, which Proha uses also in developing Artemis products, further broadened the company's product portfolio.

The agreement on the global use of QPR technology in Artemis products for Balanced Scorecard and cost management added these strategic management components to the product portfolio.

AMONG THE BEST PRODUCTS IN THE FIELD

Proha offers the industry's largest and most versatile product portfolio and related support services in the Project Management area. Products include Artemis Views, PlaNet, CMPPro, Safran Planner, Safran Project, and Futura software.

The combined Proha Artemis is well-positioned to take advantage of the forecasted growth in the ASP market, especially in the SME segment joining together financial services and project management offerings.

Proha also provides comprehensive training for project management work, and offers software training for all the Proha-Artemis products.

FUTURE PROSPECTS

As a result of its strong growth in 2000, Proha now has access to a wide market base around the world. The company's strong expertise in project management, expanding product portfolio, and worldwide distribution and cooperation network are the central building blocks of a solid foundation for its continuous success. Future areas targeted for growth include offering products such as ASP service and PSA software to existing customers worldwide.

The demands for project and resource collaboration tools are rapidly increasing in many areas, including outsourcing, project portfolio management, and management of external resources.

PROJECT MANAGEMENT CUSTOMERS

Accenture, Alcatel, Audi, Credit Lyonnais, Daimler-Chrysler, Deutsche Telekom, DHL, Dresdner Bank, Ericsson, France Telecom, Goldman Sachs, GoodYear, Hewlett Packard, Hitachi, Lockheed Martin, Michelin, Mitsubishi, Motorola, Nokia, NTT, Paribas, Pfizer, Siemens, Southwestern Bell, Telecom Italia, Toshiba, UBS and Unisys.

FINANCIAL MANAGEMENT

Proha's Financial Management business area is the largest organization offering modern financial management services in Finland. Consisting of Accountor Oy and two associated companies, the unit employs a total of 160 specialists in eight locations and currently has over 500 customers, ranging from small companies to multinational corporations.

Financial Management is a strategic business area where Proha expects to achieve growth through combining its know-how in information technology with its understanding of financial management processes and business. The Financial Management business area offers a range of outsourcing, expert, and ASP services (Application Service Provider) on financial management processes using the latest Internet technology. The unit's main products are Internet Accounting Partner (IAP) and ProCountor.Com, a virtual management service.

Towards the end of the year Financial Management business area was lined up under Accountor Oy. **Juha Tommila** as the CEO of Accountor leads the Financial Management business area.

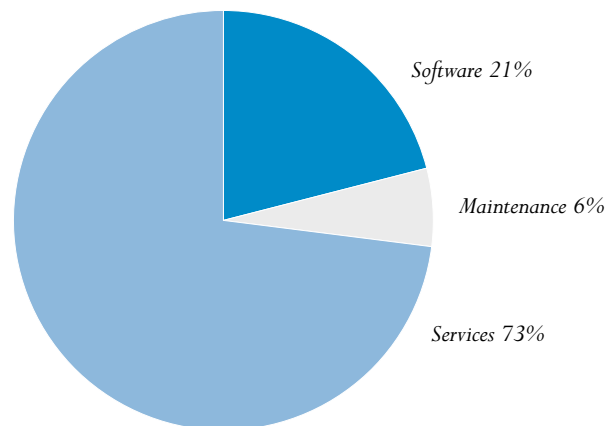
MODERN FINANCIAL MANAGEMENT

Business operations in the fast-changing Internet age require financial management processes and IT systems to be seamlessly integrated with other management systems. Proha's IAP concept does just that by integrating financial management with other corporate processes and IT systems.

Proha's IAP service covers financial management and consulting, together with related IT systems, and includes a full palette of application, expert, and outsourcing services. IAP enables financial management routines to be automated and carried out in real time, and gives customers a high level of flexible control over their operations.

As IAP can be used via the Internet all over the world, it offers particular benefits to companies operating in different geographical regions and time zones. IAP promotes integrated cooperation within a company and facilitates the control and management of different units.

PROFORMA NET SALES BY OPERATIONS
WITHIN FINANCIAL MANAGEMENT



IAP-ASP

Within the Financial Management business area the ASP service was initiated in 2000. Proha made a number of partner agreements with software providers, to provide the customers a comprehensive product portfolio through ASP.

IAP-ASP is a one-stop shop service offering companies all the financial management IT systems they need, and is an easy and safe way for an organization to gain access to all the latest tools without the need to make major investments.

IAP systems consist of solutions provided by different software developers combined by Proha's experts into highly effective packages. Proha's software partners include BasWare Corporation (starting 2001), Columbus EIS Finland Oy, Elma Oy Electronic Trading (starting 2001), Jeeves Information Systems Ab, Opus Capita Oyj, Posten Sverige Ab, SAP Finland Oy, QPR Software Oyj and Single Source Oy.

A good example of an IAP system is BREVe, an electronic invoice handling system for automating and outsourcing invoice handling exclusively offered by Proha in Finland. BREVe opens and scans incoming purchase invoices and decodes agreed invoice fields, and registers incoming postal items, converts the information into electronic form, and delivers it to the customer's appropriate electronic system.

IAP ADVISORY SERVICES

Proha subsidiary Accountor Oy offers IT-related consulting for financial management processes. These expert services cover areas such as automating and enhancing operations, mergers and acquisitions, tax consultancy, and management reporting.

IAP OUTSOURCING SERVICE

Accountor's outsourcing offering is built on the company's underlying values of innovation, customer satisfaction, commitment, and dependability - and a firm commitment to respecting customers' business administration needs and goals. Our ISO 9002 certification provides a guarantee of the quality of the service we offer.

As an outsourcing partner, Accountor functions as a finance department, handling part or all of a customer's financial management functions or processes. Accountor's Outsourcing Partner concept consists of payroll, purchase order and sales order processing, general ledger, reporting, and analysis.

In outsourcing sophisticated automated routines are used to ensure the highest level of security and control and to eliminate any possibility of collusion or abuse.

ProCounter.Com – A VIRTUAL MANAGEMENT SERVICE

ProCounter.Com is an Internet-based service offering paperless financial management. A completely web-based system, ProCounter.Com is the only product of its type in Europe.

Accounting firms and small and medium-sized companies can use ProCounter.Com service to automate traditional accounting routines and improve the efficiency of their financial management system. Using ProCounter.Com, small and medium-sized companies' systems can be integrated with those of banks, the authorities, and accounting firms.

FUTURE OUTLOOK

The size of companies using Proha's Financial Management services has grown and the level of services demanded has risen. The total value of the Finnish Financial Management markets is over 3 billion Euros. Within this market only about 500 million Euros worth of services are outsourced leaving considerable potential for growth. The demand for the outsourced services is strong in all the areas of Proha's Financial Management i.e. IAP, ASP and Advisory Services. Proha concentrated on developing its ProCounter.Com system and IAP service. Active marketing of ProCounter.Com in Finland will begin in 2001. The IAP service will be offered to businesses with net sales of over EUR 1.5 million. Marketing will be designed to take advantage of the promising growth potential for outsourcing both in the Nordic region and the European Union.

Proha plans to expand its Financial Management operations within northern Europe during 2001.

FINANCIAL MANAGEMENT CUSTOMERS

*Aboa Venture Management Oy, Bitboys Oy, Eqvitec Partners Oy,
i2Technologies Finland Oy Ltd, Nordic Aluminium Oyj,
Pearson Television Entertainment Oy, Porin Lämpövoima Oy, Telenordia Oy
and Urho Tuominen Oy.*

INTERNET TECHNOLOGIES

Internet Technologies supports Proha's Project Management and Financial Management business areas. Both areas benefit from the Data Warehousing and Online Analytical Processing (OLAP) modules and techniques developed by the Internet Technologies business area.

In addition, Internet Technologies has its own product and services offerings in the fields of e-commerce, Data Warehousing, and Online Data Analysis. Close contacts with European software and content localization companies help ensure the availability of Proha's products on the global marketplace.

Raimo Vaalasranta as the CEO of Intellisoft Oy leads the Internet Technologies business area as of January 2, 2001, and is responsible for Application Service Provider (ASP) services.

REACHING NEW CUSTOMERS WITH ASP-SERVICES

Proha became an ASP (Application Service Provider) in June 2000, and ASP-related activities are expected to become a fast-growing part of all Proha's business areas. As an ASP, Proha can accelerate the implementation of its own applications and those of its partners and better reach potential new customers.

As an independent software vendor (ISV) and system integrator, Proha is capable of publishing its own software and integrating software sourced from its partners to deliver comprehensive packaged solutions to its customers. Proha's ASP offering includes professional services, both in Project Management and Financial Management, and business process outsourcing services employing Internet and ASP technology.

E-COMMERCE, DATA WAREHOUSING AND OLAP

THE DYNAGER[®] PLATFORM FOR ELECTRONIC BUSINESS

The Dynager[®] electronic business platform is designed to provide efficient implementation of powerful Internet-based session management and secure active online database connections for business applications. Services such as ProCounter.Com (Virtual management service) and Advonet (an Internet service provided by the Finnish Bar Association and Finnish lawyers) have been implemented using Dynager[®].

WAREHOUSING DATA WITH VOYANT[®]

Internet Technologies also provides Data Warehouse systems and associated relational databases and training. Data Warehouse projects use Voyant[®] data analysis software, a workstation tool-set for data analysis and decision support.

SYSTEMS TESTING AND AUTOMATED PERFORMANCE MONITORING

Proha provides e-commerce and wireless communications systems testing and automated performance monitoring.

PERSONNEL

Proha's approach to human relations is based to build a staff base that combines the latest knowledge in IT and enthusiasm for the field with a long-term understanding of corporate customers and their businesses. As a result, Proha's personnel consists of both senior IT experts and young, innovative professionals.

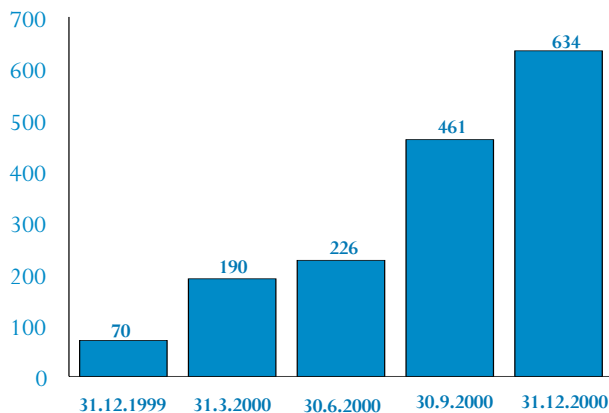
Proha has direct operations in 27 countries and on all continents. This gives the Group a good understanding of the global market and customer needs in the project management software and services area. It also enables Proha to provide a local service to corporate customers that operate globally.

Most of Proha's personnel are employed on incentive-based compensation packages. Monthly remuneration is partly dependent on each employee's personal performance, which is evaluated against certain established targets. Proha also has a number of employee stock option plans that cover all permanent employees.

As of the end of 2000, the Proha Group employed 634 people compared to 70 in 1999. The average number of personnel was 249 (61). In addition, Proha's joint ventures employ around 100 people in five countries.

Annual personnel turnover has been only around 5%. Proha has also not experienced any significant recruiting problems of the type typical for its field during the year 2000.

During 2001, the company's personnel resource planning will be systematized, profit target discussions will be initialized, and training plans drawn up according to development needs. In the Project Management business area, operations and personnel will be reorganized and incorporated into the Artemis Management Systems organization.



GROWTH IN NUMBER OF PERSONNEL

PROHA BOARD OF DIRECTORS

The Company's Board of Directors has general responsibility for the management of Proha in accordance with Finnish law and the Company's Articles of Association. Currently, the Board of Directors consists of the Chairman and five members. According to the Company's Articles of Association, the Board of Directors is required to have at least three and no more than seven members. Members are elected by the Annual General Meeting of shareholders for one-year terms.

Chairman of the Proha Board of Directors is Olof Ödman. Other members are Pekka Pere, Alec Gores, Steven Yager, Pekka Mäkelä and Klaus Cawén.

Olof Ödman (borne 1943) was elected a member of the Board of Directors of Proha Plc in December 1999. Mr. Ödman has been the Managing Director of TNS AB since 1999. In 1997, Mr. Ödman founded Metagroup Consulting AB, prior to which Mr. Ödman worked as Managing Director of Metagroup Sweden AB (1996-1997), Managing Director of ICT/Perinet AS (1993-1995), Managing Director of Databolin AB (1980-1992) and Systems Director of Mobil Oil AB (1970-1979). Mr. Ödman is also Chairman of the Board of Directors of Best Technology AB, Transaction Network Services AB, Structur Relocation Svenska AB, Structur International AB, Cobnet AB, Metagroup Sweden AB, Metagroup Consulting Sweden AB as well as Golf de Pierpont SA. Mr. Ödman holds a Master of Science Degree.

Pekka Pere (borne 1957) has been President and Chief Executive Officer of the Company since 1984 and is also the founder of Proha. Mr. Pere is also the Chairman of the Board of Directors of Eficor Ltd, the Vice Chairman of the Board of Directors of Software Entrepreneurs Association and a member of the Board of Directors of Information Technology Branch Association. Mr. Pere has been Chairman of the Board of Directors of Proha Oy from 1984 until 1999. In addition, Mr. Pere was a founding partner of and consultant for KPMG Wideri Consulting Oy (1985-1991) and as a consultant for Finnsystems Oy (1979-1983) as well as acting Chairman of the Board of Directors of Metier Management Systems Sweden AB and Metier Management Systems Denmark AS (1991-1994).

PROHA BOARD OF DIRECTORS

From left to right: Pekka Mäkelä, Steven Yager, Alec Gores, Pekka Pere, Olof Ödman and Klaus Cawén.



Klaus Cawén (borne 1957) has been a member of the Board of Directors of Proha Plc since December 1999. Prior to becoming Senior Vice President of Kone Corporation in 1995, Mr. Cawén held other positions at Kone Corporation, including Vice President, General Counsel (1991-1994), Assistant General Counsel (1986-1996) and Legal Counsel, International Operations (1983-1986). Mr. Cawén has also worked as an Associate at White & Case LLP (1982-1983) and at Law Office Mattila & Toppola (1979-1981). Mr. Cawén holds a Master of Laws Degree from University of Helsinki and Columbia University.

Alec Gores (borne 1953) was elected to the Board of Directors in August 2000. He is the founder and Chairman of Gores Technology Group, an international technology acquisition and management group founded in 1986. Since its inception, Gores Technology Group has acquired more than twenty software, hardware and technology businesses. In 1978, Mr. Gores founded Executive Business Systems, a developer of vertical business software systems, and sold the company to Continental Telecommunications in 1986. Mr. Gores holds a degree in computer science from Western Michigan University.

Pekka Mäkelä (borne 1945) has been a member of the Board of Directors and the Executive Committee of Proha Plc since 1984 and Chairman and Chief Executive Officer of Datamar Oy, a subsidiary of the Company, since 1995. Mr. Mäkelä has served as Chairman and Chief Executive Officer of the Company (1984-1999) and Chairman of the Board of Directors (1999) as well as acted as consultant for the Company (since 1984). Mr. Mäkelä has previously also been Director of KPMG Wideri Consulting Oy (1985-1992), member of the Board of Directors of Tietonovo Oy (1986-1992) and Novosys Oy (1989-1992), Director of consulting and Chief Executive Officer of Finnsystems Oy (1977-1984), Division Director of Tietotehdas Oy (1972-1977), System Designer of Kone Corporation (1969-1971) and Controller of the Scandinavian sales and assistance organization of Cullinet Corporation (1981-1984). Mr. Mäkelä holds a Master of Science Degree from University of Tampere.

Steven C. Yager (borne 1953) was elected to the Board of Directors in December 2000. He is President and Chief Executive Officer of Artemis Management Systems. He joined Artemis in April of 1997 with 20 years of computer-related business management experience. His responsibilities include defining and directing Artemis' worldwide strategic direction, software development and sales efforts, and market development and expansion activities. Prior to Artemis, Mr. Yager was Executive Vice President of business development for Medaphis Physician Services, a USD300 million subsidiary of Medaphis Corporation, based in Atlanta. He has also held senior sales management and business development positions with Burroughs Corporation and Versyss Incorporated. Mr. Yager is a graduate of the University of Michigan with a bachelor's degree in business administration and economics.

REVIEW BY THE BOARD OF DIRECTORS JANUARY 1 – DECEMBER 31, 2000

ALL SHARE AMOUNTS ARE SPLIT ADJUSTED.

The year was characterized by strong growth for Proha. The Group grew both through acquisitions and organically. The **Project Management business area** experienced the largest changes and growth. The acquisition of Artemis Management Systems quadrupled the Group's net sales and opened up a valuable distribution channel to all significant IT markets worldwide. In Finland, the Company strengthened its market leader position through acquisitions and on the back of strong market demand.

In the **Financial Management business area**, Proha focused on advanced financial management solutions. Thanks to new cooperation agreements, the Group substantially expanded its IAP (Internet Accounting Partner) client base. The co-operation agreement between Accountor Oy, a Proha subsidiary, and the Swedish Post facilitates the adoption of electronic invoicing in companies. The Financial Management business area was also strengthened by acquisitions of minority interests in profitable accounting companies that share Proha's view on the use of new technology.

The **Internet Technologies business area** focused on automated testing at the beginning of the year, and on Application Service Provider (ASP) services towards the end of the year. Proha developed a service center that offers financial management and project management solutions as an ASP service. The Group's representation agreement with Mercury Interactive was terminated on December 31, 2000, after which Proha no longer sells or provides support for automatic testing software. Testing continues to be carried out by the Savonlinna testing center as part of Proha's business.

NET SALES AND RESULT

Proha Group's net sales for the financial year from January 1, 2000 to December 31, 2000 was EUR 36.15 million, compared to EUR 5.19 million in the 10-month-period in 1999. Net sales grew by 597%.

Operating profit grew to EUR 1.9 million, compared to EUR 0.6 million in the corresponding period last year (10 months). The absolute growth of the operating profit was 217%. Profit before taxes totaled EUR 1.5 million (4% of net sales), compared to EUR 0.4 million in 1999. Earnings per share amounted to EUR 0.03, compared to EUR 0.02 in the previous ten-month accounting period in 1999. Equity ratio was 44.7% (70.1%). Proha's personnel grew substantially. At the end of the year, employees in the Proha Group totaled 634 (70). The average number of personnel was 249 (61). Staff expenses totaled EUR 17.3 million, or 48% of net sales.

FINANCING AND INVESTMENTS

The financial position of the Group is satisfactory. The balance sheet total at the end of the year was EUR 55.7 million, compared to EUR 8.7 million in 1999. Current assets amounted to EUR 6.1 million, against EUR 5.5 million in 1999. The Quick Ratio of the Group declined from 3.8 to 1.11. The most significant investment was the purchase of Artemis Acquisition Corporation through a share exchange. In accordance with the terms of the purchase, the sellers made a commitment concerning the amount of capital and reserves, and the result development. Other significant investments made in line with the growth strategy were further acquisitions conducted as share exchanges, and the ASP service center.

PRODUCT DEVELOPMENT

Direct research and development expenses were EUR 3.6 million, 9.9% of net sales. Product development was consolidated with the international product development organization of Artemis. Globally, product development employs 52 people. During 2000, the organization introduced 20 new releases and continues to develop local products for specific markets and customers, for example in Japan, France, Norway and Finland.

The product development of the virtual management service, ProCountor.Com, continued and the system was taken into pilot use in November. Commercial use of the product will commence in the spring of 2001.

ACQUISITIONS AND CHANGES IN ASSOCIATED COMPANIES

Proha's year 2000 was characterized by various acquisitions. The Group structure by business areas is illustrated in the Notes to the Financial Statement.

Time	Acquired Company	Shares Purchased (%)	Ownership (%)	Business Area
January 2000	Ari Hovi Oy	100%	100%	Internet Technology
January 2000	Profitmaster Oy ⁽¹⁾	100%	100%	Financial Management
March 2000	Accountor Oy Ab Ltd	100%	100%	Financial Management
March 2000	Brossco Systems Oy	100%	100%	Project Management
March 2000	Datamar Oy ⁽²⁾	2%	100%	Internet Technologies
March 2000	Planman Oy	100%	100%	Project Management
March 2000	CM-Systems Oy	100%	100%	Project Management
April 2000	Safran Software Solutions AS (Norway) ⁽³⁾	60%	60%	Project Management
May 2000	Vidac Oy ⁽⁴⁾	10%	100%	Internet Technologies
August 2000	Artemis Management Systems (USA)	100%	100%	Project Management
November 2000	Tietokate Ta-Tilit Oy	20%	20%	Financial Management
December 2000	Tilitoimisto A. Karppinen Oy	30%	30%	Financial Management
December 2000	Solutions International SA (France) ⁽⁵⁾	100%	100%	Project Management
December 2000	Artemis International Sarl (France) ⁽⁵⁾	23.8%	100%	Project Management
December 2000	Artemis International GmbH (Germany) ⁽⁶⁾	30.8%	56.8%	Project Management
December 2000	Enterprise Management Systems Srl (Italy) ⁽⁷⁾	70%	100%	Project Management
January 2001	JST Investment (Asia) Pte Ltd ⁽⁸⁾	100%	100%	Project Management
January 2001	PMSOFT Korea Ltd ⁽⁹⁾	25%	100%	Project Management

- (1) Proha acquired 74% of the shares in Profitmaster Oy (former Tuloshallinto Oy). The remaining 26% of shares were acquired in November.
- (2) In March and June 2000, Proha purchased the remaining 2% in Datamar Oy.
- (3) Proha acquired 60% of the shares in Safran Software Solutions AS, with an option to purchase the remaining shares.
- (4) In January 2000, Proha acquired Ari Hovi Oy, which owns 90% of the shares in Vidac Oy. Proha purchased the remaining 10% in Vidac Oy in May 2000.
- (5) Proha agreed to purchase 100% of the shares in Solutions International SA (parent company of Artemis International Sarl), through which Proha acquired the holding 50.2% of the shares in Artemis International Sarl. In addition, Proha agreed to purchase 23.8% of the shares in Artemis International Sarl. The remaining 26% of the shares in Artemis International Sarl are owned by Proha's fully owned subsidiary Artemis Management Systems Ltd.
- (6) Proha agreed to purchase 30.8% of the shares in Artemis International GmbH. Proha owns 26% of the shares and votes of Artemis International GmbH through Triton Holding GmbH that is fully owned by Proha's 100% subsidiary Artemis Management Systems Ltd. The remaining 43.2% of the share capital in Artemis International GmbH Proha has agreed to acquire with a directed issue in 2002.
- (7) Proha agreed to purchase 100% of the shares in Enterprise Management Systems Srl (the parent company of Artemis International S.p.A), through which Proha acquired the holding 70% of the shares in Artemis International S.p.A. The remaining 30% of the shares in Artemis International S.p.A are owned by Proha's fully owned subsidiary Artemis Management Systems Ltd.
- (8) Proha acquired a 100% holding in PMsoft Asia Pte. Ltd's parent company JST Investment (Asia) Pte. JST Investment (Asia) Pte Ltd owns 51% in PMsoft Asia Pte Ltd's share capital. The remaining 49% of the shares in PMsoft Asia Pte Ltd are owned by Proha's fully owned subsidiary Artemis Management Systems Ltd.
- (9) Proha acquired a 25% holding in PMsoft Korea Ltd. The remaining 75% of the shares in PMsoft Korea Ltd are owned by Proha's fully owned subsidiary PMsoft Asia Pte Ltd.

ACQUISITIONS IN THE PROJECT MANAGEMENT BUSINESS AREA

The contracts for acquisitions of the entire share capital of CM-Systems Oy and Planman Oy made in 1999 were concluded.

Proha acquired 60% of Safran Software Solutions AS, a leading IT project management solution provider in Norway. In addition, Proha has an option to purchase the remaining shares of the company. The acquisition was concluded on April 1, 2000.

The acquisition of Artemis Management Systems Inc that was agreed in June 2000 was closed on August 24, 2000.

Artemis is globally one of the leading project and resource management solution providers and has offices in the United States, Britain, and Japan, as well as an international distributor network covering 27 countries. Artemis serves over 2 000 major corporations worldwide within the IT industry, the pharmaceutical industry, retailing, banking and finance, telecommunications, aviation and defense, public service institutions, the oil and gas industry, and the construction and machinery industry.

As a result of the acquisition, Proha achieved substantial synergies in product development, international distribution, internationalization potential, and service to global customers. The consolidation of the operations of Proha and Artemis operations has mainly advanced as planned.

The acquisition took the form of an exchange of shares in which the owners of Artemis Acquisition Corporation (parent company of Artemis Management Systems) received the purchase price USD 50 million in the form of Proha shares. The number of shares issued to Artemis shareholders was calculated by dividing the purchase price by the weighted average trading price of Proha shares. The exact number of shares was 22,190,010 and the share price was EUR 2.49 per share. The shares have a restriction on the right of disposal. As part of the Artemis acquisition, Proha received 2,090,740 Company shares of which 557,500 were sold in connection with the international secondary placement on September 20, 2000 and 150,000 on November 24, 2000. In addition, in December 2000, 576,940 Company shares were returned to the Company after an examination based on negative change in the capital and reserves as was agreed in the original acquisition agreement. On December 31, 2000, Artemis Acquisition Corporation owned 1,960,180 Proha shares with a total book parity of EUR 509,646.80, equaling 3.72% of the share capital and of the total votes of all shares. These shares have not been taken into account when calculating the key ratios per share.

An international secondary placement was arranged in connection with the Artemis acquisition. Certain investors and Artemis Acquisition Corporation sold to Finnish and International institutional investors 8,757,000 Proha shares at EUR 4.20 per share. The number of shares sold includes utilization of green shoe. Proha assisted in the arrangement of the sales and received a fee based on the agreement on distribution of profits, which according to its original purpose was used to cover the costs on financing the Artemis deal. In connection with the international secondary placement, the Managers of the placement stabilized the share price on the Helsinki Stock Exchange. During the stabilization period, the Managers bought a total of 442,500 shares for EUR 4.00 - 3.20 per share. The number of shares sold by Artemis Acquisition Corporation was 557,500 shares.

The position of Proha as a IT project management supplier in Europe strengthened as a result of the acquisitions of Artemis International companies in Germany, France, and Italy. All three companies were associated companies of Artemis Management Systems. The acquisitions were concluded on December 5, 2000.

The acquisition of PMsoft Asia Pte Ltd., a project management software supplier and management consulting group which operates in Singapore and South Korea, was agreed on in October. Proha subsidiary Artemis already had a 49% holding in PMsoft Asia. The acquisitions were concluded in early 2001.

In December, Proha acquired a 25% holding in PMsoft Korea Ltd. The remaining 75% of the shares in PMsoft Korea Ltd are owned by Proha's fully owned subsidiary PMsoft Asia Pte Ltd. The acquisition was closed in January 2001.

ACQUISITIONS IN THE FINANCIAL MANAGEMENT BUSINESS AREA

In January, Proha acquired 74% of the shares in Profitmaster Oy (former Tuloshallinto Oy) and in November the remaining 26%, giving the Group complete ownership of Profitmaster Oy. Profitmaster Oy is an authorized accounting company offering financial outsourcing and expert services, and consulting. On January 1, 2001 the business of Profitmaster Oy was consolidated with Accountor Oy.

In February, Proha acquired Accountor Oy Ltd, an ISO 9002 certified accounting company and an associate member of the Finnish Venture Capital Association.

In November, Proha purchased a 20% holding in the shares and votes of Finnish-based Tietokate Ta-Tilit Oy. In accordance with the agreement, Proha also has an option to purchase the remaining 80% of the company's shares by the end of 2004. Tietokate is an ISO 9002 certified accounting company that offers financial management services to small and medium-sized businesses.

In December, Proha acquired a 30% holding of the shares and votes of Finnish-based Tilitoimisto A. Karppinen Oy. In accordance with the agreement, Proha also has an option to purchase the remaining 70% of the company's shares by the end of 2004. Tilitoimisto A. Karppinen is an ISO 9002 certified accounting company that offers financial management services to small and medium-sized businesses.

ACQUISITIONS IN THE INTERNET TECHNOLOGIES BUSINESS AREA

In January, Proha acquired Ari Hovi Oy, a training and consulting company, which owns 90 percent of the shares in Vidac Oy. Vidac Oy plans and implements DataWarehouse systems. Proha purchased the remaining 10% in Vidac Oy in May 2000.

In January, Proha increased its ownership in Datamar Oy, a provider of application development services, from 78% to 98%. By June, the holding had grown to 100%.

In March, Proha acquired Brossco Systems Oy, which develops and distributes data analysis tools. Brossco System's Voyant product family can be widely used in project and financial management.

COOPERATION AGREEMENTS

PROJECT MANAGEMENT

The strategic goal of Proha in its Project Management business is to expand its customer base from large multinationals to small and medium-sized companies by offering ASP services to them.

In July, Proha expanded its operations to the Professional Service Automation (PSA) markets in France and Germany. This took place as a result of a joint venture in France and Germany between the local associated companies of Artemis Management Systems and the Canadian -based Changepoint Corporation.

US-based Primavera Systems Inc cancelled its dealership agreement with the Proha subsidiary CM-Systems Oy as of October 7, 2000.

In September, an agreement was signed with Swedish ECInet on providing document management services as part of Proha's ASP service in the Project Management and Financial Management business areas. ECInet will also include Proha's products in its own service range.

In December, Proha and Single Source Oy signed a long-term agreement covering the global sales of Kronodoc technology and the development of Artemis products based on Kronodoc project communications and document management software technology.

In December, Proha and QPR Software Plc signed a long-term worldwide cooperation agreement covering the global development and distribution of Artemis products based on QPR technology. Proha will use QPR technology to enhance the features of its products, for example the Balanced Scorecard and cost management features.

FINANCIAL MANAGEMENT

Proha has made a number of strategic cooperation agreements with software suppliers related to its Financial Management business area and designed to broaden Proha's ASP service offering.

In May, Proha signed a contract with Sweden's Jeeves Information Systems Ab covering ASP service and sales of the Jeeves Enterprise system in Finland.

In October, Proha Plc signed an agreement with OpusCapita Oyj to enable OpusCapita products, such as OpusCapita Finance and OpusCapita Electronic Banking, to be offered worldwide as part of Proha's ASP and Internet Accounting Partner (IAP) services. The agreement also covers traditional retailing. Opus Capita Oyj provides financial management and electronic banking software applications.

In November, Proha signed an agreement with ColumbusEiS Finland Oy to enable the ColumbusEiS system to be offered worldwide as part of Proha's ASP and Internet Accounting Partner (IAP) services. ColumbusEiS is an executive information system for cash flow-based future accounting. The agreement also covers traditional retailing.

In December, Proha signed an agreement with Posten Sverige AB (the Swedish Post) enabling BREVe - an electronic system for handling purchase invoices - to be offered on an exclusive basis to Accountor's customers in Finland. Proha also signed a letter of intent on offering the service outside Finland. BREVe enables the paperless handling of purchase invoices for businesses of all sizes without any additional investments.

INTERNET TECHNOLOGIES

In June 2000, Proha started an ASP (Application Service Provider) service complementing all of the Company's three business areas. The service offers customers a mix of Proha's own applications and those of its partners. The ASP service will be particularly important in expanding the Company's Financial Management business area.

An IT systems testing unit started operations in Savonlinna, Finland in September 2000. The unit will focus on testing e-commerce and mobile communications systems and on automated performance monitoring.

Mercury Interactive cancelled its agreement with Proha covering the representation of its software testing tools in Finland as of December 31, 2000. This is not anticipated to have a substantive impact on Proha's financial result for 2001

OTHER EVENTS IN 2000

In June 2000, Brossco Systems Oy spun off its localization operations and founded a new company, Brossco Multimedia Oy. Brossco Systems sold its interest in Irish LocalEyes Ltd, a pan-European localization company, for USD 200,000 to Opera Multimedia S.p.A. of Italy, which also purchased 51% of the share capital of Brossco Multimedia for EUR 327,000.

In July, Proha's Norwegian subsidiary, Safran Software Solutions AS, received a substantial project management software order from Statoil.

In September, Proha closed four major Artemis deals in the United States. The total value of the deals was EUR 6.3 million. The buyers were Sun Microsystems, Inc, Pfizer Inc, Lockheed Martin Missiles & Space Company, Inc, and the Chicago Mercantile Exchange.

In November, Proha made a seed capital investment in an IT-field growth company Widene Oy, a start-up specializing in the development of outsourced software and programming solutions for companies worldwide using resources from Russia and the Middle East.

1:5 SHARE SPLIT

In December, the number of Proha shares was changed by splitting each Proha share into five shares. As a result, the book parity of each share fell from EUR 1.30 to EUR 0.26.

STOCK OPTION

PCA Corporate Finance Ltd. used all of its 570,365 options, each of which entitles the holder to one Proha share. The subscription price of the shares was EUR 1.56.

The subscriptions were made in October and November.

SHARE CAPITAL AND AUTHORIZATION TO ISSUE SHARES

The number of Company shares and the size of its share capital increased after January 1, 2000 as follows:

Trade Register (date)	Increase in the Number of Shares	Split adjusted	Increase in Share Capital (EUR)	Directed issue
Jan. 1, 2000	3,702,448	18,512,240	4,813,182.40	Share capital at the beginning of the year
Mar. 2	363,000	1,815,000	471,900.00	Planman Oy
Mar. 2	357,000	1,785,000	464,100.00	CM Systems Oy
Mar. 2	145,000	725,000	188,500.00	Ari Hovi Oy
Mar. 2	6,000	30,000	7,800.00	Tuloshallinto Oy
Mar. 2	116,115	580,575	150,949.50	Brossco Systems Oy
Apr. 20	225,000	1,125,000	292,500.00	Accountor Oy
Apr. 20	5,657	28,285	7,354.10	Personnel issue
Jun. 29	300,000	1,500,000	390,000.00	Safran Software Solutions
Jul. 7	3,000	15,000	3,900.00	Vidac Oy
Aug. 24	443,800	22,190,010	5,769,402.60	Management Systems
Oct. 10	57,037	285,185	74,148.10	PCA Corporate Finance Oy
Oct. 10	850	4,250	1,105.00	Proha Plc key personnel
Nov. 30	57,036	285,180	74,146.80	PCA Corporate Finance Oy
Dec. 5	657,390	3,286,950	854,607.00	Artemis International Germany, France and Italy
Dec. 21	106,490	532,450	138,437.00	Personnel issue
Jan. 5, 2001		278,275	72,351.50	PMSOft Asia Pte Ltd
Jan 18, 2001		36,130	9,393.80	PMSOft Korea Ltd
Total		53,014,530	13,783,777.80	

AUTHORIZATION TO ISSUE SHARES

The Board of Directors was authorized by the Extraordinary General Meeting on December 13, 2000 to decide on giving stock options to the personnel of the Proha Group in Finland and abroad as part of Proha's personnel policy. On the basis of this authorization, the share capital of the Company can increase by a maximum of EUR 520,000 and a maximum of 2,000,000 shares. The increase in share capital on the basis of the authorization equals a maximum of 4.0% of the Company's shares and votes. The authorization is valid until December 12, 2001. The Board decided on the option issue on February 4, 2001.

The Board of Directors was also authorized by the Extraordinary General Meeting on December 13, 2000 to decide on increasing the share capital through one or more new subscriptions having a total combined value of at maximum 7,000,000 new shares, each share having a book parity of EUR 0.26. On the basis of this authorization, the Company's share capital can be increased by a maximum of EUR 1,820,000. The authorization is valid until December 12, 2001.

AUTHORIZATION TO PURCHASE COMPANY SHARES

The Company was authorized to purchase its own shares having a book parity or totaling no more than 5% of the Company's share capital or carrying voting rights totaling no more than 5% of all the voting rights of all shares. The authorization was valid until December 7, 2000 and was not used.

INCENTIVE SYSTEM FOR PERSONNEL

In order to create an incentive program for the personnel, a directed share and option issue was made in April. The Board accepted 107 subscriptions, totaling 5,657 shares, and 56,570 options giving holders title to one share each.

During the financial year, directed issues were conducted to the new key personnel as part of Proha's option program. In the issues, a total of 4,250 shares were given. Each share gives title to 10 options.

As part of its incentive program, the Company made a personnel issue under which 532,450 shares were subscribed at the price of EUR 2.44 per share, totaling EUR 1,299,178.00. The shares include a sales restriction which will expire on December 1, 2001.

Proha also made an option issue under which all 975,000 options offered, giving title to one share each, were subscribed.

PERSONNEL

Proha's personnel grew substantially. At the end of the year, employees in the Proha Group totaled 634 (70), 800% growth compared to 1999. The average number of personnel was 249 (61). Staff expenses were EUR 17.3 million, or 48% of the net sales.

At the end of the period, Proha Group employed 634 people (70). Including the agreed acquisitions in France, Italy, Germany, Singapore, and South Korea, Proha's total number of employees is about 657.

DECISIONS OF THE GENERAL MEETINGS

The Extraordinary General Meeting of Proha Plc held on January 24, 2000

- decided to cancel the unused authorizations to issue shares, except the incentive program share and option issue authorization, with a book parity of EUR 24,310.
- authorized the Board of Directors, within one year of the General Meeting, to increase the Company's share capital to a maximum of 3,608,900 new shares raising the share capital by a maximum of EUR 938,314 in order to finance acquisitions.
- approved the increase of the share capital by EUR 464,100 through a directed issue to the shareholders of CM-Systems Oy, and by EUR 471,900 through a directed issue to the shareholders of Planman Oy.

The Annual General Meeting of Proha Plc held on March 22, 2000

- confirmed the 1999 Financial Statements and discharged the members of the Board of Directors and the CEO from liability for 1999.
- approved the Board of Directors' proposal according to which no dividend should be paid from the distributable earnings.

The Extraordinary General Meeting held on April 27, 2000

- decided to authorize the Board of Directors to increase the share capital by a maximum of 4,450,000 new shares and a maximum of EUR 1,157,000 in order to finance acquisitions.
- authorized the Board of Directors to make a directed issue to the shareholders of Safran Software Solutions AS.
- cancelled the authorizations to issue shares on their unused portions.

The Extraordinary General Meeting held on August 21, 2000

- decided to increase the share capital through a directed new subscription to the shareholders of Artemis Acquisition Corporation
- decided to issue stock options and make a directed issue to the Company's personnel as part of the incentive program.
- appointed Alec Gores to the Board of Directors.
- decided to amend Section 4 of the Articles of Association related to the Company's minimum and maximum capital, and Section 11 related to the location of the general meeting.
- decided to cancel the unused authorizations to issue shares and to issue an authorization to increase the share capital through a new subscription totaling a maximum of EUR 1,332,500 and 5,125,000 new shares.

Extraordinary General Meeting held on December 13, 2000

- approved the Board of Directors' proposal to authorize the Board to issue option rights to the personnel of the Proha Group in Finland and abroad. The authorization is valid until December 12, 2001.
- cancelled the authorization to increase the share capital previously given to the Board and authorized the Board to increase the share capital with a new subscription by a maximum of EUR 1,820,000. A maximum of 7,000,000 new shares with a book parity of EUR 0.26 can be subscribed in the new subscriptions. The authorization is valid until December 12, 2001.
- decided to change the number of shares by splitting each Proha share into five shares. The number of shares increased from 10,433,535 shares to 52,167,675 shares and the book parity of each share decreased from EUR 1.30 to EUR 0.26.
- decided to amend the Articles of Association in such a manner that the Company's

minimum capital is EUR 10,400,000 and maximum capital EUR 41,600,000. The number of shares was also set at a minimum of 40,000,000 and a maximum 160,000,000.

- elected the President and CEO of Artemis Management Systems, Inc, Steven C. Yager, as the sixth member of the Board of Directors, and an auditing firm KPMG Wideri Oy Ab as the second Company auditor.

CORPORATE GOVERNANCE

Proha Plc is managed by the CEO and the Board of Directors. The President and CEO is Mr. Pekka Pere and the Chairman of the Board is Mr. Olof Ödman. The other members of the Board of Directors are Mr. Klaus Cawén, Mr. Alec Gores (as of August 21, 2000), Mr. Pekka Mäkelä, and Mr. Steven Yager (as of December 13, 2000).

The Company's auditors are Mr. Matti Kujala, APA (Authorized Public Accountant) and KPMG Wideri Oy Ab with Mr. Reino Tikkanen, APA, as the auditor in charge. The deputy auditor is Ms Anne Marilene Mäkipää, APA (Authorized Public Accountant).

ORGANIZATION

Steven Yager, President and CEO of Artemis Management Systems, is in charge of the Project Management business area worldwide. He is based in Boulder, Colorado, USA, and reports to CEO Pekka Pere.

Proha consolidated its project management business operations in Finland into the international operational structure of its subsidiary, Artemis Management Systems, Inc. Risto Saikko is the Country Manager of Project Management business operations in Finland. He reports to Steven Yager.

The CEO of Accountor Oy, Juha Tommila, continues to be responsible for the Financial Management business area as Vice President. He reports to CEO Pekka Pere.

As of January 2, 2001, Raimo Vaalasranta was appointed Vice President of the Internet Technologies business area. Vaalasranta is responsible for Application Service Provider (ASP) services, and reports to CEO Pekka Pere.

In accordance with a decision by the Board of Directors, Proha Plc started following the guidelines on insider trading issued by the Helsinki Stock Exchange as of May 16, 2000.

APPLICATION OF EARNINGS

Proha's Board of Directors will propose that the profit for the financial year be entered in capital and reserves and that no dividend be paid.

EVENTS AFTER THE FINANCIAL YEAR

ORGANIZATIONAL RESTRUCTURING

In January 2001, Proha announced that it will simplify its corporate structure in Finland. Operations will be rearranged into companies operating within the Group's three business areas. The reorganization is designed to enhance operations and to reduce pressure on recruitment rising from the Company's rapid growth. Personnel will be transferred between companies as required. The reorganization will not affect Proha's foreign subsidiaries, customer relations, or product offering in Finland.

STRATEGIC COOPERATION AGREEMENTS WITHIN PROJECT MANAGEMENT

In January 2001, Proha Plc and Swiss-based STS Sauter Training & Simulation SA (STS) signed an agreement under which Proha will obtain a 33% holding in the STS share capital towards its investment in STS. Proha also has an option to purchase the remaining 67% of the company's shares during 2002 and 2003. Under the terms of the agreement, Proha will be entitled to distribute the STS Internet-based project and resource management learning tool worldwide under the Artemis brand. Artemis will add the STS SyberGuide, SyberTrain, and SimulTrain e-learning tools to its own product family.

In February, the Company strengthened its position in the Norwegian project management software and services market. Proha's subsidiary Safran Software Solutions AS and a Norwegian Holding company Dovregruppen AS signed an agreement according to which Safran will purchase 40% of the share capital of Dovregruppen AS's subsidiary Dovre International AS. Safran also has an option to purchase the remaining 60% of Dovre's shares during 2003 and 2006. Dovre is a leading Norwegian consulting company specializing in project management. Dovre has offices in Oslo, Stavanger, Houston, Baku and Aberdeen.

STRATEGIC COOPERATION AGREEMENTS WITHIN FINANCIAL MANAGEMENT

In January 2001, Proha Plc and BasWare Plc signed an agreement on worldwide cooperation. Under this agreement, Proha will offer BasWare's e-Flow PIP purchase invoice processing software and Target products as an ASP service. Proha's ASP service and BREVe electronic invoice handling service will be combined with the Basware myeflow.com electronic invoicing service. Proha is also entitled to sell the BasWare e-Flow PIP and Target products in countries where they are offered as an ASP service.

In January 2001, Proha Plc and Elma Oy Electronic Trading (Elma) agreed a strategic cooperation under which Proha will offer its customers electronic invoicing services using the Elma electronic invoicing infrastructure. Proha will combine the Elma electronic invoicing service with its own ProCounter.Com and IAP (Internet Accounting Partner) services. Cooperation in the electronic invoicing field will cover Finland and the other Nordic countries. The agreement also includes the Elma automatic electronic statement transfer service provided to the Finnish authorities (TYVI).

In February, Proha Plc and SAP Finland Oy signed a strategic partnership agreement. Proha subsidiary Accountor Oy will be the first in Finland to offer the mySAP.com solution as an ASP service. The agreement includes the whole European Economic Area and Switzerland. This service is offered as part of Accountor's Internet Accounting Partner (IAP) service.

STOCK OPTION ISSUE

On the basis of the authorization by the Extraordinary General Meeting of December 13, 2000, the Board of Directors accepted in its meeting on March 9, 2001 the stock options issued. In the option issue, a total of 17,848,280 Proha Plc stock options were subscribed. The stock options were given free of charge to the personnel of the Proha Group in Finland and abroad, and to the members of the Board of Directors of Proha. The Board confirmed that the subscription price for the shares subscribed on the basis of the stock options is EUR 1.35.

FUTURE PROSPECTS

Proha lowered its objectives for organic growth from 25-30% to 20% per year due to uncertain economical development in the United States and the delayed recovery of the Japanese economy. In the markets in question, sales times have lengthened and customers are making procurements even more cautiously than previously. In the European markets, development is estimated to remain optimistic. Proha continues to act as the promoter of structural changes in the field of project management and financial management. The Group structure will be developed through acquisitions, however, to a smaller extent than in previous year.

PROJECT MANAGEMENT

Proha will develop its product and service offering to meet the needs of the markets. In 2001, several new products will be introduced to the market that will have an influence on the Company's sales already in fall 2001. The objective is to benefit fully from the global organization and distribution channel of Artemis, and to enhance the flexibility of product development.

The Company is negotiating several agreements with the objective of acquiring a significant interest in international companies in the field. The first agreements may well be signed already in the near future.

FINANCIAL MANAGEMENT

The Financial Management business area will grow and develop fast. Demand for outsourced services is expected to emerge as ever larger companies begin to outsource their financial management. Electronic handling of invoices is an example of new services. The objective of the Financial Management business area is to grow internationally, Sweden being the first step. To strengthen this business area, the Company is also exploring the prospects for strategic ownership arrangements. Proha's virtual management service, ProCounter.Com, will be launched during 2001.

The Company is negotiating several agreements with the objective of acquiring a significant interest in the field in both Finland and abroad. In addition, the Company is exploring the prospects to improve its international competitiveness through strategic ownership arrangements in the financial management business area. One possibility is the acquisition of strategic international partners as direct shareholders in Proha subsidiaries.

INTERNET TECHNOLOGIES

The organization of the Internet Technologies business area will be enhanced. Signed license agreements will strengthen the product offering and bring new opportunities for integrated distribution. The focus is also on continuing the support of Proha's other business areas. During the year, the operations of the ASP center will grow and diversify, and strategic arrangements for the improvement of competitiveness are being negotiated.

APPLICATION FOR JOINING THE MAIN LIST OF THE HELSINKI STOCK EXCHANGE AND INTERNATIONAL LISTING

Proha is planning to apply to be traded on the main list of the Helsinki Stock Exchange as soon as it is technically possible. The Company is also planning an international listing. Negotiations with international financial institutions are expected to lead to strategic choices during the spring.

CONSOLIDATED PROFIT AND LOSS ACCOUNT, 1 000 EUR

	Note	Jan.1-Dec.31, 2000 12 months	Mar.1-Dec.31, 1999 10 months
Net sales	1)	36 149	5 186
Share of results of associated companies		-56	0
Other operating income	2)	2 227	0
Raw materials and services		-5 777	-1 257
Staff expenses	3)	-17 324	-1 804
Depreciation and reduction in value	4)	-1 874	-191
Other operating charges		-11 402	-1 344
Operating profit		1 943	590
Financial income and expenses	5)	-407	-164
Profit before extraordinary items		1 537	426
Profit/loss before appropriations and taxes		1 537	426
Income taxes	6)	-486	-143
Minority interest		-126	31
Profit/loss for the financial year		925	314

CONSOLIDATED BALANCE SHEET, 1 000 EUR

ASSETS	NOTE	DEC. 31, 2000	DEC. 31, 1999
Non-current assets			
Intangible assets	7)	1 407	144
Consolidated goodwill	7)	16 112	75
Tangible assets	8)	2 885	90
Investments	9)		
Holdings in participating interests		1 562	90
Other shares and similar rights of ownership		1 145	526
Investments total		2 706	616
Non-current assets total		23 111	925
Current assets			
Stocks	10)	145	0
Non-current debtors	11)	361	0
Deferred tax assets	16)	867	0
Current debtors	12)	25 135	2 305
Short-term investments		270	167
Cash in hand and at bank		5 787	5 291
Current assets total		32 564	7 762
Assets total		55 675	8 688
LIABILITIES			
Capital and reserves			
Share capital	13)		
Share premium account	13.1)	13 702	4 813
Retained earnings/loss	13.2)	3 107	607
Profit/loss for the financial year	13.3)	2 907	246
Capital loan		925	314
Capital and reserves total	14)	20 828	6 199
Minority interest		325	11
Provisions	15)	468	0
Creditors			
Deferred tax liabilities	17)	11	0
Non-current creditors	18)	5 162	471
Current creditors	19)	28 880	2 008
Creditors total		34 053	2 478
Liabilities total		55 675	8 688

PARENT COMPANY PROFIT AND LOSS ACCOUNT, 1 000 EUR

	Note	Jan.1-Dec.31, 2000 12 months	Mar.1-Dec.31, 1999 10 months
Net sales	1)	1 729	609
Other operating income	2)	1 472	0
Raw materials and services		-464	-40
Staff expenses	3)	-526	-317
Depreciation and reduction in value	4)	-518	0
Other operating charges		-1 828	-526
Operating loss		-135	-274
Financial income and expenses	5)	755	-112
Profit/loss before extraordinary items		620	-386
Extraordinary items	20)	79	830
Profit before appropriations and taxes		699	444
Income taxes	6)	-242	-126
Profit for the financial year		457	318

PARENT COMPANY BALANCE SHEET, 1000 EUR

ASSETS	Note	Dec. 31, 2000	Dec. 31, 1999
Non-current assets			
Intangible assets	21)	872	0
Tangible assets	21)	616	0
Investments	22)		
Holdings in group companies		11 911	827
Holdings in participating interests		1 058	88
Other shares and similar rights of ownership		0	158
Non-current assets total		14 456	1 073
Current assets			
Current debtors	12)	5 322	1 020
Cash in hand and at bank		1 447	4 443
Current assets total		6 769	5 464
Assets total		21 225	6 537
 LIABILITIES			
Capital and reserves 13)			
Share capital	13.1)	13 702	4 813
Share premium account	13.2)	2 577	580
Retained earnings/loss	31.3)	533	215
Profit/loss for the financial year		457	318
Capital and reserves total		17 269	5 926
Creditors			
Non-current creditors	18)	253	226
Current creditors	19)	3 703	385
Creditors total		3 956	611
Liabilities total		21 225	6 537

CONSOLIDATED CASH FLOW STATEMENT, 1000 EUR

	2000 12 months	1999 10 months
CASH FLOW FROM OPERATING ACTIVITIES		
Operating profit	1 943	590
Adjustments	1 208	191
Change in working capital	-6 442	-434
Interest paid	-644	-172
Interest received	231	7
Dividends received	0	2
Taxes paid	-486	-143
Net cash from operating activities	-4 190	41
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in tangible and intangible assets	-2 691	-373
Disposals of tangible and intangible assets	206	0
Capital expenditures in other investments	-934	-88
Disposals from other investments	485	
Loans granted	-169	0
Repayments of loan receivables	9	16
Subsidiaries acquired	-2 366	-159
Subsidiaries sold	4	0
Participating interests acquired	-850	0
Dividends received from investments	6	0
Net cash used in investing activities	-6 300	-604
CASH FLOW FROM FINANCING ACTIVITIES		
Share issue	2 242	5 318
Proceeds from sale of Company shares	2 856	0
Other increase in capital	1 300	0
Short-term loans	3 862	13
Repayments of short-term debt	-1 683	0
Long-term loans	288	379
Repayments of long-term debt	-1 430	0
Dividends paid and other profit distribution	0	-93
Net cash used in financing activities	7 435	5 617
CHANGE IN CASH AND CASH EQUIVALENTS	-3 055	5 054
Cash and cash equivalents at beginning of period	5 458	404
Cash and cash equivalents of subsidiaries acquired	3 654	0
Change in cash and cash equivalents	-3 055	5 054
Cash and cash equivalents at end of period	6 057	5 458

PARENT COMPANY CASH FLOW, 1000 EUR

	2000 12 months	1999 10 months
CASH FLOW FROM OPERATING ACTIVITIES		
Operating profit	-134	-274
Adjustments	518	0
Change in working capital	-1 241	-913
Interest expenses and payments	-32	-162
Interest received	106	6
Taxes paid	-242	-126
Net cash from operating activities	-1 025	-1 469
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in tangible and intangible assets	-2 006	0
Loans granted	-1 983	0
Capital expenditures in other investments	-3 251	-317
Repayments of loan receivables	0	8
Disposals from other investments	131	0
Dividends received from investments	680	45
Net cash used in investing activities	-6 429	-264
CASH FLOW FROM FINANCING ACTIVITIES		
Share issue	2 242	5 318
Short-term loans	2 241	0
Repayments of short-term debt	-33	-33
Long-term loans	129	38
Repayments of long-term debt	-69	0
Group contributions received and paid	-52	830
Net cash used in financing activities	4 458	6 153
CHANGE IN CASH AND CASH EQUIVALENTS	-2 996	4 420
Cash and cash equivalents at beginning of period	4 443	23
Cash and cash equivalents at end of period	1 447	4 443
CHANGE IN WORKING CAPITAL		
Increase in short-term trade receivables	-2 318	-833
Increase in stocks	0	0
Increase in short-term liabilities	1 077	-80
	-1 241	-913

NOTES TO THE FINANCIAL STATEMENT, DECEMBER 31, 2000

NOTES RELATED TO THE PREPARATION OF THE FINANCIAL STATEMENTS

GROUP STRUCTURE AND THE ACCOUNTING PRINCIPLES USED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Proha Plc, domiciled in Espoo, is the parent company of the Proha Group. The Group's structure changed significantly during the accounting period. DA International Oy has been terminated and acquisitions have brought 34 new subsidiaries and 12 new associated companies into the Group. Copies of the Proha Group's consolidated financial statements are available at Proha Plc's head office at Maapallonkuja 1 A, FIN-02210 Espoo, Finland. The companies belonging to the Group at the end of the fiscal year are listed in the notes to the financial statements.

The consolidated financial statements have been prepared in accordance with the Finnish Accounting Act. The financial statements of foreign subsidiaries have been consolidated in conformance with the Finnish Accounting Act when applicable. The consolidated financial statements are presented in Euros, except for key figures.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the financial statements of the parent company, Proha Plc, and those of companies in which it owns, directly or indirectly, over 50% of shares and voting rights, and associated companies. The consolidated financial statements include all subsidiaries acquired during the fiscal year.

Subsidiaries have mainly been consolidated as of January 1, 2000. Exceptions to this are the following subsidiaries acquired in March, Accountor Oy and Safran Software Solutions AS, which have been consolidated as of April 1, 2000; Artemis Management Systems Inc (a subgroup) consolidated as of August 24, 2000; and the Artemis companies in Germany, France and Italy, which have been consolidated as of December 1, 2000.

Participating interests in which Proha has significant management control have been consolidated using the equity method from the date the responsibility for their operations was transferred to the Group. Where participating interests have not been consolidated, the Group's holding is less than 20% or its voting rights immaterial and the Group has no significant management control. In subgroups, the share of the profit of subsidiaries consolidated as associated companies has been eliminated in the consolidated financial statements.

ELIMINATION OF MUTUAL SHAREHOLDINGS

In the elimination of mutual shareholdings, the pooling method is applied wherever the conditions for its use are met. The method has been used for Brossco Systems Oy, CM-Systems Oy, Ari Hovi Oy, Planman Oy, and Accountor Oy. Safran Software Solutions and Artemis companies have been consolidated using the acquisition cost method and applying the October 1999 Statement of the Finnish Accounting Standards Board, under which acquisition cost is based on the amount of the relevant share issue. The consolidation created goodwill expenses of EUR 16.5 million. The elimination of the Group's other internal ownership complies with the cost method. The acquisition cost depreciation plan is 3 years, except for the 10 years depreciation period on the goodwill created from Artemis acquisitions. Artemis is a remarkable and highly strategic acquisition in Proha Group and the market and synergy benefits created by the expected strong expansion are anticipated as significant.

If all acquisition values had been based on market values at the date of acquisition, goodwill and correspondingly share premium account would have totaled EUR 63.4 million more than the registered value.

INTER-COMPANY TRANSACTIONS AND MARGINS

Inter-company transactions, receivables and liabilities, internal margins, and distribution of profit have been eliminated.

MINORITY INTERESTS

The share of minority interests in the result and capital and reserves are presented separately in the profit and loss account and the balance sheet.

FOREIGN CURRENCY CONVERSION

The profit and loss accounts of foreign Group companies that were not prepared in Euros have been converted into Euros at the average exchange rates for the accounting period, and their balance sheets converted at the closing rate on the balance sheet date. All exchange rate differences arising from conversion, together with the conversion differences of capital and reserves, are presented separately in retained earnings and losses.

In the American subgroup, Artemis Acquisition Corporation Inc, the profit and loss accounts of group companies have been converted into US dollars at the exchange rates current at the beginning of the month, and the balance sheet has been converted at the rate current on the last day of the month. The conversion of US dollars into Euros has been carried out using the average exchange rate of the corresponding period. The accrued conversion differences are presented in retained earnings and losses.

ASSESSMENT PRINCIPLES

REVENUE RECOGNITION

Product and service sales are recorded upon delivery to the customer. Maintenance invoicing is accrued and entered based on time elapsed. Long-term projects that fulfil the conditions for the percentage of completion method are entered using this method.

RESEARCH AND DEVELOPMENT

Research and development costs are expensed in the financial period during which they were incurred. Expenses that accrue income over three or more years are capitalized as long-term expenses. Contributions received for product development are deducted from capitalized expenses. Direct research and development costs totaled EUR 3,565,000 in 2000, equivalent to 9.9% of net sales.

PENSIONS

The pension schemes of the Parent Company are funded through payments to insurance companies. Pension expenses are entered as expenses in the year they are incurred. The pension expenses of subsidiaries are presented in accordance with local requirements and practices. Uncovered pension liabilities are presented in provisions.

DEFERRED TAX LIABILITIES AND ASSETS

Deferred tax liabilities and assets are calculated as the temporary differences between the tax and financial periods using the tax rate for subsequent years. The balance sheet includes deferred tax liabilities at their full amounts, and deferred tax assets at estimated realizable amounts. The Artemis acquisition included compensation for the confirmed losses and some other balance sheet items of the company acquired. Tax liabilities generated as compensation from the secondary placement of the company's shares are presented as a decrease in the share premium account. Deferred tax liabilities included in the appropriations are presented in deferred tax liabilities.

COMPANY SHARES

Company shares held by the Group on December 31, 2000 are not presented in the consolidated balance sheet. The shares were received as part of the acquisition to cover the retained losses and recorded goodwill expenses. At the end of the period, the Group owned 1,960,180 Proha shares, equivalent to 3.72% of the total number of shares. During the period, the Company sold 707,500 Proha shares. The sale price less related tax liabilities has been entered as an increase in the share premium account.

FIXED ASSETS

The balance sheet value of fixed assets is stated at acquisition cost less accumulated depreciation.

The acquisition cost of the fixed assets owned by the Company is depreciated according to plan. The difference between the acquisition cost and residual value is depreciated as an expense over its expected useful life.

Fixed assets		Depreciation percentage and method
Computer software	3 years	Straight-line depreciation
Consolidated goodwill	3-10 years	Straight-line depreciation
Other long-term expenses	3-10 years	Straight-line depreciation
Machinery and equipment	4 years	Reducing balance method of depreciation

INVESTMENTS

The direct expenses of acquisitions related to changes in the Group structure are entered as the accrued acquisition cost of subsidiary shares.

STOCKS

Stocks are valued at their cost or net realizable value, if lower.

FINANCIAL ASSETS

Short-term investments are valued at cost or market price, if lower.

COMPARABILITY OF THE 2000 AND 1999 FISCAL YEARS

LENGTH OF THE PERIOD

The financial year of Proha Plc has been changed. In 2000, the financial year was a full 12-month period. The figures for 1999 are for a 10-month period (including consolidated figures).

LOANS FROM FINANCIAL INSTITUTIONS

The accrual to long-term and short-term loans from financial institutions in the previous period has been adjusted to be comparable with the figures for the 2000 fiscal year.

ITEM TRANSFERS

In the previous period, Group receivables and liabilities are specified in the Parent Company balance sheet. These balance sheet items have been transferred to other receivables and liabilities to ensure that the figures from these periods are comparable.

REVENUES AND EXPENSES OF EARLIER PERIODS

GROUP CONTRIBUTIONS

After a review by the tax authorities, the Group contributions (EUR 861,961) made in 1995 - 1999 between Proha Plc, Projektihallinto Oy Proha, and Intellisoft Oy were cancelled. These items do not have an impact on the Group accounts.

OTHER LONG-TERM EXPENSES

The Parent Company's share (EUR 66,749) of the renovation costs of some of the Group companies' premises accrued in 1999 has been entered in the long-term expenses in 2000. Accounting has been adjusted with a depreciation item related to 1999.

FOREIGN CURRENCY ITEMS

Unsettled balances on foreign currency receivables and liabilities have been translated into Euros at the closing rate on the balance sheet date. Foreign exchange gains and losses related to the acquisition of fixed assets and investments have been used to adjust acquisition costs.

NOTES TO PROFIT AND LOSS ACCOUNT, 1 000 EUR

	Group		Parent Company	
	2000	1999	2000	1999
	12 months	10 months	12 months	10 months
1) NET SALES				
Net sales by business areas				
Project Management	33 297	5 186	1 729	609
Financial Management	2 852	0	0	0
Total	36 149	5 186	1 729	609

NET SALES BY REGION

Finland	11 825	4 832	1 528	609
EU countries	5 721	355	201	0
Other countries	8 604	0	0	0
Total	36 149	5 186	1 729	609

2) OTHER OPERATING INCOME

Income based on profit distribution contracts	1 465	0	1 465	0
Income from sale of shares	460	0	0	0
Income from sale of business operations	206	0	0	0
Other income	96	0	8	0
Total	2 227	0	1 472	0

3) STAFF EXPENSES

Wages and salaries	14 293	1 386	413	250
Pension expenses	1 176	253	79	53
Other social security expenses	1 854	165	34	14
Total	17 324	1 804	526	317

Management salaries and fees

The CEO and managing directors	975	93	98	93
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Inner circle loans and liabilities

The Group nor the Parent Company has inner circle loans or liabilities.

Pension liabilities for the Board of Directors and the CEO

The managing directors of the Group companies and some other members of the Group management are covered by an optional pension scheme on the basis of which they will be paid supplementary pension at the retirement age of 60-65 years.

	Group		Parent Company	
	2000	1999	2000	1999
AVERAGE NUMBER OF PERSONNEL DURING THE FINANCIAL YEAR				
On the average	249	61	29	12
At end of period	634	70	33	17

	Group		Parent Company	
	2000	1999	2000	1999
	12 months	10 months	12 months	10 months
4) DEPRECIATION AND REDUCTION IN VALUE				
Depreciation of tangible and intangible assets	1 163	48	518	0
Depreciation of Group goodwill	711	143	0	0
Total	1 874	191	518	0
5) FINANCIAL INCOME AND EXPENSES				
Dividend income				
From Group companies	0	0	579	45
From participating interests	0	0	102	0
Other dividend income	6	2	0	0
Dividend income total	6	2	680	45
Other interest and financial income				
From Group companies	0	0	34	0
From others	231	7	106	6
Interest income total	231	7	141	6
Interest and other financial expenses				
To Group companies	0	0	-35	0
To others	644	173	-32	-162
Interest expenses total	644	173	-66	-162
Financial income and expenses total	-407	-164	755	-112
20) EXTRAORDINARY ITEMS				
Extraordinary income				
From Group companies	0	0	0	0
Group contributions	0	0	810	830
Profit from termination of subsidiary	0	0	131	0
Extraordinary income total	0	0	941	830
Extraordinary expenses				
From Group companies	0	0	0	0
Cancellation of group contributions (1995-1999)	0	0	862	0
Extraordinary expenses total	0	0	862	0
Extraordinary items total	0	0	79	830
6) INCOMETAXES				
Income taxes on extraordinary items	0	0	273	232
Income taxes on operations	486	143	-31	-106
Income taxes total	486	143	242	126

NOTES TO BALANCE SHEET, 1000 EUR

FIXED ASSETS AND OTHER LONG-TERM INVESTMENTS

GROUP

FIXED ASSETS

7) INTANGIBLE ASSETS

	IT software and licenses	Group goodwill	Other capitalized long-term expenses	Advance payments	Total
Acquisition cost Jan. 1, 2000	9	218	153	0	380
Increases, pooling	230	0	603	0	833
Other increases	475	16 748	1 039	143	18 405
Decreases	1	0	67	0	68
Acquisition cost Dec. 31, 2000	713	16 966	1 728	143	19 551
Accumulated depreciation and reduction in value Jan. 1, 2000	4	143	14	0	161
Accumulated depreciation, pooling	118	0	518	0	636
Depreciation for the financial year	183	711	340	0	1 234
Accumulated depreciation Dec.31, 2000	305	854	873	0	2 031
Book value Dec. 31, 2000	409	16 112	855	143	17 520

8) TANGIBLE ASSETS

	Machinery and equipment	Other tangible assets	Total
Acquisition cost Jan. 1, 2000	119	0	119
Increases, pooling	747		747
Increases	3 203	99	3 301
Decreases	209		209
Acquisition cost Dec. 31, 2000	3 860	99	3 958
Accumulated depreciation and reduction in value Jan. 1, 2000	29	0	29
Accumulated depreciation, pooling	409	0	409
Depreciation for the financial year	627	80	635
Accumulated depreciation Dec.31, 2000	1 066	80	1 074
Book value Dec. 31, 2000	2 794	91	2 885

9) INVESTMENTS

GROUP

HOLDINGS	Shares Participating interests	Shares Others	Total
Acquisition cost Jan. 1, 2000	90	526	616
Increases	1 566	623	2 188
Decreases	0	25	25
Item transfers	-21	21	0
Acquisition cost Dec. 31, 2000	1 634	1 145	2 779
Accumulated depreciation and reduction in value Jan. 1, 2000	0	0	0
Reduction in value (Jan.1-Dec.31,2000)	73	0	73
Accumulated depreciation and reduction in value Dec. 31, 2000	73	0,00	73
Book value Dec. 31, 2000	1 562	1 142	2 706

21) FIXED ASSETS AND OTHER LONG-TERM INVESTMENTS,
PARENT COMPANY

FIXED ASSETS

INTANGIBLE AND TANGIBLE ASSETS

	IT software and licenses	Other capitalized long-term expenses	Advance payments	Machinery and equipment	Total
Acquisition cost Jan. 1, 2000	0	0	0	0	0
Increases	334	688	128	855	2 006
Decreases	0	0	0	0	0
Accumulated depreciation Dec.31, 2000	334	688	128	855	2 006
Accumulated depreciation and reduction in value Jan. 1, 2000	0	0	0	0	0
Depreciation (Jan.1-Dec.31,2000)	111	167	0	239	518
Accumulated depreciation Dec. 31,2000	111	167	0	239	518
Book value Dec. 31, 2000	223	521	128	616	1 487

22) INVESTMENTS

PARENT COMPANY

HOLDINGS	Shares Group companies	Shares Participating interests	Shares Others	Total
Acquisition cost Jan. 1, 2000	827	88	158	1 073
Increases	11 092	811	0	11 903
Decreases	-8		0	-8
Item transfers	0	158	-158	0
Acquisition cost Dec. 31, 2000	11 911	1 058	0	12 968
Book value Dec. 31, 2000	11 911	1 058	0	12 968

GROUP COMPANIES

	% owned by Group	% owned by Parent Company
PROJECT MANAGEMENT		
Artemis Acquisition Corp, Colorado, USA	100.00	100.00
Artemis Holdings Inc., Colorado, USA	100.00	0.00
Artemis Management Systems Inc, Colorado, USA	100.00	0.00
Artemis International Ltd, HongKong	100.00	0.00
Artemis International KK, Tokyo, Japan	100.00	0.00
Artemis Management Systems Ltd, Slaugh, UK	100.00	0.00
Artemis International GmbH, Neuss, Germany	56.80	30.80
Artemis International SARL, Paris, France	100.00	23.80
Artemis International SPA, Milan, Italy	100.00	0.00
ABC Technologies, München, Germany	100.00	0.00
ABC Technologies, Paris, France	100.00	0.00
Brossco Systems Oy, Espoo, Finland	100.00	100.00
Brossco Systems Inc, Santa Rosa, USA	100.00	0.00
CM-Systems Oy, Helsinki, Finland	100.00	100.00
DA Futura International Oy, Espoo, Finland	51.00	51.00
Enterprise Management Systems SRL, Milan, Italy	100.00	70.00
Metier International Holdings Ltd, UK	100.00	0.00
Planman Oy, Tampere, Finland	100.00	100.00
Planning Sciences SpA, Milan, Italy	51.00	0.00
PMI Project Management, München, Germany	75.00	0.00
Proha Norge A/S, Stavanger, Norway	60.00	0.00
Project INTL GmbH, München, Germany	100.00	0.00
Project Intl SARL, Paris, France	100.00	0.00
Projektihallinto Oy Proha, Espoo, Finland	100.00	100.00
Safran Software Solutions, Stavanger, Norway	60.00	60.00
Softagent Oy, Tampere, Finland	100.00	0.00
Software Productivity Reserch Inc, Boston, USA	100.00	0.00
Solutions International SA, Paris, France	100.00	100.00
S/W Productivity Research SARL, Paris, France	100.00	0.00
Triton Holdings GmbH, Neuss, Germany	100.00	0.00
INTERNET TECHNOLOGIES		
Ari Hovi Oy, Helsinki, Finland	100.00	100.00
Datamar Oy, Lahti, Finland	100.00	100.00
Intellisoft Oy, Espoo, Finland	100.00	100.00
Intellitest International Oy, Savonlinna, Finland	100.00	100.00
Vidac Oy, Helsinki, Finland	100.00	10.00
FINANCIAL MANAGEMENT		
Accountor Oy, Turku, Finland	100.00	100.00
ProCountor International Oy, Espoo, Finland	76.00	76.00
Profitmaster Oy, Helsinki, Finland	100.00	100.00

	Associated company (O)	% owned by Group	% owned by Parent Company	Capital and reserves	Profit for the financial year
Wel2Com Oy, Helsinki, Finland		35.00	35.00		first financial year
Brossco Multimedia Oy, Helsinki, Finland	O	49.00	0.00		
Cyberspace Oy,		80.00	80.00	2 522.82	
DAManagement Solutions Oy, Espoo, Finland		50.00	21.00	105 461.85	48 681.79
DA Team Systems Oy,		80.00	80.00	2 522.82	
Global Teleworking S.L.		15.00	15.00	170 258.73	124 831.86
Kiinteistö Oy Kuukoti, Espoo, Finland		34.45	26.61	5 118 821.10	-2 679.00
PM Soft International Ltd, Hong Kong	O	49.00	0.00		
PM Soft PTE Limited, Singapore	O	49.00	0.00		
PM Soft Limited, Korea	O	36.75	0.00		
Metier International Holdings, B.V, Holland		19.00	0.00		
Metier Scandinavia AS, Norway	O	9.90	0.00		
SMT GmbH, Hürth, Germany	O	26.00	0.00		
Tietokate TA-tilit Oy, Joensuu, Finland	O	20.00	20.00		
Tietovaruste Oy, Espoo, Finland	O	49.33	49.33		
Tilitoimisto A. Karppinen Oy, Oulu, Finland	O	30.00	30.00		
Widene Oy, Helsinki, Finland		19.00	19.00		first financial year

Participating interests (without O) are not associated companies as the Group holding is less than 20% or the Group's voting rights are immaterial and the Group has no significant management control. Associated companies are consolidated into the Group accounts. Kiinteistö Oy Kuukoti is not consolidated into the Group accounts. This does not have a substantive impact on the consolidated financial statements.

GROUP GOODWILL BREAKDOWN, 1000 EUR	Group 2000	Group 1999
Group goodwill Dec 31	16 391	75
Group reserve Dec 31.	278	0
Associated companies' group goodwill not depreciated	95	0

	Group		Parent Company	
	2000	1999	2000	1999
	12 months	10 months	12 months	10 months
10) STOCKS				
Work in progress	21	0	0	0
Finished products/goods	1	0	0	0
Other stocks	123	0	0	0
Total	145	0	0	0

DEBTORS

SPECIFICATION OF DEBTORS

11) NON-CURRENT DEBTORS

Amounts owed by participating interest companies	298	0	0	0
Advance payments	38	0	0	0
Other debtors	25	0	0	0
Total	361	0	0	0

12) CURRENT DEBTORS

Trade debtors from Group companies	0	0	738	6
Trade debtors from participating interest companies	45	0	44	0
Trade debtors	15 750	2 107	228	90
Loan receivables from Group companies	0	0	2 003	0
Loan receivables from participating interest companies	2 098	7	0	0
Loan receivables	21	43	1	0
Other debtors	2 208	0	74	1
Prepayments from Group companies	0	0	1 247	833
Prepayments from participating interest companies	133	0	1	2
Prepayments and accrued income	4 879	147	986	88
Total	25 135	2 305	5 322	1 020

Short-term investments

Short-term investments mainly include shares of investment funds, 1000 EUR

Replacement price	277
Book value	270
Difference	7

13) CAPITAL AND RESERVES

13.1) SHARE CAPITAL

Share capital at beginning of period	4 813	5	4 813	5
New subscriptions	8 889	74	8 889	74
Bonus issues	0	4 734	0	4 734
Share capital Dec. 31	13 702	4 813	13 702	4 813

	Group		Parent Company	
	2000 12 months	1999 10 months	2000 12 months	1999 10 months
13.2) Share premium account at beginning of period	607	0	580	0
13.3) Transfer to retained earnings/loss account	-27	0	0	0
New subscriptions	1 997	5 245	1 997	5 245
Transfer to capital and reserves in bonus issue	0	-4 638	0	-4 665
Pooling	-1 382	0	0	0
Increase in share premium account	1 912	0	0	0
Share premium account Dec. 31	3 107	607	2 577	580
RETAINED EARNINGS				
Retained earnings at beginning of period	560	428	533	284
Bonus issue	0	-69	0	-69
From share premium account	27	0	0	0
Pooling	1 018	0	0	0
Change in Group structure	0	-20	0	0
Conversion differences	1 301	0	0	0
From depreciation differences	2	0	0	0
Dividend distribution	0	-93	0	0
Retained earnings Dec. 31	2 907	246	533	215
Result for the financial year	925	314	457	318
Capital loans	187	219	0	0
Capital and reserves total	20 828	6 199	17 269	5 926
CALCULATION OF DISTRIBUTABLE EARNINGS				
Retained earnings	2 907	246	533	215
Profit/loss for the financial year	925	314	457	318
./. Transfers of accumulated depreciation difference to capital and reserves	2	0	0	0
Distributable earnings from capital and reserves	3 834	560	990	533

BREAKDOWN OF PARENT COMPANY'S SHARE CAPITAL BY SERIES OF SHARES AND SHARE REGULATIONS

One series of shares	1 vote /share		
	Number of shares	Post-split	1000 EUR
Number of shares Dec. 31, 1999	3 702 448	18 512 240	4 813
Number of shares Dec. 31, 2000	52 700 125	52 700 125	13 702

The book parity of the shares was decreased to one fifth during the period.

Book parity Dec. 31, 1999	1.30 Euros
Book parity Dec. 31, 2000	0.26 Euros

OWNERSHIP STRUCTURE ON APR. 1, 2001

Private companies	4.87%
Insurance and financial institutions	15.69%
Public corporations	4.06%
Non-profit organizations	0.93%
Households	44.77%
Foreign (also nominee registered)	29.68%
Total	100.00 %

DISTRIBUTION OF OWNERSHIP BY NUMBER OF SHARES OWNED ON DEC. 29, 2000

Shares	Number of shareholders	% of shareholders	Number of shares	% of shares
1-100	42	1.84	2 950	0.01
101-300	186	8.13	41 135	0.08
301-500	586	25.61	289 885	0.55
501-700	38	1.66	24 005	0.05
701-1.000	372	16.26	356 925	0.68
1.001-5.000	785	34.31	2 122 925	4.03
5.001-100.000	214	9.35	3 939 990	7.48
100.001-	65	2.84	45 922 310	87.14
Total	2 288	100.00	52 700 125	100.00

MAJOR SHAREHOLDERS ON DEC. 29, 2000

Shareholder	Number of shares	% of shares
Alec E. Gores Trust	6 574 855	12.48
Pekka Pere	4 241 105	8.05
Merita Pankki Oyj Hallintarek.	4 235 240	8.04
Pekka Mäkelä	2 923 775	5.55
Lars Nyqvist	2 915 355	5.53
Artemis Acquisition Corporation	1 960 180	3.72
Kuntien Eläkevakuutus	1 750 000	3.32
Risto Saikko	1 131 190	2.15
Juha Tommila	1 078 000	2.05
Thomfinanz AG	1 043 500	1.98
Total	27 853 200	52.86

SHARES AND OPTIONS HELD BY THE MEMBERS OF THE BOARD OF DIRECTORS

Member	Number of shares	% of shares	Number of options
Alec E. Gores Trust	6 574 855	12.48	0
Pekka Pere	4 241 105	8.05	365 525
Pekka Mäkelä	2 923 775	5.55	12 500
Steven Yager	310 370	0.59	75 000
Klaus Cawén	26 250	0.05	25 025
Olof Ödman	1 250	0.01	62 025
Total	14 077 605	26.72	540 075

	Group	
	2000	1999
14) CAPITAL LOANS, 1000 EUR		
Loan capital	187	219

Loan conditions

The interest of the loan is 5.5% pa. The installments of the loan can only be paid from distributable funds. The unexpired accrued interest of the loan has been entered under interest expenses.

	Group		Parent Company	
	2000	1999	2000	1999
15) PROVISIONS, 1000 EUR	12 months	10 months	12 months	10 months
Provisions for pensions	468	0	0	0

DEFERRED TAX LIABILITIES AND ASSETS

16) Deferred tax asset	867	based on temporary differences		
17) Deferred tax liabilities	11	based on accumulated appropriations		
Deferred tax liability from selling Company shares entered in capital and reserves	944			

SPECIFICATION OF LIABILITIES, 1000 EUR

NON-CURRENT CREDITORS

NON-CURRENT CREDITORS THAT MATURATE IN EXCESS OF 5 YEARS

	Group		Parent Company	
	2000	1999	2000	1999
	12 months	10 months	12 months	10 months
Loans from financial institutions	83	93	0	0

18) NON-CURRENT CREDITORS

Loans from financial institutions	4 330	146	253	0
Pension loans	124	133	0	0
Deferred tax liabilities	11	0	0	0
Other non-current creditors to Group companies	0	0	0	69
Other non-current creditors	708	191	0	191
Total	5 173	471	253	260

19) CURRENT CREDITORS

Loans from financial institutions	3355	0	534	0
Pension loans	9	10	0	0
Advances received	8 733	158	0	8
Trade creditors to Group companies	0	0	279	4
Trade creditors to participating interests	7	0	5	0
Trade creditors	5 712	731	411	109
Other creditors to Group companies	0	0	1 708	17
Other creditors to participating interests	303	13	300	0
Other creditors	3 732	236	48	11
Accruals and deferred income to Group companies	0	0	59	6
Accruals and deferred income to participating interests	8	0	0	9
Other accruals and deferred income	7 021	859	360	188
Total	28 880	2 008	3 703	351

The essential items in accruals and deferred income

The essential items in accruals and deferred income are tax liabilities (EUR 1 057 thousand), holiday provisions (EUR 633 thousand) and expense provisions (EUR 3 403 thousand).

STOCK OPTIONS GIVEN BY THE COMPANY

Stock options to personnel and key employees in 1999 and 2000

Subscription period	Subscription price	Number of options	Number of shares	Book value of shares, 1000 EUR
A Jan. 2, 2001 - Jan. 2, 2003	1.60	151 525	151 525	39
B Jan. 2, 2002 - Jan. 2, 2003	1.60	151 525	151 525	39
Total		303 050	303 050	79
A Dec. 1, 2001 - Dec. 1, 2004	2.94	325 000	325 000	85
B Dec. 1, 2002 - Dec. 1, 2004	2.94	325 000	325 000	85
C Dec. 1, 2003 - Dec. 1, 2004	2.94	325 000	325 000	85
Total		975 000	975 000	254
Grand total		1 278 050	1 278 050	332

Board of Directors' authorizations

The Board of Directors is authorized to offer stock options to personnel of the Proha Group in Finland and abroad, including members of the Board of Directors. The Board can also decide on giving stock options to the employees and members of the boards of directors of associated companies. On the basis of this authorization, the Company's share capital can be increased by a maximum of EUR 520,000 and a maximum of 2,000,000 shares, equivalent to a maximum of 4.0% of Company shares and votes. In addition, the Board of Directors is authorized to decide on increasing the Company's share capital through one or more new subscriptions totaling a maximum of 7,000,000 new shares with a book parity of EUR 0.26. On the basis of this authorization, the Company's share capital can be increased by a maximum of EUR 1,820,000.

Securities givent, 1000 EUR

Debts secured with shares
Loans from financial institutions 500

Debt is secured with the shares of Kiinteistö Oy Kuukoti.

Debts secured with other assets

Check account limit 336

Limit had not been withdrawn by Dec. 31, 2000
Leasing contracts 60

As security are shares owned by a subsidiary together with a corporate mortgage of 168

	Group		Parent Company	
	2000 12 months	1999 10 months	2000 12 months	1999 10 months
Other contingent liabilities, 1000 EUR				
Amounts paid on leasing contracts				
In the following financial year	1 743	106	27	0
Thereafter	2 667	91	3	0
Total	4 410	197	30	0
Rental liabilities	4 322			

KEY RATIOS

Key ratios and financial indicators (EUR 1000)	1.1.2000 - 31.12.2000	1.3.1999 - 31.12.1999	1.3.1998 - 28.2.1999	1.3.1997 - 28.2.1998	1.3.1996 - 28.2.1997
Net sales	36 149	5 186	3 154	1 559	1 258
Change, %	597.0%	64.4%	102.3%	24.0%	0.0%
Operating profit	1 943	590	679	105	104
% of net sales	5.4%	11.4%	21.5%	6.8%	8.3%
Profit before extraordinary items	1 537	426	655	78	83
% of net sales	4.3%	8.2%	20.8%	5.0%	6.6%
Profit before taxes	1 537	426	655	131	133
% of net sales	4.3%	8.2%	20.8%	8.4%	10.6%
Profit for the financial year	925	314	1 097	89	71
% of net sales	2.6%	6.1%	34.8%	5.7%	5.6%
Return on Equity (ROE), %	7.8%	8.5%	98.5%	8.2%	10.5%
Return on Investment (ROI), %	11.8%	18.3%	76.8%	13.9%	12.6%
Equity ratio, %	44.7%	70.1%	35.6%	24.5%	20.9%
Gearing, %	11.8%	-78.5%	28.2%	986.7%	243.0%
Balance Sheet total, MEUR	55.7	8.7	1.8	1.2	1.2
Gross investments in fixed assets, EUR thousand	2 485	470	16	7	36
% of net sales	6.9%	9.1%	0.5%	0.4%	2.8%
R&D expenditure	3 565				
% of net sales	9.9%				
Average personnel	249	61	23	18	15

KEY RATIOS FOR SHARES (share issue adjusted)

Earnings per share (EPS)	0.029	0.020	0.073	0.006	0.005
EPS, diluted by stock options	0.028	-	-	-	-
Equity per share	0.392	0.324	0.030	0.014	0.012
Equity per share, diluted by stock options	0.382	-	-	-	-
Dividend per share	0.00	0.000	0.006	0.006	0.003
Dividend per earnings, %	-	-	8.5%	106.9 %	64.8%
Dividend yield, %	-	-	-	-	-
P/E ratio	103.2	111.7	-	-	-

SHARE PRICE DEVELOPMENT OF PROHA SHARES (share issue adjusted)

Share prices on the NM list	
- highest share price	6.00 2.80
- lowest share price	2.68 1.00
- average share price	3.17 0.35
- share price at balance sheet date	2.95 2.26
Market value of shares MEUR	155.5 41.8
Number of traded shares during the financial year, thousands	18 177 6 137
Development of the share trading, %	56.1% 39.5%
Number of shares at the end of the financial year, thousands	52 700 18 512
Average number of shares, thousands	32 377 15 542

CALCULATION OF KEY RATIOS

Return on equity	ROE	$\frac{\text{Profit before extraordinary items} - \text{taxes} \times 100}{\text{Capital and reserves} + \text{minority interest}}$
Return on investment	ROI	$\frac{\text{Profit before extraordinary items} + \text{interest and other financial expenses} \times 100}{\text{Balance sheet total} - \text{liabilities without interest}}$
Equity ratio		$\frac{\text{Capital and reserves} + \text{minority interest} \times 100}{\text{Balance sheet total} - \text{prepayments received}}$
Gearing		$\frac{\text{Liabilities at interest} - \text{cash and cash equivalents} \times 100}{\text{Capital and reserves} + \text{minority interest}}$
Earnings per share	EPS	$\frac{\text{Profit before extraordinary items} - \text{taxe} -/+ \text{minority interest}}{\text{Adjusted average number of shares}}$
Equity per share		$\frac{\text{Capital and reserves}}{\text{Adjusted number of shares at balance sheet date}}$
Dividend per earnings, %		$\frac{\text{Adjusted dividend} / \text{share}}{\text{Earnings} / \text{share}}$
Dividend yield		$\frac{\text{Adjusted dividend} / \text{share} : \times 100}{\text{Adjusted share price at balance sheet date}}$
Price per earnings	P/E	$\frac{\text{Adjusted share price, Dec. 31}}{\text{Earnings} / \text{share}}$

The key ratios of the previous financial years have been adjusted because of the division of the book parity of the shares.

*The divisor for the key ratio is calculated as an average of the values on the year 2000 balance sheet and year 1999 balance sheet.

SIGNATURES

Espoo, March 28, 2001

Alec Gores

Pekka Mäkelä

Klaus Cawén

Olof Ödman
Chairman of the Board

Pekka Pere
President & CEO

Steven Yager

The financial statements have been prepared in accordance with the Finnish Accounting Act and other rules and regulations governing the preparation of financial statements. Based on an audit, an opinion is expressed on these financial statements and on corporate governance on this date.

Espoo, March 28, 2001

Matti Kujala
Authorized Public Accountant

KPMG Wideri Oy Ab
Reino Tikkanen
Authorized Public Accountant

AUDITORS' REPORT

to the shareholders of Proha Oyj

We have audited the accounting records and the financial statements, as well as the administration by the Board of Directors and the Managing Director of Proha Oyj for the year ended 31 December 2000. The financial statements prepared by the Board of Directors and the Managing Director include the report of the Board of Directors, consolidated and parent company income statements, balance sheets, cash flow statements and notes to the financial statements. Based on our audit we express an opinion on these financial statements and the company's administration.

We have conducted our audit in accordance with Finnish Generally Accepted Auditing Standards. Those standards require that we plan and perform the audit in order to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. The purpose of our audit of the administration has been to examine that the Board of Directors and the Managing Director have complied with the rules of the Finnish Companies Act.

In our opinion, the financial statements have been prepared in accordance with the Finnish Accounting Act and other rules and regulations governing the preparation of financial statements in Finland. The financial statements give a true and fair view, as defined in the Finnish Accounting Act, of both the consolidated and parent company result of operations, as well as the financial position. The financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the financial year audited by us. The proposal made by the Board of Directors on how to deal with the result is in compliance with the Finnish Companies Act.

Espoo, March 28, 2001

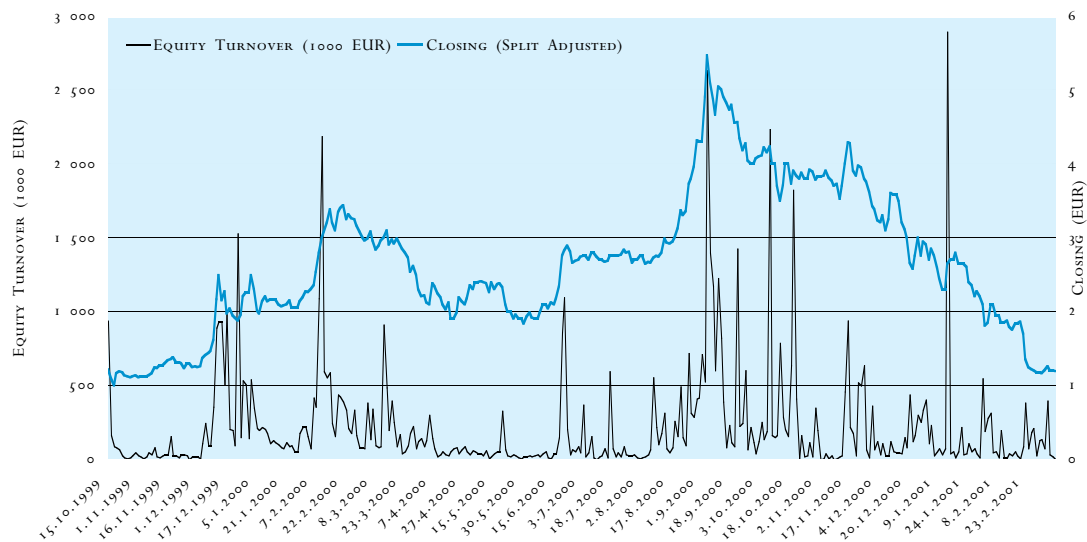
Matti Kujala
Authorized Public Accountant

KPMG Wideri Oy Ab
Reino Tikkanen
Authorized Public Accountant

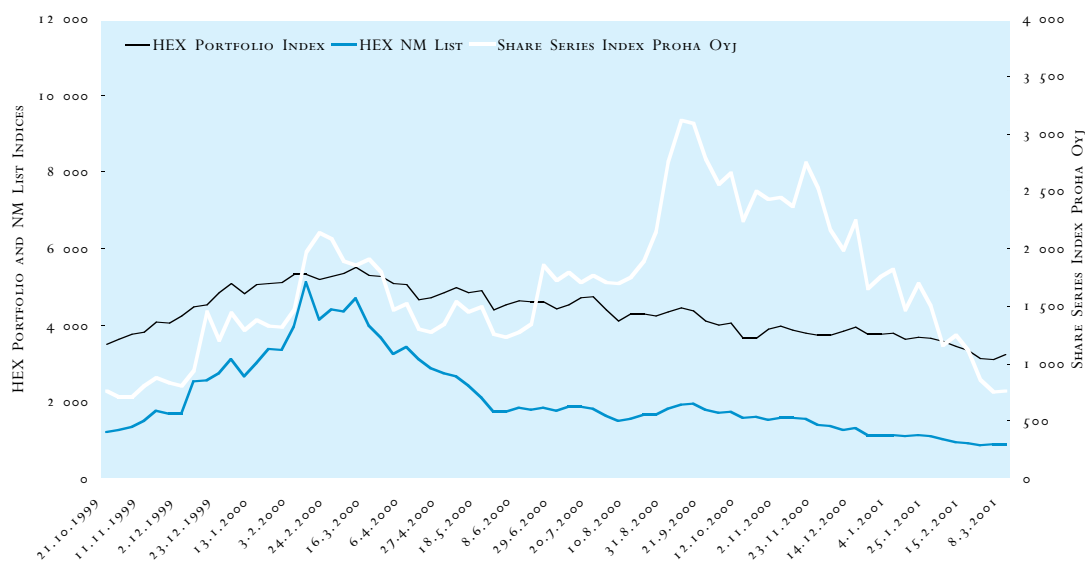
TRADING ON THE HELSINKI STOCK EXCHANGE

The number of registered shareholders of Proha Plc totaled 2.123 at the end of the financial year. During the period, the share price low was EUR 9.45 and the high was EUR 30.00. The market capitalization of the company was approximately EUR 196.2 million at the year end.

CLOSING AND EQUITY TURNOVER



INDICES



EQUITY ANALYSTS FOLLOWING PROHA

ArosMaizels Oyj
 Conventum Pankkiiriliike Oy
 D. Carnegie AB Finland
 Deutsche Bank AG, Helsinki Branch
 FIM Pankkiiriliike Oy
 Handelsbanken Investment Banking
 Mandatum Pankkiiriliike Oy
 Pankkiiriliike Evli Oyj

Teemu Kaltea
 Ari Järvinen
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