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QPR GROUP IN BRIEF



QPR VISION

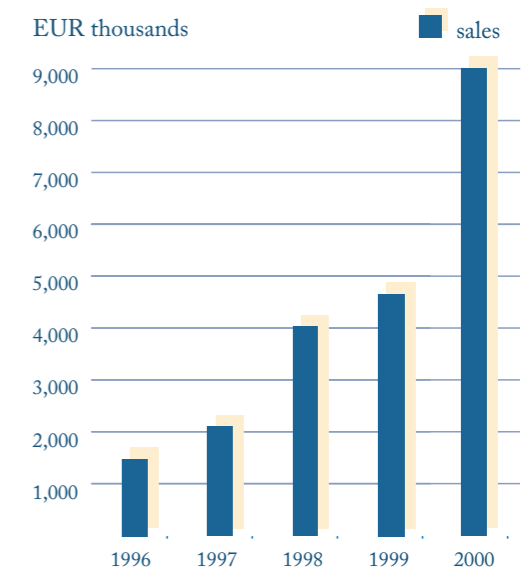
QPR is a leading Business Intelligence software vendor which utilizes the very latest technologies. We provide our partners with superior business opportunities designed to improve customer competitiveness.

FACTS 2000

- Sales EUR 9.0 million
- Sales growth 94%
- Earnings 21% of sales
- ROI 92,1%

- QPR provides its partners with superior business opportunities designed to improve customer competitiveness
- QPR software solutions are supported by the Application Service Provider (ASP) concept and Business Games products
- QPR is launching the first real-time web-based performance management software solutions on the web at www.QPRonline.com
- Founded in 1991, QPR has offices in Oulu and Helsinki in Finland, in Stockholm and Halmstad in Sweden and in Minneapolis, USA
- Group employees totalled 97 at year end, 27% of which were based outside Finland

GROUP SALES IN 1996-2000



MANAGING DIRECTOR'S REVIEW



Lauri Haapanen

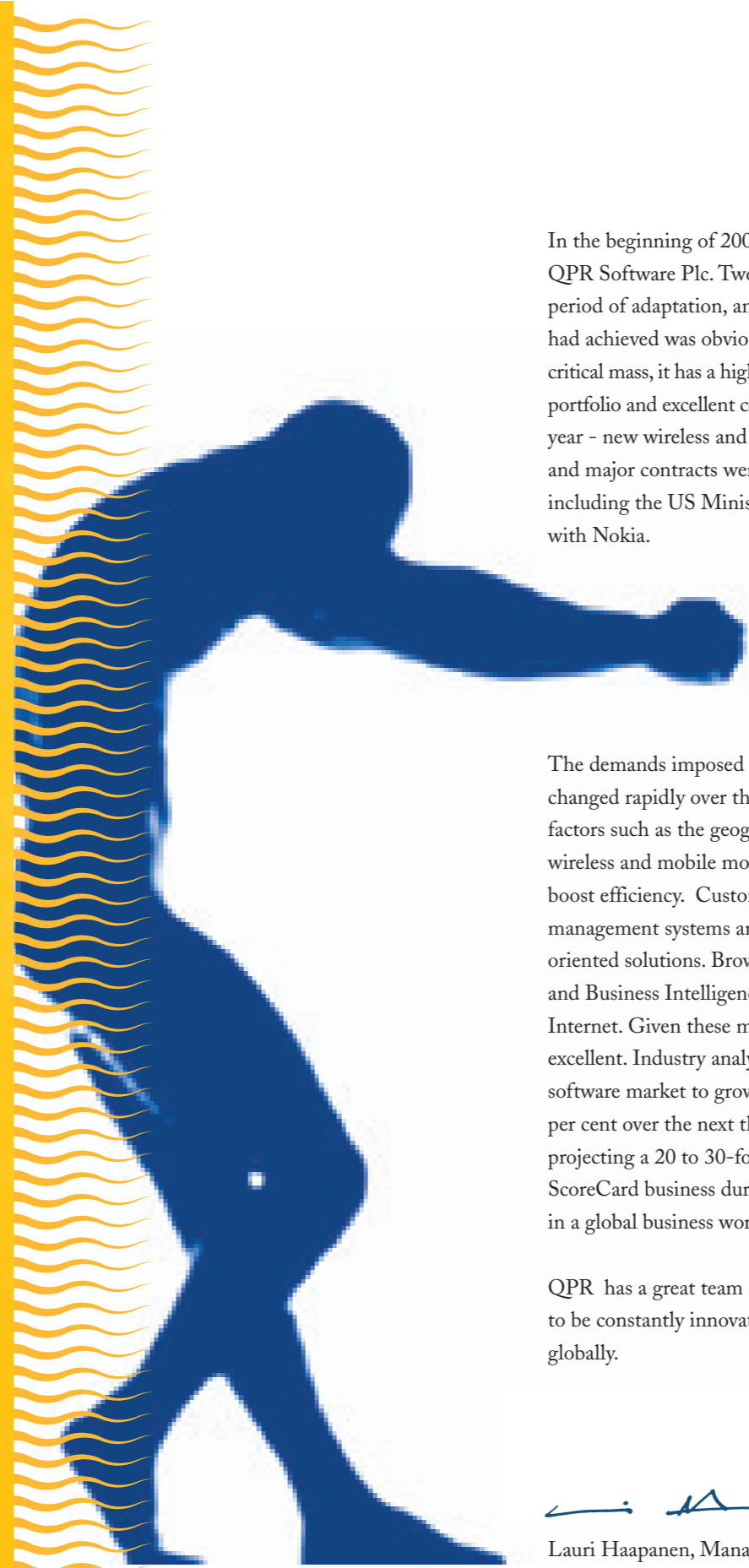
I became QPR's Managing Director on December 15th, accepting the challenge without hesitation. After all, I had been with QPR since 1994 and I knew the company inside out so I had every reason to be confident. During the past years I have been involved in R&D, marketing and sales but most importantly, I know all employees personally. When I took over the management of the company, I inherited a well-managed, profitable organization with extremely motivated and talented people all of whom were committed to QPR values. My first task was to align our competencies and the organization itself with our strategic business goals.

In the beginning of 2000 QPR and Tulosmies were merged into QPR Software Plc. Two different cultures met, went through a period of adaptation, and by the end of the year, the synergy we had achieved was obvious. The new organization has now reached critical mass, it has a highly competitive and complementary product portfolio and excellent competencies. 2000 proved to be a successful year - new wireless and web-based technologies were introduced and major contracts were secured with a number of customers including the US Ministry of Defence as well as global contracts with Nokia.

The demands imposed on corporate information systems have changed rapidly over the past years. This development is due to factors such as the geographical decentralization of organizations, wireless and mobile modes of working, and general pressures to boost efficiency. Customers want easy-to-use and self-modifiable management systems and are increasingly seeking operations-oriented solutions. Browser-based tools will gain wider acceptance and Business Intelligence Software will also go onto the wireless Internet. Given these market conditions, the outlook for QPR is excellent. Industry analysts expect the overall business intelligence software market to grow at an annual rate of between 20 and 40 per cent over the next three to five years. Some analysts are even projecting a 20 to 30-fold increase in QPR's flagship Balanced ScoreCard business during the next three to four years, resulting in a global business worth nearly EUR 2 billion.

QPR has a great team in place and the challenge for us today is to be constantly innovative and continue to build market share globally.

Lauri Haapanen, Managing Director



QPR STRATEGIC BUSINESS UNITS

QPR is divided into four Strategic Business Units (SBU) based on our core competencies. The business units represent product and service concepts which have emerged from long-term partnerships with our customers. The essence of these concepts lies in combining strategic costing information about products and services from a process management perspective. As a result, the customer receives a fully integrated software package designed to increase the organization's efficiency and cost-effectiveness.



QPR GOES GLOBAL

1. The Partners SBU focuses on global and local partnerships with organizations that have significant market share in their own niche. Partnerships vary from OEMs and VARs to joint ventures.
2. The Management Portal SBU provides Application Service Provider (ASP) solutions to global and local training/management consulting portals by offering them new services.
3. The Direct Software Sales SBU focuses on selling software licenses, maintenance and consulting services to large and medium-size companies and public sector organizations in Finland, Sweden and the USA.
4. The Business Games SBU focuses on selling games tournaments in Finland and Sweden that are based on QPR software products.

QPR's management expects a balanced revenue mix between all four strategic business units in 2001. QPR is developing new business areas within its SBUs to support increased demand in new geographical areas and/or industries. QPR's objectives are to spin-off or sell at least one business area annually in order to provide resources for the development of the other QPR products. QPR aims to realize value from these divestments through an initial one-off payment and thereafter a long-term stream of royalties.



PARTNERS BUSINESS UNIT

QPR FOCUS ON CREATING BUSINESS OPPORTUNITIES FOR BUSINESS PARTNERS

During 2000 QPR made a strategic decision to concentrate on generating business in collaboration with its partners. As a result, the percentage of total revenue derived from QPR's network of partners doubled from 10 per cent in 1999 to 20 per cent in 2000. In absolute terms, this represented a four-fold increase in revenue from partners while total QPR revenue nearly doubled. As Director of the Partners SBU I have taken on the challenge of increasing this percentage significantly during 2001.

Taina Sopenlehto

We are looking for partners that have a strong customer base, a healthy market share and a thorough knowledge of business development. My main goal is to create a win-win situation by securing profitable business opportunities for selected partners.

QPR WORKS WITH ITS PARTNERS IN THE FOLLOWING WAYS:

1. OEM-type collaboration where QPR products are marketed under the partner's brand name
2. VAR-type collaboration supporting the partner's business area niche and/or geographical niche
3. Joint venture-type collaboration where QPR and partner combine their offerings in order to build new solutions for selected global business areas.

QPR's business intelligence solutions are optimal add-ons to and fully compatible with various project management, logistics, quality management and human resource management IT systems. The value of the QPR Management Software suite to our customers and partners lies in its ability to produce strategically important information on the company's performance and on how the whole organisation can achieve common goals.



Taina Sopenlehto, Dr.Tech.
Vice President, Partners SBU



THE BOARD OF DIRECTORS REPORT FOR 2000



Board members: Timo Tirkkonen, Antti Kosunen, Jouko Pelkonen

TURNAROUND IN PROFITABILITY WITH 94% SALES GROWTH

QPR Software Plc presents satisfactory figures and diagrams to company's shareholders and other stakeholders in 2000. Steady sales growth resulted in profitable results as stated in QPR's profitable growth strategy 2000.

In 2000, QPR can present pro forma 0.28 EUR earnings per share (EPS). Pro forma revenue in 2000 totalled 9.0 MEUR with over 94 percent growth to previous year. Pro forma net profit totalled 0.9 MEUR, which is almost 1.1 MEUR better than in 1999.

QPR Software Plc is able to present satisfactory figures to company shareholders and other stakeholders in 2000. Steady sales growth led to profitable results as stated in QPR's profitable growth strategy 2000. In 2000, QPR's pro forma earnings per share (EPS) stood at EUR 0.28. Pro forma revenue in 2000 totalled EUR 9.0 million with 94.2 per cent growth compared to the previous year. Pro forma net profit totalled EUR 0.9 million, which is an increase of almost EUR 1.1 million over the 1999 figure.

Looking back eight quarters, we can see clearly that the turnaround in profitability occurred after Q1 1999, with the exception of Q4 1999 when losses were incurred by new product releases and lower sales than expected due to Y2K. Postponed IPO costs depressed net profit in Q3 2000. Earnings before interest and taxes (EBIT) in 2000 totalled 21.0 per cent of the revenue. Pro forma EBIT totalled EUR 1.9 million, up on the previous year by EUR 1.9 million.

Quarterly sales growth has been strong. Normally Q2 and Q4 produce the best sales results and this again proved to be the case in 2000. Quarterly sales growth at 91 per cent – 44 per cent – 95 per cent – 159 per cent respectively compared favorably to the corresponding figures for 1999 with a marked improvement in the second half of the year. Last quarter's revenue was the best ever, totalling over EUR 3 million. Quarterly sales compared to the previous quarter from the beginning of 1999 showed an average growth rate of over 22%.

QPR postponed its IPO in September 2000 due to market volatility. However, QPR maintains its preparedness for an IPO when market conditions become more favorable.

PERSONNEL, MANAGEMENT AND FUTURE EXPECTATIONS

Staff numbers averaged 92 during 2000 and at the end of December the total personnel count was 97.

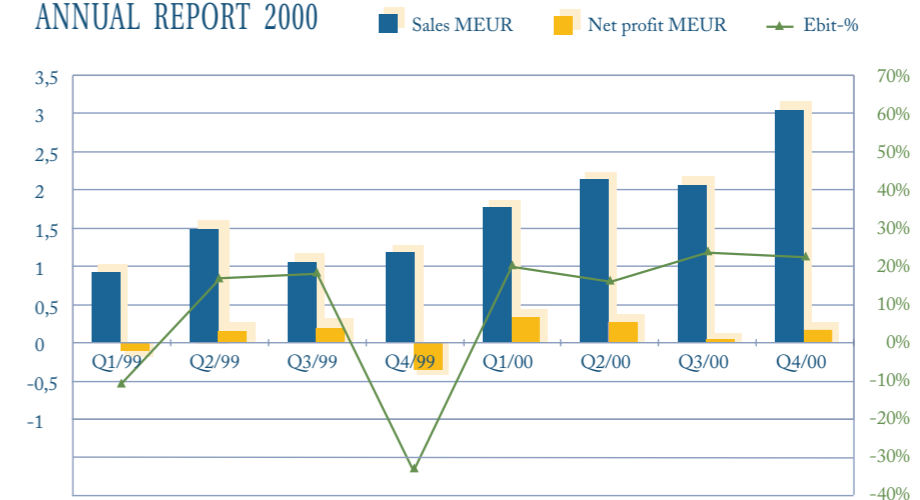
Jouko Pelkonen was Managing Director until March 2000 when he became Chairman of the Board. Antti Kosunen, who had taken over from Jouko Pelkonen as Managing Director, succeeded him as Chairman of the Board with effect from 15th December 2000 following the appointment of Lauri Haapanen as Managing Director. Jouko Pelkonen became Chief Financial Officer and member of both the Management Team and the Board of Directors. As of March 2000, the board consisted of Antti Kosunen, Timo Tirkkonen and Jouko Pelkonen.

The auditors for the Group and the parent company were Ernst&Young, represented by Rauno Sipilä, CPA and Simo Salonen, CPA. The auditors in Sweden and the USA were Ernst&Young. Roschier-Holmberg&Waselius and the company's internal lawyer, Mikael Kutin, acted as legal advisors.

Group management estimates that in 2001 the growth in revenue will be equivalent to the previous year's figure. The EBIT margin is expected to be up on 2000. QPR's projections are based on organic growth and the high priority given to collaboration with key partners. From 2002 onwards, QPR is confining direct sales exclusively to Finland with sales outside Finland being handled by QPR's partners.

Oulu, Finland 22nd February 2001
The Board of Directors of QPR Software Plc

ANNUAL REPORT 2000



INCOME STATEMENT

All figures are Pro Formas

	EUR '000 2000	%	EUR '000 1999	%	Growth
<i>Revenue</i>	8 988	100,0 %	4 629	100,0 %	94,2 %
Other Operating Income	960	10,7 %	1 548	33,4 %	-38,0 %
Total Income	9 948	110,7 %	6 177	133,4 %	61,0 %
Expenses					
Material and Services	902	10,0 %	561	12,1 %	60,8 %
Personnel Expenses	3 591	40,0 %	2 676	57,8 %	34,2 %
Operating Result Before Amortizations	5 455	60,7 %	2 940	63,5 %	85,5 %
Amortizations					
Amortization Tangible Assets	80	0,9 %	85	1,8 %	-5,9 %
Amortization Intangible Assets	187	2,1 %	122	2,6 %	53,3 %
Amortizations Total	267	3,0 %	207	4,5 %	29,0 %
EU Project Expenses	404	7,4 %	986	33,5 %	-59,0 %
Other Operating Expenses	2 898	32,2 %	1 761	38,0 %	64,6 %
Operating Result	1 885	21,0 %	-13	-0,3 %	N/A
Financial Income and Expenses					
Financial Income	378	4,2 %	55	1,2 %	587,3 %
Financial Expenses	-228	-2,5 %	-99	-2,1 %	130,3 %
Financial Income and Expenses Total	150	1,7 %	-44	-1,0 %	N/A
Result before Extraordinary and Taxes	2 035	22,6 %	-57	-1,2 %	N/A
Extraordinary Income and Expenses	-440	-4,9 %	0	0,0 %	0,0 %
Result before Taxes	1 595	17,7 %	-57	-1,2 %	N/A
Taxes	-662	-7,4 %	-85	-1,8 %	678,8 %
Result	933	10,4 %	-142	-3,1 %	N/A

BALANCE SHEET

All figures are Pro Formas

	EUR 2000		EUR 1999	%	Growth
ASSETS					
Capital Assets					
Intangible Assets	479	6,5 %	618	13,7 %	-22,5 %
Tangible Assets	435	5,9 %	289	6,4 %	50,5 %
Investments	4	0,1 %	18	0,4 %	-75,6 %
Capital Assets Total	918	12,5 %	925	20,6 %	-0,7 %
Current and Financial Assets					
Debtors Falling Due After More than 1 Year	2 078	28,2 %	1 279	28,4 %	62,5 %
Accounts Receivable	3 355	45,6 %	1 134	25,2 %	195,9 %
Debtors Falling Due Within One Year	652	8,9 %	798	17,7 %	-18,3 %
Financial Securities	0	0,0 %	213	4,7 %	-100,0 %
Cash	360	4,9 %	150	3,3 %	140,1 %
Current Assets Total	6 445	87,5 %	3 574	79,5 %	80,3 %
Total	7 364	100,0 %	4 498	100,0 %	63,7 %
LIABILITIES					
Own capital					
Share capital	1 075	14,6 %	996	22,1 %	7,9 %
Other shareholders' equity	1 342	18,2 %	-1 116	-24,8 %	N/A
Subordinated loans	0	0,0 %	571	12,7 %	-100,0 %
Reserve on Acquisition	209	2,8 %	218	4,8 %	-4,0 %
Equity Total	2 626	35,7 %	669	14,9 %	292,6 %
Liabilities					
Creditors Falling Due After More than 1 Year	417	5,7 %	595	13,2 %	-29,9 %
Creditors Falling Due Within 1 Year	4 320	58,7 %	3 234	71,9 %	33,6 %
Liabilities Total	4 737	64,3 %	3 829	85,1 %	23,7 %
Total	7 364	100,0 %	4 498	100,0 %	63,7 %

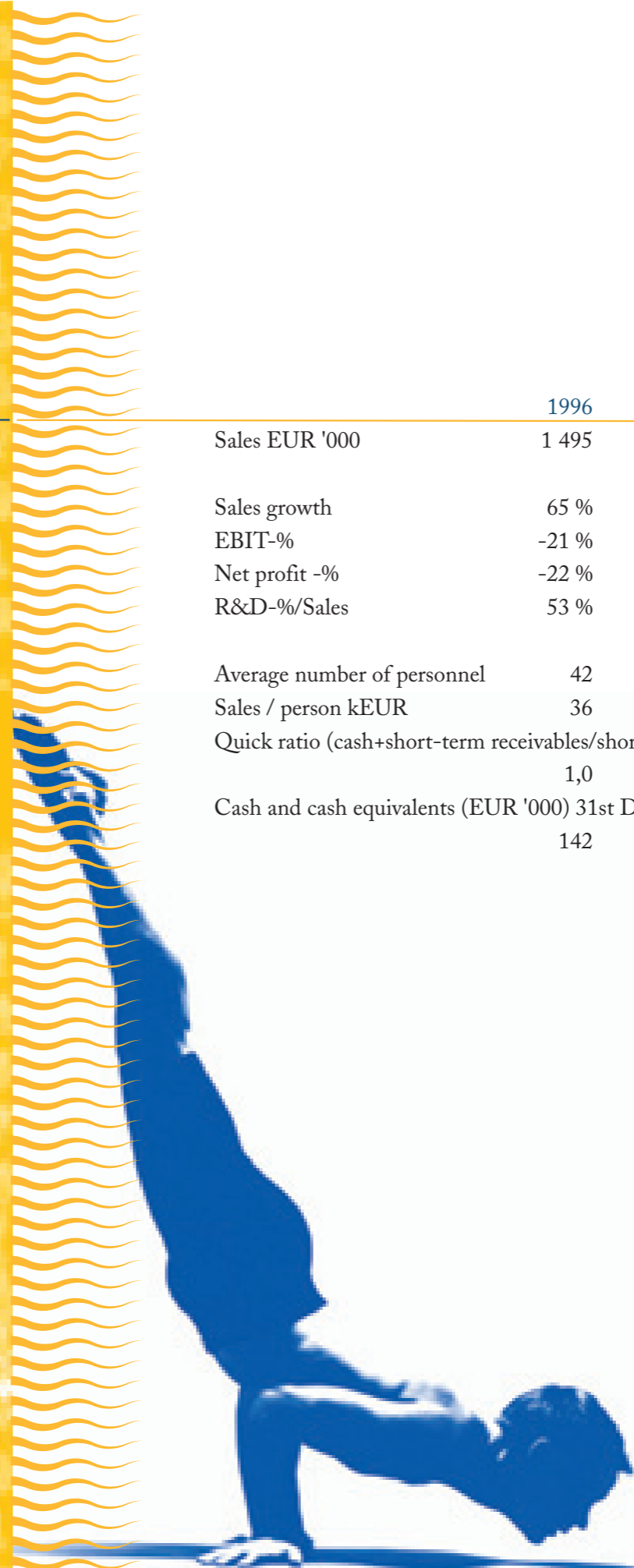
PRO FORMA FINANCIAL REPORT

KEY RATIOS

All figures are Pro Formas

The key ratios show the continuing growth and transition to profitability and point to encouraging prospects for the future. Year 2000 sales growth 94% with 21% EBIT-margin are the management target also for year 2001. Focus on partnerships will support the ongoing improvement in key ratios.

	1996	1997	1998	1999	2000
Sales EUR '000	1 495	2 144	3 750	4 629	8 988
Sales growth	65 %	43 %	75 %	23 %	94 %
EBIT-%	-21 %	-21 %	-2 %	0 %	21 %
Net profit -%	-22 %	-2 %	7 %	-3 %	10 %
R&D-%/Sales	53 %	38 %	31 %	30 %	21 %
Average number of personnel	42	51	63	72	92
Sales / person kEUR	36	42	60	64	98
Quick ratio (cash+short-term receivables/short-term borrowings)	1,0	0,8	1,0	0,7	1,0
Cash and cash equivalents (EUR '000) 31st December	142	66	371	363	360



QPR CUSTOMER TESTIMONIALS



"QPR Championship in Business Management has increased teamwork between different units and departments as well as improved our internal networking. We are very satisfied with the cooperation with QPR and the interest at SEB for participating in this business training has increased year after year"

*Anders Halvor
Head of Competence and Development,
SEB Group*

"QPR Software have played a central role in restructuring the processes at the surgery of Hospital for Children and Adolescents of the Helsinki University Central Hospital. By improving the quality of our own work practices we have been able to give to our patients better service and care, to focus on our most important task."

*Dr. Mauri Leijala
Director and Surgeon-in Chief
Helsinki University Central Hospital*

"The essence of the Airport Toolkit is that your organisation is provided with information that all together offers you a foundation for better cost control of your operations and business improvements. I find that most important for a major complex operation like Stockholm-Arlanda airport"

*Kertin Lindberg-Göransson
Director Stockholm-Arlanda Airport*



QPR LOCATIONS AND KEY PARTNERS

- Sales/Support Offices
- Key partners and VARs

