PROHA

Maximizing Management Performance

Annual Report 2001

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Investor information

Proha's Annual Report is available in Finnish and English on the Internet at www.proha.com.

Proha reports on its financial development quarterly. During 2002, the company will publish interim reports as follows:

- Interim report for Q1 will be published on May 23, 2002.
- Interim report for Q2 will be published on August 22, 2002.
- Interim report for Q3 will be published on November 21, 2002.

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 (0)20 4362 000.

Proha Group in brief

Proha Plc is a global software company focusing on maximizing its customers' management performance. Proha's key business areas are Project Management (Artemis), Financial Management (Accountor), and ASP services based on Internet Technologies (Intellisoft). The year 2001 was the first 12-month financial period that included all acquisitions made during the strong growth period of 2000. Based on the net sales of EUR 82.8 million, Proha is now one of the largest software companies in Finland. The Proha Group employs 638 people, 231 of who work in Finland, and 407 outside of Finland.

In the Project Management business area, Artemis is a market leader, whose subsidiary network of distributors and partners covers all major markets worldwide. The majority of its customer base consists of large multinational companies to whom Artemis is often the only alternative when it comes to delivering large-scale solutions.

In the Financial Management business area, Accountor offers financial management solutions irrespective of time and place. Accountor's Finance Department services are designed to support large companies in their modern financial management. For small and medium-sized companies, Proha's ProCountor.Com offers an easy way to take care of bookkeeping and invoicing.

In the Internet Technologies business area, Intellisoft offers an extensive range of Proha's project and financial management applications and licensed software as an ASP service. Interest in ASP services will increase as companies start looking for more cost-effective alternatives for their software projects.

The shares of Proha Plc, founded in 1983, are traded on the NM-list of the Helsinki Stock Exchange.

2001 in Brief

Proha is a global software company focusing on maximizing its customer's management performance by providing business management solutions. Following a period of strong growth, Proha focused on launching new products and enhancing business operations in 2001. In spite of rapid changes in the international market situation, Proha was able to adapt its operations to the changed situation. The Group's net sales rose by 129 per cent compared to the financial statements in 2000, remaining at the same level with the pro forma figures of 2000.

Result for the financial year 2001 (EUR -10.1 million) was affected by a difficult market situation, the Opus360 transaction and the expense entry of a deferred tas asset (EUR 2.999 million). Earnings before financial expenses, taxes and depreciation excluding the effect of Opus360 transaction were EUR 0.5 million and EUR 0.5 million better than expected at the end of 2001.

In the Project Management business area, the most significant event of 2001 was the purchase of the US-based Opus360 Corporation, and the combination of Opus and Proha's Artemis business into publicly held Artemis International Solutions Corporation, which trades on the OTCBB in USA under the stock symbol "AISC". A major share of Proha's net sales originates from the Project Management business area. One of the most important product releases in 2001 was PortfolioDirector, a strategic business investment portfolio management solution. The first PortfolioDirector deal was made in December.

In 2001, net sales of the Financial Management business area grew rapidly. Proha's financial management solutions such as electronic invoicing have been well received by the market. In the Financial Management business area, Proha offers financial management service irrespective of time and place.

In the Internet Technologies business area, the initial development phase of the ASP service was completed during the first half of 2001. During the second half of the year, the first ASP service clients were secured. Proha is now able to offer its own applications as well as licensed software as an ASP service. In addition, the ASP service has attracted wide market interest.

Key Ratios of the Proha Group

	Jan.1,2001 -Dec.31, 2001	**Jan.1, 2000 -Dec.31, 2000**
Net sales (EUR million)	82.8	36.1
change %	+129	+597
EBITDA*) (EUR million)	-4.4	3.8
% of net sales	-5.3	10.6
Operating profit/loss (EUR million)	-6.1	1.9
% of net sales	-7.4	5.4
Profit/loss before extraordinary items (EUR million)	-7.2	1.5
% of net sales	-8.6	4.3
Result for the financial year (EUR million)	-10.1	0.9
% of net sales	-12.2	2.6
Earnings/share, EUR	-0.20	0.03
Equity/share, EUR	0.24	0.41
Dividend/share, EUR	0.00	0.00
Average personnel	690	249

*) Earnings before financial expenses, taxes and depreciation.

Strategy

Proha is a global software company focusing on maximizing its customers' managament performance. Our solutions help our customers to realize their strategies, target their resources correctly, and manage their operative business towards maximum profitability.

We want to establish ourselves as one of the main players in our target areas and as the strategic partner of our customer organizations' top management. Our repeatable solutions and services are first-class solutions, and our organization operating in all major IT markets helps our customers to gain full benefit of them. In growing number of companies, our solutions are an indispensable strategic management tool.

We focus on customers who want to benefit from modern IT solutions in the execution of their strategies and who want to operate more efficiently than their competitors in the ever-changing business environment.

The technological revolution of the past few years will fundamentally change the way organizations operate. It increases the demand for modern management solutions offered by Proha. Growing demand and our scalable business operation model based on repeatable solutions create a solid foundation for the growth and profitability of our business.

We operate in three business areas developing and applying modern Internet-based information technology. Proha's competence in the field of technology has taken the traditional project and financial management models to a completely new level. Our solutions help customers to better manage and develop their business operations in the fast-changing business environment.

Our project and resource collaboration software provides our customers with the tools for future project planning and monitoring. Our financial management solutions enable the management of recent history and give a clear picture of the present situation and the near future. We offer comprehensive services and solutions as ready-to-use systems from our service center, which gives our customers new alternative ways to use and acquire IT systems.

PROJECT AND RESOURCE COLLABORATION

Project and resource collaboration business focuses on providing solutions for leading international companies. Artemis International operates on all continents and supports customers where needed – all around the world. Our software products constitute our core business, which is supplemented by training, implementation, and consulting services.

The concept of project and resource collaboration expands from the management of investment and product development projects to the management of the entire investment and venture portfolio. In the future, more and more companies will use project and resource collaboration solutions to execute their strategies. The solutions offered by Proha help customers to do the right things right.

FINANCIAL MANAGEMENT

Finland has a unique position in the area of modern financial management due to a highly advanced infrastructure. In Finland, we can develop electronic financial management solutions that can later be expanded to all of Europe. Financial management solutions developed during 2001 are now ready for use, and they improve our customers' financial management processes. The development work has been based on Proha's existing software, that has been innovatively combined into system and service solutions covering entire processes.

INTERNET TECHNOLOGIES

New operating cultures, which go beyond organizational boundaries, require new solutions. In order to accelerate and utilize this development trend, Proha is also offering its products from its service center. Our customers are thus able to avoid additional investments and delays caused by the implementation – the solutions can be leased as a ready-to-use system. Our service center integrates our products with our partners' offerings to provide overall solutions that cover entire business processes.

Proha Focuses on Repeatable Solutions

Proha focuses on the development and delivery of repeatable business solutions. Repeatable product and service processes allow our customers to better predict and secure their business operations. Each solution consists of products and associated services. For our customers, repeatability translates into high-quality solutions at reasonable costs.

Organizations are different. Our process guarantees individual deliveries and consideration of customer-specific needs also in repeatable solutions.

For Proha, concentrating on repeatable solutions, as compared to customized solutions, is a considerably more profitable business concept, which enables us to grow and develop our business.

GLOBAL PRODUCTS, LOCAL SERVICE

Proha's solutions are designed to meet the needs of the global market. We combine world-class products with local service that leverages the possibilities provided by our international delivery network. Our organization is represented in all major markets, so our customers can always be sure they will get good, local service.

Chief Executive Officer's Review

By the early 2001, Proha had grown to a globally operating software company whose market area covers all the major IT markets in the world. Proha has a very strong market position. In the Company's most important market arena — high-end project and resource collaboration software solutions — Proha is a global market leader.

The global software markets changed significantly in 2001. Software sales declined, which substantially affected the operations of virtually all the companies in the field. During the year, we adjusted our operations to meet the demands of the changed market situation. We refrained from several planned growth activities and combined the US-based Opus360 (purchased in 2001) with Proha's subgroup Artemis. Despite the difficult market situation, we maintained our steady position and succeeded better than our main competitors. Proha's net sales grew by 129 per cent to EUR 82.8 million, compared to net sales for 2000 (EUR 36.1 million) and remained at the same level even with the pro forma figures for 2000 (EUR 82.2 million) in spite of temporary decline in the markets.

PROJECT MANAGEMENT

In the Project Management business area, one of the most important events was the purchase of the US-based Opus360 Corporation and its combination with Artemis. Thanks to these moves, Proha has now an international subgroup, Artemis International Solutions Corporation, traded on the OTC Bulletin Board in the United States. Artemis is a world market leader in the project and resource collaboration field.

FINANCIAL MANAGEMENT

In the Financial Management business area, Proha is clearly emerging as the pioneer of the new era of financial management. The previously initiated investments in financial management automation were concluded in the fall of 2001. The IAP-Flow system based on electronic purchase invoice handling was adopted by the Company in May and by customers in September. Automated ProCountor-accounting system was introduced to customers in the summer and the full-scale customer service was started in the fall. Implementation of these investments boosted growth and improved profitability in the Financial Management business area. 2002 will be a year of growth for these new services.

INTERNET TECHNOLOGIES

In the Internet Technologies business area, ASP services were consolidated into Intellisoft Ltd, and software subcontracting into Datamar Ltd.

In early 2001, Intellisoft concentrated on building the technical environment for ASP business and developing Proha's internal systems. During the summer and fall, service to outside customers picked up speed and began to grow both through Proha's two other business areas and direct sales. 2002 will be a year of growth also for Intellisoft.

The business of Datamar focused on software subcontracting. A number of Finnish customers were transferred to Datamar, and its software subcontracting for Proha grew substantially. Datamar played a significant role in several Proha's projects during the year.

INTO THE FUTURE WITH A POSITIVE MIND

Proha is a global software company focusing on maximizing its customers' business performance by providing management solutions. The Company's budget for 2002 is based on a positive result with zero growth. The goal is, however, set higher. Based on the future outlook at the beginning of 2002, it is estimated that the evolving positive development in the market will encourage the Company's growth. Prospects for 2002 look positive.

We work in long-term and close cooperation with our customers around the world and in all our three business areas. We operate close to our customers' core competences and business processes. Reliability and commitment to pursue our customers' best interests are strong values for us. Last year we helped many of our customers to cope and grow. Our customers gave meaning to our work, and their strong commitment also helped us to cope. Fortunately, compared to 2001, the markets seem to develope more favorably in 2002. We will continue to invest in long-term customer relationships, and do our very best to earn our customers' trust both in software and service markets. Cooperation prevails.

2001 was Proha's first full year as a global Group. With hard work, we managed to achieve a strong and steady market position in a difficult market situation. At the same time, Proha's products were developed and raised to a remarkably competitive level. The credit for this belongs to the Proha Group's personnel, whom I wish to thank for their contribution and commitment on behalf of myself and the whole management team.

Pekka Pere

Worldwide Distribution Network – World Leading Project Management Software

In the Project Management business area, Proha provides local services to clients operating globally in all major market areas. A major part of the international project management network focuses on sales, development and consulting of Artemis products worldwide.

– Working in close cooperation with our customers we can ensure that our solutions meet their business needs, stated **Steven Yager**, who served as the president and CEO of Artemis International Solutions Corporation (AISC) in 2001.

During 2001, Artemis products received over 100,000 new users. At the moment, there are approximately 420,000 Artemis users worldwide. Artemis' strategy is to move its powerful solutions beyond utilization by corporate specialists and make those solutions available and easily accessible to all knowledge workers within large enterprises.

– Artemis will be able to positively impact thousands of enterprise users, enabling organizations to function more effectively. We will help the world's largest companies to do the right things right, notes Steven Yager.

The analyst firm Gartner Group positioned Artemis as number one in the industry for its ability to execute.

PM^2 METHODOLOGY SUPPORTS IMPLEMENTATION EFFECTIVELY

Artemis' PM^2 methodology is a structured way to implement Artemis project management solutions into an organization. It is a highly evolved phased approach, which combines Artemis' extensive experience and expertise.

– Companies operating on a global basis especially benefit from Artemis' ability to offer a scalable software solution and the structured PM^2 implementation approach, says **Howard Magee**, Executive Vice President of International Operations.

According to Magee, Artemis' implementation approach allows clients and consultants to work together to design and implement a phased rollout plan that addresses the cultural, process and systems elements needed for successful implementation.

ARTEMIS US – FIRM FOOTHOLD IN THE DEFENCE INDUSTRY

The United States is the largest single market area comprising 33.2 per cent of Artemis' total project management business in 2001. The US customers include large global Fortune 500 companies operating from the United States.

In the United States, Artemis is also involved in one of the biggest orders in the history of US defence industry. In the Lockheed Martin Aeronautics' recent USD 19 billion contract, Artemis' tools are utilized for financials, scheduling and earned-value reporting and shop-floor management.

EUROPE

In Europe, Artemis has been a leading player in the project management market for over 25 years. In 2001, Europe's share of the project management business was 54.7 per cent.

Artemis has a significant market position in Great Britain, France, Germany and Finland. Artemis' clients include major enterprises within the financial services, telecommunications, pharmaceuticals, aerospace and defence, engineering and retail.

ARTEMIS UK'S CLIENTS LARGE-SCALE ENTERPRISES

In Great Britain, Artemis' major clients include leading companies within the financial services, telecommunications, pharmaceuticals, aerospace and defence, engineering and retail. Also in Great Britain, there has been a growing market interest in the new strategic-level solutions.

– Having celebrated our 25th year in business, Artemis is uniquely placed to deliver the information benefits required. Our knowledge and expertise focused through the highly evolved PM^2 service delivery methodology combined with our scalable, Web-based enterprise software tools are unmatched, states **Rob Legge**, Vice President of UK Operations.

Customers (Great Britain): Pharmagene, London Electricity

ARTEMIS FRANCE SUCCEEDS IN THE FINANCIAL SERVICES INDUSTRY

In France and Germany, Artemis has a very strong presence in the financial services industry, as well as automotive and electronics industry.

– We are especially strong in time-to-market-driven industries, says **Patrick Ternier**, president of Artemis International Sarl, France.

Customers (France): Eurocontrol, Casino, EADS Sodem, BNP, Orange

ARTEMIS GERMANY STRONG IN BANKING AND TELECOM SECTORS

Artemis International GmbH has a well-established position in the banking and telecom sectors. Managing Director **David Thomson** believes that time is now favourable for conquering new markets.

– New investment portfolio management solutions in particular have raised interest among existing and new customers, says Thomson.

Artemis is the leading provider of project and resource management solutions for the top 500 companies in the manufacturing, retail and financing sectors. Customers include eight of the ten largest companies in the target market. Artemis International GmbH also operates in Austria and in the German speaking areas of Switzerland.

Customers (Germany): Deutsche Telekom, Siemens, Dresdner Bank, BASF, and Deutsche Bank

COST MANAGEMENT – THE FASTEST GROWING MARKET IN ITALY

In Italy, Artemis has reached a strong market position. Sales continued to increase further in 2001. One of the fastest growing markets is cost management.

– More and more companies are discovering that the level of control we can offer with our integrated solutions can't be matched by ERP systems, says **Carlo Boldi**, President and Managing Director of Artemis International S.p.A.

– In the corporate project and resource management sector, in which Artemis International SpA operates, no competitor in Italy can match its size, organization, professionalism, experience and competence. These qualities translate into a superior ability to provide the customer with a complete project management solution, notes Boldi.

Customers (Italy): Fiat, Agip, Telecom Italia

ARTEMIS FINLAND EXPANDED TO NEW MARKETS

In Finland, Artemis Finland Oy has a firm position in telecommunications, IT/IS, construction and manufacturing. New investment portfolio management solutions have helped Artemis to significantly strengthen its position in the banking and insurance sector.

– We have created a center of expertise that is unique in Finland. Thanks to our new organization, we are able to offer our customers solutions on a strategic, tactical and operative level. Together with our global organization we have managed to diversify Artemis' product portfolio in our target markets. Finland's success in the information technology of banking and telecom sectors has given us a great opportunity to pioneer in these sectors, says **Risto Saikko**, Managing Director of Artemis Finland.

Customers (Finland): OKO Bank Group, Skanska, Nokia, UPM Kymmene

NORWEGIAN OPERATIONS FOCUS ON OFFSHORE INDUSTRY

In Norway, Safran Software Solutions AS, in which Proha acquired a 100 per cent holding in January 2002, focuses on the project management needs of the offshore industry. Safran has a significant holding in the Norwegian-based Dovre International consulting company.

ASIA

In Asia, Artemis has adapted to markets that are different from those of Europe and the United States. In 2001, Asia's share of the total net sales was 12.1 per cent.

Artemis' business in Asia are managed by Artemis International Corporation Pte Ltd. and Artemis International KK.

– Organizations need to plan strategies and translate those strategies into results. This is nothing new. However, many are tired of getting nowhere, due to misalignment and lack of performance visibility and control. We are well positioned to work with our customers providing them with the methods and tools required to make a positive result in accordance with their strategies, says **Johnny Tan**, CEO of Artemis International Corporation Pte Ltd.

For example, Japan is a major market for Artemis Tools products. Artemis Tools is designed for creating project management solutions in the mainframe environment.

– In Japan, Artemis is the leading supplier of project management systems providing its customers not only with tools but consulting and training, states **Yoichiro Sugii**, President of Artemis International KK.

Artemis is also operating in large, growing markets such as Hong Kong/China, Korea, India and Indonesia.

Customers (Asia): Ministry of Health, Singapore, National Neuroscience Institute, Singapore, National University Hospital, Singapore, National Cancer Centre, Singapore, National Dental Centre, Singapore, Ministry of Community, TNT (Singapore), Ministry of Defence, Singapore

Project Management Solutions Rise to a Strategic Level

New solutions that support the executive-level decision-making are raising more and more interest in the project management IT solutions market. There is great demand for methods that analyse the investment portfolio, the business environment and its changes, and their interrelations. The industry forerunner is Artemis' PortfolioDirector™, a business investment portfolio management solution introduced in 2001.

PortfolioDirector meets the current market needs. In more and more companies both internal processes and productive business are tightly bound to information technology. In the front line of this development in Finland are banks and other financial institutions, in which a large part of the customer interface has shifted to electrical business environment.

Investment portfolio management is an essential part of today's strategic management. An investment portfolio consists of all on-going and suggested projects. A successful investment portfolio management is attained by aligning investments with company's strategy in a supportive and productive way.

In the present fast-changing business environment, successful operation requires an effective realization of the strategy. Management must be able to control investment initiatives on a strategic level and allocate resources correctly on a tactical level.

FOCUSING ON TOP MANAGEMENT'S NEEDS

At the moment, there are two different trends affecting the project management business – both of which have an impact on business concepts and the course and focus of product development.

The first trend is that the focus of project management is changing. Traditionally, project management methods have been used by operative management. The focus is now shifting to higher organizational levels – to tactical and strategic management – of which PortfolioDirector is a good example.

The product offering of tactical management solutions is also strengthened. As a result of local product development, Artemis Resource Planner was introduced in Finland in March 2002. This new Web-based application enables the resource planning across various projects.

EXPANDING TO NEW INDUSTRIES

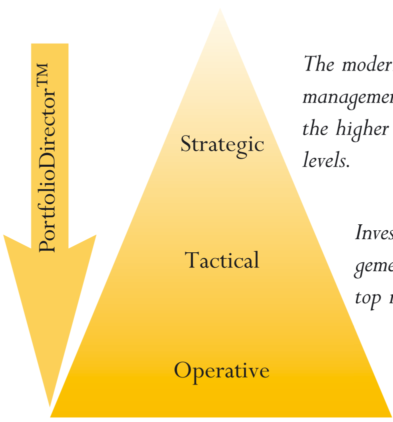
The second trend is that project management methods are gaining ground in new industries. This trend is similar in all of Proha's project management markets in Europe, the United States and Asia. Regardless of the industry, working in a project-based way is increasing in companies.

This is partly explained by the fast-changing business environment and the need for networking due to globalisation, which require faster response and more flexibility from companies. In this new business environment, project-based working has proven to be one the most productive methods of getting work accomplished.

ARTEMIS INTERNATIONAL MAINTAINED ITS LEADING POSITION IN THE CHANGING MARKETS

The analyst firm Gartner Group ranked Artemis International Solutions Corporation, which constitutes Proha's project management business unit, as one of the leading players in the Project and Resource Collaboration market space in its July, 2001 article, "Project/Resource Management Suites: Getting it Together". A comprehensive study of the industry's market shares conducted by an independent organization does not exist.

Proha's project management business area continued to grow during the year 2001. In July 2001, Proha acquired majority ownership in Opus360 Corporation, a US-based public company. The operations of Opus360 and Artemis were combined under the name Artemis International Solutions Corporation. As a result of several acquisitions, Artemis now has a distinguished position in global markets and focuses on profitable organic growth in 2002.



The modern project management is focusing on the higher organisational levels.

Investment Portfolio management is a method for the top management.

PRODUCT AND SERVICE OFFERING EXPANDS TO PROJECT AND RESOURCE COLLABORATION MARKETS

During the year 2001, Artemis International continued to develop its applications and services to better meet the needs of traditional project management software markets, as well as larger and rapidly expanding Project and Resource Collaboration markets. New products are designed for modern, flexible project organizations, whose projects compete with each other for resources and which often use temporary external resources.

During 2001, Artemis released several new products and services in addition to PortfolioDirector. Most of these new products are Web-based. In November 2001, Artemis introduced ViewPoint, a Web-enabled portal application for project and resource collaboration. At the same time, the company also announced the Artemis Views 5 release, which contains many new or improved features requested by Artemis Views users.

Service offerings were also updated by launching Artemis LINKS and OnTrack on-line project management e-learning tools.

Artemis' strategy is to continue to enhance its products to leverage the Internet, and to provide the customers with the best project management solutions to meet their business needs.

Strategy, Flexibility, and Efficiency – Key Factors of Investment Portfolio Management for OKO Bank Group Central Cooperative

Running a profitable business is increasingly based on utilizing information technology. In Finland, one of the pioneers in this field is the OKO Bank Group Central Cooperative.

– In the IT dominated business environment, the key words of investment portfolio management are strategy, flexibility and efficiency, sums up Mr. **Markku Mäkinen**, Information Technology Director of OKO Bank Group Central Cooperative.

These success factors of this banking company known for its profitable growth are now being cultivated further by Artemis PortfolioDirector.

TRANSFER TO ELECTRONIC SERVICES CREATES INVESTMENT NEEDS

Mäkinen says that in the OKO Bank Group transferring to an electronic business environment has continually increased the need for investing in information technology.

Paradoxically, the expeditious eBusiness sets demands for the management to respond with greater speed and flexibility, and, at the same time, to keep the investments within the framework of company strategy.

The OKO Bank Group Central Cooperative's tool for investment portfolio management is Artemis PortfolioDirector, an innovative solution for strategic investment portfolio management.

– We have been looking for a solution like PortfolioDirector and tools to align investments with our strategy as well as possible, tells Mäkinen.

AIMING AT LONG-TERM CONTROL OF PRODUCTIVITY

Mäkinen says that the OKO Bank Group Central Cooperative also appreciates PortfolioDirector's features that cover investment planning and control needs on all levels of the organization.

– We expect executive management to have significantly better possibilities to manage the investments on the group level, so that instead of one investment the whole portfolio is under review, Mäkinen adds.

PortfolioDirector is expected to enhance productivity. One of the OKO Bank Group Central Cooperative's long-term aims is to control the productivity of all investments. So far, the company has only been able to monitor the productivity of larger investments.

It is widely believed within the OKO Bank Group Central Cooperative that professional management of an investment portfolio is more significant in this respect as well, says Mäkinen. ❒

Sales of Electronic Financial Management Solutions Boomed

Net sales for Proha's Financial Management business unit grew in year 2001, and growth is expected to continue in 2002. The Financial Management business unit also continues as the innovative pioneer in the field of electronic financial management. The prospects for electronic financial management services for 2002 are good.

Accountor Oy, focusing on electronic financial management and financial management services, took big steps forward in 2001. One of the biggest achievements was the introduction of an electronic purchase invoice handling service called IAP Flow. The achievements aligned with the corporate strategy. Since 2000, the Financial Management business unit has invested heavily in the development of IT infrastructure.

The size and service requirements of Accountor's customers have increased continuously.

In 2001, Accountor's new IAP (Internet Accounting Partner) customers included Fortum Service Oy, Fremantle Entertainment Oy, Merídea Financial Systems Oy, Schiedel Savuhormistot Oy, and Sodexho Shore Oy.

ENHANCED SERVICE CONCEPTS

Accountor's financial management services comprise process development consulting, ASP- and Internet-based IT solutions and outsourcing services. IAP solutions are a cost-effective method to manage and control a company's finances, irrespective of time and place. For instance, with electronic purchase invoice handling system (IAP Flow), users can gain significant cost savings compared to traditional invoice handling systems.

During 2001, Accountor expanded its service offering in cooperation with leading application providers. The company also divided its services into three concepts: Finance Department services tailored for large organizations, Personnel Department services for large organizations, and Accounting Firm services for small organizations.

Accountor's services are closely linked with the ASP service. All Accountor's financial management solutions are also available as an ASP service. Accountor offers its customers a customized cooperation model, whereby the customer receives the required solutions as an ASP service quickly with a monthly pricing model.

PROCOUNTOR.COM SERVICE NOW AVAILABLE

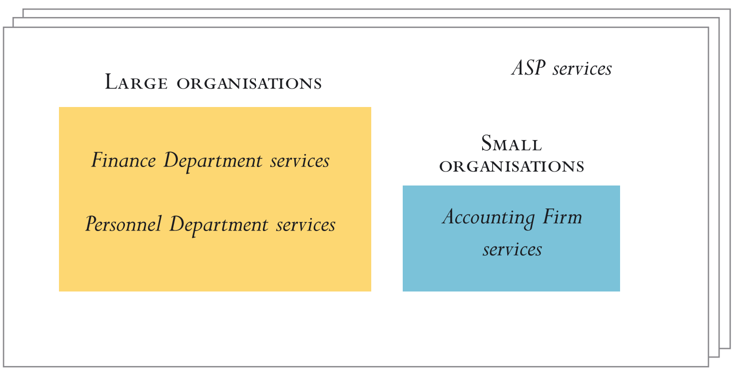
In the Financial Management business unit, ProCountor International Oy started its service business in 2001. The company's Internet-based management service ProCountor.com was opened for business in the fall 2001 after a trial period. At the moment, ProCountor.com is the only service of its kind in Europe.

The number of ProCountor.com users has increased rapidly. The first-stage users of this service concept are small and medium-sized companies. ProCountor.com service has also been adopted in various provincial development projects in Finland. The sales and marketing efforts initiated in the fall 2001 are expected to produce results during 2002.

ProCountor.Com is an innovative service for easily and effectively handling a company's invoicing, bookkeeping and other financial management processes. It can also be integrated with an accounting firm's service entity.

ProCountor.Com also allows the handling of purchase and sales orders and inventory management. In addition, ProCountor.com is integrated with Manufacturing Channel Europe Oy's business management system offered to manufacturing companies.

ProCountor.Com service provides thousands of small and medium-sized companies and organizations with a completely new, timesaving alternative for handling the entire financial management on the Internet.



Accountor Service Concept

OUTSOURCING OF FINANCIAL MANAGEMENT ON THE INCREASE

Financial management is going through a transitional period. Key trends are a transfer to electronic accounting routines and a more extensive use of outsourcing. Even large finance departments can be outsourced with modern IT solutions. Outsourcing increases the flexibility of customers' business structures and improves the availability and the level of the service.

An electronic business environment and the development of business processes are expected to save companies' resources significantly. Proha's financial management services such as IAP service are already able to meet these expectations.

Also in the year 2002, Proha's Financial Management growth strategy is based on integrating electronic financial management services with customers' finance departments.

Accountor's objective is to be the leading financial management innovator within its market area. The company strives for becoming a leading provider of comprehensive finance department services and financial management and control solutions.

Fremantle Entertainment Benefits from Electronic Financial Management

Last fall, the TV company Fremantle Entertainment entered the era of electronic financial management by adopting the WinTime system as an Accountor ASP service. Previously, the company had used Accountor's traditional financial management services.

The financial manager of Fremantle Entertainment, Mr. **Antero Hartonen** finds this trend positive.

– Electronic financial management enables transferring routine tasks as close to production as possible. In addition, overlapping tasks are eliminated and the speed and quality of reporting improved. Free resources can be used to support company's operations, notes Hartonen.

REPORTING TO THE PARENT COMPANY IS EASIER THAN EVER BEFORE

So far Fremantle Entertainment's experiences in the electronic system have been very positive. Hartonen especially appreciates the ease of the systems reporting. This is a very important factor in an international company where reports are produced rapidly and great demands are placed on report accuracy.

– Earlier, reporting was much more time consuming, because we had to ask for all the figures from the accountant. Now we can get the figures directly from the system and import them to reporting templates.

Hartonen says that in addition to the ease of the system's reporting features, he also appreciates the drill-down feature, i.e. the possibility to analyze the report information all the way down to the transaction level. This feature is useful in both analyzing the reports to the parent company as well as in variance analysis.

– Faster handling of raw data enables the analysis of the material before sending it to the parent company. Earlier this wasn't really possible.

Accountor customized the reporting templates for its customer. The project was rather demanding because during the transfer from the old system to the new the cost unit structure of the system was also altered.

The next step in the development of the financial management of Fremantle Entertainment is to partially integrate payroll administration into the system. Preliminary negotiations for implementing an electronic invoice handling system as well as a project management system have also been carried out. ❒

** Fremantle Entertainment is a subsidiary of Fremantle Media, an international TV company. In Finland, Fremantle Entertainment is known for programs such as Bumtsibum, Greed, Kuutamolla and Suuri Seikkailu.*

Signs of Growth in ASP Services

There are strong signals of rapid market growth and growing interest in Proha's ASP services. During 2001, Intellisoft Oy signed the first contracts on providing large-scale project management solutions as an ASP service for sectors such as the construction industry. The ASP service of financial management solutions also grew promisingly.

In 2001, a major part of Intellisoft's business consisted of ASP services supporting Proha's other business areas. In the last quarter of 2001, Intellisoft also started to sell ASP services directly to customers. Intellisoft's market share of the Finnish ASP service market was approximately eight per cent, and approximately 16 per cent of the business applications market in 2001.

Intellisoft's ASP service was started in 2000, and the initial development phase (premises with hardware and software together with testing) was completed by the end of June 2001.

Internet Technologies supports Proha's other business areas. All Proha's Internet Technology business operations are incorporated in Intellisoft Oy.

POSITIVE MARKET DEVELOPMENT

International research institutions such as Gartner Group and IDC forecast nearly explosive growth for the ASP service sector during the next few years. Gartner sees that in the next five years this sector will be the leading force of the IT market, and believes that by 2004 every third business application will be acquired as an ASP service. According to these analysts, Europe will lead the development ahead of the United States.

Interest in the ASP services has grown: more and more companies are willing to focus their investments on their core competencies and outsource management systems instead of buying them. As networking and project-based working become more common, the number of these kinds of companies increases respectively.

Intellisoft estimates that the development of the market will still be moderate during the first half of 2002. Although markets show clear signs of rapid growth, companies are considering carefully before making final purchase decisions.

INTELLISOFT FOCUSES ON ITS CORE COMPETENCE

In 2002, Intellisoft focus will be on providing customers with comprehensive solutions composed of various applications. The share of Intellisoft's own direct sales in net sales will increase substantially, and the share of outsourcing more moderately.

The share of technical services in Intellisoft's business will be decreased. In January 2002, Intellisoft agreed to outsource the hosting and network services to Xenetic Oy, which enables Intellisoft to focus more closely on its core competencies.

Intellisoft plans a customized service entity together with the customer, integrates the applications with the customer's system and takes care of the implementation and support. Xenetic Oy ensures the availability of the customer's IT solutions 24 hours a day, seven days a week.

Intellisoft offers an extensive range of Proha's project management, financial management, and third-party solutions as an ASP service. Partners include BasWare, Elma, Jeeves Information Systems, Opus Capita, SAP Finland, Posten Sverige, QPR Software, and Single Source. Intellisoft continuously expands its partner and cooperation network to add value to its customers.

ECONOMIES OF SCALE WITH SMALL INVESTMENTS

ASP service is an optimal solution for more and more companies' IT systems. Lower costs and minimal need for resources make the implementation of an ASP service relatively easy. With ASP services, companies are able to adopt heavyweight systems with low investments and small risks. This, for instance, is crucial in many short-term projects.

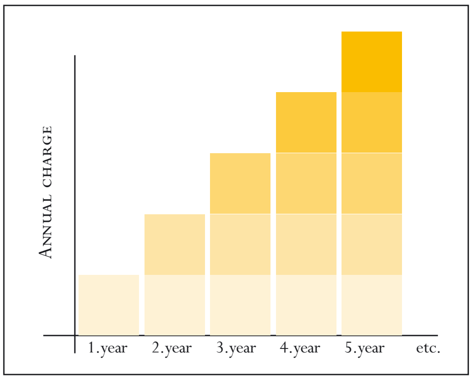
The implementation process of an ASP service is extremely fast. For example, electronic invoice handling systems can be adopted in just one day by changing the invoicing address. Normally this kind of process could take months.

In the present business environment, the role of rapid implementation has grown, since staying competitive requires companies to react faster to everchanging market conditions. A system that requires several months implementation may prove to be insufficient already before the implementation process is finished.

An ASP service also provides rapid realization of benefits, such as when an investment supports or increases the core business. Growth is naturally slower if investments first need to be paid off by the return.

YIELDING CUMULATIVE RETURNS

From the provider's viewpoint, ASP service is a very predictable, controllable and secure business. ASP service contracts are long-term and yield cumulative returns *(see picture)*. Predictability and security lay a good foundation for running a cost-effective business.



CONSTRUCTION COMPANY WANTS TO CONCENTRATE ON ITS CORE BUSINESS

SRV Group outsourced the maintenance of its cost management system

Last year, SRV Group outsourced the maintenance of its project cost management system entirely to Artemis Finland. For SRV Group, the solution is both a significant policy choice as well as a pioneering act in Finland. Intellisoft Oy, a subsidiary of the Proha Group, is responsible for the implementation of the ASP system.

Development manager of the SRV Group, Mr. **Tuomo Poutiainen** points out that outsourcing agrees very well with the company policy.

– The aim is to outsource the support functions of the project cost management, so that we can concentrate on our core competence_project management. In addition, our working methods become consistent when all SRV subsidiaries can use the same system, says Poutiainen.

Poutiainen emphasizes, that an outsourced system produces a lean organization.

– SRV had to decide whether or not to expand its own IT unit as well as its expenses. Because the idea of SRV is to operate a lean organization and concentrate on its core competence, we didn't see any reason to make an exception here, Poutiainen notes.

AIMING AT COST-EFFECTIVENESS

Poutiainen points out that the advantages of outsourcing are clearly visible, especially in terms of cost-effectiveness.

– Outsourcing this type of solution is much more cost-effective for the customer than acquiring the entire system and machinery itself, and more profitable than maintaining it with its own staff and consultants, Poutiainen calculates.

– There is a lot of special know-how in the Intellisoft service center, and there is no need for each construction company to acquire that for themselves. If large enough, a centralized service center can purchase machinery and licenses much more economically than a single construction company can. By cooperating we can utilize the economies of scale.

The contract is also a significant opening for Intellisoft in the area of project management. So far most of the company's ASP customers have only been using financial management services. Managing director of Intellisoft Oy, Mr. **Raimo Vaalasranta** believes that the interest in project management ASP services will grow rapidly in the near future. ❐

Personnel

Growth in the number of Proha personnel levelled off in 2001 after the Company had reached its growth target during 2000. As of the end of 2001, the Proha Group employed 638 people, compared to 634 in 2000. At the end of September 2001, the number of personnel worldwide was 717, decreasing by 79 people during the last quarter of 2001. The largest decrease was in the United States (42 people), mainly due to the combination of Opus360 Corporation and Artemis operations.

At the end of 2001, a total of 507 people worked in the area of Project Management, 95 in Financial Management, and 36 in Internet Technologies. The number of employees in Finland was 231, while 407 worked abroad. In 2001, the Group employed an average of 690 people.

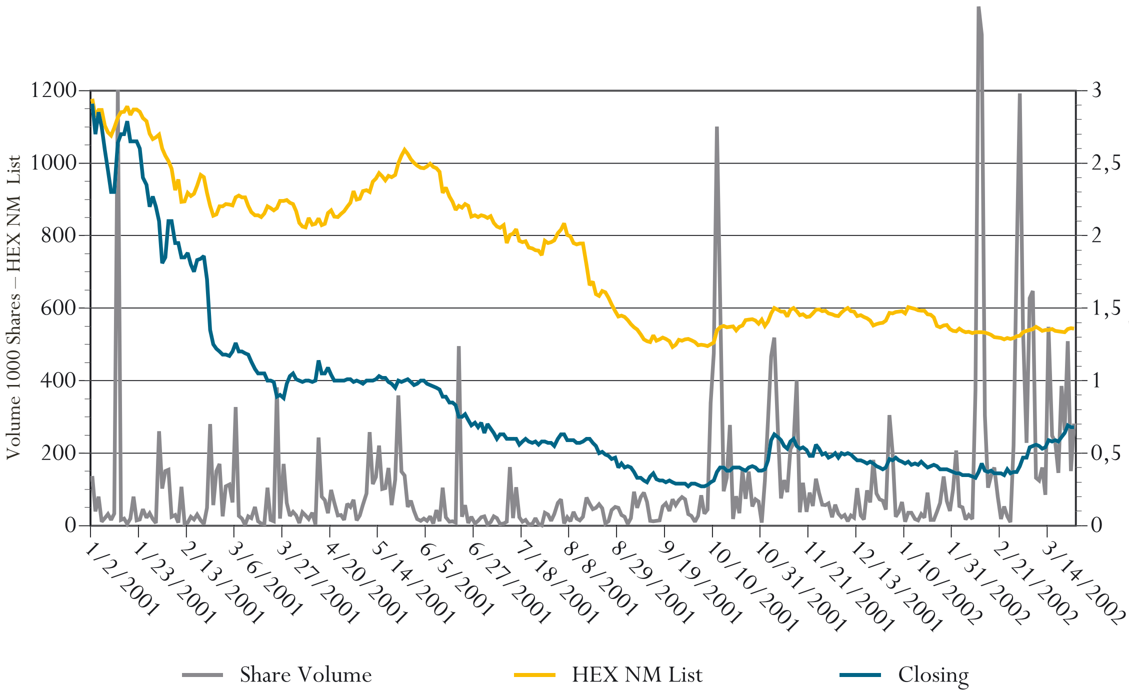
In Finland, annual personnel turnover is around 10 per cent. The figure changes from country to country reflecting different labor markets and cultures.

As an incentive system, Proha has a number of employee stock option plans that cover all permanent employees.

Trading on the Helsinki stock exhange

The number of registered shareholders of Proha Plc totaled 3,793 at the end of the financial year 2001. During 2001, the share price was EUR 0.27 at its lowest and EUR 3.15 at its highest. Market capitalization was approximately EUR 19.9 million at the end of 2001.

CLOSING AND EQUITY TURNOVER



Equity analysts following Proha

Conventum Pankkiiriliike Oy	Marko Maunula	marko.maunula@conventum.fi
FIM Pankkiiriliike Oy	Mikko Linnanvuori	mikko.linnanvuori@fim.com
Handelsbanken Securities	Antti Suttelin	antti.suttelin@handelsbanken.fi
Mandatum Pankkiiriliike Oy	Mikael Ilmari	mikael.ilmari@mandatum.fi
Opstock Pankkiiriliike	Pekka Suhonen	pekka.suhonen@oko.fi

Proha Board of Directors

Currently, the Proha Board of Directors consists of the Chairman and seven members. According to the Company's Articles of Association, the Board of Directors is required to have at least three and no more than eight members. Members are elected by the Annual General Meeting of shareholders for one-year terms.

In 2001, the Proha Board convened 14 times.

The members of the Proha Board of Directors are Olof Ödman (Chairman), James Cannavino, Klaus Cawén, Alec Gores, Ari Horowitz, Pekka Pere (President and Chief Executive Officer), Peter Schwartz and Steven Yager.

One of the founders of Proha, Mr. Pekka Mäkelä, resigned from the Board of Directors on July 30, 2001 but continues to contribute his time and extensive experience in project management at Proha's training and consulting team. Mr. Mäkelä is still one of the major shareholders of Proha.

Olof Ödman
(Born 1943)
M.Sc.
Founder and Chairman of the Board of META-Group in Sweden and Finland.
President and CEO of the Databolin Group in Scandinavia (1979-1994).
Chairman of the Board of Jeeves Information Systems AB, Best Technology AB, Witit AB, Transaction Network Services TNS AB, Dovre International AS and Safran Software Solutions AS in Norway.
Chairman and Member of the Board of Directors of Proha Plc since 1999.

Pekka Pere
(Born 1957)
President and Chief Executive Officer of Proha Plc.
Co-founder of Proha.
Chairman of the Board of Directors of Eficor Plc.
Vice Chairman of the Board of Directors of Federation of the Finnish Information Industries.
Member of the Board of Directors of Proha Plc since 1999.

James Cannavino
(Born 1944)
Chief Executive Officer and Chairman of the Board of CyberSafe Corporation.
Previously President and Chief Operating Officer for Perot Systems Corporation and Senior Vice President for strategy and development at IBM.
Chairman of the Board of Softworks.
Member of the Board of Directors of Proha Plc since July 30, 2001.

Klaus Cawén
(Born 1957)
LL.M. (Helsinki and Columbia University)
Executive Vice President and Member of the Board of Directors of KONE Corporation.
Member of the Board of Oy Karl Fazer Ab.
Member of the Board of Directors of Proha Plc since 1999.

Alec Gores
(Born 1953)
Founder and Chairman of Gores Technology Group, a privately held company that has acquired and managed approximately 40 technology companies.
Mr. Gores holds a degree in computer science from Western Michigan University.
Member of the Board of Directors of Proha Plc since 2000.

Ari Horowitz
(Born 1968)
B. Economics
Vice Chairman, Executive Vice President of Corporate Development, Artemis International Solutions Corporation.
Co-founder and CEO of the former Opus360 Corporation.
Member of the Board of Directors for NetVendor, Inc.
Member of the Board of Directors of Proha Plc since July 30, 2001.

Peter Schwartz
(Born 1943)
MBA
Executive Vice President and Chief Financial Officer of Artemis International Solutions Corporation.
Formerly held position as Chief Financial Office of Computer Associates International, Inc. among others.
Member of the Board of Directors of Proha Plc since July 30, 2001.

Steven C. Yager
(Born 1953)
BBA, B. Economics
President and Chief Executive Officer of Artemis International Solutions Corporation until January 25, 2002.
Vice Chairman of the Board of Directors for Artemis International Solutions Corporation.
Member of the Board of Directors of Proha Plc since 2000.

Review by the Board of Directors January 1 – December 31, 2001

Proha is a global software company focusing on maximizing its customer's business performance by providing management solutions. By the beginning of 2001, Proha had become an international software company, operating in all major markets worldwide. During the financial year 2001, the focus shifted from growth to products and business operations. New products were introduced, and the business area strategy was clarified. International events changed the market situation significantly, however, Proha was able to adapt its operations to the changed situation. Net sales grew by 129% compared to the financial year 2000, remaining at the same level with the pro forma figures of 2000 (the 12-month net sales of the companies acquired in 2000 included).

Net sales of the Proha Group's largest business area, Project Management, were EUR 76.5 million in 2001. The fourth quarter net sales of EUR 21.5 million were the year's best and can be considered an excellent result given the changed market situation. This speaks of many things, for instance, that the project management business is based on long-term cooperation with the clients and that the project management products have a strategic position in providing client companies with support.

The Financial Management business area continued to grow steadily. Net sales increased in 2001 and the growth in the fourth quarter was 13% compared to 2000. International events did not have a significant impact on the development of this sector. In 2001, the Financial Management business area achieved its previously set targets in the development of services, products and business volume.

In the Internet Technologies business area, Intellisoft's ASP service was started in 2000 and the initial development phase (premises with hardware and software together with testing) was completed during the first half of 2001. The first ASP service clients were secured during the second half of the year. In addition to selling ASP services to outside customers Intellisoft also supports both of the Proha's two other business areas.

NET SALES AND RESULT DEVELOPMENT

The Proha Group's net sales in 2001 increased by 129% to EUR 82.8 million (EUR 36.1 million in 2000). Earnings before financial expenses, taxes, and depreciation (EBITDA) was EUR -4.4 million (EUR 3.8 million in 2000).

The operating loss was EUR -6.1 million, against operating profit of EUR 1.9 million in 2000. the result before appropriations and taxes was EUR -7.2 million (EUR 1.5 million in 2000), which is -8.7% of net sales. Earnings per share amounted to EUR -0.20 (EUR 0.03 in 2000).

FINANCING AND INVESTMENTS

The financial position of the Group is satisfactory. At the end of the year 2001, the balance sheet total was EUR 54.4 million, compared to EUR 55.7 million in 2000. Cash items and short term investments stood at EUR 7.0 million, against EUR 6.1 million in 2000. The Quick Ratio was 0.91, compared to 1.11 in 2000.

The Group's gross investments were EUR 3.3 million. The product development expenses of strategic products totalled EUR 11.6 million, of which EUR 11.2 million was expensed.

Interest-bearing liabilities were equivalent to 9.7% of the Group's capital and reserves total at the end of the year (6.6% in 2000).

PRODUCT DEVELOPMENT

A total of 14.0%, EUR 11.6 million, of the Group's net sales were invested in the development of strategic products (9.9% and EUR 3.6 million in 2000). In addition, tactical products were developed regionally. The development of these products were partly carried out as customer projects. The development expenses of all tactical products have been expensed in full.

NET SALES BY BUSINESS AREA, EUR 1,000:

Business Area	Net sales	External	Intergroup
Artemis companies (Project Management)	79,834	76,509	3,324
Accountor companies (Financial Management)	5,091	4,681	411
Intellisoft companies (Internet Technologies)	2,081	761	1,320
Other areas	2,264	894	1,370
Total	**89,270**	**82,845**	**6,425**

In the **Project Management** business area, PorfolioDirector™, a new Artemis product for investment portfolio management, was launched globally in Fall 2001. The new product expands Artemis' product offering to strategic management. The first PortfolioDirector™ deal was made earlier than expected, in December 2001. Several pilot projects were also launched.

Artemis ViewPoint™ was introduced in November. The first deliveries will take place in April 2002.

During Spring 2002, Artemis ResourcePlanner will be introduced.

All new Artemis products are Java-based, and they can be used on the Internet via Web browsers.

The product development of the Workforce Procurement and WorkForce Management applications, received as part of the Opus360 transaction, was terminated due to a difficult market situation in the Fall 2001.

In the **Financial Management** business area, the Proha subsidiary Accountor Oy continued to develop its services into Finance Department, Personnel Department and Accounting Company concepts as planned. The major development investments associated with them have now been made.

The most significant application development initiative of Accountor Oy was the launch of an electronic purchase invoicing handling ASP service called IAP (Internet Accounting Partner) Flow. IAP Flow is targeted at large companies, which can attain significant cost savings by automatizing the entire invoice handling process.

Another Proha subsidiary in the Financial Management business area, ProCountor International Oy, introduced ProCountor.com, a Web-based management service in the summer 2001. The main target group of ProCountor.com are small and medium-sized enterprises. The number of ProCountor.com users has increased rapidly.

In the **Internet Technologies** business area, the Proha subsidiary Intellisoft Oy continued to integrate its own and licensed software according to plan, enabling the rapid growth of the ASP services in 2002.

ACQUISITIONS AND CHANGES IN ASSOCIATED COMPANIES

Artemis Operations in Asia

In January 2001, Proha acquired the entire share capital of JST Investment (Asia) Pte Ltd and 25% of the share capital of PMsoft Korea Ltd. These shares were transferred to Artemis International Solutions Corporation (former Opus360 Corporation) as part of the Opus360 transaction.

Holding in the Norwegian Dovre International AS

In February, Proha subsidiary Safran Software Solutions AS acquired 40% of the share capital of Dovre International AS, a subsidiary of Dovregruppen AS. Safran also received an option to purchase the remaining 60% of Dovre's shares between 2003 and 2006. Dovre is a leading Norwegian consulting company specializing in project management, which has offices in Oslo, Stavanger, Houston, Baku and Aberdeen.

Opus360 Corporation Transaction in the United States

Proha Plc and Opus360 Corporation, a US-based software company, agreed on a transaction pursuant to which Proha received 80% of the entire share capital of Opus360 Corporation i.e. 199.5 million shares in exchange for the Artemis businesses and 19.9% of Proha's subsidiaries Intellisoft Oy and Accountor Oy. The transaction was implemented in a two-step process on July 31, 2001 and November 20, 2001. As a result of the transaction, Opus360 Corporation became the parent company of Proha's Artemis Group. The combined business operations continue to operate under the name Artemis International Solutions Corporation. The combination of the operations was completed during 2001.

Withdrawal from the Swiss Investment Agreement

In December, Proha Plc and the Swiss Sauter Training & Simulation SA (STS) mutually agreed to withdraw from the investment agreed upon on January 15, 2001. The withdrawal from the investment agreement did not affect the global access or distribution of STS Internet-based training technology as part of the Proha Group's Artemis products.

Expansion of Accountor Services in Finland

In March, Proha subsidiary Accountor Oy, acquired the entire share capital of the Finnish-based accounting firm Taloushallinta Oy Tilikolmio. This acquisition expanded the Accountor IAP services with taxation expert services.

Divestment of LocalEyes Suomi Oy

In June 2001, Proha Plc sold the rest of its holding in LocalEyes Suomi Oy to LocalEyes Ltd, a subgroup of the Italian-based Opera Multimedia S.p.A, for EUR 314,000. A year earlier, Proha had spun off its localization business to LocalEyes Suomi Oy, and Opera Multimedia had purchased a 51% holding in the new company.

SIGNIFICANT AGREEMENTS

Project Management

In April 2001, Proha Group's Norwegian-based associated company, Dovre International AS, signed an extensive framework agreement with Norsk Hydro Produksjon Aa. Dovre was selected as Norsk Hydro's most important supplier of consultants and competence within Project Management and Supply Chain Management. The validity of the agreement is 3 years, and it includes an option to extend the agreement to 9 years.

In May, Artemis International Solutions announced four new customer partnerships on the implementation of project and resource collaboration solutions. The US partners include USAA (insurance and finance), Lockheed Martin (aeronautics and defense), The Vermont Agency of Transportation (transportation), FuelCell Energy (electrical engineering).

In September, Artemis International Solutions Corporation signed an agreement with the US-based Intraspect Software, Inc., under which Artemis will embed Intraspect's collaboration platform in the Artemis Views products.

In November, Dovre International AS signed a significant agreement with the Norwegian state-owned oil company Statoil. Statoil chose Dovre to perform commissioning assistance for the Mikkel oilfield project. The agreement is valid for 2 years, and the expected workload is over 10 man-years.

Financial Management

In January 2001, Proha Plc and BasWare Plc signed an agreement on worldwide cooperation. Under the agreement, Proha offers 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 are combined with Basware's myeflow.com electronic invoicing service. Proha is also entitled to resell BasWare's e-Flow PIP and Target products in countries where these products are available as ASP services.

In January, Proha Plc and Elma Oy Electronic Trading (Elma) agreed on strategic cooperation under which Proha combines Elma's electronic invoicing services with its ProCountor.com and IAP (Internet Accounting Partner) services. Cooperation in the electronic invoicing field covers Finland and other Nordic countries. The agreement also includes Elma's automatic electronic statement transfer service provided to the Finnish authorities (TYVI).

In February, Proha Plc and SAP Finland signed a strategic partnership agreement. Pursuant to the agreement, the Proha subsidiary Accountor Oy is the first in Finland to offer mySAP.com solution as an ASP service. The agreement covers the entire European Economic Area and Switzerland. The service is part of Accountor's IAP service.

In May, Proha Plc signed an agreement with Manufacturing Channel Europe Oy on offering its business management system worldwide as part of Proha's ProCountor.com and ASP services within the Financial Management business area. Manufacturing Channel business management system is an Internet service designed for manufacturing companies.

OTHER GROUP EVENTS

Group Structure

During the Spring of 2001, the business operations were rearranged into companies operating within the Group's three business areas.

Changes in the Trading of Artemis Shares

The shares of Artemis International Solutions Corporation (former Opus360 Corporation) were delisted from the Nasdaq National Market on June 28, 2001. The trading of the shares on the OTC Bulletin Board (OTCBB) commenced on June 29, 2001.

The new trading symbol of Artemis International Solutions Corporation on the Nasdaq OTCBB markets, AISC, was taken into use on November

CHANGES IN THE SHARE CAPITAL

On January 1, 2001, the Company share capital was EUR 13,702,032.50 and the number of Company shares was 52,700,125. The number of shares and the share capital changed during the year 2001 as follows:

	Change (shares)	Change (EUR)	Reason
Jan. 5.	+278,275	+72,351.50	PMsoft Asia
Jan. 18.	+36,130	+9,393.80	PMsoft Korea
Aug. 15.	-1,960,180	-509,646.80	Cancellation of shares

On December 31, 2001 the number of shares was 51,054,350 and the share capital was EUR 13,274,131.00.

29, 2001. Former trading symbol was OPUS.

TRADING ON THE HELSINKI STOCK EXCHANGE

The number of registered shareholders of Proha Plc totaled 3,793 at the end of the financial year 2001. During 2001, the share price was EUR 0.27 at its lowest and EUR 3.15 at its highest. Market capitalization was approximately EUR 19.9 million at the end of 2001.

On February 1, 2002, the share capital was increased by EUR 211,359.20 (812,920 shares) following the directed share issues to the shareholders of the German Artemis International GmbH and the Norwegian Safran Software Solutions AS. The share capital after the increases was EUR 13,485,490.20, and the number of shares was 51,867,270.

CANCELLATION OF COMPANY SHARES

In accordance with the decision of the Proha Plc Extraordinary General Meeting on July 30, 2001, a total of 1,960,180 Proha Plc shares owned by Artemis Acquisition Corporation were cancelled and the share capital of Proha was reduced by EUR 509,646.80. The amount was transferred to the share premium account, which is the Company's restricted capital. Decrease in the share capital does not have an impact on the distribution of share ownership or voting rights, since the cancelled shares were owned by the Company's subsidiary Artemis Acquisition Corporation.

INCENTIVE SYSTEM FOR PERSONNEL

At the beginning of 2001, the incentive system for personnel consisted of two valid option programs. The option program for 1999 entitles to subscribe a total of 303,050 Proha Plc shares with a subscription period of January 2, 2001 - January 2, 2003. The subscription price is EUR 1.60. The option program for 2000 entitles to subscribe a total of 975,000 Proha Plc shares with a subscription period of December 1, 2001 - December 1, 2004. The subscription price is EUR 2.94.

In 2001, stock options were granted to the personnel of the Proha Group and the members of the Proha Board of Directors in two stages. A total of 19,441,000 stock options were issued, entitling to a total of 1,944,100 Proha Plc shares with a subscription period of February 4, 2002 - February 4, 2006. The subscription price is EUR 1.35.

The option issue was based on the authorization of the Extraordinary General Meeting to the Board of Directors held on December 13, 2000 to increase the Company share capital by a maximum of EUR 520,000 by issuing a maximum of 20,000,000 stock options that entitle to a subscription of 2,000,000 shares in accordance with the terms and conditions of the option issue. The authorization is no longer valid.

PERSONNEL

During the last quarter of 2001, the number of personnel decreased worldwide by 79 employees, mostly in the United States (42 employees) due to the combination of Opus360 Corporation and Artemis operations. At the end of 2001, the number of employees in the Proha Group was 638, compared to 634 in 2000. Staff expenses were EUR 49.2 million (EUR 17.3 million in 2000), 59.4% of net sales (47.9% in 2000). At the end of 2001, 507 people worked in the area of Project Management, 95 in Financial Management, and 36 in Internet Technologies. The number of employees in Finland was 231, while 407 worked abroad. The average number of personnel in 2001 was 690.

AUTHORIZATION TO ISSUE SHARES

On December 17, 2001, the Proha Board of Directors was authorized by the Extraordinary General Meeting to decide on increasing the share capital through one or more new subscriptions having a total combined value of a maximum of 10,000,000 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 2,600,000.

After the directed issues to the shareholders of the Norwegian Safran Software Solutions AS and the German Artemis International GmbH in January 2002 (a total of 812,920 new shares), the number of unused shares is 9,187,080 (EUR 2,388,640.80). The authorization is valid until December 16, 2002.

CORPORATE GOVERNANCE

Proha Plc is managed by the CEO and the Board of Directors. The President and CEO is Pekka Pere and the Chairman of the Board is Olof Ödman. The other members of the Board of Directors are James A. Cannavino (as of July 30, 2001), Klaus Cawén, Alec Gores, Ari Horowitz (as of July 30, 2001), Peter Schwartz (as of July 30, 2001), and Steven Yager. Mr. Pekka Mäkelä resigned from the Board on July 30, 2001.

The Company's auditor is KPMG Wideri Oy Ab, with Mr. Reino Tikkanen, APA, as the auditor in charge.

The President and CEO of Artemis International Solutions Corporation in the United States is in charge of the Project Management business area worldwide. In 2001, the President and CEO was Steven Yager and as of January 25, 2002 the President and CEO is Michael J. Rusert. Proha Plc owns 80% of the Artemis shares and votes.

The Managing Director of Accountor Oy, Juha Tommila, is in charge of the Financial Management business area. The Managing Director of Intellisoft Oy, Raimo Vaalasranta, is in charge of the Internet Technologies business area. Mr. Tommila and Mr. Vaalasranta report to Mr. Pekka Pere.

Proha Plc follows the insider guidelines of the Helsinki Stock Exchange.

DECISIONS OF THE GENERAL MEETINGS

The Annual General Meeting of Proha Plc held on April 4, 2001

- approved the 2000 Financial Statements and discharged the members of the Board of Directors and the CEO from liability for 2000.
- approved the Board of Directors' proposal according to which no dividend is paid from the distributable earnings.
- decided to amend Sections 12 and 13 of the Articles of Association in accordance with the proposal of the Board of Directors.

"12§ Advance Registration
In order to participate in the General Meeting, a shareholder must register at the company before the registration date and time specified in the notice of the meeting. Registration can be determined to end not earlier than ten (10) days before the meeting."

"13§ Notice of Meeting
The notice of the General Meeting must be sent to the shareholders not earlier than two (2) months and not later than seventeen (17) days before the meeting by publishing an announcement of the meeting in at least one Finnish newspaper designated by the Board of Directors or by sending the notice to the shareholders by registered mail to the address registered in the shareholders' register."

Extraordinary General Meeting held on July 30, 2001

The Extraordinary General Meeting of Proha Plc approved the Board of Directors' proposal for

- the share exchange agreement between Proha Plc and Opus360 Corporation, a US-based software company.
- the cancellation of Proha Plc shares owned by Proha Plc's subsidiary Artemis Acquisition Corporation.
- amending the Articles of Association.

"6§ Board of Directors
The Board of Directors of the company is composed of no less than three (3) and no more than eight (8) members. Their term ends at the end of the first Annual General Meeting following the election.

In the first meeting after the election of the Board of Directors, the Board appoints one member to be the Chairman of the Board and another member to be the Vice-Chairman of the Board, whose term lasts until the end of the Annual General Meeting following the election."

- increasing the number of members in the Board to eight ordinary members instead of the previous six.
- Mr. Pekka Mäkelä resigned from the Board of Directors. The members of Opus360 Corporation Board of Directors, Ari Horowitz and James A. Cannavino, as well as Chief Financial Officer Peter Schwartz were elected as the new members of Proha Board of Directors. Olof Ödman will continue as the Chairman and Steven Yager, Alec Gores, Pekka Pere, and Klaus Cawén as members of the Board of Directors.

Extraordinary General Meeting held on December 17, 2001

The Extraordinary General Meeting of Proha Plc held on December 17, 2001 resolved

- to accept the Board of Directors' proposal for issuing a maximum of 1,500,000 stock options. As a result of the subscriptions, the share capital of Proha Plc can increase by a maximum of 1,500,000 new shares and at the most by EUR 390,000.
- to authorize the Board to decide on increasing the share capital with one or more new subscriptions in such a manner that a maximum of 10,000,000 new shares with a book parity of EUR 0.26 can be subscribed for in the new subscription. On the basis of this authorization, the Company's share capital can be increased by a maximum of EUR 2,600,000.
- to approve the special conditions of the stock option plan for 2001 in respect to US employees.

APPLICATION OF EARNINGS

The Proha Board of Directors proposes that the profit for the financial year be entered in capital and reserves and no dividend be paid.

EVENTS AFTER THE FINANCIAL YEAR 2001

Development of the Group Structure

At the end of 2001, Proha began to examine the possibility to demerge the Group into global Artemis software business and Nordic software and service business.

The Proha Board of Directors decided to continue to study various alternatives to develop the Group structure. The study continues to explore ways to increase the free float of Artemis shares in the US-markets and to strengthen the Nordic business operations. Demerger is not considered to be the most probable option and no demerger actions should be expected in the near future.

Increases in the Share Capital

In January 2002, Proha acquired the remaining 43.2% share in the German Artemis International GmbH. In the directed issue, the shareholders of the German Artemis were offered a total of 312,920 new Proha Plc shares, with a book parity of EUR 81,359.20. This directed issue was in line with the purchase agreement made on September 1, 2000, according to which Proha acquired 30.8% of the shares of the German Artemis. The shares were transferred to Artemis International Solutions Corporation as the final payment of the share exchange agreement signed between Proha Plc and Opus360 Corporation on April 11, 2001.

In January 2002, the Proha Board of Directors used the option to acquire the remaining 40% of the Norwegian Safran Software Solutions AS (Safran) shares as per purchase agreement of April 6, 2000. In the directed issue, the shareholders of Safran were offered a total of 500,000 new Proha Plc shares, with a book parity of EUR 130,000.00.

Proha Sold Its Investment in Widene Oy

In January 2002, Proha Plc sold its share in Widene Oy, an IT growth company, in which Proha made a capital investment in November 2000. The price corresponded to the original investment and it was not disclosed, since it was such a small part of Proha's business.

Intellisoft Outsourced Server Maintenance

In January 2002, Intellisoft decided to subcontract the hosting and network services to Xenetic Oy. Intellisoft focuses on its core know-how, the offering of service entities.

Artemis' New President and CEO and Board of Directors

The Artemis International Solutions Corporation (AISC) Board of Directors named Michael J. Rusert as President and CEO of Artemis International Solutions Corporation as of January 25, 2002. At the same time, Mr. Rusert was elected as a Board member. The former President and CEO Steven Yager continues as a member of the Board. He was also elected as Vice Chairman of the Board.

Mr. James Cannavino, an Artemis Board member since January 1999, was elected as Chairman of the AISC Board of Directors. The other members of the AISC Board of Directors are Klaus Cawén, Alec Gores, Ari Horowitz, Pekka Pere, Bryan Plug, and Olof Ödman.

Artemis' Partnership Agreement with Severn

In February 2002, Artemis International Solutions Corporation and Severn Consultancy, an international management consultancy, signed a strategic partnership agreement to sell and implement Artemis PortfolioDirector into Severn's client base in Europe.

PROSPECTS FOR THE NEAR FUTURE

Due to uncertain general economic situation, Proha's budget for the financial year 2002 is based on profitability without growth. However, a 20% increase in net sales is set as a sales target.

The result for the first quarter in 2002 (EBITDA) is expected to exceed budget and be slightly positive. Owing to seasonal fluctuations, the result is anticipated to improve during the last quarter of 2002.

Consolidated Profit and Loss Account, 1000 EUR

	Note	Jan.1-Dec.31,2001 12 months	Jan.1-Dec.31,2000 12 months
Net sales	*1)*	82,845	36,149
Share of results of associated companies		–900	–56
Other operating income	*2)*	547	2,227
Raw materials and services		–13,564	–5,777
Staff expenses	*3)*	–49,188	–17,324
Depreciation and reduction in value	*4)*	–1,704	–1,874
Other operating charges		–24,135	–11,402
Operating profit/loss		**–6,098**	**1,943**
Financial income and expenses	*5)*	–1,147	–407
Profit/loss before extraordinary items		**–7,246**	**1,537**
Profit/loss before appropriations and taxes		**–7,246**	**1,537**
Income taxes	*7)*	–3,620	–486
Minority interest		781	–126
Profit/loss for the financial year		**–10,085**	**925**

CONSOLIDATED BALANCE SHEET, 1000 EUR

ASSETS	Note	Jan.1-Dec.31,2001	Jan.1-Dec.31,2000
Non-current assets			
Intangible assets	*8)*	1,468	1,407
Consolidated goodwill	*8)*	15,862	16,112
Tangible assets	*9)*	3,069	2,885
Investments	*11)*		
Holdings in Participating Interests		2,386	1,562
Other shares and similar rights of ownership		271	1,144
Investments total		2,657	2,706
Non-current assets total		**23,056**	**23,111**
Current assets			
Stocks	*13)*	0	145
Non-current debtors	*14)*	0	361
Current debtors	*15)*	24,254	26,001
Short-term investments	*16)*	93	270
Cash in hand and at bank		6,954	5,787
Current assets total		**31,301**	**32,564**
Assets total		**54,357**	**55,675**

LIABILITIES			
Capital and reserves	*17)*		
Share capital		13,274	13,702
Share premium account		3,816	3,107
Retained earnings		2,522	1,606
Profit/loss for the financial year		–10,085	925
Translation difference		2,887	1,301
Capital loan	*18)*	187	187
Capital and reserves total		**12,601**	**20,828**
Minority Reserve		1,125	325
Provisions	*19)*	825	468
Consolidation reserve	*10)*	3,544	0
Creditors			
Non-current creditors	*20)*	1,901	5,173
Current creditors	*21)*	34,362	28,880
Creditors total		**36,263**	**34,053**
Liabilities total		**54,357**	**55,675**

Parent Company Profit and Loss Account, 1000 EUR

	Note	Jan.1-Dec.31,2001 12 months	Jan.1-Dec.31,2000 12 months
Net sales	1)	**1,159**	**1,729**
Other operating income	2)	102	1,472
Raw materials and services		407	–464
Staff expenses	3)	–488	–526
Depreciation and reduction in value	4)	–925	–518
Other operating charges		–2,913	–1,828
Operating loss		**–2,658**	**–135**
Financial income and expenses	5)	25	755
Profit/loss before extraordinary items		**–2,634**	**620**
Extraordinary items	6)	711	79
Profit/loss before appropriations and taxes		**–1,923**	**699**
Income taxes	7)	35	–242
Profit/loss for the financial year		**–1,888**	**457**

Parent Company Balance Sheet, 1000 EUR

ASSETS	*Note*	Dec. 31, 2001	Dec. 31, 2000
Non-current assets			
Intangible assets	*12)*	981	872
Tangible assets	*12)*	512	616
Investments	*13)*		
Holdings in Group companies		12,837	11,911
Holdings in Participating interests		1,264	1,058
Investments total		**14,101**	**12,968**
Non-current assets total		**15,593**	**14,456**
Current assets			
Non-current debtors	*14)*	110	0
Current debtors	*15)*	1,597	5,322
Cash in hand and at bank		496	1,447
Current assets total		**2,203**	**6,769**
Assets total		**17,797**	**21,225**
LIABILITIES			
Capital and reserves	*17)*		
Share capital		13,274	13,702
Share premium account		3,246	2,577
Retained earnings		990	533
Profit/loss for the financial year		–1,888	457
Capital and reserves total		**15,622**	**17,269**
Creditors			
Non-current creditors	*20)*	316	253
Current creditors	*21)*	1,859	3,703
Creditors total		**2,175**	**3,956**
Liabilities total		**17,797**	**21,225**

Consolidated Cash Flow Statement, 1000 EUR

	2001 12 months	2000 12 months
CASH FLOW FROM OPERATING ACTIVITIES		
Operating profit/loss	–6,098	1,943
Adjustments	2,768	1,208
Change in working capital	–7,644	–6,712
Interest paid	–1,418	–644
Interest received	272	231
Taxes paid	–600	–486
Total	**–12,720**	**–4,460**
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in tangible and intangible assets	–927	–2,691
Disposals of tangible and intangible assets	0	206
Capital expenditures in other investments	0	–934
Disposals of other investments	108	485
Loans granted	–537	–169
Repayments of loan receivables	0	9
Subsidiaries acquired	–686	–2,366
Subsidiaries sold	0	4
Participating interests acquired	0	–850
Dividends received from investments	0	6
Total	**–2,042**	**–6,300**
CASH FLOW FROM FINANCING ACTIVITIES		
Share issue	0	2,242
Proceeds from sale of company shares	0	2,856
Other increase in capital	0	1,300
Short-term loans and repayments	3,184	2,179
Long-term loans and repayments	–3,268	–1,142
Total	**–84**	**7,435**
CHANGE IN CASH AND CASH EQUIVALENTS	**–14,846**	**–3,325**
Cash and cash equivalents at beginning of period	5,787	5,458
Cash and cash equivalents of subsidiaries acquired	16,013	3,654
Change in cash and cash equivalents	–14,846	–3,325
Cash and cash equivalents at end of period	**6,954**	**5,787**

Parent Company Cash Flow Statement, 1000 EUR

	2001 12 months	2000 12 months
CASH FLOW FROM OPERATING ACTIVITIES		
Operating profit/loss	–2,658	–134
Adjustments	924	518
Change in working capital	1,014	–1,241
Interest paid	–45	–32
Interest received	79	106
Taxes paid	–65	–242
Total	**–751**	**–1,025**
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in tangible and intangible assets	–930	–2,006
Loans granted	–110	–1,983
Capital expenditures in other investments	–686	–3,251
Repayments of loan receivables	1,216	0
Disposals of other investments	0	131
Dividends received from investments	411	680
Total	**–99**	**–6,429**
CASH FLOW FROM FINANCING ACTIVITIES		
Share issue	0	2,242
Short-term loans	13	2,241
Repayments of short-term debt	–534	–33
Long-term loans	63	129
Repayments of long-term debt	0	–69
Group contributions received and paid	357	–52
Total	**–101**	**4,458**
CHANGE IN CASH AND CASH EQUIVALENTS	**–951**	**–2,996**
Cash and cash equivalents at beginning of period	**1,447**	**4,443**
Change in cash and cash equivalents	–951	–2,996
Cash and cash equivalents at end of period	**496**	**1,447**
CHANGE IN WORKING CAPITAL		
Increase in short-term trade receivables	1,363	–2,318
Increase in short-term liabilities	–349	1,077
Total	**1,014**	**–1,241**

Notes to the Financial Statements, December 31, 2001

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

Proha Plc, domiciled in Espoo, Finland, is the parent company of the Proha Group.

The Group structure has been simplified in line with the operative structure by transferring Proha's partly owned Artemis companies to subsidiaries of Artemis International Solutions Corporation.

Copies of the Proha Group's consolidated financial statements are available at Proha Plc's head officeat Maapallonkuja 1 A, FIN-02210 Espoo, Finland. The Group companies at the end of the financial 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 and Artemis sub group have been converted to comply with the accounting and consolidation principles of the Group, when necessary.

The condolidated financial statements are presented in thousand of Euros, except for key figures.

PRINCIPLES OF CONSOLIDATION

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

Opus360 Corporation, now Artemis International Solution Corporation, has been consolidated as of August 1, 2001 although the transaction was implemented in a two-step process. This is justified since in the special shareholder meeting of Opus360 Corporation, which was required for the closing of the transaction, Proha had both an adequate number of voting rights and an obligation to vote in favor of the transaction.

Where participating interests have not been consolidated, the Group's holding is less than 20% or the Group has no significant management control.

ELIMINATION OF MUTUAL SHAREHOLDINGS

In the elimination of mutual shareholdings, the pooling method is applied wherever the conditions for its use are met.

JST Investments Ltd and PMsoft Korea, acquired in January 2001, have been consolidated using the acquisition cost method and applying the 1999/1591 Statement of the Finnish Accounting Board, under which the acquisition cost is based on the amount of the share issue. The elimination of the Group's other internal ownership complies with the acquisition cost method.

Opus360 Corporation has been consolidated using the acquisition cost method, according to which the acquistion cost is based on the book value of the shares of the companies given in exchange.

The acquisition cost depreciation plan is 3 years, except for the goodwill items created from Artemis acquisitions, which are depreciated during 10 years.

The consolidation reserve originating from the Opus transaction is amortized during 11 months from the date of acquisition.

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 have been 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 in capital and reserves.

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.

Research and Development

In 2001, the product development expenses were EUR 11.6 million of which EUR 11.2 milllion was expensed and EUR 0.4 million activated in the balance sheet. The activated amount contains Procountor development that consists of working hours. Activated product development expenses are depreciated on a straight-line basis between 3 and 10 years.

Pensions

The pension schemes of the parent company are funded through payments to insurance companies. Statutory pension expenses are entered as expenses in the year they are incurred. The pension expenses of subsiaries are presented in accordance with local requirements and practices.

Uncovered pension liabilities are presented in provisions.

COMPANY SHARES

The Group has no Proha Plc shares. The 1,960,180 Proha Plc shares owned by Artemis Acquisition Corporation at the beginning of the financial year 2001 have been cancelled during the financial year.

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
Group goodwill	3-10 years	Straight-line depreciation
Other long-term expenses	3-10 years	Straight-line depreciation
Machinery and equipment	4 years	Straight-line depreciation

INVESTMENTS

The direct expenses of acquisitions related to changes in the Group structure are entered as 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 2001 AND 2000 FINANCIAL YEARS

The accounting principles are comparable. The financial year was a full 12-month period in 2001 and 2000.

Notes to Profit and Loss account, 1000 EUR

	Group 2001 12 months	Group 2000 12 months
1) NET SALES	**Total**	
Net sales by business area		
Project Management	79,834	35,276
Internet Technologies	2,081	0
Financial Management	5,091	3,072
Other activities	2,264	0
Total	**89,270**	**38,348**
	Intergroup	
Project Management	3,324	1,979
Internet Technologies	1,320	0
Financial Management	411	220
Other activities	1,370	0
Total	**6,425**	**2,199**
	External	
Project Management	76,509	33,297
Internet Technologies	761	0
Financial Management	4,681	2,852
Other activities	894	0
Total	**82,845**	**36,149**

	Group 2001	Group 2000	Parent Company 2001	Parent Company 2000
NET SALES BY REGION				
Finland	13,144	11,825	1,145	1,528
EU countries	28,272	5,721	0	201
Other countries	41,430	18,604	14	0
Total	**82,845**	**36,149**	**1,159**	**1,729**
2) OTHER OPERATING INCOME				
Income based on profit distribution contracts	0	1,465	0	1,465
Income from sale of shares	0	460	0	0
Income from sale of business operations	326	206	0	0
Sales profit from fixed assets	3	0	0	0
Subvention	123	0	0	0
Other income	95	96	102	8
Total	**547**	**2,227**	**102**	**1,472**

	Group		Parent Company	
	2001 12 months	2000 12 months	2001 12 months	2000 12 months
3) STAFF EXPENSES				
Wages and salaries	39,308	14,293	387	413
Pension expenses	6,973	1,176	77	79
Other social security expenses	2,907	1,854	24	34
Total	**49,188**	**17,324**	**488**	**526**
Management salaries and fees				
The CEO and managing directors	2,310	975	0	0

For the parent company, the salaries of the managing directors are not presented since they only apply to one person (Finnish Accounting Ordinance 2:8, 4§).

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	
	2001	2000	2001	2000
NUMBER OF PERSONNEL				
On the average	690	249	10	29

4) DEPRECIATION AND REDUCTION IN VALUE				
Depreciation of tangible and intangible assets	2,567	1,163	925	518
Depreciation in Consolidated Goodwill	1,965	711	0	0
Change in Consolidation Reserve	–2,828	0	0	0
Total	**1,704**	**1,874**	**925**	**518**

5) FINANCIAL INCOME AND EXPENSES				
Dividend income				
From Group companies	0	0	0	579
From participating interests	0	0	0	102
Other dividend income	0	6	0	0
Total	**0**	**6**	**0**	**680**
Other interest and financial income				
From Group companies	0	0	45	34
From others	272	231	21	106
Total	**272**	**231**	**66**	**141**
Interest and other financial expenses				
To Group companies	0	0	24	35
To others	1,420	644	18	32
Total	**1,420**	**644**	**42**	**66**
Financial income and expenses total	**–1,147**	**–407**	**25**	**755**

	Group		Parent Company	
	2001	**2000**	**2001**	**2000**
6) EXTRAORDINARY ITEMS				
Extraordinary income	0	0	0	0
From Group companies	0	0	0	0
Group contributions	0	0	711	810
Profit from dissolution of subsidiary	0	0	0	131
Total	**0**	**0**	**711**	**941**
Extraordinary expenses				
From Group companies				
Cancellation of group contributions (1995-1999)	0	0	0	862
Total	**0**	**0**	**0**	**862**
EXTRAORDINARY ITEMS TOTAL	**0**	**0**	**711**	**79**

	Group 2001	Group 2000	Parent Company 2001	Parent Company 2000
7) INCOME TAXES				
Income taxes on extraordinary items	0	0	0	273
Income taxes on operations	656	486	0	–31
From previous years on the basis of their results	–35	0	–35	0
Change in deferred tax liabilities	2,999	0	0	0
Total	**3,620**	**486**	**–35**	**242**

The tax asset of EUR 2,999 thousand, that was in the balance sheet of Artemis USA at the time of the acquisition, has been entered as expense. Since the possible future tax benefits can not be used completely, tax assets have been expensed in accordance with the prudence principle.

Notes to Balance Sheet, 1000 eur

FIXED ASSETS AND OTHER LONG-TERM INVESTMENTS
GROUP
FIXED ASSETS

8) INTANGIBLE ASSETS

	Computer software and licenses	Consolidated goodwill	Other long-term expenses	Anvance payments	Total
Acquisition cost Jan. 1, 2001	714	16,966	1,728	143	19,551
Increase	499	1,714	611	0	2,825
Decrease	0	0	0	–25	–25
Acquisition cost Dec. 31, 2001	**1,213**	**18,681**	**2,339**	**118**	**22,351**
Accumulated depreciation and reduction in value Jan. 1, 2001	–305	–854	–873	0	–2,031
Depreciation for the financial year	–289	–1,965	–735	0	–2,990
Accumulated depreciation Dec. 31, 2001	**–594**	**–2,819**	**–1,608**	**0**	**–5,021**
Book value Dec. 31, 2001	**619**	**15,862**	**731**	**118**	**17,330**
Book value Dec. 31, 2000	**409**	**16,112**	**855**	**143**	**17,520**

9) TANGIBLE ASSETS

	Machinery and equipment	Other tangible assets	Total
Acquisition cost Jan. 1, 2001	3,860	99	3,958
Increase	2,015	11	2,026
Decrease	–300	0	–300
Acquisition cost Dec. 31, 2001	**5,575**	**110**	**5,685**
Accumulated depreciation and reduction in value Jan. 1, 2001	–1,066	–8	–1,074
Depreciation for the financial year	–1,542	0	–1,542
Accumulated depreciation Dec. 31, 2001	**–2,608**	**–8**	**–2,616**
Book value Dec. 31, 2001	**2,967**	**102**	**3,069**
Book value Dec. 31, 2000	**2,794**	**91**	**2,885**

10) CONSOLIDATION RESERVE	**2001**
Value Jan. 1	0
Increase	6,372
Decrease	0
Value Dec. 31, 2001	6,372
Accumulated revenue recognition	–2,828
Book value Dec. 31, 2001	**3,544**
Book value Dec. 31, 2000	**0**

11) INVESTMENTS

GROUP
HOLDINGS

	Shares Participating interests	Shares Others	Other Receivables	Total
Acquisition cost Jan. 1, 2001	1,562	1,145	0	2,707
Increase	1,140	0	159	1,299
Decrease	–1,082	–267	0	–1,349
Item transfers	766	–766	0	0
Acquisition cost Dec. 31, 2001	**2,386**	**112**	**159**	**2,657**
Accumulated depreciation and reduction in value Jan. 1, 2001	0	0	0	0
Reduction in value (Jan. 1-Dec. 31, 2001)	0	0	0	0
Accumulated depreciation and reduction in value Dec. 31, 2001	**0**	**0**	**0**	**0**
Book value Dec. 31, 2001	**2,386**	**112**	**159**	**2,657**
Book value Dec. 31, 2000	**1,562**	**1,145**	**0**	**2,707**

12) FIXED ASSETS AND OTHER LONG-TERM INVESTMENTS

PARENT COMPANY
FIXED ASSETS
INTANGIBLE AND TANGIBLE ASSETS

	Computer software and licenses	Other long-term expences	Advance payments	Machinery and equipment	Total
Acquisition cost Jan. 1, 2001	334	688	128	855	2,006
Increase	199	605	118	136	1,058
Decrease	0	0	–128	0	–128
Acquisition cost Dec. 31, 2001	**533**	**1,293**	**118**	**991**	**2,935**
Accumulated depreciation and reduction in value Jan. 1, 2001	–111	–167	0	–239	–518
Depreciation for the financial year	–178	–508	0	–239	–925
Accumulated depreciation Dec. 31, 2001	**–289**	**–675**	**0**	**–479**	**–1,443**
Book value Dec. 31, 2001	**244**	**618**	**118**	**512**	**1,493**
Book value Dec. 31, 2000	**223**	**521**	**128**	**616**	**1,488**

13) INVESTMENTS

PARENT COMPANY HOLDINGS	Shares Group companies	Shares Participating interests	Shares Others	Total
Acquisition cost Jan. 1, 2001	11,911	1,058	0	12,968
Increase	935	206	0	1,141
Decrease	8	0	0	8
Item transfers	0	0	0	0
Acquisition cost Dec. 31, 2001	**12,837**	**1,264**	**0**	**14,101**
Book value Dec. 31, 2001	**12,837**	**1,264**	**0**	**14,101**

GROUP COMPANIES

	% owned by the Group	% owned by the Parent Company
Project Management		
Artemis International Solutions Corporation (Opus 360), Boulder, USA	80.00	80.00
Artemis Finland Oy, Espoo, Finland	80.00	0.00
Artemis International Corporation Ltd, Slough, UK	80.00	0.00
Artemis International Corporation Pte Ltd, Singapore	80.00	0.00
Artemis International Ltd, HongKong	80.00	0.00
Artemis International KK, Tokyo, Japan	80.00	0.00
Artemis International GmbH, Neuss, Germany	51.60	30.80
Artemis International SARL, Paris, France	80.00	0.00
Artemis International SPA, Milan, Italy	80.00	0.00
ABC Technologies, Munich, Germany	51.60	0.00
ABC Technologies, Paris, France	80.00	0.00
Enterprise Management Systems SRL, Milan, Italy	80.00	0.00
JST Investments Pte Ltd., Singapore	80.00	0.00
Metier International Holdings Ltd, UK	80.00	0.00
PM Soft Asia Pte Ltd, Singapore	80.00	0.00
PM Soft International Ltd, Hong Kong	80.00	0.00
PMI Projekt Management, Münich, Germany	51.60	0.00
Project International SARL, Paris, France	80.00	0.00
Projekt International GmbH, Münich, Germany	51.60	0.00
Software Productivity Research SARL, Paris, France	80.00	0.00
DA Futura International Oy, Espoo, Finland	51.00	51.00
Dovre International A/S, Norway	24.00	0.00
Proha Norge A/S, Stavanger, Norway	60.00	0.00
Safran Software Solutions, Stavanger, Norway	60.00	60.00
Solutions International SA, Paris, France	80.00	0.00
Internet Technologies		
Ari Hovi Oy, Helsinki, Finland	100.00	100.00
Datamar Oy, Lahti, Finland	90.00	90.00
Intellisoft Oy, Espoo, Finland	96.02	80.10
Intellitest International Oy, Savonlinna, Finland	100.00	100.00
Vidac Oy, Helsinki, Finland	100.00	10.00
Financial Management		
Accountor Oy, Turku, Finland	96.02	46.70
ProCountor International Oy, Espoo, Finland	63.30	63.30
Profitmaster Oy, Helsinki, Finland	100.00	100.00
Other		
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
Cyberspace Oy, Espoo, Finland	80.00	80.00
Intelliweb Information Systems Oy, Finland	80.00	80.00
Planman Oy, Tampere, Finland	100.00	100.00

Associated Companies	% owned by Group	% owned by Parent Company	Capital and reserves	Result for the financial year
Changepoint France, SARL, Sevres, France	32.00	0.00		
Changepoint Germany Gmbh, München, Germany	32.00	0.00		
DA Management Solutions Oy, Espoo, Finland	44.20	21.00	74	–13
Kiinteistö Oy Kuukoti, Espoo, Finland	34.45	34.45	5,121	0
Tietokate Ta-Tilit Oy, Joensuu, Finland	20.00	20.00		
Tietovaruste Oy, Espoo, Finland	49.33	49.33		
Tilitoimisto A. Karppinen Oy, Oulu , Finland	30.00	30.00		
Wel2Com Oy, Helsinki, Finland	35.00	35.00	–	–

Associated companies have been consolidated into the Group accounts by using the equity method, except for Kiint. Oy Kuukoti that does not engage in business and Wel2Com Oy and DA Management Solutions Oy, the consolidation of which would not have had a significant impact.

	Group 2001	Group 2000
The amount of associated companies' goodwill that has not been depreciated	803	95

Other investments	% owned by the Group	% owned by the Parent Company
Global Teleworking S.L., Malaga, Spain	15.00	15.00
Metier International Holdings, B.V, Holland	15.20	0.00
Metier Plancon BV, Holland	9.41	0.00
Metier Plancon Benelux BV, Holland	9.41	0.00
Metier Scandinavia AS, Norway	7.92	0.00
Metier Scandinavia AS, Denmark	7.92	0.00
Metier Scandinavia AS, Sweden	3.88	0.00
Widene Oy, Helsinki, Finland	19.00	19.00

	Group		Parent Company	
	2001	**2000**	**2001**	**2000**
13.1) STOCKS				
Work in progress	0	21	0	0
Finished products/goods	0	1	0	0
Other stocks	0	123	0	0
Total	**0**	**145**	**0**	**0**
DEBTORS				
14) NON-CURRENT DEBTORS				
Amounts owed by Group companies	0	0	110	0
Amounts owed by participating interest companies	0	298	0	0
Advance payments	0	38	0	0
Other debtors	0	25	0	0
Total	**0**	**361**	**110**	**0**

	Group		Parent Company	
	2001 12 months	2000 12 months	2001 12 months	2000 12 months
15) CURRENT DEBTORS				
Trade debtors from Group companies	0	0	563	738
Trade debtors from participating interests	5	45	2	44
Trade debtors	15,658	15,750	2	228
Loan receivables from Group companies	0	0	785	2,003
Loan receivables from participating interests	1,140	2,098	3	0
Loan receivables	894	21	0	1
Other debtors	950	2,208	163	74
Prepayments from Group companies	0	0	44	1,247
Prepayments from participating interests	0	133	0	1
Prepayments and accrued income	5,607	4,879	34	986
Total	**24,254**	**25,135**	**1,597**	**5,322**

	Group		Parent Company	
	2001	2000	2001	2000
Prepayments and accrued income				
Uninvoiced sales	1,538	1,023	0	0
Allocated expenses	2,582	1,512	7	8
Tax claim	21	607	0	9
Other	1,387	870	27	897
Deferred tax asset	80	867	0	73
	5,607	**4,879**	**34**	**986**

16) SHORT-TERM INVESTMENTS

Replacement price	95	277
Book value	93	270
Difference	**2**	**7**

	Group		Parent Company	
	2001	**2000**	**2001**	**2000**
	12 months	**12 months**	**12 months**	**12 months**
17) CAPITAL AND RESERVES				
Share capital				
Share capital at beginning of period	13,702	4,813	13,702	4,813
New subscriptions	82	8,889	82	8,889
Reduction of share capital	–510	0	–510	0
Share capital Dec. 31	**13,274**	**13,702**	**13,274**	**13,702**
Share premium account				
Share premium account at beginning of period	3,107	607	2,577	580
Transfer to retained earnings account	0	–27	0	0
New subscriptions	159	1,997	159	1,997
Pooling	0	–1,382	0	0
Increase in share premium account	550	1,912	510	0
Share premium account Dec. 31	**3,816**	**3,107**	**3,246**	**2,577**
Other items				
Restricted capital, translation differences	–1,794	1	0	0

	Group		Parent Company	
	2001	**2000**	**2001**	**2000**
Retained earnings				
Retained earnings Jan. 1	2,531	560	990	533
Bonus issue	0	0	0	0
From share premium account	0	27	0	0
Pooling	0	1,018	0	0
Other change	–9	0	0	0
From depreciation differences	0	2	0	0
Dividend distribution	0	0	0	0
Retained earnings Dec. 31	**2,522**	**1,606**	**990**	**533**
Other items				
Unrestricted capital, translation differences	4,682	1,300	0	0
Result for the financial year	–10,085	925	–1,888	457
Capital loans	187	187	0	0
CAPITAL AND RESERVES TOTAL	**12,602**	**20,828**	**15,622**	**17,269**
CALCULATION OF DISTRIBUTABLE EARNINGS				
Retained earnings	2,522	2,907	990	533
Profit/loss for the financial year	–10,085	925	–1,888	457
./. Transfers of accumulated depreciation difference to capital and reserves	–1	–2	0	0
Distributable earnings	**–7,564**	**3,830**	**–898**	**990**

BREAKDOWN OF PARENT COMPANY SHARE CAPITAL BY CLASS OF SHARES AND SHARE REGULATIONS

One class of shares 1 vote/share	Number of shares	1000 EUR
Number of shares Dec. 31, 2000	52,700,125	13,702
Number of shares Dec. 31, 2001	51,054,350	13,274

Book parity Dec.31, 2000	EUR 0.26
Book parity Dec. 31, 2001	EUR 0.26

OWNERSHIP STRUCTURE ON DEC. 28, 2001

Private companies	6.22 %
Insurance and financial institutions	5.05 %
Public corporations	4.33 %
Non-profit organizations	0.98 %
Households	55.84 %
Foreign shareholders (also nominee registered)	27.58 %
Total	**100.00 %**

BREAKDOWN OF SHARE OWNERSHIP BY NUMBER OF SHARES OWNED ON DEC. 28, 2001

Shares	**Number of shareholders**	**Per cent of shareholders**	**Number of shares**	**Per cent of shares**
1-100	151	3.98	12,843	0.03
101-300	327	8.62	76,101	0.15
301-500	636	16.77	307,094	0.60
501-700	102	2.69	65,260	0.13
701-1,000	671	17.69	649,311	1.27
1001-5,000	1,371	36.15	3,643,222	7.14
5001-100,000	472	12.44	7,235,608	14.17
100,001-	63	1.66	39,064,911	76.52
Total	**3,793**	**100,00**	**51,054,350**	**100,00**

LARGEST SHAREHOLDERS ON DEC. 28, 2001

Shareholder	**Number of shares**	**Per cent of shares**
Alec E. Gores Trust	6,526,155	12.78
Pekka Pere	4,241,105	8.31
Pekka Mäkelä	2,923,775	5.73
Lars Nyqvist	2,915,355	5.71
Kuntien Eläkevakuutus	1,750,000	3.43
Risto Saikko	1,129,190	2.21
Juha Tommila	1,078,000	2.11
Thomfinanz AG	1,043,500	2.04
Mandatum Suomi, kasvuosake	803,800	1.57
Patrick Ternier	735,099	1.44

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

The Board of Directors holds a total of 11,094,510 shares which is 22% of the share capital (Dec. 28, 2001).

Member	Number of shares	Per cent of shares	Number of options[1]
Olof Ödman	1,250	0.002	71,525
James Cannavino			
Klaus Cawén	26,250	0.05	34,025
Alec Gores	6,526,155	12.78	
Ari Horowitz			
Pekka Pere	4,241,105	8.31	395,525
Peter Schwartz			
Steven C. Yager	299,650	0.59	105,000

[1] The number of options depends on the number of shares that can be subscribed for on the basis of each person's options.

18) CAPITAL LOANS	Group 2001 12 months	Group 2000 12 months
Loan capital	**187**	**187**

Loan terms

Datamar Oy, a Group company, has a capital loan of EUR 186,710.85. The interest of the loan is 5.5% pa and the loan period is 10 years. The installments of the loan can only be paid from distributable earnings. The loan is a capital loan in accordance with the Companies Act section 5. The unexpired accrued interest of the loan has been entered under interest expenses.

19) PROVISIONS	Group 2001 12 months	Group 2000 12 months	Parent Company 2001 12 months	Parent Company 2000 12 months
Provisions for pensions	446	468	0	0
Provisions for taxation	378	0	0	0
DEFERRED TAX LIABILITIES AND ASSETS				
Deferred tax assets	80	0	0	0
Deferred tax liabilities	7	0	0	0

SPECIFICATION OF LIABILITIES

20) NON-CURRENT CREDITORS

Non-current creditors	Group 2001	Group 2000	Parent Company 2001	Parent Company 2000
Loans from financial institutions	1,505	4,330	316	253
Pension loans	115	124	0	0
Deferred tax liabilities	7	11	0	0
Other non-current creditors to Group companies	0	0	0	0
Other non-current creditors	274	708	0	0
Total	**1,901**	**5,173**	**316**	**253**

Liabilities maturing in excess of 5 years

Loans from financial institutions	56	83	0	0
Pension loans	86	0	0	0

21) CURRENT CREDITORS

	Group		Parent Company	
	2001	**2000**	**2001**	**2000**
	12 months	**12 months**	**12 months**	**12 months**
Loans from financial institutions	2,502	3,354	13	534
Pension loans	682	9	0	0
Advances received	4,501	8,733	0	0
Trade creditors to Group companies	0	0	139	279
Trade creditors to participating interests	0	7	0	5
Trade creditors	5,989	5,712	137	411
Other creditors to Group companies	0	0	1,424	1,708
Other creditors to participating interests	1	303	1	300
Other creditors	5,069	3,732	16	48
Accruals and deferred income to Group companies	0	0	5	59
Accruals and deferred income to participating interests	0	8	0	0
Other accruals and deferred income	15,617	7,021	124	360
Total	**34,362**	**28,880**	**1,859**	**3,703**

Accruals and deferred income				
Sales	5,863	0	0	0
Tax liabilities	0	1,057	0	109
Staff expenses	3,935	633	42	164
Other expense provisions	5,819	5,331	82	87
Total	**15,617**	**7,021**	**124**	**360**

STOCK OPTIONS GIVEN BY THE COMPANY

Stock options to personnel and key employees in 2001 and 2000.

Subscription period	Subsciption price EUR	Number of options	Number of shares	Book value of shares EUR 1000
Year 1999				
A Jan. 2, 2001 - Jan. 2, 2003	1.6	151,525	151,525	39.40
B Jan. 2, 2002 - Jan. 2, 2003	1.6	151,525	151,525	39.40
Total		**303,050**	**303,050**	**78.79**
Year 2000				
A Dec. 1, 2001 - Dec. 1, 2004	2.94	325,000	325,000	84.50
B Dec. 1, 2002 - Dec. 1, 2004	2.94	325,000	325,000	84.50
C Dec. 1, 2003 - Dec. 1, 2004	2.94	325,000	325,000	84.50
Total		**975,000**	**975,000**	**253.50**
Year 2001				
A Feb. 4, 2002 - Feb. 4, 2006	1.35	4,860,250	486,025	126.37
B Feb. 4, 2003 - Feb. 4, 2006	1.35	4,860,250	486,025	126.37
C Feb. 4, 2004 - Feb. 4, 2006	1.35	4,860,250	486,025	126.37
D Feb. 4, 2005 - Feb. 4, 2006	1.35	4,860,250	486,025	126.37
Total		**19,441,000**	**1,944,100**	**505.47**
Year 2002				
A Apr. 1, 2003 - Apr. 1, 2007	0.43	364,500	364,500	94.77
B Apr. 1, 2004 - Apr. 1, 2007	0.43	364,500	364,500	94.77
C Apr. 1, 2005 - Apr. 1, 2007	0.43	364,500	364,500	94.77
D Apr. 1, 2006 - Apr. 1, 2007	0.43	364,500	364,500	94.77
Total		**1,458,000**	**1,458,000**	**379.08**
Grand total		**22,177,050**	**4,680,150**	**1,216.84**

BOARD OF DIRECTORS' AUTHORIZATIONS

On December 17, 2001 the Board of Directors was authorized by the Extraordinary General Meeting to decide on increasing the Company's share capital through one or more new subscriptions totaling a maximum of 10,000,000 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 maximimum of EUR 2,600,000. After the directed issues to the shareholders of the Norwegian Safran Software Solutions AS and the German Artemis International GmbH in January 2002 (a total of 812,920 new shares), the number of unused shares is 9,187,080 (EUR 2,388,640.80). The authorization is valid until December 16, 2002.

Securities given and contingent liabilities

	Group		Parent Company	
Mortgages:	**2001**	**2000**	**2001**	**2000**
Loans from financial institutions and check account limit used	270	133	0	0
Corporate mortgages as security of the loans	589	168	0	0
Other securities:				
Loans from financial institutions	775	0	0	0
Trade debtors as security. Debts secured with other assets.				
Debts secured with shares				
Loans from financial institutions		500		500
Debt is secured with the shares of Kiinteistö Oy Kuukoti.				

	Group		Parent Company	
	2001	**2000**	**2001**	**2000**
Leasing liabilities, EUR 1000				
In the following financial year	2,582	1,743	46	27
Thereafter	2,283	2,667	29	3
Total	**4,865**	**4,410**	**74**	**30**
Rental liabilities	517	4,322	0	0

CALCULATION OF KEY RATIOS

Return on equity *ROE**)

$$\frac{\text{Profit before extraordinary items} - \text{taxes x 100}}{\text{Capital and reserves} + \text{minority interest}}$$

Return on investment *ROI**)

$$\frac{\text{Profit before extraordinary items} + \text{interest and other financial expenses}}{\text{Balance sheet total} - \text{liabilities without interest}}$$

Equity ratio

$$\frac{\text{Capital and reserves} + \text{minority interest x 100}}{\text{Balance sheet total} - \text{prepayments received}}$$

Gearing

$$\frac{\text{Liabilities at interest} - \text{rcash and cash equivalents x 100}}{\text{Capital and reserves} + \text{minority interest}}$$

Earnings per share *EPS*

$$\frac{\text{Profit before extraordinary items} - \text{taxes -/+minority interest}}{\text{Adjusted average number of shares}}$$

Equity per share

$$\frac{\text{Capital and reserves}}{\text{Adjusted number of shares at balance sheet date}}$$

Dividend per earnings, %

$$\frac{\text{Adjusted dividend/share}}{\text{Earnings/share}}$$

Dividend yield

$$\frac{\text{Adjusted dividend/share x 100}}{\text{Adjusted share price at balance sheet date}}$$

Price per earnings *P/E*

$$\frac{\text{Adjusted share price, Dec.31}}{\text{Earnings/share}}$$

*) The divisor for the key ratio is calculated as an average of the values on the year 2001 balance sheet and year 2000 balance sheet.

KEY RATIOS AND FINANCIAL INDICATORS (EUR 1000)

	Jan.1, 2001 -Dec.31, 2001 **12 months**	Jan.1, 2000 -Dec.31, 2000 **12 months**	Mar.1, 1999 -Dec.31, 1999 **10 months**	Mar.1, 1998 -Feb.28, 1999 **12 months**	Mar.1, 1997 -Feb.28, 1998 **12 months**
Net sales	82,845	36,149	5,186	3,154	1,559
Change, %	129.2%	597.0%	64.4%	102.3%	24.0%
Operating profit	–6,098	1,943	590	679	105
% of net sales	–7.4%	5.4%	11.4%	21.5%	6.8%
Profit before extraordinary items	–7,246	1,537	426	655	78
% of net sales	–8.8%	4.3%	8.2%	20.8%	5.0%
Profit before taxes	–7,246	1,537	426	655	131
% of net sales	–8.8%	4.3%	8.2%	20.8%	8.4%
Profit for the financial year	–10,085	925	314	322	55
% of net sales	–12.2%	2.6%	6.1%	10.2%	3.5%
Return on equity (ROE), %	–63.0%	7.8%	8.5%	99.3%	8.5%
Return on investment (ROI), %	–25.4%	7.4%	6.9%	37.3%	9.2%
Equity ratio, %	34.6%	28.7%	38.8%	25.4%	22.3%
Gearing, %	–11.9%	–17.6%	–153.9%	–55.4%	27.8%
Balance sheet total	54,357	55,675	8,688	1,827	1,156
Gross investments in fixed assets	3,300	2,485	470	16	7
% of net sales	4.0%	6.9%	9.1%	0.5%	0.4%
R & D expenditure	11,633	3,565	–	–	–
% of net sales	14.0%	9.9%	–	–	–
Average personnel during the financial year	690	249	61	23	18
KEY RATIOS FOR SHARES (share issue adjusted)					
Earnings per share (EPS)	–0.198	0.029	0.026	0.033	–0.001
EPS, diluted by stock options	–0.198	0.029	–	–	–
Equity per share	0.243	0.407	0.323	0.047	0.021
Dividend per share	0	0	0	0.006	0.006
Dividend per earnings, %	0	0	0	8.5%	106.9%
Dividend yield, %					
P/E ratio	–1.97	102.22	85.90	–	–

Signatures

Espoo, March 27, 2002

Olof Ödman
Chairman of the Board of Directors

Pekka Pere
President & CEO,
Member of the Board of Director

Steven C. Yager
Member of the Board of Directors

Klaus Cawén
Member of the Board of Directors

Alec E. Gores
Member of the Board of Directors

Ari B. Horowitz
Member of the Board of Directors

Peter Schwartz
Member of the Board of Directors

James A. Cannavino
Member of the Board of Directors

AUDITOR'S STATEMENT

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 27, 2002

KPMG WIDERI OY AB

Reino Tikkanen,
Authorized Public Accountant

Auditor's Report

to the shareholders of Proha Plc

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 Plc for the year ended 31 December 2001. 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 27, 2002

KPMG WIDERI OY AB

Reino Tikkanen
Authorized Public Accountant

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