

Proha Plc Financial Statements February 15, 2010 at 09.00 a.m.

**PROHA FINANCIAL STATEMENTS (IFRS) JANUARY 1 - DECEMBER 31, 2009**

**Proha's net result negative, operative result positive**

**SUMMARY** (last year's corresponding period in parentheses, unless otherwise stated)

**October - December, 2009**

- Net sales EUR 15.3 (15.9) million - decrease 3.8%
- Dovre's net sales EUR 14.3 (15.0) million - decrease 4.2%
- Camako's net sales EUR 0.9 (0.9) million - growth 5.2%
- Net result EUR 0.2 (0.4) million - decrease 36,8%
- Non-recurring items of the operating result EUR -0.4 (0.0) million
- Result for the period EUR -0.3 (0.6) million
- Earnings per share EUR -0.00 (0.01)

**Financial year January 1 - December 31, 2009**

- Net sales EUR 60.7 (62.4) million - decrease 2.7%
- Dovre's net sales EUR 57.5 (59.3) million - decrease 3.1%
- Camako's net sales EUR 3.3 (3.0) million - growth 7.8%
- Net result EUR 0.3 (0.4) million - decrease 26.9%
- Non-recurring items of the operating result EUR -0.8 million
- Result for the financial year EUR -0.7 (-0.1) million
- Earnings per share EUR -0.01 (0.00)

**KEY RATIOS OCTOBER - DECEMBER, 2009**

(EUR million)	10-12 2009	10-12 2008	Change, %
Net sales	15,3	15,9	-3,8 %
Operating result	0,2	0,4	-36,8 %
% of net sales	1,5 %	2,6 %	
Result before taxes	0,2	0,8	-77,3 %
Result attributable to equity holders of the parent	-0,3	0,6	-148,7 %
Return on equity, %	-8,1 %	17,6 %	
Return on investment, %	15,4 %	28,9 %	
Cash and cash equivalents	3,8	3,1	20,5 %
Cash flow from operations	0,1	2,0	-92,6 %
Debt-equity ratio, %	-2,0 %	-11,2 %	
Equity-ratio, %	46,5 %	49,0 %	
Earnings per share, EUR			
Basic	-0,00	0,01	-148,7 %
Diluted	-0,00	0,01	-148,7 %
Equity per share, EUR	0,22	0,21	4,8 %

**KEY RATIOS JANUARY - DECEMBER, 2009**

(EUR million)	1-12 2009	1-12 2008	Change, %
Net sales	60,7	62,4	-2,7 %
Operating result	0,3	0,4	-26,9 %
% of net sales	0,4 %	0,6 %	
Result before taxes	-0,1	0,6	-114,3 %
Result attributable to equity holders of the parent	-0,9	-0,2	-299,2 %
Return on equity, %	-5,6 %	-0,8 %	
Return on investment, %	6,7 %	7,7 %	
Cash and cash equivalents	3,8	3,1	20,5 %
Cash flow from operations	-1,3	1,2	-204,1 %
Debt-equity ratio, %	-2,0 %	-11,2 %	
Equity-ratio, %	46,5 %	49,0 %	
Earnings per share, EUR			
Basic	-0,01	0,00	-298,5 %
Diluted	-0,01	0,00	-298,5 %
Equity per share, EUR	0,22	0,21	4,8 %

**ILKKA TOIVOLA, CEO**

The Proha Group's operating result for the fourth quarter was slightly positive EUR 0.2 million after the non-recurring items. Without the non-recurring items Proha's operating result was positive EUR 0.6 million.

Our market demand developed well in Q4 and especially Dovre North-America and international operations were growing. The markets for Dovre's services in Norway were challenging, and we had to adjust to the market conditions. This led to net sales and result decline in Norway. In 2009, Safran was part of the Dovre division.

Camako's operative result was positive in Q4 totaling EUR 0.1 million. After one-off product development impairments the net result was EUR 0.0 million. Datamar Oy and Camako Finland Oy were merged to one company, Camako Oy.

The efficiency measures executed during 2009 have proven to be correct and the net result is turned around. All units of Proha were operatively positive in Q4. The Group has, however, had significant one-off expenses from the cost saving actions in Q4 and the whole year that weakened the result.

New strategies for the Dovre and Camako divisions have been approved. The key issues are focusing on our core competence and seeking profitable growth. We have taken the first steps in accordance to our growth strategy by establishing new companies in Brisbane, Australia and Yuzhno-Sakhalinsk, a city on Sakhalin Island in Russia.

**FUTURE OUTLOOK**

The global market conditions have started to stabilize at the end of 2009. The key countries of the Proha businesses, such as Canada, Norway, Finland, Sweden and Australia, have a growth expectation for national GNP in 2010. Also the IT market that is valid for Camako and Safran is expected to grow slightly in most northern European countries.

The demand in the industry for Dovre's services has been steady all over the world. Major oil and gas companies have taken a more long-term view on capital investments and have not cut back as much as many other industries. For some time now, the oil price has been holding between 70 and 80 USD per barrel, and that provides a good foundation for continuing investments. However, there are significant variations between customers and different market areas, so single markets and single customers still provide a risk for Dovre's business in 2010.

New growing sector for investments has been focusing on Liquid Natural Gas (LNG) projects, where natural gas is liquefied in low temperatures and put into tankers in liquid form. This enables gas to be exported to large markets, like China and Japan, without building major gas pipelines. Dovre has been involved in these LNG projects and will continue to provide the customers with world-class expertise on this new technology area.

Based on the market forecasts, we expect Dovre's service business to grow in 2010.

The IT sector in Finland, Sweden, and Norway is returning to a more normal level of investments. In these key markets for Camako and Safran, software and related services are expected to experience a modest growth. Camako and Safran are, therefore, expected to deliver a slight increase in revenue and a positive operating profit as well.

Proha expects a better operating result and a positive net result for 2010.

The estimate of future outlook is based on the forecasts the Proha Board has accepted.

**NET SALES****October - December, 2009**

The Group's net sales in Q4 declined by 3.8% totaling EUR 15.3 (15.9) million. Dovre division accounted for 93.8% (94.2%) and Camako division for 6.2% (5.6%). Net sales for Dovre declined by 4.2% totaling EUR 14.3 (15.0) million. Net sales for Camako grew by 5.2% totaling EUR 0.9 (0.9) million.

**January - December, 2009**

The Group's net sales declined by 2.7% totaling EUR 60.7 million (62.4) million. Dovre division accounted for 94.7% (95.1%) and Camako division for 5.3% (4.8%). Dovre's net sales declined by 3.1% totaling EUR 57.5 (59.3) million. Camako's net sales increased by 7.8% totaling EUR 3.3 (3.0) million.

**Distribution of net sales by business segments (EUR million)**

(EUR million)	10-12 2009	10-12 2008	Change %	1-12 2009	1-12 2008	Change %
Dovre	14,3	15,0	-4,2	57,5	59,3	-3,1
Camako	0,9	0,9	5,2	3,3	3,0	7,8
Other operations	-0,1	0,2	-153,3	0,1	0,4	-80,9
Net sales between segments	0,1	-0,2	165,0	-0,1	-0,3	72,5
<b>Group Total</b>	<b>15,3</b>	<b>15,9</b>	<b>-3,8</b>	<b>60,7</b>	<b>62,4</b>	<b>-2,7</b>

**Distribution of net sales by geographical segments (EUR million)**

(EUR million)	10-12 2009	10-12 2008	1-12 2009	1-12 2008
EMEA	9,0	9,6	35,1	39,8
AMERICAS	6,5	6,6	26,5	23,2
APAC	0,1	0,1	0,4	0,8
Net sales between segments	-0,4	-0,5	-1,3	-1,3
<b>Group Total</b>	<b>15,3</b>	<b>15,9</b>	<b>60,7</b>	<b>62,4</b>

(% of net sales)	10-12 2009	10-12 2008	1-12 2009	1-12 2008
EMEA	59,2 %	60,5 %	57,8 %	63,8 %
AMERICAS	42,9 %	41,5 %	43,7 %	37,1 %
APAC	0,4 %	0,8 %	0,7 %	1,2 %
Net sales between segments	-2,5 %	-2,8 %	-2,2 %	-2,1 %
<b>Group Total</b>	<b>100,0 %</b>	<b>100,0 %</b>	<b>100,0 %</b>	<b>100,0 %</b>

**Distribution of net sales by revenue type (EUR million and % of net sales)**

	10-12 2009	%	10-12 2008	%	1-12 2009	%	1-12 2008	%
Services	15,0	98,0	15,5	97,5	59,5	98,0	61	97,8
One-time license	0,1	0,7	0,1	0,6	0,3	0,5	0,5	0,8
Recurring license	0,2	1,3	0,3	1,9	0,9	1,5	0,9	1,4
<b>Total</b>	<b>15,3</b>	<b>100,0</b>	<b>15,9</b>	<b>100,0</b>	<b>60,7</b>	<b>100,0</b>	<b>62,4</b>	<b>100,0</b>

**PROFITABILITY**

**Operating result October - December, 2009**

Operating result before non-recurring items was EUR 0.6 (0.4) million and after non-recurring items was EUR 0.2 (0.4) million. Dovre's operating result was EUR 0.6 (0.6) million. Camako's operating result was EUR 0.0 (0.0) million. Operating result for other operations was EUR -0.3 (-0.2) million.

**Operating result January - December, 2009**

Operating result before non-recurring items was EUR 1.0 (1.6) million and after non-recurring items EUR 0.3 (0.6) million. Dovre's operating result was EUR 1.4 (2.9) million. Camako's operating result was EUR -0.3 (-0.4) million. Operating result for other operations was EUR -0.9 (-1.8) million.

**Distribution of operating result by segment (excluding non-recurring items, EUR million)**

(EUR million)	10-12 2009	10-12 2008	Change %	1-12 2009	1-12 2008	Change %
Dovre	0,7	0,6	26,7	2,0	2,7	-26,7
Camako	0,1	0,0	492,2	-0,2	-0,4	47,6
Other operations	-0,2	-0,2	-29,2	-0,8	-0,9	19,4
<b>Group Total</b>	<b>0,6</b>	<b>0,4</b>	<b>59,2</b>	<b>1,0</b>	<b>1,4</b>	<b>-25,8</b>

**Distribution of operating result by segment (including non-recurring items, EUR million)**

(EUR million)	10-12 2009	10-12 2008	Change %	1-12 2009	1-12 2008	Change %
Dovre	0,6	0,6	2,9	1,4	2,6	-45,6
Camako	0,0	0,0	-2,7	-0,3	-0,4	27,9
Other operations	-0,3	-0,2	-86,6	-0,9	-1,8	53,5
<b>Group Total</b>	<b>0,2</b>	<b>0,4</b>	<b>-36,8</b>	<b>0,3</b>	<b>0,4</b>	<b>-26,9</b>

**Non-recurring items**

The net result includes non-recurring items of approximately EUR 0.8 million. Dovre's net result includes non-recurring items of about EUR 0.5 million and Camako's net result includes about EUR 0.1 million. The net result for other operations includes non-recurring items of approximately EUR 0.1 million. The non-recurring items were caused by streamlining of operations and terminations of employment. In 2008, the net result included non-recurring items of approx. EUR 1,0 million, of which Dovre accounted for EUR 50 thousand, Camako for EUR 60 thousand and other operations for EUR 0.9 million.

The net result for Q4 includes non-recurring items of approx. EUR 0.4 million. Dovre's net result includes non-recurring items of approx. EUR 0.1 million and Camako's net result includes approx. EUR 0.1 million. The net result for other

operations includes non-recurring items of approx. EUR 0.1 million. The corresponding Q4 period in 2008 did not include any non-recurring items.

**Result October - December, 2009**

In October - December, 2009, the Group's result before taxes was EUR 0.2 (0.8) million and after taxes EUR -0.3 (0.6) million.

In October - December, 2009, the Proha Group's earnings per share was EUR -0.00 (0.01).

**Result January - December, 2009**

In January - December, 2009, the Group's result before taxes was EUR -0.1 (0.6) million and after taxes EUR -0.7 (-0.1) million.

In January - December, 2009, the Group's result before non-recurring items was EUR 0.1 (0.8) million and after non-recurring items EUR -0.7 (-0.1) million.

In January - December, 2009, the Proha Group's earnings per share was EUR -0.01 (-0.00).

The Proha Group's return on investment (ROI) was 6.7% (7.7%).

**CASH FLOW, FINANCING AND INVESTMENTS**

On December 31, 2009, the Proha Group balance sheet total was EUR 29.9 (26.6) million.

On December 31, 2009, the cash and cash equivalents for the Proha Group totaled EUR 3.8 (3.1) million. In addition, the parent company and the subsidiaries have unused credit limits.

The cash flow from operating activities was EUR -1.3 (1.2) million. The cash flow from operating activities was decreased by the increase of EUR 1.8 million in current interest-free receivables and increased by the EUR 0.2 million increase in current interest-free payables. EUR 1.0 million were paid in taxes.

The cash flow from investing activities was EUR -0.2 (-1.6) million. The gross investments include acquisitions of subsidiaries EUR 0.2 million, investments of EUR 0.1 million in tangible and intangible assets, and a decrease of EUR 0.2 million in non-current loan receivables.

The gross investments totaled EUR 0.5 (1.6) million.

The cash flow from financing activities was EUR 2.1 (-1.8) million. New loans worth of EUR 2.5 million were drawn, and EUR 0.3 million paid back.

The balance sheet goodwill totaled EUR 7.0 (5.9) million on December 31, 2009. The Group's goodwill is not amortized, but tested for impairment under IAS 36. No indications of impairment of assets exist.

The equity ratio was 46.5% (49.0%). Gearing was -2.0% (-11.2%). On December 31, 2009, the interest-bearing liabilities amounted to EUR 3.5 (1.7) million, accounting for 11.7% (6.3%) of the Group's shareholders' equity and liabilities total. Of the interest-bearing liabilities, EUR 0.6 (1.1) million were non-current and EUR 2.9 (0.6) million current. The Group's quick ratio was 1.5 (1.5).

**RESEARCH AND DEVELOPMENT**

In January - December, 2009, the Group's research and development costs were EUR 0.8 (1.5) million, representing 1% (2%) of the Group net sales.

A total of EUR 0.1 (0.2) million of research and development costs were capitalized during the period. Of the capitalized research and development costs EUR 0.2 million were amortized and EUR 0.1 entered as impairment for the period. On December 31, 2009, the Group amortized research and development costs of EUR 0.2 million.

The Group's R&D costs consist of the R&D of Safran software products in the Dovre division and of the R&D in the Camako division.

In Camako EPM version 4.1, released in the beginning of 2009, the installation and maintenance of the software were streamlined. In the latest version 4.2, released at the beginning of 2010, the performance and reporting functionalities have been significantly enhanced. The rescue services' resource planning and management product, RescuePlanner, has been further developed together with the customers.

Safran launched a new version 3.6 of Safran Project software in the third quarter. New versions (v. 4) of Safran Planner and Safran Planner SQL software were released in Q4. The upgraded software has new potential for planning and scheduling of small and mid-sized projects.

The ongoing development work focuses on releasing the first version of Safran Web Access and developing new features for the upcoming version 3.7 of Safran Project software.

**CHANGES IN THE PROHA GROUP MANAGEMENT**

The Proha Board of Directors changed the composition of the management team on April 27, 2009. The members of the management team were Ilari Koskelo, Sirpa Haavisto and Otto S berg. In the same meeting, the Board decided that due to the company's current size, it no longer requires an executive vice president. Therefore, Janne Rainvuori no longer acted as the executive vice president and was not a member of the management team.

On September 18, 2009, the Proha Board appointed Ilkka Toivola as the CEO of the Group. He started in his new position on November 16, 2009. He moved to his position from Nokia Siemens Networks, where he has held several international management positions since 2000.

Ilari Koskelo, the former CEO of Proha Plc, continues in the Proha Board as vice chairman.

The Group administration of Proha Plc and the Dovre division were merged in November 2009. The CEO of Proha was appointed as the managing director of Dovre Group AS. In addition, Dovre's external Board was replaced with a Group's internal Board in November. The CEO of Proha, Ilkka Toivola, also acts as the CEO of Dovre Group AS.

Otto S berg's temporary 18-month contract as the hired managing director of Dovre Group AS ended on October 9, 2009, and he then left his position.

Arve Jensen was appointed as the manager for the Norwegian operations of Dovre Group. The CFO of Dovre Group, Are Njåstein, continued in his position. Jensen and Njåstein from Norway and Dovre North America's manager, Mike Critch, report to CEO Ilkka Toivola. In addition, the CFO of Proha, Sirpa Haavisto, and the managing directors of the software and service companies, Safran Software Solutions AS and Camako Oy, report to Ilkka Toivola.

In the Camako division, the managing director of Camako Oy (formerly Camako Nordic Oy), and a member of the Proha management team, Timo Saros, left to pursue other options outside of the Proha Group as of June 30, 2009. Ilari Koskelo acted as the managing director of Camako Oy until Petri Karlsson was appointed as the managing director on August 17, 2009.

**PERSONNEL**

The Group's personnel expenses in 2009 were EUR 55.7 (56.9) million. The personnel expenses include non-recurring items of approximately EUR 0.3 (0.9) million.

The personnel expenses of the Dovre division were EUR 52.8 (53.0) million. The personnel expenses of the Camako division were EUR 2.4 (2.5) million. The personnel expenses of other operations were EUR 0.5 (1.5) million.

In 2009, the number of personnel averaged 404 (395).

**Distribution of personnel by segment (average)**

	10-12 2009	10-12 2008	Change %	1-12 2009	1-12 2008	Change %
Dovre	367	353	4,0	361	351	2,8
Camako	36	37	-2,7	38	36	5,6
Other operations	4	5	-20,0	5	6	-16,7
<b>Total</b>	<b>407</b>	<b>395</b>	<b>3,0</b>	<b>404</b>	<b>393</b>	<b>2,8</b>

On December 31, 2009, Proha employed 408 (391) people worldwide, out of which 367 (350) were employed by the Dovre division, 38 (36) by the Camako division and 3 (5) by the Group administration.

**BUSINESS PERFORMANCE**

New strategies for the Dovre and Camako divisions have been approved. The key issues are focusing on our core competence and seeking profitable growth. We have taken the first steps in accordance to our growth strategy by opening new subsidiaries in Brisbane, Australia and Yuzhno-Sakhalinsk, a city on Sakhalin Island in Russia. In both cases, we have followed the major customers' needs, and the first customer projects have already started for these Dovre companies. Especially in Australia, there is a strong demand for professional project management services. In addition, our client wants to start a gas project in Papua New Guinea from Brisbane.

In the international markets, the demand for services in Dovre's field has been constant. Especially operations in North America and international markets grew by 22% in 2009. The result of the Dovre operations in Norway was challenged by the economic decline, and the revenue decreased in Q4.



Camako's net sales and operating profit developed positively in Q4. Sales grew by 5% and the operative result was positive EUR 0.1 million. A one-off product development impairment cost of EUR 0.1 million was entered to amortize development work of old software versions.

Towards the end of Q4, Camako gained such new customers as Kone Corporation, Tuko Logistics and the City of Stockholm. In addition, Camako's organization was revised in line with the strategy and the new management team was announced in December.

Safran's operative result for Q4 was slightly positive. Customer satisfaction and feedback on the Safran solutions are very positive and form a solid ground for profitability and growth expectations in the future. In addition, the first major customer was obtained through our reseller in North America.

Proha has decided to streamline the company structure in 2010. The company's internal financing and financial management will be developed towards a global Group structure instead of separate companies. The financial management has switched to six-month's planning period instead of the 12-month's used before. This enables the company to react on market changes quicker than before.

#### **SHARES, SHARE CAPITAL, AND AUTHORIZATION TO ISSUE SHARES**

##### **Shares and share capital**

Proha Plc has one class of shares. Each share entitles the shareholder to one vote. The Proha Plc shares are listed in the NASDAQ OMX Helsinki Ltd.

On January 1, 2009 and on December 31, 2009, the subscribed capital of Proha Plc was EUR 15,916,854.20. On January 1, 2009 and on December 31, 2009, the total number of Proha Plc shares was 61,961,751.

##### **Option rights**

On January 1, 2009, a total of 4,333,520 options were outstanding of the option plans of 2005, 2006 and 2007, entitling to subscription of 4,333,520 shares.

No shares were subscribed for with Proha Plc's options during January - December, 2009.

In 2009, a total of 222,000 option rights under 2006 plan and a total of 366,000 option rights under 2007 plan were redeemed.

The 2005 option plan expired on April 1, 2009. The expired option rights totaled 1,048,520.

On December 31, a total of 2,697,000 option rights were outstanding as follows: 1,119,000 option rights under 2006 plan (EUR 0.48) and 1,578,000 option rights under 2007 plan (EUR 0.37). Of these the company has in reserve 222,000 option rights under 2006 plan and 399,000 option rights under 2007 plan. Each option right entitles to subscription of one share.

##### **The Authorization of the Board of Directors**

The Annual General Meeting (AGM) on April 18, 2007 authorized the Board of Directors to resolve to issue shares through issuance of shares or special

rights entitling to shares. In accordance with the authorization, the Board can resolve to issue a maximum of 12,243,734 shares through issuance of shares or special rights entitling to shares (including option rights) under Chapter 10, Section 1 of the Companies Act, in one or more issues. The authorization includes both the issuance of new shares as well as shares held by the Group, and corresponded to 20 percent of the Group's total number of shares at the date of the AGM. The authorization is effective until April 17, 2012.

During the period, no new shares were issued based on this authorization. A total of 11,500,653 shares were remaining of the authorization on December 31, 2009.

#### **TRADING AND MARKET CAPITALIZATION**

In January - December, 2009, approximately 23.4 million Proha shares were traded on the NASDAQ OMX Helsinki Ltd., corresponding to a turnover of approximately EUR 6.5 million.

From January 1 to December 30, 2009, the lowest quotation was EUR 0.23 and the highest quotation was EUR 0.36. On December 31, 2009, the closing quotation was EUR 0.33.

The period-end market capitalization was approximately EUR 20.4 million.

The number of registered shareholders of Proha Plc totaled 3,227 on December 31, 2009.

#### **CORPORATE GOVERNANCE**

##### **Decisions made at the Proha Plc's Annual General Meeting**

The Annual General Meeting of Proha Plc on March 31, 2009 decided that the number of board members is four. The following four members were elected to the board: Ilari Koskelo, Antti Manninen, Leena Mäkelä and Hannu Vaaajoensuu. Ernst & Young Oy, Authorized Public Accountants, continued as the Group's auditor.

The Annual General Meeting amended the article concerning the notice of the general meeting so that the notice of the general meeting shall be given at the latest 21 days before the general meeting. It was also decided that the notice of the general meeting will no longer be published in a newspaper.

The Annual General Meeting decided to decrease the share premium account by its total amount of EUR 4,780,244.32 and to transfer the amount to the invested non-restricted equity fund. On September 8, 2009, the National Board of Patents and Registration of Finland authorized Proha Plc to decrease the share premium account as decided in the Annual General Meeting on March 31, 2009. After the decrease, the amount of the share premium account was zero and the share premium account was closed.

A separate stock exchange bulletin has been issued on the resolutions of the Annual General Meeting on March 31, 2009.

##### **Decisions of the organizational meeting of Proha Plc's board of directors**

The organizational meeting of Proha Plc's Board of Directors on March 31, 2009 elected Antti Manninen as the chairman and Ilari Koskelo as the vice chairman of the Board.

### **Corporate Governance**

Proha complies with the Finnish Corporate Governance Code, but makes the following exception to the code:

Recommendation 14: The majority of the Board is not independent of the company. Of the four Board members, independent of the company and its significant shareholders are the chairman Antti Manninen and Hannu Vaajoensuu.

The Corporate Governance Statement from 2009 has been composed in accordance with Recommendation 51 of the new Corporate Governance Code. The Corporate Governance Statement is issued separately in the Review by Proha Plc Board of Directors.

Proha's corporate governance principles can be found on the company's website at [www.proha.com](http://www.proha.com).

### **SHORT-TERM RISKS AND UNCERTAINTIES**

The success of the Dovre division is influenced by energy sector markets and investment level in oil and gas industry. The market pricing and wages of Dovre deliveries are still under pressure, even though the toughest adaptation phase has probably been passed. The customers extend their agreements in shorter terms than normally, which means months instead of a year. The competitive situation still favors big providers.

Dovre expands its business to new markets and establishes subsidiaries in new countries. Expanding the business includes both investment and operational risks.

In Dovre's business operations, a few major clients constitute a significant share of net sales. With these major clients Dovre has global delivery agreements. Therefore, Dovre is highly dependent on these major key customers and the long-term frame agreements signed with them.

Even though the markets are stabilizing to the level of 2009, companies are still cautious in their investments. This applies to both Camako and Safran. The forecasts predict the investment level to be steady and possibly grow slightly, but the financial situation of single customers' varies and this is a risk to both Camako and Safran. The customers see project management development as a very important factor in the competitive situation, but they are very cautious about starting new projects.

### **EVENTS AFTER THE PERIOD**

The employment of Proha Plc's executive vice president Janne Rainvuori ended on February 1, 2010.

**BOARD OF DIRECTORS' PROPOSAL FOR DISTRIBUTION OF PROFITS**

The Proha Board of directors proposes that the result for the financial year is entered in shareholders' equity and no dividend is paid.

Espoo, February 15, 2010

Proha Plc  
Board of Directors

The financial statements are audited.

**PRESS CONFERENCE**

Proha Plc will hold a press conference for the media and financial analysts on Monday February 15, 2010. The conference will be held at 11.00 a.m. at the premises of Proha Plc in the address Maapallonkuja 1 A, Espoo.

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Major media

The financial statements have been prepared according to the International Financial Reporting Standards (IFRS). As of January 1, 2009, the Group has applied the following new and revised standards: IFRS 8 Operating Segments and IAS 1 Presentation of financial statements. Otherwise, the same accounting principles have been applied as in the 2008 financial statements. Key indicator calculations remain unchanged and have been presented in the 2008 financial statements.

IFRS 8 has not affected the segment information in the notes. IAS 1 has affected the presentation of the income statement and statement of changes in shareholders' equity.

The Group's primary segment reporting is based on business segments. Dovre, Camako and other operations are separate reporting business segments. Other operations consist mainly of Group administration.

Changes in presentation of income statement

Deviating from the earlier practice, share of results in associates is presented as a part of operating result. Comparison data has been adjusted accordingly.

## GROUP COMPREHENSIVE INCOME STATEMENT

(EUR thousand)	10-12 2009	10-12 2008	Change %	1-12 2009	1-12 2008	Change %
<b>NET SALES</b>	<b>15 269</b>	<b>15 879</b>	<b>-3,8</b>	<b>60 738</b>	<b>62 432</b>	<b>-2,7</b>
Other operating income	163	194	-15,9	208	399	-47,8
Share of results in associates	0	-47	100,0	-100	-237	57,9
Material and services	-30	-115	-73,5	-156	-317	-50,7
Employee benefits expense	-13 623	-14 270	-4,5	-55 735	-56 915	-2,1
Depreciation and amortization	-180	-154	17,0	-650	-595	9,4
Impairment	-118			-118		
Other operating expenses	-1 248	-1 119	11,5	-3 924	-4 408	-11,0
<b>OPERATING RESULT</b>	<b>232</b>	<b>368</b>	<b>-36,8</b>	<b>263</b>	<b>359</b>	<b>26,9</b>
Financing income	411	758	-45,7	887	1 095	-19,0
Financing expenses	-459	-311	47,4	-1 240	-823	50,6
<b>RESULT BEFORE TAX</b>	<b>185</b>	<b>814</b>	<b>-77,3</b>	<b>-90</b>	<b>631</b>	<b>114,3</b>
Tax on income from operations	-455	-233	94,9	-659	-744	-11,4
<b>RESULT FOR THE PERIOD</b>	<b>-270</b>	<b>581</b>	<b>-146,5</b>	<b>-749</b>	<b>-113</b>	<b>-564,7</b>
<b>Other comprehensive income</b>						
Exchange differences on translating foreign operations	376	-1 178		1 593	-1 693	
Other comprehensive income for the period, net of tax	376	-1 178		1 593	-1 693	
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>106</b>	<b>-597</b>		<b>844</b>	<b>-1 806</b>	

ALLOCATION OF RESULT  
FOR THE PERIOD

Result attributable to equity holders of the parent	-272	559	-148,7	-871	-218	-299,2
Result attributable to minority interest	2	22	-90,8	121	105	15,1
	<b>-270</b>	<b>581</b>	<b>-146,5</b>	<b>-749</b>	<b>-113</b>	<b>-564,7</b>

ALLOCATION OF COMPREHENSIVE  
RESULT FOR THE PERIOD

Result attributable to equity holders of the parent	104	-714	114,5	721	-1892	138,1
Result attributable to minority interest	3	117	-97,8	123	86	42,7
	<b>106</b>	<b>-597</b>	<b>117,8</b>	<b>844</b>	<b>-1806</b>	<b>146,7</b>

Earnings/share EUR

Undiluted	-0,00	0,01	-148,7	-0,01	0,00	-298,5
Diluted	-0,00	0,01	-148,7	-0,01	0,00	-298,5

Comprehensive earnings/share  
EUR

Undiluted	0,00	-0,01	114,5	0,01	-0,03	138,1
Diluted	0,00	-0,01	114,5	0,01	-0,03	138,1

**AVERAGE NUMBER OF SHARES**

	<b>10-12</b>		<b>10-12</b>		<b>1-12</b>		<b>1-12</b>	
	<b>2009</b>		<b>2008</b>		<b>2009</b>		<b>2008</b>	
Undiluted	61	961 751	61	961 751	61	961 751	61	819 946
Diluted	61	961 751	61	961 751	61	961 751	61	819 946

**Number of shares at the end of the  
period:**

	<b>1-12</b>		<b>1-12</b>	
	<b>2009</b>		<b>2008</b>	
Shares	61	961 751	61	961 751

**GROUP BALANCE SHEET**

(EUR thousand)	31.12. 2009	31.12. 2008	Change %
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	1 696	2 127	-20,3
Goodwill	7 022	5 857	19,9
Tangible assets	198	303	-34,8
Investments in associates	933	1 342	-30,5
Trade receivables and other receivables	260	242	7,5
Available-for-sale investments	211	122	73,5
Deferred tax asset	398	213	86,5
<b>Non-current assets</b>	<b>10 718</b>	<b>10 206</b>	<b>5,0</b>
Current assets			
Trade receivables and other receivables	15 250	13 269	14,9
Tax receivable, income tax	185	14	1225,4
Cash and cash equivalents	3 758	3 118	20,5
<b>Current assets</b>	<b>19 193</b>	<b>16 401</b>	<b>17,0</b>
<b>TOTAL ASSETS</b>	<b>29 911</b>	<b>26 607</b>	<b>12,4</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Share capital	15 917	15 917	0,0
Share premium account	0	4 379	-100,0
Fair value reserve and other reserves	5 193	422	1129,4
Translation differences	-140	-1 154	-87,8
Retained earnings	-7 449	-6 808	-9,4
Equity attributable to equity holders of the parent	13 520	12 756	6,0
Minority interest	195	72	170,4
<b>Shareholders' equity</b>	<b>13 714</b>	<b>12 828</b>	<b>6,9</b>
<b>Non-current liabilities</b>			
Deferred tax liability	669	570	17,3
Long-term liabilities, interest-bearing	608	1 139	-46,6
Long-term liabilities, interest-free	153	150	2,1
Liabilities from defined benefit plan	1 290	640	101,5
<b>Non-current liabilities</b>	<b>2 720</b>	<b>2 499</b>	<b>8,8</b>
<b>Current liabilities</b>			
Short-term interest-bearing liabilities	2 878	547	426,4
Trade payables and other liabilities	10 181	10 307	-1,2
Tax liability, income tax	317	406	-21,8
Current provisions	100	21	
<b>Current liabilities</b>	<b>13 477</b>	<b>11 280</b>	<b>19,5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>29 911</b>	<b>26 607</b>	<b>12,4</b>

**GROUP STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

- a) Share capital
- b) Share premium account
- c) Unrestricted equity fund
- d) Fair value reserve and other reserves
- e) Translation differences
- f) Retained earnings
- g) Equity attributable to equity holders of the parent
- h) Minority interest
- i) Shareholders' equity total

	a)	b)	c)	d)	e)
<b>SHAREHOLDERS' EQUITY</b>					
<b>1.1.2008</b>	<b>15 917</b>	<b>4 379</b>	<b>329</b>	<b>0</b>	<b>187</b>
Comprehensive income	0	0	-60	0	-1 341
Share based payments	0	0	0	0	0
Transfers between items	0	0	-42	0	0
Acquisitions	0	0	0	0	0
Disposals	0	0	0	0	0
Share issues	0	0	0	196	0
<b>SHAREHOLDERS' EQUITY</b>					
<b>31.12.2008</b>	<b>15 917</b>	<b>4 379</b>	<b>227</b>	<b>196</b>	<b>-1 154</b>

	a)	b)	c)	d)	e)
<b>SHAREHOLDERS' EQUITY</b>					
<b>1.1.2009</b>	<b>15 917</b>	<b>4 379</b>	<b>227</b>	<b>196</b>	<b>-1 154</b>
Comprehensive income	0	0	-59	0	1 014
Share based payments	0	0	0	0	0
Decrease of share premium account	0	-4 780	0	4 780	0
Transfers between items	0	401	49	0	0
<b>SHAREHOLDERS' EQUITY</b>					
<b>31.12.2009</b>	<b>15 917</b>	<b>0</b>	<b>217</b>	<b>4 976</b>	<b>-140</b>

	f)	g)	h)	i)
<b>SHAREHOLDERS' EQUITY</b>				
<b>1.1.2008</b>	<b>-6 470</b>	<b>14 342</b>	<b>115</b>	<b>14 457</b>
Comprehensive income	-490	-1 892	86	-1 806
Share based payments	110	110	0	110
Transfers between items	42	0	0	0
Acquisitions	0	0	-37	-37
Disposals	0	0	-92	-92
Share issues	0	196	0	196
<b>SHAREHOLDERS' EQUITY</b>				
<b>31.12.2008</b>	<b>-6 808</b>	<b>12 756</b>	<b>72</b>	<b>12 828</b>



	f)	g)	h)	i)
<b>SHAREHOLDERS' EQUITY</b>				
<b>1.1.2009</b>	<b>-6 808</b>	<b>12 756</b>	<b>72</b>	<b>12 828</b>
Comprehensive income	-234	721	123	844
Share based payments	42	42	0	42
Decrease of share premium account	0	0	0	0
Transfers between items	-450	0	0	0
<b>SHAREHOLDERS' EQUITY</b>				
<b>31.12.2009</b>	<b>-7 449</b>	<b>13 520</b>	<b>195</b>	<b>13 714</b>

**GROUP CASH FLOW STATEMENT**

(EUR thousand)	<b>1-12 2009</b>	<b>1-12 2008</b>
<b>Cash flow from operating activities</b>		
Operating result	263	359
Adjustments		
Depreciation and amortization	769	595
Employee benefits expense	507	85
Other adjustments	100	213
Adjustments, total	1 375	893
Change in net working capital		
Increase (-) / decrease (+) in current receivables	-1 750	1 688
Increase (+) / decrease (-) in current liabilities	219	-719
Change in net working capital, total	-1 531	969
Interest paid	-281	-268
Interest received	39	231
Other financial expenses paid	-267	-47
Other financial income received	55	25
Income taxes paid	-975	-912
<b>Cash flow from operating activities</b>	<b>-1 322</b>	<b>1 249</b>
<b>Cash flow from investing activities</b>		
Acquisition of subsidiaries net cash acquired *)	-179	-708
Proceeds from disposal of subsidiaries net cash disposed of**)	0	-4
Investments in tangible and intangible assets	-147	-380
Proceeds from associates	0	19
Investments in other investments	-75	0
Increase (-) / decrease (+) in loan receivables	214	-576
Dividends received	6	3
<b>Cash flow from investing activities</b>	<b>-180</b>	<b>-1 646</b>
<b>Cash flow from financing activities</b>		
Proceeds from short-term loans	2 467	879
Repayments of short-term loans	-326	-2 548
Proceeds from long-term loans	0	228
Repayments of long-term loans	0	-352
Paid Dividends	0	-41
<b>Cash flow from financing activities</b>	<b>2 142</b>	<b>-1 834</b>
<b>Change in cash and cash equivalents</b>	<b>640</b>	<b>-2 231</b>

<b>Cash and cash equivalents at beginning of the period</b>	<b>3 118</b>	<b>5 349</b>
Foreign exchange rate adjustment	50	-434
Cash and cash equivalents of subsidiaries acquired	0	131
Cash and cash equivalents of subsidiaries divested	0	-49
Change in cash and cash equivalents	590	-1 880
<b>Cash and cash equivalents at end of the period</b>	<b>3 758</b>	<b>3 118</b>
*) Portion of acquisition cost of subsidiaries	<b>1-12</b>	<b>1-12</b>
less cash at acquisition:	<b>2009</b>	<b>2008</b>
Camako Data AB	0	-145
Camako Finland Oy (previously Datatron Oy)	-6	-236
Datamar Oy	0	-30
Fabcon sub-group	0	-57
Project Resource Solutions Inc.	-172	-239
<hr/>		
<b>Total</b>	<b>-179</b>	<b>-708</b>
***) Portion of gain on disposal of subsidiaries		
less cash at disposal	1-12	1-12
	2009	2008
<hr/>		
Futura One Oy	0	-4
<hr/>		
<b>Total</b>	<b>0</b>	<b>-4</b>

**GROUP INCOME STATEMENT QUARTERLY - Financial year January 1 - December 31, 2009**

(EUR thousand)	2009 1-3	2008 1-3	2009 4-6	2008 4-6	2009 7-9	2008 7-9	2009 10-12	2008 10-12
<b>NET SALES</b>	<b>15 183</b>	<b>15 253</b>	<b>14 986</b>	<b>16 423</b>	<b>15 300</b>	<b>14 878</b>	<b>15 269</b>	<b>15 879</b>
Other operating income	46	32	46	39	-47	134	163	194
Share of result in associates	-51	-105	-49	-43	0	-43	0	-47
Materials and services	-58	-35	0	-117	-68	-50	-30	-115
Employee benefits expense	-14126	-13933	-14019	-15403	-13966	-13308	-13623	-14270
Depreciation and amortization	-146	-144	-181	-130	-160	-166	-298	-154
Other operating expenses	-1 040	-1 075	-1 032	-1 293	-604	-921	-1 248	-1 119
<b>OPERATING RESULT</b>	<b>-192</b>	<b>-9</b>	<b>-249</b>	<b>-524</b>	<b>455</b>	<b>524</b>	<b>232</b>	<b>368</b>
%	-1,3 %	-0,1 %	-1,7 %	-3,2 %	3,0 %	3,5 %	1,5 %	2,3 %
Financing income	366	45	51	29	59	263	411	758
Financing expenses	-195	-249	-195	-160	-391	-103	-459	-311
<b>RESULT BEFORE TAX</b>	<b>-22</b>	<b>-213</b>	<b>-394</b>	<b>-655</b>	<b>123</b>	<b>685</b>	<b>185</b>	<b>814</b>
%	-0,1 %	-1,4 %	-2,6 %	-4,0 %	0,8 %	4,6 %	1,2 %	5,1 %
Tax on income from operations	-21	-178	-71	-155	-108	-178	-455	-233
<b>RESULT FOR THE PERIOD</b>	<b>-42</b>	<b>-391</b>	<b>-464</b>	<b>-810</b>	<b>15</b>	<b>507</b>	<b>-270</b>	<b>581</b>
%	-0,3 %	-2,6 %	-3,1 %	-4,9 %	0,1 %	3,4 %	-1,8 %	3,7 %

**GROUP COMMITMENTS AND CONTINGENT LIABILITIES**

(EUR thousand)	31.12. 2009	31.12. 2008
<b>COLLATERAL FOR OWN COMMITMENTS</b>		
Debts secured by corporate mortgages		
Loans from financial institutions	2951	1 170
Book value of shares of Dovre International AS and Dovre Fabcon AS and current assets of Dovre Fabcon AS given as security		
	7186	4 704
Debts secured by assets		
Loans and checking account credit lines	0	269
Book value of trade receivables and fixed assets given as security		
	650	542
Debts secured by shares		
Loans and checking account credit lines	515	0

Book value of pledged shares	933	511
Future minimum lease payments under non-cancellable operating leases		
Not later than one year	316	218
Later than one year and not later than five years	1 096	557
Total	1 412	776

## RELATED PARTY TRANSACTIONS

<b>Investments in associates</b>	<b>2009</b>	<b>2008</b>
<b>Carrying value, opening balance</b>	<b>1 342</b>	<b>1 277</b>
Additions	0	470
Disposals	-310	-72
Share of profit / loss in associates	-100	-237
Translation differences	0	-95
<b>At the end of the financial year</b>	<b>933</b>	<b>1 342</b>

<b>Transactions with other related parties</b>	<b>2009</b>	<b>2008</b>
Sales	0	14
Purchases		
Consulting fees and rents*)	149	432
Consulting fees and reimbursements**)	335	152
Consulting fees and reimbursements***)	20	0
Other	0	3
<b>Total</b>	<b>504</b>	<b>587</b>

<b>Open balances with the related parties</b>	<b>31.12.2009</b>	<b>31.12.2008</b>
Trade payables	9	58

\*) Consulting fees and rents have been paid to the companies controlled by Birger Flaa, a member of the board in Proha Plc (resigned June 16, 2009)

\*\*\*) Consulting fees and reimbursements have been paid to a company controlled by Otto S  berg, the CEO of Dovre Group AS (resigned October 9, 2009)

\*\*\*\*) Consulting fees and reimbursements regarding reorganization of the Norwegian operations have been paid to Havacment Oy, a company controlled by Hannu Vaajoensuu, and who is also a member of the board in Proha Plc.

**GROUP KEY FINANCIAL PERFORMANCE INDICATORS**

(EUR million)	10-12 2009	10-12 2008	1-12 2009	1-12 2008
Net sales	15,3	15,9	60,7	62,4
Operating result	0,2	0,4	0,3	0,4
% of Net sales	1,5 %	2,6 %	0,4 %	0,6 %
Result before taxes	0,2	0,8	-0,1	0,6
% of Net sales	1,2 %	5,1 %	-0,1 %	1,0 %
Result for the period	-0,3	0,6	-0,9	-0,2
% of Net sales	-1,8 %	3,5 %	-1,2 %	-0,2 %
Return on equity, %	-8,1 %	17,6 %	-5,6 %	-0,8 %
Return on investment, %	15,4 %	28,9 %	6,7 %	7,7 %
Interest-bearing liabilities	3,5	1,7	3,5	1,7
Cash and cash equivalents	3,8	3,1	3,8	3,1
Gearing, %	-2,0 %	-11,2 %	-2,0 %	-11,2 %
Equity-ratio, %	46,5 %	49,0 %	46,5 %	49,0 %
Balance sheet total	29,9	26,6	29,9	26,6
Gross investments	0,0	0,6	0,5	1,6
% of Net sales	0,0 %	4,0 %	0,9 %	2,5 %
R & D costs	0,3	0,5	0,8	1,5
% of Net sales	2,0 %	3,1 %	1,3 %	2,4 %
Personnel average for the period	407	395	404	393
Personnel average at the end of the period	408	391	408	391
Earnings per share, EUR				
Basic	-0,00	0,01	-0,01	0,00
Diluted	-0,00	0,01	-0,01	0,00
Equity per share, EUR	0,22	0,21	0,22	0,21

**LARGEST SHAREHOLDERS AS OF DECEMBER 31, 2009**

Name	Number of shares	% of all shares and voting rights
Oy Etra Invest Ab *)	13 000 000	21,0 %
Etola Erkki Olavi *)	3 000 000	4,8 %
Koskelo Ilari **)	2 962 590	4,8 %
Mäkelä Pekka	1 982 375	3,2 %
Navdata OY **)	1 300 000	2,1 %
Siik Rauni Marjut	1 050 000	1,7 %
Thominvest Oy	1 043 500	1,7 %
Hinkka Petri Juhani	889 500	1,4 %
Virkki Risto Anton	715 000	1,2 %
Ruokostenpohja Ismo Eero Voitto	673 950	1,1 %
Siik Seppo Sakari	661 000	1,1 %
Hinkka Invest Oy	583 390	0,9 %
Paasi Kari	550 000	0,9 %
Jokinen Reino Väinämö	530 000	0,9 %
Svenska Handelsbanken Ab	513 000	0,8 %
Pere Pekka	465 942	0,8 %
Kefura Ab	425 000	0,7 %
Eficor Oyj	419 350	0,7 %
Olsson Vesa Ensio	400 000	0,6 %
Saikko Risto Olavi	395 065	0,6 %

\*) Oy Etra Invest Ab is a controlling interest company of Erkki Etola.

\*\*) Navdata Oy is a controlling interest company of Ilari Koskelo.

Hannu Vaajoensuu's family members living in the same household with him own directly and through Havacment Oy, a controlling interest company of Hannu Vaajoensuu, a total of 710,000 Proha Plc shares. Antti Manninen owns directly and through Amlax Oy, a controlling interest company of Antti Manninen, a total of 505,000 Proha Plc shares.