Proha Plc Financial Statements February 17, 2011 at 8.45am

PROHA FINANCIAL STATEMENTS (IFRS) JANUARY 1 - DECEMBER 31, 2010

Clear improvement in Proha's operating result in the financial year 2010

(Unless otherwise stated, last year's corresponding period in parentheses.)

SUMMARY

Financial year January - December 2010

- Net sales EUR 70.8 (60.7) million – growth 16.5%
- Oil & Gas Services: net sales EUR 64.1 (54.9) million – growth 16.9%
- Software Solutions: net sales EUR 6.9 (5.9) million – growth 16.3%
- Operating result EUR 3.4 (0.3) million – increase EUR 3.1 million
- Result for the period EUR 2.3 (-0.7) million – increase EUR 3.0 million
- Gain on disposal of investment from sale of ProCountor International Oy (ProCountor) shares increased the operating result and the result by EUR 1.0 million
- Earnings per share EUR 0.04 (-0.01)
- Net cash flow from operating activities EUR 3.4 (-1.3) million

October - December 2010

- Net sales EUR 18.6 (15.3) million – growth 21.5%
- Oil & Gas Services: net sales EUR 16.8 (13.6) million – growth 23.6%
- Software Solutions: net sales EUR 1.9 (1.8) million – growth 6.2%
- Operating result EUR 0.2 (0.2) million
- Result for the period EUR 0.1 (-0.3) million
- Earnings per share EUR 0.00 (0.00)
- Operating result impacted by a EUR 0.3 (0.1) million increase of Norwegian pension liabilities
- The defined benefit pension plan will be closed in Q1/2011. In the balance sheet of Proha Group the defined pension plan liability was EUR 1.7 (1.3) million at the end of 2010. In Q1/2011 the release of the liability is estimated to have a EUR 1.0 million positive impact on the result of Proha Group after the deduction of related costs and taxes.
- Net cash flow from operating activities EUR 1.5 (0.1) million

Net sales and operating result in 2011 are expected to grow from 2010.

The financial information presented in the financial statements are based on the company's audited financial statements. The auditor's report was issued on February 16, 2011.

KEY RATIOS

(EUR million)	10-12 2010	10-12 2009	1-12 2010	1-12 2009
Net sales	18.6	15.3	70.8	60.7
Operating result	0.2	0.2	3.4	0.3
% of Net sales	1.2%	1.5%	4.8%	0.4%
Result for the period	0.1	-0.3	2.3	-0.7

% of Net sales	0.5%	-1.8%	3.3%	-1.2%
Net cash flow from operations	1.5	0.1	3.4	-1.3
Debt-equity ratio (Gearing), %	-27.2%	-2.0%	-27.2%	2.0%
Earnings per share, EUR				
Basic	0.00	-0.00	0.04	-0.01
Diluted	0.00	0.00	0.04	-0.01

ILKKA TOIVOLA, CEO

Proha's net sales continued growing in Q4, increasing 21.5% from Q4/2009. The company's operating result in Q4 was EUR 0.2 million. The operating result was weakened by an increase in Norwegian pension liabilities. The defined benefit based pension plan will be closed in Q1/2011, and the existing provisions will be released. This will improve the company's result in Q1/2011. The company's cash flow developed well. The company's net cash flow from operating activities was EUR 1.5 million in Q4 and EUR 3.4 million in the financial year 2010.

Proha's operating result for the financial year was satisfactory. Compared to 2009, the company's operating result increased by EUR 2.0 million excluding the EUR 1.0 million gain on disposal of investment regarding the company's sale of its share in ProCountor. We have managed to turn all our business units profitable. This provides a good platform for further improvement in operating profit. Both business divisions have also increased their net sales. This improvement is reflected in their operating result, too. In accordance with Proha's current guidance, we will continue improving the company's operating result in 2011.

In 2010, the net sales of the Oil & Gas Services division grew by 17% compared to 2009. Growth in net sales was strongest in Canada. While net sales decreased in Norway in 2010, profitability of the Norwegian business unit improved compared to 2009. Overall improvement across the division was supported by the Group's newly established, and already profitable, operations in Australia and Russia.

The two units comprising the company's Software Solutions division improved their net sales in 2010 by over 16% compared to 2009. Both units had a good operating result in 2010 compared to 2009.

In accordance with the company's new strategy, we will strengthen our existing position as a service provider to oil and gas industry and expand our business to energy industry in general. Markets in nuclear energy and renewable energy in particular, with both expecting above average growth, provide a significant business opportunity. In addition, we will establish a single business division that brings together the company's existing consulting competence and resources. We believe that consulting will bring us new contracts and customers, which would also create new assignments for the Group's other divisions.

Our customer deliveries have been successful, which has also helped us to win further orders. We are committed to customer satisfaction as one of the cornerstones of our business. The measures implemented in 2009 and 2010 to develop the Group's business operations provide a good foundation for continued growth in 2011.

FUTURE OUTLOOK

The total amount of investment in energy industry has been estimated to reach USD 33,000 billion by 2035, with USD 5,700 billion directly to renewable energy. This provides an opportunity for growth in the project management business. In addition, the key market areas of Proha's business – Canada, the United States, the Nordic Countries, Russia, and Australia – all expect their gross domestic product to grow.

Based on market forecasts, we expect the Oil & Gas Services' business to grow in 2011. Major oil and gas companies have indicated increased investments in new projects 2011-2013. Oil price has been holding between USD 80 to 100 per barrel for some time now, thus providing a good foundation for continuing investment. We expect demand for the divisions' services to grow in particular in North America, Norway, Australia, Papua New Guinea, and Russia.

IT sector, which is significant for Proha's Software Solutions division, is estimated to grow 7-9% in most North European countries. Both Safran and Camako expect growth in 2011, as the need for software solutions and related services is projected to grow.

The Group continues the measures to improve the organizational and functional efficiency of those business units that are not yet performing as expected.

Net sales and operating result in 2011 are expected to grow from 2010.

This future outlook is based on forecasts approved by Proha's Board of Directors.

NET SALES

October – December, 2010

In Q4, the Group's net sales increased by 21.5% totaling EUR 18.6 (15.3) million. The Oil & Gas Services division accounted for 90 (89) % and the Software Solutions division for 10 (11) % of the Group's net sales. Net sales for Oil & Gas Services increased by 23.6% totaling EUR 16.8 (13.6) million. Net sales for Software Solutions grew by 6.2% totaling EUR 1.9 (1.8) million.

January – December, 2010

During the financial year, the Group's net sales increased by 16.5% totaling EUR 70.8 (60.7) million. The Oil & Gas Services division accounted for 91(90) % and the Software Solutions division for 9 (10) % of the Group's net sales. Net sales for Oil & Gas Services increased by 16.9% totaling EUR 64.1 (54.9) million. Net sales for Software Solutions grew by 16.3% totaling EUR 6.9 (5.9) million.

Approximately two thirds of the growth in net sales incurred from positive variations in exchange rates. Especially the Canadian dollar and the Norwegian crown strengthened in comparison to euro. While net sales in Canada, Russia and Australia grew significantly, net sales in Norway and the US fell compared to January – December, 2009.

Net sales by reporting segment

(EUR million)	10-12 2010	10-12 2009	Change %	1-12 2010	1-12 2009	Change %
Oil & Gas Services	16.8	13.6	23.6	64.1	54.9	16.9
Software Solutions	1.9	1.8	6.2	6.9	5.9	16.3
Other operations	0.3	-0.1	322.4	0.6	0.1	759.8
Net sales between segments	-0.3	0.1	-549.3	-0.9	-0.2	470.7
Group total	18.6	15.3	21.5	70.8	60.7	16.5

Net sales by market area

(EUR million)	10-12 2010	10-12 2009 *)	1-12 2010	1-12 2009 *)
EMEA	8.8	8.7	33.5	34.8
AMERICAS	9.0	6.5	34.9	26.5

APAC	1.0	0.2	3.1	0.7
Net sales between market areas	-0.2	-0.2	-0.7	-1.3
Group total	18.6	15.3	70.8	60.7

(% of net sales)	10-12 2010	10-12 2009 *)	1-12 2010	1-12 2009 *)
EMEA	47.5%	57.3%	47.3%	57.3%
AMERICAS	48.3%	42.9%	49.4%	43.6%
APAC	5.3%	1.2%	4.3%	1.2%
Net sales between market areas	-1.1%	-1.3%	-1.0%	-2.1%
Group total	100.0%	100.0%	100.0%	100.0%

*) Information for 2009 has been updated.

PROFITABILITY

Operating result October – December, 2010

In Q4, the Group’s operating result was EUR 0.2 (0.2) million. Oil & Gas Services’ operating result was EUR 0.3 (0.6) million. Software Solutions’ operating result was EUR 0.2 (0.1) million. Operating result for other operations was EUR -0.2 (-0.4) million.

The operating result was impacted by a EUR 0.3 (0.1) million increase of the Norwegian pension liability.

Operating result January – December, 2010

The operating result was EUR 3.4 (0.3) million. Oil & Gas Services’ operating result was EUR 2.9 (1.6) million. Software Solutions’ operating result was EUR 0.5 (-0.3) million. Operating result for other operations was EUR 0.1 (-0.8) million.

In addition to the gain on disposal of investment from the sale of ProCountor shares, the improvement in the Group’s operating result was due to overall growing demand and to increased efficiency of operations.

Operating result by reporting segments

(EUR million)	10-12 2010	10-12 2009	Change %	1-12 2010	1-12 2009	Change %
Oil & Gas Services	0.3	0.6	-49.3	2.9	1.6	86.2
Software Solutions	0.2	0.1	112.0	0.5	-0.3	251.9
Other operations	-0.2	-0.4	47.7	0.1	-0.8	117.5
Operating result between segments	0.0	0.0	14.6	-0.2	-0.2	-11.7
Group total	0.2	0.2	-7.6	3.4	0.3	1 184.1

Result October – December, 2010

The Group’s result before taxes was EUR 0.2 (0.2) million and after taxes EUR 0.1 (-0.3) million.

The Group’s earnings per share was EUR 0.00 (0.00).

The Group’s return on investment (ROI) was 10.2 (15.4) %.

Result January – December, 2010

The Group's result before taxes was EUR 3.4 (-0.1) million and after taxes EUR 2.3 (-0.7) million. The gain on disposal from the sale of Proha's share in ProCountor improved the result by EUR 1.0 million.

The Group's earnings per share was EUR 0.04 (-0.01).

The Group's return on investment (ROI) was 22.9 (6.7) %.

CASH FLOW, FINANCING AND INVESTMENTS

On December 31, 2010, the Proha Group balance sheet total was EUR 30.8 (29.9) million.

The cash and cash equivalents for the Group totaled EUR 5.5 (3.8) million at the end of the financial year. In addition, the parent company and the subsidiaries have unused credit limits. The Group's cash and cash equivalents increased by EUR 1.8 (0.6) million during the financial year.

The equity ratio was 55.5 (46.5) %. The debt-equity ratio (gearing) was -27.2 (-2.0) %. On December 31, 2010, the interest-bearing liabilities amounted to EUR 1.0 (3.5) million, accounting for 3.2 (11.7) % of the Group's shareholders' equity and liabilities. Of the interest-bearing liabilities, EUR 0.4 (0.6) million were non-current and EUR 0.6 (2.9) million current.

The net cash flow from operating activities was EUR 3.4 (-1.3) million. This includes the EUR 0.8 (-1.5) million change in working capital. EUR 0.6 million were paid in taxes.

The net cash flow from investing activities was EUR 0.4 (-0.2) million. Gross investments totaled EUR 0.2 (0.5) million.

The net cash flow from financing activities was EUR -2.0 (2.1) million. The Group drew new loans worth of EUR 0.3 (2.5) million and paid back existing loans worth of EUR 2.3 (0.3) million.

The balance sheet goodwill totaled EUR 7.4 (7.0) million on December 31, 2010. No indications of impairment of assets exist.

RESEARCH AND DEVELOPMENT

The Group's research and development costs were EUR 0.7 (0.8) million, representing 0.9 (1.3) % of the Group's net sales. A total of EUR 0.1 (0.1) million of capitalized research and development costs were in the Group's balance sheet at the end of the financial year.

The Group's R&D costs consist of the R&D of Safran and Camako in the Software Solutions division. The development of Safran Project 3.7 version was completed in Q4/2010. Camako EPM 4.2.2 version was released in Q3/2010. Camako has started the development work on a version of Camako EPM that is compatible with the newest SharePoint 2010 platform. First installations of the upgraded version will take place during Q1/2011.

CHANGES IN THE PROHA GROUP

The employment of Proha Plc's Executive Vice President Janne Rainvuori ended on February 1, 2010.

Heidi Karlsson was nominated Senior Vice President, Corporate Functions as of June 1, 2010. She is responsible for Proha's and its Oil & Gas Services division's international administration. Heidi is based in Finland. The former CFO for Dovre Group AS, Are Njåstein, left the company on July 30, 2010.

In the Oil & Gas Services division, the new Vice President of Operations, Robert Terrell, was appointed to lead Dovre Group Inc. in the United States as of June 1, 2010. His predecessor, Gunnar Nordahl, transferred to another position outside of the company.

In the Software Solutions division, Juha Pennanen was nominated as Managing Director for Safran Software Solutions AS as of June 1, 2010. Juha is based in both Stavanger, Norway and Espoo, Finland. The former Managing Director of Safran Software Solutions, Svein Blomsø, left the company on June 30, 2010.

PERSONNEL

The Group’s personnel expenses were EUR 63.8 (55.7) million in January 1 – December 31, 2010.

The personnel expenses of the Oil & Gas Services division were EUR 58.2 (50.7) million. The personnel expenses of the Software Solutions division were 4.8 (4.5) million. The personnel expenses of the other operations were EUR 0.8 (0.5) million.

During the period under review, the number of personnel averaged 414 (402).

Personnel by reporting segment (average)

	10-12 2010	10-12 2009	Change %	1-12 2010	1-12 2009	Change %
Oil & Gas Services	356	344	3.6	352	334	5.3
Software Solutions	59	63	-5.6	58	63	-7.9
Other operations	5	6	-16.7	4	5	-20.0
Total	420	412	1.9	414	402	2.9

On December 31, 2010, Proha employed 418 (408) people worldwide. Of these, 355 (355) were employed by the Oil & Gas Services division, 58 (55) by the Software Solutions division, and 5 (6) by the Group administration.

BUSINESS PERFORMANCE

The demand for the services of the Oil & Gas Services division was growing globally and developed well both during 2010 and the last quarter of the year.

In Canada, Dovre Group’s success in 2010 centered on market growth in offshore and oil sands development projects. Operations grew also in Russia and Australia. In Canada, new major projects, including Nalcor’s Hydro-Electric Project, various developing oil sands projects in Alberta as well as some offshore oil projects, such as Hebron and Hibernia Southern Expansion, are planned for 2011. We also expect continued demand for providing personnel to new projects managed in areas such as Houston, Papua New Guinea, and Australia. To respond to customer demand, Dovre is investigating the possibility of establishing itself in the Middle East.

In Norway, the oil and gas market shows increased investment activity. Dovre Norway has gained eight new customers in 2010, including new assignments with Statoil in Korea and Singapore. In addition, restructuring measures in Norway have increased the unit’s profitability. However, the planned growth in sales has not yet been achieved. This is mainly due to a high turnover of personnel.

Proha’s subsidiaries in Norway have been involved in management consulting in both the public and the private sector since 2001. In Norway, we have managed to establish ourselves as one of the best consulting companies involved in major investment projects and their review. Our success in management consulting continued in 2010, and, in accordance with the new Group strategy, we will be expanding our consulting business under our new Consulting -division outside Norway, starting with the rest of Scandinavia and then later to other selected countries.

Western Australia and Papua New Guinea have seen some of the world's largest natural gas discoveries, and with the emergence of liquefied natural gas (LNG) technology and gas shipping, these areas are seeing heavy investment to develop these resources. The natural gas resources are close to the high consuming markets of China and India.

The net sales of the Software Solutions division grew in Q4. Safran is actively developing its business by continuing market expansion outside Norway. The company has progressed well in developing sales channels in new countries and is expecting first partner contracts as well as new export sales during Q1/2011. Safran aims to establish new customer contacts in energy industry and shipbuilding.

Camako met its financial targets both in Finland and Sweden during Q4 and made a positive result. In Finland, Camako achieved an important entry to the energy industry, and in Sweden Camako obtained new customers.

The work to streamline the Group structure has proceeded according to plan. The reorganization of the Group's legal structure has begun globally and is estimated to be completed during 2011. The Group's financing and financial management will be developed towards a global Group structure instead of separate companies. Also, the harmonization of the Group's financial reporting processes and systems has begun. The improvement of the cost structure across all business units continues.

SHARES, SHARE CAPITAL, AND AUTHORIZATION TO ISSUE SHARES

On January 1, 2010 and on December 31, 2010, the share capital of Proha was EUR 15,916,854.20 and the total number of shares 61,961,751.

Trading and market capitalization

In October – December, 2010, approximately 3.0 million Proha shares were traded on the NASDAQ OMX Helsinki Ltd., corresponding to an exchange of approximately EUR 1.2 million.

In January – December, 2010, approximately 32.7 million Proha shares were traded on the NASDAQ OMX Helsinki Ltd., corresponding to an exchange of approximately EUR 11.9 million.

From October 1 to December 31, 2010, the lowest quotation was EUR 0.39 and the highest quotation was EUR 0.44.

From January 1 to December 31, 2010, the lowest quotation was EUR 0.29 and the highest quotation was EUR 0.44. On December 31, 2010, the closing quotation was EUR 0.44.

The period-end market capitalization was approximately EUR 27.3 million.

Shareowners

On December 31, 2010, the number of registered shareholders of Proha Plc totaled 3,028 including nominee registers (7). 1.2% of the Group's shares are nominee-registered.

Option rights

No shares were subscribed for with Proha Plc's option rights during the financial year.

On May 27, 2010, Proha's Board of Directors approved a new option plan 2010 based on the authorization given by the 2007 Annual General Meeting. Under this plan, a total of 2,450,000 stock options are offered for subscription to key persons in Proha Group. The dilution effect of the stock option plan is about 4% of the total number of Proha shares. Each stock option entitles the holder to subscribe for one share in Proha. The option plan is divided into three series, of which a maximum of 900,000 stock options can be given under the A-series. The subscription price for 2010 A-series is the average rating in Q1/2010 and the subscription period is March, 1, 2012 – February, 28, 2015.

In Q4/2010, a key person was granted 20,000 option rights under the 2010 A-series option plan.

During the financial year 2010, Proha Plc management and key persons were granted 880,000 option rights under the 2010 A-series option plan and 200,000 option rights under the 2007 C-series option plan.

The 2006 option plan expired on May 25, 2010.

At the end of the financial year, a total of 2,450,000 options were outstanding under the 2010 option plan. The company has in reserve 1,570,000 of these. In addition, a total of 1,977,000 options were outstanding under the 2007 option plan at the end of the financial year. The company has in reserve 384,000 of these.

The Authorization of the Board of Directors

The Board of Directors has the authorization to issue shares through issuance of shares or special rights entitling to shares until April 17, 2012.

In the beginning of the financial year, a total of 11,500,653 shares or special rights entitling to shares were remaining of the authorization. At the end of the period, a total of 10,620,653 shares or special rights entitling to shares were remaining of the authorization. This change was due to the number of 2010A options granted in Q3 and Q4/2010.

CORPORATE GOVERNANCE

Proha Plc Annual General Meeting on March 17, 2010, set the number of Board members to four. The following four members were elected to continue as the members of the Board: Ilari Koskelo, Antti Manninen, Leena Mäkelä and Hannu Vaajoensuu. Authorized public accountants Ernst & Young Oy continued as the Group's auditor, with APA Ulla Nykky as the auditor in charge.

A separate stock exchange bulletin outlining the decisions of the Annual General Meeting was issued on March 17, 2010.

The Corporate Governance Statement for 2010 has been composed in accordance with Recommendation 51 of the new Corporate Governance Code of the Finnish Securities Market Association. The Corporate Governance Statement has been issued separately from the Annual Review by Proha Plc Board of Directors.

Proha's corporate governance principles are available on the company website at www.proha.com.

SHORT-TERM RISKS AND UNCERTAINTIES

The success of the Oil & Gas Services division is influenced by the energy sector market as well as investment levels in the oil and gas industry. Oil & Gas Services expands its business to new markets. Growth in new markets requires investment and also includes operational risks.

A significant share of the Oil & Gas Services' net sales comes from a few major clients. Dovre has extensive global delivery agreements with these clients. Dovre is thus highly dependent on its key customers and the long-term frame agreements signed with them.

The oil and gas industry in general involves risks, and single projects may experience delays or accidents. Such situations may affect the net sales of the Oil & Gas Services division.

As for the Software Solutions division, IT market forecasts indicate that investment levels are growing, although individual clients' financial situation varies. However, customers seem to consider the development of project management as a very important competitive advantage.

During the financial year, Proha did not use any currency hedging. The euro, the Norwegian crown, the US dollar, and the Canadian dollar are the most important currencies for the Group. Currency fluctuations can affect the company's net sales. Receivables and payables in foreign currencies can also result in translation profits or losses.

STRATEGY

Proha has defined its new growth strategy and long-term objectives. The Group has gained a solid market position as the provider of project personnel for major oil and gas companies' large investment projects. The Group will expand its capabilities and know-how to serve the energy industry at large, with a special focus on nuclear and renewable energy sectors. The Group will expand its international operations by entering into new market areas during 2011 - 2014. Consulting units currently operating in several countries will be combined into one division in order to create strategic openings and to enable the planned growth. In accordance with the strategy, the name of the Group will be changed. The new name proposed by the Board is Dovre Group Plc. A worldwide unified brand for the Group will be developed.

To achieve the strategic objectives the Group has established three strategic development programs: Expansion of its services to the energy industry; Expansion of its international operations; and Development of its service portfolio.

Expansion to the Energy Industry

Investments in the energy industry will significantly increase in the future. This development will generate considerable growth opportunities for project management service providers.

The fastest growing sectors – renewable and nuclear energy – will be Dovre Group's target markets in addition to the oil and gas industry. The Group already has assignments in both sectors, and our objective is to invest systematically in the growth within these sectors. Dovre Group has previously been commissioned as a consultant in wind and hydro power projects and has delivered its first assignments within nuclear energy. The energy industry presents a significant growth opportunity for Dovre Group, and the Group will broaden its service portfolio and capabilities in the industry to capture the opportunities.

Expansion of International Operations

International expansion is one of the Group's core strategic programs. The target is to establish operations in the Middle East in 2011 and to serve customers on all the continents by 2014. The Group's global expansion will be supported by acquisitions.

The management consulting unit in Norway and the project management consulting units in Finland and Sweden will be merged. In this way, we can offer a broader service portfolio to our customers in all Scandinavian countries as well as in other target markets.

The Group continues the development of its project management software. Safran is recognized in the oil and gas, and shipbuilding industries as a key partner for planning and managing large investment projects. Safran's customer base includes major Norwegian corporations, and the company has succeeded in receiving orders also in North America. The aim is further international growth.

Previously started strategic initiative to become a global corporation will be strengthened with a unified corporate name and brand. The Board will propose to the Annual General Meeting to change the name from Proha Plc to Dovre Group Plc. If the meeting approves the name change, the new name will be implemented during the second quarter.

Global processes and ICT solutions will be further developed for efficient international operations. During 2011 financial processes of the Group will be standardized, and the specific financial systems will be implemented during 2012.

Organization and Development of the Service Portfolio

The Group’s organization will be changed so as to consist of three divisions: Project Personnel, Consulting, and Software (previously two divisions: Oil & Gas Services and Software Solutions). The reorganization involves dividing the Group’s existing Oil & Gas Services division into two new divisions that will focus on project personnel services (Project Personnel division) and management consulting services (Consulting division). Camako Oy and Camako Data AB, both previously part of the Group’s Software Solutions division, will be integrated into the Consulting division. Safran Software Solutions AS continues under the Group’s new Software division. The reorganization will be implemented in early 2011.

Developing the service portfolio is aimed at providing a broader service offering based on the customer needs in each target market. The new consulting division is able to offer an expanded service portfolio to our customers in all Scandinavian countries. The broadened service portfolio will create a distinct competitive advantage and bring added value to our clients. This will deepen and widen our customer relations and enable long-term customer relationships. We will concentrate on the quality of the service as well as on the continuing improvement of customer satisfaction.

Long-term Objectives

The Group’s long-term objectives are an annual growth of more than 10% in operations and a continuous improvement in the operating result to the level of 5-10% of net sales. In addition, we aim to achieve highest score in customer and staff satisfaction in our industry.

OTHER EVENTS

Proha Plc changed its GICS classification with NASDAQ OMX Helsinki Ltd. on November 1, 2010. The Group’s new sector is Industrials and the new sub-industry code is 20202020 (Research and Consulting Services). Proha was previously classified under the Information Technology sector. The Group applied for the change because 90% of the Group’s net sales is generated by the Oil & Gas Services division.

EVENTS AFTER THE FINANCIAL PERIOD

The board of Dovre Group AS, a Norwegian subsidiary of Proha Plc, has decided to change from a defined benefit pension plan to a contribution pension plan. The board of Proha Plc approved the decision in its meeting on February 16, 2011. The board of Dovre Group AS includes also employee representatives. The decision was made in order to improve competitiveness in Norway and to avoid the unpredictability of the pension costs. In the balance sheet of Proha Group the defined pension plan liability was EUR 1.7 million at the end of 2010. In Q1/2011 the release of the liability is estimated to have a EUR 1.0 million positive impact on the result of Proha Group after the deduction of related costs and taxes.

Proha’s Board of Directors proposes to the Annual General Meeting that Proha Plc’s share capital will be reduced, the reason being that fully covering for the Group’s parent company Proha Plc’s losses from prior financial years makes it possible to pay dividends, as governed by the Finnish Companies Act, in the future.

Proha’s CFO Sirpa Haavisto is leaving the company on February 28, 2011. She is transferring to another position outside the Group. Heidi Karlsson, SVP Corporate Functions, will take over the CFO’s duties.

As of March 1, 2011, the Proha Executive Team consists of Ilkka Toivola (CEO), Heidi Karlsson (Senior Vice President, Corporate Functions), Petri Karlsson (Strategy & Business Development), Mike Critch (Executive Vice President, Project Personnel), Arve Jensen (Executive Vice President, Project Personnel), and Juha Pennanen (Managing Director, Software).

BOARD OF DIRECTORS' PROPOSAL FOR THE USE OF PROFITS

Proha's Board of Directors proposes that the profit for the financial year is entered into shareholders' equity and no dividend is paid.

Summary of financial statements and notes to the financial statements are presented in a separate document. The release of financial statements can also be found on Proha's website, www.proha.com.

Espoo, February 16, 2011

Proha Plc
Board of Directors

For additional information, please contact:

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Analyst and Press Briefing

Proha arranges a briefing on the Financial Statements for 2010 for the press and analysts at Radisson Blu Plaza Hotel, Boardroom Cabinet, Mikonkatu 23, Helsinki, today, February 17, 2011 at 2:00pm.

Financial Reporting in 2011

Proha Plc's Annual Report for 2010, including the Group's audited Financial Statements for 2010, will be published on the company's website by March 4, 2011.

Interim report release dates in 2011:

- Interim Report January – March 2011 (Q1) on Thursday, April 28, 2011
- Interim Report January – June 2011 (Q2) on Thursday, July 28, 2011
- Interim Report January – September 2011 (Q3) on Thursday, October 27, 2011

Annual General Meeting

Proha Plc's Annual General Meeting has been planned to be held on Thursday, March 17, 2011 starting at 1:00pm at Suomalainen Klubi ("The Finnish Club") in Helsinki, Kansakoulunkuja 3, Helsinki.

Distribution:
NASDAQ OMX Helsinki
Major media
www.proha.com

SUMMARY OF FINANCIAL STATEMENTS AND NOTES

The financial statements have been prepared in line with the International IFRS Standards and the same accounting principles have been applied as in the 2010 financial statements. As from the beginning of the financial period, the company has adopted certain revised or amended IFRS standards:

- Amendments to *IFRS 3 Business Combinations* (effective July 1, 2009 onwards). The Group has applied the transitional provisions allowed by the amended standard with regards those acquisitions that have taken place before the mandatory application for the amended IFRS 3. The Group did not make any acquisitions in either 2010 or 2009.
- Revised *IAS 27 Consolidated and Separate Financial Statements* (effective July 1, 2009 onwards).The revised standard has no material implications for the Group’s financial statements.
- *Improvements to IFRS* that have become effective January 1, 2010 onwards. The changes have no material implications for the Group’s financial statements.

In other respects, the same accounting policies and key indicator calculations have been followed as in the Financial Statements for 2009. Key indicator calculations remain unchanged and have been presented in the 2010 financial statements.

The financial information presented in the summary of financial statements and notes to the financial statements are based on the company’s audited financial statements.

The audit report was issued on February 16, 2011.

Reporting segments

As of January 1, 2010, the Group’s reporting structure has been changed so that Oil & Gas Services (Dovre), Software Solutions (Safran and Camako) and other operations constitute separate reporting segments. The information for the first, second, third and fourth quarter as well as the financial year 2010 has been presented according to this segment division.

Income statement presentation

In the 2009 financial statements, and different from earlier practice, the Group’s share of profit of associates was presented as part of the Group’s operating result. The information for October – December, 2010, and for the full financial year 2010 and the comparatives for 2009 have been re-stated so as to correspond to this presentation.

GROUP COMPREHENSIVE INCOME STATEMENT

(EUR thousand)	10-12 2010	10-12 2009	Change %	1-12 2010	1-12 2009	Change %
NET SALES	18 551	15 269	21.5	70 776	60 738	16.5
Other operating income	-57	163	-135.2	1 062	208	410.1
Share of results in associates	0	0		0	-100	-100.0
Material and services	-23	-30	-23.5	-85	-156	-45.4
Employee benefits expense	-17 042	-13 623	25.1	-63 798	-55 735	14.5
Depreciation and amortisation	-113	-180	-37.1	-532	-650	-18.2
Impairment	0	-118	-100.0	0	-118	-100.0
Other operating expenses	-1 100	-1 248	-11.9	-4 052	-3 924	3.3
OPERATING RESULT	215	232	-7.4	3 370	263	1 183.2
Financing income	231	411	-43.7	917	887	3.4
Financing expenses	-257	-459	-44.1	-898	-1 240	-27.5

RESULT BEFORE TAX	190	185	2.8	3 389	-90	3 857.2
Tax on income from operations	-91	-455	-80.0	-1 063	-659	61.2
RESULT FOR THE PERIOD	99	-270	136.7	2 326	-749	410.4
Other comprehensive income						
Translation differences	266	376		647	1 593	
Other comprehensive income for the period, net of tax	266	376		647	1 593	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	365	106		2 973	844	
ALLOCATION OF RESULT FOR THE PERIOD						
Result attributable to shareholders of the parent	143	-272		2 373	-871	
Result attributable to non-controlling interest	-43	2		-47	121	
Total	99	-270		2326	-749	
ALLOCATION OF COMPREHENSIVE RESULT FOR THE PERIOD						
Result attributable to shareholders of the parent	406	104		3013	721	
Result attributable to non-controlling interest	-41	3		-40	123	
Total	365	106		2973	844	
Earnings/share EUR						
Undiluted	0.00	0.00		0.04	-0.01	
Diluted	0.00	0.00		0.04	-0.01	
Comprehensive earnings/share EUR						
Undiluted	0.01	0.00		0.05	0.01	
Diluted	0.01	0.00		0.05	0.01	

AVERAGE NUMBER OF SHARES

Average number of shares

	10-12 2010	10-12 2009	1-12 2010	1-12 2009
Undiluted	61 961 751	61 961 751	61 961 751	61 961 751
Diluted	62 043 768	61 961 751	62 004 184	61 961 751

Number of shares at the end of the period

	31.12.2010	31.12.2009
Undiluted	61 961 751	61 961 751
Diluted	62 046 387	61 961 751

GROUP BALANCE SHEET

(EUR thousand)	31.12. 2010	31.12. 2009	Change %
ASSETS			
Non-current assets			
Intangible assets	1 462	1 696	-13.8
Goodwill	7 446	7 022	6.0
Tangible assets	198	198	-0.1
Investments in associates	933	933	0.0
Available-for-sale investments	76	211	-64.1
Trade receivables and other receivables *)	279	162	72.2
Deferred tax asset *)	699	496	41.0
Non-current assets	11 092	10 718	3.5
Current assets			
Trade receivables and other receivables	14 027	15 250	-8.0
Tax receivable, income tax	135	185	-27.0
Cash and cash equivalents	5 520	3 758	46.9
Current assets	19 682	19 193	2.5
TOTAL ASSETS	30 774	29 911	2.9
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	15 917	15 917	
Share premium account	0	0	
Fair value reserve and other reserves	5 155	5 193	-0.7
Translation differences	690	-140	
Retained earnings	-5 197	-7 449	30.2
Equity attributable to shareholders of the parent	16 564	13 520	22.5
Non-controlling interest	155	195	-20.6
Shareholders' equity	16 718	13 714	21.9
Non-current liabilities			
Deferred tax liability	814	669	21.7
Long-term liabilities, interest-bearing	410	608	-32.4
Long-term liabilities, interest-free	15	153	-90.0
Liabilities from defined benefit plan	1 718	1 290	33.2
Non-current liabilities	2 958	2 720	8.8
Current liabilities			
Short-term interest-bearing liabilities	563	2 878	-80.4
Trade payables and other liabilities	9 929	10 181	-2.5
Tax liability, income tax	465	317	46.5
Current provisions	141	100	41.0
Current liabilities	11 098	13 477	-17.7
TOTAL EQUITY AND LIABILITIES	30 774	29 911	2.9

*) Balance sheet classification changed for 2009.

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 shareholders of the parent
h) Non-controlling interest
i) Shareholders' equity total

EUR thousand	a)	b)	c)	d)	e)	f)	g)	h)	i)
SHAREHOLDERS' EQUITY 1.1.2009	15 917	4 379	227	196	-1 154	-6 808	12 756	72	12 828
Share premium accounts	0	-4 780	0	4 780	0	0	0	0	0
Transfers between items	0	401	-49	0	0	-352	0	0	0
Comprehensive income									
Profit/loss for the period	0	0	0	0	0	-871	-871	121	-749
Other comprehensive income									
Translation differences	0	0	40	0	1 014	539	1 592	1	1 593
Total comprehensive income	0	0	40	0	1 014	-332	721	123	844
Transactions with shareholders									
Share based payments	0	0	0	0	0	42	42	0	42
Total transactions with shareholders	0	0	0	0	0	42	42	0	42
SHAREHOLDERS' EQUITY 31.12.2009	15 917	0	217	4 976	-140	-7 449	13 520	195	13 714

EUR thousand	a)	b)	c)	d)	e)	f)	g)	h)	i)
SHAREHOLDERS' EQUITY 1.1.2010	15 917	0	217	4 976	-140	-7 449	13 520	195	13 714
Transfers between items	0	0	-52	0	0	52	0	0	0
Comprehensive income									
Profit/loss for the period	0	0	0	0	0	2 373	2 373	-47	2 326
Other comprehensive income									
Translation differences	0	0	14	0	830	-204	640	7	647
Total comprehensive income	0	0	14	0	830	2 170	3 013	-40	2 973
Transactions with shareholders									
Share based payments	0	0	0	0	0	30	30	0	30
Total transactions with shareholders	0	0	0	0	0	30	30	0	30
SHAREHOLDERS' EQUITY 31.12.2010	15 917	0	179	4 976	690	-5 197	16 564	155	16 718

GROUP CASH FLOW STATEMENT

(EUR thousand)	10-12 2010	10-12 2009	1-12 2010	1-12 2009
Cash flow from operating activities				
Operating result	215	250	3 370	263
Adjustments:				
Gain on disposal of investment	-6	0	-971	0
Depreciation/Amortization/Impairment	113	281	532	769
Personnel expenses	284	114	311	507
Non-cash transactions	262	0	262	100
Adjustments, total	654	395	135	1 375
Changes in working capital:				
Trade and other receivables	1 990	908	1 209	-1 750
Trade and other payables	-1 121	-754	-447	219
Changes in working capital, total	869	155	762	-1 531
Interest paid	-117	-58	-235	-281
Interest received	49	2	76	39
Other financial expenses paid	-497	-253	-579	-267
Other financial income received	387	55	476	55
Income taxes paid	-108	-399	-629	-975
Net cash generated by operating activities	1 453	146	3 376	-1 322
Cash flow from investing activities				
Acquisition of subsidiaries net cash acquired *)	-115	-172	-329	-179
Investments in tangible and intangible assets	21	73	-229	-147
Increase (-) / decrease (+) in loan receivables	0	53	0	214
Investments in other investments	0	-75	0	-75
Proceeds from available-for-sale financial assets	145	0	937	0
Dividends received	0	0	23	6
Net cash generated by investing activities	51	-121	402	-180
Cash flow from financing activities				
Proceeds from short-term loans	0	666	300	2 467
Repayments of short-term loans	-1 155	0	-2 315	-326
Net cash used in financing activities	-1 155	666	-2 015	2 142
Change in cash and cash equivalents	349	691	1 762	640
Cash and cash equivalents at beginning of the period	5 171	3 067	3 758	3 118
Change in cash and cash equivalents	349	691	1 762	640
Cash and cash equivalents at end of the period	5 520	3 758	5 520	3 758

*) Additional purchase price for earlier acquisitions

GROUP INCOME STATEMENT QUARTERLY

(EUR thousand)	2010 1-3	2009 1-3	2010 4-6	2009 4-6	2010 7-9	2009 7-9	2010 10-12	2009 10-12
NET SALES	16 295	15 183	18 554	14 986	17 376	15 300	18 551	15 269
Other operating income	13	46	36	46	1 070	-47	-57	163
Share of result in associates	0	-51	0	-49	0	0	0	0
Materials and services	-41	-58	-11	0	-10	-68	-23	-30
Employee benefits expense	-14 626	-14 126	-16 321	-14 019	-15 809	-13 966	-17 042	-13 623
Depreciation and amortization	-125	-146	-136	-181	-158	-160	-113	-298
Other operating expenses	-991	-1 040	-1 255	-1 032	-706	-604	-1 100	-1 248
OPERATING RESULT	526	-192	867	-249	1 762	455	215	232
%	3.2%	-1.3%	4.7%	-1.7%	10.1%	3.0%	1.2 %	1.5%
Financing income	234	366	220	51	232	59	231	411
Financing expenses	-38	-195	-102	-195	-502	-391	-257	-459
RESULT BEFORE TAX	721	-22	985	-394	1 493	123	190	185
%	4.4%	-0.1%	5.3%	-2.6%	8.6%	0.8%	1.0 %	1.2%
Tax on income from operations	-265	-21	-437	-71	-269	-108	-91	-455
RESULT FOR THE PERIOD	456	-42	548	-464	1 224	15	99	-270
%	2.8%	-0.3%	3.0%	-3.1%	7.0%	0.1%	0.5 %	-1.8%

GROUP COMMITMENTS AND CONTINGENT LIABILITIES

(EUR thousand)	31.12. 2010	31.12. 2009
Collateral for own commitments		
Debts secured by corporate mortgages		
Loans and checking account credit lines	28	2 951
Book value of shares of Dovre Group AS and Dovre Fabcon AS and current assets of Dovre Fabcon AS given as security	469	7 186
Debts secured by assets		
Loans and checking account credit lines	0	0
Book value of trade receivables and fixed assets given as security	4773	650
Debts secured by shares		
Loans and checking account credit lines	0	515
Book value of pledged shares	933	933
Future minimum lease payments under non-cancellable operating leases		
Not later than one year	427	316
Later than one year and not later than five years	1638	1 096

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Total	2065	1 412

RELATED PARTY TRANSACTIONS

Investments in associates	2010	2009
Carrying value, opening balance	933	1 342
Disposals	0	-310
Share of profit / loss in associates	0	-100
At the end of the financial year	933	933

Transactions with other related parties	2010	2009
Purchases		
Consulting fees and rents*)	0	149
Consulting fees and reimbursments**)	0	335
Consulting fees and reimbursments***)	0	20
Total	0	504

Open balances with the related parties	31.12.2010	31.12.2009
Trade payables	0	9

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

**) 2009 consulting fees and rents have been paid to a company controlled by Otto Søberg, the former CEO of Dovre Group AS (resigned October 9, 2009).

***) 2009 consulting fees and rents have been paid to Havacment Oy, a company controlled by Hannu Vaajoensuu, a board member of Proha Plc.

GROUP KEY FINANCIAL PERFORMANCE INDICATORS

(EUR million)	10-12 2010	10-12 2009	1-12 2010	1-12 2009
Net sales	18.6	15.3	70.8	60.7
Operating result	0.2	0.2	3.4	0.3
% of Net sales	1.2%	1.5%	4.8%	0.4%
Result before taxes	0.2	0.2	3.4	-0.1
% of Net sales	1.0%	1.2%	4.8%	-0.1%
Result for the period	0.1	-0.3	2.3	-0.7
% of Net sales	0.5%	-1.8%	3.3%	-1.2%
Return on equity, %	2.4 %	-7.9%	15.3%	-5.6%
Return on investment, %	10.2%	15.4%	22.9%	6.7%
Interest-bearing liabilities	1.0	3.5	1.0	3.5
Cash and cash equivalents	5.5	3.8	5.5	3.8
Debt-equity ratio (Gearing), %	-27.2%	-2.0%	-27.2%	-2.0%
Equity-ratio, %	55.5%	46.5%	55.5%	46.5%
Balance sheet total	30.8	29.9	30.8	29.9
Gross investments	0.0	0.0	0.2	3.5

% of Net sales	-0.1%	3.4%	0.3%	5.7%
R & D costs	0.1	0.3	0.7	0.8
% of Net sales	0.4%	2.0%	0.9%	1.3%
Personnel average for the period	420	407	414	404
Personnel at the end of the period	418	408	418	408
Earnings per share, EUR				
Basic	0.00	0.00	0.04	-0.01
Diluted	0.00	0.00	0.04	-0.01
Equity per share, EUR	0.27	0.22	0.27	0.22

LARGEST SHAREHOLDERS AS OF DECEMBER 31, 2010

	Shareholder	Shares	% Holding
1	Etola Erkki	16 900 000	27.3%
	*Etra Capital Oy *)*	*15 000 000*	*24.2%*
	Etola Erkki	*1 900 000*	*3.1%*
2	Koskelo Ilari	4 262 590	6.9%
	Koskelo Ilari	*2 962 590*	*4.8%*
	*Navdata Oy **)*	*1 300 000*	*2.1%*
3	Mäkelä Pekka	1 982 375	3.2%
4	Siik Rauni	1 171 300	1.9%
5	Thominvest Oy	1 043 500	1.7%
6	Hinkka Petri	1 000 000	1.6%
7	FIM Pankki Oy	813 000	1.3%
8	Siik Seppo Sakari	750 000	1.2%
9	Virkki Risto	700 000	1.1%
10	Ruokostenpohja Ismo	678 950	1.1%
11	Sijoitusrahasto Evli Suomi	647 529	1.0%
12	FIM Nordic Sijoitusrahasto	636 974	1.0%
13	Paasi Kari	605 000	1.0%
14	Hinkka Invest Oy	583 390	0.9%
15	Vaajoensuu Hannu	545 000	0.9%
	*Havacment Oy ***)*	*215 000*	*0.3%*
	*Vaajoensuu Henri ***)*	*165 000*	*0.3%*
	*Vaajoensuu Petra ***)*	*165 000*	*0.3%*
16	Manninen Antti	500 500	0.8%
	Manninen Antti	*300 000*	*0.5%*
	*Amlax Oy ****)*	*200 500*	*0.3%*
17	Oy Etsmo Ab	500 000	0.8%
18	Kefura Ab	500 000	0.8%
19	Jokinen Reino	434 050	0.7%
20	Olsson Vesa	400 000	0.6%
	20 largest shareholders (total)	34 654 158	55.9%
	Nominee registered shares (total)	772 830	1.2%
	Total remaining	26 534 763	42.8%
	TOTAL	61 961 751	100.0%

*) Erkki Etola holds control in Etra Capital Oy.
**) Ilari Koskelo, member of Proha's Board of Directors, holds control in Navdata Oy.
***) Hannu Vaajoensuu, Chairman of Proha's Board of Directors, holds control in Havacment Oy. Henri and Petra Vaajoensuu, Hannu Vaajoensuu's family members living in the same household with him, own directly and through Havacment Oy a total of 545,000 Proha Plc shares.
****) Antti Manninen, member of Proha's Board of Directors, holds control in Amlax Oy, which has entered into forward trading contracts that, once matured, will result in the company owning a total of 513,000 shares of Proha Plc. In accordance with their terms and conditions, the forward trading contracts will mature on March 18, 2011.