



Proha Plc

Interim Report
1.1.–30.9.2004

1.1.–30.9.2004 in Brief ...

- Net Sales 48.4 Meur (57.4 Meur 1.1.–30.9.2003)
 - Artemis 30.8 Meur (38.3 Meur) representing 64% (67%)
 - Norway 16.4 Meur (17.6 Meur) representing 34% (31%)
- EBIT –6.1 Meur (–5.0 Meur)
- EBITA –4.6 Meur (–3.5 Meur), including 1.8 (0.7) Meur non-recurring restructuring charges
- Result for the period –7.0 Meur (–5.6 Meur)
- Approximately 1.7 million euro non-recurring restructuring charges included during nine months ended September 30, 2004
- The emphasis will remain on restoring profitability
- Cash and cash equivalents amounted to 7.3 Meur (10.3 Meur)
- Equity to assets ratio 32.1 % (24.5 %)

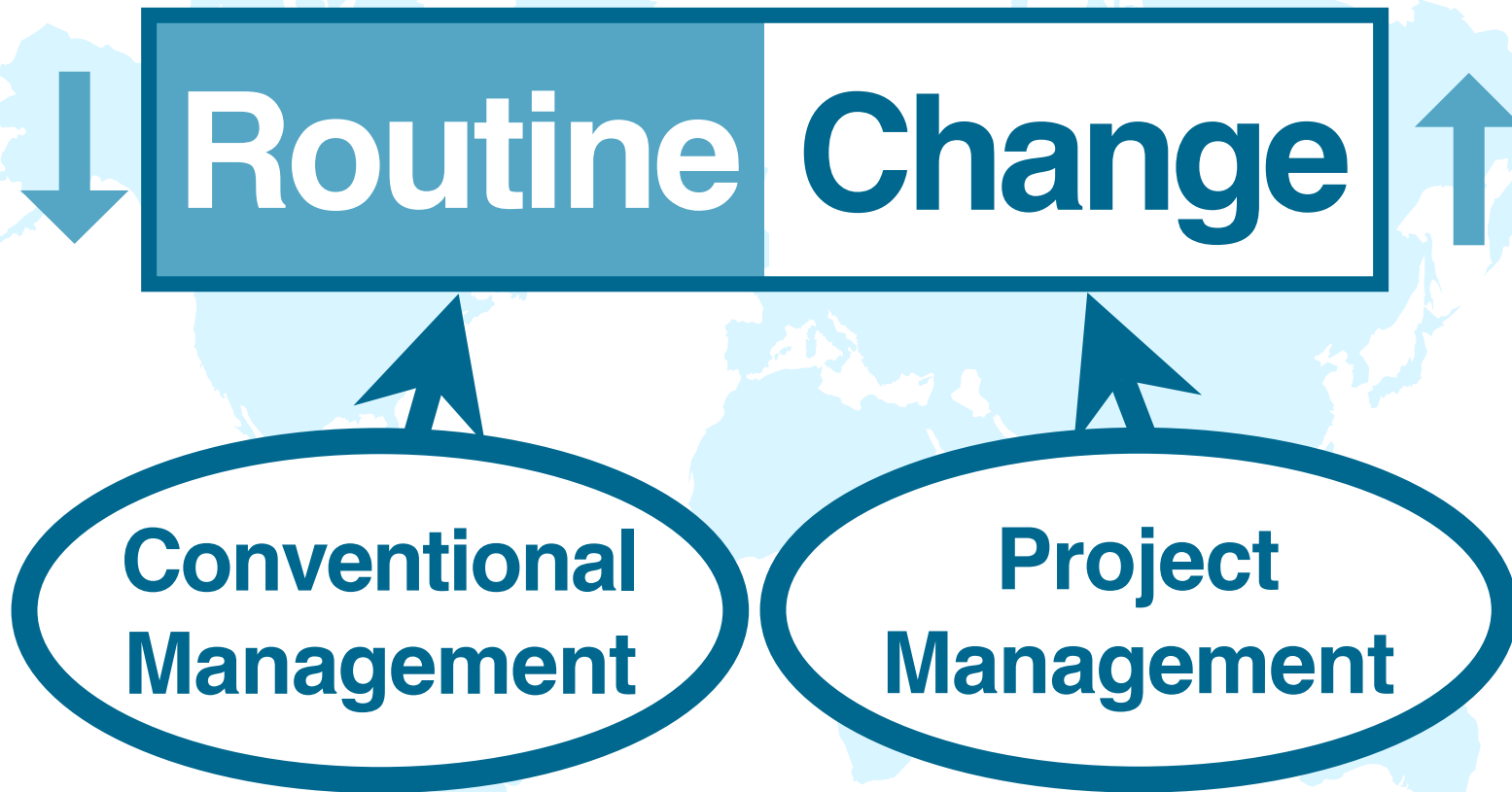
... in Brief

- Artemis acquired a total of USD 9 million through equity finance
- The acquisition of full ownership of Dovre International AS, Norway completed
- Q3 Net Sales 14.5 Meur (17.2 Q3 2003, 17.0 Meur Q2 2004)
- Q3 EBITA –1.7 Meur (–1.5 Meur Q3 2003, –0.8 Meur Q2 2004)
- New Artemis management started at the end of January
- License revenue from Artemis 7 sales growing at a good pace
- Appreciation of euro has effected euro denominated net sales by 1.9 Meur compared to first three quarters of 2003
- Dovre has entered in long term frame agreements with one of the leading oil companies securing its business volume for several years

Agenda

- Proha – Global Software Company
- 1.1.–30.9.2004 Financials
 - Key Numbers
 - Revenue Distributions
 - Personnel
 - The Impact of Strong Euro
- Artemis Share Issue
- Dovre
- Future Expectations

Our Business, Our Opportunity



Proha Focus

- Artemis – a global project, resource and portfolio management software for the enterprise
- Safran and Dovre software and consultancy and advisory services within project management and supply chain management

Proha Oyj

**Artemis International Solutions Corporation
USA**

UK

France

Italy

Germany

Japan

Singapore

China

Finland, Artemis Finland

**Dovre
International AS**

**Safran Software
Solutions AS**

Sample of Customers by Industry

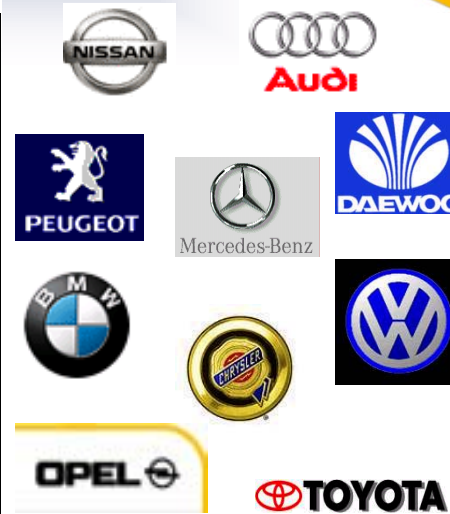
Energy



Aerospace & Defense



Automotive



Financial Services



Government



High Tech



Pharma



Telecom





Dovre Customers



Oil and Gas

- ✓ Norsk Hydro
- ✓ Statoil
- ✓ TotalFina Elf
- ✓ ExxonMobil
- ✓ BP
- ✓ Enterprise Oil Exp. Ltd.
- ✓ Conoco Norway AS
- ✓ Phillips Petroleum
- ✓ AS Norske Shell



Telecom./IT

- ✓ Telenor
- ✓ Enitel
- ✓ Broadband Mobile
- ✓ Tele 2/ Song Networks
- ✓ Excense
- ✓ IFS



Public Sector

- ✓ Ministry of Finance
- ✓ Central Hospital in Stavanger
- ✓ Statsbygg(The Directorate of Public Construction and Property)
- ✓ Ministry of Defence



Energy

- ✓ Statnett
- ✓ Naturkraft
- ✓ Øresund vindmill park
- ✓ Fred Olsen renewables



Transport

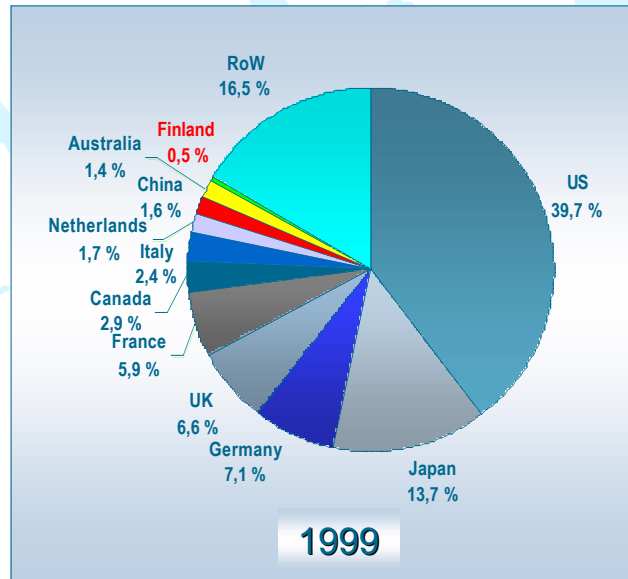
- ✓ SAS
- ✓ NSB(Norwegian railways)
- ✓ Braathen
- ✓ Oslo Lufthavn(Airport)
- ✓ NSB Gardermoenbanen
- ✓ Ministry of Communication



Industry

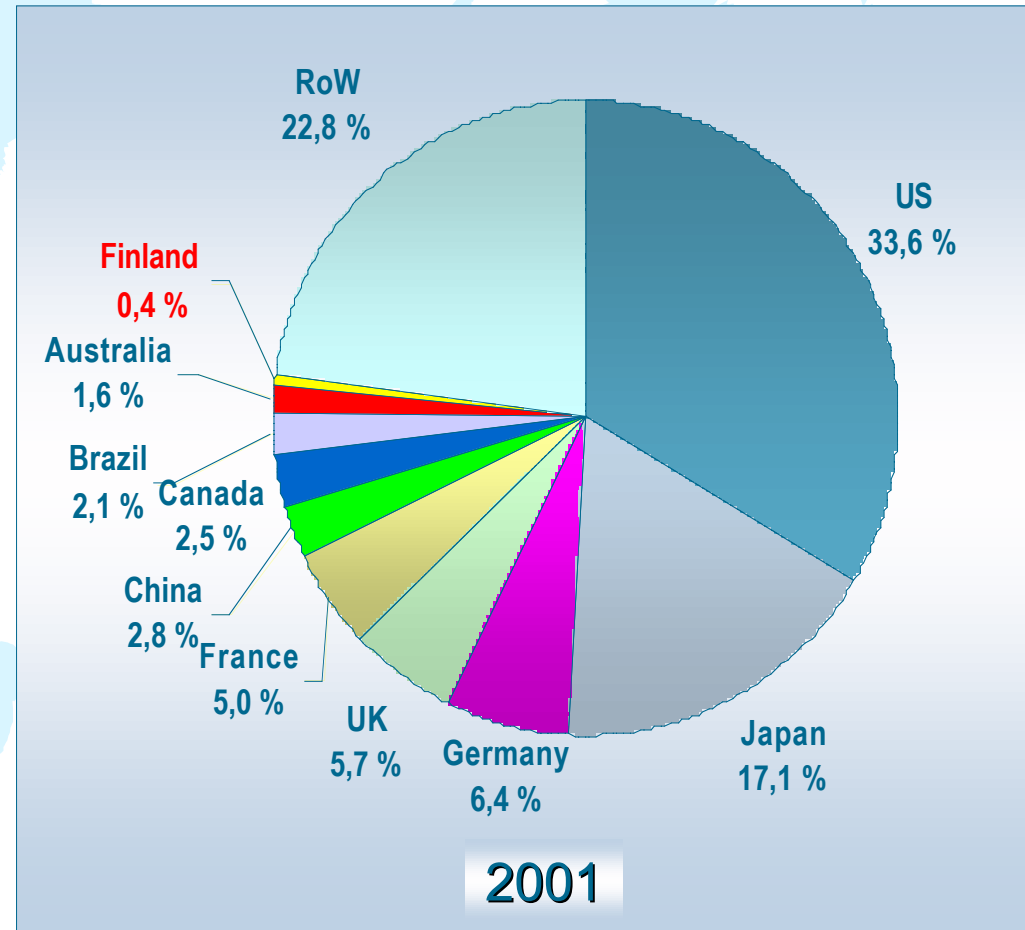
- ✓ Polimoon
- ✓ Elkem
- ✓ Skretting AS
- ✓ Aker
- ✓ Kværner
- ✓ ABB

The World Has Changed

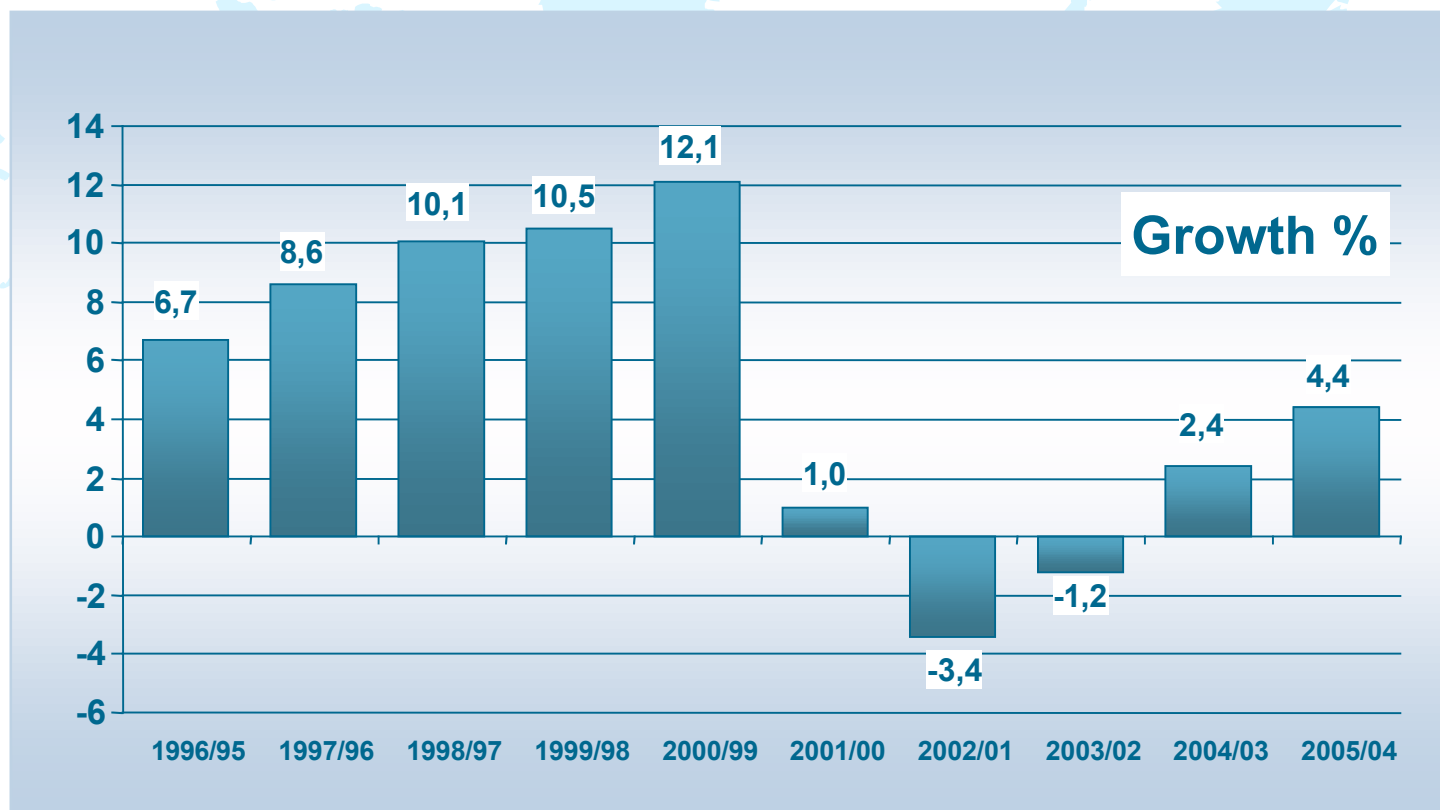


Total ICT Spending by Country

Digital Planet 2002: the Global Information Economy



IT Market Growth in Western Europe



European Information Technology Observatory (EITO) 2004



1.1.–30.9.2004
Financials

Financial Highlights

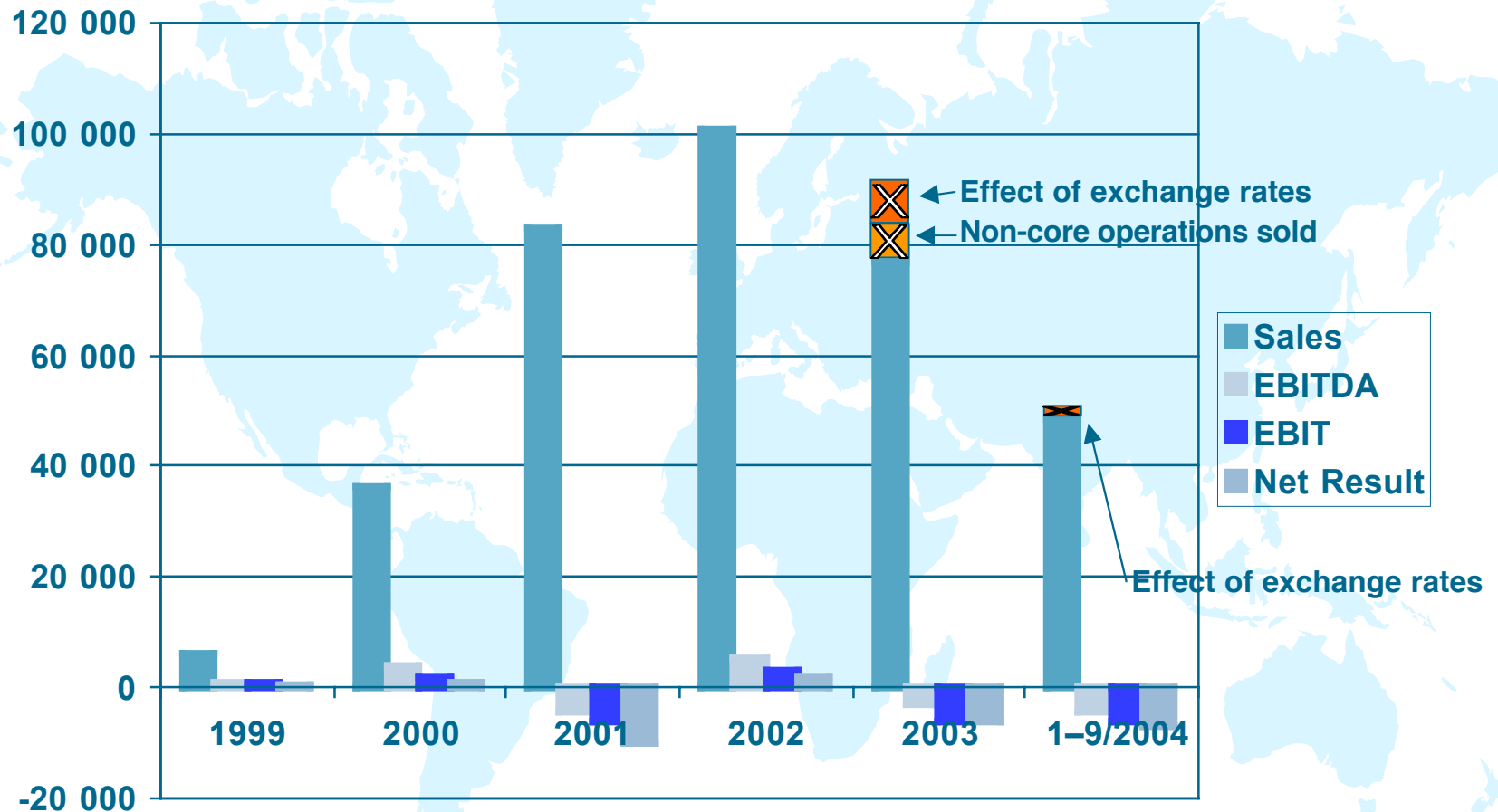
	Q1–Q3 2004	Q1–Q3 2003
Net sales (MEUR)	48.4	57.4
EBITDA*	-4.1	-2.7
EBITA**	-4.6	-3.5
EBIT***	-6.1	-5.0
Restructuring costs	-1.8	-0.7
Profit for the period	-7.0	-5.6
% of net sales	-14.5%	-9.8%
Earnings per share, EUR	-0.11	-0.11
Equity per share, EUR	0.22	0.19
Equity to assets ratio	32.1 %	24.5 %
Quick ratio	1.1	1.1
Average personnel	581	646
Personnel at the end of the period	563	623

*Earnings before depreciation and goodwill amortization

** Earnings before goodwill amortization

*** Operating result

Net Sales and Result



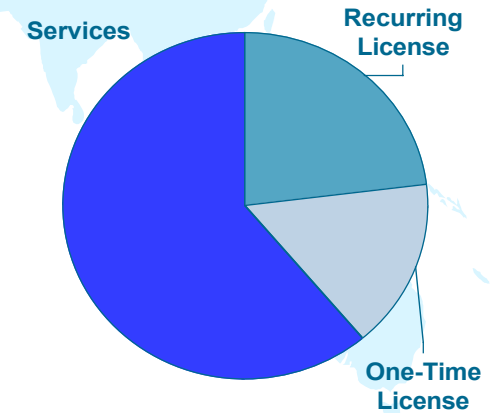
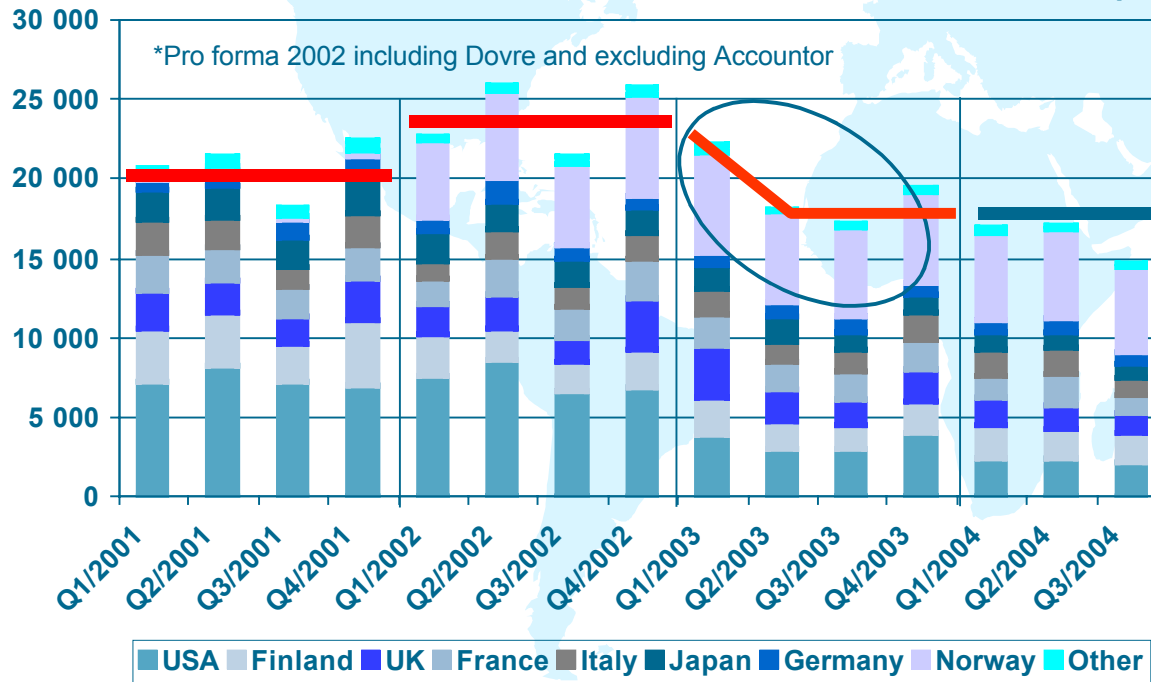
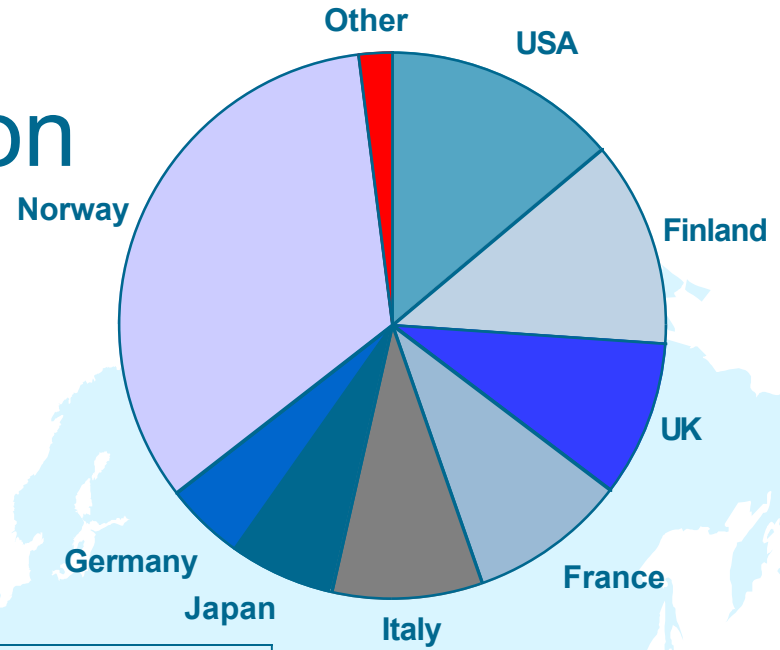
The Impact of Strong Euro

In Million Euro	Euro	USD	NOK	GBP	SGD	JPY	Total
2003 Revenue with 2003 Exchange rate	18.0	9.9	17.6	6.8	0.8	4.3	57.4
2003 Revenue with 2004 Exchange Rate	18.0	9.0	16.6	7.0	0.7	4.2	55.4
Effect of the Stronger Euro	- 0	- 0.9	- 1.0	+ 0.2	- 0.1	- 0.1	-1.9

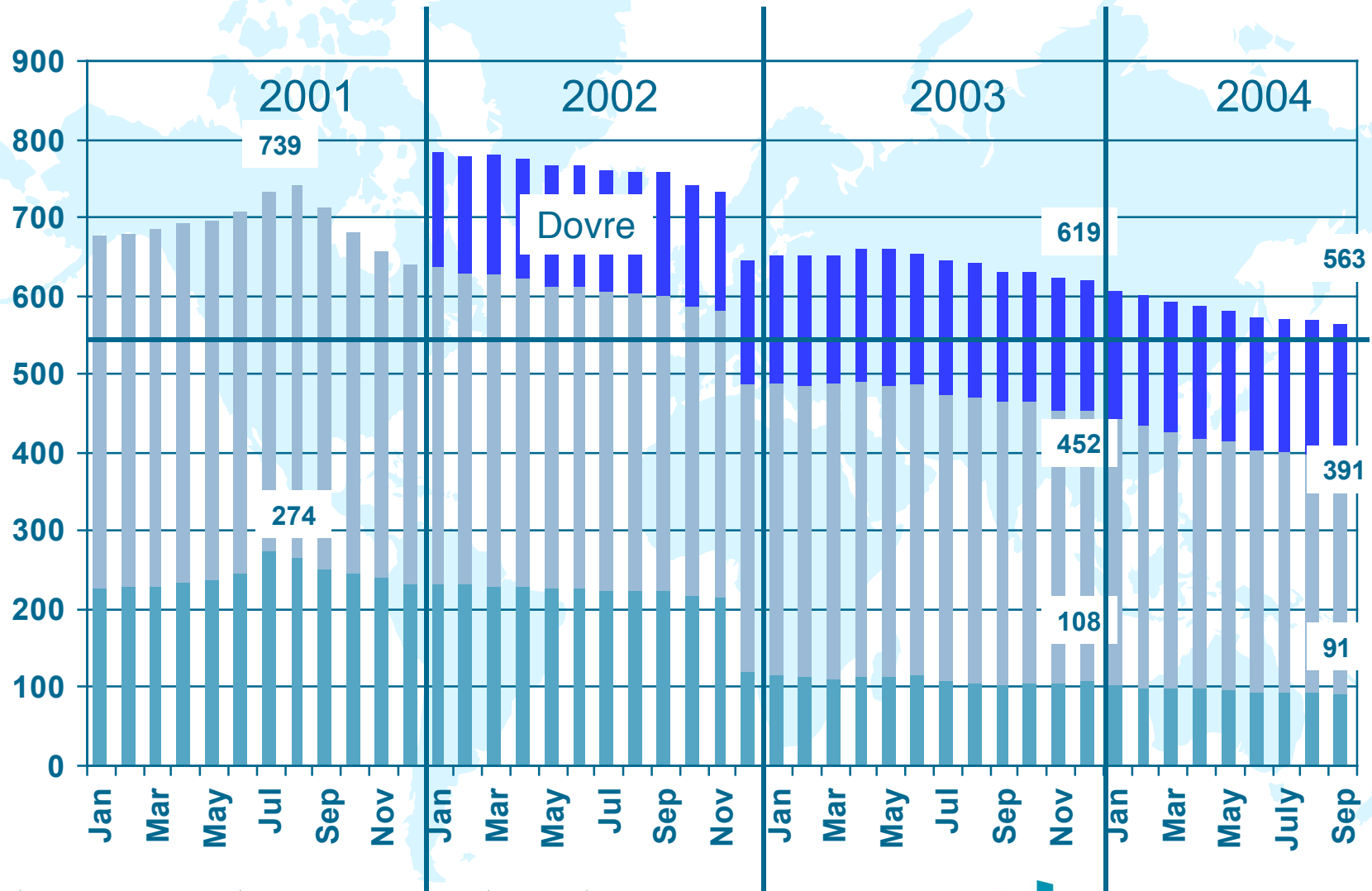
Exchange rates do not have a material effect on net result.

Revenue Distribution

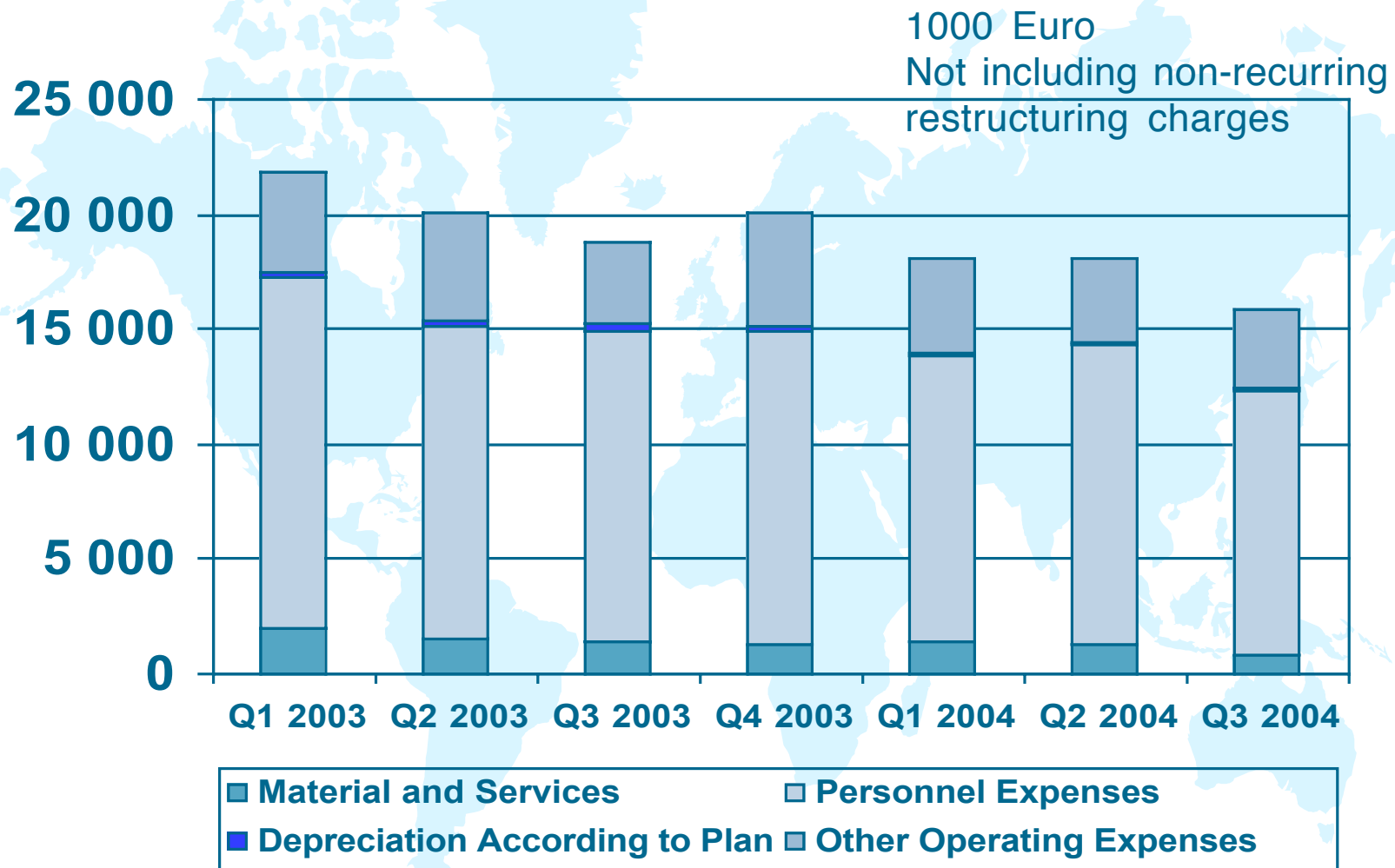
■ 1-9 / 2004



Personnel



Operating Expenses



USD 9 million new Equity into Artemis

- USD 9 million through equity finance
- Group of investors led by Emancipation Capital LLP
 - Potomac Capital, Trilogy Software Corporation
- Preferred shares issued amount to 29% of total Artemis shares
- After the issue, Proha owns 57% of Artemis
- The transaction increased Proha Group's capital and reserves by 7.4 Meur

Dovre International AS Acquisition

- Norwegian Dovre became Proha's fully-owned subsidiary
 - Prior to the execution Proha owned 40% through Safran
- The acquisition does not have an impact on consolidated net sales
- Share exchange transaction with 7,850,000 new Proha shares amounting to 12.8% of the share capital
- The total subscription price is 3.9 Meur. The share premium created by the transaction is 1.9 Meur



Company

- Established in 1984
- 165 employees
- Arve Jensen as Managing Director
- Consultancy and advisory services within:



Project Management



Supply Chain Management



Norway and International

Expectations for 2004

- The main focus still lies on improving the profitability
- Following the reorganization efforts the lower cost level will allow the fourth quarter earnings (EBITA) turn positive
- The net sales are expected to be below the previous year
- The new license sales of the Artemis 7 solutions are growing at a good pace
- Emphasis for the year is profitability and readiness for growth



Thank you