



# Proha Interim Report Q3 2006

PROHA PLC FINANCIAL STATEMENTS (IFRS)  
JANUARY - SEPTEMBER 2006

# January – September 2006 in Brief

## Continuing Operations

		2006	2005
January - September			
Net Sales	M€	<b>28,8</b>	19,3
Sales Growth	%	<b>49%</b>	
Operating result	M€	<b>-0,5</b>	-0,8
Q3 July - September			
Net Sales	M€	<b>11,1</b>	6,3
Sales Growth	%	<b>76%</b>	
Operating result	M€	<b>0,3</b>	-0,3
Cash and cash equivalents	M€	<b>12,4</b>	3,5
Personnel at the end of the period		<b>325</b>	213

## Year of Restructuring

- Fabcon acquisition 5/2006
- Artemis divestment 6/2006
- New strategy 10/2006
- Consulting and Services
  - Growth
  - Improved profitability
  - High Oil & Gas market demand
- Systems
  - Safran for Microsoft project
  - New SafranOne product
  - Microsoft alignment



# January – September 2006 Financials

# Financial Highlights – Group

<b>January - September</b>		<b>2006</b>	<b>2005</b>
Net Sales	M€	46,0	46,6
Operating result	M€	11,4	-2,7
Net result	M€	11,0	-4,4
Cash and cash equivalents	M€	12,4	6,7
Cash flow from operations	M€	-1,0	-3,6
Earnings per share	€	0,179	-0,072
Equity per share	€	0,25	0,10
Equity to assets ratio	%	48,5%	15,8%
Average personnel		473	525
Personnel at the end of the period		325	516

# Financial Highlights



## – Continuing Operations

<b>January - September</b>		<b>2006</b>	<b>2005</b>
Net Sales	M€	28,8	19,3
Operating result	M€	-0,5	-0,8
Net result	M€	-1,1	-1,1
Cash and cash equivalents	M€	12,4	3,5
Earnings per share	€	-0,018	-0,017
Equity per share	€	0,25	0,27
Equity to assets ratio	%	48,2%	62,3%
Average personnel		281	215
Personnel at the end of the period		325	213

# Income Statement

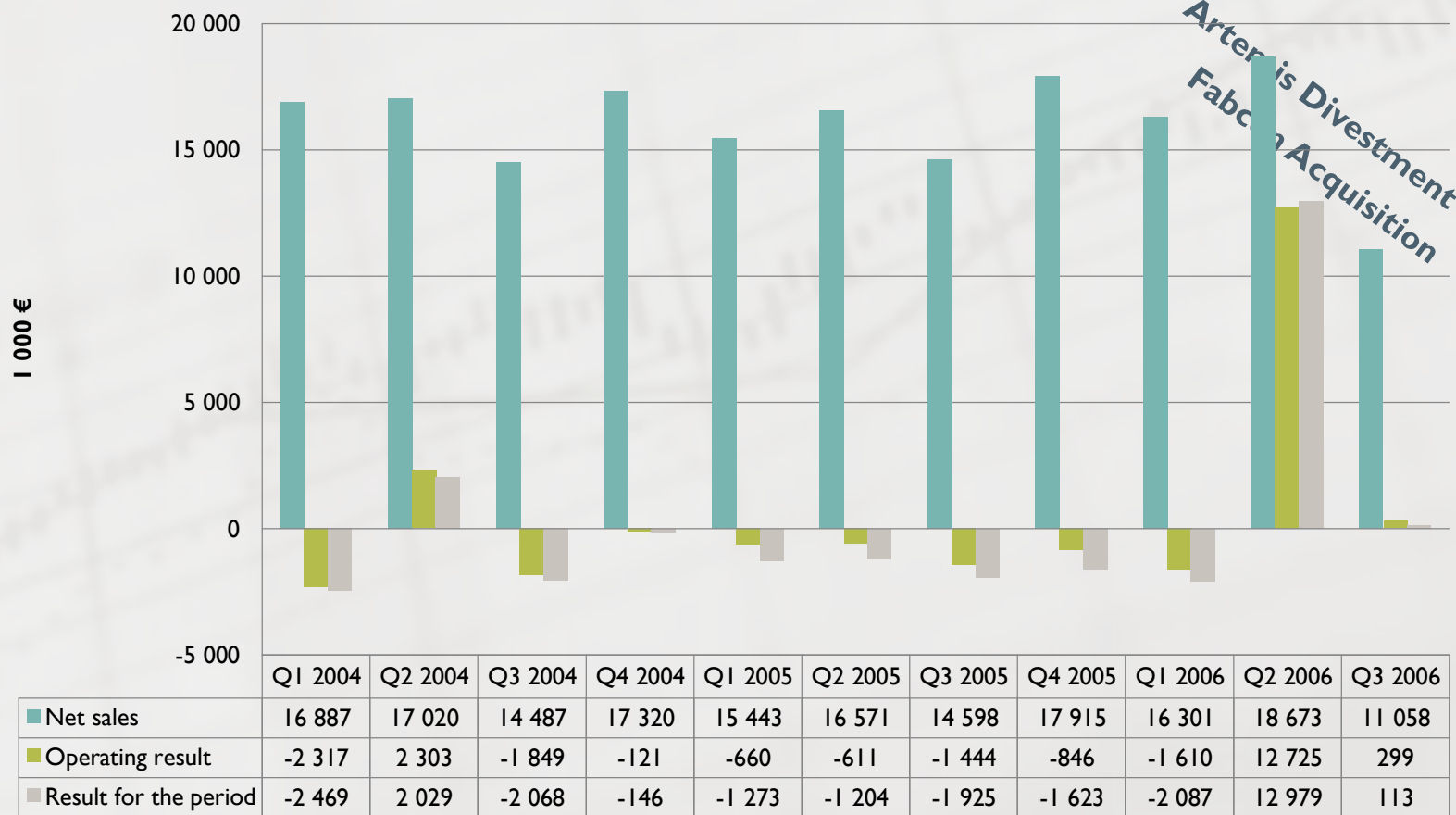
## – Continuing Operations

	Q3/2006	Q2/2006	Q1/2006	Q4/2005	Q3/2005	Q2/2005	Q1/2005
<b>Net Sales</b>	<b>11 058</b>	<b>10 316</b>	<b>7 464</b>	<b>7 085</b>	<b>6 279</b>	<b>6 727</b>	<b>6 330</b>
Other operating income	46	34	143	35	-83	201	8
Gain on disposal of discontinued operations		-472					
Material and services	76	-123	-3	-34	-50	-8	-5
Employee benefits expense	-10 159	-9 825	-6 699	-6 968	-5 500	-6 348	-6 180
Depreciation and amortisation	-101	-92	-86	-91	-85	-82	-87
Other operating expenses	-621	-753	-748	-618	-838	-694	-379
<b>Operating Result</b>	<b>299</b>	<b>-915</b>	<b>70</b>	<b>-592</b>	<b>-278</b>	<b>-204</b>	<b>-315</b>
Financing income	56	7	7	156	4	26	67
Financing expenses	-69	-62	-63	-405	-48	-31	-56
<b>Result Before Tax</b>	<b>286</b>	<b>-970</b>	<b>15</b>	<b>-840</b>	<b>-322</b>	<b>-209</b>	<b>-303</b>
Tax on income from operations	-173	-103	-156	-39	-68	-95	-60
<b>Result for the Period</b>	<b>113</b>	<b>-1 073</b>	<b>-141</b>	<b>-879</b>	<b>-390</b>	<b>-305</b>	<b>-363</b>

 Related to Artemis divestment, not operational  
 Operational number would be -601

# Net Sales and Result by Quarter

## – Group

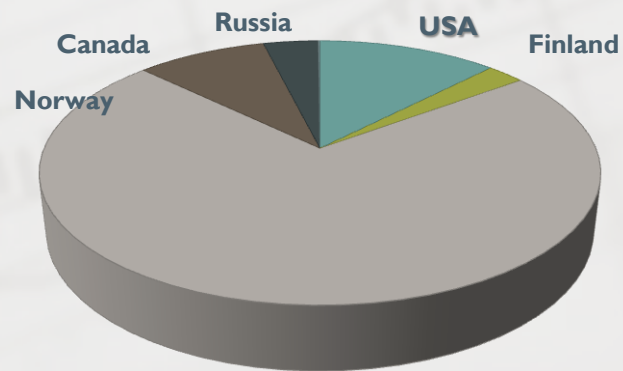


# Proha Structure

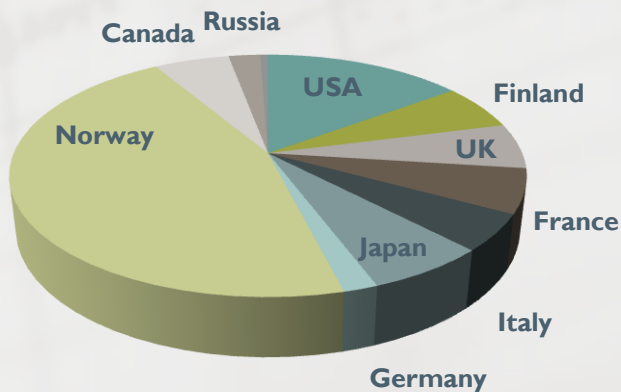


# Revenue Distribution by Country

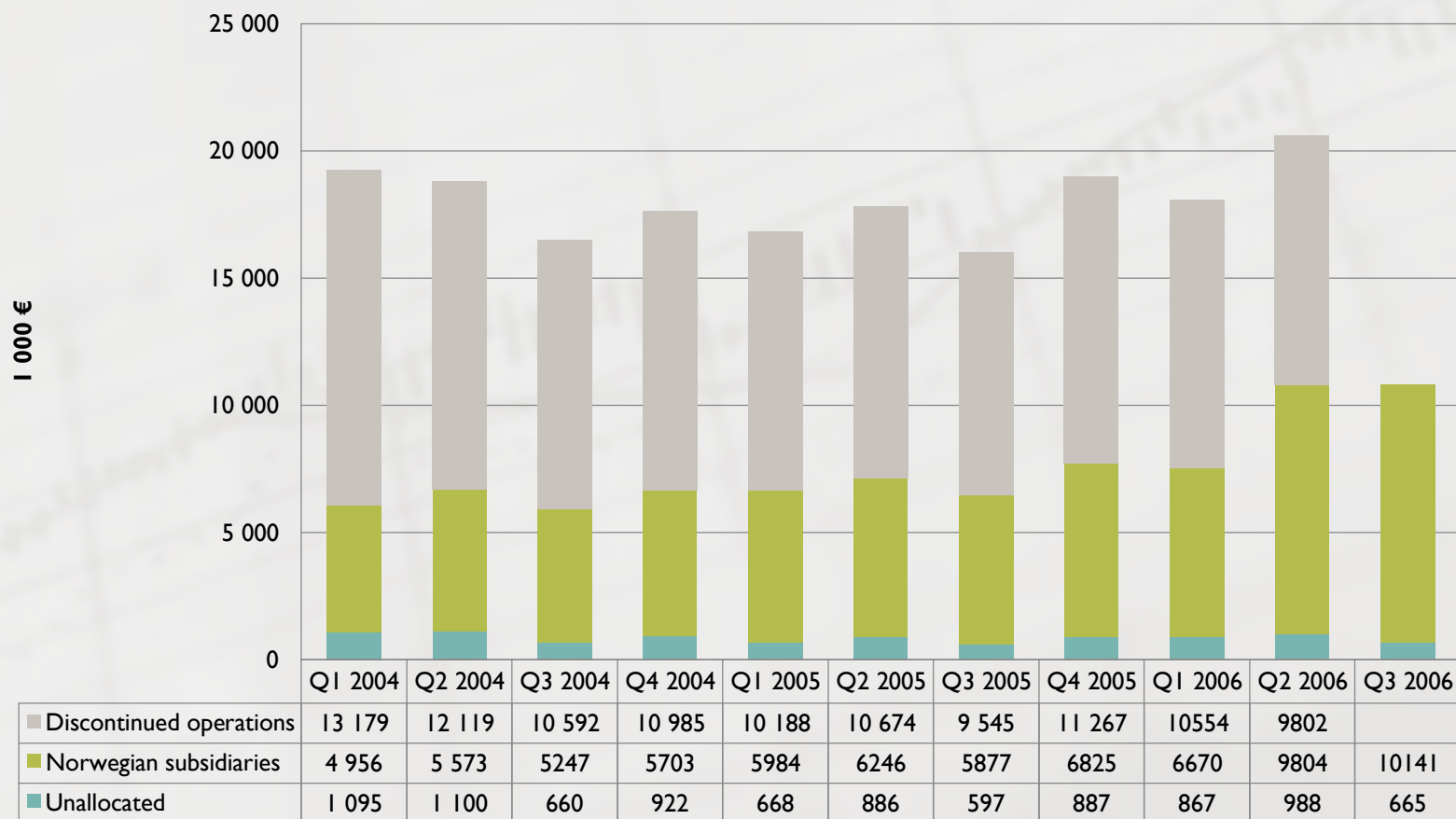
## Net Sales by Country - Continuous Operations



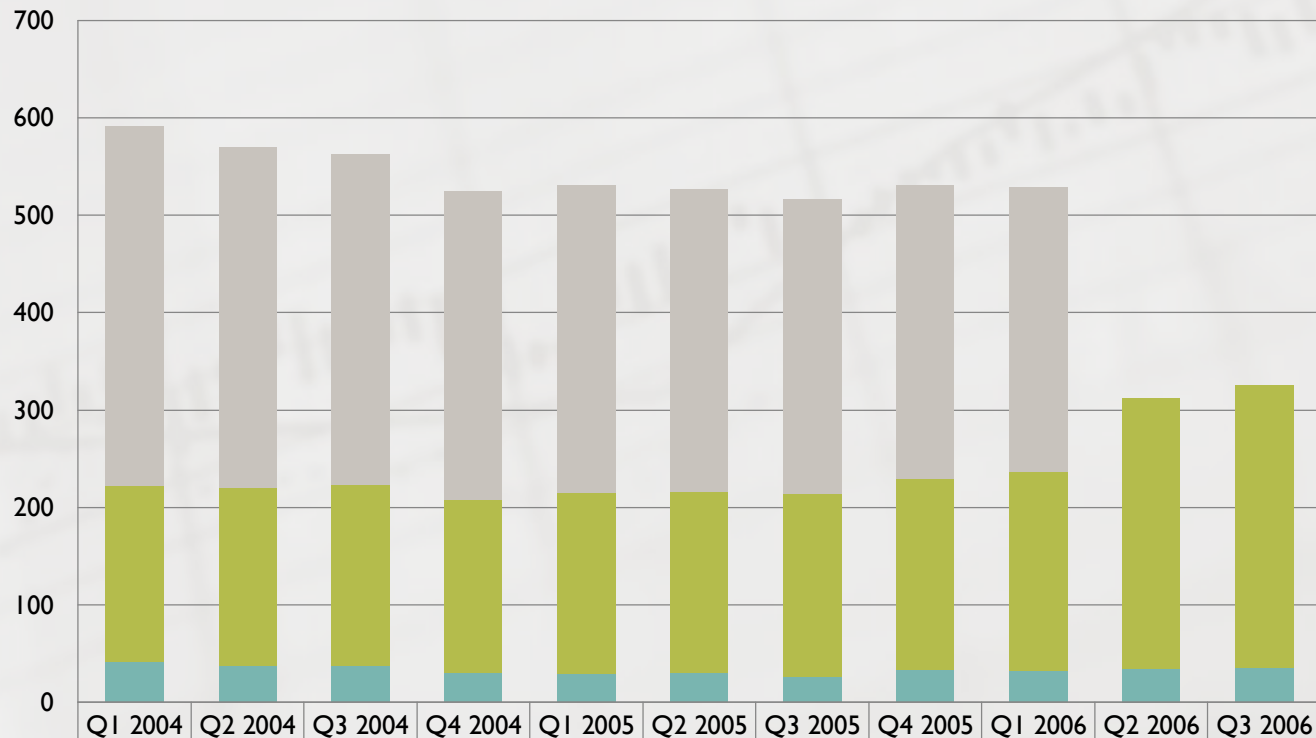
## Net Sales by Country - Group



# Operating Expenses – Group



# Personnel at the End of the Period – Group



■ Discontinued operations	369	350	340	317	316	311	303	301	292		
■ Norwegian operations	181,3	182,3	186	178	186	187	187	197	205	278	290
■ Unallocated	41	37,35	37,26	30	29	29	26	33	32	34	35



# Transactions During the First Half of 2006

# Artemis Divestment

- Artemis divestment closed 30.6.2006
- Gain on disposal of Artemis € 14.5 M
- Artemis income statement consolidated in Proha's group statement until June 30, 2006.
- Artemis result for the period € -3.1 M
- Proha received USD 12.7 M (10.0 Meur) cash for its share in Artemis
- Positive impact on the shareholders' equity of Proha Group
  - EUR 0.04 per share at the end of Q1
  - EUR 0.25 per share now

# Fabcon Acquisitions

- Fabcon acquisition closed 1.5.2006
- Cost of acquisition NOK 24.8 M (approx. € 3.2 M)
  - Purchase price NOK 24.4 M (approx. € 3.1 M)
  - Costs directly attributable to the acquisition NOK 0.4 M (approx. € 0.1 M)
- Purchase price will be paid in two installments
  - The first installment of approx. € 2.1 M was paid in June 2006
  - The final purchase price is dependent on Fabcon's result for 2006 and some other customary terms and conditions
  - The rest of the purchase price will be at the most approx. € 1.0 M and will be paid on December 31, 2007 at the latest
- Of the cost of acquisition € 0.5 M was allocated to customer agreements and customer relations
- The fair value of the acquired net assets was approx. € 1.8 M
- The goodwill of approx. € 1.4 M was due to expected synergies and profitability of the acquired business

# Fabcon Business

- Proha's Dovre acquired business operations and overseas subsidiaries of Fabcon Management AS
- Subsidiaries in Canada, United States, France, Singapore, Nigeria and Great Britain
- Branch offices in Russia and South Korea
- 70 employees
- Net sales were approximately € 13.3 M in 2005
- Operating profit was approximately € 0.5 M in 2005
- Net sales in 2006 estimated to exceed € 11 M of which 8 months will be included in net sales of Proha
- The purchase will enhance Proha's growth and strengthen its position in the global Oil and Gas markets



# Prospects for 2006

# Prospects for 2006

- Transactions have major impact to the consolidated 2006 income statement and balance sheets
  - Artemis transaction has a significant positive impact on Proha Group's shareholders' equity and cash assets
  - Artemis will no longer be consolidated in Proha Group for the second half of 2006. This will decrease the Proha revenues compared to last year.
  - Fabcon has been consolidated since May 2006
- The Fabcon acquisition will continue increasing Dovre's global presence
- Continuing positive atmosphere within the Oil and Gas industry
  - The challenge is to respond to the demand
- New strategy published in October 2006
  - Project Management focus
  - Dovre Consulting and Services Division
  - Safran Systems Division
- Main goals
  - Growth of both divisions
  - Improved profitability
  - Increased share of international business



Thank You