

PROHA PLC FINANCIAL STATEMENTS JANUARY 1 - DECEMBER 31, 2002

- The Proha Group's net result in 2002 was EUR 1.8 (-10.1 in 2001) million, showing an increase of EUR 11.9 million compared to the net result in 2001.
- Result was in line with expectations despite the challenging situation in the software market.
- Earnings before interest, taxes, depreciation, and amortization (EBITDA) was EUR 5.3 (-4.4) million.
- Operating result (EBIT) was EUR 3.1 (-6.1) million.
- Profitability was improved by streamlining of operations and cost savings.
- The sale of non-core operations had a positive impact of EUR 3.7 million on the result.
- Result was weakened by one-time charges of EUR 0.8 million of the Internet Technologies business area.
- In 2002, the Proha Group's net sales were EUR 100.8 (82.8) million. The increase in net sales results from consolidation of Dovre International AS (Dovre) as a subsidiary into the consolidated financial statements. In the interim reports of 2002, Dovre has been consolidated as an associated company.
- The consolidation of Dovre as a subsidiary increased the net sales by EUR 20.3 million. Without Dovre's impact, the volume of operations increased but towards the year-end the strong euro had a decreasing effect on the net sales presented in euros.
- In 2002, Proha sold over 92,000 end-user licenses of which over 30,000 were delivered during the fourth quarter.
- The Group's cash and cash equivalents grew significantly in the fourth quarter. On December 31, 2002, cash and cash equivalents amounted to EUR 12.7 (7.0) million.
- In 2003, operative business of the Group is expected to grow moderately and at least in line with the general growth of the software market. Profitability is anticipated to improve further.
- The audit of the Artemis sub-group has not been completed.

2002 IN BRIEF

Profitability of the Group improved as planned and business developed in line with the management's estimates, despite the challenging situation in the software market throughout 2002.

Proha management estimates that the Group's market share has grown substantially in 2002.

In January 2002, Proha acquired the remaining 40% of the Safran Software Solutions AS (Safran) in Norway, after which Safran became a fully owned subsidiary of Proha Plc. Safran owns 40% of Dovre International AS (Dovre) in Norway, which is a leading Norwegian consultancy specialized in project management. Safran has options to buy the remaining 60% of Dovre's shares between 2003 and 2006. In accordance with a shareholder agreement, Proha has a majority in Dovre's Board of Directors and therefore has control over the company. On the basis of the control and the options, Dovre has been consolidated as a subsidiary in the Group's financial statements ending on December 31, 2002. The consolidation increased the Group's net sales by EUR 20.3 million. In 2002, Dovre's operating profit was EUR 1.4 million.

In the interim reports of 2002, Dovre was consolidated as an associated company using the equity method. Proha's share of Dovre's result in January-September 2002 was EUR 0.2 million, and it was presented in the interim reports of 2002 under the item "share of associated companies result". If Dovre had been consolidated as a subsidiary in the interim reports of 2002, it would not have had an impact on the Group's net result or capital and reserves.

In 2002, the consolidated net sales of the Project Management business area without Dovre's impact were EUR 74.2 (76.5) million, which is 3.0% less than in 2001. The volume of project management business increased but towards the end of 2002 the strong euro had a decreasing effect on the net sales presented in euros. However, the profitability of the business area improved so that without Dovre the operating profit in 2002 was EUR 4.1 million compared to the operating loss of EUR -0.7 in 2001.

In sync with its strategy, Proha focuses on the international portfolio and project management software business. Through its 80% owned subsidiary Artemis, Proha is a global market leader in enterprise project and portfolio management solutions. To support its strategy, Proha sold Accountor Oy, a group company offering financial management services, in November 2002. Accountor's net sales accounted for 5.1% of the Proha Group's net sales in 2002. Project management operations constitute 99% of Proha's net sales if the impact of Accountor is eliminated.

In 2002, the Group sold over 92,000 new end-user licenses, which exceeds the total number of licenses sold in 2001 by over 33,000 licenses. Over 30,000 of these licenses were delivered during the fourth quarter. The total number of Artemis licenses sold worldwide is about 500,000. Expanding the project management target markets to strategic management solutions succeeded as expected. The sales of PortfolioDirector solution started in Europe and in the United States. Over 3,100 PortfolioDirector end-user licenses have been sold.

In 2002, the consolidated net sales of the Financial Management business area were EUR 5.3 (5.1) million, of which the 11-month consolidated net sales of Accountor Oy accounted for EUR 5.1 million. Accountor Oy's business operations were sold at the end of November 2002. ProCountor.com, which previously was part of the Financial Management business area, was incorporated into the Internet Technologies business area in November 2002. From the beginning of 2003, financial reports will be provided for one business area (portfolio and project management) only. Other operations will not be reported separately.

NET SALES AND RESULT

In 2002, the Group's net sales without Dovre amounted to EUR 80.6 (82.8) million, which is EUR 2.2 million less than the corresponding operations in 2001. The volume of net sales increased but towards the year-end the strong euro had a decreasing effect on the net sales presented in euros. Taking into account the consolidation of Dovre, the net sales grew by 21.7% and amounted to EUR 100.8 million. Division of net sales:

Net sales by product type	EUR million	Percent of net sales
One time license revenue	16.5	16.4%
Recurring license revenue	17.7	17.6%
Services	46,0	45.6%
Dovre	20.3	20.1%
Other sales	0.3	0.3%
Total	100.8	100.0%

The license sales amounted to EUR 34.2 million, accounting for 34.0% of net sales. The share of one time licenses was EUR 16.5 million and recurring licenses EUR 17.7 million. The emphasis of the net sales still laid on services, which constituted EUR 66.3 (without Dovre 46.0) million of net sales. In addition to Dovre's operations, the services mainly consist of consulting, training, implementation and support services of the Group's repeatable software solutions.

Net sales and EBIT by business area were as follows (million euros):

	Unconsolidated net sales	Consolidated net sales	EBIT
Project Management	77.2	74.2	4.1
Dovre	20.3	20.3	1.4
Financial Management	5.6	5.3	0.2
Internet Technologies	2.1	0.8	(1.8)
Other areas	1.2	0.2	(0.8)
Eliminations	(5.6)	-	-
Total	100.8	100.8	3.1

Dovre is part of the Project Management business area, but has been presented separately in the above table for clarity. Project management, the consolidated net sales of which were EUR 94.5 million, constituted 93.8% of the consolidated net sales. In 2002, the Group's consolidated net sales of project management without Dovre totaled EUR 74.2 (76.5) million, which is 3.0% less than in 2001.

The operating result of project management amounted to EUR 5.5 (-0.7) million, of which Dovre accounted for 1.4 million. The operating profit was improved by streamlining of operations and cost savings.

In 2002, the amortization of the consolidation reserve from Opus360 transactio improved the result by EUR 2.7 million. The consolidation reserve originated from the expenses created by the Opus360 transaction and were taken into account in the purchase price. The consolidation reserve was amortized in full during 2002. During the second half of 2002, the Group's cost level was lower than at the time of the amortization of the consolidation reserve. In spite of this, the result for 2002 is still affected by significant juridical and auditing costs, which originate from Artemis operating as a publicly held company in the United States.

The profitability of the Internet Technologies business area was weakened by one-time charges, a total of EUR 0.8 million.

Earnings before interest, taxes, depreciation, and amortization

(EBITDA) was EUR 5.3 (-4.4) million, improving by EUR 9.7 million compared to 2001.

Earnings per share was EUR 0.03 (-0.20). Return on investment (ROI) was 18.2% (-25.4%) and return on equity (ROE) 16.4% (-63.0%).

FINANCING AND INVESTMENTS

Cash and cash equivalents, EUR 12.7 (7.0) million, grew significantly compared to 2001. Sale of non-core operations and issue of a convertible loan increased cash assets. Quick Ratio was 1.1 (0.9).

Investments in fixed assets were EUR 1.6 (3.3) million.

On December 31, 2002, the balance sheet total was EUR 59.6 (54.4) million. The increase in the balance sheet total is primarily due to consolidation of Dovre.

Equity ratio was 32.5% (34.6%) and gearing -31.8% (-11.9%). Interest-bearing liabilities amounted to EUR 7.2 (5.0) million equivalent to 12.2% (9.8%) of the total of the Group's capital and reserves total and provisions and creditors total at the end of the financial year.

Product Development

The product development costs of strategic products were EUR 8.6 (11.6) million, 8.5% (14.0%) of net sales. Of these, EUR 8.5 (11.2) million was expensed and EUR 0.1 (0.4) million was capitalized.

Tactical products were developed regionally. The product development costs of tactical products were expensed in full.

One of the major reforms in 2002 was the reorganization of Artemis' product development into a centralized international division. The arrangement enables a better use of product development resources and local customer contacts. For the first time, the new arrangement was used in an international resource management development project, in which the product development units in Finland, the USA, and Great Britain work together with input coming also from France and Singapore.

A new Artemis product, an Internet technology based project management solution, ViewPoint, was introduced in 2002. The development of portfolio management solution, PortfolioDirector, continued. A new version of the software will be launched in the second half of 2003. In the fourth quarter, a new version of the resource management software, ResourcePlanner, was introduced.

New versions of data analysis tool Voyant, project management solutions CMPPro, PlaNet, and Safran and cost control software ValuePoint were also introduced in 2002.

Artemis software products received positive impartial reviews from e.g. MetaGroup and PC Magazine.

PERSONNEL

At the end of 2002, the Proha Group employed 643 people. At the same time in 2001, the number of personnel was 638. At the end of 2002, the Project Management business area employed 601 (507) people and the Internet Technologies business area employed 29 (36) people. The financial management business was sold in November 2002, so the Financial Management business area had no personnel at the year-end. At the end of 2001, the business area employed 95 people. Dovre employed 157 people at the end of the financial year.

The number of employees in Finland was 118 (231), while 525 (407) worked abroad. The average number of personnel in 2002 was 753, of which Dovre accounted for 153 employees.

The staff costs were EUR 63.2 (49.2) million, constituting 62.7% (59.4%) of net sales. In 2002, the staff costs without Dovre were EUR 45.6 million.

STATEMENT ON THE ADEQUACY OF THE GROUP ASSETS

On December 31, 2002, the Group's cash and cash equivalents amounted to EUR 12.7 million. At the end of 2001, cash and cash equivalents were EUR 7.0 million. The divestment of the financial management business operation, the reorganization of the software testing business and the issuance of a convertible loan strengthened the Group's cash assets in the fourth quarter of 2002.

In 2003, operative business is expected to grow and operations to be profitable. Cash and cash equivalents are expected to increase during 2003.

OTHER GROUP EVENTS

BUSINESS ARRANGEMENTS AND CHANGES IN GROUP STRUCTURE

Proha continued to focus on international portfolio and project management software business in line with its strategy. In 2002, the following business arrangements were made to support this strategy:

Acquisition of a minority interest of Artemis International GmbH in Germany

In January 2002, Proha Plc acquired a 43.2% minority share of the share capital of Artemis International GmbH in Germany. The transaction was conducted as a share exchange in which the owners of the German Artemis subscribed Proha Plc shares in a directed issue. On September 1, 2000, Proha Plc had acquired 30.8% of the company's share capital. All acquired shares were transferred to Artemis International Solutions Corporation (AISC), a subsidiary of Proha Plc, as a final payment of the share exchange agreement signed between Proha Plc and Opus360 Corporation on April 11, 2001. After these arrangements, the German Artemis is a fully owned subsidiary of AISC.

Acquisition of a minority share of Safran Software Solutions AS

In January 2002, Proha Plc used the option to acquire the remaining 40% of the Norwegian Safran Software Solutions AS (Safran) shares as per purchase agreement of April 6, 2000. The transaction was conducted as a share exchange in which the owners of Safran subscribed Proha Plc shares in a directed issue. After the directed issue, Safran became a fully owned subsidiary of Proha Plc. Safran owns 40% of Dovre International AS (Dovre), a leading Norwegian-based consulting company specializing in project management. Safran has an option to purchase the remaining 60% of Dovre's shares between 2003 and 2006.

Cooperation in software testing with Tesnet

On October 8, 2002, Proha Plc and a software testing company, Tesnet Software Testing Europe B.V (Tesnet), agreed on cooperation in software testing in Finland and in the Nordic region. Tesnet acquired a majority share of the Proha's fully owned subsidiary Intellitest International Oy, which was later merged with Tesnet Finland Oy. Proha remains a minority shareholder with 35% share in the new merged company.

Proha sold the financial management business to Pretax Group

On November 30, 2002, Proha Plc sold the entire share capital of Accountor Oy, which was part of Proha's Financial Management business area, to the Pretax Group.

The Financial Management business area was incorporated into the Internet Technologies business area as of January 1, 2003. Procountor International Oy, which was part of the Financial Management business area, will continue as Proha's subsidiary. The company was incorporated into the Internet Technologies business area as of January 1, 2003.

Proha sold ABC Technologies business in France

In France, a Proha Group company, Artemis had business that was based on cooperation with ABC Technology Inc. In December 2002, this business was sold to SAS Institute Inc, which had acquired ABC Technologies Inc.

SIGNIFICANT AGREEMENTS

Significant opening for Proha's Safran product family in the shipbuilding industry

Kvaerner Masa-Yards Inc. signed an agreement to use the time and resource management solution developed by the Proha Group's subsidiary Safran in its shipbuilding projects. This is Safran's first delivery outside the offshore industry.

Intellisoft outsourced server maintenance

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

The most significant PortfolioDirector deals were made in Great Britain and Italy

The sales of Artemis' new portfolio management software, PortfolioDirector, started worldwide. By the end of 2002, over 3100 PortfolioDirector licenses have been sold.

The Regional Development Agencies (RDA) in Great Britain chose PortfolioDirector for planning and management of eight regional RDA investment projects. The value of the deal is approximately EUR 3 million.

Telecom Italia chose Artemis PortfolioDirector for planning and management of investment projects worth nearly EUR 6 billion.

Artemis Views for British Airports Authority

New product versions of Artemis Views product family were introduced. One of the most important Views deals was the project management system delivered to the British Airports Authority for a building project of Terminal 5 at the Heathrow airport.

Other significant deals

In Finland, 60% of the net sales of Artemis Finland originate from the sales of Artemis software and 40% from the sales of other project management software. These other applications were sold especially for the project management of manufacturing and construction industry. Customers include Kvaerner Masa Yards, UPM Kymmene, Orion and Kemira.

Artemis' partnership agreement with Severn

In February 2002, Artemis International Solutions Corporation and Severn Consultancy, an international management consultancy, signed a strategic partnership agreement. The agreement comprises the selling and implementation support of Artemis PortfolioDirector into Severn's client base in Europe.

Cooperation with C/S Solutions Inc.

Artemis and C/S Solutions Inc. started their cooperation by providing Lockheed Martin Aeronautics Company a comprehensive solution for project management and analytical performance measurement. Pursuant to the agreement, Artemis and C/S Solutions will continue the alliance with other customers.

Cooperation with Spol AG

Artemis expanded its distribution network and signed a cooperation agreement with Spol AG, a portfolio and project management consultancy company in Switzerland. Pursuant to the agreement, Spol delivers Artemis' portfolio and project management solutions to leading companies in Switzerland.

New distribution channel program in North, Central and South

America

Artemis expands its distribution network in North, Central and South America by launching a new distribution channel program. The program aims at finding new companies for sales and implementation projects of PortfolioDirector and ViewPoint solutions in particular. The target markets include medium- and large-sized organizations in specific geographical areas and vertical industries, which currently are not covered by Artemis' direct sales force. The program is directed to OEM manufacturers, distributors and VAR resellers.

The new president and CEO and the new Board of Directors of Artemis

The Board of Directors of Artemis International Solutions Corporation (AISC) appointed Michael J. Rusert as the new president and CEO of AISC as of January 25, 2002. At the same time, he was elected to the Board of Directors. The former president and CEO, Steven Yager, continues in the Board of Directors of AISC. He was also elected the vice chairman of the Board.

James Cannavino, who has acted as a member of the AISC Board of Directors, was appointed as chairman of the AISC Board of Directors. Other members of the AISC Board of Directors are: Klaus Cawen, Ari Horowitz, Pekka Pere, Pekka Halonen and Olof Ödman.

SHARE CAPITAL

On January 1, 2002, the share capital of Proha Plc was EUR 13,274,131 and the total number of shares was 51,054,350. The share capital was increased by a total of EUR 211,359.20 and 812,920 shares on February 1, 2002, consisting of share issues directed to the shareholders of Artemis International GmbH in Germany and Safran Software Solutions AS in Norway.

On December 31, 2002, Proha Plc's registered share capital was EUR 13,485,490.20 and the total number of shares 51,867,270 shares. The company has one class of shares. The book value of the shares is EUR 0.26 per share and each share entitles the shareholder to one vote. Proha Plc shares are traded on the NM list of the Helsinki Stock Exchange.

AUTHORIZATION TO ISSUE SHARES

The Board of Directors has an authorization given by an Annual General Meeting on April 15, 2002, to increase the Company's share capital in one or more issues by issuing new shares, stock options, option warrants and/or convertible bonds. Pursuant to this authorization, the aggregate maximum number of new shares to be issued or offered for subscription shall not exceed 10,373,454 shares with an account equivalent value of EUR 0.26 each and the share capital of the Company may be increased by no more than EUR 2,697,098.04. On December 31, 2002, this represents 20% of the registered share capital and votes that can be cast in the General Meeting of Shareholders. This authorizes the Board of Directors to deviate from the shareholder's pre-emptive subscription right, if there is a

strong financial reason, e.g improving the capital structure of the company, financing operations and/or acquisitions and/or creating incentives for the personnel of the Group. The Board of Directors is also authorized to decide the subscription price, and other terms and conditions.

The authorization is valid until April 14, 2003.

CONVERTIBLE LOAN

On December 20, 2002, an Extraordinary General Meeting approved the Board of Director's proposal to issue a convertible loan. Deviating from the pre-emptive subscription right of the shareholders, the Company issued a convertible loan of EUR 8,000,000 that was offered for subscription to professional investors on December 20, 2002. The decision to deviate from the pre-emptive subscription right of the shareholders was made in order to improve the company's capital structure and to secure financing for the Company's operations and acquisitions.

The subscription period for the convertible loan was December 20, 2002. A total of EUR 2,810,000 of the loan was subscribed by Proha Plc's President and CEO Pekka Pere (EUR 1,405,000) and by Pohjola Non-Life Insurance Company Ltd (EUR 1,405,000).

After conversion of the loan, the share capital of the Company can be increased by a maximum of EUR 1,168,960 corresponding to a maximum of 4,496,000 new shares of the Company. The total book value of the convertible shares is EUR 1,168,960. The fixed interest rate for the loan is 6.00% p.a. The issue price of the loan was 100%.

Each convertible loan note, with the nominal value of EUR 1000, can be converted into one thousand six hundred (1600) new company shares. Thus, the conversion price for each share is EUR 0.625. The conversion period commenced on February 19, 2003 and ends two working days before the repayment of the loan on December 30, 2007.

The shares received through the conversion of the loan entitle the shareholder to dividends from the financial year during which the convertible loan notes have been converted into shares. The term of the loan is 5 years.

INCENTIVE SYSTEM FOR PERSONNEL

At its meeting on January 31, 2002, Proha Plc Board of Directors approved the subscriptions of the option issue that is part of Proha's incentive system. In the issue, a total of 1,458,000 Proha Plc stock options were subscribed, entitling to the subscription of 1,458,000 shares. The Board of Directors confirmed the subscription price for the shares subscribed on the basis of the stock options as EUR 0.43 per share. The stock options were granted without compensation to the personnel of Proha Plc, some of the Proha Group's subsidiaries, and the members of the Board of Directors.

TRADING ON THE HELSINKI STOCK EXCHANGE

The number of registered shareholders of Proha Plc totalled 3813

at the end of 2002. During 2002, the share price was EUR 0.30 at its lowest and EUR 0.71 at its highest, and the closing price at the end of the financial year was EUR 0.52. Market capitalization was approximately EUR 27 million at the end of 2002.

EVENTS FOLLOWING THE FINANCIAL YEAR

Artemis International Solutions Corporation changed independent accountant

Artemis International Solutions Corporation (AISC), an 80% owned sub-group of Proha Plc, changed its certifying accountant. The new independent accountant Squar Milner Reehl & Williamson LLP is responsible for the audit of AISC for the financial year ended on December 31, 2002. Previously the certifying accountant has been KPMG LLP.

According to the SEC-filing made by AISC there are no disagreements between AISC and KPMG on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures concerning the financial year ended on December 31, 2001 or the period thereafter until the dismissal of the independent accountant.

KPMG Wideri Oy Ab continues as the auditor of Proha Plc, with Mr. Reino Tikkanen, APA, as the auditor in charge.

Artemis International Solutions Corporation reverse stock split 1:25

Artemis International Solutions Corporation (AISC) implemented a reverse stock split on February 7, 2003. Each twenty-five (25) shares of AISC common stock issued and outstanding were converted into one share of common stock. Artemis' shareholders approved the reverse stock split at a special meeting held on October 21, 2002.

Prior to the reverse split, AISC had approximately 250,000,000 shares of common stock outstanding, and following the reverse split it now has approximately 10,000,000 shares outstanding.

The trading of the reverse split shares commenced on February 7, 2003 on OTCBB. The new trading symbol for the shares is AMSI.

The reverse split is a technicality that does not have an effect on the size of Proha's ownership of AISC or on the Proha share or on trading of Proha shares.

DECISIONS OF THE GENERAL MEETINGS

Extraordinary General Meeting held on December 20, 2002

On December 20, 2002, an Extraordinary General Meeting of Proha Plc approved the following proposals of the Board of Directors:

1. CONVERTIBLE LOAN

The Extraordinary General Meeting approved the Board of Directors' proposal to issue a convertible loan (the Loan) in accordance with the terms and conditions given in the notice of

the Extraordinary General Meeting with the additions that the Board of Directors suggested in its meeting on December 19, 2002.

Issue Price

The issue price of the loan is 100%.

Conversion Rate

Each convertible loan note, with the nominal value of EUR 1000, can be converted into one thousand six hundred (1600) new company shares, with a book value of EUR 0.26 each (the Conversion Rate). Thus, the conversion price for each share is EUR 0.625 (the Conversion Price).

Amount of the Loan

The amount of the loan is EUR 2,810,000.

Increase in Share Capital as a Result of Conversion

After conversion of the loan, the share capital of the Company can be increased by a maximum of EUR 1,168,960 corresponding to a maximum of 4,496,000 new shares of the Company.

Subscription of the Loan

Deviating from the pre-emptive subscription right of the shareholders, the Extraordinary General meeting decided to accept the subscriptions of Pohjola Non-Life Insurance Company Ltd and Pekka Pere.

2. USING THE PREMIUM FUND TO COVER THE LOSS OF THE ADOPTED BALANCE SHEET FROM EARLIER FINANCIAL YEARS

The Extraordinary General Meeting approved the Board of Directors' proposal to use EUR 897,879.03 from the premium fund to cover the loss shown on the adopted balance sheet from earlier financial years.

Extraordinary General Meeting held on October 23, 2002

On October 23, 2002, an Extraordinary General Meeting of Proha Plc approved the following proposals of the Board of Directors:

- continue the current strategy of owning Artemis International Solutions Corporation shares through Proha and discontinue implementing other structural alternatives.
- maintain the composition of the current Proha Board of Directors: Olof Ödman (Chairman), Pekka Pere, James Cannavino, Klaus Cawen, Alec Gores, Ari Horowitz, Michael J. Rusert and Steven Yager.

Annual General Meeting held on April 15, 2002

On April 15, 2002, an Annual General Meeting of Proha Plc confirmed the 2001 Financial Statements and discharged the members of the Board of Directors and the CEO from liability for 2001.

The Annual General Meeting approved the Board of Directors' proposal according to which the result for the financial year 2001 is entered in capital and reserves and no dividend is paid. Michael J. Rusert, President and CEO of Artemis International

Solutions Corporation, was elected as a new member of the Proha Board of Directors. Olof Ödman (Chairman), Pekka Pere, James Cannavino, Klaus Cawen, Alec Gores, Ari Horowitz, and Steven Yager continue as members of the Board of Directors.

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

The Annual General Meeting of Proha Pcl authorized the Board of Directors to increase the Company's share capital in one or more issues by issuing new shares, stock options, option warrants and/or convertible bonds. Pursuant to this authorization, the aggregate maximum number of new shares to be issued or offered for subscription pursuant to the stock options, option warrants and/or convertible bonds shall not exceed 10,373,454 shares with an account equivalent value of EUR 0.26 each, and the share capital of the Company may be increased by no more than EUR 2,697,098.04. The authorization is valid until April 14, 2003. The Annual General Meeting also canceled the authorization given by an Extraordinary General Meeting on December 17, 2001 to increase the share capital on the unused proportions.

The Special Meeting of Stockholders of Artemis International Solutions Corporation on October 21, 2002

On October 21, 2002, the Special Meeting of Stockholders of Artemis International Solutions Corporation (AISC) approved the AISC Board of Directors' proposal for a reverse stock split of the AISC shares.

The General Meeting of Stockholders of Artemis International Solutions Corporation on June 5, 2002

The General Meeting of Artemis International Solutions Corporation re-elected the members of the Board whose term was ending: James Cannavino, Klaus Cawen, Olof Ödman and Pekka Pere. Ari Horowitz, Michael J. Rusert, Steven Yager and Pekka Halonen continue in the Board.

ACCOUNTING PRINCIPLES

Scope of the consolidated financial statements

The consolidated financial statements include the financial statements of the parent company, Proha Plc, and of the companies in which it owns, directly or indirectly, over 50% of the shares and voting rights, and of associated companies. The companies acquired during the financial year are consolidated from the date of acquisition and the companies divested during the financial year are consolidated to the date of disposal. Artemis International Solutions Corporation (former Opus360 Corporation) has been consolidated as of August 1, 2001 although the transaction was implemented in a two-step process on July 31, 2001 and November 20, 2001. This was justified because, in the special shareholder meeting of the Opus360 Corporation that was required to close the transaction, Proha had both the required number of voting rights and an obligation to vote in favor of the transaction.

Accounting principles used in the consolidated financial statements

The consolidated financial statements are prepared in accordance with the Finnish Accounting Act. The financial statements of foreign subsidiaries and the Artemis sub-group are converted to comply with the accounting and consolidation principles of the Group, when necessary.

Mutual shareholdings

Mutual shareholdings are eliminated in accordance with the accounting principles generally accepted in Finland, using the acquisition cost method or the pooling method.

In applying the acquisition cost method, the differences originating from the elimination are presented as goodwill on consolidation or consolidation reserve (Opus360 transaction).

Goodwill on consolidation is depreciated over its expected useful life. The goodwill items created from the Artemis companies are depreciated over ten years. The goodwill items created from other companies are depreciated over three years. The consolidation reserve originating from the Opus360 transaction was amortized in full by the end of 2002.

In applying the pooling method, the remainder originating from the elimination is presented as a disposal in the consolidated capital and reserves.

Deferred tax assets and liabilities

For financial reporting purposes, deferred tax assets and liabilities are determined for all temporary differences arising between the tax bases of assets and liabilities and their carrying values. Currently enacted tax rates are used to determine deferred tax assets and liabilities. The balance sheet includes deferred tax liabilities at their full amounts and deferred tax assets at estimated realizable amounts. Deferred tax assets originating from the losses carried forward were not stated on the balance sheet, except for the deferred tax asset of Artemis Finland Oy, a total of EUR 0.03 million.

The deferred tax asset of EUR 3.0 million, included in the balance sheet of Artemis International Solutions Corporation (former Opus360 Corporation) at the time of acquisition, was expensed in 2001 because it was likely that the company was not able to fully utilize the tax benefit.

Associated companies

Associated companies are consolidated into the Group accounts using the equity method, except for Kiinteistö Oy Kuukoti, which does not engage in business and DA Management Solutions Oy, the consolidation of which is not necessary to give a true view of the consolidated result of operations or of the Group's financial position.

The Group's share in the results of the associated companies is presented as a separate item before the operating profit.

Foreign currency transactions

Transactions in foreign currencies are recorded at the rates of

exchange prevailing at the transaction date. At the end of the accounting period, the unsettled balances on foreign currency items are valued at the rate of exchange prevailing at the balance sheet date.

In the consolidated financial statements, all items in the income statements of foreign Group companies are converted into euros at the average exchange rates for the accounting period. The balance sheets are converted into euros at the closing exchange rate prevailing at the balance sheet date. All exchange rate differences resulting from the consolidation as well as the conversion differences of capital and reserves are presented separately in the consolidated capital and reserves.

Foreign exchange gains and losses related to financing are presented under financial income and expense in the income statement. Other foreign exchange gains and losses are included in the operating profit.

Revenue recognition

Product and service sales are recorded upon delivery to the customer. License sales are recognized when the delivery has occurred. Maintenance fees are recognized during the contract period.

Pensions

The pension schemes of the parent company are funded through payments to insurance companies. Statutory pension expenses are expensed in the year they are incurred. The pension expenses of subsidiaries are recorded in accordance with local requirements and practices. Uncovered pension liabilities are presented in provisions.

Research and development

Research and development costs are expensed in the year they are incurred.

Fixed assets assessment

The balance sheet value of fixed assets is stated at acquisition cost, less accumulated depreciation. Depreciation is recorded on a straight-line basis over the expected useful lives of the assets.

Depreciation periods are as follows:

Intangible rights (software)	3 years
Goodwill on consolidation	3-10 years
Other long-term expenses	3-10 years
Machinery and equipment	4 years

Gains and losses on the disposal of fixed assets are included in the operating profit/loss.

Trade receivables

Trade receivables are presented in the balance sheet at the

original invoice amount to customers, less an estimate made for doubtful receivables.

Marketable securities

Marketable securities are valued at cost price or market price if lower.

PROSPECTS FOR THE NEAR FUTURE

Proha management does not expect the market situation to change substantially in 2003. The comparability of the net sales for 2003 will be affected by the divestment of Accountor Oy. In 2002, the net sales of Accountor, included in the consolidated financial statements of Proha, were EUR 5.5 million. In 2003, operative business is expected to grow moderately and at least in line with the general growth of the software market. Profitability is still anticipated to improve.

The Board of Directors of Proha Plc

PRESS CONFERENCE

Proha Plc will hold a press conference for the media and financial analysts at 12.00 a.m. on March 18, 2003 at Scandic Hotel Simonkenttä, address: Simonkatu 9, Helsinki.

Welcome

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PROHA GROUP CONSOLIDATED INCOME STATEMENT AND BALANCE SHEET

JANUARY 1 - DECEMBER 31, 2002

Figures are unaudited. The audit at Artemis has not been completed.

INCOME STATEMENT	1/02-12/02 (EUR 1 000)	1/01-12/01 (EUR 1 000)
Net sales	100 823	82 845
Variation in stock	0	-16
Share of associated companies' results	-316	-900
Other operating income	4 098	547
Materials and services	-13 467	-13 548
Staff costs	-63 234	-49 188
Depreciation and value adjustments		
Depreciation according to plan	-2 059	-2 399
Amortization of goodwill		

on consolidation	-2 243	-1 965
Change in consolidation reserve	2 745	2 828
Value adjustments of investments held as non-current assets	-703	-167
Depreciation and value adjustments total	-2 260	-1 703
Other operating expenses	-22 592	-24 135
Operating profit/loss	3 052	-6 098
Financial income and expense	235	-1 147
Profit/loss before extraordinary items	3 287	-7 246
Extraordinary items	0	0
Profit/loss before appropriations and taxes	3 287	-7 246
Income taxes	-786	-621
Change in deferred tax liabilities	27	-2 999
Profit/loss before minority interest	2 528	-10 865
Minority interest	-763	781
Profit/loss for the financial year	1 765	-10 085
BALANCE SHEET		
ASSETS		
Non-current assets		
Intangible assets	14 914	17 330
Tangible assets	1 755	3 069
Investments	2 076	2 657
Non-current assets total	18 745	23 056
Current assets		
Stocks	0	0
Non-current receivables	429	0
Current receivables	27 682	24 254
Marketable securities	92	93
Cash and cash equivalents	12 666	6 954
Current assets total	40 869	31 301
ASSETS TOTAL	59 614	54 357
LIABILITIES		
Capital and reserves		
Subscribed capital	13 485	13 274
Share premium account	3 898	3 816
Profit/loss brought forward	-6 167	2 522
Profit/loss for the financial year	1 765	-10 085
Translation differences	1 995	2 887
Capital loan	187	187
Capital and reserves total	15 163	12 601
Minority interest	2 392	1 125
Provisions	383	824
Consolidation reserve	290	3 544

Creditors		
Non-current creditors	5 197	1 901
Current creditors	36 189	34 362
Creditors total	41 386	36 263
LIABILITIES TOTAL	59 614	54 357

KEY RATIOS OF THE PROHA GROUP

Net sales (EUR 1000)	100 823	82 845
EBITDA*	5 312	-4 395
% of net sales	5.3 %	-5.3 %
EBITA**	2 550	-6 961
% of net sales	2.5 %	-8.4 %
EBIT***	3052	-6 098
% of net sales	3.0 %	-7.4 %
Profit/loss before appropriations and taxes	3 287	-7 246
% of net sales	3.3 %	-8.7 %
Profit/loss for the financial year	1 765	-10 085
% of net sales	1.8 %	-12.2 %

* Earnings before interest, taxes, depreciation and amortization

** Earnings before interest, taxes and amortization

*** Earnings before interest and taxes

Personnel at the end of the financial year	643	638
Average personnel	753	690
1) Weighted number of shares	51 798 227	51 049 618
1) Earnings per share, EUR	0.03	-0.20
2) Number of shares at the end of the financial year	51 867 270	51 054 350
2) Equity per share, EUR	0.29	0.24
3) Number of shares diluted by stock options	51 938 283	51 049 618
3) Earnings per share, EUR	0.03	-0.20

Net sales by geographical area

United States	30 %	36 %
Finland	14 %	16 %
Rest of Europe	49 %	35 %
Asia	7 %	10 %
Other	1 %	3 %
Total	100 %	100 %

Net sales by product type

One time license revenue	16 %	22 %
Recurring license revenue	18 %	23 %
Services	66 %	54 %
Other	0 %	1 %
	100 %	100 %