



Business Review 2007

PROHA

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Proha in Brief

Proha is one of the leading providers of enterprise level project management software and services. We support customers executing projects and managing project business by providing a comprehensive set of tools and services with the best project management practices. In 2007, the comparative net sales of Proha Group were EUR 51.0 million (EUR 41.0 million in 2006). Currently Proha Group employs over 380 people worldwide.

INVESTOR INFORMATION

Proha's Annual Report is published in Finnish and English on the Internet. The Finnish language version can be found at www.proha.fi and the English language version at www.proha.com.

Proha reports on its financial development quarterly in accordance with the International Financial Reporting Standards (IFRS).

The Interim Reports during the year 2008 will be published as follows:

- 1-3/2008 Thursday, May 8, 2008
- 1-6/2008 Thursday, August 14, 2008
- 1-9/2008 Thursday, November 6, 2008

Interim reports will not be printed, but will be available in English on the Internet at www.proha.com and in Finnish at www.proha.fi.

You can also order the Annual Report and Interim Reports by phone at +358 (0)20 4362 000 or fax at +358 (0)20 4362 500, or by e-mail at info@proha.com.

Year 2007 in Brief

Proha is one of the leading providers of enterprise level project management software and services. We support customers executing projects and managing project business by providing a comprehensive set of tools and services with the best project management practices. The two business divisions of Proha are Dovre Consulting and Services division and Safran Systems division.

The strategic guidance issued in late 2006 emphasizes controlled growth for both divisions. In 2007 Dovre Consulting and Services division was strengthened by acquisition of Project Resource Solutions Inc., that focuses on Canadian oil sands projects. Swedish Camako Data AB, a project and resource management IT consultancy company focusing on Microsoft products, was acquired to Safran Systems division. Also an affiliated company Safran North America LLC was established to sell Safran products in the North American markets.

Net sales for Dovre Consulting and Services division continued to grow steady following the positive trend within oil and gas industry that is the division's largest customer sector. Net sales were EUR 46.9 million with 23% growth from the previous year. Dovre Consulting and Services division accounted for 92% of the Group's total net sales.

In 2007 the focus areas for Safran System division were Microsoft project management and collaboration tools as well as SafranPortal products that are devel-

oped on Microsoft SharePoint platform. Safran Systems division accounted for 8% of the Group's total net sales. The net sales were EUR 4.3 million with 44% growth from the previous year.

Proha has achieved Microsoft Enterprise Project Management (EPM) specialization and is Microsoft Gold Certified Partner in Finland, Sweden, Norway and Australia.

On February 26, 2008, after the period under review, the extraordinary share-

holders' meeting was convened and it decided to extend the number of board members to six and elected the new company board of directors. The members of the new board of directors are: Birger Flaa, Ernest Jilderda (Chairman of the Board) Antti Manninen, Ilari Koskelo (Vice Chairman of the Board), Jon Erling Tenvik and Svein Stavelin. Continuing from the previous Proha Board are Birger Flaa and Ernest Jilderda, all others are new members. The new Board of Directors invited Ilari Koskelo as the new CEO of the company as of March 19, 2008.

PROHA GROUP KEY FIGURES

Continuing operations of Proha Group	Jan. 1 - Dec. 31, 2007	Jan. 1 - Dec. 31, 2006
Net sales, EUR million	51.0	41.0
change %	24.3%	55.3%
Operating Result, EUR million	-0.2	-0.3
% of net sales	0.3%	-0.8%
Result before taxes, EUR million	-0.6	-0.6
% of net sales	-1.2%	1.6%
Result for the financial year, EUR million	-1.2	-1.1
% of net sales	-2.3%	-2.7%
Earnings per share, EUR	-0.019	-0.018
P/E ratio, EUR	-12.8	-22.1
Equity per share, EUR	0.23	0.25
Dividend per share, EUR	0.0	0.0
Equity ratio	45.5%	47.0%
Personnel, average	333	302

Chief Executive Officer's Review



Ilari Koskelo, Chief Executive Officer of Proha Plc

Dear Shareholders, Proha Customers and Personnel,

Proha Board of Directors elected by the Extraordinary Shareholders Meeting in February 2008 appointed me as the Chief Executive Officer of the company to take over for Pekka Pere after his long tenure. In this responsible position my primary goal will be to plan and execute actions that will result in a clearly more effective and profitable Proha Group. In my opinion we possess all the necessary building blocks that we just have to put in the right order now.

In 2007, Proha operated still according to the strategy confirmed by the previous Board of Directors in October 2006. The key targets for that strategy are controlled international growth, improved profitability and clear splitting of operations into two business divisions as well as utilization of interdivisional synergies. In 2007, the comparable net sales did grow by 24% but the targeted positive operating result, unfortunately, was not reached. The growth gives reason for satisfaction but the development in profitability has been a disappointment that calls for actions.

Controlled Growth and International Expansion

Dovre Consulting and Services division continued to grow in the North American markets. The impact that the 2006 acquisition of Fabcon Management AS had could be seen in growing net sales, and particularly in initiations of international projects around the world. In November 2007 also Canadian Project Resource Solutions Inc. (PRS) was acquired. The acquisition strengthens the division especially in the Canadian oil sands projects for which positive growth prospects are anticipated in line with the oil and gas industry outlook.

Safran Systems division has invested in renewing its product offering and in developing the international sales channels. New Safran Portal products were launched in summer. An affiliated company was established to sell Safran products in the North American markets. In the Nordic markets Safran System strengthened its position by acquiring Swedish Camako Data AB in October 2007. Also, Safran Systems division expanded the cooperation with Microsoft considerably.

Profitability targeted

Improved profitability remains the other central target for the strategy along with the international growth. In comparison with the previous year, the profitability of the comparative business operations improved essentially, unfortunately however, the targeted positive operating result was not yet reached. Both divisions lagged behind their profitability targets. At Dovre the most important factor was the high cost of employment, but also combining software and services to improve margins did not yet succeed. At Safran Systems division the negative deviation was caused by the delay in launching the Safran Portal family of products from early spring to summer, which slowed down the return on investment.

The development shows, however, that strengthening business operations and sales together with the utilization of interdivisional synergies have been the right things to do and continue to be worth investing also in the future.

Development of Proha project management business

We do project management consulting extensively around the world and in a variety of customer organizations. We lead projects, manage project offices, evaluate project risks or help customers in introducing best practices in project management. Additionally, we develop and sell modern and powerful software systems to support project management and control. Safran products include tools for managing complex investment projects as well as for e.g. managing the creative work within r&d organizations.

The cooperation with Microsoft is a significant part of Proha's systems strategy. Our partnership with the significant software business operator was intensified in 2007. Proha is now both Microsoft Gold Certified partner and has the EPM Specialization. Safran Systems division operates globally and is a Microsoft Gold Certified Partner in Finland, Sweden, Norway and Australia.

These are the building blocks with which we build also in the future. Our goal is a new more comprehensible Proha with a clear focus. In 2008 we will have plenty of work ahead of us and we will be announcing series of actions through which we will reach the targets we have set for ourselves. Working together with our professional personnel and esteemed partners we are confident about the success.

Dovre Consulting and Services Division

An increasing share of today's business takes place in the form of projects. The main business of Dovre Consulting and Services division is to supply knowledge and consultants to clients that manage projects and investments.

Proha's Dovre Consulting and Services division provides project management and supply chain management consulting and services. The Dovre Consulting and Services division is a major provider within its field of expertise for large internationally operating customers. The division consists of Dovre International AS and its national and international subsidiaries including Project Resource Solutions Inc. (PRS) that was acquired in November 2007. Dovre Consulting and Services division main office is located in Stavanger, whilst the subsidiary offices are located in Oslo, Bergen, Houston, St. John's and Calgary with branch offices in Great Britain, France, Russia, Singapore, Korea and Nigeria.

The Dovre Consulting and Services division accounted for 92 % of the Proha Group's net sales in 2007. The net sales and profitability of the Dovre Consulting and Services division continued to develop positively in 2007 as they did in 2006. The divisions net sales grew by 23% and were EUR 46.9 million (EUR 38.1 million in 2006). The acquisition of Fabcon Management in 2006 further sped the company growth in North America in 2007 compared with 2006, proving the strategic importance of the investment.

In total, Dovre division has delivered services in more than 20 countries world-wide during the past three years. The long term frame agreements with some of the largest oil and gas industry customers cover most of the business. Outside the oil and gas sector, e.g. the Norwegian Ministry of Finance, Jernbaneverket and City of Oslo are examples of important customers.

The general outlook for business development is expected to be positive based on the current forecasted investment levels in new oil & gas projects for the next 3-5 years. The acquisition of Canadian project management resource company Project Resource Solutions Inc. strengthens the division's Canadian operations in particular within oil sand projects in Alberta. Dovre Consulting and Services division aims also at an increased market share in the land based industry outside the oil and gas industry with a special focus on the consulting business.



Global Projects Call for Solid Professional Expertise

Dovre's employees are highly skilled professionals with extensive international experience. At the end of 2007 Dovre Consulting and Services division employed 315 people in 11 countries. Dovre Consulting and Services division provides comprehensive services for both management of individual projects and project portfolios. We have extensive experience in supporting our clients with short term consultancy as well as following them through the entire project life span.

Traditionally project management and supply chain management have been the core areas for the Dovre Consulting and Services division. Within project management, technology management has had the strongest growth, covering all aspects of the technical management, engineering, construction and operations ensuring that the customers project targets are obtained. Equally, the supply chain management covers all aspects of procurement and the handling of complex contracts.

Key geographical areas have during 2007 developed into the following:

- **Europe**
with majority of operation in Norway
- **USA,**
from where the international operations for major companies are headed
- **Canada**
with both the Canadian offshore projects and oil sands projects in Alberta

Services provided by Dovre Consulting and Services division at each geographical hub are:

- Project Management
- Construction Management
- Technology Management
- Commissioning Management
- Project Control Management
- Risk Management
- Quality Assurance Management
- Health Safety and Environment (HSE)
- Planning
- Procurement and Contract management
- Training courses





Examples of Customer Projects Geographically

In 2007 the oil and gas sector accounted for approximately 90% of the Dovre Consulting and Service division's business. In the oil and gas industry the investment level for 2007 was record high with the fundamentals for the investment level mirroring the all time high oil price and showing no immediate signs of recess. A considerable share of Dovre's services are covered by long term frame agreements with large customers and the level of employment for the consultants has been high.

Smart 1 - Project in Singapore

DovreFabcon major new customer for 2007 turned out to be Aker Floating Production ASA in Singapore. The project name is Smart 1 and entails the the provision and operation of the FPSO Aker Smart 1 together with associated subsea equipment for an oil and gas field offshore India.

The charter contract including options, will have a duration of five to ten years with first oil 15th February 2008.

FPSO Aker Smart 1 has a daily production capacity of 60,000 barrels of oil, while substantial gas treatment, injection and export facilities will be installed onboard.

At the end of 2007 DovreFabcon had its first seven consultants on board the project making this endeavor a major boost to our Singapore activity, which has been the fastest growing sector for our US operations this year.



**The Aker Smart 1 FPSO
(Floating Production, Storage and Offloading)**

New Oil and Gas Customer for DovreFabcon

At the end of 2007 DovreFabcon has placed its first consultant with Murphy Oil for the Azurite field development. The Azurite field is located 80 nautical miles offshore the Republic of the Congo, at a water depth of 1,400 meters. Murphy Exploration & Production Company, (Murphy EXPRO) is engaged worldwide in crude oil and natural gas exploration and production. Murphy EXPRO is headquartered in Houston, Texas and are a new and exciting customer to us. We expect that this could be a long term relationship as the Azurite development will continue for at least the next seven years.



Mer Profonde Sud Block offshore the Republic of the Congo

Entry into Alberta Oil Sands Projects

The oil sands of Alberta contain over 300 billion barrels of oil reserves. Canadian Natural Resources Limited is involved in the extraction of these reserves.

The Horizon Oil Sands Project will utilize open pit mining methods. The project is located in Alberta 70 kilometres north of Fort McMurray. The Horizon Project execution strategy focuses on staged development of the asset. Phase 1 start-up is scheduled for the third quarter of 2008 which will see production of 110,000 barrels of synthetic crude oil (SCO) per day.

DovreFabcon personnel are primarily involved in the Project Management of Construction within Phase 1 of the Bitumen extraction process. DovreFabcon Canada currently employs over 40 Project Management consultants to over 6 major clients working within the Canadian Alberta Oil Sands sector.



StatoilHydro Continues to Be an Important Customer



The Statfjord A platform in the North Sea

StatoilHydro in Norway is one of our largest clients. There are numerous small to large modification projects and studies running simultaneously in different parts of the organisation. The Dovre Consulting and Services division has a number of highly qualified and experienced consultants working as Senior Engineers, Project Controllers and Project Managers. The department is called PRO MOD in Stavanger, Norway, and are currently working towards the Statfjord field, the Snorre field, the Sleipner field and the Gullfaks field. Our consultants are at time being focusing on retrofit of the existing integrated control systems.



Consults of PRO MOD -section

Back from left to right: Alan Narvestad, Arne Asheim Eide, Børge Egenes, Kjell Husabø and Atle Voldsund.

Front from left to right: Jone Kjetil, C. Wahlberg, Alexander Pettersen and Per Inge Aase Hansen.

Safran Systems Division



Safran Systems division develops and sells project management software that our customers will use both for management of industrial investment projects, and for management of project organizations.

Safran Systems business is operated by the Group parent company, Datamar Oy as well as Norwegian Safran Software Solutions AS and Swedish Camako Data AB. In 2007 the business operations of Safran Systems division were focused on software development and building of the international distribution and partnership network.

In 2007 Safran Systems division accounted for 8% of the total net sales of Proha Group. The division net sales grew by 44% compared to the previous year and were EUR 4.3 million (EUR 3.0 million in 2006).

One of the focus areas for Safran Systems division are Microsoft project management and collaboration tools together with related services. In October 2007 Proha acquired the Swedish

project management software consulting company Camako Data AB. Previously in December 2006, Proha had acquired a minority share of the Finnish provider of project management services Datatron Oy. Both companies are specialized in Microsoft EPM solutions consulting and training.

The development of international sales channels has also continued. A new affiliated company Safran North America LLC was founded to sell Safran products in North America with market focus on federal, aerospace and defense, energy and oil & gas industries.

Cooperation between Microsoft and Proha in the Nordic Region

Proha is both Microsoft Gold Certified Partner and has achieved Microsoft Enterprise Project Management (EPM) specialization. Through its partnership program Microsoft wants to provide relevant support and benefits to partners specializing in developing Enterprise Project Management solutions for their customers. Qualified partners must meet the technical and business consulting requirements. Proha is a leading Microsoft Project Management partner in Finland, Sweden and Norway.

Clearly Focused Products

Proha specializes in project and portfolio management software. Our software supports customers executing projects and managing project business. Our products also support project management best practices and international standards (PMBOK and IPMA).

PORFOLIO AND PROJECT MANAGEMENT SOFTWARE SOLUTIONS

Safran Project

- software for project professionals to manage large complicated projects, schedules and resources. Safran Project is used in e.g. large construction, offshore and shipbuilding projects. Meets ANSI-748 standard in earned value reporting.

Safran Planner

- easy to use tool for project scheduling and resource planning. Meets ANSI-748 standard in earned value reporting.

Safran for Microsoft Project

- component developed for the Microsoft Office environment enabling Safran Project reporting through Microsoft Project software. Meets ANSI-748 standard in earned value reporting.

Safran Portal for Knowledge Projects

- browser based software for project management with-in planning, consulting and other professional services. The software is easy to use and implement and can be intergrated with other software used in the organization. E.g the following tools can be included in Safran Portal:

- Safran Portal Expense Invoice
- Safran Portal Resource Management
- Safran Portal Time Reporting

SafranOne Technology Platform

- software environment that offers development tools and modules for managing projects and project portfolios through a web-based project central.

Mobile Solutions

Intelligent SMS Integrations and Mobile Workflow Manager

- a solution for communicating information generated by ERP and project management as intelligent SMS messages automatically and safely between the system and its users.

Rescue Planner

- a software developed in cooperation with rescue professionals for planning and management of work in various rescue organizations.

MICROSOFT SOLUTIONS

Proha is Microsoft Gold Certified Partner and a leading Microsoft Enterprise Project Management solutions provider in the Nordic Region. We provide Microsoft based solutions and individualized consulting, methodology development and technology. Solutions utilizing Microsoft Sharepoint technology include:

- Microsoft Office Portfolio Server
- Microsoft Office Project Server
- Microsoft Office Enterprise Project Management

Microsoft
GOLD CERTIFIED
Partner

Proha's Services Provide Support for Working in Projects and Utilizing Software Tools

Proha has nearly 25 years experience in project management software and services. In addition to project management software we offer a comprehensive selection of services that help personnel to improve their project management skills, refine organizational practices and processes as well as implement the best project management software tools to support project management.

As a project management professional Proha is committed to help customers develop their project management processes resulting in successful and productive projects.

Combining right software tools with right methods will improve collaboration within the organization, increase transparency in communication and operations and result in doing the right things at the right time.

Project Management Service offered by Proha

- Systems Implementation
- Project Management Training
- Software Training
- Project Management Consulting

Corporate Governance

Proha Plc follows the recommendations of the Helsinki Stock Exchange, the Central Chamber of Commerce and the Confederation of Finnish Industries and Employers (presently Confederation of Finnish Industries EK) regarding the corporate governance of publicly held companies. Proha makes one deviation from the recommendation:

A share-based bonus system may also be applied to those members of the Board, who do not have an employment relationship with the company.

Group structure

Proha Group consists of two divisions: Dovre Consulting and Services division and Safran Systems division.

Dovre Consulting and Services Division

Dovre Consulting and Services division consists of Norwegian Dovre International AS together with its international subsidiaries. The division delivers project management consulting and services globally.

Safran Systems Division

Safran Systems business is operated by the parent company, Datamar Oy and Norwegian Safran Software Solutions AS and Swedish Camako Data AB. Safran Systems division develops and sells project management software and offers services for implementation and training.

General meeting

The highest decision-making body in Proha Plc is the General Meeting of shareholders. The Annual General Meeting is held within six months after the end of the financial year on a date set by the Board of Directors. The Board of Directors may convene an Extraordinary General Meeting

The General Meeting decides among other things on:

- adoption of the financial statements and disposition of result
- discharge of the members of the Board of Directors and the CEO from liability
- the number of members on the Board of Directors and their appointment
- election of auditors
- remuneration for the Board of Directors and on the auditors fees
- raising or lowering the share capital or on the relevant authorization given to the Board of Directors
- amendment of the Articles of Association

In accordance with the Articles of Association, a notice of a General Meeting shall be sent to the shareholders not earlier than three (3) months and not later than seventeen (17) days before the meeting by publishing an announcement of the meeting in at least one national newspaper designated by the Board of Directors or by sending the notice to the shareholders by registered mail to the address registered in the shareholders' register. Proha's practice is to publish a notice in the Finnish daily newspaper Helsingin Sanomat. The notice is also published as a stock exchange bulletin and on Proha's Internet pages. Candidates nominated for the Board of Directors are disclosed in the notice of the General Meeting or in some other way after the publication of the notice and before the General Meeting, if the candidate has given his/her consent to the election and is supported by shareholders who account for at least 10% of the company's shares. The company also announces the Board of Directors' proposal for the company's auditor. The company strives at introducing first-time candidates to the shareholders at the General Meeting that is convened for the purpose of the election of the Board.

Board of Directors

Composition and Term of Office

In accordance with the Articles of Association, Proha's Board of Directors is composed of no less than three (3) and no more than eight (8) members. The term of the members of the Board of Directors lasts until the end of the Annual General Meeting following the election.

All members of the Board of Directors are elected at the General Meeting. The Articles of Association do not specify an upper age limit for the members of the Board or restrict the number of terms for them nor does it restrict the authority of

the General Meeting in the election of the members of the Board in any other way. One member of the Board is elected Chairman by the Board.

Duties and Operation Principles

Proha Plc's Board of Directors is responsible for the management and the appropriate arrangement of the corporate governance, operation, accounting and financial management in accordance with the Finnish Companies' Act, the company's Articles of Association, the supplementary corporate governance instructions approved by the Board, and the charter.

The Board shall handle all matters that carry financial, operational or principle importance. The Board shall.

- decide on the group strategy,
- decide on the group structure and organization,
- discuss and adopt interim reports, consolidated financial statements and the Board of Directors' reviews,
- approve the Group's policy, budget and investment plan,
- decide on individual investments, acquisitions, divestments, company arrangements and contingent liabilities that are strategically or financially important,
- oversee the risk management and the law conformity of the company's operations,
- decide on the Group management's compensation system,
- prepare the dividend policy and be responsible for the development of the shareholder value,
- appoint the CEO of the company, decide on his/her compensation and oversee the top management structure,
- appoint the deputy for the CEO, if needed, and
- be responsible for other duties defined by the Companies' Act or other regulations

Independence of the Board members

Proha's Board of Directors has evaluated the independence of its members in relation to the company and its most significant shareholders.

As defined in the Corporate Governance Recommendation, Chairman of the Board Ernest Jilderda and Board members Antti Manninen, Svein Stavelin and Jon Erling Tenvik are independent of both the company and its significant shareholders.

The present Proha Board is strongly representative of the company shareholders, which the Annual General Meeting has considered appropriate.

Meeting procedures and self-evaluation

The Board of Directors convenes 10 times per year or more often if necessary. The Board has not assigned its members any particular areas of business for monitoring. The CEO of the company acts as the presenting officer at the meetings. General Counsel of the company acts as secretary of the Board of Directors. The Board shall evaluate its operations and working methods on a regular basis by conducting a self-evaluation once a year.

Remuneration and other benefits of the Board of Directors

The remuneration and expense compensations of the Board of Directors shall be determined on a yearly basis by the Annual General Meeting.

The Annual General Meeting on April 18, 2007 decided that the Chairman of the Board be paid EUR 18,000 and each Board member, at the moment of election not employed by the Proha Group or by such company which owns more than five percents of Proha's share capital and who does not exercise dominant influence over such company, to be paid EUR 10,000 per year as remuneration for board work.

All other members of the Board elected on February 26, 2008 are entitled to these compensations except for Birger Flaa. Any remuneration for attending the Board meetings shall not be paid.

In 2007, the Board of Directors convened 15 times, the average participation percentage of the Board meetings was 89.7%.



Deviation from the Corporate Governance Recommendation 45

In accordance with Proha's practice, a share-based bonus system may also be applied to those members of the Board who do not have an employment relationship with the company. The members of Proha's Board of Directors participate in the option program of the company. Numbers of options are presented in the Presentation of the Board.

Board committees

The board has not designated any separate committees.

Chief Executive Officer

The duty of the CEO is to manage the operations of the company in accordance with the instructions and orders given by the Board. The CEO informs the Board on the development of the operational and financial situation of the company. The duty of the CEO is to see to it that the book keeping of the company complies with the law and that the financial matters are being handled in a reliable manner.

At the Board meetings the CEO acts mainly as presenting officer and is in charge of preparing draft resolutions. In matters seen appropriate by the CEO, he may delegate the presentation and the preparation of draft resolutions to another member of the Group's management. The Board of Directors appoints the CEO and decides on his salary and other compensation and service terms and conditions. The service terms and conditions shall be agreed on in writing. The CEO is not appointed for a specific term but until further notice.

Ilari Koskelo is the company CEO as of March 19, 2008. The terms of his service contract will be published later.

Other Management of the Company

Proha Group has a management team with Ilari Koskelo as the chairman. The other members of the management team are Arve Jensen, Birger Flaa, Svein Blomsø, Sirpa Haavisto and Pekka Halonen. Ilari Koskelo is the President and CEO of Proha Group and has the responsibility to manage the Safran Systems division of Proha. Executive Vice President Janne Rainvuori is the secretary to the management team.

Arve Jensen is Executive Vice President of Proha Group with the responsibility to manage the Dovre Consulting and Services division of Proha. He is also the Managing Director of Dovre International AS.

Birger Flaa is the Senior Vice President of Proha Group with a special responsibility to manage the international expansion of Dovre Consulting and Services division of Proha. He is a member of Proha Board of Directors.

Svein Blomsø is member of the Proha management team and managing director of Safran Software Solutions AS.

Pekka Halonen is responsible for the Growth Ventures operations aiming at the inorganic growth of both divisions through acquisitions.

Sirpa Haavisto is the Chief Financial Officer of Proha Group.

Executive Vice President Janne Rainvuori is the General Counsel

of Proha Group and responsible also for the Group communications.

Compensation system

The Annual General Meeting of Shareholders makes decisions on the compensation of the Members of the Board of Directors. The Board decides on the compensation of the CEO and the CEO on the other management. The compensation of the management in subsidiaries is decided in corresponding order. In addition to the normal salary, bonus and option programs are used in the Group. The shareholdings and warrants of the Board, CEO and top management are disclosed under their presentation.

Audit

According to the Articles of Association Proha has no less than one and no more than two auditors (Authorized Public Accountants). If the company has only one auditor, who is not an auditing firm, or the General Meeting considers it necessary, one or two deputy auditors shall be elected. The term of the auditors lasts until the end of the first Annual General Meeting following the election.

The Annual General meeting on April 18, 2007 elected Ernst & Young Oy to continue as the Company's auditor, with Ulla Nykky, APA, as the auditor in charge.

Proha Group's auditor fees (EUR 1000)

Audit fees	2007	2006
Annual audit, auditor in charge of the parent company	-78	-76
Annual audit, other auditors	-41	-109
Other professional services, auditor in charge of the parent company	-4	-8
Other professional services, other auditors	-33	-54
Total	-156	-247

Auditors fees for 2006 include auditors fees for continuing operations. Artemis sub-group that is classified as discontinued operations was divested on June 30, 2006. Artemis sub-group has not disclosed its auditors fees for period January 1, - June 30, 2006 therefore they are not included in the presented information.

Internal control and risk management

The Board of Directors is responsible for the proper supervision of the book-keeping and the control of the financial mat-

ters of the company. The duty of the CEO is to manage the operations of the company in accordance with the instructions and orders given by the Board. The CEO informs the Board on the development of the operational and financial situation of the company, based on the monthly reports from company's subsidiaries. The main purpose of statutory audits is to conclude that the financial statements give correct and sufficient information about the group results and the financial position during the financial period. In addition to the statutory audits, the auditors may report on the ongoing audit of the administration and functions to the Board of Directors.

Proha manages its risks by being aware of the central risk factors in business and financing as well as of linking risk management as part of business processes. In risk management the principle of risk diversification is applied. Proha Board of Directors supervises the company risk management.

The recognized risks are finance risks, price risks, technology risks, risks of demand, and dependence on development of customer business area.

The primary financial risks are currency risk, interest rate risk and liquidity risk. Proha operates globally. Due to the diversified currency risk no forward foreign currency contracts or other corresponding hedging are used. The Group liquidity is managed through cash and liquidity management. The aim is to maintain the balance between fixed and flexible rate loans. Compared to the Group's business volume the amount of loans with fixed interest rates is not such that the fair value interest risk would require hedging. It is the principle of Proha to not guarantee loans for the subsidiaries. Typical Proha customers are large and financially solid companies, which for its part reduces the Group's credit risk. The Group does not provide actual customer financing

Rapid changes in generally accepted IT utilities and architectures might pose a risk to software business. The occurrence of exceptionally rapid changes is, however, unlikely.

The business of Dovre and Fabcon is based on long term customer relationships and agreements, and consequently the changes in demand are reflected with delay in the business. The challenge is to recruit professionals to meet the demand in the Norwegian markets.

The dependence of the Norwegian business on the oil, gas and off-shore industry is significant, and therefore substantial and long-term changes in the energy prices may pose a risk to the Norwegian operations. Because the customer agreements in Norwegian business are generally long term and a considerable portion of employment agreements are tied to customer projects, the risks are rather in the business volume than in profitability. Proha's subsidiary Dovre manages the price risk by making long term frame agreements with the customers.

Insider administration

According to the Securities Market Act Proha's permanent insiders are the members of the Board of Directors, the CEO and the auditor in charge. Other permanent insiders are people

who, in their work, come into regular contact with information that has a relevant effect on the value of securities.

Proha Plc maintains an insider register at the SIRE system of the Finnish Central Securities Depository. Current insider holding information is on display at the premises of Finnish Central Securities Depository in Helsinki at Urho Kekkosen katu 5 C, 8th floor.

All insiders have received the insider guidelines of the company. The company follows documented procedures in the administration and non-disclosure of inside initiatives. The content of the guidelines for permanent insiders corresponds to the insider guidelines by the Helsinki Stock Exchange of January 1, 2006 and which are based on a recommendation by the Helsinki Stock Exchange, the Central Chamber of Commerce and the Confederation of Finnish Industries and Employers.

The manager of administration and General Counsel of the company control the observation of the insider guidelines by sending extracts of the information entered into the insider register for review to the insiders on a regular basis and by monitoring the observation of trading restrictions for insiders.

Proha's permanent insiders are not allowed to trade securities issued by the company within a period of 14 days before the publication of the interim report and the financial statements. Trading with the company's securities is also not allowed, if the insider is in the possession of unpublished inside information which may affect the value of the share.

The permanent insiders' register of Proha Plc is available at the NetSire service of Finnish Central Securities Depository (APK)



Proha Board of Directors in 2007



Name: Olof Ödman, Chairman of the Board until February 26, 2008

Year of birth: 1943

Education: M.Sc.

Main occupation: Board work and investor

Primary working experience: Founder and chairman of META Group in Sweden and Finland. CEO and President for the Databolin Group in Scandinavia (1979-1994).

Date of inception of the board membership:

December 7, 1999 - February 26, 2008

Other simultaneous key positions of trust:

Chairman of the board at: Dovre International AS, Golf de Pierpont, Jeeves Information Systems AB, Kyssinge golf AB, Safran Software Solutions AS, Transaction Network Services TNS AB.

Shareholdings in the company : 1 250

Option rights : 181 700*



Name: Ernest Jilderda, Chairman of the Board as of February 26, 2008

Year of birth: 1951

Education: Techn. University (HTS chemical technology)

Main occupation: Stirr IT up bv (1999-), Venture capital activity, managing partner; Erning Management & Consultancy B.V. (1996-), owner, consultant

Primary working experience: Watermark NL (2004 - 2005), general manager; Augeo Software bv (2000 - 2004), CEO & President; Baan Company NV (1993 - 1996), managing director Baan Netherlands, president Baan Europe; Bull Nederland N.V. (1989 - 1993) VP Sales

Date of inception of the board membership: April 25, 2006

Other simultaneous key positions of trust:

Various board positions

Shareholdings in the company: -

Option rights: 30 000*



Name: Birger Flaa
Year of birth: 1951
Education: Electric Engineer
Main occupation: Director, Dovre Consulting and Services Division, Chairman of the Board of Dovre International AS, Independent consultant
Primary working experience: The founder and Chairman of the Board of Dovre International (1984-)
Date of inception of the board membership: April 22, 2005
Other simultaneous key positions of trust: Member of the Board of Dovregruppen AS
Shareholdings in the company: -**
Option rights: 180 000*



Name: Gjalt de Vries
Year of birth: 1945
Education: State University Groningen, business economics & strategy and post-graduate education accountancy
Main occupation: Independent consultant
Primary working experience: Philips Electrológica, marketing development & systems design (1969-1972); Dijker Doornbos Accountancy, Manager Information Systems (1972-1975); KPMG Management Consulting, Senior Manager Management Consulting Group (1975-1978), Senior Partner, KPMG Management Consulting, Financial Services group, Member International Steering Committee, International lead partner & account responsible Financial Services for large international accounts (1978-2004)
Date of inception of the board membership: April 18, 2007 - February 26, 2008
Other simultaneous key positions of trust: -
Shareholdings in the company: -

Option rights: -

* The number of options is given as the number of shares that can be subscribed on the basis of each person's options.

** Birger Flaa holds control over Dovregruppen AS that owns 6 560 646 shares.

On February 26, 2008, after the period under review, the extraordinary shareholder's meeting was convened and it decided to extend the number of board members to six and elected the new company board of directors. The members of the new board of directors are: Birger Flaa, Ernest Jilderda (Chairman of the Board) Antti Manninen, Ilari Koskelo (Vice Chairman of the Board), Jon Erling Tenvik and Svein Stavelin. Continuing from the previous Proha Board are Birger Flaa and Ernest Jilderda, all others are new members. The new Board of Directors invited Ilari Koskelo as the new CEO of the company as of March 19, 2008.

Proha Management team in 2007



Name: Pekka Pere

Year of birth: 1957

Education: Studies at the Helsinki University of Technology

Main occupation: President and Chief Executive Officer, co-founder of Proha

Primary working experience: KPMG Wideri Oy, Partner (1985 - 1991), Finnsystems Oy, Consultant (1979 - 1983)

Other simultaneous key positions of trust: Member of the board of Federation of The Finnish Information Industries, Member of the Economic Policy Committee of the Central Chamber of Commerce, member of the board of directors at Dovre International and a number of IT-companies in Finland.

Shareholdings in the company: 4 241 105

Option rights: 420 000*



Name: Sirpa Haavisto

Year of birth: 1963

Education: M.Sc. (Econ.), APA

Main occupation: CFO, Proha Plc

Primary working experience: Auditor (1988 - 1995) and APA (1995 - 1996), at Ernst & Young Oy predecessors. International auditor (1996 - 1998) Ernst & Young LLP, Chicago, USA. Local partner and IAS- and US Gaap expert (1998 - 2002)

Other simultaneous key positions of trust: -

Shareholdings in the company: 0

Option rights: 270 000*



Name: Pekka Halonen

Year of birth: 1961

Education: L.Im, MBA

Main occupation: Director, Growth Ventures Operations

Primary working experience: Kansallis-Osake-Pankki (1987-1994), Selin Finance, director (1994-1996), PCA Corporate Finance, Partner (1996-2001)

Other simultaneous key positions of trust: -

Shareholdings in the company: 5 300

Option rights: 270 000*



Name: Birger Flaa
Year of birth: 1951
Education: Electric Engineer
Main occupation: Director, Dovre Consulting and Services Division, Chairman of the Board of Dovre International AS, Independent consultant
Primary working experience: The founder and Chairman of the Board of Dovre International (1984-)
Date of inception of the board membership: April 22, 2005
Other simultaneous key positions of trust: Member of the Board of Dovregruppen AS
Shareholdings in the company: -**
Option rights: 180 000*



Name: Arve Jensen
Year of birth: 1959
Education: M.Sc.
Main occupation: President/CEO of Dovre International, Director, Dovre Consulting and Services Division
Primary working experience: 16 years as Project Management Consultant within oil & gas: Aker Engineering (1984-1987); Self-employed (1987-1990); ABB (1990-1993); Dovre (1993-2000)
Other simultaneous key positions of trust: Member of the board of Project Management Institute Oslo Chapter
Shareholdings in the company: 13 268
Option rights: 270 000*



Name: Svein Blomsø
Year of birth: 1954
Education: Business Administration (Former Handelsakademiet now Norwegian School of Management)
Main occupation: President/CEO Safran Software Solutions AS
Primary working experience: American IT-companies (HP,DG,Tandem,Compaq)
Other simultaneous key positions of trust: -
Shareholdings in the company: -
Option rights: 90 000*



Name: Janne Rainvuori
Year of birth: 1976
Education: LL.M
Main occupation: Executive Vice President, General Counsel
Primary working experience: Legal Counsel: KLegal Oy, (2001-2004), Proha Plc (2004-)
Other simultaneous key positions of trust: -
Shareholdings in the company: -
Option rights: 240 000*

*The number of options is given as the number of shares that can be subscribed on the basis of each person's options.

** Birger Flaa holds control over Dovregruppen AS that owns 6 560 646 shares.

Contact Information

Finland

Proha Plc

Maapallonkuja 1 A
02210 Espoo
Tel. +358 (0)20 4362 000
Fax +358 (0)20 4362 500

Datamar Oy

Hämeenkatu 20 B
15110 Lahti
Tel. +358 (0)20 4362 004
Fax +358 (0)20 4362 504

Futura One Oy

Maapallonkuja 1 A
02210 Espoo
Tel. +358 (0)20 4362 000
Fax +358 (0)20 4362 501

Norway

Dovre International AS

Nils Juels gate 20
P.O Box 77
4001 Stavanger
Tel. +47 40 00 59 00
Fax. +47 51 50 01 01

Dovre International AS

Drammensveien 134
Building 4
0277 Oslo
Tel. +47 40 00 59 00
Fax. +47 51 50 01 01

Safran Software Solutions AS

Rogaland Science Park
P.O box 8034
N-4003 Stavanger
Tel.: +47 5187 4560
Fax : +47 5187 4561

Safran Software Solutions AS

Drammensveien 134
Bygg 4
N-0277 Oslo
Tel.: +47 2411 4530
Fax: +47 2411 4501

Dovre Fabcon AS

Minde Alle 48
PO Box 134 Kristianborg
5822 Bergen
Tel.: (47) 5559 4480
Fax: (47) 5559 4490

Dovre Fabcon AS

Risavika Havnering 97
4056 Tananger
Tel. (47) 5165 0810
Fax: (47) 5171 8001

United Kingdom

Fabcon UK Ltd.

c/o Hughes Spencer
Latchmore House
99/101 London Road
Cowplain, Waterlooville
Hampshire
PO8 8AB
United Kingdom

France

SAS Fabcon France

Chemin du Roua
66700 Argeles sur Mer
France
Tel.: +33 4 68 95 85 85
Fax: +33 4 68 95 83 50

Singapore

Dovre Asia Pte. Ltd.

45 Cantonment Road
Singapore
0890748

Canada

Fabcon Canada Limited

P.O. Box 69
Atlantic Place , Suite 606
215 Water Street
St. John's , NL, Canada
A1C 6C9
Tel.: (709) 754-2145
Fax: (709) 754-2412

Fabcon Canada Limited and Project Resource Solutions Inc.

Hanover Building – 12th Floor
101 – 6th Ave S.W.
Calgary, AB, Canada
T2C 4N9
Phone:(403)-269-3119
Fax: (403) 269-3135

United States

Dovre International Inc and Fabcon Management Inc.

11000 Richmond Ave. Suite 360
Houston , Texas 77042
United States of America
Tel.: (713) 266-8600
Fax: (713) 266-8611

Safran North America, LLC

2132A Central Ave SE #253
Albuquerque, NM 87106
United States of America
Telephone: 505-265-2229
Fax: 505-265-0229