

Quality.

- »» Our quality has improved significantly, which shows in customer surveys. QPR has lead us towards right decisions. ««

Processes.

- »» With QPR we can commit all our employees to develop processes and to participate in joint efforts. This leads to continuous improvement in the quality of our production process. ««

Results.

- »» QPR ScoreCard has made our performance review meetings very efficient. It has saved 40–50% of top and middle management time used in review meetings. ««



QPR

Said by our customers on QPR and on our software in 2009:

> The overall experience has left us without doubt that the company is using best tool available for performance management. <

*Mr. Amir Al Jahani
Business Performance Manager
Dubai Aluminium*

> One sided monitoring focusing only financial measures leads to a biased understanding and therefore also to low-quality decisions. With the help of QPR we have successfully managed to link ethical and charity based values to economical when managing our operations. <

*Mr. Wolfgang W. Wanning
Chief Executive Officer
Evangelische Heimstiftung*

> Earlier the corrective actions went easily too far due to the time-delay. This resulted in a cycle of corrective actions. Now we can immediately start the corrective actions and estimate their effectiveness in a week's time. <

*Mr. Niclas Ahlbom
Head of Shop Operations
Suomen Lähikauppa Oy*

> The easy and fast deployment of QPR software has substantially improved use of our resources directed to business process management and balanced scorecard projects. <

*Mrs. Sibel Bekler
Human Resources and
Management Systems Director
AKSA Acrylic*

> The ability of any company to successfully execute strategy lays on the competence of its people. It is critical to have the right tool to communicate strategy map and enabling employees to collaborate. To this we selected QPR ScoreCard. <

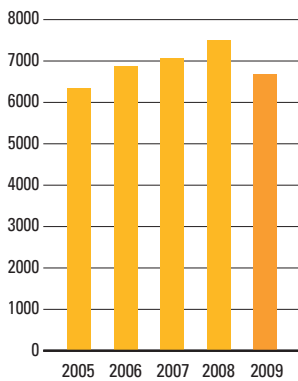
*Mr. Fang Zhi
CEO
CNOOC International Limited*



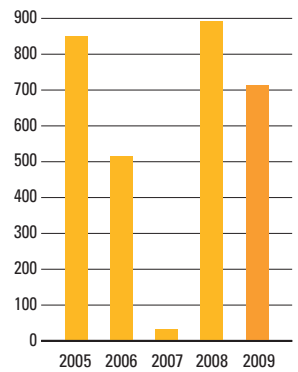
QPR

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Net sales
EUR 1,000



Operating profit
EUR 1,000



QPR - Quality. Processes. Results.

QPR was founded in 1991 and has its headquarters in Helsinki, Finland. The Company serves its customers as comprehensive solution provider directly in Finland, Russian Federation and in CIS countries. It co-operates with an extensive network of local partners in over 50 countries worldwide. QPR software has been implemented in more than 1,500 organizations across the globe and is provided in 26 languages.

QPR Software Plc is listed on NASDAQ OMX Helsinki Ltd (ticker QPR1V).

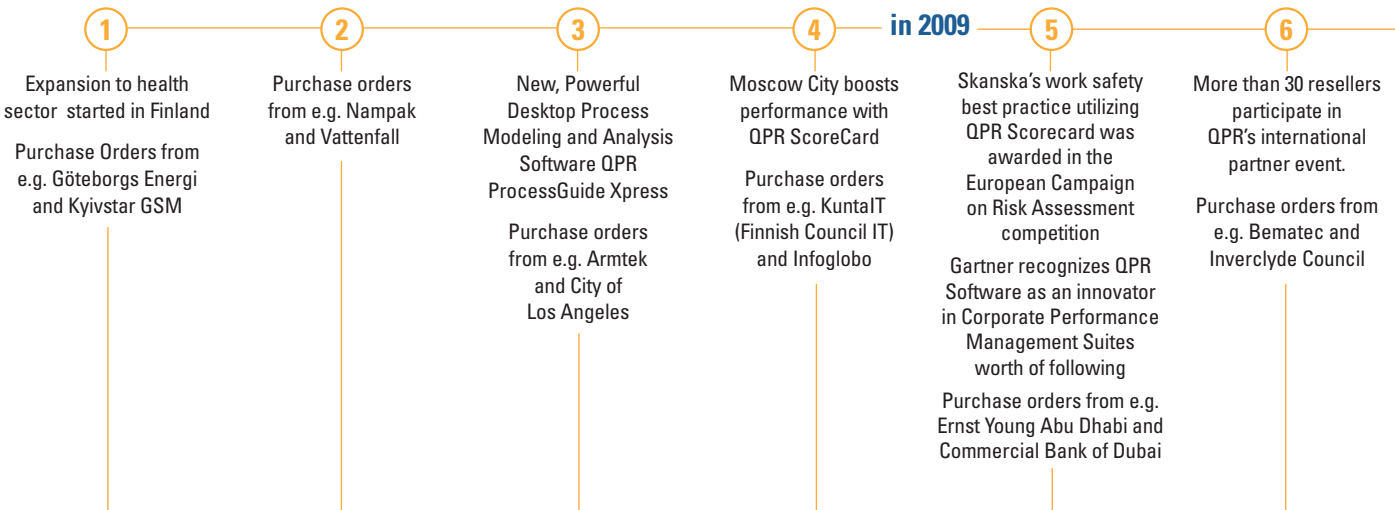
Our mission is to help people and organizations to take control of their business processes and achieve their goals.

Our values are

- Long-term Success Together
- Reliability
- Respect

Our values describe the Company's operational culture and work community. They form the base for further success and growth of the Company and define the framework for conducting business and communicating with all our stakeholders.

Main events and major software license deals in 2009

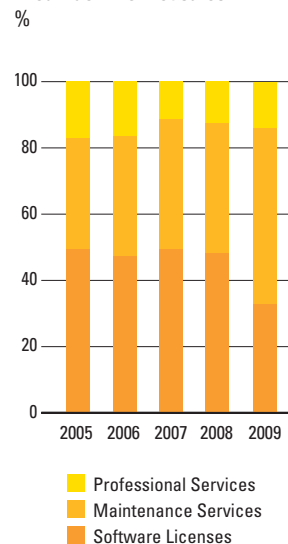


Key figures 2005-2009

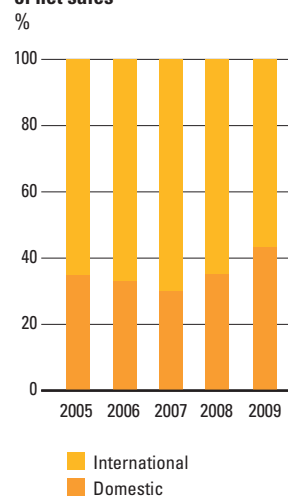
(EUR 1,000 or %)

	2009	2008	2007	2006	2005
Net sales	6,618	7,512	7,059	6,901	6,364
Growth in net sales, %	-11.9	6.4	2.3	8.4	18.0
Operating profit	705	893	31	517	849
% of net sales	10.6	11.9	0.4	7.5	13.3
Profit or loss before tax	668	927	64	577	905
% of net sales	10.1	12.3	0.9	8.4	14.2
Profit for the period	517	928	204	702	690
% of net sales	7.8	12.4	2.9	10.2	10.8
Return on equity, %	19.5	37.1	8.4	30.0	38.9
Return on investments, %	21.4	33.6	2.5	19.2	32.0
Interest-bearing liabilities	1,098	182	369	476	811
Cash and cash equivalents	1,929	1,716	1,245	1,884	1,582
Net liabilities	-831	-1,534	-876	-1,408	-771
Equity	2,575	2,732	2,264	2,586	2,091
Gearing, %	-32.3	-56.1	-38.7	-54.4	-36.9
Equity ratio, %	42.5	52.9	50.5	59.0	52.4
Total balance sheet	6,874	6,047	5,091	5,913	5,430
Investment in non-current assets	1,026	837	463	361	229
% of net sales	15.5	11.1	6.6	5.2	3.6
Research and development expenses	1,325	1,540	1,502	1,245	1,324
% of net sales	20	20.5	21.3	18	20.8
Personnel at the end of period	57	53	58	58	48
Earnings per share, EUR	0.04	0.08	0.02	0.06	0.06
Earnings per share (diluted), EUR	0.04	0.07	0.02	0.06	0.06
Equity per share, EUR	0.21	0.22	0.18	0.21	0.17

Break-down of net sales



Geographical break-down of net sales



7

Purchase orders from e.g. MTS and Universiti Teknikal Malaysia Melaka

8

Purchase orders from e.g. Malaysian Administrative Modernisation and Mgmt Planning Unit and Pulssi Medical Center

9

QPR ProcessGuide Xpress compatible with Windows 7
Purchase orders from e.g. Aldata and Nihon Nohyakun

10

QPR Software Announces QPR 8.1 management suite – Process Documentation and Performance Monitoring for Everyone
Purchase orders from e.g. the Small Enterprise Development Agency and Karachanak Petroleum

11

The entire QPR 8.1 Integrated Management System compatible with Windows 7
QPR acquires its Russian reseller's business operations
Purchase orders from e.g. the alliance of councils for South-Karelian social and health care services and Motor Vehicle Accident Fund

12

QPR's technology won the Ventana Research 2009 overall performance management leadership award
Purchase orders from e.g. the alliance of councils for Keski-Pohjanmaa special and basic healthcare services
The deal with Moscow City expands

Message from the CEO

Year 2009 was two-folded for QPR Software in terms of development of the Company's main geographical markets.

Both year-on-year net sales and operating profit from the home market grew. This was supported by the expansion of our software and professional services sales to the health care sector at the beginning of the year.

The global recession started to impact the software market with greater intensity during the spring of 2009. Tight economical times reflected in our international software sales, especially in the first and second quarters of the year. Customers' purchasing processes were clearly longer and average deal sizes smaller than in the previous year. Major software purchases were mostly put on hold.

The first signs indicating that international software sales decline is coming to a halt became visible in the beginning of the third quarter. International license sales started to recover towards the end of 2009. Due to gradual market recovery, net sales were strongest in the last quarter of 2009.

When we assess the entire financial year, we can be proud of two achievements. First, by developing our offering we were able to obtain considerably more new customers in Finland than in previous years. The second noteworthy accomplishment was our maintenance customers' high customer loyalty. This shows that our products bring concrete added value to our customers.

Developing business and operational culture

In accordance with our strategy, we continued to develop our offering and operations with a customer oriented approach.

In the second half of the year we introduced a pricing model based on subscription fees. In the long-term we believe that

the new model will increase our software sales by lowering the threshold for buying because it reduces the size of one-time investment needed.

The new pricing model has been well received. In Finland it has led to an increase in number of new customers.

In November, we agreed on acquiring the QPR businesses of our Russian resellers. This enhances our customer orientation by expanding our home market and opening access to direct customer contact in the Russian Federation and the CIS countries.

The competitiveness of our software business was strengthened by introducing a new QPR 8.1 version of our product family. The new version broadens the integration between the QPR software products and the Microsoft Office product family by e.g. enabling publishing and distribution of process, quality, performance and risk information through Microsoft Office SharePoint Server portals. The new QPR product family is fully compatible with Microsoft Windows 7™.

The new version was warmly welcomed by our customers. Migration started even more swiftly than one year earlier to the previous QPR 8.0 version.

To secure and strengthen the long-term competitiveness of the company, we started to develop new business-to-business software. As the first new software pilot, we will introduce QPR ProcessAnalyzer software for automated process modeling and analysis in spring 2010.

In Finland we continued to develop our professional services offering by introducing productized services for building process management frameworks and key performance indicator models. These services have fixed prices and an easy and safe

option for our customers, and have been well received in the market.

We continued to develop our internal operating culture by deploying a company-wide project management model and training supervisors and other key employees to use it. The other main internal development area was supervisory work. We continue to develop and deepen both areas also in the ongoing financial year 2010.

The financial conditions in many market areas have been showing signs of recovery in the end of 2009 and the beginning of 2010. Even though the development is inconsistent in different market areas, we will enter 2010 in a better economic environment than one year ago. I would like to thank all QPR Software's customers, employees and partners for 2009. Close co-operation with our customers, increasing the size and benefits of our solutions and successful development of the acquired Russian businesses are our key targets in 2010.

Jari Jaakkola

Chief Executive Officer



Our markets

QPR offers software, solutions and consultation services to the markets in performance management, process modeling and analysis, and risk management and compliance.

QPR's integrated management system incorporates all the main development and management methods and tools used in organizations into one package. The demand for these integrated management systems has increased during the past years, as organizations aim to rationalize the diversity of separate systems in use.

The most tangible benefits of QPR's software, solutions and services are related to process and performance improvement, strategy execution, risk and quality management actual at all times. In addition, they allow the customers to engage all their personnel in the execution of chosen management practices.

Process management market

Process management aims at increasing productivity, gaining control of risks and developing various improvement solutions. After the risks are modeled, analyzing and managing them becomes possible.

Within the business process management field, process modeling and analysis software services is the traditional market for the QPR ProcessGuide software product. In addition to QPR, major global players are Software AG, IBM, Metastorm, Mega and Casewise.

In February 2010 Gartner Inc. recognized QPR Software among the most prominent vendors in the world with its QPR ProcessGuide software in the Magic Quadrant for Business Process Analysis Tools 2010 report.

According to Gartner, QPR tools are well suited to business process analysis in support of corporate performance management, risk and compliance. The integration of QPR ProcessGuide to MS Office and MS SharePoint allows process discovery of existing assets. As QPR ProcessGuide integrates with QPR ScoreCard, they provide business and operational key performance indicator dashboards in real time.

Gartner envisions that market for Business Process Analysis (BPA) software will grow 10 percent in the following 3–4 years.

Gartner further expects the number of BPA users to grow even faster, and BPA software adoption to reach the mass user.

Performance management market

The performance management software market is the traditional target for the QPR ScoreCard software product. After the recent mergers and acquisitions, the market now has a few big vendors like Oracle, SAP, IBM-Cognos and several specialized vendors like QPR Software.

In the Magic Quadrant for Corporate Performance Management (CPM) Suites report published in January 2010 information technology research and advisory company Gartner Inc. lists QPR Software among the "Innovative CPM vendors interesting to watch".

Gartner estimates the global market for stand-alone CPM suites amount to USD 1.9 billion in 2010. The research and advisory company envisions that the market continues to grow rapidly as corporate performance suites have helped customers to manage cost optimization and are now increasingly employed to support growth based strategies.

Gartner forecasts that the specialist vendors, like QPR Software, continue to grow as they offer leading edge functionality and licensing options that appeal to organizations that do not want to choose from the megavendors.

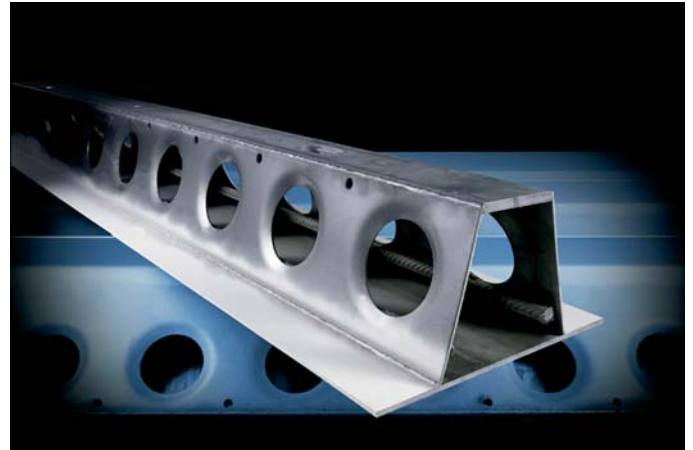
Risk management and compliance market

QPR's software products are flexible and they help to execute management systems that support risk management and compliance.

The Forrester Research estimated in the "Trends 2010: Governance, Risk, And Compliance Aim to Support a Controlled Recovery" report published in January 2010 that the market for risk management and compliance will start to as the world economy starts to recover from the recession. The caution accompanied by the recession of 2008 and 2009 will place risk management and compliance in a role even more important than before the recession: when making the first decisions at the moment of awakening growth, management teams need to feel secure about the risks related to the decisions. To meet

this demand, more extensive information and data from more sources must be collected to support the decision making as well as wider collaboration with personnel and partners.

Most vendors offering software for risk management and compliance are specialized in focused needs or selected verticals. QPR's solutions are applicable to all industries and to the needs of the private as well as the public sector. They enable processing a vast amount of data and connecting easily to customer's other existing IT systems, like Microsoft-, Oracle- or SAP databases.



Customer Case:
business process management

The rapidly internationalizing **Peikko Group** has chosen to succeed in the international competition by means of quality and operational excellence. To achieve this, it has decided not merely to model processes but also to manage them. As the tool for this they chose QPR ProcessGuide. Thanks to the shared process models, the internal discussion has achieved a new level. Making new policies, discussing them, agreeing on new rules and improving existing ones has become easier when members understand better the different points of views in the organization.



Customer Case:
risk management and compliance

Teknosa is the leading home electronics retail chain in Turkey with 225 outlets in 58 towns. Teknosa secures the quality of its customer service with QPR software. With help of QPR software Teknosa received the ISO 9001 quality certificate and won the Turkish national quality award.



Customer Case:
performance management

Slovak Diagnostics Group which is focused on magnetic resonance chose QPR's performance management software QPR ScoreCard for improving its performance in a strategy-driven way while enhancing operational excellence and quality. Encouraged by the success, the Group decided next to move on to process management and optimization with the help of QPR ProcessGuide process management software.

Strategy implementation progressed in all fields

In 2009 QPR Software continued to implement, deepen and further develop the Company strategy that was approved at the end of the previous year. According to the strategic guidelines of the Company, QPR aims to substantially increase the number of QPR software users both in new and existing customer organizations. The Company believes that this will have a positive effect also on the sales of professional services.

Strategic choices

The company aims to accelerate its software sales process and deployment of its customer solutions by creating service concepts around QPR software and offering replicable frameworks that are based on specific target group needs.

In international markets QPR focuses on further diversifying and strengthening its sales channel. In the near regions, QPR will invest especially in sales to Russia.

Product development is focused on supporting the selected service offering, by relying on the existing QPR products and their strong Microsoft compatibility.

QPR has chosen the Microsoft ecosystem as the platform to specialize in. QPR's software products are well compatible with MS products (e.g. Windows Server, SQL Server, Office SharePoint Server, Office, and SilverLight). Since 2007, QPR has been a Microsoft Gold Certificated partner.

Home market expanded to Russia and the CIS

QPR Software's software sales and professional services units in Finland and the Russian Federation sell and deliver comprehensive QPR solutions including software licenses as well as training, consultation and project services. In addition, solutions based on QPR software are sold and delivered by resellers and partners in over 70 countries.

QPR's market position in the Russian Federation and the CIS markets was considerably strengthened as the Company agreed in November on the acquisition of the business operations of its reseller Trodos Consulting and consulting partner United Project

and Services Group (UPSG) in the Russian Federation and the CIS countries. The business operations acquired comprise all customer contracts, solutions, and intellectual property rights related to QPR software in Russia and the CIS countries. The business acquisition strongly supports the expansion of QPR business in Russia and the CIS. It also opens access to direct end customer contact in these countries. Russia was the largest export market for QPR Software in 2009.

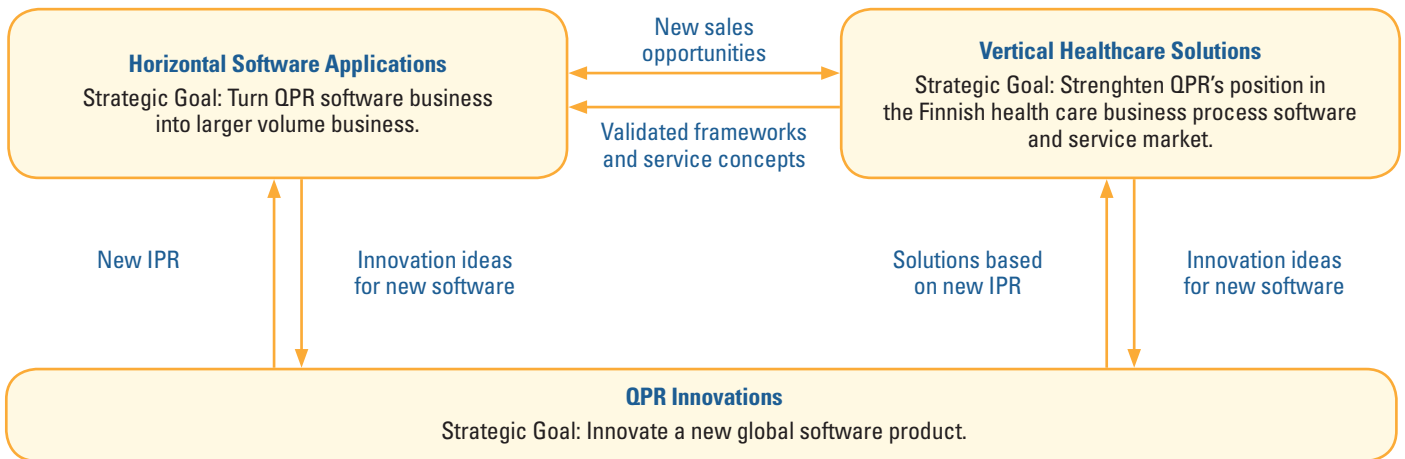
International recognition to QPR software and customer solutions

QPR's main competitors are the local system integrators and IT consultants as well as international information technology giants, such as IBM, SAP, Oracle and Microsoft. On the other hand, they are also partners to QPR through the provision of platforms for QPR's specialist software to connect to.

QPR's competitive edge stems from the good frame of customer references in the selected niches (strategy and performance management, process development), strong analyst references (like Gartner, Forrester and Bloor), easy-to-use out-of-the-box software with rich functionalities, and fast-to-implement products.

In December QPR technology won the U.S. Ventana Research's 2009 Overall Performance Management Leadership Award. In May Skanska Group's work safety best practice in the Finnish subsidiary was awarded by the European Agency for Safety and Health in Work at the European Campaign on Risk Assessment competition. The best practice is based on QPR ScoreCard solution.

In April the leading information technology research and advisory company Gartner Inc. listed QPR Software as an innovative CPM software vendor in its Magic Quadrant for Corporate Performance Management Suites report. In February 2010 Gartner recognized QPR among the most prominent vendors in the world with its QPR ProcessGuide business process analysis software in the Magic Quadrant for Business Process Analysis Tools 2010 report.



The key implementation areas of QPR Software's strategy and their mutual synergies.

A new software product on the way

The competitiveness of the server-based QPR 8.0 product family was enhanced by publishing a new 8.1 version in October. It expands particularly the co-usage of QPR software and Microsoft Office products by enabling, among others, the publication and distribution of process, quality, performance and risk information through Microsoft Office SharePoint Server portals. In March the Company launched a new, 8.0 version of its desktop QPR ProcessGuide Xpress software for process modeling, documenting and publishing.

To secure and enhance QPR's future competitiveness, the creation of a new, global business-to-business software product was instigated. QPR innovation activities were organized in one function, with the task to search ideas for new software both out and inside of the Company. During 2009 the function examined several hundred ideas for new software. The best were chosen for further analysis. As the first software pilot, the QPR ProcessAnalyzer for automatic process modeling and analyzing will be introduced in spring 2010.

New repeatable service products and solutions introduced

QPR's offering in Finland was strengthened by introducing a commercialized and fixed-priced horizontal solution for creating a key performance indicator management system for organizations.

Commercialized and fixed-priced services for building a process management framework, building a key performance indicator model and a trainer program for persons responsible for process work in their own organizations were introduced in the Finnish market.

Process management in the health care sector was chosen as the first vertical focus area to specialize in service solutions. QPR strengthened its position in the Finnish health care sector by acquiring healthcare customers from Mawell and by utilizing the strong market position of QPR ProcessGuide.

Industry analysts following QPR Software:

Bloor Research
Simon Holloway
www.bloorresearch.com

Gartner Research
David Norton
www.gartner.com

Forrester Research
Henry Peyret
www.forrester.com

Ventana Research
Mark Smith
www.ventanaresearch.com

Our products, services and solutions

QPR Software's offering is composed of out-of-the box software, consultation and other services supporting and enhancing software usage and solutions.

QPR software is easy to use and it yields immediate benefits, improves decision making and promotes process competence in the entire organization. It scales from individual usage to systems covering whole organizations and integrates tightly into customers' other information systems. QPR software is fast to implement and adjusts well to customers' changing management methods. QPR offers customer support to enhancing customers.

QPR software localized to 26 languages

QPR has two software products based on its own Intellectual Property Rights (IPR). QPR ScoreCard is directed to strategy and performance management and QPR ProcessGuide to process modeling and analysis. Both products are server based and localized to 26 languages (24).

QPR software is usually used via QPR Portal, a web-based and customized interface to all QPR software products.

QPR ScoreCard is comprehensive software for strategy as well as performance management, allowing the design, implementation, communication and assessment of organization's strategy as well as commitment of members to goals. The software facilitates the monitoring of the main financial and non-financial measures and efficient management reporting.

QPR ProcessGuide is a comprehensive software package for process modeling and analysis. It is instrumental in rapidly reaching full benefits in process management. QPR ProcessGuide is especially designed for hierarchical process modeling. The built-in full support to the widely established BPMN process modeling standard enables automatic transfer process descriptions to systems executing processes. QPR Software has also launched a desktop version of QPR ProcessGuide, the QPR ProcessGuide Xpress -software.

In February 2010 the world's leading information technology research and advisory company Gartner Inc. listed QPR software in its Magic Quadrant for Business Process Analysis

Tools report. QPR Software was selected among the most prominent business process analysis modeling and software vendors in the world thanks to QPR ProcessGuide software.

Full compatibility with Windows 7

The QPR software offering is fully compatible with the Windows 7 operating system published in October 2009. QPR has been Windows Gold Certified partner since year 2007.

In November 2009 QPR released a new QPR 8.1 version of its server-based QPR 8 product family. The new version expands essentially the possibilities for co-using QPR and Microsoft Office software and by this enables, for example, publishing and distributing process, quality, performance and risk information through Microsoft Office SharePoint Server portals.

In March 2009 the Company published a new, 8.0 version of its desktop-based QPR ProcessGuide Xpress software for modeling, documenting and publishing of business processes.

In December 2009 the leading research and advisory services firm Ventana Research awarded QPR's technology with the Overall Performance Management Leadership Award.

Productized services for home market

QPR specialists have a wide experience in improving business processes as well as in building risk management and performance management systems. Furthermore they have acquired a strong experience-based knowhow from best practices regarding the deployment and actual use of these systems.

QPR's consultancy competence is concentrated on the Service and Solutions unit. In addition to vertical independent specialist services, the unit produces vertical specific solutions to the health care sector.

The QPR service offering includes methodology consultation related to customer delivery, its IT-implementation and deployment assurance. Consultancy services help customers to map the current situation of their operating models and the related challenges, make their strategy understood, build measures, implement balanced scorecard projects and to identify, model, develop and manage operational processes.

QPR's implementation services include software implementation, integration with customer's other IT-systems and technical commissioning.

In 2009 QPR introduced into the Finnish market a productized and fixed-price service for building the process management framework, a key performance indicator (KPI) model, and a training program for process instructors.

The process management framework offers a systematic framework for process modeling, describing process architecture and interfaces, and continuous process development to an organization. The framework enables advancing from drawing process models to developing them. Thanks to the unified and shared process modeling, all members of the organization read the models in a unified way and can start to utilize them.

The key performance indicator model construction service provides a comprehensive and ready-to-use solution that is based on QPR's best practices and tailored for the customer's needs for performance measurement and management. The training program for process instructors helps the customer to utilize its internal resources for process work. The training essentially improves the expertise of the employees involved in the process work by providing them with the capability to teach process modeling and development to their co-workers as well as to conduct audits of process models independently.

Demand for solutions increased in Finland

QPR solutions are replicable and often industry-focused comprehensive offerings. Typically they include QPR software licenses for a specific solution, ready to use methods or industry-specific measure libraries, examples of processes and an implementation project related to the solution in question.

Some examples of solutions delivered by QPR are integrated management, quality, business control, risk management and management's reporting systems as well as balanced scorecard solutions. Demand for these solutions increased significantly at the end of the year.

QPR's technology won the Ventana Research 2009 Overall Performance Management Leadership Award

The U.S. Ventana Research Inc. awarded QPR's technology with the Overall Performance Management Leadership Award in December 2009. Ventana Research is a leading benchmark research and advisory services company providing expert guidance to help organizations manage and optimize their performance. QPR participated in the Ventana 2009 Leadership Awards with its customer case of Bosch Siemens Häusegeräte's (BSH) Turkish subsidiary.

"In the QPR-BSH case we were most impressed by the business impacts: the time needed for top management's Monthly Performance Meeting is decreased by roughly 50 percent," says Mark Smith, CEO at Ventana Research.

QPR Integrated Management System helped Bosch to win the EFQM Excellence Award

Bosch's plant in Bursa, Turkey drives its quality management with a dynamic performance measurement system based on QPR's performance management software. The work has been awarded by the European Foundation for Quality Management with the EFQM Excellence Award and prizes in the Management by Processes and Facts and Partnership Development categories. The QPR system has made executing corrective actions faster and increased the efficiency of the company-wide management of performance measures and quality-related documents. This has helped achieving the highest standards of production.

Work Safety practice based on QPR ScoreCard rewarded by European Agency for Safety and Health at Work

Skanska Group's work safety best practice in the Finnish subsidiary of the international construction Group Skanska was awarded in the European Campaign on Risk Assessment competition in May. The Company records observed work safety risks by using QPR's performance management software, QPR ScoreCard. By doing this, Skanska Finland managed to diminish the rate of accidents leading to at least one day-long sick leave per million working hours by 66% from the starting level in four years' time.

International activities

In 2009, 58 percent (65) of QPR Software's net sales derived from international markets. During the period the company sold software licenses to 70 countries (52).

The majority of the sales were generated by QPR's international partner network. As of beginning of 2010, QPR operates directly in the Russian Federation and the CIS markets (CIS, the Commonwealth of Independent States) through a local subsidiary. The sale of QPR software and services outside of Finland is carried out by the Software Sales International unit.

Most QPR partners are management consultants, system integrators, software suppliers or combinations of these. Their staff ranges from a couple to several hundred employees. The network provides proximity to customers and better understanding of local practices and circumstances. When needed, QPR can also support projects taking place in more than one country through the network.

Boosting sales with a partner program and a new pricing model

QPR Software offers a four-step program to partners. Through the program QPR promotes software sales by training, and incentivizing our partners. Partners, on their part, gain access to QPR's knowhow and experience from other local markets.

Resellers belonging to the two highest categories have a named point of contact in QPR. Launching co-operation with a new partner is supported by dedicating a contact for them for the first year of the co-operation regardless of their partnership level.

In 2009 QPR's international reseller network expanded to Kazakhstan, Malta and Slovenia, Saudi Arabia, to Vietnam, and Canada. The existing re-sellers expanded their activities

to cover all North African countries, all Middle East countries, Australia, India and Sri Lanka. QPR's reseller network was strengthened by recruiting new partners in addition to the existing ones in Ecuador, France, Chile, Ireland and Spain.

The new pricing model introduced in 2009 and the software renting option supported resellers all throughout the year, in the challenging market situation by lowering investment threshold in purchase decisions. The majority of the resellers continued their business as usual during 2009, although with a lower revenue than in the previous year. The software acquisition processes remained still clearly longer in the tight economical climate than in the previous year. In addition, the individual large software deployments remained pending due to the global recession. Towards the end of the year, resellers' offer base, however, increased to a higher level compared to the equivalent period of the previous year.

Aiming at direct customer contact in Russia

In November QPR agreed on the acquisition of the business operations of its reseller Trodos Consulting and consulting partner United Project and Services Group (UPSG) in the Russian Federation and the CIS countries. The business operations acquired comprise all customer contracts, solutions, and intellectual property rights related to QPR software in Russia and the CIS countries. The acquired business was transferred to QPR's subsidiary, QPR CIS Oy. The company started its business operations as of January 1, 2010. QPR has undertaken to recruit a new reseller network to support local sales activities in the Russian Federation and the CIS. The first of these new reseller agreements was signed with a Kazakhstan reseller in December 2009.

More than 30 resellers participated in QPR's international reseller event in June. The most distant participants came from Japan and South-Africa.



The business acquisition strongly supports the expansion of QPR business into Russia and the CIS. It also opens access to direct customer contacts in those countries. Russia was the largest export market for QPR Software in 2009.

QPR customers in Russia and the CIS countries include, among others, Bercut, Econika, IRKUT, KazMunayTeniz, Kazzinc, Kyivstar, LEK, City of Moscow, MTS (the biggest mobile operator), Nestlé Russia, Probusinessbank, SIBUR, RailTransAuto, TNK-BP and VSMPO-Avisma.

The ten biggest export countries by net sales in 2009 and 2008

2009	2008
1. Russian Federation	South Africa
2. South Africa	Russian Federation
3. Sweden	United States
4. Belgium	Sweden
5. United Arab Emirates	United Kingdom
6. Japan	Belgium
7. United Kingdom	Japan
8. USA	Switzerland
9. Mexico	United Arab Emirates
10. Turkey	Brazil

Board of Directors

QPR Board of Directors assembled 14 times (17) during 2009. The average participation percentage was 90 (93). The Board of Directors made a self assessment of its operation. The Board has not established any committees.

Chairman of the Board received an annual emolument in total of EUR 25,230 and a member of EUR 16,820 in year 2009. No separate meeting fees are paid.



The Board of Directors of QPR Software at 31 December, 2009 (from left): Jyrki Kontio, Asko Piekkola, Vesa-Pekka Leskinen (chairman) and Topi Piela. (Absent: Jarmo Niemi).

Vesa-Pekka Leskinen

Born 1950

Member of the Board since July 2003. Chairman of the Board since January 2006.

Vesa-Pekka Leskinen has been the CEO of Kauppamainos since 1979. He is the majority owner of Kauppamainos Oy. Main area of business of Kauppamainos Oy has been in the investor relations and communication, in relation to which nearly hundred annual reports of various companies have been designed and delivered, participated in the preparation of tens of share issues and similar financial transactions, and have been supporting the IPO process of more than ten companies. Mr. Leskinen has personally been involved in carrying out the investor relations and communication of public listed companies.

Vesa-Pekka Leskinen is the founder of Quartal Oy and was the majority owner of the Company until year 1999. Quartal Oy is a new technology company, focusing on developing and delivering computerized delivery

solutions and communication services, especially for the stock market and the companies having business therein. Vesa-Pekka Leskinen is also Member of the Board of Mawell Ltd, Vianaturale Oy and RMG Holdings Oy. By education Mr. Leskinen is an undergraduate and has MAT degree.

Mr. Leskinen held 851,400 shares of QPR Software Plc at 31 December, 2009. Kauppamainos Oy, a limited company fully owned by Mr. Leskinen, owned 475,170 shares of QPR Software Plc at 31 December, 2009.

Jyrki Kontio

Born 1961

Member of the Board since March 2008. Independent member.

Dr. Jyrki Kontio is an entrepreneur in his own consulting company R & D-Ware Oy. Previously, he was Professor of Software Product Business at the Helsinki University of Technology in 2002–2007. Prior to this assignment, Kontio has worked 15 years for Nokia Corporation, serving

in various software and process management leadership and research positions. He has also worked as Senior Researcher at the University of Maryland in the U.S.A. Mr. Kontio has a Ms.Sc. degree in Business Administration and a Doctor in Technology degree.

Mr. Kontio held no shares of QPR Software Plc at 31 December, 2009.

Jarmo Niemi

Born 1953

Member of the Board since March 2007. Independent member

Jarmo Niemi, has acted as the President and CEO of Tecnomen Lifetree Oyj in 2003–2009. Prior to that he served as the President and CEO of Aspocomp Group Oyj from 1993 to 2003. In addition, Jarmo Niemi served as a member of the Board of Directors of Evox Rifa Oyj in 2000–2007. He holds Ms.Sc. degree in Technology.

Mr. Niemi held 4,000 shares of QPR Software Plc at 31 December, 2009.s

Asko Piekkola

Born 1952

Member of the Board since March 2003. Independent member

Asko Piekkola is currently managing director and partner of AG-Partners Corporate Finance Ltd, operating in the area of business of mergers and acquisitions and assignments related to capital markets. He is also Member of the Board in Sievo Oy and Mawell Oy.

Previously he has worked, among others, in the following listed companies: as CFO on Labsystems and Spontel Oy, as member of the Board of Directors in Expaco Oy, Martela Oyj and Kylpyläkasino Oy and as a member and Chairman of the Board in Castrum Oyj.

Asko Piekkola has also held positions in Arctos Capital Oy (activities auxiliary to financial intermediation) as Member of the Board and Chairman of the Board, in Alexander Corporate Finance Oy (former

Arctos Corporate Finance Oy) as Member of the Board, and in several other businesses and investment companies as Member of the Board and Chairman of the Board. Mr. Piekkola holds Ms.Sc. degree in Economics.

Mr. Piekkola is also the Chairman of the Board in QPR's subsidiary QPR Services Oy.

Mr. Piekkola held 316,438 shares of QPR Software Plc at 31 December, 2009.

Topi Piela

Born 1962

Member of the Board since March 2006. Independent member

Topi Piela is the Chairman of the Board in Head Asset Management company and the Managing Director and a board member of Balance Capital Oy. Topi Piela is a member of the Board of Directors of Amanda Capital Plc, Balance Capital Ltd, Eyemaker's Finland Oy, Piela Ventures Oy, Stonesoft Plc and JJPPPT Holding Oy. He is also a member of the State Pension Fund investments committee, and Hallitusammattilaisyhtymä (the Finnish Association of Professional Board Members).

Before Topi Piela served as the Managing Director of Amanda Capital Plc from 2000 until the spring of 2004, when he assumed a position in the Board of Directors of Amanda. Piela's previous positions include Investment Director at Ilmarinen Mutual Pension Insurance Company, Managing Director and co-founder of Arctos Rahasto Oy, and Securities and Investment Director of Ålandsbanken Ab. He has also served on the investment committees of several Finnish and European private equity funds.

Mr. Piela has a Ms.Sc. degree in Economics and has CEFA and Advanced Insurance Examination diplomas.

Mr. Piela held 40,000 shares of QPR Software Plc at December 31, 2009.

Executive Management Team



The Executive Management Team of QPR Software Plc at 31 December, 2009: sitting (from left) Päivi Vahvelainen, Jari Jaakkola (Chief Executive Officer), Teemu Lehto and Maija Erkheikki. Standing (from left) Antti Ainasoja, Matti Erkheikki and Tony Virtanen.

Jari Jaakkola

Born 1961

Chief Executive Officer as of January 2008. Member of Executive Management Team since August 2006.

Mr. Jari Jaakkola worked from August 2006 to January 2008 as Senior Vice President, Business Operations at QPR Software Plc. Jari Jaakkola's previous experience covers leadership positions in Sonera Corporation and M-real Corporation. He also has extensive experience from positions in international advertising and PR agencies and Finnish media. Mr. Jaakkola holds a B.A. degree in journalism from Tampere University and an MBA from Henley Management College.

Mr. Jaakkola had 235,000 shares of QPR Software Plc at 31 December, 2009. His 100% owned company Value FM Ltd had 15,000 shares of QPR Software Plc at 31 December, 2009.

Antti Ainasoja

Born 1976

Vice President, Software Sales International since January 2009. Member of Executive Management Team since January 2008.

Mr. Antti Ainasoja is responsible for the sales and delivery of QPR's software outside of Finland. Antti Ainasoja has been employed by QPR since May 2000. Initially he worked as a project manager and consultant implementing QPR solutions for Finnish customers, since

November 2001 as a Partner Manager establishing distribution channels in various Middle-East and Asian countries, and later as a Regional Manager in charge of channel sales in Asia. Year 2008 he worked as Vice President, Channel Sales Asia and Africa. Antti Ainasoja holds a Masters degree in Economics, international marketing as major subject.

Mr. Ainasoja had 100 shares of QPR Software Plc at 31 December, 2009.

Maija Erkheikki

Born 1978

Vice President, Services and Solutions since January 2009. Member of Executive Management Team since January 2008.

Mrs. Maija Erkheikki is responsible for delivering consultancy services in Finland and globally with QPR partners and developing easy to replicate solutions for customers and partners. Maija Erkheikki has been employed by QPR since October 2005. Before that she worked as a consultant and was employed by a QPR reseller partner. At QPR she started as a senior consultant training reseller partners and implementing solutions for Finnish customers. Since August 2006 she was based in California and supported US reseller partners and implemented solutions for the US customers. Starting July 2007 she was in charge of channel sales and developing the distribution channel in the US. Year 2008 she worked as Vice President, Channel

Sales Europe and Americas. Maija Erkheikki holds a Masters degree in Industrial Engineering and Management.

Mrs. Erkheikki had 2,000 shares of QPR Software Plc at 31 December, 2009.

Matti Erkheikki

Born 1978

Vice President, Software Sales Finland since January 2009. Member of Executive Management Team since July 2007.

Mr. Matti Erkheikki is responsible for selling QPR's software products to corporate and public sector customers in Finland. Matti Erkheikki has been employed by QPR Software since February 2002. Initially he worked as a consultant implementing QPR solutions, since August 2005 as a Business Development Manager and since July 2006 as Regional Vice President of USA and Canada for QPR's California based subsidiary QPR Software, Inc. From July 2007 to December 2008 he has worked as Vice President responsible for Business Operations Finland. Matti Erkheikki holds a Masters degree in Industrial Engineering and Management.

Mr. Erkheikki had 7,500 shares of QPR Software Plc at 31 December, 2009.

Teemu Lehto

Born 1970

Vice President of Business Development since January 2010. Member of Executive Management Team since May 2002.

Mr. Teemu Lehto is responsible for development of new businesses to QPR. He has been employed by QPR since September 1999. At first, he was Product Manager, Senior Consultant and Sales Manager, and further since April 2001 Global Partner Manager. He was Vice President of Professional Services during from 2002 to 2006. He was the Vice President of Strategic Accounts and Markets during 2006–2007. During years 2008 and 2009 he worked as Vice President of Marketing, Solutions Development and Business Development. Teemu Lehto was also responsible for the product development from December 2002 to March 2004.

Before joining QPR he was Managing Director at Planway Oy. Prior to this, he worked at ICL Data Oy as Development Manager at the DataWarehousing Center, at ViSolutions Oy as Product Development Manager, at Nokia Research Center as Application Developer in the department of knowledge management, and at Systeemikonsultit Oy as Application Developer. Teemu Lehto holds a Masters degree in Engineering, Information Technology as major subject.

Mr. Lehto had 136,468 shares of QPR Software Plc at 31 December, 2009.

Päivi Vahvelainen

Born 1959

Chief Financial Officer since November 2009. Member of Executive Management Team since November 2009

Päivi Vahvelainen is responsible for the Group's finance, administration and risk reporting. QPR's insider register is held by CFO, who also administrates and monitors compliance with Insider Guidelines.

Päivi Vahvelainen was the acting CFO of QPR Software from May 2008 to August 2009. Before joining QPR in 2008 she worked as the CFO in Holiday Club Resorts Oy. In addition she has held several financial management leadership positions in Sonera Corporation, Sanitec Oy and Oy Gustav Paulig Ab. Päivi Vahvelainen is a graduate from a Commercial Institute and has a degree from the Institute of Marketing.

Mrs. Vahvelainen did not hold any shares of QPR Software Plc at 31 December, 2009.

Tony Virtanen

Born 1971

Vice President Products and Technology since March 2004. Member of Executive Management Team since August 2006.

Mr. Tony Virtanen is responsible for the Company's software product portfolio, product strategy, product management, product development and internal ICT. Tony Virtanen has been with QPR since October 1999. Initially he worked as a consultant, then since January 2002 as a manager for channel support and customer solutions manager, and since December 2002 as a product manager and as of March 2004 as Vice President Products and Technology.

Before joining QPR in 1999 he worked as a Senior Consultant at Planway Oy, as a Systems Analyst at the Business Planning department of Fortum Power and Heat Oy. Prior to this, he worked as a Research Assistant at the Systems Analysis Laboratory of the Helsinki University of Technology. By education Tony Virtanen is an undergraduate in Engineering, Information Technology as major subject.

Mr. Virtanen had 172,112 shares of QPR Software Plc at 31 December, 2009.

Report of the Board of Directors January 1 – December 31, 2009

Highlights in 2009

- QPR Software Group's net sales in 2009 was EUR 6,681 thousand
- Operating profit was EUR 705 thousand
- Profit of the period was EUR 517 thousand
- Domestic net sales was EUR 2,783 thousand (42% of total net sales)
- International net sales was EUR 3,835 thousand (58% of total net sales)
- The Company agreed to acquire its Russian resellers' QPR business operations
- The Company released a new, QPR 8.1 version of its product family and updated its entire software offering compatible with Windows 7

BUSINESS OPERATIONS

In the fiscal year 2009, the business operations of the QPR Group comprised entirely of software license sales and sales of maintenance and professional services.

In 2009 the Group of QPR Software Plc consisted of the parent Company QPR Software Plc and the following subsidiaries: QPR Software AB (100%, Sweden), QPR Software Inc. (100%, USA), and QPR Services Oy (100%, Finland) and QPR CIS Oy (80%, Finland).

The operations of QPR Software (Pty) Ltd (100%), registered to South Africa, were terminated and the company dissolved on 31 December 2008.

Subsidiary QPR CIS Oy started its operations on 1 January 2010. The QPR software license sales related business operations in the Russian Federation and CIS countries that QPR had agreed to acquire from its Russian reseller Trodos and consulting partner United Project and Services Group were transferred to QPR CIS at same moment. The subsidiary is domiciled in Finland and its minority shareholders are the sellers of the Russian business operations.

As of January 1, 2009 QPR Software Plc has three business segments: Software Sales International (software license and

maintenance sales outside of Finland), Software Sales Finland (software license and maintenance sales in Finland) and Service and Solutions (global professional service sales). The company has re-defined its reporting principles, and no longer monitors or reports minor inter-segment net sales. The company has also revised accordingly the 2008 segment information.

The geographical segments used by the Company are Domestic (Finland) and International markets. The software license sales in the Russian Federation and CIS countries related to the business operations QPR acquired from its Russian resellers are booked in 2009 as the sales made by QPR resellers.

QPR Software has revised its practice in maintenance net sales recognition as of 1 June, 2009. The company accumulates net sales from maintenance agreements from the first day of the maintenance period. Earlier the Company accumulated maintenance net sales from the first day of the calendar month during which the agreement became effective.

This revision will have a slightly negative impact on net sales and profit during a period of 12 months (until 31 May, 2010). In 2009 it had a negative impact of EUR 67 thousand on net sales. In January-May 2010, the company estimates the negative impact to be approximately EUR 40 thousand on net sales. After May 2010, the revision will have no impact on net sales or profit. This change in net sales recognition practice will not have a negative impact on cash flow.

QPR software is used by 1,500 customers around the world from the private as well as the public sector.

Customer organizations systematically develop their processes and performance with the software. Customers may also use software to comply with requirements set by regulation and standards or to manage operational changes entailed by compliance with the regulation.

QPR software is easy to use and it brings immediate benefits, improves decision making, and promotes process competence in the whole organization. It scales from individual usage to systems covering entire organizations and integrates tightly into customer's other information systems.

QPR software is fast to implement and adjusts well to customer's changing management methods. QPR offers customer care service to maintenance customers.

Group net sales by geography

(EUR 1,000)

	1–12/ 2009	Share- %	1–12 2008	Share- %	Change- %
Domestic	2,783	42.1	2,634	35.1	5.7
International	3,835	57.9	4,878	64.9	-21.4
Total	6,618	100.0	7,512	100.0	-11.9

Key figures of the Group from the review period and previous two periods are presented in Note 23, on page 48. Formulas for calculating key indicators of the Group are shown on page 50.

NET SALES

QPR Software Group's 2009 net sales decreased to EUR 6,618 thousand (2008: 7,512; 2007: 7,059).

The decline in net sales was attributable to lowering volumes of international channel sales, especially in the first half of the year, and to the partial introduction of license sales based on a subscription fee at the second part of the year. License sales based on a subscription fee have led to an increase in the number of new customers. However, net sales and profit from the subscription sales accumulate more slowly than from the license sales. In 2009 financial accounts, QPR has included net sales from subscription sales in maintenance net sales.

Net sales in international operations were EUR 3,835 thousand (4,878). The Group delivered software licenses and services to a total of 70 countries (52).

The share of international business of the total net sales was 57.9% (64.9%). International software sales were negatively impacted by longer software purchase processes among customers and smaller average deal sizes than in the previous year. However, international software sales picked up in the second half of the year compared to early 2009.

Business operations in Finland showed positive development. Net sales rose to EUR 2,783 thousand (2,634), which was mainly due to the growth in license and maintenance services sales. Growth was accelerated by the expansion of QPR's software and professional services sales to health care sector at the beginning of year 2009.

Break-down of net sales

(EUR 1,000)

	1–12/ 2009	Share- %	1–12 2008	Share- %	Change- %
Software licenses	2,394	36.2	3,619	48.2	-33.8
Maintenance services	3,338	50.4	2,958	39.4	12.8
Professional services	886	13.4	935	12.4	-5.2
Total	6,618	100.0	7,512	100.0	-11.9

The net sales from professional services decreased to EUR 886 thousand (935) mainly due to lower international professional service sales than in the previous year. Its share of the Group's net sales increased slightly and was 13.4 percent (12.4).

In 2009, the Research & Development activities focused on the development of a new version of the server-based QPR product family, QPR 8.1, released in October 2009. The new version broadens the integration between the QPR software products and the Microsoft Office product family by e.g. enabling publishing and distribution of process, quality, performance and risk information through Microsoft Office SharePoint Server portals. The new QPR product family is fully compatible with Microsoft Windows 7™.

FINANCIAL PERFORMANCE

Operating profit in the financial year was EUR 705 thousand (2008: 893; 2007: 31), and its share of net sales were 10.6% (2008: 11.9; 2007: 0.4). Operating profit was negatively affected by the year-on-year lower international channel sales and by the introduction of license sales based on a subscription fee to Finnish markets.

Cash flow from operating activities decreased due to lower net sales to EUR 953 thousand (1,518).

Net profit after tax for the financial year was EUR 517 thousand (928) which corresponded 7.8% (12.4%) of the net sales. In the Group's balance sheet as of 31 December, 2010, the remaining amount of deferred tax is EUR 413 thousand (540). An amount of EUR 400 thousand is in the books of the parent company EUR 13 thousand in the books of QPR Software (Pty) Ltd.

Earnings per share were EUR 0.04 (0.08) and diluted earnings per share were EUR 0.04 (0.07).

Group net sales by business segments

(EUR 1,000)	1–12/ 2009	Share- %	1-12 2008	Share- %	Change- %
Software Sales International	3,728	56.3	4,746	63.2	-21.4
Software Sales Finland	2,042	30.9	1,864	24.8	9.5
Service and Solutions	848	12.8	902	12.0	-6.0
Total	6,618	100.0	7,512	100.0	-11.9

Group operating profit by business segments

(EUR 1,000)	1–12/ 2009	Share- %	1-12 2008	Share %	Change- %
Software Sales International	503	71.4	698	78.2	-27.9
Software Sales Finland	668	94.9	568	63.6	17.6
Service and Solutions	-67	-9.5	76	8.5	-188.2
Not allocated	-400	-56.8	-449	-50.3	10.9
Total	705	100.0	893	100.00	-21.1

Software Sales International

Software Sales International business segment's 2009 net sales decreased to EUR 3,728 thousand (4,746), due to lower software license sales. For the same reason, the segment's operating profit decreased to EUR 503 thousand (698). The Company delivered software to 70 countries during the period (50). The largest export countries by net sales were the Russian Federation, South Africa, Sweden, Belgium, United Arab Emirates, Japan, the United Kingdom, the USA, Mexico and Turkey.

Software Sales Finland

In the reporting period, the net sales of the Software Sales Finland business segment rose to EUR 2,042 thousand (1,864) thanks to increased software license and maintenance sales. Operating profit rose due to increased sales to EUR 668 thousand (568).

In Finland QPR delivered software to, among others, Alma Media Corporation, Cargotec Corporation, Neste Oil Corporation, Lindorff Oy, Pulssi Medical Center, Oy Metsä-Botnia Ab, Pretax Group, Samlink Ltd, Teollisuuden Voima Plc and Etelä-Pohjanmaa health care district, Kymenlaakso health care district, Laurea Polytechnic School, Finnish Communications

Regulatory Authority, Finnish State Treasury and to the "Council IT" unit of Ministry of Finance (Kunta-IT).

Service and Solutions

In 2009 the net sales of the Service and Solutions business segment was EUR 848 thousand (902). Operating profit decreased to EUR 67 thousand negative (positive 76) due to lower international professional service sales than in the previous year and the outlays made in productized services. Net sales were mainly derived from Finland.

In its professional services offering, QPR focuses especially on business process consulting, in which QPR's experts have significant experience across industries.

FINANCE AND INVESTMENTS

At the end of 2009, the value of total assets was EUR 6,874 thousand (6,047).

Cash flow from operating activities was positive EUR 953 thousand (1,518). Cash and cash equivalents at the end of the review period were EUR 1,929 thousand (1,716). The dividend of EUR 368 thousand (368) and distribution from the unrestricted equity of EUR 244 thousand (0) were paid in the reporting period.

The Group's investments based on operating cash flow in the review period totaled EUR 970 thousand (436). The increase is attributable to the business acquisition from Mawell.

The Group's interest bearing liabilities increased to EUR 1,098 thousand (182). The increase is mainly attributable to the Russian business acquisition and to the EUR 1,132 thousand pension loan withdrawn during the second quarter of 2009. The pay-back time is 5 years. Return on equity was 19.5% (37.1).

The gearing ratio on 31 December, 2009 was -32.3% (-56.1). Return on capital employed was 21.4% (33.6).

Short-term liabilities include deferred revenue in total of EUR 811 thousand (878). At the end of the reporting period, quick ratio was 2.05 (2.57).

At the end of the reporting period, the Group equity stood at EUR 2,575 thousand (2,732), and equity to assets ratio was 42.5% (2008: 52.9; 2007: 50.5). Return on equity was 19.5% (2008: 37.1; 2007: 8.4).

PRODUCT DEVELOPMENT AND NEW PRODUCTS

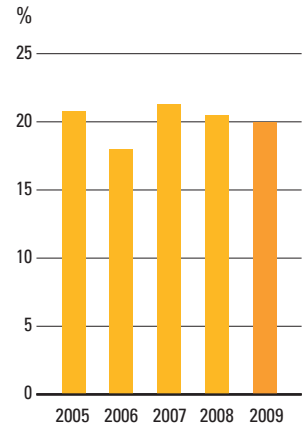
The amount of R&D expenses in the review period totaled EUR 1,325 thousand (2008: 1,540; 2007: 1,502), representing 22% of all operating expenses (2008: 20.5; 2007: 21.3).

During the review period, R&D expenses were activated as assets for a total amount of EUR 174 thousand (268). The depreciation period of capitalized R&D expenses is four years. The depreciation of the activated R&D expense was EUR 165 thousand (93).

Product development employed 20 (17) people at the end of the review period, corresponding to 35% (31) of the total personnel. The core knowhow of product development remained centralized in its own organization unit. Long-term co-operation continued with established subcontractors.

In the review period, Research & Development activities focused on the development of a new version of the server-based QPR product family, QPR 8.1, released in October 2009. The new version broadens the integration between the QPR software products and the Microsoft Office product family by e.g. enabling publishing and distribution of process, quality, performance and risk information through Microsoft Office SharePoint Server portals.

QPR's R&D expenditure of net sales



In March, QPR announced a new 8.0 version of its desktop process modeling tool, QPR ProcessGuide Xpress.

The QPR product family is fully compatible with Microsoft Windows 7 operating system introduced by Microsoft in October 2009. Since 2007, QPR has been a Microsoft Gold Certified partner.

The U.S. Ventana Research Inc. awarded QPR's technology with the Overall Performance Management Leadership Award in December 2009.

PERSONNEL

At the end of the review period, the Group employed a total of 57 people (55). The average number of personnel during the reporting period was 57 (2008: 53; 2007: 58). Salaries and other emoluments from the period totaled EUR 3,524 thousand (2008: 3,653; 2007: 4,048).

SHARE CAPITAL, COMPANY SHARES AND STOCK OPTION PROGRAMS

The Company's share capital at the end of the reporting period was EUR 1,359,089.93 divided into 12,444,863 shares. QPR Software Plc has one share class. Each share has one vote and equal right to dividend. The book counter value is EUR 0.11. The Company's shares are included in the Finnish book-entry securities system managed by Euroclear Finland Oy.

At the end of the review period, the Company had a total of 608 shareholders (572). In the reporting period, trading in Company shares amounted to EUR 628 thousand (384), i.e. an average

Distribution of shareholders by holdings size, 31 December 2009

Number of shares	Shareholders	%	Shares and votes	%
1–500	267	43.9 %	50,247	0.4 %
501–1,000	111	18.3 %	95,029	0.8 %
1,001–5,000	135	22.2 %	341,842	2.7 %
5,001–10,000	32	5.3 %	252,348	2.0 %
10,001–50,000	36	5.9 %	883,288	7.1 %
50,001–100,000	4	0.7 %	230,625	1.9 %
100,001–1,600,000	23	3.8 %	10,591,484	85.1 %
Total	608	100.0 %	12,444,863	100.0 %

Shareholders by sectors, 31 December 2009

	Shareholders	%	Shares and votes	%
Private companies	46	7.6 %	5,617,942	45.1 %
Financial and insurance institutes	2	0.3 %	10,001	0.1 %
Households	538	88.5 %	5,386,560	43.3 %
Foreigners	19	3.1 %	1,379,959	11.1 %
Total	605	99.5 %	12,394,462	99.6 %
Nominee-registered	3	0.5 %	50,401	0.4 %
Total	608	100.0 %	12,444,863	100.0 %

of EUR 2,500 per trading day (1,516). Trading in shares totaled 716,800 shares (485,194), giving an average of 2,856 shares per trading day (1,918). Turnover in shares corresponds to 5.0% of the total shares (3.9) and the average price was EUR 0.88 per share (0.79). The highest closing price during the review period was EUR 1.08 (0.91) and the lowest EUR 0.73 (0.57).

At the end of the reporting period, the total market value of the Company shares was EUR 11,578 thousand (9,283) at the review period's closing price of EUR 0.95 (0.75).

QPR Software Plc announced the following change in the reporting period in accordance with Chapter 2, Section 10 of the Security Market Act:

Major shareholders, 31 December 2009

	Number of shares	Percentage of shares and votes
Ulkomarkkinat Oy	1,600,000	12.86 %
Jouko Pelkonen	420,000	3.37 %
Pohjolan Rahoitus Oy	736,000	5.91 %
Electrosale Oy	200,000	1.61 %
Total	1,356,000	10.90 %
Vesa-Pekka Leskinen	851,400	6.84 %
Kauppamainos Oy	475,170	3.82 %
Total	1,326,570	10.66 %
Alesco S.A	1,300,000	10.45 %
Autocarrera Oy Ab	1,245,817	10.01 %
Kari Junkkonen	512,016	4.11 %
Fortel Invest Oy	425,326	3.42 %
SR Fides New Media	341,800	2.75 %
Päivi Marttila	292,972	2.35 %
Edina Oy	33,900	0.27 %
Total	326,872	2.63 %
Asko Piekkola	316,438	2.54 %
Jari Jaakkola	235,000	1.89 %
Value FM Oy	15,000	0.12 %
Total	250,000	2.01 %
Esa Pääkkönen	246,054	1.98 %
Veli-Mikko Leskinen	232,530	1.87 %
Matti Kanninen	197,494	1.59 %
Tony Virtanen	172,112	1.38 %
Janne Laakso	140,287	1.13 %
Kai-Erik Becker	140,000	1.12 %
Teemu Lehto	136,468	1.10 %
Other shareholders	2,179,079	17.51 %
Total	12,444,863	100.0 %

The company announced on 11 May, 2009 that the holding of Pohjolan Rahoitus Oy (company ID 0486816-5), a company controlled by Jouko Antero Pelkonen, in QPR Software Plc has increased above one-20th (1/20) to 5.13% of QPR Software Plc's share capital and votes. Thus, the total holding of Jouko Antero Pelkonen and his controlled companies Electrosale Oy (company ID 0252032-5) and Pohjolan Rahoitus Oy (company ID 0486816-5) in QPR Software Plc increased to 11.08% of QPR Software Plc's share capital and votes.

Own shares

The number of acquired own shares in the reporting period was 97,850. At the end of the reporting period the Company held 258,000 of its own shares with a total nominal value of EUR 28,380 and a total purchase price of EUR 209,102.83. Own shares held by the Company represent 2.07% of the Company's capital stock.

The Board of Directors has been granted by the Annual Shareholders Meeting of March 12, 2009 a share repurchases authorization, valid until the next Annual Shareholders' Meeting, to repurchase the Company shares in total of 250,000 shares at maximum. According to the authorization, the Company may acquire its own shares in order to strengthen the Company's capital structure, to be used as payment in corporate acquisitions or when the Company acquires assets related to its business or as part of the Company's incentive programs in a manner and to the extent decided by the Board of Directors, or to be transferred for other purposes or to be cancelled.

At the end of the reporting period unused authorization was left to 152,150 shares.

Option schemes

During the reporting period the Company had no option schemes effective.

ACQUISITIONS

QPR Software Plc agreed on 2 November, 2009 to acquire the business operations of its reseller Trodos Consulting and consulting partner United Project and Services Group (UPSG) in the Russian Federation and CIS countries. Acquired business operations comprise all QPR software-related customer contracts, solutions, and intellectual property rights in Russia and CIS countries.

The operations were transferred to a joint venture QPR CIS, which started operations on 1 January, 2010. The subsidiary is responsible for all QPR software-related business activities in the Russian Federation and CIS countries. QPR Software owns 80% and the resellers (Trodos and UPSG) 20% of the shares in the joint venture. The price for acquired business operations is estimated to be approximately EUR 460 thousand. The final price will be based on QPR CIS's earnings before depreciation, interest and tax (ebitda) in 2010 and is paid in February 2011. QPR estimates that the deal will have a positive impact on its earnings per share in 2010.

During the second quarter of 2009, QPR closed the acquisition of all Mawell Ltd's customer contracts regarding QPR ProcessGuide, QPR ScoreCard and CostPerform software products. The deal was announced at the end of December 2008. The purchase price was approximately EUR 600 thousand.

Businesses acquired during the review period are described in Note 3, on page 38.

STRATEGY

According to the strategic guidelines of the Company, QPR aims to substantially increase the number of QPR software users both in new and existing customer organizations. The Company believes that this will have a positive effect also on the sales of professional services. Pricing will be further simplified, and affordable solutions are offered also to organizations with a large number of users.

The company aims to accelerate its software sales process and deployment of its customer solutions by creating service concepts around QPR software and offering replicable frameworks that are based on target group -specific needs.

In international markets QPR focuses on further diversifying and strengthening its sales channel. In the near regions QPR will invest especially in sales to Russia.

Product development is focused on supporting the selected service offering, by utilizing both the existing QPR products and their strong Microsoft compatibility.

The Company continues to follow the structural developments in the software industry and aims actively to participate in it.

CORPORATE GOVERNANCE

QPR Software Plc complies with the NASDAQ OM Helsinki Ltd Guidelines for Insiders issued on 2 June, 2008 and the Corporate Governance Code, effective as of 1 January, 2009.

The Company's Corporate Governance Statement is available in the Investor section of the Company's website, <http://www.qpr.com>. Also, available in the investor section is further information, such as, administration of insiders register, public insiders register, list of major shareholders, articles of association, charter of the Board, description of how internal control and internal audit are organized, introductions of the members of the Board and Executive Management Team, and the information published by the Company in the financial year.

At the beginning of the third quarter of 2009, the Company took into production use a new AX finance system, enabling real-time reporting.

The Annual Shareholders' Meeting held on 12 March, 2009 made the following decisions:

- The Annual Shareholders' Meeting confirmed the company's financial statements and the Group's financial statements for the financial period of January 1–December 31, 2008 and released the Board of Directors and the Managing Directors from liability.
- The Annual Shareholders' Meeting approved the Board's proposal that a per-share dividend of EUR 0.03, a total of EUR 368,262.39, be paid for the financial year 2008. The dividend was paid to shareholders entered in the Company's shareholder register, maintained by Euroclear Finland Oy, on the record date of 17 March, 2009. The dividend payment date was 26 March, 2009.
- The Annual Shareholders' Meeting resolved that the Board of Directors shall consist of five ordinary members. The Annual Shareholders' Meeting elected the following members to the Board of Directors: Jyrki Kontio, Vesa-Pekka Leskinen, Jarmo Niemi, Asko Piekkola and Topi Piela. In its first meeting immediately following the Annual Shareholders' Meeting, the Board of Directors elected Vesa-Pekka Leskinen as Chairman of the Board.
- KPMG Oy Ab, Authorized Public Accountants, continued as QPR Software Plc's Auditors.

- The Annual Shareholders' Meeting decided to keep the Board of Directors' yearly emoluments the same as in previous year. A yearly emolument of EUR 25,230 is paid to the Chairman of the Board and EUR 16,820 to the other Members of the Board.
- The Annual Shareholders' Meeting decided to authorize the Board of Directors to decide on an issue of new shares and conveyance of own shares held by the company (share issue) either on one or several occasions. The share issue can be carried out as a share issue against payment or without consideration on terms to be determined by the Board of Directors.
- The authorization also included the right to issue special rights, in the meaning of Chapter 10 Section 1 of the Companies Act, which entitle to the Company's new shares or the Company's own shares held by the Company against payment. In the share issue and/or based on the special rights, a maximum of 4,000,000 new shares can be issued and a maximum of 250,000 own shares held by the Company can be conveyed. The authorization is in force until the next Annual Shareholders' Meeting.
- The Annual Shareholders' Meeting decided to authorize the Board of Directors to decide on an acquisition of own shares. Based on the authorization, own shares may be acquired, either on one or several occasions, the aggregate a maximum amount of 250,000 shares. The authorization is in force until the next Annual Shareholders' Meeting.
- Further, the Annual Shareholders' Meeting decided to authorize the Board of Directors to decide on potential distribution of assets from the invested unrestricted equity fund, provided that the evaluations of the financial situation of the company and its market outlook are in favor of such a decision. The maximum distribution of assets is EUR 0.02 per share. The authorization was in force until the next Annual Shareholders' Meeting. The Board of Directors had to make the decision no later than 31 December, 2009.
- The Board of Directors decided on 20 November, 2009 to distribute funds to the shareholders from the unrestricted equity fund EUR 0.02 per share, totaling EUR 243,737.26. The funds were paid to a shareholder that was entered into the Company's shareholder register on the record date of

payment on 9 December, 2009. The distribution was paid on 17 December, 2009.

The conditions of all authorizations of the Board are available in their entirety on the Investors section of the Company's web site, and on the stock exchange release, published by the Company on 12 March, 2009.

MANAGEMENT AND AUDITORS

QPR Software's Executive Management Teams comprised during the reporting period of Chief Executive Officer Jari Jaakkola (chairman), Vice President Software Sales International Antti Ainasoja, Vice President Software Sales Finland Matti Erkheikki, Vice President Services and Solutions Maija Erkheikki, Vice President Marketing and Business Development Teemu Lehto and Vice President Products and Technology Tony Virtanen. Päivi Vahvelainen was the acting CFO and member of the management team from 1 January to 9 August, 2009. Kari Pihlatie was the CFO and member of the Executive Management Team from 10 August to 23 November, and Päivi Vahvelainen from 24 November onwards.

KPMG Oy Ab, Authorized Public Accountants, acted as QPR Software Plc's Auditors, and Authorized Public Accountant Sixten Nyman as the principal auditor.

AUTHORIZATIONS OF THE BOARD OF DIRECTORS

The Annual Shareholders' Meeting on 12 March 2009 decided to authorize the Board of Directors to decide on an issue of new shares and conveyance of own shares held by the Company (share issue) either on one or several occasions. In the share issue and/or based on the special rights, a maximum of 4,000,000 new shares can be issued and a maximum of 250,000 own shares held by the Company can be conveyed.

The authorization is in force until the next Annual Shareholders' Meeting. The conditions of the authorization of the Board are available in their entirety on the Investors section of the Company's web site, and on the stock exchange release, published by the Company on 12 March, 2009.

The Annual Shareholders' Meeting decided to authorize the Board of Directors to decide on an acquisition of own shares. Based on the authorization, the aggregate maximum amount of 250,000 shares of the Company's own shares may be acquired, either on one or several occasions. The authorization is in force

until the next Annual Shareholders' Meeting. The conditions of the authorization of the Board are available in their entirety on the Investors section of the Company's web site, and on the stock exchange release, published by the Company on 12 March 12, 2009.

INTERNAL CONTROL

Internal control and risk management in QPR Software Plc aims to ensure that the Company operates efficiently and effectively, distributes reliable information, complies with regulations and operational principles, reaches its strategic goals, and ensures continuity of its business.

It is the duty of the Board of Directors to monitor the appropriateness, effectiveness and efficiency of risk management and internal control in QPR Software Group. The Risk management report covering the risks presented in the short-term risks and uncertainties section is presented to the Board in connection with quarterly financial reporting.

The threat caused by the risks to shareholders is used as a criterion when the Board of Directors evaluates these risks. The Board of Directors also monitors that the Company has defined operational principles for internal control and that the Company monitors the effectiveness of internal control.

SHORT-TERM RISKS AND UNCERTAINTIES

Coordination of risk management and internal control and the related reporting is the responsibility of the Chief Financial Officer. Risk management in QPR Software is guided by the requirements of legislation, shareholders' expectations regarding business objectives and expectations among important stakeholders, such as customers and personnel.

Risk management in QPR Software aims systematically and comprehensively to identify risks related to the Company's operations and ensures that risks are managed and taken into account in decision-making. The Company does not have a separate risk management organization, and risk management is part of routine responsibilities throughout the organization. Risk management is developed by constantly improving operative processes in the Company.

QPR Software identifies the risks by their essentiality: if actualized, the risks selected for monitoring would have a material impact on the Company's business operations. QPR

has identified the following four categories of risks related to its operations: risks related to business operations, to company's general operational environment, to information and products, and to financing.

Property, operational and liability risks are covered by insurance.

Risks related to business operations

The following risks are related to QPR Software's business operations:

- **Country risk.** The metrics used for measuring country risk is the potential loss of country-specific revenue. Risk is managed by constantly gathering market information by the Company's own actions and with the help of the international reseller network.
- **Customer risk.** The metrics used for measuring customer risk is the potentially lost annual revenue from the customer. Risk is managed by taking good care of every customer.
- **Forecasting process risk.** The metrics used for measuring forecasting process risk is the difference between two succeeding net sales forecasts. The Company's forecast on future net sales is based on the Company's own estimate and on information gained from its international resellers. Risk is mitigated by managing effectively the internal forecasting process and international reseller network.
- **Personnel risk.** The metrics used for measuring personnel risk is the annual churn. Risk is managed by professional recruitment, good supervisory work and by securing possibilities for job rotation.
- **Legal risk.** The metrics used for measuring legal risk is the estimated total combined financial effect of all legal disputes on the Company. Also the probability of the risk to be actualized is estimated. The risk is managed by in-depth knowhow on contractual jurisprudence and by performing both ethically and according to the Company values.
- **Financial risk.** The metrics used for measuring country risk is the forecasted operative cash flow before investments. Risk is managed by following constantly the Company's financial position (cash flow calculation and forecasts).

QPR's market and customer risks are mitigated as follows: the Company conducts business in 70 countries (in 2009), both in public and private sectors as well as in several different business verticals. In addition, the customer benefits produced by QPR's products and solutions are related to optimization and streamlining of operations, strategy implementation as well as risk management and compliance. Demand for these customer benefits remains relatively strong in all financial cycles.

Reasonable credit risk concerning individual business partners is characteristic to any international business. QPR seeks to limit this credit risk by continuous monitoring of standard payment terms, receivables and credit limits.

No significant changes have taken place in risks related to QPR's business operations during the financial period.

Risks related to company's general operational environment

As a risk related to the Company's general operational environment, QPR Software follows economic fluctuations. For example, the general economic uncertainty, continuation of negative development or deepening of such a development may have a negative impact on software market and subsequently also on QPR's business operations. A risk related to the Company's general operational environment is actualized if the economic fluctuation has a material negative impact on the market significant to the Company. Risk is managed by constantly monitoring economic fluctuations by the Company's own actions and with the help of the international reseller network.

No significant changes have taken place in risks related to the Company's general operational environment during the financial period.

Risks related to information and products

QPR Software has identified the following three risks related to information and products:

- **Risk related to own products.** The risk is managed by securing the competitiveness of the Company's offering at all times by constantly monitoring competitors. The security and good quality of products is guaranteed by automated virus prevention.

- Intellectual Property Rights. The Company's Intellectual Property Rights (IPR) are secured by the confidentiality of the source code. Unauthorized use of software licenses is rejected by executing software deployment by product activation. In addition, the Company makes sure that external IPR is not utilized in its products without proper permission.
- Data security. Data security risks are related to the good confidentiality of corporate, insider and customer information. Risk is managed by ongoing internal training, keeping instructions up-to-date at all times and good technical protection of the Company's data network.
- No significant changes have taken place in QPR's information and products-related risks during the financial period.

Risks related to financing

QPR Software has identified the following two financial risks:

- Foreign currency risk. The metrics used for measuring foreign currency risk is the actualized exchange rate fluctuation and future outlook for it. The risk is managed by using the Euro as the primary invoicing currency and by currency hedging. The company constantly monitors how the open positions of the three biggest invoicing currencies develop.
- Operative credit risk. The metrics used for measuring operative credit risk is the turnover rate of accounts receivables. Risk is managed by monitoring accounts receivables and by effective collection of bad debt.

Management of financial risks in 2009 is described in more detail in Note 22, on page 47.

No significant changes have taken place in QPR's financial risks during the financial period.

SHARES HELD BY THE BOARD AND CEO

The members of QPR Software Plc's Board of Directors, the Chief Executive Officer and their immediate inner circle held a total of 1,942,008 Company shares on December 31, 2009, representing 18.4% of the total number of the shares and votes (31 December, 2008: 15.7). These shares include own holdings, holdings of spouses, persons under guardianship, and controlled companies.

Ownership of insiders, 31 December, 2009

Statutory Insiders name and position	By			
	Own shares	controlled companies	By close persons*	Own options
Vesa-Pekka Leskinen, Chairman of the Board	851 400	475 170	5 000	0
Jyrki Kontio Member of the Board	0	0	0	0
Jarmo Niemi, Member of the Board	4 000	0	0	0
Asko Piekkola, Member of the Board	316 438	0	0	0
Topi Piela Member of the Board	0	40 000	0	0
Sixten Nyman Auditor with primary responsibility	0	0	0	0
Jari Jaakkola Chief Executive Officer	235 000	15 000	0	0
Insiders by definition				
Antti Ainasoja, VP, Executive Management Team	100	0	0	0
Maija Erkheikki VP, Executive Management Team	2 000	0	7 500	0
Matti Erkheikki, VP, Executive Management Team	7 500	0	2 000	0
Jyrki Karasvirta, Communications Director	0	0	0	0
Teemu Lehto, VP, Executive Management Team	136 468	0	0	0
Päivi Vahvelainen CFO, Executive Management Team	0	0	0	0
Tony Virtanen VP, Executive Management Team	172 112	0	0	0

* Shares owned by spouses and other persons under guardianship.

The members of QPR Software Plc's Board of Director or the CEO (with their immediate inner circles) did not possess any QPR stock options on 31 December, 2009.

LEGAL DISPUTES

During the period QPR had no material legal disputes.

EVENTS AFTER REVIEW PERIOD

QPR Software's business operations in the Russian Federation and CIS countries were transferred in February 2010 to OOO QPR Software subsidiary. The company is a fully-owned subsidiary of QPR CIS Oy. The company was registered on 29 December, 2009 and is domiciled in Moscow.

The Executive Management Team of QPR Software Plc consists of the following persons as of 18 February, 2010: Chief Executive Officer Jari Jaakkola (chairman), Vice President Software Sales International Antti Ainasoja, Vice President Software Sales Finland Matti Erkheikki, Vice President Services and Solutions Maija Erkheikki, Vice President Communications and Marketing Jyrki Karasvirta, Vice President Business Development Teemu Lehto, CFO Päivi Vahvelainen and Vice President Products and Technology Tony Virtanen.

FUTURE OUTLOOK

Market forecasts published at the beginning of 2010 estimate that the value of global software sales will increase by 5–7% and global professional services sales will increase by 4–5% in 2010 compared to 2009.

Based on current software market growth forecasts, QPR's own forecasts and resellers' forecasts, QPR Software estimates its net sales and operating profit to grow compared to 2009 (net sales in 2009: EUR 6,618 thousand; operating profit: EUR 705 thousand).

The nature of the software license business of the QPR Group is seasonal. Seasonality of large software deals can affect significantly the net sales and profit of individual quarters.

THE BOARD OF DIRECTORS' PROPOSALS ON DIVIDEND

The Board of Directors proposes to the Shareholders' Meeting on 18 March, 2010 that the company pay dividend for the financial year January 1 – December 31, 2009, EUR 0.02 per share. The dividend shall be paid to a shareholder that has been entered into the Company's shareholders' register on the record date of the dividend payment on 23 March 2010. The Board of Directors proposes to the Shareholders' Meeting that the dividend is paid on 6 April, 2010.

The Board of Directors decided on 12 February 2009 to adopt a dividend policy whereby the Board intends to propose to the General Annual Meeting dividends of approximately 30–50% of annual net profits. When preparing the dividend proposals, the Board takes into account the Company's financial position, profitability and business prospects. The distributable funds of QPR Software Plc Group were EUR 956 thousand at the end of the review period, out of which the profit of the period was EUR 317 thousand.

THE BOARD OF DIRECTORS' PROPOSALS ON DISTRIBUTING FUNDS FROM THE INVESTED UNRESTRICTED EQUITY

In addition, The Board of Directors proposes to the Shareholders' Meeting that the company would distribute funds to the shareholders from the invested unrestricted equity fund EUR 0.01 per share. The funds shall be paid to a shareholder that has been entered into the Company's shareholders' register on the record date of payment on 23 March 2010. The Board of Directors proposes to the Shareholders' Meeting that the payment is made on the same day as the dividend is paid, on 6 April, 2010.

The Board of Directors' proposals to the General Annual Meeting are available in their entirety on the Investors section of the Company's web site, and on the stock exchange release, published by the Company on 19 February, 2009. They are also available on the Company web site, www.qpr.com

Consolidated Income Statement, IFRS

(EUR 1,000)	Note	Jan 1 – Dec 31, 2009	Jan 1 – Dec 31, 2008
NET SALES	1	6,618	7,512
Other operating income	2	35	51
Materials and services	4	451	875
Employee benefits expenses	5	3,524	3,653
Depreciation and amortization	6	466	301
Other operating expenses	7	1,508	1,841
		5,949	6,670
OPERATING PROFIT		705	893
Financial income	8	20	40
Financial expenses	8	-57	-6
		-37	34
PROFIT BEFORE TAX		668	927
Income taxes	9	-150	1
PROFIT FOR THE PERIOD		517	928
Other comprehensive income statement items:			
Exchange differences on translating foreign operations		11	-35
Income tax relating to components of other comprehensive income		0	0
OTHER COMPREHENSIVE INCOME, NET OF TAX		11	-35
TOTAL COMPREHENSIVE INCOME		528	893
Avarege number of shares (undiluted), 1,000 pcs		12,315	12,218
Number of shares (diluted), 1,000 pcs		12,315	12,458
Earnings per share, EUR	10	0.04	0.08
Earnings per share (diluted), EUR	10	0.04	0.07

Consolidated Balance Sheet, IFRS

(EUR 1,000)	Note	December 31, 2009	December 31, 2008
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	11	145	226
Intangible assets	12	1,720	1,078
Other investments	13	5	5
Deferred tax assets	14	413	539
		2,283	1,848
CURRENT ASSETS			
Trade and other receivables	15	2,662	2,483
Cash and cash equivalents	16	1,929	1,716
		4,591	4,199
TOTAL ASSETS		6,874	6,047

(EUR 1,000)	Note	December 31, 2009	December 31, 2008
EQUITY AND LIABILITIES			
Equity belonging to parent's owners			
Share capital	17	1,359	1,359
Share premium		21	21
Treasure shares		-209	-125
Translation difference		-94	-105
Invested non-restricted equity fund		127	360
Retained earnings		1,371	1,222
		2,575	2,732
TOTAL EQUITY		2,575	2,732
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	18	793	79
Non-Interest-bearing liabilities	18	460	0
		1,253	79
CURRENT LIABILITIES			
Trade and other payables	19	2,741	3,133
Interest-bearing liabilities	18	305	103
		3,046	3,236
TOTAL LIABILITIES		4,299	3,315
TOTAL EQUITY AND LIABILITIES		6,874	6,047

Consolidated Statement of Cash Flows, IFRS

(EUR 1,000)	Note	Jan 1 – Dec 31, 2009	Jan 1 – Dec 31, 2008
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the period		517	928
Adjustments for the profit:			
Depreciation and amortization		466	301
Non-cash transactions	20	11	83
Changes in working capital:			
Increase (-)/decrease (+) in short term non-interest-bearing receivables		-53	-67
Increase (+)/decrease (-) in short term non-interest-bearing liabilities		61	275
Interest expense and other financial expenses paid		-31	-10
Interest income and other financial income received		20	38
Income taxes paid		-38	-30
NET CASH FROM OPERATING ACTIVITIES		953	1,518
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of tangible assets		-38	-54
Purchases of intangible assets		-932	-382
NET CASH USED IN INVESTING ACTIVITIES		-970	-436
CASH FLOWS FROM FINANCIAL ACTIVITIES			
Proceeds from issuance of share capital		11	4
Proceeds from long term loans		1,132	0
Repayments of long term borrowings	20	-217	-187
Purchase of own shares		-84	-60
Invested non-restricted equity fund paid		-244	0
Dividends paid		-368	-368
NET CASH USED IN FINANCING ACTIVITIES		230	-611
NET CHANGE IN CASH AND CASH EQUIVALENTS		213	471
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD			
		1,716	1,245
EFFECT OF EXCHANGE RATE DIFFERENCE		0	-28
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		1,929	1,716

Consolidated Statement of Changes in Shareholders' Equity, IFRS

EQUITY BELONGING TO PARENT COMPANY'S SHAREHOLDERS

CHANGES ON SHAREHOLDERS' EQUITY JAN 1 – DEC 31, 2009

(EUR 1,000)	Shareholders' equity	Share premium	Translation differences	Treasure shares	Invested restr. equity fund	Retained earnings	Total
SHAREHOLDERS' EQUITY							
JANUARY 1, 2009	1,359	21	-105	-125	360	1,222	2,732
Employees options					11		11
Dividends paid						-368	-368
Purchase of own shares				-84			-84
Invested non-restricted equity fund paid					-244		-244
Comprehensive income			11			517	528
Change in shareholders' equity 1-12	0	0	11	-84	-233	149	-157
SHAREHOLDERS' EQUITY							
DECEMBER 31, 2009	1,359	21	-94	-209	127	1,371	2,575

CHANGES ON SHAREHOLDERS' EQUITY JAN 1 – DEC 31, 2008

(EUR 1,000)	Shareholders' equity	Share premium	Translation differences	Treasure shares	Invested restr. equity fund	Retained earnings	Total
SHAREHOLDERS' EQUITY							
JANUARY 1, 2008	1,359	253	-70	-65	0	787	2,264
Employees options					3		3
Dividends paid						-368	-368
Purchase of own shares				-60			-60
Transfer of share premium*		-232			357	-125	0
Comprehensive income			-35			928	893
Change in shareholders' equity 1-12	0	-232	-35	-60	360	435	468
SHAREHOLDERS' EQUITY							
DECEMBER 31, 2008	1,359	21	-105	-125	360	1,222	2,732

* From group's retained earnings eur 125 thousand has been transferred to invested non-restricted equity fund.

Accounting Principles of Consolidated Financial Statements

Company Information

The QPR Group focuses on the management of organizational performance and operational processes as well as the development and sales of operative risk management software in collaboration with its partners.

QPR Software Plc (Company ID 0832693-7) is the parent company of the QPR Group. The Company domicile is in Helsinki and its registered address is Huopalahdentie 24, 00350 Helsinki, Finland. The Company Internet portal can be found at www.qpr.com.

The Board of Directors of QPR Software Plc has approved on 17 February 2010 the Consolidated Financial Statements for publication.

Consolidation principles

The Consolidated Financial Statements are prepared according to the International Financial Reporting Standards (IFRS) and in their preparation all the obligatory IAS and IFRS standards as well as the SIC and IFRIC interpretations in effect on 31 December, 2009 have been followed.

Notes to the Consolidated Financial Statements are also in accordance with the Finnish GAAP and Community legislation.

The Consolidated Financial Statements integrate the data from parent company QPR Software Plc and all the subsidiaries: QPR Services Oy, QPR Software AB, QPR Software, Inc., QPR CIS Oy (Founded in 29 October 2009) and QPR Software (Pty) Ltd (operations closed in 31 December 2008). Any intra-Group shareholdings are eliminated by means of the acquisition cost method.

Subsidiaries acquired during the financial period are consolidated from the date on which the Group has acquired control and are no longer consolidated from the date that control ceases. Controlling power is exercised where the parent company owns more than 50% of the voting rights or where it otherwise exercises power.

In compliance with the exception mentioned in IFRS 1, subsidiaries acquired before January 1st 2004 are not adjusted in accordance with IFRS principles but instead they are valued according to the average cost of acquisition which is a value recognized in accordance with Finnish financial statements policies.

Intra-Group transactions, internal receivables and liabilities, unrealized returns, and the Group's internal distribution of profits are eliminated in the Consolidated Financial Statements.

Profit for the financial period is divided among shareholders and minority investors of the parent company. Minority interests are presented as a separate item in shareholders' equity. Minority interests did not exist in the Group during the terminated or the previous financial year.

Associates and joint ventures

At the closing date the Group does not have interests in any associated companies or joint ventures.

Transactions in foreign currencies

Items included in the Consolidated Financial Statements are presented in thousand euros which is the functional and presentation currency. The functional currency defined for foreign subsidiaries is the local currency.

Transactions in foreign currencies are recorded in operating currency using the exchange rate at the date of the transaction. Exchange rate differences have been entered in the respective items above operating profit.

Receivables and liabilities in foreign currencies using the exchange rates quoted by the European Central Bank on December 31, 2009.

The income statements of foreign subsidiaries are translated into Euros using the average exchange rates for the year and the balance sheets are translated using the exchange rates on the balance sheet date. Translation differences arising from acquisition cost method are treated as adjusted items in the Group's shareholders' equity.

Exchange rate differences associated with long term liabilities that qualify as shareholders' equity are recognized as equity, similarly to conversion differences. At period end or in the previous financial period the Group did not have such liabilities.

Tangible assets

The balance sheet values of tangible assets are based on original acquisition cost less accumulated depreciation, impairment loss and amortization. Depreciation is calculated using the straight-line method and is based on the estimated useful life of the asset.

The estimated useful life of assets is as follows:

Machinery and equipment:	2–7 years
Electronic devices:	2–5 years
Office equipment:	4–7 years.

Borrowing costs

Borrowing costs for assets spanning over a long time period until completion are activated, other borrowing costs are recognized as an expense for the period during which they arise. Immediate transaction costs directly attributable to the acquisition of a particular loan are recognized in the original accrued acquisition costs using the effective interest method.

Intangible assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired company after January 1st 2004. Goodwill is tested annually for any impairment. For this purpose goodwill has been attributed to cash generating units. Goodwill is valued at the original acquisition cost less impairments. As goodwill was removed in its entirety during the previous regulation governing financial statements, no goodwill has been entered for the Group in financial years 2008 and 2009.

Research and development expenditures have been recognized as expenses in the financial period so that development expenses inducing new products and significant revisions are activated and entered as amortized expenses during the useful life. Amortizations are capitalized once the product version has been released. Maintenance and minor revisions are directly booked as expenses. R&D ventures started before 2006 have not been capitalized.

Other intangible assets with a definite useful life are entered in the balance sheet and booked as straight-line depreciation in the comprehensive income statement during their useful life.

Estimated useful life of assets is as follows:

Capitalized research and development expenditure:	4 years
Other intangible assets:	2–5 years

Lease agreements

Group as the lessee

Lease agreements of tangible assets where the Group has a substantial part of the risks and rewards of ownership are classified as finance leases. Finance leases are entered into the balance sheet's tangible fixed assets at the start of the lease term at the lower of the fair value of the leased property and the present value of the minimum lease payments. The asset acquired under a finance lease is depreciated over the shorter of the asset's useful life and the lease term. The corresponding rental obligations are included in interest-bearing liabilities.

Lease agreements where the leaser retains a significant portion of the risks and rewards of ownership are treated as other leases. Payments made under other leases are charged to the comprehensive income statement on a straight-line basis over the period of the lease.

Impairment

On every closing date the Group reviews asset items for any indication of impairment losses. If there are such indications, the amount recoverable from the said asset item is assessed. The recoverable amount is the higher of the asset item's fair value less the cost arising from disposal and its value in use. The recoverable amount of financial assets is either the fair value or the present value of expected future cash flows discounted at the original effective interest rate.

An impairment loss is recognized in the income statement when the carrying amount is greater than the recoverable amount. Goodwill or such intangible assets with an indefinite useful life are always assessed for impairment on the closing date.

No goodwill or intangible assets with an indefinite useful life were entered in the Group balance sheet in the financial year in question or the previous financial year.

Financial assets and financial liabilities

Financial assets and liabilities are recognized at inception at acquisition date which is the value of the purchased or sold asset on the trade date.

After initial valuation, financial assets are classified into four groups: financial assets at fair value through profit or loss, held-to-maturity investments, financial assets available for sale, and loans and other receivables. Transaction costs are included in the original carrying amount of the financial liabilities.

Financial items recognized at fair value through profit and loss are valued at fair price. Held-to-maturity investments are valued at amortized cost. Financial assets available for sale are valued at fair price and differences in value are recognized as part of shareholders' equity in fair value reserve, to be released and capitalized in the comprehensive income statement upon divestment of the investment instrument. Those financial assets available for sale, whose fair value cannot be measured reliably, are valued at acquisition cost less amortizations. Loans and receivables are valued at amortized cost using the effective interest rate method.

Financial liabilities are categorized at fair value through profit and loss or other financial liabilities. Financial assets at fair value through profit or loss are valued using the effective interest method at fair value. Other financial liabilities are valued at amortized cost.

On the closing date, the Group assesses whether the value of a financial instrument has been impaired and recognizes such an impairment loss through profit and loss in financial items. De-recognition of financial assets from the balance sheet takes place when the Group has lost a contractual right to receive the cash flows or when it has transferred substantially the risks and rewards outside the Group.

Derivative contracts

All derivatives contracts are categorized as financial assets available for sale. The Group does not apply hedge accounting under IAS 39. Unrealized and realized gains and losses arising from changes in fair value are recognized in the income statement in 'financial income and expenses'. The Group has no such investments in the period being reported or the previous financial year.

Cash and cash equivalents

Liquid assets comprise cash, bank deposits and other short-term very liquid investments which have a maturity of no more than three months calculated from the date of acquisition.

Treasure shares

Purchase of own shares as well as the associated immediate costs are recognized as deductions in shareholders' equity.

Employee benefits

Pension plans

The Group has a pension scheme based on pay-based arrangements managed by a pension insurance company. The expenses are recognized in the income statement in the financial period in which the contribution is payable.

Share-based payments

The Group has adopted the IFRS 2 standard on Share-based payments in association with all such options issued to key personnel after 7 November, 2002 and which cannot be vested until 1 January 2005. Expenses associated with previous options schemes have not been presented in the income statement.

Options are valued at fair price at the date of grant and recognized as an expense in the income statement during the term of the options. The expense determined at the date of grant is based on Group estimate on the amount of option rights expected to be vested at the end of the term. The fair value is determined on the basis of the Black-Scholes method. Cash acquired on exercise of option rights based on share subscription, is recognized in invested non-restricted equity fund.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as the result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Restructuring provisions are recognized when a detailed and appropriate plan relating to them has been prepared and the Company has begun to implement the plan or has announced it will do so. Restructuring provisions are based, e.g., on actual expenses incurring from employee termination payments.

A provision for a loss-making agreement is recognized when unavoidable expenditure required to fulfill obligations exceeds the benefits obtainable from the agreement.

A guarantee provision is recognized upon the sale of a product subject to a guarantee condition. The amount of guarantee provision is based on empirical data and estimation on actual guarantee costs.

Income tax

The tax expenses on the profit and loss statement comprise tax based on the taxable income for the financial period and deferred tax. The tax based on the taxable income for the financial period is calculated on the basis of taxable income in accordance with the tax rate valid in each country. The tax is adjusted by any taxes associated with previous financial periods.

Deferred taxes are calculated at tax rates enacted by the balance sheet date.

Revenue recognition

The net sales of the parent company and the Group is generated through the following sales revenue: sale of software licenses, software updates, and sale of maintenance and consulting services. Net sales of software licenses is recognized in connection with the delivery. Maintenance fee covering software updates and customer support is recognized

on a payment basis during the agreement period. Consulting services are recognized upon service delivery.

Net sales includes sales of software licenses and services rendered less adjusted indirect taxes, exchange rate differences as well as discounts granted.

Revenue is recognized on the basis of fair value of a realized or realizable asset. Difference in the fair value and nominal value of the asset is recognized as interest from income. The method has been applied to long-term accounts receivable.

Public subsidies

Public subsidies are presented in profit or loss for the period in other operating income, except when related to investments are deducted from the acquisition cost of the asset.

Held-for-sale assets and discontinued operations

A discontinued operation results from the sale or abandonment of an operation. Classification as held-for-sale requires that the sale is highly probable. Gains and losses from discontinued operations are disclosed separately from continued operations in the comprehensive income statement in their gross amount, net of tax effect. The Group did not recognize any divested operations in the period being reported.

Segments

As of 1 January, 2009 QPR Software adopted the IFRS 8 standard in its financial reporting. The operative segments reported to Company management are Software Sales International, Service and Solutions, and Software Sales Finland.

Operating profit

Operating profit is presented as net sales and other operating income less cost of materials and services, personnel expenses and other business costs as well as amortizations and depreciations of non-current assets. Exchange rate difference derived from working capital items are included in operating profit, whereas exchange rate differences associated with financial assets and liabilities are recognized in financial income and costs.

Accounting principles necessitating management consideration and essential factors of uncertainty related to management estimates

Upon closing of consolidated financial statements, the Group is required to make estimates and assumptions regarding the future and to pay consideration to the adoption of closing

principles, which means that actual results may differ from those reported. The most significant situations forcing the management to resort to consideration and estimates are associated, among others, with the following:

- estimated useful lives of tangible and intangible fixed assets
- from which point onwards development projects can be classified as recognized development expenses
- probability of future taxable profit against which the loss or credit carry forwards can be utilized
- fair value of trade receivables
- amount of provisions
- acquired operations.

Adoption of new or revised IFRS standards

The Group adopted the following IFRIC interpretations in financial year 2009:

IAS 1: Presentation of Financial Statements
IFRS 8: Operating Segments

and the following, which have not had practical impact to the figures presented from the reporting period

IFRS 2: Share-based Payment - Vesting Conditions and Cancellations
IFRS 7: Financial instruments; Disclosures - improvement of notes
IFRIC 13: Customer Loyalty Programs
IFRIC 16: Hedges of a Net Investment in a Foreign Operation
IAS 23: Borrowing Costs
IAS 32: Financial Instruments: Disclosure and Presentation and amendments to IAS 1: Presentation of Financial Statements, improvement of IFRS standards

The Group will adopt the following published IFRIC interpretations and IAS Standards.

IFRS 3: Business Combinations
IFRIC 17: Distributions of Non-cash Assets to Owners
IFRIC 18: Transfers of Assets from Customers
IAS 27: Consolidated and Separate Financial Statements
IAS 32: Financial Instruments: Disclosure and Presentation
IAS 39: Financial Instruments: Recognition and Measurement, Impairment methodology, Hedge accounting

The Group estimates that the adopted new interpretations will have no material effect on future Financial Statements.

Segment information

As of 1 January, 2009 QPR Software Plc has three business segments: Software Sales International (software license and maintenance sales outside of Finland), Software Sales Finland (software license and maintenance sales in Finland) and Service and Solutions (global professional service sales). The accounting and valuation principles are the same as in consolidated financial statement.

Group's management (CODM) monitoring the operating profit of segments. The assets of segments are not monitored by management. According to IFRS 8 standard assets are not allocated to segments.

The company has re-defined reporting principles, and does not anymore monitor minor inter-segment net sales or report it. The company has also revised accordingly the 2008 segment information. The geographical break-down is shown in Note 1.

Expenses are generated either direct from business or from allocated expenses. R&D, marketing, information technology and finance and administration expenses are allocated based on net sales. Correctness of allocation ratio is monitored in every closing date. Non-allocated expenses includes administrative expenses, which included in 2008 also non-recurring items.

January 1 – December 31, 2009

(EUR 1,000)	Software Sales International	Service & Solutions	Software Sales Finland	Not allocated	Group total
INCOME STATEMENT INFORMATION					
External net sales	3,728	848	2,042	0	6,618
Net Sales	3,728	848	2,042	0	6,618
Operating profit of segment	503	-67	668	-400	705
Operating profit					705
Finance income and expenses				-37	-37
Income tax				-150	-150
Profit for the period	503	-67	668	-587	517
Profit for the period					517
OTHER INFORMATION					
Depreciation	239	42	185	0	466

January 1 – December 31, 2008

(EUR 1,000)	Software Sales International	Service & Solutions	Software Sales Finland	Not allocated	Group total
INCOME STATEMENT INFORMATION					
External net sales	4,746	902	1,864	0	7,512
Net Sales	4,746	902	1,864	0	7,512
Operating profit of segment	698	76	568	-449	893
Operating profit					893
Finance income and expenses				34	34
Income tax				1	1
Profit for the period	698	76	568	-414	928
Profit for the period					928
OTHER INFORMATION					
Depreciation	190	36	75	0	301

Notes to the Consolidated Financial Statements

1. Net sales

Consolidated net sales are accrued solely from software business, with following break-down in financial year:

(EUR 1,000)	2009	2008
Software licenses	2,394	3,619
Maintenance services	3,338	2,958
Professional services	886	935
Total net sales	6,618	7,512

The geographical break-down of the net sales was as follows:

(EUR 1,000)	2009	2008
Domestic	2,783	2,634
International	3,835	4,878
Group total	6,618	7,512

2. Other operating income

(EUR 1,000)	2009	2008
Subsidies	35	50
Other operating income	0	1
Total	35	51

3. Acquired businesses

Year 2009

Company acquired 2 November, 2009 the business operations of its reseller Trodos Consulting and consulting partner United Project and Services Group (UPSG) in Russian Federation and CIS countries. Acquired business operations comprise all QPR Software related customer contracts, solutions, and intellectual property rights in Russia and CSI countries.

The operations were transferred to a joint venture company (QPR CIS Oy), which started operations in January 2010 and is responsible for all QPR software businesses in Russia and CIS-countries. QPR owns 80 % and sellers own 20% of the shares in the joint venture. The price for acquired business operations is estimated to be approximately EUR 460 thousand. The final price will be based on QPR CIS's earnings before depreciations, interest and tax (ebitda) in 2010 and is paid in February 2011. Purchasing price is paid in cash (62.5%) and QPR Software Plc's shares (37.5%). QPR estimates that the deal will have positive impact on its earnings per share 2010.

QPR and sellers have also agreed on call and put options of the 20% share held by the sellers. Options can at the earliest be exercised January 2014. QPR and sellers have agreed that the purchase price will be based on the highest of following:

- 20% from amount of 2013 QPR CIS Oy's ebitda multiplied by 5.5 less net debt, or
- 20% from the net assets value of QPR CIS at the end of 2013 financial year.

The purchase price of option is not recognised as part of acquisition value, because the option are not yet realized.

Purchase price (EUR 1,000)	460
Expenses (EUR 1,000)	9
Estimated purchase price	469

Cash flow impact of purchase between QPR and Trodos and consulting partner United Project and services Group will materialize in 2011.

According to the management estimate, the Group net sales in 2009 amount to EUR 7 million and operating profit EUR 0.8 million, had the acquisition carried out during the financial year been consolidated into the financial statements from beginning of the 2009 financial year.

The acquisition cost has been recognized in other intangible assets and are amortized according to plan in five (5) years time.

Year 2008

In 7 November, 2008 the Company acquired maintenance contracts from Amplio Management which is the Company's Danish retailer. The purchase price was EUR 51 thousand, which equals the fair value of the contracts. The acquisition cost was recognized in other intangible assets and is amortized according to plan in five (5) year's time.

In 31 December, 2008 the Company acquired from Mawell Ltd customer contracts that were controlled and owned by the latter as well as the associated sole selling rights to the health care sector. The final purchase price was EUR 613 thousand included expenses. On the closing date 31 December, 2008, the management estimated that approximately 70% of the contracts within the purchase are transferred to QPR and that the purchase prices would be EUR 412 thousand.

Purchase price; Mawell (EUR 1,000)	602
Expenses (EUR 1,000)	11
Final purchase price	613
Paid purchase price in 2009 (EUR 1,000)	-613

4. Material and services

(EUR 1,000)	2009	2008
Material and services	451	875
Total	451	875

Materials and services include mainly commissions and localization fees charged by the reseller network.

5. Employee benefits expenses

(EUR 1,000)	2009	2008
Salaries	2,933	3,019
Pension expenses – defined contribution plans	478	515
Other personnel expenses	113	119
Total	3,524	3,653

Group's personnel average for period	2009	2008
Total	57	53

The information about employee benefits can be found from the note number 21. Transactions of the inner circle.

6. Amortizations, depreciations and write-downs

(EUR 1,000)	2009	2008
Amortizations and depreciations by group of assets		
Intangible assets		
Other intangible assets	347	152
Total	347	152
Tangible fixed assets		
Machinery and equipment	119	149
Total	119	149
Total	466	301

7. Other operating expenses

(EUR 1,000)	2009	2008
Non-statutory indirect employee costs	202	174
Office rents	221	220
Travel expenses, marketing and other promotion	297	450
Bad debts provisions, net	66	269
Other expenses	722	728
Other operating expenses	1,508	1,841

Income statement included auditing and consultancy expenses

(EUR 1,000)	2009	2008
Auditing	43	27
Tax consultation	2	1
Other services	8	7
Total	53	35

Income statement included research and development expenses EUR 1,325 thousand in 2009 (EUR 1,540 thousand in 2008).

8. Financial income and expenses

(EUR 1,000)	2009	2008
Interest income and other financial income	20	40
Interest expense and other financial expenses	-24	-6
Other financial expenses	-13	0
Exchange rate difference	-20	0
Total	-37	33

9. Income tax expense

(EUR 1,000)	2009	2008
Taxes based on financial year	148	238
Taxes from previous years	2	0
Withdrawn taxes	0	0
Deferred tax	0	-239
Total	150	-1

Reconsolidation of taxes between income statement and parent company's tax rate, 26 percent.

(EUR 1,000)	2009	2008
Profit before tax	667	927
Taxes calculated with the tax-% of parent company	173	241
Tax deviations based on the tax-% used by foreign companies	4	5
Other items	-38	-262
Undeductable expenses	11	15
Taxes in income statements	150	-1

Other items include tax items from subsidiaries of EUR -38 thousand (-23). In 2008 other items includes an increase in deferred tax assets EUR -239 thousand.

10. Earnings per share

Undiluted earnings per share is calculated by dividing the profit belonging to the owners of parent companies shareholders' during the period with weighted average of shares.

When calculating the earnings per share adjusted by dilution, the dilution effect of share options is taken into account in the weighted average number of shares.

	2009	2008
Profit of the period belonging to the parent company's shareholders (EUR 1,000)	517	928
Number of shares; weighted average during the period	12,315	12,368
The dilution effect of share options (1,000 pcs)	0	90
The diluted weighted average number of shares in the period in 1,000 pieces	12,315	12,458
Undiluted earnings per share (EUR/share)	0.04	0.08
Diluted earnings per share (EUR/share)	0.04	0.07

11. Tangible assets, 2009

(EUR 1,000)	Machinery and equipments	Other property, plant and equipment	Total
Acquisition costs Jan 1, 2009	942	3	945
Increase	38	0	38
Acquisition costs Dec 31, 2009	980	3	983
Accumulated depreciations and amortization Jan 1, 2009	716	3	719
Depreciations	119	0	119
Accumulated depreciations and amortization Dec 31, 2009	835	3	838
Book value Jan 1, 2009	226	0	226
Book value Dec 31, 2009	145	0	145

11. Tangible assets, 2008

(EUR 1,000)	Machinery and equipments	Other property, plant and equipment	Total
Acquisition costs Jan 1, 2008	888	3	891
Increase	54	0	54
Acquisition costs Dec 31, 2008	942	3	945
Accumulated depreciations and amortization Jan 1, 2008	567	3	570
Depreciations	149	0	149
Accumulated depreciations and amortization Dec 31, 2008	716	3	719
Book value Jan 1, 2008	321	0	321
Book value Dec 31, 2008	226	0	226

12. Intangible assets, 2009

(EUR 1,000)	Computer software	Other intangible assets	Capitalized product development costs	Total
Acquisition costs Jan 1, 2009	471	1,426	609	2,506
Increase	145	669	174	988
Acquisition costs Dec 31, 2009	616	2,095	783	3,494
Accumulated depreciations and amortization Jan 1, 2009	315	963	149	1,427
Depreciations	80	102	165	347
Accumulated depreciations and amortization Dec 31, 2009	395	1,065	314	1,774
Book value Jan 1, 2009	156	463	460	1,078
Book value Dec 31, 2009	221	1,030	469	1,720

12. Intangible assets, 2008

(EUR 1,000)	Computer software	Other intangible assets	Capitalized product development costs	Total
Acquisition costs Jan 1, 2008	417	963	342	1,722
Increase	54	463	266	783
Acquisition costs Dec 31, 2008	471	1,426	609	2,505
Accumulated depreciations and amortization Jan 1, 2008	256	963	56	1,275
Depreciations	59	0	93	152
Accumulated depreciations and amortization Dec 31, 2008	315	963	149	1,427
Book value Jan 1, 2008	161	0	286	447
Book value Dec 31, 2008	156	463	460	1,078

13. Other investments

Group had no long term liabilities in 2008 and 2009.

14. Deferred tax assets and debts

Specification of deferred tax assets 2009:

(EUR 1,000)	Jan 1, 2009	Recognized in income statement	Dec 31, 2009
Retained losses in taxation	539	126	413
Total	539	126	413

Specification of deferred tax assets 2008:

(EUR 1,000)	Jan 1, 2008	Recognized in income statement	Dec 31, 2008
Retained losses in taxation	502	-37	539
Total	502	-37	539

Subsidiary in United States, QPR Software Inc, has retained losses after official tax filing approximately EUR 423 thousands. No tax assets have been entered from QPR Software Inc's retained losses.

QPR Software (Pty) Ltd's tax assets were at the of financial year 2009 EUR 13 thousand (EUR 23 thousand in 2008).

Parent company's retained losses have to use before 2012 and 2013.

15. Trade and other receivables

(EUR,1 000)	2009	2008
Trade receivables	2,176	2,282
Accrued receivables	394	150
Other receivables	92	51
Total	2,662	2,483

15 a. Geographical break-down of the trade receivables

(EUR 1,000)	2009	2008
Domestic	440	649
European countries	735	975
Other countries	1,001	658
Total	2,176	2,282

15 a. Currency break-down of the trade receivables

	2009	2008
AUD	0	7
CHF	13	15
EUR	1,294	1,699
GBP	130	38
JPY	4,523	11,383
NOK	0	14
USD	845	436
SEK	56	227
ZAR	1,084	736

receivables in Euro	2,176	2,282
%-share of euro receivable	59.5	74.5

The main part of trade receivables are in EUR and the most significant invoicing currencies after EUR were USD and JPY during the financial year. If USD's and JPY's value will change against EUR +/- 10% and share of different currencies remain in same level, the value of trade receivables will change +/- EUR 56 thousand, which corresponds 2.6% of total value of trade receivables. Respectively, if the value of all other invoicing currencies weakens 10% trade receivables' value loss totals to EUR 80 thousand.

15 c. Age Analysis of trade receivables

(EUR 1,000)	2009	2008
Over 180 days due	289	154
90–180 days due	254	73
0–90 days due	383	401
Non overdue	1,250	1,654
Total	2,176	2,282

16. Cash and cash equivalents

(EUR 1,000)	2009	2008
Bank accounts	1,929	1,716
Total	1,929	1,716

17. Shareholder's equity

(EUR 1,000)	Number of shares	Share capital	Share premium	Invested non-restr. equity fund	Total
January 1, 2009	12,378	1,359	0	360	1,719
Subscribed options	67		0	11	11
Payment				-244	-244
December 31, 2009					
Total	12,445	1,359	0	127	1,486
January 1, 2008	12,355	1,359	232	0	1,591
Transfer			-232	357	125
Subscribed options	23	0	0	3	3
December 31, 2008					
Total	12,378	1,359	0	360	1,719

Company has one series of shares and maximum value of share capital is EUR 1,359 thousand. All the subscribed shares has been fully paid.

17 a. Share-based payments

All subscription periods for the options schemes was ended on 31 December, 2008.

The company has no option schemes in effect.

18 a. and b. Interest-bearing liabilities

(EUR 1,000)	2009	2008
18 a. Long term		
Other interest-bearing loans	0	79
Other non-interest-bearing loans	460	0
Pension loans	793	0
Total	1,253	79
Amortization of interest-bearing long term liabilities:		
2010	0	79
2011	227	0
2012	227	0
2013	226	0
2014	113	0
	793	79

Interest of long term loans are in EUR. According to terms of loans, interest is fixed so a sensitivity analysis is not representative.

Amortization of non-interest-bearing long term liabilities:

2011	460	0
	460	0

The interest rates of interest-bearing liabilities:

Year	2009	2008
Pension loan	2.80%	0.00%
Other loans	1–5.5%	1–5.5%

18 b. Short term

(EUR 1,000)	2009	2008
Other interest-bearing loans	79	103
Pension loans	226	0
	305	103

19. Trade payable and other liabilities

(EUR 1,000)	2009	2008
Short term		
Trade payable	386	108
Accrued expenses	1,342	1,909
Received advance payments	811	878
Other liabilities	202	238
Total	2,741	3,133

The value of currency trade payables were low in 2009 and 2008.

20. Adjustments to the cash flow of operations

(EUR 1,000)	2009	2008
Non-cash business operations		
Deferred tax	0	31
Other adjustments	11	52
Total	11	83

20 a. Amortization of short term loans

(EUR 1,000)	2009	2008
Product development loan	103	187
Pension loans	114	0
Total	217	187

20 b. Commitments and contingent liabilities

(EUR 1,000)	2009	2008
Business mortgages *	1,337	0
Current lease liabilities and rent commitments		
Liabilities maturing during one year	222	284
Liabilities maturing 2–5 years	261	23
Total	483	307
Total commitments and contingent liabilities	1,820	307

* Business mortgages EUR 1,337 thousand are in Nordea as a security for pension loan from Ilmarinen.

Rent commitments include rental agreement (5 October, 2009). First termination date is 29 February, 2012 and the termination time is 3 months.

Other liabilities

Company acquired 2 November, 2009 the business operations of its reseller Trodos Consulting and consulting partner United Project and Services Group (UPSG) in Russian Federation and CIS countries. Acquired business operations comprise all QPR Software related customer contracts, solutions, and intellectual property rights in Russia and CSI countries.

The operations were transferred to a joint venture company (QPR CIS Oy), which started operations in January 2010 and is responsible for all QPR software businesses in Russia and CIS-countries. QPR owns 80 % and sellers own 20% of the shares in the joint venture. The price for acquired business operations is estimated to be approximately EUR 460 thousand. The final price will be based on QPR CIS's earnings before depreciations, interest and tax (ebitda) in 2010 and is paid in February 2011. Purchasing price paid in cash (62.5%) and QPR Software Plc's shares (37.5%). QPR estimated that the deal will have positive impact on its earnings per share 2010.

QPR and sellers have also agreed call and put options of sellers 20% share. Options can at the earliest be exercised January 2014. QPR and sellers has agreed that the purchase price will based on the highest of following:

- 20% from amount of 2013 QPR CIS Oy's ebitda multiplied by 5.5 less net debt, or
- 20% from the net assets value of QPR CIS at the end of 2013 financial year.

The purchase price of option is not recognised as part of acquisition value, because the option are not yet realized.

21. Transactions of the inner circle

I) Salaries, fees, emoluments, fringe benefits and accrued holiday pay and bonuses of the Executives

The Group	2009	2008
CEO	179	273
Members of the Board	93	93
	272	366

The company does not have any differing pension arrangement for the CEO. The period of notice for the CEO is three (3) month. Compensation on termination is equivalent to six (6) month's salary. QPR Software Plc's Annual General Meeting held on 12th of March 2009 decided that the Chairman of the Board receives an annual emolument in total EUR 25 thousands and that the each Member if the Board receives an annual emolument in total of EUR 17 thousands in 2009. No separate meeting fees are paid.

The Group	2009	2008
Salaries and other short term fringe benefits		
CEO	179	273
Members of the Board	93	93
Executive Management Team	448	489
Other operating expenses		
Members of the Board	1	
Executive Management Team	56	64
	777	919

Salaries, fringe benefits and termination compensation of CEO

Kanninen Matti, until 3.1.2008	0	105
Jaakkola Jari, from 3.1.2008	179	168
Total	179	273

Share-based payments of the Group Executives are described further in notes 17 a.

In 2009 Management Team's compensations were based on Group net sales and operating profit. The Group's management team does not enjoy benefits related to termination of contract.

No stock options were issued to company's executives in 2009 and 2008.

The Executives held zero stock options in December 31, 2009.

II) The Group has given no loans to the inner circle.

22. Financial Risk Management

The International operations of QPR Group are exposed to risks typical in normal international transactions. Financial risk management aims to secure sufficient financing cost-effectively and when necessary, to monitor and mitigate the materializing risks. Risk management is a centralized responsibility of the Group's financing function and the CEO. The general risk management policies are approved by the QPR Software Plc Board of Directors. The Board is also responsible for supervising the adequacy, appropriateness and effectiveness of Group risk management.

Group's Interest-bearing loans don't include conditions of covenants.

Foreign exchange risk

The main sales currency for the Group is Euro and the majority of purchases are managed in Euros. Currently the Group's foreign exchange risk is classified as such that the Group does not hedge against foreign exchange risk.

The main part of trade receivables are in EUR and the most significant invoicing currencies after EUR were USD and JPY during the financial year. If USD's and JPY's value will change against EUR +/- 10% and share of different currencies remain in same level, the value of trade receivables will change +/- EUR 56 thousand, which corresponds 2.6% of total value of trade receivables. Respectively, if the value of all other invoicing currencies weakens 10% trade receivables' value loss totals to EUR 80 thousand.

Interest rate risk

At closing the Company has interest-bearing liabilities totally EUR 1,098 thousand. These liabilities bear interest at a fixed rate. The effect of interest rate differences on the Group result is insignificant and the Group did not resort to hedging during the period being reported.

Liquidity risk

Liquidity risk is defined as financial distress or extraordinary high financing costs arising due to a shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and require financing.

The objective of liquidity risk management is to maintain sufficient liquidity and to ensure that it is available for business purposes fast enough without endangering its value.

QPR maintain as sufficient liquidity by efficient cash management, cash deposits, and by investing in liquid interest-bearing securities.

Figures are non-discount and included costs of liabilities

(EUR 1,000)	Balance value	0–6 months	6 months–1 year	1 year–2 years	2 years–5 years
Maturity of liabilities					
Pension loans	1,019	127	126	247	542
Other loans	79	0	80	0	0
Other long term liabilities (non-interest-bearing)	460	0	0	460	0
Trade payables and other liabilities	410	410	0	0	0
Total	1,968	537	206	707	542

Operative credit risk

The Group's international business operations are naturally exposed to credit risk related to individual partners. However, the Group has a wide customer base and retailer network spread over several market areas. The Group's trade receivables thereby derive from a large number of retailers and customers in several market areas and according to management-level estimation there are no concentrations of retailer, customer, or geographical risks. In addition, continuous and active monitoring of receivables and credit limits aims at mitigating Group credit risks. The Group's maximum credit risk corresponds to the book value of trade receivables at period end.

23. Key figures of the group 2007-2009

(EUR 1,000)	2009	2008	2007
Net sales	6,618	7,512	7,059
Growth in net sales %	-11.9	6.4	2.3
Operating profit	705	893	31
% of net sales	10.6	11.9	0.4
Profit or loss before tax	668	927	64
% of net sales	10.1	12.3	0.9
Profit for the period	517	928	204
% of net sales	7.8	12.4	2.9
Return on equity, %	19.5	37.1	8.4
Return of investments, %	21.4	33.6	2.5
Interest-bearing liabilities	1,098	182	369
Cash and cash equivalents	1,929	1,716	1,245
Net liabilities	-831	-1,534	-876
Equity	2,575	2,732	2,264
Gearing, %	-32.3	-56.1	-38.7
Equity ratio, %	42.5	52.9	50.5
Total balance sheet	6,874	6,047	5,091
Investment in non-current assets	1,026	837	463
% of net sales	15.5	11.1	6.6
Research and development expenses	1,325	1,540	1,502
% of net sales	20.0	20.5	21.3
Personnel average for period	57	53	58
Personnel at the beginning of period	55	58	59
Personnel at the end of period	57	55	58
Earnings per share, EUR	0.04	0.08	0.02
Earnings per share (diluted), EUR	0.04	0.07	0.02
Equity per share, EUR	0.21	0.22	0.18

Company has redefined the booking principles of received advance payments in 2009.

Equity ratio figures for 2008 and 2007 have been revised accordingly.

24. Key figures per share 2007-2009

(EUR 1,000)	2009 IFRS	2008 IFRS	2007 IFRS
Earnings per share (undiluted) EUR	0.04	0.08	0.02
Earnings per share (diluted), EUR	0.04	0.07	0.02
Equity per share, EUR	0.21	0.22	0.18
Dividend per share, EUR *	0.03	0.03	0.03
Dividend per profit, %	75	37.5	181.2
Effective dividend rate, %	3.2	4.0	3.53
Payment from invested non-restricted equity fund**	0.01	0.02	0.00
Price per profit (P/E)	24	11	51
Development of share price			
Average, EUR	0.88	0.79	0.84
Lowest, EUR	0.73	0.57	0.73
Highest, EUR	1.08	0.91	0.97
Price 31.12., EUR	0.95	0.75	0.85
Market price 31.12.	11,578	9,283	10,502
(1,000 EUR)			
Development of shares traded			
Number of shares traded mill. Pcs	717	485	3,491
Trading-% from the total number of shares	5.8	3.9	29.0
Number of shares 31.12., 1,000 pcs	12,445	12,378	12,355
Weighted average	12,315	12,368	12,302
Diluted	12,315	12,458	12,449

* Year 2009: Board of Directors proposal to Annual General Meeting held by March 18th, 2009.

** Year 2009: Board of Directors proposal to Annual General Meeting held by March 18th, 2009.

25. Events after review period

QPR Software's business operations in Russian Federation and CIS countries were transferred in February, 2010 to subsidiary (OOO QPR Software). The company is a fully owned subsidiary of QPR CIS Oy. The company was registered in 29 December, 2009 and is domiciled in Moscow.

The Executive Management Team of QPR Software Plc consists of the following persons as of 18 February, 2010: Chief Executive Officer Jari Jaakkola (chairman), Vice President Software Sales International Antti Ainasoja, Vice President Software Sales Finland Matti Erkheikki, Vice President Services and Solutions Maija Erkheikki, Vice President Communications and Marketing Jyrki Karasvirta, Vice President Business Development Teemu Lehto, CFO Päivi Vahvelainen and Vice President Products and Technology Tony Virtanen.

26. Capital management

(EUR 1,000)	2009	2008
Interest-bearing liability	1,098	182
Liquid assets	1,929	1,716
Gearing ratio	-831	-1,534
Shareholder's equity	2,575	0
Gearing, %	-32.3	-56.1
Equity ratio, %	42.5	52.9
Balance sheet value	6,874	6,047

The Development of Group capital structure is monitored, in particular, through gearing and equity ratio.

Calculation of Key Indicators

Return on equity (ROE), %:	$\frac{\text{Profit for the period} \times 100}{\text{Shareholders' equity (average)}}$
Return on investment (ROI), %:	$\frac{\text{Profit before taxes} + \text{interest and other financial expenses} \times 100}{\text{Balance sheet total} - \text{non-interest bearing liabilities (average)}}$
Equity ratio, %:	$\frac{\text{Shareholders' equity} \times 100}{\text{Balance sheet total} - \text{receive advance payments}}$
Gearing, %:	$\frac{\text{Interest bearing liabilities} - \text{cash and cash equivalents} \times 100}{\text{Shareholders' equity}}$
Earnings per share, euro:	$\frac{\text{Profit for period belonging to parent's owners}}{\text{Adjusted number of shares over the financial year (average)}}$
Equity per share, euro:	$\frac{\text{Shareholders' equity belonging to parent's owners}}{\text{Adjusted number of shares at the end of the financial period}}$
Dividend per share, euro:	$\frac{\text{Total dividend paid}}{\text{Adjusted number of shares at the end of the financial period}}$
Dividend / profit, %:	$\frac{\text{Dividend per share} \times 100}{\text{Earnings per share}}$
Effective dividend yield, %:	$\frac{\text{Dividend per share (adjusted)} \times 100}{\text{Adjusted share price at the end of the financial period}}$
Price-earnings ratio (P/E):	$\frac{\text{Adjusted share price at the end of the financial period}}{\text{Earnings per share (adjusted)}}$
Market value of share capital:	(Number of shares - own shares) x share price at the end of the financial period
Turnover of shares, % of share capital:	$\frac{\text{Turnover (number of shares)} \times 100}{\text{Number of shares issued (average)}}$
Quick ratio:	$\frac{\text{Current assets} - \text{inventories}}{\text{Current liabilities} - \text{advances received}}$

Parent Company Income Statement, FAS

(EUR 1,000)	Note	Jan 1 – Dec 31, 2009	Jan 1 – Dec 31, 2008
NET SALES	1	6,278	6,807
Other operating income	2	35	51
Material and services	3	406	656
Employee benefits expenses	4	3,524	3,651
Depreciation	5	466	301
Other operating expenses	6	1,438	1,595
		5,834	6,203
OPERATING PROFIT		479	655
Financial income and expense	7	-36	26
OPERATING PROFIT		443	681
Income tax	8	-126	47
PROFIT FOR THE PERIOD		317	728

Parent Company Balance Sheet, FAS

(EUR 1,000)	Note	December 31, 2009	December 31, 2008
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	9	1,720	1,078
Tangible assets	10	145	226
Investments in associated companies	11	188	185
Other investments	11	5	5
		2,058	1,494
CURRENT ASSETS			
Long term receivables	12	400	526
Short term receivables	13	2,662	2,610
Cash and cash equivalents	14	1,685	1,368
		4,747	4,504
TOTAL ASSETS		6,805	5,998

(EUR 1,000)	Note	December 31, 2009	December 31, 2008
EQUITY AND LIABILITIES			
EQUITY BELONGING TO OWNERS OF THE PARENT			
SHARE CAPITAL			
Share capital	15	1,359	1,359
Invested non-restricted equity fund		127	360
Retained earnings		721	362
Treasury shares		-209	-125
Profit for the period		317	728
TOTAL EQUITY		2,315	2,684
LIABILITIES			
Non-current liability	16	1,253	79
Current liability	16	3,237	3,235
TOTAL LIABILITIES		4,490	3,314
TOTAL EQUITY AND LIABILITIES		6,805	5,998

Parent Company Cash Flow Statement, FAS

(EUR 1,000)	Jan 1 – Dec 31, 2009	Jan 1 – Dec 31, 2008
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period	479	655
Adjustment for the period:		
Depreciation and amortization	466	301
Non-cash transactions	0	-47
Financial items	-30	26
Income taxes paid	0	47
Net cash before changes in working capital	915	982
Changes in working capital		
Change in short term receivables, non-interest-bearing	-51	125
Change in short term liabilities, non-interest-bearing	196	490
Change in working capital	145	615
NET CASH FROM OPERATING ACTIVITIES	1,060	1,597
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of intangible assets	-932	-382
Purchases of tangible assets	-38	-54
NET CASH USED IN INVESTING ACTIVITIES	-970	-436
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term loans	1,132	0
Repayments of long term borrowings	-217	-186
Proceed of issuance of share capital	11	4
Purchase of own shares	-84	-60
Increase of subsidiaries shares	-3	0
Invested non-restricted equity fund paid	-244	0
Dividends paid	-368	-368
NET CASH USED IN FINANCING ACTIVITIES	227	-610
NET CHANGE IN CASH AND CASH EQUIVALENTS	317	551
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		
	1,368	817
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		
	1,685	1,368

Accounting principles for parent company financial statements

QPR Software Plc's financial statements from 2009 have been prepared according to the Finnish GAAP. The Group has started reporting according to the IFRS from January 1, 2005.

Company information

The QPR Group specializes in the management of organizational performance and operational processes as well as the development and sales of operative risk management software in collaboration with its partners.

QPR Software Plc (Company ID 0832693-7) is the parent company of the QPR Group. The Company domicile is in Helsinki and its registered address is Huopalahdentie 24, 00350 Helsinki, Finland.

Revenue recognition

The net sales of the parent company is generated through the following sales revenue: sale of software licenses, software updates, and sales of maintenance and consulting services.

Net sales of software licenses are recognized in connection with the delivery. Maintenance fee covering software updates and customer support is recognized on a payment basis during the agreement period. Consulting services are recognized upon service delivery.

Net sales includes sales of software licenses and services rendered less adjusted indirect taxes, exchange rate differences as well as discounts granted.

Transaction in foreign currency

Transactions in foreign currencies are recorded in operating currency using the exchange rate at the date of the transactions. Exchange rate differences have been entered in the respective items above operating profit.

Receivables and liabilities in foreign currencies are recorded in operating currency using the exchange rates quotes by the European Central Bank on 31 December, 2009.

Exchange rate differences derived from financial item are recognized in net amount in financial income and expenses.

Other operating income

Any public subsidy acquired is recognized in the profit or loss for the financial period under other operating income, except when they arise from investments, in which case they reduce the acquisition cost.

Research and development expenditures

Research and development costs are capitalized in the balance sheet when the product is technically and commercially feasible and is expected to yield income.

Capitalized development expenses are depreciated in four (4) years. Research expenses are recognized as expenses during the financial year.

Pension expenses

The pension obligations of QPR Software Plc are recognized as an expense in the income statement of the financial statement in the period during which they arise.

Tangible assets

Tangible assets are valued at acquisition costs less depreciation according to plan. The assets are depreciated on the basis of their estimated economic lifetimes. The estimated economic lifetimes for machinery and equipment are 2–7 years.

Intangible assets

Other intangible assets with a limited economic life are recorded in the balance sheet less straight-line amortization in the income statement during the economic lifetime. The estimated economic life of other intangible assets is 2–5 years.

Leasing

In the Financial Statements for the parent company, leasing costs are recognized as annual expense in accordance with Finnish GAAP.

Cash and cash equivalents

Cash and cash equivalents assets include liquid cash, bank deposits and market-able securities.

Taxes

Income taxes are recognized in accordance with the Finnish tax regulation.

A deferred tax asset is recognized to the extent it is considered probable that there will be future taxable profit against which the loss or credit carry forwards can be utilized.

Parent Company Notes Financial Statement

1. Net sales

Parent company's net sales are accrued solely from software business, with following break-down in financial year:

(EUR 1,000)	2009	2008
Software licenses	2,326	3,317
Maintenance services	3,066	2,566
Professional services	886	924
Total net sales	6,278	6,807

The geographical break-down of the net sales was as follows:

(EUR 1,000)	2009	2008
Domestic	2,783	2,634
Sales to Group companies	72	217
International	3,423	3,956
Total	6,278	6,807

2. Other operating income

(EUR 1,000)	2009	2008
Subsidies	35	50
Other operating income	0	1
Total	35	51

3. Materials and services

(EUR 1,000)	2009	2008
Material and services	406	656
Total	406	656

Materials and services include mainly commissions and localization fees charged by the reseller network.

4. Employee benefits expenses

(EUR 1,000)	2009	2008
Salaries	2,933	3,017
Pension expenses	478	515
Other personnel expenses	113	119
Total	3,524	3,651

Salaries, fringe benefits, termination compensation and accruals of CEO

Kanninen Matti, until 3.1.2008	0	105
Jaakkola Jari, from 3.1.2008	179	168
Total	179	273

Board fees by member:

Leskinen Vesa-Pekka, Chair of the Board	25	25
Piekkola Asko	17	17
Niemi Jarmo	17	17
Sonkin Niklas, 14.3.2007–12.3.2008	0	3
Kontio Jyrki, from 12.3.2008	17	14
Piela Topi	17	17
Total	93	93

Average number of personnel	2009	2008
Total	57	53

5. Depreciation and amortization

(EUR 1,000)	2009	2008
Depreciation and amortization by group of assets		
Intangible assets		
Other intangible assets	347	152
Total	347	152
Tangible assets		
Machinery and equipments	119	149
Total	119	149
Total	466	301

6. Other operating expenses

(EUR 1,000)	2009	2008
Non-statutory indirect employee costs	202	174
Travel expenses	146	192
Marketing and other promotion	148	247
Bad debts	66	228
Other operating expenses	876	754
Total	1,438	1,595

Income statement included auditing and consultancy expenses

(EUR 1,000)	2009	2008
Auditing	37	24
Tax consultation	2	1
Other services	5	3
Total	44	28

7. Financial income and expenses

(EUR 1,000)	2009	2008
Interest income and other financial income	20	32
Interest expense and other financial expenses	-20	-6
Other financial expenses	-23	0
Exchange rate difference	-13	0
Total	-36	26

8. Income taxes

(EUR 1,000)	2009	2008
Change in deferred tax	-126	47
Total	-126	47

9. Intangible assets

(EUR 1,000)	Computer software	2009	2008
Acquisition costs January 1.		471	417
Increase		145	54
Acquisition costs December 31.		616	471
Accumulated depreciations and amortization January 1.		316	257
Depreciation		79	59
Accumulated depreciations and amortization December 31.		395	316
Book value January 1.		155	160
Book value December 31.		221	155
	Capitalized product development costs		
(EUR 1,000)		2009	2008
Acquisition costs January 1.		609	341
Increase		174	268
Acquisition costs December 31.		783	609
Accumulated depreciations and amortization January 1.		149	56
Depreciation		165	93
Accumulated depreciations and amortization December 31.		314	149
Book value January 1.		460	285
Book value December 31.		469	460
	Other intangible assets		
(EUR 1,000)		2009	2008
Acquisition costs January 1.		463	0
Increase		669	463
Acquisition costs December 31.		1,132	463
Accumulated depreciations and amortization January 1.		0	0
Depreciation		102	0
Accumulated depreciations and amortization December 31.		102	0
Book value January 1.		463	0
Book value December 31.		1,030	463
Total intangible assets December 31.		1,720	1,078

10. Tangible assets

(EUR 1,000)	Machinery and equipments	2009	2008
Acquisition costs January 1.		942	888
Increase		38	54
Acquisition costs December 31.		980	942
Accumulated depreciations and amortization January 1.		716	567
Depreciation		119	149
Accumulated depreciations and amortization December 31.		835	716
Book value January 1.		226	321
Book value December 31.		145	226
Total tangible assets December 31.		145	226

11. Investments

Shares, Group company (EUR 1,000)	2009	2008
Acquisition costs January 1.	185	185
Increase	3	0
Acquisition costs December 31.	188	185
Book value 31.12.	188	185
Shares, other		
Acquisition costs January 1.	5	5
Acquisition costs December 31.	5	5
Book value December 31.	5	5
Total investments December 31.	193	190
Group companies	2009	2008
QPR Software Ab (Halmstad, Sweden)*	0%	0%
QPR Software (Pty) Ltd (Midrand, South Africa)**	0%	100%
QPR Software Inc. (San Jose, CA, USA)	100%	100%
QPR CIS Oy (Helsinki, Finland)***	100%	0%
QPR Service Oy (Helsinki, Finland)	100%	100%

* QPR Services Oy owns 100% of QPR Software AB.

** QPR Software (Pty) Ltd. Operations closed 31 December, 2008

*** QPR CIS Oy is established 29 October, 2009

12. Long term receivables

(EUR 1,000)	2009	2008
Deferred tax assets	400	526

Parent company has retained losses, for which has been made the deferred tax asset

13. Short term receivables

(EUR 1,000)	2009	2008
Trade receivables – Group companies	0	35
Trade receivables	1,958	2,086
Other receivables – Group companies	270	304
Other short term receivables	51	66
Accrued income	383	119
Total	2,662	2,610

Accrued income includes:

Pension insurance receivables	217	0
Other accrued income	66	57
Other accrued expenses	100	62
	383	119

Break-down Group receivables:

Trade receivables:		
QPR Software AB	0	30
QPR Software Inc	0	2
QPR Software (Pty) Ltd	0	3
Other receivables:		
QPR Software AB	0	0
QPR Software Inc	0	0
QPR Software (Pty) Ltd	0	37
QPR CIS Oy	1	0
QPR Services Oy	269	267
	270	339

14. Cash and cash equivalents

(EUR 1,000)	2009	2008
Bank and cash	1,685	1,368
Total	1,685	1,368

15. Shareholders' equity

(EUR 1,000)	2009	2008
Shareholders' equity		
Restricted equity		
Share capital January 1.	1,359	1,359
Shares issued	0	0
Share capital December 31.	1,359	1,359
Share premium January 1.	0	357
Issue premium	0	0
Transfer of Share Premium fund	0	-357
Share premium December 31.	0	0
Total Restricted equity December 31.	1,359	1,359
Non-restricted equity		
Invested non-restricted equity fund January 1.	360	0
Shares issued	11	3
Invested non-restricted equity fund paid	-244	0
Transfer of Share Premium fund	0	357
Invested non-restricted equity fund December 31.	127	360
Retained earnings January 1.	965	665
Profit for the period	317	728
Dividends paid	-368	-368
Own shares	-84	-60
Retained earnings December 31.	830	965
Total Non-restricted equity	957	1,325
Total shareholders' equity December 31.	2,315	2,684
Own shares January 1.	-125	-65
Increase	-84	-60
Own shares December 31.	-209	-125
Distributable funds		
Retained earnings	721	362
Profit for the period	317	728
Own shares	-209	-125
Invested non-restricted equity fund	127	360
Total	957	1,325

16. Liabilities

(EUR 1,000)	2009	2008
Long term liabilities		
Loans from financial institutions and other loans	1,253	79
Total long term liabilities	1,253	79
Short term liabilities		
Loans from financial institutions and other loans	305	103
Trade payable	386	106
Other short term liabilities	178	189
Accrued expenses	1,261	1,791
Received advance payments	795	828
Trade payable - Group	312	218
Total short term liabilities	3,237	3,235
Accrued expenses		
Holiday pay including social costs	445	408
Bonuses including social costs	165	181
Other accrued income	588	612
Mawell business combination	0	401
Accrued interest expenses	7	0
Other accrued expenses	56	189
Total short term liabilities	1,261	1,791
Rental liabilities		
Current rental liabilities	198	250
Rental liabilities maturing later years	242	0
Leasing liabilities		
Current lease liabilities	24	34
Lease liabilities maturing later years	19	22
Total commitments and contingent liabilities	483	306
Business mortgage*	1,337	0

* Business mortgages EUR 1,337 thousand are in Nordea as a security for pension loan from Ilmarinen.

The parent company has no financial derivatives.

Date and signatures of Board of Directors' Report and Financial Statements

In Helsinki, Finland, February 17th, 2010

QPR Software Plc
Board of Directors

Vesa-Pekka Leskinen
Chairman of the Board

Jyrki Kontio
Board member

Jarmo Niemi
Board member

Asko Piekkola
Board member

Topi Piela
Board member

Jari Jaakkola
Chief Executive Officer

Auditor's note

An auditor's report concerning the performed audit has been given to date.

In Helsinki, Finland, February 18th, 2010

KPMG Oy Ab
Authorized Public Accountant Firm

Sixten Nyman
Authorized Public Accountant

Auditor's Report

To the Annual General Meeting of QPR Software Plc

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of QPR Software Plc for the financial period 1 January – 31 December 2009. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

The Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the financial statements and the report of the Board of Directors and for the fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the fair presentation of the parent company's financial statements and the report of the Board of Directors in accordance with laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to perform an audit in accordance with good auditing practice in Finland, and to express an opinion on the parent company's financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. Good auditing practice requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements and the report of the Board of Directors are free from material misstatement and whether the members of the Board of Directors of the parent company and the Managing Director have complied with the Limited Liability Companies Act.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements or of the report of the Board of Directors, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and the report of the Board of Directors in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

The audit was performed in accordance with good auditing practice in Finland. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Consolidated Financial Statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the Company's Financial Statements and the Report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Opinion on discharge from liability and distribution of profit

The financial statements can be adopted and the members of the Board of Directors and the Managing Director can be discharged from liability for the financial period audited by us. The proposal by the Board of Directors on how to deal with the result for the financial period is in compliance with the Limited Liability Companies Act.

Helsinki 18 February, 2010

KPMG OY AB

Sixten Nyman
KHT

Information to shareholders

The share of QPR Software Plc

The share of QPR Software Plc is quoted on the main list of the NASDAQ OMX Helsinki Ltd, in the Information technology sector, Small Cap segment. The trading started on March 8, 2003.

Trading code: QPR1V

ISIN code: FI0009008668

Annual Shareholder's Meeting

The Annual Shareholders' Meeting will be held on Thursday 18 March 2010 starting at 1:00 p.m. at the Company's headquarters Huopalahdentie 24, 00350 Helsinki, Finland.

A shareholder of the Company that has been entered into the Company's shareholders' register maintained by Euroclear Finland Oy on 8 March, 2010 has the right to participate in the Shareholders' Meeting.

The shareholder willing to participate in the Shareholders' Meeting shall report the company of the participation on 12 March, 2010, at 4.00 p.m. at the latest, in writing to the address QPR Software Plc, Huopalahdentie 24, 00350 Helsinki, by phone to the number +358 50 436 1658, or by email to the address ilmoittautumiset@qpr.com.

The letter or message of participation shall be at the destination prior to the expiry of the registration period. The possible proxies are asked to be delivered in connection with the registration to the address set forth above.

Shareholders, who hold their shares under a name of a nominee, can temporarily be registered to the Register of Shareholders in order to attend the Meeting. The registration need to be entered into the Register of Shareholders of QPR Software on 8 March, 2010, the record date of the Meeting. Notice of temporary registration must be made by 10.00 a.m. on 15 March, 2010.

A holder of nominee registered shares is advised to request necessary instructions regarding the registration in the shareholder's register of the Company, the issuing of proxy documents and registration for the General Meeting from his/her custodian bank.

Dividend and distribution of assets to shareholders

The Board of Directors proposes to the Annual Shareholders' Meeting that a dividend of EUR 0.02 per share and the distribution of assets of EUR 0.01 per share from the invested unrestricted equity fund to be paid to shareholders for financial year 2009.

Both the dividend and distribution of assets shall be paid to a shareholder that has been entered into the company's shareholders' register on the record date 23 March, 2010. The Board of Directors proposes to the Annual Shareholders' Meeting that both the dividend and the distribution of assets shall be paid on 6 April 2010.

Financial information in 2010

In 2010, QPR Software Plc will publish its financial information as follows:

- Interim Report 1–3/2010: Thursday, 22 April, 2010
- Interim Report 1–6/2010: Friday, 6 August, 2010
- Interim Report 1–9/2010: Friday, 22 October, 2010

The interim reports and all stock exchange bulletins of QPR Software Plc are available on the Investor pages of Company's Internet pages, www.qpr.com/latest-bulletins.html.

Changes of addresses

If the address of a shareholder changes, we request to contact the custodian bank maintaining the shareholder's, book-entry account.

QPR software is used by 1 500 customers around the world from the private as well as the public sector. Customer organizations systematically develop with them their processes and performance. Customers may also use software to comply with requirements set by regulation and standards (e.g. quality or environment) or to manage operational changes related to these. QPR Software is localized to 26 languages. During 2009 the Company sold software licenses to 70 countries.

Some of our international customers

Abu Dhabi Distribution Company (ADDC)
 Advanced Electronics Company Ltd
 African Bank
 AVL LIST GmbH
 Banco General Rumiñahui S.A.
 Barnsley Metropolitan Borough Council
 Belgocontrol
 BERCUT
 BKKBN Badan Koordinasi Keluarga Berencana Nasional
 Bosch Robert Bosch GmbH
 Botswana Water Utilities Corporation
 Brasil Telecom
 BSH Ev Aletleri Sanayi ve Ticaret A.S.
 Cardiff Bus Company
 Centers for Disease Control and Prevention, COTPER
 Central Lancashire PCT
 Ceskomoravská stavební společnostna
 City of Moscow (CAO)
 CNAV - Caisse nationale d'assurance vieillesse
 Colegio de Postgraduados
 Comision Federal de Electricidad, Distribution Golfo Norte
 Commercial Bank of Dubai
 Commerzbank (Schweiz) AG
 Danish Defence
 DHL
 Die Schweizerische Post
 Dubai Aluminium Company Limited (DUBAL)
 Eandis CVBA
 East Trade EOOD
 ECONICA Techno
 EDS
 Emirates Post Group Holding
 Ernst & Young - Abu Dhabi
 Fakultná nemocnica Trnava
 GBES
 Gesundheitsnetz Wallis (GNW)
 Gold-Pak
 Gulf Agency Company (Qatar)
 Hatch Africa Pty Ltd
 Hewlett Packard Centre De Competences France
 Hewlett-Packard
 Holcim (Schweiz) AG
 Höörs Kommun
 Inbev NV
 Inkript Holding
 Insel Spital Bern

IRKUT
 Kazzinc
 Landstinget i Östergötland
 Latvijas valsts meži
 LEK
 Lusitania, Companhia Seguros, SA
 Maeda Road Construction CO., Ltd.
 Mapna (Modiriati Projehave Nirougahy Iran)
 Mars Information Services
 Merafong Municipality
 MetroNet
 Ministry of Finance Bulgaria
 Ministry of Foreign Affairs (Slovakia)
 Ministry of Justice of the Republic of Latvia
 MTS OAO Mobilnye Telesystemy
 Namakwa sands
 Nampak
 National Bank Of Abu Dhabi
 NCCI
 NEC Corporation, IT Platform
 Planning Division
 NEC Software Ltd
 NESTLE
 Nextel Telecomunicacoes Ltda
 Nissha Printing
 North Lanarkshire Council
 NEC Software Ltd
 NESTLE
 Nextel Telecomunicacoes Ltda
 Nissha Printing
 North Lanarkshire Council
 ONEOK
 Petroleo Brasileiro S.A.-Petrobras
 Pfizer Health AB
 Prezioso
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 SIBUR
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 Trenciansky samospravny kraj
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 Trojka Dialog
 T-Systems on site Services GmbH
 Umeå Kommun
 United Finance Company, SAOG
 University of Pannonia
 Urzad Marszalkowski w Lodzi

Veolia Water Japan
 Vetlanda kommun, Kommunledningsförvaltningen
 WIND
 VSMPO
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