

**PÖYRY PLC
ANNUAL GENERAL MEETING
11 MARCH 2014**



PÖYRY

**CEO'S REVIEW
ALEXIS FRIES, PRESIDENT AND CEO**

PÖYRY GROUP EXECUTIVE COMMITTEE



Alexis Fries

President and
CEO



Sergio Guimaraes

President, Energy
Business Group



Martin Kuzaj

President, Industry
Business Group
President, Regional
Operations Central
Europe and Latin
America



Martin Bachmann

Chairman of Regional
Operations
President, Regional
Operations Alpine Arc
and Asia Pacific



Jarkko Sairanen

President,
Management
Consulting Business
Group



Pasi Tolppanen

President, Regional
Operations Northern
Europe



Richard Pinnock

Head, Large Project
Competence Centre



Anne Viitala

Group General
Counsel, Head Legal
and Communications



Jukka Pahta

Chief Financial Officer,
Head Finance and IT



Jaana Rinne

Head, Human
Resources

OUTLINE

- I. OVERVIEW OF 2013**
- II. PÖYRY'S STRATEGIC DIRECTION**
- III. OUTLOOK FOR 2014**

RESULTS

MEUR	2013	2012	Change, %
Order stock	500.0	547.7	-8.7
Net sales	650.8	775.0	-16.0
Operating profit	13.9	-18.8	n.a.

- Project losses of approximately EUR 15 million mainly from the former Urban Business Group
- Positive contribution of EUR 13.8 million resulting from the divestment of the office real estate in Vantaa
- Challenging market environment
- Solid prospect pipeline

RESULTS

	2013	2012
Cash flow from operations, MEUR	-1.0	-7.5
Equity, MEUR	132.5	132.3
Gearing, %	26.0	59.9
Net debt, MEUR	34.5	79.1
Earnings per share, EUR	0.06	-0.43

- Divestment of the office real estate in Vantaa, Finland positively impacted
 - cash flow by EUR 58.3 million
 - gearing as proceeds were used for repayments of loans

RESULTS

MEUR	Net sales		Operating profit	
	2013	2012	2013	2012
Energy	179.5	217.4	0.6	4.4
Industry	111.7	146.6	3.7	-0.1
Regional Operations	288.4	333.5	4.0	4.1
Management Consulting	70.9	79.3	2.7	-0.1

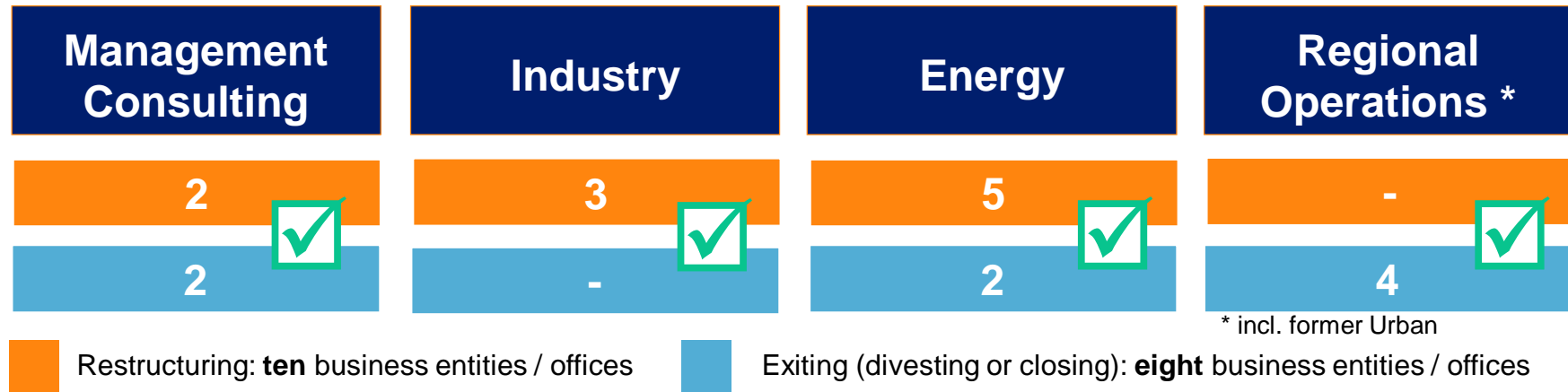
DIVIDEND 2013

The Board of Directors proposes that
no dividend be paid for 2013.

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ADDRESSING LOW-PERFORMING UNITS



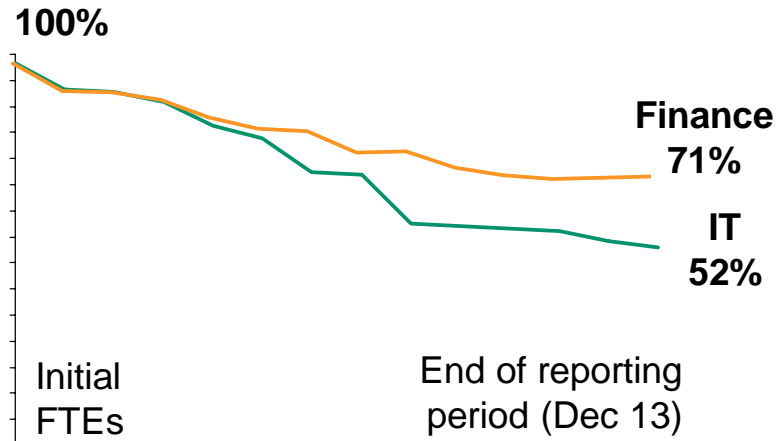
▶ Total restructuring cost of 7.2 MEUR included in Q4/2012.
Targeting 15-20 million profit improvement by 2014.

▶ Actions taken improved comparable operating profit from low-performing units by 14 MEUR year-on-year.

▶ Operating profit 2013 burdened by one time project losses and restructuring expenses mainly from units outside the 2012 low-performing unit list.

STREAMLINED SUPPORT FUNCTION ORGANISATION

Organisational development



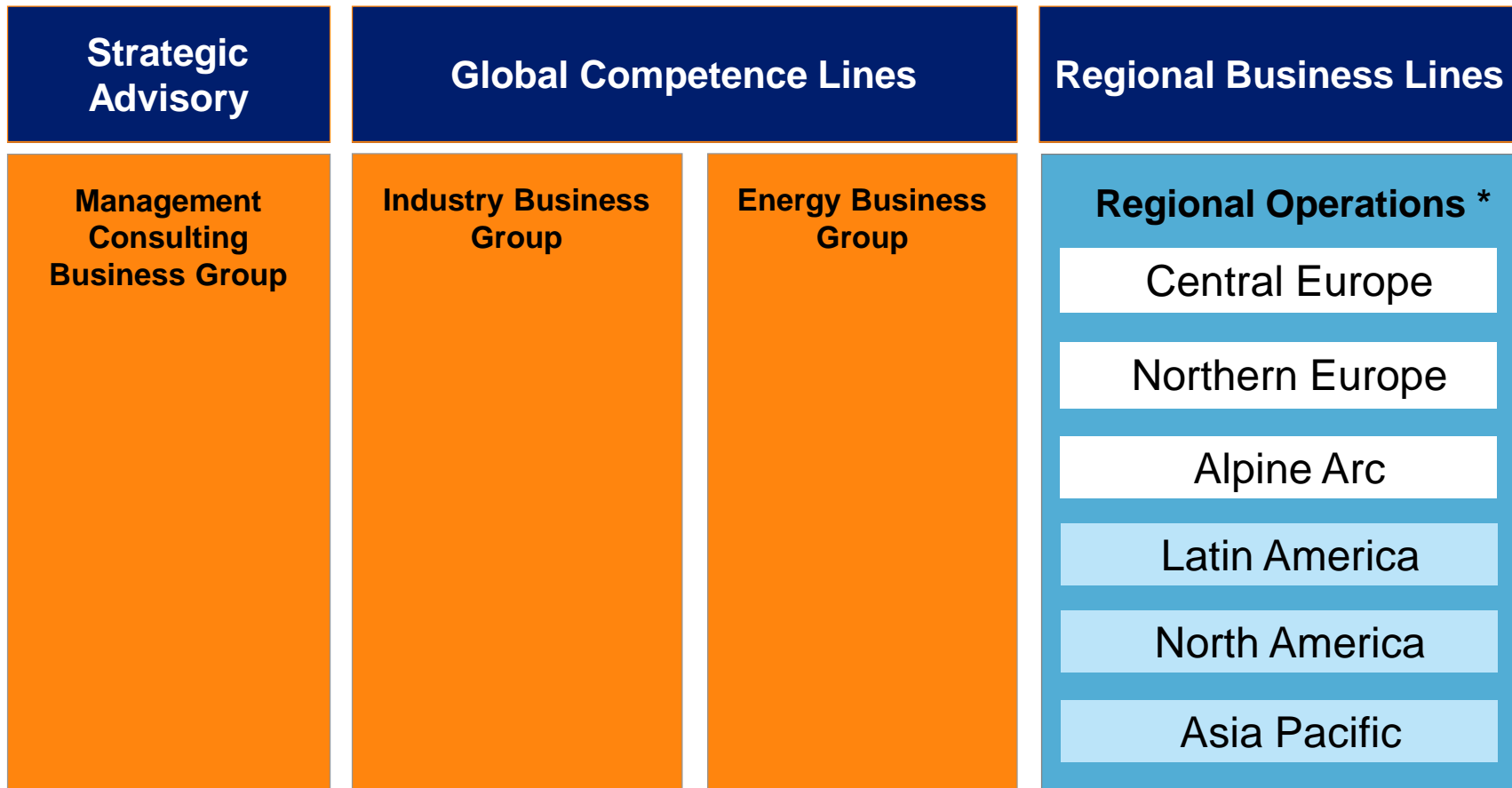
- Target 2013 run rate savings achieved
- IT outsourcing in 13 countries
- Finance outsourcing in 10 countries
- Head count reduction > 260

Cost savings potential: 25-30 MEUR by the end of 2014

Cost savings

Achieved savings	% of achievement, project to date	% of achievement, plan end of 2014
	102 %	79%

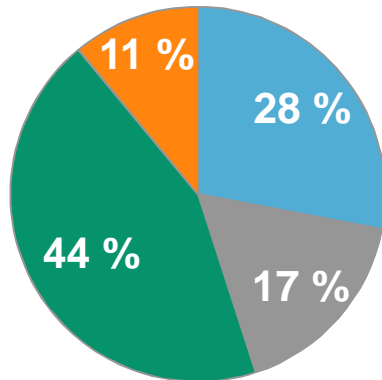
ORGANISATIONAL EVOLUTION – REGIONAL ORGANISATION INTRODUCED



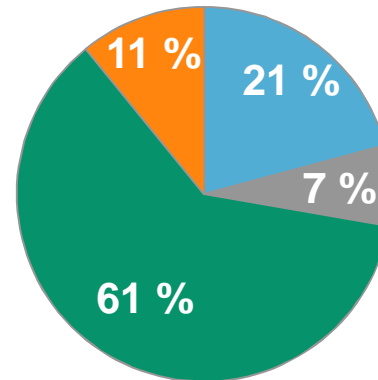
* as of January 2014

ORGANISATIONAL EVOLUTION – NET SALES AND HEAD COUNT PER BUSINESS LINE

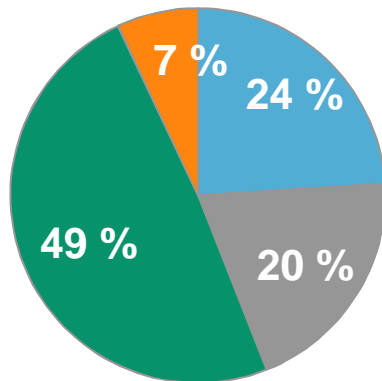
Net sales 2013, MEUR 651



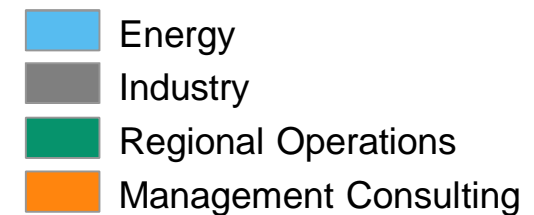
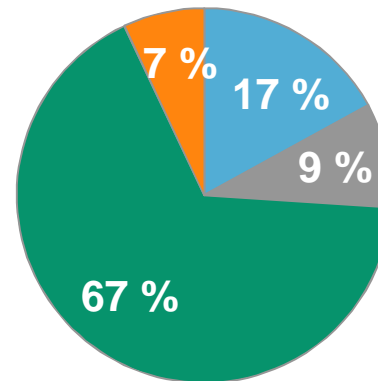
Net sales 2013, Pro forma



Headcount 2013, 6,415



Headcount 2013, Pro forma



PÖYRY STRATEGIC DIRECTION

- Performance driven
- Full client service
- Regional presence & Multidomestic foundation
- Global competence
- Local – global cooperation

PERFORMANCE DRIVEN

- Client focus
- Quality inside
- Project management
- Project profitability
- Activity management
- Creativity and innovation

FULL CLIENT SERVICES



Strategic Advisory

Management Consulting

Operational Excellence

Engineering Services

Technical Consulting

Conceptual Design

Basic Engineering

Detailed Engineering

Project Implementation

Site Supervision

Project/Construction Management

EPCM

EPS/EPC

Operations Support

Operational Improvement

O&M Management

Outsourced Operations



LOCAL PRESENCE – BROAD EXPERTISE CLOSE TO OUR CLIENTS

- 6 Regions

- Northern Europe
- Central Europe
- Alpine Arc
- Asia-Pacific
- North America
- Latin America

- 7 Key countries

- Finland
- Sweden
- Germany
- Switzerland
- Austria
- Thailand
- Brazil

GLOBAL COMPETENCE – EXPERTISE & LEADERSHIP POSITIONS

- 7 Global Competence Lines

- Pulp & Paper
- Mining & Metals
- Chemicals & Biorefining
- Hydro & Renewables
- Thermal Power
- Transmission & Distribution
- Nuclear

- 7 Global Practices in Management Consulting

- Energy Market Analysis & Design
- Energy Companies
- Land, Forest & Wood Products
- Pulp, Paper, Packaging & Hygiene
- BioFutures
- Operational Excellence
- Transactions

GLOBAL – LOCAL INTERACTION

- Sharing resources
- Engineering centres
- Project references
- Global support functions



CREATING 3,500 DIRECT AND 15,000 INDIRECT JOBS IN THE AREA, SUZANO IMPERATRIZ PULP MILL, BRAZIL

*Adriano Canela,
Director of Maranhão's Project,
Suzano Papel e Celulose*

"Imperatriz unit positions us into a new level in the pulp and paper industry. Pöyry's contribution, through their experience was very important in this process."

- Capacity 1.5M tonnes per year. Completely self-sufficient in energy and exports 100 MW
- Pöyry was an end-to-end engineering partner from the site location studies, environmental studies to start-up
- One of the most modern pulp mills - state of the art. Start-up, end of 2013

MEETING THE GROWING ELECTRICITY DEMAND, SEC, THE KINGDOM OF SAUDI ARABIA

SEC

“Gas Turbine was synchronised 2 days before the start of Ramadan and all 10 Gas Turbines were on base load to provide much needed power to SEC and the Kingdom of Saudi Arabia.”

Shoaiba

- Completed 2013
- 1200 MW open cycle power plant
- Owner's Engineer services

Shuqaiq

- Awarded 2013
- 2640 MW steam power plant
- Owner's Engineer services

REGIONAL OPERATIONS NORTHERN EUROPE



- Finland, Sweden, Norway and Russia
- Personnel: 1,800
- 37 offices (Finland 20, Sweden 14, Norway 1, Russia 2)
- Strong competence in infrastructure, environment, water, real estate and local industry project services

CONNECTING HELSINKI-VANTAA AIRPORT TO THE NATIONAL RAIL NETWORK, RING RAIL, FINLAND

*Juha Kansonen, Project manager,
Finnish Transport Agency*

“This has been a challenging project to all parties. Pöyry has played a major role in the design, and has done it well.”

- Once completed in 2015, the Ring Rail will offer rail transport to additional 200,000 people and rail access to work for 200,000 people
- 18 km rail of which 8 km is built underground on a twin track
- Pöyry has been involved in the engineering of the railway, tunnels and technical systems

PROJECT “RECOVERY 2012” FOR LONG-TERM CLIENT, BILLERUDKORSNÄS SKÄRBLACKA, SWEDEN

- Project “Recovery 2012” included investments to upgrade production and to improve the environmental friendliness and energy efficiency of the mill
- Pöyry was involved in pre-engineering and implementation

Image: BillerudKorsnäs AB

REGIONAL OPERATIONS CENTRAL EUROPE & ALPINE ARC

- **Region Central Europe:** Germany
- Personnel: 600
- 17 offices

- **Region Alpine Arc:** Switzerland, Austria, Czech Republic
- Personnel: 650
- 14 offices:
(7 CH, 4 AT, 3 CZ)



CHANGING THE FACE OF EUROPE'S BIGGEST URBAN AREA, EMSCHERGENOSSENSCHAFT, GERMANY

*Reinhard Ketteler, Project Director,
Emschergenossenschaft*

“A major impulse for the structural
change of the Ruhr area”

- Revitalisation of the Emscher River system is one of Europe's biggest infrastructure projects with an investment volume of about 4.5 EUR billion
- Pöyry delivers engineering and implementation services for several complex projects
- Measures include 51 km long Emscher sewage canal and some of Germany's biggest wastewater treatment plants

TACKLING THE CHALLENGE OF ENERGY STORAGE WITH THE ADELE-ING PROGRAMME, RWE POWER AND PARTNERS, GERMANY

*Dr. Buschsieweke, Project Manager,
RWE Power AG*

*“Pöyry did a great job in challenging
all engineering partners.”*

- Adiabatic compressed-air energy storage (CAES) for electricity supply to facilitate Germany's nuclear and fossil fuel exit
- Pöyry's scope: engineering services, cost estimation, scheduling, coordination of project partners
- Identification of preferred concepts for basic engineering phase

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OUTLOOK 2014

Supporting future growth with our Strategic Direction

- Operating Profit to increase

CONSULTING & ENGINEERING EXPERTS



THANK YOU!