

**VALUE-ADDED SYNERGETIC SERVICES IN  
ENGINEERING, PROJECT MANAGEMENT AND  
MANAGEMENT CONSULTING**



**CARNEGIE SMALL & MID CAP SEMINAR 8-9 SEPTEMBER 2010**

Stockholm 9 September 2010

Heikki Malinen, President and CEO, Pöyry

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## PRESENTATION CONTENTS

- Pöyry in brief
- Service offering
- Financial position and short-term outlook
- Appendices

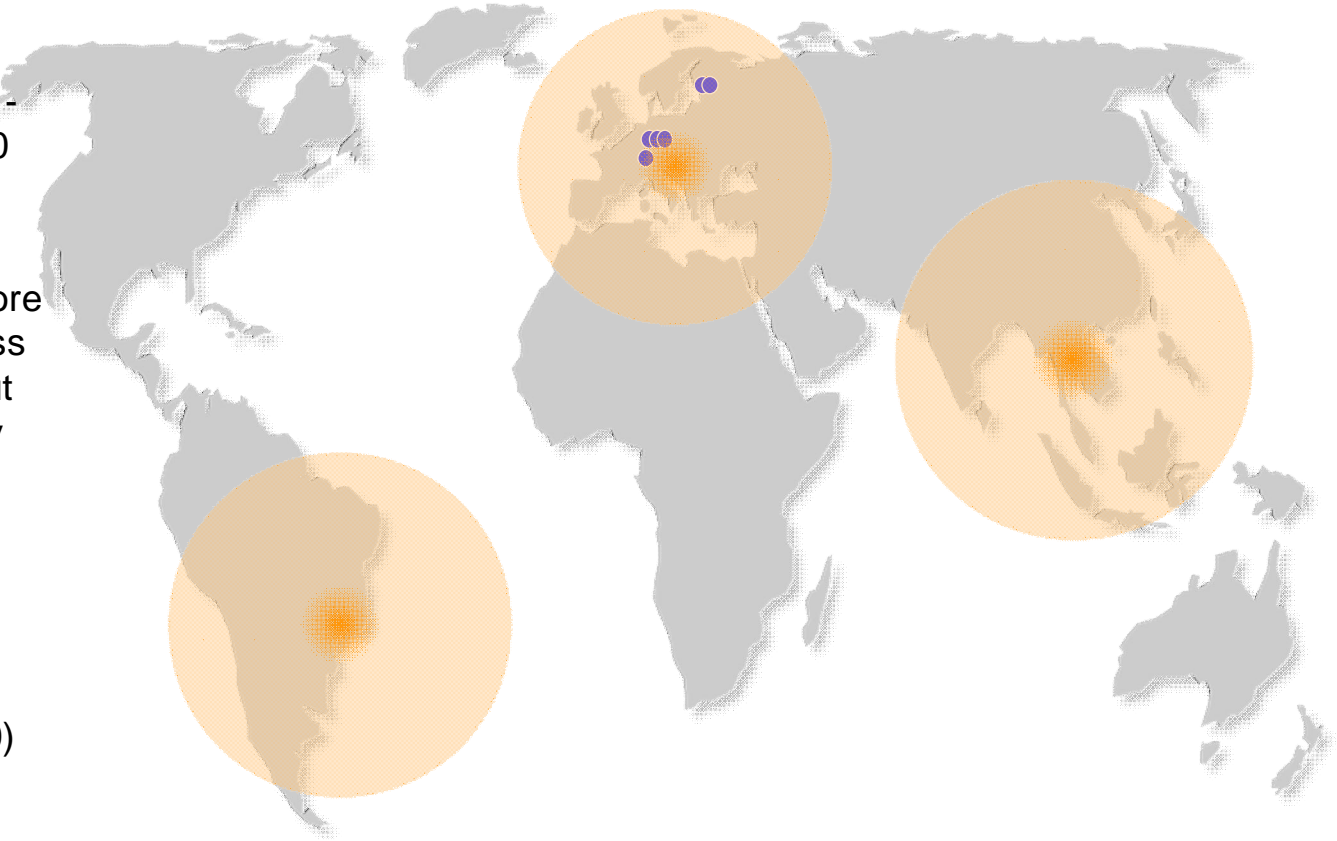
# PÖYRY IN BRIEF



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# GLOBALLY LOCAL CONSULTING ENGINEERING SERVICES

- Project management, design, supervision and management consulting - 7000 experts in about 50 countries
- Project experience in more than 100 countries across all the continents – about 17 000 projects annually
- Net sales in 2009 EUR 674 million
- Market cap EUR 650+ million (September 2010)





# WHAT ONCE STARTED AS 'A ONE MAN'S DREAM' HAS LED TO STRONG POSITION IN SELECTED VERTICALS

Sector / Rank	International design firms	Rank
 <b>Energy</b>	Power	<b>3</b>
	Hydropower plants	<b>1</b>
	Cogeneration	<b>2</b>
	Transmission lines and cabling	<b>3</b>
	Nuclear plants	<b>4</b>
 <b>Industry</b>	Industrial processes	<b>7</b>
	Pulp and paper mills	<b>1</b>
 <b>Urban &amp; Mobility</b>	Transportation	<b>19</b>
	Mass transit	<b>7</b>
 <b>Water &amp; Environment</b>		
	Wastewater treatment	<b>9</b>



Leading position globally in various forest industry sectors

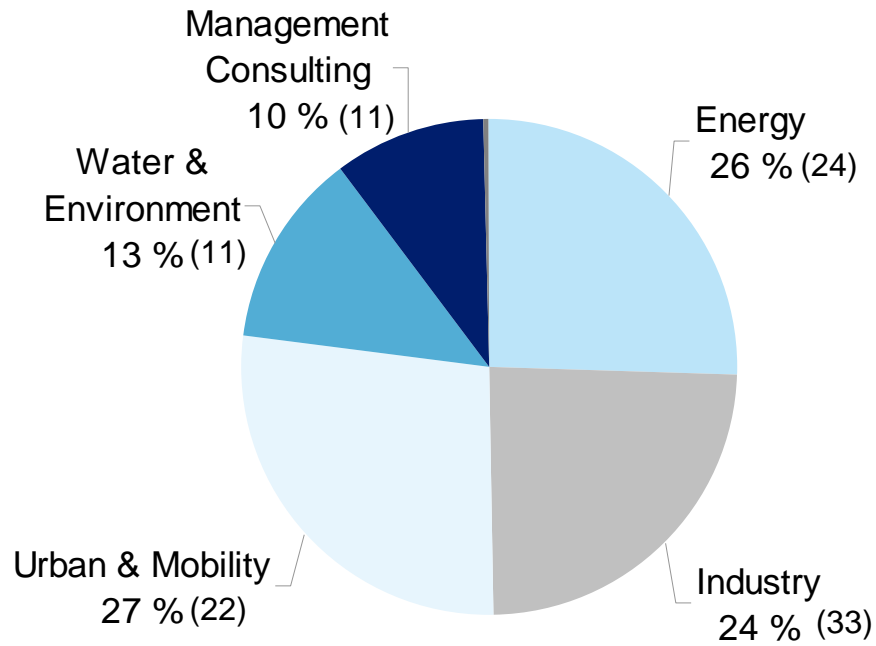
One of the leading energy consultants in Europe

International design firms/ Region	Rank
Europe	<b>7</b>
Latin America	<b>7</b>
Global	<b>21</b>

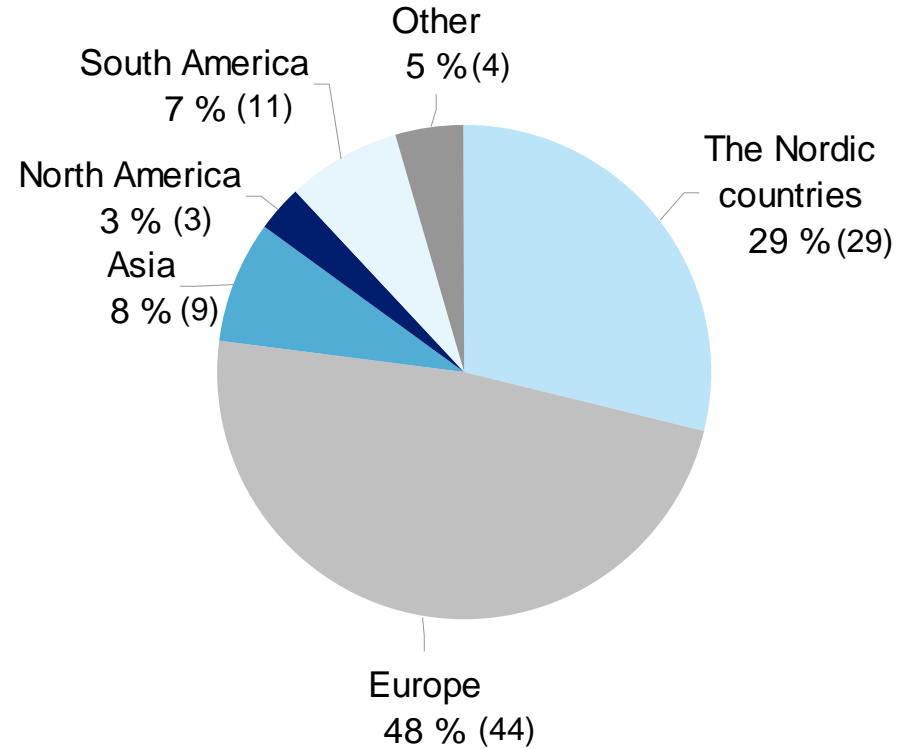
Source: ENR Sourcebook 2009/ranking based on revenue outside home country

# GROUP'S NET SALES FY2009: EUR 673.5 MILLION (FY2008: 821.7)

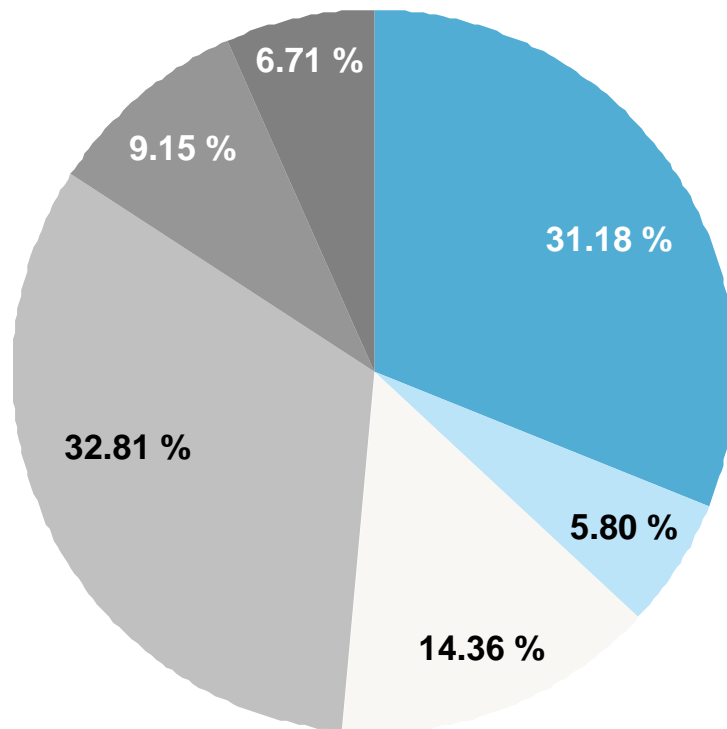
## Net sales by business group



## Net sales by region



## THE LARGEST SHAREHOLDERS (31 August 2010)



- Corbis<sup>(1)</sup>
- Procurator-Holding Oy
- Nominee registered
- Private and public institutions (domestic)
- Households (domestic)
- Other

1) Henrik Ehrnrooth, Chairman of the BoD of Pöyry, holds indirectly with his brothers Georg Ehrnrooth, member of the BoD of Pöyry and Carl-Gustaf Ehrnrooth a controlling interest in Corbis S.A.

- Total number of shares: 59,330,954
  - Number of treasury shares: 383,308
- Listing: NASDAQ OMX Helsinki, since 1997
- Trading code: POY1V
- Segment: Large cap
- Sector: Industrials/Research & Consulting Services

# SERVICE OFFERING

**Vision statement:**

**”By 2020 Pöyry is the global thought leader in engineering balanced sustainability for a complex world.”**



# MEGATRENDS CREATE OPPORTUNITIES



- Multibillion dollar need for infrastructure investments globally
- Weight of sustainability increasing



- Business focus is moving to emerging markets
- Tight competition requires careful resource allocation



- New solutions needed for resource efficiency
- Innovative "green" solutions for various needs



- Huge opportunities for those who anticipate new developments and understand new technologies

## SERVICE OFFERING WITHIN THE FOUR SELECTED VERTICALS IS BASED ON...

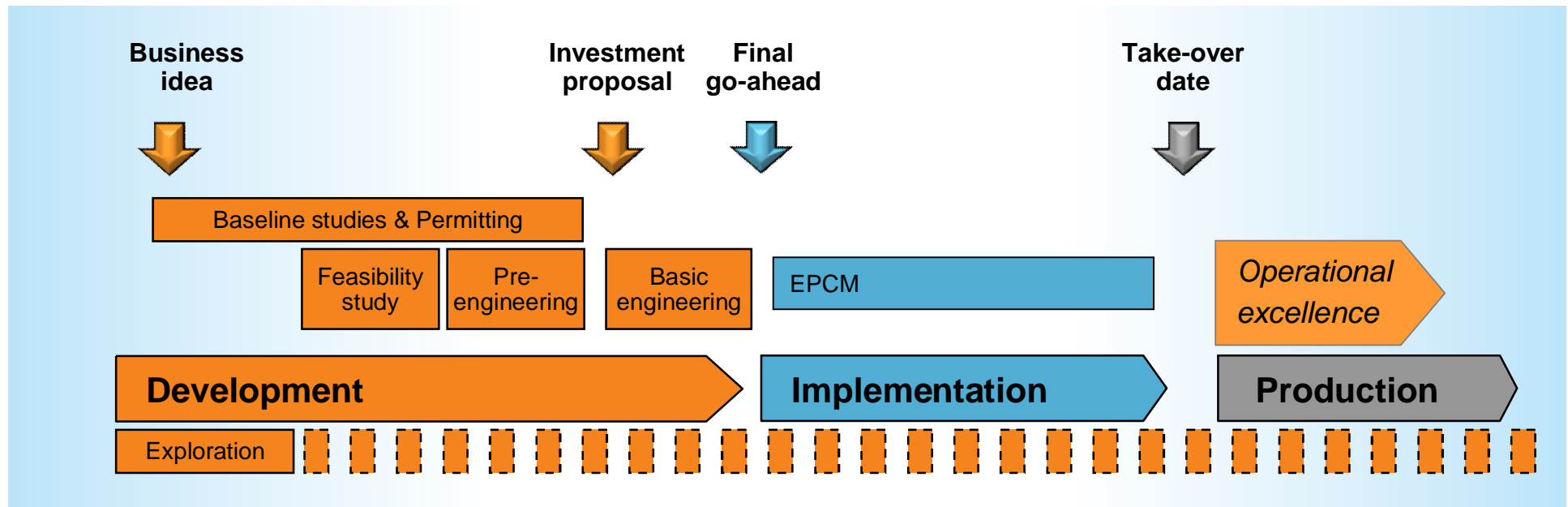
- Long history in design and supervision
- Strong references in project management
- Excellent sector knowledge in management consulting



# PROJECT LIFECYCLE

MANAGEMENT CONSULTING

MANAGEMENT CONSULTING



DESIGN - SUPERVISION - PROJECT MANAGEMENT

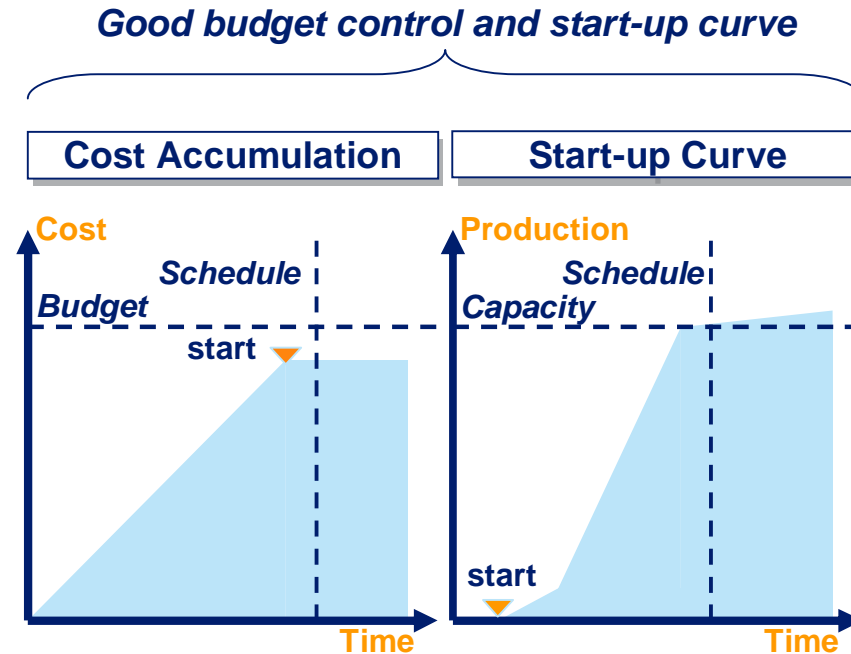
# PÖYRY APPROACHES PROJECTS FROM TWO ANGLES

## KEY FINANCIAL OBJECTIVES

- Project is implemented within budget and schedule
- Operation has progressive start-up
- Plant meets the quality requirements cost efficiently
- Positive cash flow from the operation is achieved rapidly
- Operation is environmentally sound and complies with health and safety regulations

## BALANCED SUSTAINABILITY

- Engineering balanced sustainability is about improving resource efficiency (energy, water, materials, supply chain) while improving the economic return on investments





# RECENT EPCM REFERENCES

**BASF / Dow / Solvay,  
Belgium**

Hydrogen peroxide plant  
EPCM project



**Fortum Power &  
Heat Oy, Finland**

234MW combined  
cycle power plant  
EPCM project



**ERCO Worldwide,  
USA**

Chloralkali plant  
EPCM project



**San Carlos Bioenergy,  
Inc., Philippines**

Sugar cane bioethanol  
plant  
EPC BoP / PMC project



**VCP Horizonte project,  
Brazil**

Greenfield pulp mill  
PMC and EPCM project



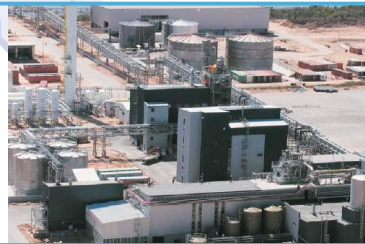
**Mondi, Republic of  
South Africa**

Recovery island, fibre  
line and drying machine  
in pulp mill EPCM project



**Kemira Uruguay S.A.,  
Uruguay**

Chemical Island  
EPCM project



EPC = Engineering, Procurement, Construction  
PMC = Project Management Consultancy  
BoP = Balance of Plant



## RECENT OTHER MAJOR PROJECTS

ENERGY	INDUSTRY	URBAN & MOBILITY	WATER & ENVIRONMENT	MANAGEMENT CONSULTING
<ul style="list-style-type: none"> <li>• EUR 6.1 million hydropower project in Sri Lanka</li> <li>• A total of EUR 9.2 million pumped storage plant project in Austria</li> <li>• EUR 2.2 million cogeneration plant project in Thailand</li> <li>• EUR 3 million waste-to-energy project in China</li> </ul>	<ul style="list-style-type: none"> <li>• EUR 5 million board mill project in the UK</li> <li>• EUR 7.5 million pulp mill project in Brazil</li> <li>• EUR 7.3 million pulp mill project in Brazil</li> <li>• Around EUR 5 million mining project in Finland</li> <li>• EUR 5 million aluminium rolling mill project in Brazil</li> </ul>	<ul style="list-style-type: none"> <li>• EUR 8.7 million high-speed railway project in China</li> <li>• EUR 3.2 million high-speed railway project in China</li> <li>• EUR 2.1 million high-speed railway project in China</li> <li>• EUR 6.1 million tunnel project in Mexico</li> <li>• EUR 3.5 million metropolitan railway project in Brazil</li> </ul>	<ul style="list-style-type: none"> <li>• EUR 3 million wastewater treatment project in Colombia</li> <li>• EUR 1.4 million flood protection project in Czech Rep.</li> <li>• Environmental and Social Impact Assessment for an aluminium factory project in Cameroon ('09)</li> </ul>	<ul style="list-style-type: none"> <li>• Nuclear and renewable energy strategy project in Saudi Arabia</li> <li>• A study on the effect of windpower generation on gas markets in Britain and Ireland</li> <li>• EIAs for nuclear power plants in Finland</li> <li>• Strategic advisory in a major acquisition in pulp and paper industry</li> <li>• Next generation technologies for future plantations and harvesting for a Latin American operator</li> </ul>

# MANAGEMENT AGENDA

## Short-term priorities

- Boost top line
- Build capabilities for large projects
- Integrated management consulting services
- Turn around underperforming units
- Increase organisational effectiveness

## Medium-term priorities

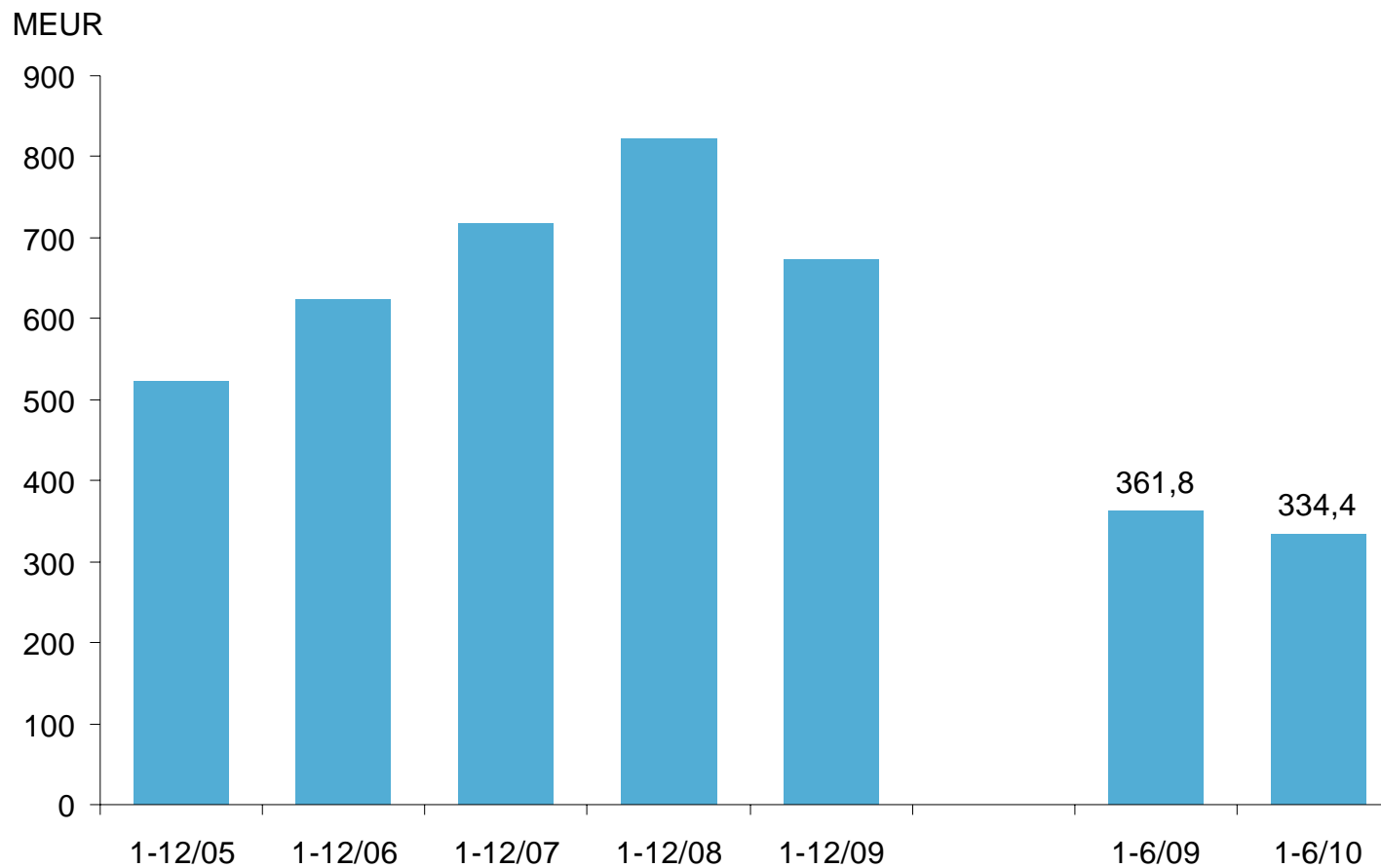
- Strong focus on organic growth (EPCM & emerging markets)
- Targeted M&As (Europe, Latin America)
- Increase portfolio & geographical focus
- More efficient design/engineering

## Financial targets

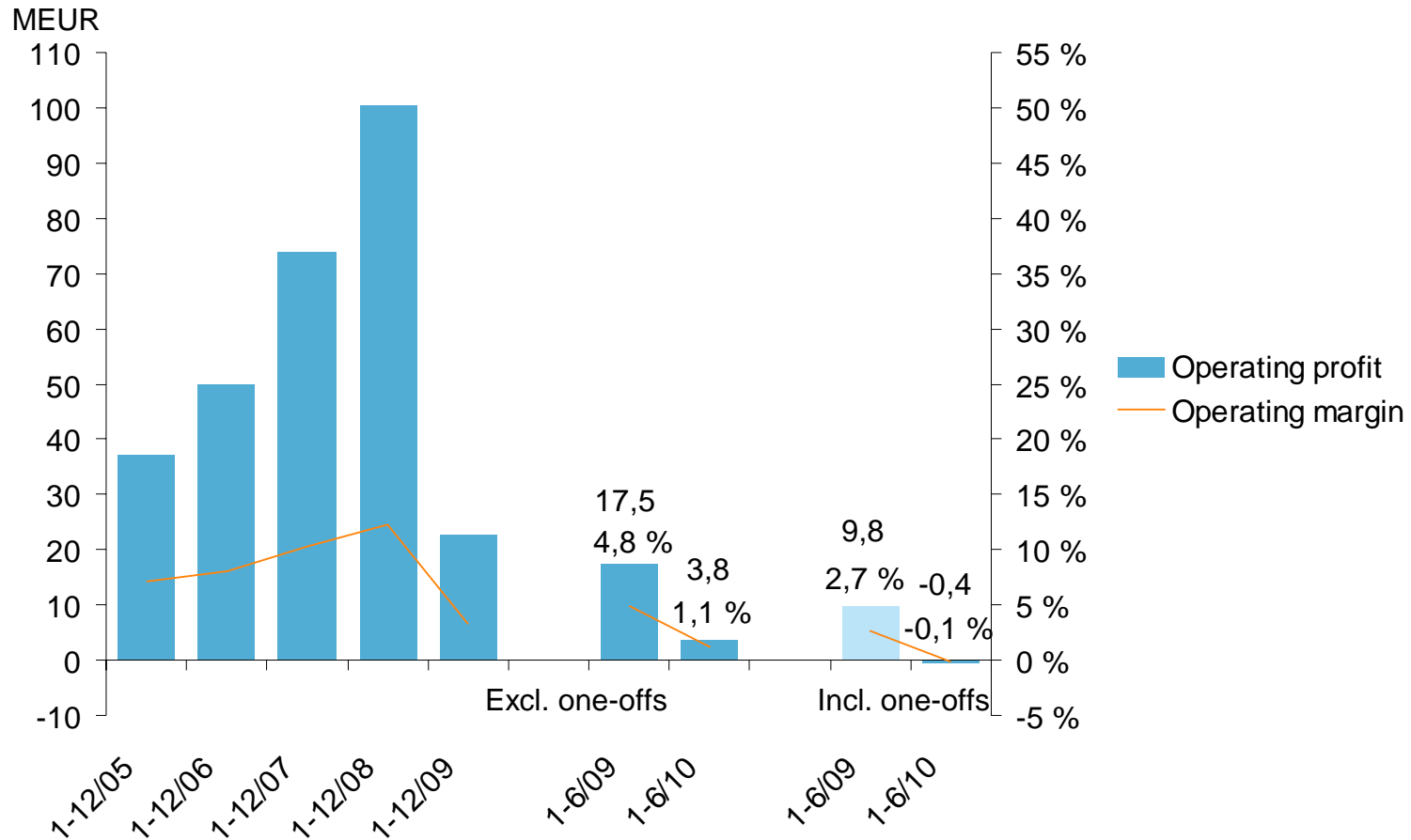
- Net sales growth 15 % p.a.
- Operating margin per BG 8-10 %
- Return on investment 20 % or higher
- Gearing not to exceed 30 %

# FINANCIAL POSITION

## GROUP'S NET SALES 1-6/2010 (1-6/2009)

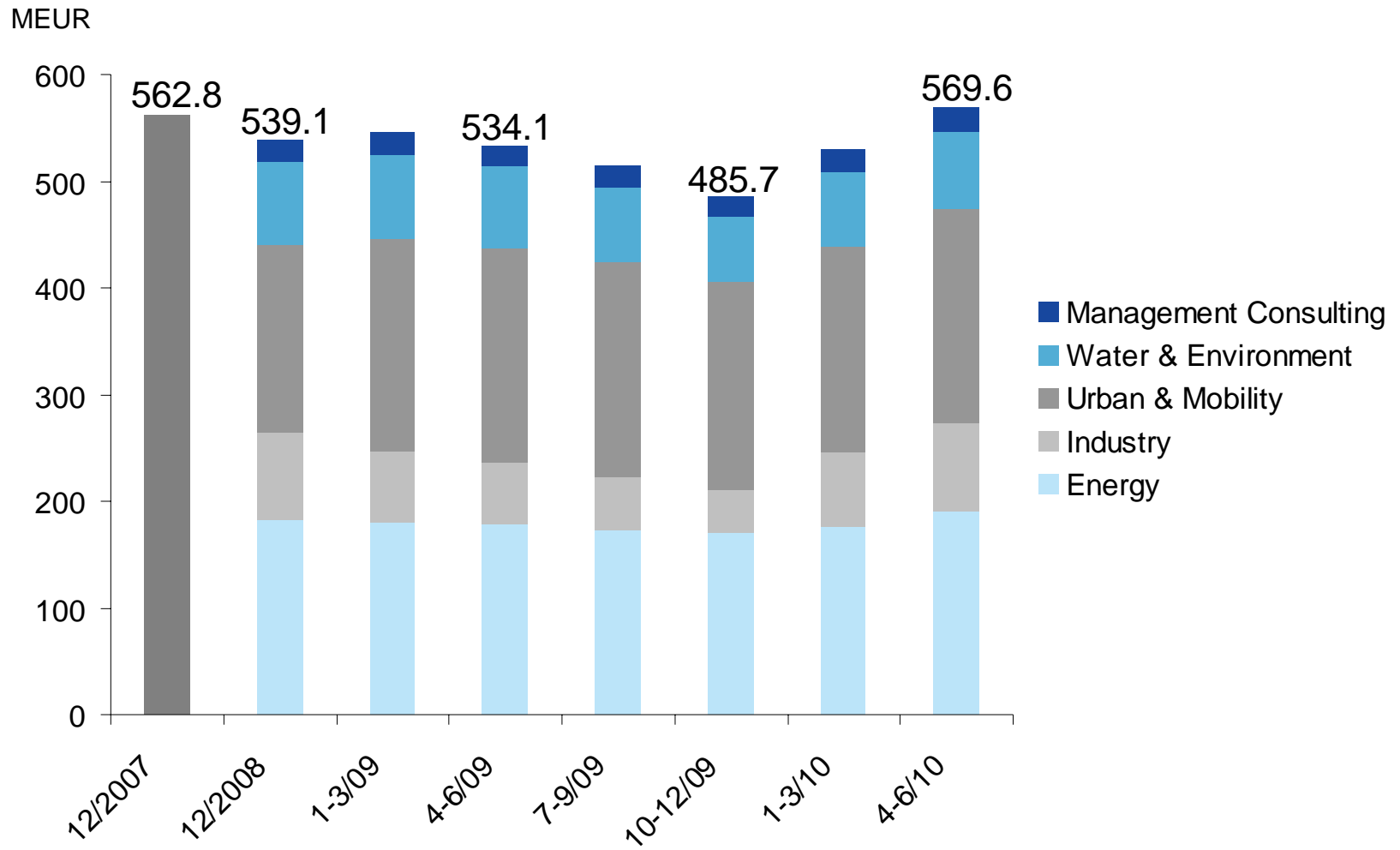


## GROUP'S OPERATING PROFIT AND MARGIN, 1-6/2010 (1-6/2009)



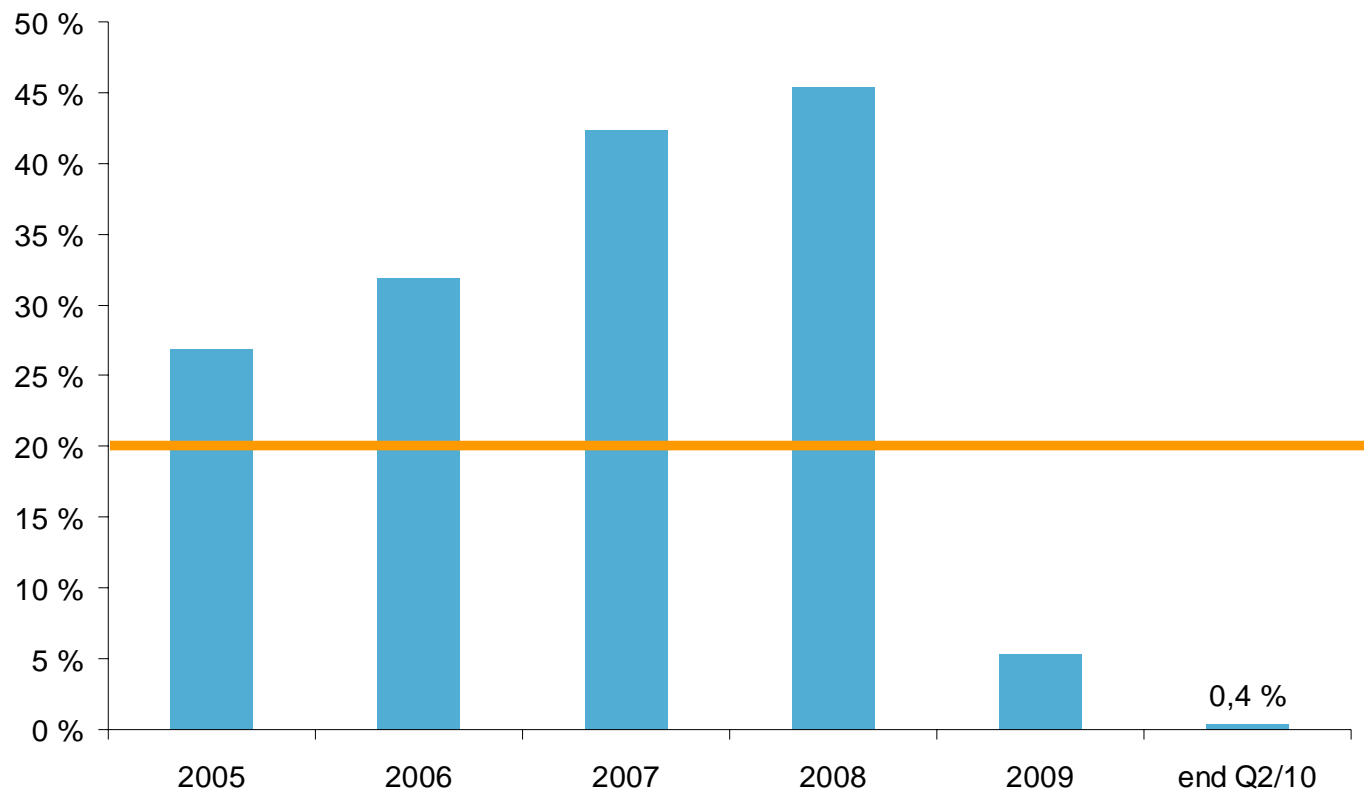


# GROUP'S ORDER STOCK BY BUSINESS GROUP

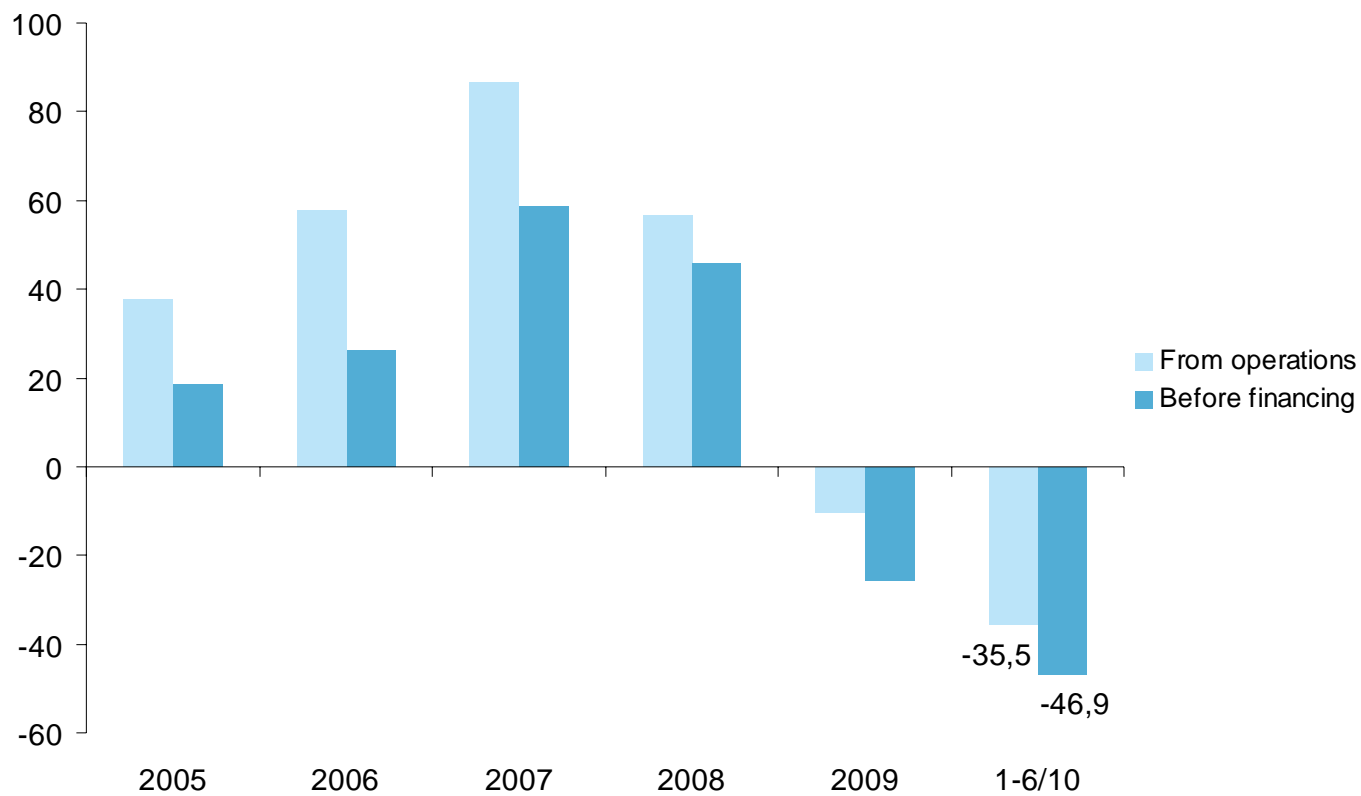


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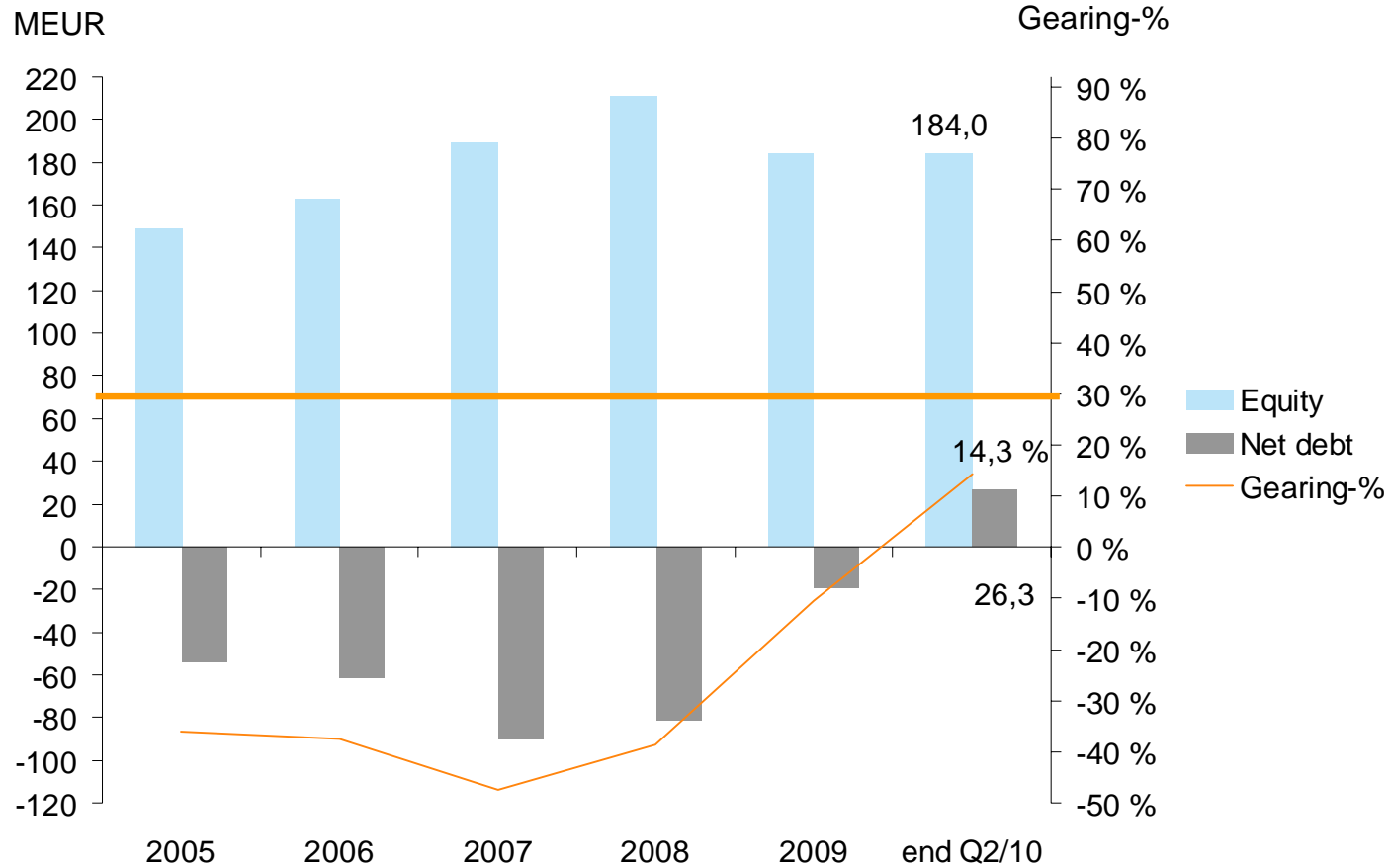
## RETURN ON INVESTMENT, %



# CASH FLOW



# NET DEBT, EQUITY & GEARING



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## OUTLOOK FOR 2010 (UNCHANGED SINCE 21 APRIL 2010)

- The positive development in order intake is expected to continue and the Group's order stock to grow further.
- It takes a certain time to convert orders into sales, and therefore, Group sales for the full year 2010 are expected to remain stable or grow from 2009.
- The Group's operating profit is expected to remain stable compared with 2009, excluding restructuring costs.
  - The impact of increasing customer activity on Pöyry's sales and activity levels will only become visible towards the end of the year.
- Operating profit (excluding restructuring costs) outlook by business group:
  - In all other business groups the operating profit is expected to remain stable except in Management Consulting, where it is expected to improve.



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THANK YOU!



# APPENDICES

## STATEMENT OF INCOME

	1-6/2010	1-6/2009	CHANGE, %	2009
Sales	334.4	361.8	-7.6	673.5
Other operating income	0.5	0.3	66.7	0.8
Share of associated companies' results	0.2	0.4	-50.0	0.5
External charges, sub-consulting	-46.9	-43.4	8.1	-90.6
Personnel expenses	-202.8	-219.9	-7.8	-401.5
Other operating expenses	-85.8	-89.4	-4.0	-171.1
Operating profit	-0.4	9.8		11.6
Net financial items	-0.9	0.6		0.8
Profit before taxes	-1.3	10.4		12.4
Income taxes	-1.3	-3.8	-65.8	-4.4
<b>Net profit for the period</b>	<b>-2.6</b>	<b>6.6</b>		<b>8.0</b>

## BALANCE SHEET

<b>ASSETS</b>	<b>30 June 2010</b>	<b>30 June 2009</b>	<b>EQUITY AND LIABILITIES</b>	<b>30 June 2010</b>	<b>30 June 2009</b>
Goodwill	114.3	99.8	Equity	184.0	180.7
Other non-current assets	51.7	47.3	Interest bearing non-current liabilities	94.0	91.0
Work in progress	109.5	79.8	Other non-current	12.1	16.0
Other current assets	167.6	160.4	Interest bearing current liabilities	20.5	20.4
Cash and cash equivalents	88.2	123.6	Other current liabilities	220.7	202.8
<b>TOTAL ASSETS</b>	<b>531.3</b>	<b>510.9</b>	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>531.3</b>	<b>510.9</b>

## CASH FLOW

	1-6/ 2010	1-6/ 2009	CHANGE, %	2009
Operating income before change in net working capital	1.1	10.4	-89.4	16.4
Change in net working capital	-35.2	-22.7	55.1	-14.5
Financial items and taxes	-1.4	-7.8	-82.1	-12.3
<b>Total from operating activities</b>	<b>-35.5</b>	<b>-20.1</b>	<b>76.6</b>	<b>-10.4</b>
Investments in shares in subsidiaries deducted with cash acquired	-8.6	-11.0	-21.8	-10.6
Other capital expenditure	-2.8	-2.5	-12.0	-4.6
<b>Net cash before financing</b>	<b>-46.9</b>	<b>-33.6</b>	<b>39.6</b>	<b>-25.6</b>
<b>Net cash from financing</b>	<b>-16.0</b>	<b>-50.7</b>	<b>-68.4</b>	<b>-40.3</b>
<b>Change in cash and cash equivalents and in other liquid assets</b>	<b>-62.9</b>	<b>-84.3</b>	<b>-25.4</b>	<b>-65.9</b>
Cash and cash equivalents and other liquid assets at the beginning of the period	142.0	203.7	-30.3	203.7
Impact of translation differences in exchange rates	9.1	4.2		4.2
<b>Cash and cash equivalents and other liquid assets at the end of the period</b>	<b>88.2</b>	<b>123.6</b>	<b>-28.6</b>	<b>142.0</b>



## KEY FIGURES

	1-6/2010	1-6/2009	2009
Earnings per share, EUR (diluted)	-0.04	0.10	0.11
Equity per share, EUR	2.98	2.93	2.98
ROI-%, p.a.	0.4	9.2	5.3
ROE-%	-2.8	6.9	4.1
Equity ratio-%, p.a.	39.7	40.0	40.9
Equity/Assets ratio-%	34.6	35.4	35.7
Gearing-%	14.3	-6.8	-10.5
Net debt, EUR million	26.3	-12.2	-19.3
Capital expenditure in acquisitions, EUR million	9.9	4.2	5.0
Capital expenditure, operating, EUR million	2.9	2.9	4.8
Personnel on average	6481	7446	7052
Personnel at the end of the period	6609	6946	6530