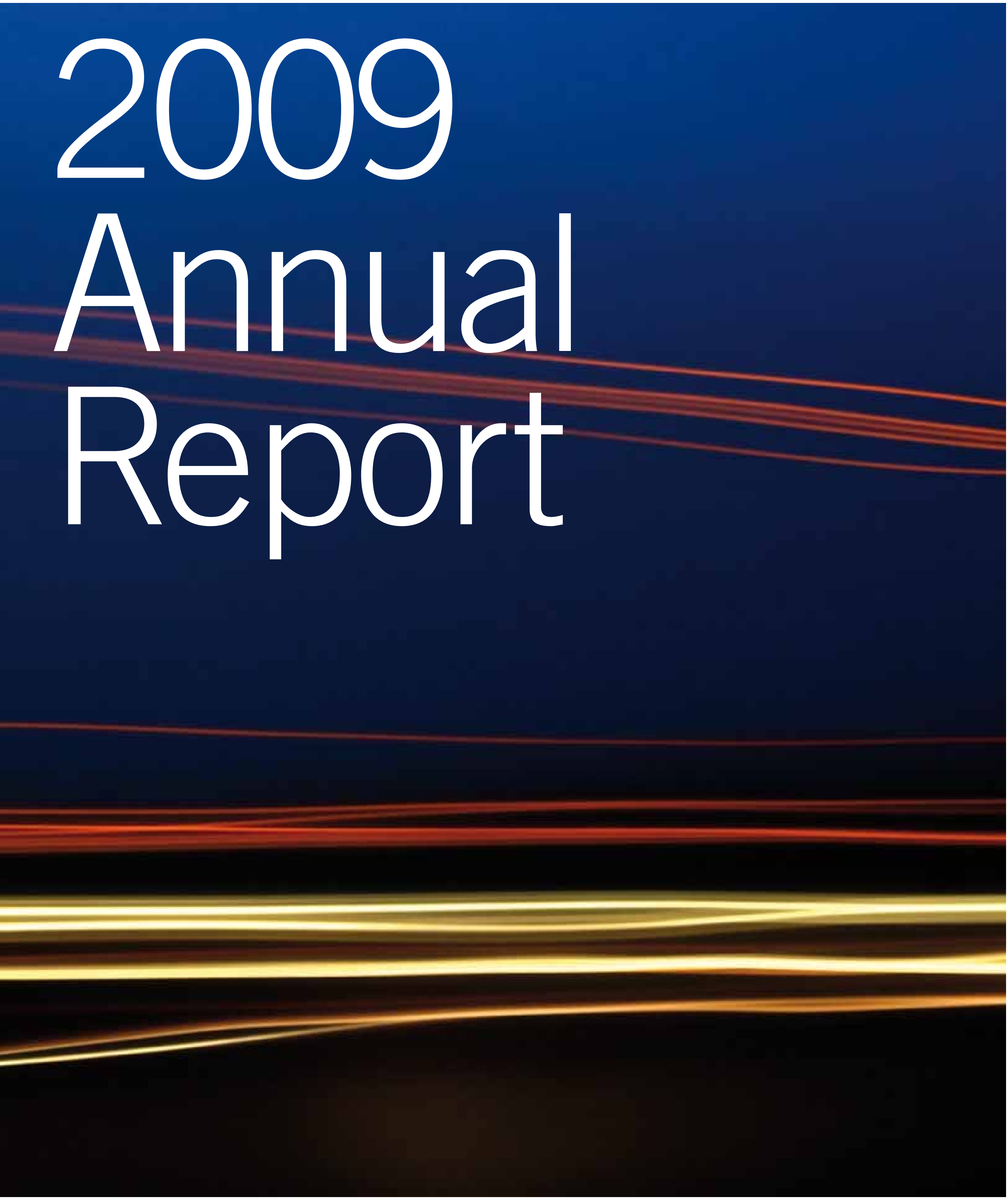
PÖYRY

2009 Annual Report



Contents

Pöyry in brief

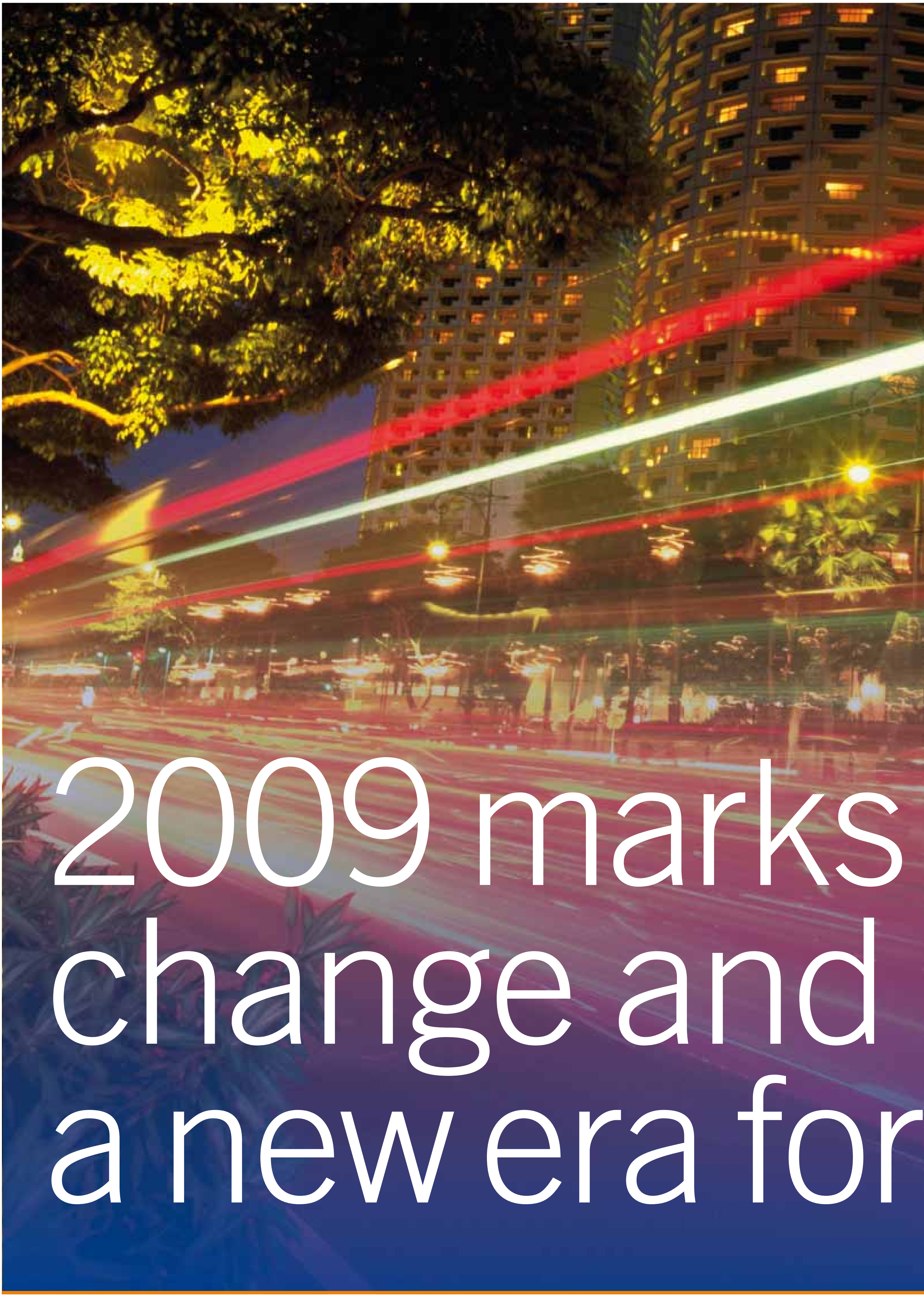
Pöyry is a global consulting and engineering company dedicated to balanced sustainability.

We offer our clients integrated management consulting, total solutions for complex projects and efficient, best-in-class design and supervision.

Our in-depth expertise extends to the fields of energy, industry, urban & mobility and water & environment.

Pöyry has 7000 experts operating in about 50 countries, locally and globally.

Pöyry's net sales in 2009 were EUR 674 million and the company's shares are quoted on NASDAQ OMX Helsinki (Pöyry PLC: POY1V).



2009 marks change and a new era for


a bold
the start of
Pöyry

President's reflection

Time for a new era

Dear shareholders & readers,

In last year's annual report, I anticipated that the economic environment would weaken due to the global financial crisis. The strong investment cycle that had continued for five years came to an end. Pöyry's significantly weakened financial result in 2009 reflects the impact of the new business environment on our company. The past year was challenging in many respects, including difficult adjustment measures that placed a heavy burden on our personnel. On the other hand, at the end of the year we completed the process of redefining our vision, streamlining our focus and setting objectives for 2020 – objectives that both challenge and inspire us.

The strong growth period in the global economy ended with the crash of investment demand caused by the financial crisis at the end of 2008. This had a stronger than expected impact on the market environment in 2009. The forest industry sector saw a steep decline in clients' investments and preparations for new projects, which significantly reduced the demand for Pöyry's engineering and consulting services offering. In the energy sector as well, investment activities fell and only a few new projects were launched. Our personnel undertook extremely active and professional sales efforts and project implementation but this was not enough to compensate for the weakened demand and reduced capacity utilisation rates.

Compared to the previous year, the results for our *Forest Industry* and *Energy* business groups were disappointing. In *Construction* services, weakened demand also led to decreased volumes; however, considering the challenging market situation, the relative profitability of the business group remained good.

For decades, Pöyry has been the standard of strong forest industry competence, and in recent years, we have also emerged as the leading consulting firm for the energy sector in Europe. In addition to these strengths, we have expanded our operations to those infrastructure and process industry areas which enable us to take advantage of the synergies of our cross-industry expertise and which balance the economic fluctuation between our business groups. These business areas were less affected by the global recession. The service demand in our *Transportation* business group grew, and Pöyry's position was further strengthened among both local and international clients. In the *Water & Environment* business group, the demand for water sector services in particular continued to be strong.

The growing business sectors were not, however, able to compensate for the decline in activity especially in our *Forest Industry* and *Energy* business groups. As a result of this, the Group's net sales fell by 18 percent compared with the previous year and were EUR 674 million. Lack of large projects as well as low capacity utilisation rates decreased our profitability: operating profit margin excluding restructuring costs fell to 3.3 percent. In order to maintain our competitive position we launched already in late 2008 an action programme to improve the efficiency of our operations and streamline the ways of working as well as to adapt the capacity to prevailing market conditions. By the end of 2009 we have cut our capacity by 18 percent compared with 2008. We have achieved savings of EUR 15 million in fixed costs excluding one-off items. The action plan is proceeding to plan and we expect to achieve the targeted EUR 30 million savings in full on a comparable basis during 2010.

Pöyry's founder Jaakko Pöyry stated at the beginning of the 1990s that the future is built during times of recession. This is the foundation for our drive to guarantee and strengthen our market position in the future as the recession ends and the economy again takes an upward turn. In December 2009, we released our new vision. Pöyry's vision is to be a global thought leader in engineering balanced sustainability for a complex world. We want to be an agenda setter in the sectors we serve and to become one of the world's leading consulting and engineering companies, and a truly global corporation by 2020.

Our vision is based on the extensive work done by the experts in our organisation, resulting in a Pöyry vision which integrates global mega trends and sustainable development in high-quality engineering and consulting.

We see significant growth potential for our engineering and consulting offerings during the coming years. We are targeting annual long-term growth of 15 percent, and our operating profit margin target for each business group is a minimum of 8 percent in the medium-term and a minimum of 10 percent in the long-term. We are targeting the acceleration of profitable growth, both organically and through acquisitions. Our balance sheet offers us the ability to survive even a prolonged recession and invest in the development of operations.

Our new vision improves the focus of our operations and forms the foundation for further development of our business. The new business group structure implemented at the beginning of 2010 is aligned with our new vision, enabling us to better take advantage of the synergies between business groups. In addition to this, we will drive our offerings towards larger projects, management consulting, cost-effectiveness in detail engineering and core geographical markets.

In 2009, the Knowledge Management development programme provided a foundation for a system that allows us to take advantage of special expertise and tacit knowledge accumulated in different units of the Group through organising, analysing and gathering information for all experts to use.

We believe that systems such as Knowledge Management will play a key role in the implementation of our vision and achievement of our objective. Equally important is continued investment in personnel training, information systems and communication within the Group. We want to harmonise our business processes and make them more efficient as well as to increase our internal transparency and efficiency. This allows us to guarantee Pöyry's best expertise for our clients, no matter which business group or geographical unit offers that expertise.

The new year has started on a slightly more positive note than last year. Our clients are again planning new projects. Nevertheless, developing plans into projects takes time, and according to our estimates, we will start seeing actual project implementation in late 2010 and 2011. In 2010, we will implement our new business group structure, continue intensive sales efforts, improve our capacity to execute large EPCM projects, strengthen management consulting and continue pursuing attractive business acquisitions. I wish to express my thanks to our clients, shareholders and other interest groups, and also to extend a special appreciation to our personnel for their contribution last year. I invite both old and new partners to join us on this challenging journey to accomplish our vision for 2020.

Heikki Malinen, President & CEO

The vision

By 2020 Pöyry is:

The global thought lea engineering balanced for a complex world

During 2009, Pöyry worked extensively on defining its future direction. Crystallising the company's new vision meant setting the ambition for growth, defining the geographic focus, streamlining and developing the ways of working and updating the offering and business sectors. All this was done to meet future challenges and to capitalise on upcoming market opportunities.

In 2010, Pöyry will transform this new vision into concrete strategies to further strengthen its position as one of the leading consulting engineering companies in the world.

The new vision sets a clear direction and new ambitious goals to be reached by the end of this decade. A company-wide new strategy process with the aim of re-evaluating and realigning our operations and offering to the scope of the vision has been initiated in 2010. Pöyry continues to improve its position in its selected sectors in the short-term.

For decades, Pöyry has been involved in projects with sustainability challenges. The key difference with the new vision is that sustainability is placed at heart of everything we do – this is not just the only way forward for society, but also a business opportunity for Pöyry.

To realise its vision Pöyry is adjusting and widening its service offering and bringing balanced sustainability in client projects and internal operations. The transformation towards becoming the "thought leader in engineering balanced sustainability" affects the whole Pöyry group, from talent attraction programs in order to successfully recruite the best people to executing M&As in areas supporting the implementation of our new vision.

THE VISION IN DETAIL

GLOBAL conveys our ambition in terms of scale and scope, as well as our ambition to enhance our position as a top player in our industry. We may not be present in all markets, but we want to be recognised as one of the world's leading consulting engineering companies.

THOUGHT LEADER emphasises high-end consulting, being at the forefront in sustainability. We want to be an agenda setter in urban, energy, industrial, water and environmental issues globally. To claim the thought leader position, we must attract new talent as well as evolve our existing knowledge and implement it both globally and locally.

ENGINEERING highlights our strong history and track record in designing and implementing technical solutions. We are proud of our heritage and confident that we, as engineers, can make a difference by originating, designing, shaping, orchestrating and supervising sustainable solutions.

BALANCED SUSTAINABILITY™ is a holistic, multidimensional approach to sustainability that we apply in everything we do. It strives to achieve a balance between economic, environmental and social aspects, as most appropriate to the nature of the project and where in the world we are working.

COMPLEX WORLD means that our clients are confronted with increasing demands for sustainable solutions and rapid technological development. Our role is to convey an insightful perspective and a comprehensive view. We will anticipate solutions for a complex world, being one step ahead. Managing multifaceted and complex projects is our future competitive advantage.

The world calls for balanced sustainability

A sustainable world will not happen by itself. It must be created and new engineering solutions need to be developed. This is where Pöyry can contribute and make a real difference.

We anchor our understanding of sustainability on the definition widely used by the UN and many other leading organisations. It originates from the Brundtland's commission definition: *sustainable development is one that meets the needs of the present without compromising the ability of future generations to meet their own needs.*

For Pöyry, sustainability is more than just the environmental aspect, it is built on three main pillars:

SOCIAL – how our solutions affect people, institutions and cultures

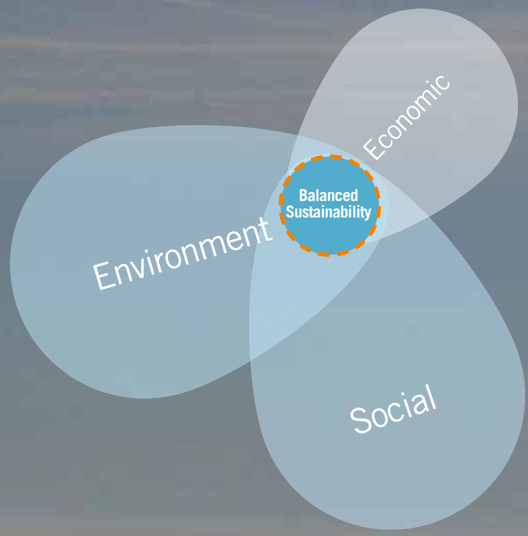
ECONOMIC – how our solutions impact the local and global economy

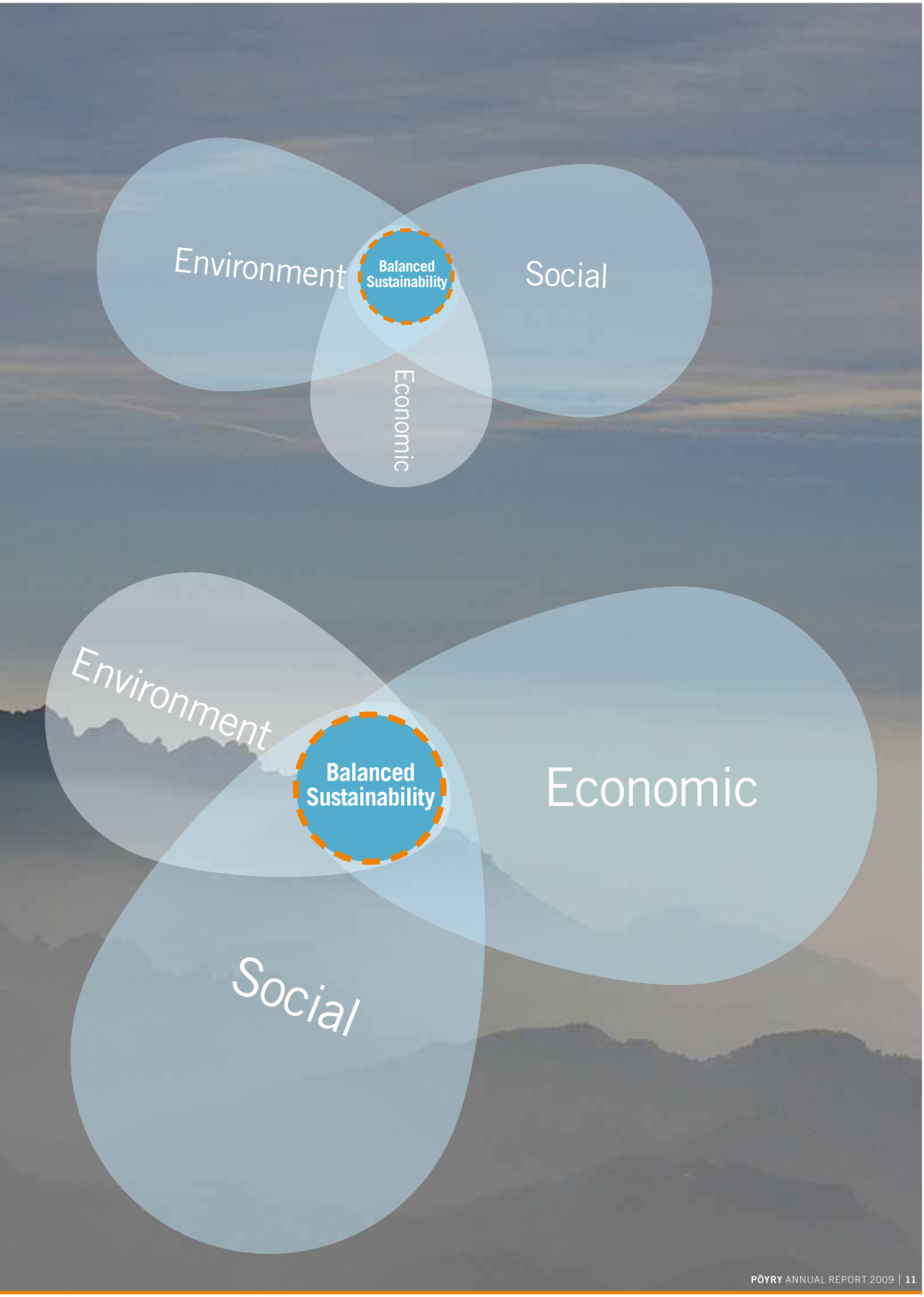
ENVIRONMENTAL – how our solutions impact nature and the environment

BALANCED SUSTAINABILITY™

Pöyry's approach is based on balancing three aspects of sustainability – social, economic and environmental. Within the new concept *Balanced Sustainability*™, Pöyry will be designing realistic and innovative solutions that consider these three aspects. The concept doesn't mean that we will say no to work in what some may call provocative areas, such as nuclear and coal, but we will push the envelope and propose more balanced solutions that offer the best possible path forward. Owning the thought leadership of this balancing act is the key to our future success.

To further increase our transparency and to secure our credibility in the area of sustainability, we will amend it in our own operations and reporting.




Environment
Balanced Sustainability
Social
Economic
Environment
Balanced Sustainability
Economic
Social

Influenced by megatrends

The engineering industry's major business potential in the future will relate to improving life conditions on Earth. As engineers with diverse insights, competence and skills, we can contribute and make a real difference. Pöyry provides balanced solutions and sound engineering to both our clients' and the planet's future challenges.

Pöyry has studied and identified four major trends that will fundamentally reshape our world. As they all clearly relate to engineering, they represent new opportunities for a company like Pöyry.

POPULATION GROWTH AND URBANISATION

Continuing population growth and urbanisation are reshaping the world. Global population is estimated to exceed nine billion by 2050. It may well continue to eleven by the end of the century.

About 30 years ago, there were only three to four cities in the world with a population above ten million. By 2020, we will have over 20 cities with over ten million inhabitants. Furthermore, there will be a rapidly increasing number of mid-size cities (3–7 million) growing mainly in the emerging countries like China, Brazil and India.

Growing cities need infrastructure, transportation systems, energy, water and sanitation. With combined expertise in all of these areas, Pöyry has numerous opportunities provided by this trend.

SHIFT IN THE ECONOMIC BALANCE OF POWER

Millions of people have joined the Western lifestyle in the last 30 years, and more will follow. The world will face a new reality as global education levels converge, access to technology is everywhere, supply chains are increasingly global and the access to world markets is a click away. China, India, Brazil and Russia are already important new markets, but there are 20 additional emerging countries that are becoming new key markets for all companies.

For Pöyry, this megatrend means that we will adopt our strategies for finding and sourcing new talent, technology and ideas. We intend to establish a strong, long-term position in selected emerging markets, especially in Brazil, Russia and Asia but we will also continue to strengthen our position in the traditional core markets in Central and Southern Europe.

DEGRADATION

The planet is consuming more than its fair share of resources and this is not sustainable. This megatrend is compounded and multiplied by population growth, industrialisation, and the Western lifestyle aspirations of millions of people in the emerging markets.

It is evident that we are heading towards an era where all new and incremental growth will need to be, at a minimum, sustainable and may-be even need to contribute a positive footprint to the eco- and socio-economic systems.

Taking an active role in helping the world achieve sustainability is both a noble challenge and a great opportunity for Pöyry. Our knowledge in *Industry, Energy, Urban & Mobility* and *Water & Environment* spearheads our position in these important sectors.

REDIRECTION OF TECHNOLOGICAL INNOVATIONS

The technological revolution of the last 100 years has probably been the greatest value-creating factor in history and brought immense improvement in lifestyle, health, comfort and possibilities, even if some negative effects came about as well.

This pace of rapid innovation will only continue to accelerate in the coming decades, although its focus is now gradually moving toward new areas, such as biological sciences, environmental issues, energy needs, nanotechnology, biogenetics, biochemistry and even new frontiers of the digital world.

This development represents huge possibilities for Pöyry. We aim to take a stronger role in understanding emerging technologies, seeing the potential for use in the industries we serve, and helping clients and society to capture the benefits that arise from these innovations.

COMPLEXITY IS A BUSINESS OPPORTUNITY IN ITSELF

All these megatrends add to the complexity that our customers confront in their day-to-day business. Taking the role as a high knowledge consultant in complex issues will further strengthen our margins, market position and brand recognition.

Complex issues require a systemic approach and multidisciplinary knowledge. Only an organisation that can harness, deploy and integrate such multidimensional knowledge into practical, balanced and systemic solutions can achieve sustainable growth in this environment.

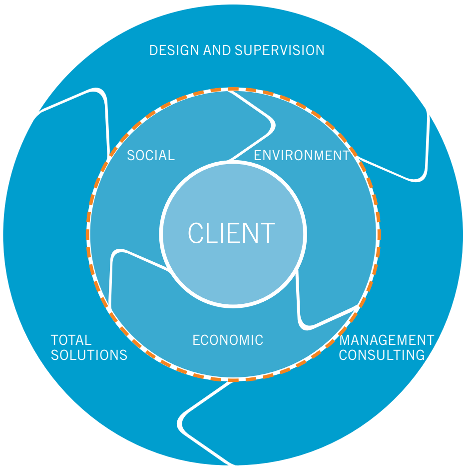
Pöyry's ability to understand and solve complex problems that clients and society face is the company's main differentiator and tool for value creation. Pöyry's skills, talent and global perspective are differentiating factors, offering a unique customer value.

Mastering this complexity is one of our competitive advantages.

Refocused offering to match the new vision

Our aim is to help our clients run their projects to meet the evolving challenges of balanced sustainability. We not only offer solutions in specific sectors, but also combine our expertise to gain synergies across those sectors.

Our new vision includes a refocus of our business to achieve a stronger long-term strategic position in our core sectors and markets.



INTEGRATED MANAGEMENT CONSULTING

Pöyry has a strong position in providing management consulting services to energy and forest industry clients. Clients will face challenges in balancing complex and controversial aspects in their operations, and this will increase the demand for advisory services, especially in strategy, public policy, sustainability, product markets, M&A and performance improvement. Bringing the management consulting activity together into one business group will strengthen the value of the Pöyry brand in the field of consultancy, create critical mass and attract more talent into this growing business.

TOTAL SOLUTIONS FOR LARGE PROJECTS

Over the past several years, Pöyry has been successful in executing large EPCM (Engineering, Procurement and Construction Management) projects, predominantly in pulp and paper and various energy areas. Additionally, medium size EPC (Engineering, Procurement and Construction) projects have been successfully executed in energy. Pöyry is well positioned to boost revenue and profitability by growing its involvement in projects in the EUR 1 billion to 2 billion investment range and above. The focus will primarily be on EPCM projects, but Pöyry will gradually expand its EPC projects where value can be added to our clients, and risks effectively managed in line with the company's financial and other capabilities.
The company will differentiate through offering "packaged" total solutions, integrating project management, construction and procurement management, and implementation of balanced sustainability with cost-competitive engineering services. Pöyry will invest in further developing the necessary competences and tools to enable this strategic growth. Targeted acquisitions may also be used to accelerate the capturing of these competences and skills.

BEST-IN-CLASS DESIGN AND SUPERVISION

Engineering is a key part of Pöyry's heritage and at the core of our competence. Pöyry wants to sustain its position as a global leader in design and supervision. We will put emphasis on the quality and efficiency of our engineering services both locally and globally. By strengthening our strong local interfaces, Pöyry will become even more customer focused. Key to this is the implementation of the Engineering Centre model that was initiated in 2009. Pöyry wants to deploy the skills to emerging markets and migrate to higher value centres of excellence in the mature market operations. We also aim to build a group-wide integrated design platform using modern tools.

Organised to meet global competition

NEW BUSINESS STRUCTURE TO MEET FUTURE CHALLENGES

Pöyry reorganised its business structure to better align its new vision, meet the demands of the global megatrends and leverage the existing core competences.

ENERGY

The world needs more energy, which calls for sustainable solutions through improved efficiency and renewable energy solutions. These are huge challenges, where new technologies are playing a vital role. This business group focuses its operations in the areas of hydropower, renewable energy, thermal power, oil and gas, nuclear energy and transmission and distribution. The business group already has a strong position, especially in the European energy market.

A clear future focus for the *Energy* business group is on projects and technologies that help improve energy efficiency and mitigate environmental impacts in a sustainable way. The business group will also continue to increase its participation in larger projects and more encompassing deliveries such as EPCM and EPC.

INDUSTRY

Industrialisation has been a main creator of wealth and lifestyle improvement. It will continue to be a major area of growth, but it will need to adapt to new sustainability requirements.

The Forest Industry business group was renamed as *Industry* business group. The business group will maintain its strong core in the forest industry and wants to maintain its global market leadership in the pulp and paper sector. In addition, it will accelerate its expansion into other areas of industrial processes and facilities such as chemicals. The *Industry* business group will invest in the development of a more complete offering covering resources such as biomass, biofuels and biomass-based chemicals.

URBAN & MOBILITY

As the world is more and more urbanised, the challenge is to ensure that the world is sustainable by providing efficient transportation and green buildings. To meet this converging market, Transportation and Construction Services were merged into a new business group *Urban & Mobility.*

With this integration, Pöyry aims to strengthen its ability to respond to the increasing need for solutions driven by population growth and urbanisation, in areas such as urban development, real estate development, transport planning, rail and road infrastructure, construction management and building design using the global platforms of this business group.

WATER & ENVIRONMENT

Water is one of the most critical issues facing the world and one that directly impacts health, food and livelihood. Here, too, the world faces huge challenges. The *Water & Environment* business group will spearhead Pöyry's vision to become a leading service provider for the entire water cycle and to mitigate environmental degradation. *Water & Environment* will focus on water supply and sanitation, water resources management, geosciences and environmental services and consulting.

MANAGEMENT CONSULTING

Management Consulting business group was formed by merging the management consulting businesses in the Forest Industry and Energy business groups. They currently employ around 450 management consultants in total. The target is to double the size of the business in about five years and to expand management consulting services into areas that have synergies with the rest of the Pöyry group. The business group has a strong link to our engineering as part of the total offering. Integrated management consulting business group have stronger critical mass and are therefore better able to deploy and leverage the knowledge, boost our presence in key markets, continue to attract top talent and gain access to higher margin assignments.

Harnessing the synergy potential

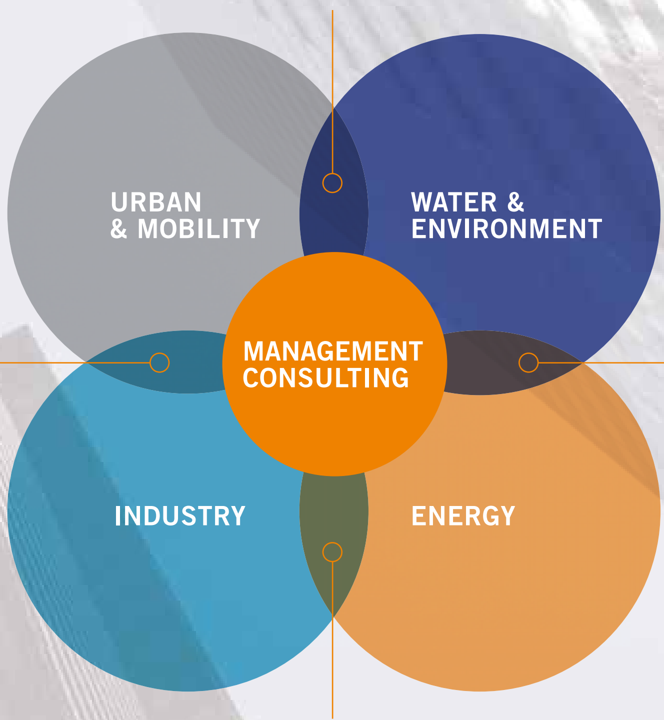
GROWTH POTENTIAL IN SYNERGY AREAS
Driven by ever-rapidly evolving technological innovations, new opportunities are appearing. Many of these new potential areas of future growth happen to be at the confluence of strong sectors of expertises for Pöyry, such as in the fields of biomass-based biofuels, power transmission techno-logies, intelligent transport, energy and carbon neutral design, biodiversity, process efficiency, green buildings and flood management, to mention a few. Taking an active and purposeful position in those areas means leveraging our existing core competences and offering the prospects of higher margin and lower competitive pressure by attaining early market leadership in new segments.

The Management Consulting overlaps with all our sectors, providing cross-boarder synergies with *Energy, Industry, Urban & Mobility* and *Water & Environment*.

We want to deploy unique approaches and knowledge in these overlapping areas and take a strong and profitable position in emerging solutions that the world needs.

– Sustainable land use
– Flood management
– Urban ecology

MANAGEMENT CONSULTING:
– Strategy
– Public policy
– Performance improvement



– Eco-industrial zones
– Intelligent transport
– Green buildings
– Recycling

– Desalination
– Water efficiency in energy production
– Tidal power
– Solar hydrogen

– Biofuels
– Energy efficiency
– Waste-to-energy
– Biochemicals

Financial Statements 2009

Contents

Year 2009 in brief

- The economic downturn had clearly negative impact on investment activity worldwide during 2009. This development affected Pöyry's operations and the Group's net sales decreased by 18 per cent compared with the previous year and totalled EUR 674 million (822).

- The decreasing demand was most clearly felt in Pöyry's Forest Industry and Energy business groups. In Construction Services profitability remained good considering the challenging market situation. The demand for services in the Transportation business group increased, and Pöyry's position was further strengthened both locally and internationally. In the Water & Environment business group the second half order intake was lower than expected, but the demand for water sector services, in particular, continued stable.

- Lack of large projects as well as low capacity utilisation decreased profitability. Operating profit before restructuring costs was EUR 22.5 million or 3.3 per cent of sales.

- Earnings per share were EUR 0.11 (1.21) and the Board of Directors dividend proposal for 2009 is EUR 0.10 (0.65).

- The Group's balance sheet remained healthy. Gearing was -10.5 per cent (-38.5).

- In late 2008 Pöyry launched an action programme that focuses on sales, resources, cost structure and investments and it is aimed at optimising the balance between short-term profitability and long-term capabilities and growth. The cost saving target for fixed expenses on an annual basis was set at about EUR 30 million compared with the 2008 cost base excluding one-off restructuring expenses.

- At the end of the year, cost savings of some EUR 15 million had been achieved in line with plans. Capacity reduction measures during 2009 exceeded the 12 per cent target. By the end of the year group-wide capacity had been reduced by 18 per cent by both permanent and temporary lay-offs.

- Pöyry launched its new vision in December 2009: Pöyry's vision is to become the global thought leader in engineering balanced sustainability for a complex world. Pöyry aims to be one of the world's leading consulting engineering companies by 2020. To achieve this, the Group set a new 15 per cent annual over the cycle long-term growth target in connection with the vision launch. The Group's other financial targets are unchanged.

- The Group's business structure has been changed to better support the implementation of the new vision. The new business groups, effective as of 1 January, 2010, are:
  - Energy
  - Industry
  - Urban & Mobility
  - Water & Environment.
  - Management Consulting

- A new Group Stragic Growth function was also established. It will be responsible for enhancing Pöyry's world-wide capabilities to develop and execute large projects and scopes where Pöyry sees major growth potential.

KEY FIGURES

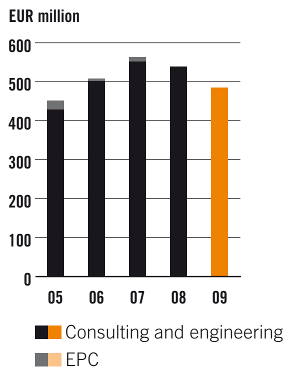
Pöyry Group	**2009**	2008	Change, % 2009/2008
Order stock at end of period, EUR million	**485.7**	539.1	-9.9
Net sales, EUR million	**673.5**	821.7	-18.0
Operating profit excluding restructuring costs, EUR million	**22.5**	100.6	-77.6
Operating profit % excluding restructuring costs	**3.3**	12.2	
Operating profit, EUR million	**11.6**	100.6	-88.5
Operating profit %	**1.7**	12 .2	
Profit before taxes, EUR million	**12.4**	103.2	-88.0
Earnings per share, basic, EUR	**0.11**	1.21	-90.9
Earnings per share, diluted, EUR	**0.11**	1.19	-90.8
Gearing, %	**-10.5**	-38.5	
Return on investment, %	**5.3**	45.4	
Dividend, EUR	**0.10**[1)]	0.65	
Average number of personnel during period	**7 052**	7 702	-8.4

1) BoD proposal

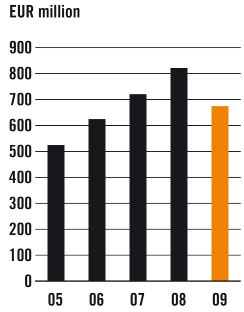
FINANCIAL TARGETS

Net sales growth	15% p.a.
Operating profit % per business group	minimum 8%, medium term minimum 10%, long term
Return on investment	20% or higher
Earnings per share, growth	15% or higher
Gearing	below 30%
Dividend/earnings ratio	50% or higher

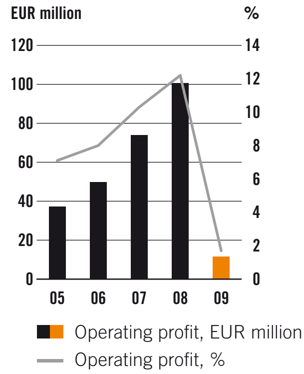
Order stock



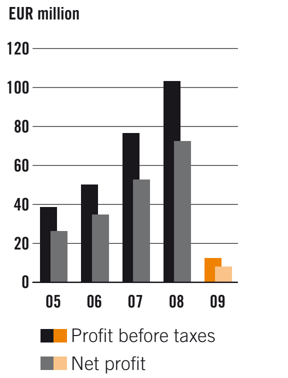
Net sales



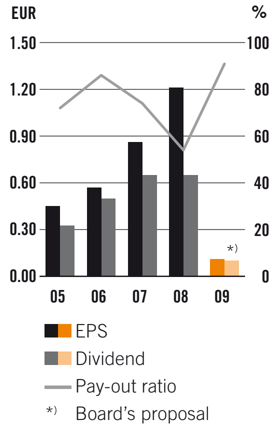
Operating profit



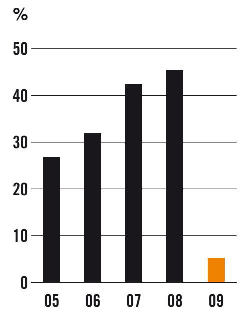
Profit before taxes and net profit



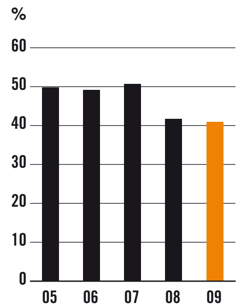
Earnings per share and dividend per share



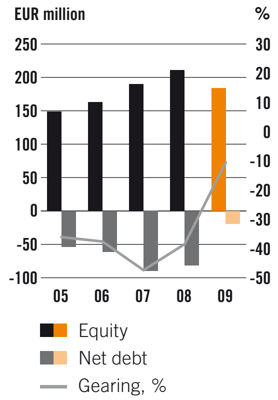
Return on investment



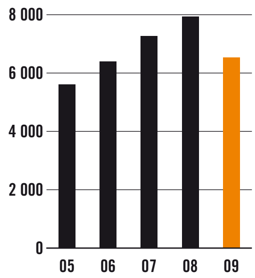
Equity ratio



Gearing



Number of personnel at year end (FTE's)



Board of Directors' report 1 January - 31 December 2009

MARKET REVIEW

After collapsing rapidly in late 2008, global industrial activity continued to be low throughout 2009. Initial signals of a possible recovery started to appear during the second half of the year. The first positive signs did not, however, have any immediate impact on demand for consulting engineering services. Clients' reluctance to make investment decisions was also reflected in Pöyry's major businesses, most notably in the forest industry, although there were areas where the market environment continued to be relatively good.

Activity within the energy sector was fairly stable in Europe during the first half of the year but weakened towards the end of the year. In other regions demand was at a low level throughout the year. The global recession resulting in low and volatile commodity prices, especially oil, together with the financial stringency caused by the credit crunch, were reflected in the low investment activity and prolonged decision making times in energy related projects.

Large investments within the pulp and paper sector have been few globally for some time and activity also remained low during 2009. The profitability challenges facing pulp and paper companies have also led to falling demand for consulting services. Also in the chemical industry the investment activity was very low.

Investments within the transportation sector remained at a high level, especially in large concession type projects, and demand for road and rail-bound transportation systems was particularly strong.

Demand for services for water and environmental infrastructure were relatively stable during the year except for Finland, where demand by the public sector declined clearly. Although new orders remained modest, towards the end of the year also industrial companies started to show an increasing interest in environmental services regarding preparation of new investment projects. Demand in emerging and developing countries for water related infrastructure projects increased.

The weak economic situation has clearly impacted the office and commercial building sectors where demand in Pöyry's main markets in Finland, the Baltic states and Russia was very low. On the other hand, activity in the infra and energy sectors as well as demand for consultancy and small engineering projects remained relatively good.

Note: Unless otherwise stated, the figures in brackets in the sections below refer to the same period in the previous year.

ORDER STOCK

Order stock, EUR million	2009	2008	Change, %
Consulting and engineering	483.6	538.6	-10.2
EPC	2.1	0.5	na
Total	485.7	539.1	-9.9

The Group's order stock at the end of 2009 totalled EUR 485.7 million (539.1). The order stock fell by 9.9 per cent. The drop was largest in the Forest Industry business group where the order stock almost halved compared with end 2008. The order stock declined also in the Energy, Construction Services and Water & Environment business groups. In the Transportation business group the good demand continued and the business group's order stock increased by 21.0 per cent from the previous year. The quality of the order stock is good. The value of the order stock fell by 5.5 percent from EUR 513.9 million at the end of the third quarter 2009.

GROUP SALES

Net sales by Business Group, EUR million	Q4/ 2009	Q4/ 2008 (pro forma)	2009	2008 (pro forma)	Share of total sales, % FY 2009
Energy	54.5	64.3	215.6	241.3	32
Forest Industry	38.1	72.5	175.8	294.5	26
Transportation	30.2	29.0	118.5	105.5	17
Water & Environment	22.9	25.4	86.5	87.6	13
Construction Services	19.3	23.9	79.0	92.8	12
Unallocated	-3.5	-1.5	-1.9	0.0	-
Total	161.5	213.6	673.5	821.7	100

Net sales by region, EUR million	Q4/ 2009	Q4/ 2008	2009	2008	Share of total sales, % FY 2009
Nordic countries	50.3	58.9	194.4	234.3	29
Other Europe	74.5	98.0	323.7	363.1	48
Asia	14.7	19.5	54.7	72.6	8
North America	4.8	6.0	20.0	27.7	3
South America	9.8	20.5	50.3	89.5	7
Other	7.4	10.7	30.4	34.5	5
Total	161.5	213.6	673.5	821.7	100

Consolidated net sales in 2009 fell by 18.0 per cent compared with the previous year to EUR 673.5 million (821.7). Sales decreased most in the Forest Industry business group as a result of very low investment activity among the clients. Sales decreased also in the Energy and Construction Services business groups, and were fairly stable in Water & Environment. Activity in the transportation systems sector continued to be good and the Transportation business group's sales increased clearly in 2009.

Regionally, the situation was most challenging in South and North America where the high exposure to the forest industry had a clearly negative impact on sales. In Asia the 2008 comparison figure was high due to large projects. In addition to this, some of the restructuring measures were implemented in the region. All the other regions were supported by the more diversified business portfolio.

In the fourth quarter of 2009, net sales totalled EUR 161.5 million (213.6) which were 24.0 per cent less than a year ago. The Transportation business group's sales increased slightly from the fourth quarter of 2008, whereas sales fell in all other business groups. All geographical regions also reported decrease in sales for the fourth quarter compared with the previous year. However, the net sales increased by 7.5 per cent from EUR 150.2 million in the third quarter of 2009 and all business groups contributed to the increase. Of the regions, sales increased clearly in the Nordic countries, Asia and North America compared with the third quarter of 2009.

Business Groups (Operating segments)

The Business Group split is based on the structure which was effective 1 January – 31 December 2009. All figures for the previous years have been restated (pro forma) accordingly. All personnel numbers are calculated as full time equivalents (FTE).

ENERGY

	Q4/ 2009	Q4/ 2008	Change %	2009	2008	Change %
Order stock, EUR million	181.9	196.4	-7.4	181.9	196.4	-7.4
Sales, EUR million	54.5	64.3	-15.2	215.6	241.3	-10.7
Operating profit excl. restructuring costs, EUR million	2.3	11.8	-80.5	11.2	32.0	-65.0
Operating margin excl. restructuring costs, %	4.2	18.3		5.2	13.2	
Operating profit, EUR million	1.9	11.8	-83.9	9.1	32.0	-71.6
Operating margin, %	3.5	18.3		4.2	13.2	
Personnel at end of period	1 621	1 870	-13.3	1 621	1 870	-13.3

Full year 2009

The year end order stock decreased to EUR 181.9 million (196.4), which was 7.4 per cent less than a year before. The fall in order stock reflects the slowdown in decision making on investment projects during the year which had a negative impact on the order intake. Net sales for 2009 were EUR 215.6 (241.3) million, representing a fall of 10.7 per cent. Operating profit before restructuring costs of EUR 2.1 million amounted to EUR 11.2 (32.0) million and the operating margin was 5.2 per cent of sales (13.2). Operating profit was burdened by the lack of large orders as well as a lower capacity utilisation rate compared with the previous year. The comparison figure includes EUR 6 million non-recurring income from the sale of Polartest Oy in the fourth quarter of 2008. In 2009, the Energy business group also booked EUR 4.7 million due to bad debt provisions. The capacity adjustment measures were having a positive effect towards the end of the year but were not able to compensate for the low activity rates within the business group. The capacity adjustment in the Energy business group was kept at a level that will not significantly impact the ability to continue growing when the recession is over. During the year the number of personnel decreased by 249 (FTEs) or by 13.3 per cent. Operating profit, after restructuring costs, was EUR 9.1 million or 4.2 per cent of sales.

FOREST INDUSTRY

	Q4/ 2009	Q4/ 2008	Change %	2009	2008 (pro forma)	Change %
Order stock, EUR million	45.3	86.3	-47.5	45.3	86.3	-47.5
Sales, EUR million	38.1	72.5	-47.4	175.8	294.5	-40.3
Operating profit excl. restructuring costs, EUR million	-5.3	9.5	-155.8	-7.0	50.8	-113.9
Operating margin excl. restructuring costs, %	-13.9	13.1		-4.0	17.2	
Operating profit, EUR million	-5.7	9.5	-160,0	-14.7	50.8	-128.9
Operating margin, %	-15.0	13.1		-8.4	17.2	
Personnel at end of period	1 887	2 917	-35.3	1 887	2 917	-35.3

Full year 2009

The Forest Industry business group has been most affected by the economic recession. The development of new large projects came to a halt and a lot of existing capacity was also closed down. Overall, demand fell more significantly than at any time since the recession in the early 1990s. As a result of this, the business group's order stock fell by 47.5 per cent to EUR 45.3 million from EUR 86.3 million the previous year. Net sales for 2009 were EUR 175.8 (294.5) million, representing a fall of 40.3 per cent. Operating profit before restructuring costs of EUR 7.7 million amounted to EUR -7.0 (50.8) million and the operating margin was -4.0 per cent of sales (17.2). The fall in profitability was due to greatly reduced activity rates. In 2009, the Forest Industry business group also booked EUR 1.1 million due to bad debt provisions. During the year the number of personnel decreased by 1030 (FTEs) or by 35.3 per cent in order to balance the capacity and cost base to demand but, at the same time, not to jeopardise future growth. Operating profit after restructuring costs was EUR -14.7 million and -8.4 per cent of sales.

TRANSPORTATION

	Q4/ 2009	Q4/ 2008	Change %	2009	2008 (pro forma)	Change %
Order stock, EUR million	158.4	130.9	21.0	158.4	130.9	21.0
Sales, EUR million	30.2	29.0	4.1	118.5	105.5	12.3
Operating profit excl. restructuring costs, EUR million	2.3	3.3	-30.3	9.4	9.2	2.2
Operating margin excl. restructuring costs, %	7.6	11.3		7.9	8.7	
Operating profit, EUR million	2.3	3.3	-30.3	9.4	9.2	2.2
Operating margin, %	7.6	11.3		7.9	8.7	
Personnel at end of period	1 162	1 073	8.3	1 162	1 073	8.3

Full year 2009

Demand for services in the transportation sector continued to grow at a steady rate during 2009, with the demand for road and rail-bound transportation systems particularly strong. Demand was mainly supported by the public sector spending. There was also increasing activity in large concession type projects being carried out by contractors. Backed up by the good market situation, the order stock increased by 21.0 per cent to EUR 158.4 million from EUR 130.9 million the previous year. The full year net sales increased by 12.3 per cent and were EUR 118.5 (105.5) million. Operating profit amounted to EUR 9.4 (9.2) million and the operating margin was 7.9 per cent of sales (8.7). To better meet the increasing demand the number of personnel was increased by 89 (FTEs) or by 8.3 per cent in 2009.

WATER & ENVIRONMENT

	Q4/ 2009	Q4/ 2008	Change %	2009	2008 (pro forma)	Change %
Order stock, EUR million	62.3	76.8	-18.9	62.3	76.8	-18.9
Sales, EUR million	22.9	25.4	-9.8	86.5	87.6	-1.3
Operating profit excl. restructuring costs, EUR million	1.5	1.8	-16.7	5.1	4.2	21.4
Operating margin excl. restructuring costs, %	6.6	7.3		5.9	4.8	
Operating profit, EUR million	1.5	1.8	-16.7	4.9	4.2	16.7
Operating margin, %	6.6	7.3		5.7	4.8	
Personnel at end of period	908	976	-7.0	908	976	-7.0

Full year 2009

Demand for engineering in the environmental infrastructure sector, especially in the water sector, remained relatively stable during the year. However, the order intake was weak especially during the second half of the year, resulting in a decrease of the order stock. The order stock fell by 18.9 per cent to EUR 62.3 million from EUR 76.8 million the previous year. Net sales for 2009 were fairly stable at EUR 86.5 (87.6) million. Operating profit before restructuring costs of EUR 0.2 million increased by 21.4 per cent to EUR 5.1 (4.2) million. Operating margin was 5.9 per cent of sales (4.8). Operating profit after restructuring costs was EUR 4.9 million and the operating margin was 5.7 per cent of sales. During the year the number of personnel decreased by 68 (FTEs) or by 7.0 per cent.

CONSTRUCTION SERVICES

	Q4/ 2009	Q4/ 2008	Change %	2009	2008 (pro forma)	Change %
Order stock, EUR million	37.5	48.3	-22.4	37.5	48.3	-22.4
Sales, EUR million	19.3	23.9	-19.2	79.0	92.8	-14.9
Operating profit excl. restructuring costs, EUR million	2.0	1.9	5.3	7.3	9.9	-26.3
Operating margin excl. restructuring costs, %	10.4	8.1		9.2	10.7	
Operating profit, EUR million	1.8	1.9	-5.3	6.5	9.9	-34.3
Operating margin, %	9.3	8.1		8.3	10.7	
Personnel at end of period	831	971	-14.4	831	971	-14.4

Full year 2009

Investment activity, especially in the office and commercial construction sectors, remained very weak during the year. The order stock fell by 22.4 per cent to EUR 37.5 million from EUR 48.3 million the previous year. Net sales for 2009 were EUR 79.0 (92.8) million. Operating profit before restructuring costs of EUR 0.8 million amounted to EUR 7.3 (9.9) million and the operating margin was 9.2 per cent of sales (10.7). Considering the very difficult market situation, Construction Services was able to maintain its profitability and capacity utilisation rates on a good level even if there were clear signs of tougher price competition as well as a lack of larger projects. During the year the number of personnel decreased by 140 (FTEs) or by 14.4 per cent. Operating profit after restructuring costs was EUR 6.5 million or 8.3 per cent of sales.

Group Overhead

Unallocated costs in 2009 were EUR 3.6 million (5.5), representing 0.5 per cent of sales (0.7).

GROUP FINANCIAL RESULT

The full year 2009 consolidated operating profit totalled EUR 11.6 million (100.6, including EUR 6 million capital gain) which was EUR 89 million less than a year ago. The fall was mainly due to profitability challenges in Energy and Forest Industry business groups. The good performance in the Transportation, Water & environment and Construction Services business groups was not able to compensate for the drop in Energy and Forest Industry. Operating profit in Construction Services declined clearly compared to 2008 but profitability remained on a good level considering the difficult market situation in the sector. The Group's operating profit includes restructuring costs of EUR 10.9 million which relate to the cost savings programme that was launched in late 2008. Operating profit also includes a booking of EUR 6.5 million due to bad debt provisions. The consolidated operating margin including restructuring costs fell to 1.7 per cent (12.2).

The consolidated operating profit in the fourth quarter was EUR 0.7 million (26.7) or 0.4 per cent of sales (12.5). Profitability decreased in all business groups. The activity rates continued low in especially Forest Industry and Energy, and the capacity adjustment measures were not sufficient to compensate for this. The fourth quarter operating profit includes EUR 1.0 million of restructuring costs.

The full year net financial items showed an income of EUR 0.8 million (2.6).

Profit before taxes totalled EUR 12.4 (103.2).

Income taxes were EUR 4.4 million (30.6). The actual effective tax rate for the year 2009 was 35.5 per cent which is high due to profits in higher-tax countries and some losses in entities for which no deferred tax asset was recognized.

Net profit for the period was EUR 8.0 (72.6) million of which EUR 6.5 million was attributable to equity holders of the parent company and EUR 1.5 million to minority interests.

Earnings per share were EUR 0.11 (1.21 basic; 1.19 diluted).

STATEMENT OF FINANCIAL POSITION

The consolidated statement of financial position is healthy. The year-end consolidated statement of financial position amounted to EUR 515.4 million, which was EUR 64.9 million lower than at year-end 2008 and EUR 3.4 million lower than at end September 2009. Total equity at the end of the report period was EUR 184.0 million (211.1). Total equity attributable to equity holders of the parent company at year-end 2009 was EUR 176.0 million (203.4) or EUR 2.98 per share (3.45).

Return on equity (ROE) was 4.1 per cent (38.7). Return on investment (ROI) was 5.3 per cent (45.4).

CASH FLOW AND FINANCING

Net cash from operating activities in the full year 2009 was EUR -10.4 million (56.6), representing EUR -0.18 per diluted share (0.95). Net cash before financing activities was EUR -25.6 million (45.7). In the fourth quarter, net cash before financing activities was EUR 24.7 million (32.4).

Year-end net cash totalled EUR 19.3 (81.2) million which was EUR 15.7 million more than at end September 2009. The net debt/equity ratio (gearing) was -10.5 (-38.5) per cent. The equity ratio was 40.9 per cent (41.7).

The Group's liquidity is good. At the end of the year, the Group's cash and cash equivalents and other liquid assets amounted to EUR 142.0 (203.7) million. In addition to these, the Group had unused long-term overdraft facilities amounting to EUR 92.6 million.

Pöyry paid its shareholders dividends amounting to EUR 38.0 million or EUR 0.65 per share in March 2009.

Calculation of key figures is presented on the Key Figures pages of the Financial Statements.

CAPITAL EXPENDITURE AND ACQUISITIONS

The Group's capital expenditure totalled EUR 9.8 million, of which EUR 4.8 million consisted mainly of computer software, systems and hardware and EUR 5.0 million was due to acquisitions.

Capital expenditure, EUR million	2009	2008
Capital expenditure, operative	4.8	10.7
Capital expenditure, shares	5.0	8.9
Capital expenditure, total	9.8	19.6

HUMAN RESOURCES

Personnel (FTE)	2009	2008, pro forma
Energy	1 621	1 870
Forest Industry	1 887	2 917
Transportation	1 162	1 073
Water & Environment	908	976
Construction Services	831	971
Group staff and shared resources	121	117
Personnel at end of period, total	6 530	7 924
Personnel on average, total	7 052	7 702

Personnel structure

Capacity adjustment measures led to a fall in the total number of personnel in the Group in 2009. The Group had an average of 7052 (7702) employees (FTEs) during the year, which is 8.4 per cent less than in 2008. The number of personnel at the end of the year was 6530 (7924). By end 2009, 25 per cent of the capacity reductions were implemented as temporary lay-offs. Altogether 265 (391) employees have a fixed-term contract.

PERSONNEL EXPENSES

Personnel expenses, EUR million	2009	2008
Wages and salaries	319.9	337.6
Bonuses	6.9	18.4
Expenses from share-based incentive programmes	2.2	1.8
Social expenses	72.5	76.0
Personnel expenses, total	401.5	433.8

Wages and salaries as well as bonuses in the Pöyry Group are determined on the basis of local collective and individual agreements, individual employees' performances and the required qualification level. Supplementing the base salary, the Group has implemented bonus schemes which are primarily aimed at Group companies' line management, but which will be increasingly directed at individual experts, for example staff in project work.

Performance share plan 2008-2010

In December 2007, the Board of Directors of Pöyry PLC approved a share-based incentive plan for the key personnel. The plan comprises three earning periods, which are the calendar years 2008, 2009 and 2010. The rewards will be paid partly (50 per cent) in the company's shares and partly (50 per cent) in cash in 2009, 2010 and 2011. The criteria for the reward payouts for the years 2008 and 2009 were the Group's earnings per share (EPS) and net sales.

For the earning period 2008, the payout ratio was 180.89 per cent corresponding to a value of 433 454 shares. The payments were made to the participants in April 2009 and a total of 215 641 shares were transferred to the recipients. The number of shares transferred to the recipients as at 26 January 2010 is 206 957 taking into account the returns of shares. The incentive plan for the earning period 2008 included approximately 300 persons.

In February 2009 the Board of Directors of Pöyry PLC resolved that the value of the plan for the earning period 2009 will correspond to 400 000 shares, if the target performance set by the Board of Directors is met. Due to significant drop in the Group's result in 2009, the pay-out for the earning period 2009 is zero.

Human resources management

The year under review was overshadowed by the recession. To make the best possible use of its resources for project work and to maintain good capacity utilisation, the company intensified the sharing of resources both across business unit and geographical borders. Despite these measures, lay-offs were unavoidable and significant capacity reductions were made especially in Finland, Brazil, Russia, Sweden and North America.

To ensure that the Pöyry Group's capabilities will develop in accordance with changing business needs, the principles and actions for competence development are defined as a part of the annual strategy process. Developing managerial skills and encouraging job mobility within the organisation were major focus areas, as in the previous year. However the cost saving programme naturally also impacted the development activities leading to reduced training opportunities.

Our new vision creates exciting professional opportunities and is a welcomed energiser for the employees after a tough year. We will continue to have increased job mobility, which is an important step in the development towards an even more multi-skilled and diverse leadership pool. The new vision further supports building a strong community with shared goals and a uniform Pöyry identity.

RESEARCH AND DEVELOPMENT

The key cornerstone in Pöyry's business is the ability to provide clients with a full range of innovative and value-adding consulting engineering services covering the entire lifecycle of their investment projects.

To be able to help clients truly improve their businesses, Pöyry is continuously engaged in numerous research and development projects. The projects are conducted both on Pöyry's own initiative and in partnership with clients and research institutions. In 2009 Pöyry was involved in a number of development projects that are related to climate change, development of new products and services, operations improvement and methodology and software. As the R&D expenses are mainly embedded in client projects, they have not been accounted for separately.

In order to better utilise the competence capital within the Group, a Knowledge Management tool was developed in 2009 and launched at the beginning of 2010. Pöyry's organisation has an abundance of expertise and talent and this tool helps to put all this information systematically at the disposal of the entire global office network. The tool provides a platform for discussing and exchanging knowledge with experts, which can be used to compile, organise and analyse the special expertise, knowledge and data available in different parts of the organisation. A longer-term objective of the Knowledge Management development programme is to launch new projects, which may be related to widely different focus areas.

GOVERNANCE

Annual General Meeting

The Annual General Meeting (AGM) of Pöyry PLC was held on 10 March 2009. The AGM adopted Pöyry PLC's financial statements and the consolidated statements and granted the members of the Board of Directors, the company's President and CEO, and the Deputy to the President and CEO discharge from liability for the financial period 1 January to 31 December 2008.

The AGM approved the proposal of the Nomination and Compensation Committee that the Board of Directors should consist of seven (7) ordinary members. The AGM re-elected the following members to the Board of Directors: Henrik Ehrnrooth, Pekka Ala-Pietilä, Alexis Fries, Heikki Lehtonen, Harri Piehl and Karen de Segundo. In addition, the AGM elected Michael Obermayer, Ph.D., as a new member of the Board. Franz Steinegger gave notice that he was not available for re-election.

The Board of Directors elected Henrik Ehrnrooth as Chairman and Heikki Lehtonen as Vice Chairman. Heikki Lehtonen, Harri Piehl and Alexis Fries were elected members of the Audit Committee. Henrik Ehrnrooth, Heikki Lehtonen, Karen de Segundo, Pekka Ala-Pietilä, as well as Georg Ehrnrooth as an external member, were elected members of the Nomination and Compensation Committee.

KPMG Oy Ab, Authorised Public Accountants, continues as Pöyry PLC's auditors based on the resolution by the AGM on 6 March 2002. Sixten Nyman, Authorised Public Accountant, continues as Auditor in Charge.

Changes in executive management

In March, Esa Ikäheimonen took over as CFO and member of the Group Executive Committee. In addition to the Group's financial operations, the CFO's responsibilities were widened to cover also group-wide IT development and operations, real estate management and investor relations. In the same connection, Lars Rautamo moved from his position as CFO to lead the Group's Internal Audit function, and his membership in the Group Executive Committee ended.

In April, the President and CEO of Pöyry PLC, Heikki Malinen, took over the duties of the President of the Forest Industry business group in addition to his own position. At the same time, John Lindahl, President of the Forest Industry business group, was appointed Senior Vice President, Key Account Management of the Forest Industry business group, and his membership in the Group Executive Committee ended.

In September, Martin Kuzaj was appointed Executive Vice President of Pöyry PLC and President of the Forest Industry business group as well as a member of the Group Executive Committee. Dr Kuzaj began in his duties in October 2009.

In September, Teuvo Salminen, Deputy to the President and CEO of Pöyry PLC, announced that he will, at his own request, step down from his present position from the beginning of 2010. His membership in the Group Executive Committee ended on 31 December 2009.

In December, Pöyry announced its new business structure and appointments in management which came into effect as of 1 January 2010. The new business groups are Energy, Industry, Urban & Mobility, Water & Environment and Management Consulting. In addition, a function was established for group strategic growth, and group level commercial transactions were combined with the group legal affairs and risk management function. The following appointment to the Group Executive Committee were made:

- Heikki Malinen, President and Chief Executive Officer
- Ari Asikainen, Executive Vice President (EVP) and President, Energy business group
- Martin Kuzaj, EVP and President, Industry business group
- Andy Goodwin, EVP and President, Urban and Mobility business group
- Bernd Kordes, EVP and President, Water & Environment business group (also acting President, Management Consulting business group)
- Esa Ikäheimonen, Chief Financial Officer
- Richard Pinnock, EVP, Group Strategic Growth
- Camilla Grönholm, EVP, Human Resources
- Anne Viitala, EVP, Legal and Commercial

Bernd Kordes announced on 12 January 2010 that he will leave Pöyry and his membership in the Group Executive Committee ended on the same day. On 1 February 2010 Pöyry announced two appointments to the Group Executive Committee: Dr. Norbert Gorny, 46, was appointed Executive Vice President of Pöyry PLC and President of the Management Consulting business group, and Martin Bachmann, 42, was appointed Executive Vice President of Pöyry PLC and President of the Water & Environment business group.

Pöyry publishes its Corporate Governance Statement separately from the Report of the Board of Directors and the Financial Statements in connection with its Annual Report.

AUTHORISATIONS

The AGM on 10 March 2009 authorised the Board of Directors to decide on the acquisition of a maximum of 5 800 000 of the company's own shares with distributable funds. The authorisation shall remain in force for 18 months from the decision of the AGM. The authorisation is explained in more detail in the release covering the resolutions of the AGM, which is available on the company's website at www.poyry.com.

In March 2009, the Board of Directors of Pöyry decided to exercise the authority given by the AGM to acquire the company's own shares. Between 18 March and 14 May Pöyry repurchased 64 818 shares at the average share price of EUR 8.88. At the end of 2009, Pöyry had 377 157 of its own shares in its possession, corresponding to 0.6 per cent of total shares.

The AGM on 10 March 2008 authorised the Board of Directors to decide on the issue of a maximum of 11 600 000 new shares and to convey a maximum of 5 800 000 of the company's own shares held by the company in one or more tranches. The authorisation shall remain in force for three years from the decision of the AGM 2008, i.e. until 2011. Details of the authorisation are explained in more detail in the release covering the resolutions of the AGM, which is available on the company's website at www.poyry.com.

In March 2009, the Board of Directors of Pöyry resolved on a directed share issue on the basis of the authorisation given by the AGM 2008. The directed share issue is part of the share-based incentive plan 2008-2010 for key personnel of the company. More detailed information about the incentive plan was released in the company announcement on 11 December 2007.

A total of 216 727 of the company's own shares were conveyed without consideration to the target group of the incentive plan's earning period 2008 in accordance with the terms and conditions of the incentive plan. In addition to this, the Board of Directors resolved on a directed share issue and conveyed without consideration a total of 10 000 of the company's own shares to a number of employees in accordance with the terms and conditions of their incentive plans. The directed share issue does not affect the company's share capital or the company's total number of shares. After the directed share issue the maximum number of shares that may be conveyed is 5 573 273 shares.

SHARE CAPITAL AND SHARES

The share capital of Pöyry PLC at year-end 2009 totalled EUR 14 588 478. The total number of shares including treasury shares totalled 58 971 398 at the end of 2009.

Between March and May 2009 Pöyry repurchased 64 818 of the company's own shares on the basis of the authorisation given by the AGM 2009 and the decision of the Board of Directors of Pöyry PLC in 2009. In early 2009 Pöyry repurchased 139 000 of the company's own shares on the basis of the authorisation given by the AGM 2008.In addition to this, Pöyry PLC purchased from its subsidiary the 8914 Pöyry PLC's shares it held. In total, EUR 1.9 million was used for share repurchases in 2009.

On 31 December 2009, Pöyry held a total of 377 157 treasury shares, which corresponds to 0.6 per cent of the total number of shares and which at that date had a market value of EUR 4.2 million.

SHARES SUBSCRIBED FOR UNDER THE OPTION PROGRAMME

Pursuant to Pöyry's stock option plans, 92 796 new shares were subscribed for and registered in the Finnish Trade Register in 2009, of which 72 688 during the fourth quarter. As a result of these subscriptions, the total number of Pöyry's shares including treasury shares increased to 58 971 398 shares.

The stock options issued under Pöyry PLC's ongoing stock option plans at year-end 2009 entitle holders to subscribe for a total of 1 707 448 shares, which would increase the total number of Pöyry's shares (including treasury shares) to 60 678 846. The option programmes include approximately 40 key persons.

All shares carry one vote per share and equal rights to dividends. The terms and conditions of the stock option programme are available on Pöyry's website at www.poyry.com.

MARKET CAP AND TRADING

The closing price of Pöyry's shares on 31 December 2009 was EUR 11.17. The volume weighted average share price for January–December was EUR 9.78, the highest quotation being EUR 13.17 and the lowest EUR 7.55. The share price increased 43 per cent from the end of 2008. In January–December approximately 20.6 million Pöyry shares were traded on the NASDAQ OMX Helsinki, corresponding to a turnover of approximately EUR 201.1 million. The average daily trading volume was about 82 000 shares or EUR 0.8 million.

On 31 December 2009, the total market value of Pöyry's shares was EUR 654.5 million excluding treasury shares held by the company and EUR 658.7 million including treasury shares.

OWNERSHIP STRUCTURE

During 2009, the number of registered shareholders rose from 4724 at the end of 2008 to 6933 at the end of 2009, representing growth of 47 per cent. The number of Finnish retail investors increased by more than 48 per cent.

Corbis S.A. continued to be the largest shareholder with 31.57 per cent of the voting rights on 31 December 2009. The Chairman of the Board of Directors of Pöyry, Henrik Ehrnrooth, holds indirectly with his brothers Georg Ehrnrooth and Carl-Gustaf Ehrnrooth a controlling interest in Corbis S.A.

At the end of 2009 a total of 18.86 per cent (24.26) of the voting rights were owned by nominee-registered shareholders. Total ownership outside Finland, including Corbis, together with nominee-registered shareholders was in total 51.5 per cent (56.5) of the voting rights.

FLAGGINGS

Pöyry PLC was informed in November 2009 that the shareholding of Ilmarinen Mutual Pension Insurance Company, Finland had fallen to below 1/20 of the share capital and voting rights in Pöyry PLC.

On 11 November, the shareholding of Ilmarinen was 3.43 per cent of the share capital, entitling it to 3.46 per cent of the voting rights in Pöyry PLC.

No other disclosures of changes in holdings were received by the time of the release of this report.

IMPORTANT EVENTS DURING 2009

Capacity reductions

The global financial crisis sparked off an economic downturn that was reflected in the operations of Pöyry. In January 2009 Pöyry announced that clearly reduced demand and lower capacity utilisation was expected to significantly reduce the Group's profit before taxes for 2009 compared with 2008 and started adapting its capacity to demand.

During 2009, Pöyry implemented significant adaptation measures in the Finland-based units of its Forest Industry business group. The capacity was also downsized in the Brazilian unit as well as in other countries where the Forest Industry business group operates. As part of these actions, the company also changed the Forest Industry business group's organisation and operating model. In order to improve its cost competitiveness the business group's detail engineering services was decided to be consolidated in the offices at Kouvola in Finland, Sao Paulo in Brazil, Lodz in Poland and Jinan in China.

Capacity was adjusted also in other business groups and in various locations. The total decrease in capacity calculated on FTE basis was 18 percent compared with the end of 2008.

Important contracts

Despite the economic downturn and low overall investment activity, Pöyry was awarded a number of important contracts during the year.

In March, the Energy business group was awarded an EPC contract by the Styrian Utility Steweag/Steg for rehabilitation of the 110 kV substation Neudorf/Werndorf in Austria. The contract will be executed in a consortium with Siemens Austria. Pöyry's share of the contract amounts to about EUR 6.5 million. The project was started in March 2009 and will be completed by mid 2011.

In April, the Energy business group was awarded an owner's engineering services contract by OMV Power International GmbH for an 800 MW combined-cycle power plant project in Haiming, Germany. The project is being undertaken by the OMV Kraftwerk Haiming GmbH, an affiliated company of OMV Power International GmbH in Austria. Pöyry will assist the customer in the permitting process, preparation of tender documents for the EPC turnkey contract and the long-term service agreement contract. The value of the assignment is about EUR 6 million.

In June, the Forest Industry business group was commissioned to provide permitting engineering services for the Investlesprom's Segezha pulp mill in Russia. The services include project management and permitting engineering services for all disciplines extended over the whole pulp mill, which will have a production capacity of about 850 000 t/a. The total value of the assignment exceeds EUR 6 million. The assignment was started immediately and will be completed by mid 2010.

In September, the Energy business group signed a comprehensive EPCM (Engineering, Procurement and Construction Management) services contract with Vantaa Energy Ltd for a waste-to-energy plant to be built in Vantaa, Finland. The contract covers a wide range of project services including project management, procurement, design, engineering, construction management, site supervision and commissioning services. The new plant will process 320,000 t/a of municipal waste, and produce 67 MW of electric power and 100 MW of district heat. The value of the assignment is about EUR 8 million. The plant is scheduled to start operation in 2014.

In October, the Transportation business group was awarded the design contract for the new airport rail link in Katowice, Poland, by PKP Polskie Linie Kolejowe S.A. Pöyry is leading the design consortium with DB International in the project, which includes 38 km of railway line and 28 new structures such as bridges. Pöyry's share of the total assignment is EUR 7.5 million. The design phase will last from October 2009 to May 2011 and will also include a complete environmental impact assessment and obtaining the relevant environmental permits. The project is financed by the EU Cohesion Fund and the Polish State budget.

THE COST SAVINGS PROGRAMME

Pöyry launched in late 2008 an action programme designed to maintain its profitability at an acceptable level throughout the current recession. The programme focuses on sales, resources, cost structure and investments aimed at optimising the balance between short-term profitability and long-term capabilities and growth.

The cost saving target for fixed expenses on an annual basis was set at about EUR 30 million compared with the 2008 cost base excluding one-off restructuring expenses. At the end of the year, cost savings of some EUR 15 million were achieved in line with plans. Capacity reduction measures during 2009 exceeded the 12 per cent target. By the end of the year group-wide capacity was reduced by 18 per cent by both permanent and temporary lay-offs.

STRATEGY DEVELOPMENT AND IMPLEMENTATION

Pöyry started a vision and strategy process at the end of 2008, preparing the guidelines for Pöyry's growth into a truly global multinational company during the next decade. In December 2009, the new vision according to which Pöyry is to become "the global thought leader in engineering balanced sustainability for a complex world" was launched.

The new vision is driven by the major challenges within Pöyry's customer sectors. Urbanization and population growth, the shift in economic balance, environmental degradation and redirection of technological innovation will have a major impact on global demand and clients' businesses.

Pöyry sees growth opportunities being created by these drivers and it intends to be an agenda setter in this respect in the sectors it serves. The company will sharpen its focus on larger projects, management consulting, cost-effectiveness in detail engineering and core geographical markets.

In connection with the new vision Pöyry realigned its business structure to better enable the implementation of the vision. The new business structure and related appointments in the Group Executive Committee have been effective since 1 January 2010.

Pöyry aims to be one of the world's leading consulting engineering companies by 2020. To achieve this, the Group set a new 15 per cent annual over the cycle long-term growth target in connection with the vision launch. The Group's other financial targets are unchanged as follows:

- operating profit margin target for each business group is a minimum of 8 per cent in the medium term and a minimum of 10 per cent in the long term
- return on investment 20 per cent or higher
- earnings/share, annual growth 15 per cent or higher
- gearing below 30 per cent
- dividend/earnings ratio 50 per cent or higher

IMPORTANT EVENTS AFTER THE END OF THE REPORTING PERIOD

In January 2010, the member of the Pöyry Group's Executive Committee and President of the Water & Environment business group, Bernd Kordes, announced that he will leave Pöyry to join another company. Mr Kordes will carry on his duties as President of the Water & Environment business group as well as acting President of the Management Consulting business group over a transition period but his membership in the Group Executive Committee ended on 12 January 2010.

Pöyry appointed on 1 February 2010 two new members to its Group Executive Committee. Dr. Norbert Gorny, 46, was appointed Executive Vice President of Pöyry PLC and President of the Management Consulting business group. Martin Bachmann, 42, was appointed Executive Vice President of Pöyry PLC and President of the Water & Environment business group. They both report to Heikki Malinen, President and CEO of Pöyry PLC.

MOST SIGNIFICANT RISKS AND BUSINESS UNCERTAINTIES

The major risks relate to the potential prolongation and further deterioration of the world economy. The fall in demand for Pöyry's services may lead to falling sales volumes and thus a fall in profits.

The impacts of the economic downturn have been most clearly reflected in the operations of Pöyry's Forest Industry, Energy, and Construction Services business groups, and currently it is difficult to predict exactly when the demand will recover for either of these business groups.

In response to these risks Pöyry has launched an action programme to keep the Group's profitability at as high a level as possible. The programme's focus is on sales, resources, cost structure, investments and financing.

Pöyry's financial position is solid and its strong balance sheet supports securing its liquidity. Difficulties in project financing may cause problems for Pöyry's clients, which may lead them to postpone projects or even to cancel existing orders. In such cases there is an increased risk of credit losses.

The financial crisis has hampered the availability of loan financing. Pöyry has countered this by significantly strengthening its already strong financial position and liquidity.

MARKET OUTLOOK FOR 2010

The outlook for the market segments is presented according to Pöyry's new business structure.

Environmental legislation focused on combating climate change will continue to drive demand for renewable energy and energy efficiency related services. In emerging markets there is also continued growth in demand for energy. In the shorter term, clients decision making processes are still expected to be prolonged, which will lead to compressed activity and tight competition among energy projects in the near future.

The economic downturn has clearly hit the industrial projects in two of Pöyry's main client sectors, i.e. forest and chemical industries. The large majority of planned projects in the forest industry have been stopped and many of the largest chemical industry projects have also been put on hold. Preliminary engineering work for new investment projects and other pre-investment activity are showing strengthening signals of recovery in certain areas, most notably in Russia, China and Brazil. Uncertainty regarding the timing of new investment projects remains and investment activity in these areas is not expected to recover markedly over the short to medium term.

Increasing urbanization, mobility and the need for transportation solutions continue to have a positive impact on future investments. In the shorter term, investments in the transportation sector are anticipated to continue actively. Within the construction sector low investment activity, particularly in the commercial and also in the industrial sector, is expected to continue, but to recover during the second half of the year. Demand for engineering in energy and infrastructure related projects is expected to continue as relatively stable, or slightly improve.

The demand for services in water supply, sanitation, solid waste and overall adaptation to climate change, remains promising and the global economic downturn has had limited effects on this sector as these projects are largely publicly financed. There are also signs of an increase in demand for environmental services for industrial clients.

Further complexities faced by customers, such as making business decisions, changes in legislation, the need for a new and broader approach on sustainability as well as customers' increasing focus on improving business performance, are expected to drive demand for management consulting services.

THE GROUP'S FUTURE PROSPECTS

Uncertainty still prevails in the economic environment. The longer term growth trends are expected to remain valid within Pöyry's customer sectors but it is still difficult to forecast demand over the shorter term.

Based on the current order stock and outlook for new orders, Group sales for the full year 2010 are expected to grow. The preconditions for sales growth are strongest in Management Consulting, Energy and Urban & Mobility. In Energy, prolonged postponement of projects may, however, continue to have a negative impact on sales. Investment activity in the forest and chemical industry sectors is not expected to recover significantly over the short to medium term, which puts pressure on the Industry business group's sales growth, especially in 2010. Sales in the Water & Environment business group are expected to remain stable.

The Group's operating profit is expected to improve from 2009 even after inclusion of incremental business development expenses necessary to accelerate growth in line with the Vision. The Energy business group's operating profit is estimated to improve. The Industry business group's operating profit is estimated to be stable excluding one-time costs. The Urban & Mobility business group's operating profit is expected to remain stable. The Water & Environment business group's operating profit is expected to remain stable. The Management Consulting business group's operating profit is expected to improve.

Acquisitions are a central part of Pöyry's strategy. Acquisitions will be made in cases where the target company offers strategic advantages and supports Pöyry's objectives.

BOARD OF DIRECTORS' PROPOSAL FOR DISPOSAL OF DISTRIBUTABLE FUNDS

Pöyry Group's parent company Pöyry PLC's net profit for 2009 was EUR 68 740 331.90 and retained earnings EUR 26 808 970.11, so the total amount of distributable earnings was EUR 95 549 302.01. The Board of Directors of Pöyry PLC proposes to the Annual General Meeting on 11 March 2010 that a dividend of EUR 0.10 (0.65) per share be paid for the year 2009. The number of outstanding shares is 58 589 537 and the total amount of dividends thus EUR 5 858 953.70. The proposed dividend corresponds to 90.9 (53.7) per cent of the earnings per share for the financial year. The Board of Directors proposes that the dividend be paid on 23 March 2010.

Statement of comprehensive income

	EUR million	2009	2008
1	**Net sales**	**673.5**	821.7
2	Other operating income	**+0.8**	+6.6
	Share of associated companies' results	**+0.5**	+2.2
	Materials and supplies	**-7.0**	-15.3
	External charges, subconsulting	**-90.6**	-101.0
3	Personnel expenses	**-401.5**	-433.8
	Depreciation	**-8.2**	-9.0
6	Other operating expenses	**-155.9**	-170.8
		-663.2	-729.9
	Operating profit	**11.6**	**100.6**
7	Financial income and expenses	**+0.8**	+2.6
	Profit before taxes	**12.4**	**103.2**
8	Income taxes	**-4.4**	-30.6
	Net profit for the period	**8.0**	**72.6**
	Other comprehensive income		
	Translation differences	**+4.2**	-8.5
	Total comprehensive income for the period	**12.2**	**64.1**
	Net profit attributable to:		
	Equity holders of the parent company	**6.5**	70.8
	Minority interest	**1.5**	1.8
	Total comprehensive income attributable to:		
	Equity holders of the parent company	**10.7**	62.3
	Minority interest	**1.5**	1.8
9	Earnings/share, EUR	**0.11**	**1.21**
	Corrected with dilution effect	**0.11**	1.19

Statement of cash flows

EUR million	2009	2008
From operating activities		
Net profit for the period	**8.0**	72.6
Expenses from share-based incentive programmes	**+1.2**	+1.2
Depreciation and value decrease	**+8.2**	+9.1
Gain on sale of fixed assets	**+0.0**	-6.3
Share of associated companies' results	**+0.2**	-1.6
Financial income and expenses	**-0.8**	-2.5
Income taxes	**+4.4**	+30.6
Change in work in progress	**-9.5**	-4.8
Change in accounts and other receivables	**+18.3**	+1.9
Change in advances received	**-7.6**	-23.7
Change in payables and other liabilities	**-16.9**	+7.4
Received financial income	**+5.0**	+6.2
Paid financial expenses	**-5.7**	-3.0
Paid income taxes	**-15.2**	-30.5
Total from operating activities	**-10.4**	**+56.6**
Capital expenditure		
Investments in shares in subsidiaries deducted with cash acquired	**-10.6**	-8.7
Investments in other shares	**-0.2**	0.0
Investments in fixed assets	**-4.7**	-10.7
Sales of associated companies	**+0.0**	+6.9
Sales of other shares	**+0.0**	+0.4
Sales of fixed assets	**+0.3**	+1.2
Capital expenditure total, net	**-15.2**	-10.9
Net cash before financing	**-25.6**	**+45.7**
Financing		
New loans	**+20.0**	+118.2
Repayments of loans	**-20.5**	-2.6
Change in current financing	**+0.7**	-3.7
Paid dividends	**-39.0**	-39.1
Acquisitions of own shares	**-1.9**	-5.9
Share subscription	**+0.4**	+1.2
Net cash from financing	**-40.3**	+68.1
Change in cash and cash equivalents and in other liquid assets	**-65.9**	**+113.8**
Cash and cash equivalents and other liquid assets 1 January	**203.7**	**98.7**
Change in the fair value of financial assets	**+0.1**	**0.0**
Impact of translation differences in exchange rates	**+4.1**	-8.8
Cash and cash equivalents and other liquid assets 31 December	**142.0**	**203.7**
Financial assets at fair value through profit and loss	**27.9**	0.0
Cash and cash equivalents	**114.1**	203.7
Cash and cash equivalents and other liquid assets 31 December	**142.0**	**203.7**

Statement of financial position

Note	EUR million	2009	2008
	Assets		
	Non-current assets		
1	Goodwill	**101.3**	95.9
1	Intangible assets	**5.4**	6.2
2	Tangible assets	**16.6**	18.8
3	Shares in associated companies	**5.5**	5.8
3	Other shares	**1.9**	1.7
3	Loans receivable	**1.5**	0.1
	Deferred tax receivables	**9.5**	6.2
	Pension receivables	**0.3**	0.3
4	Other	**7.5**	5.0
		149.5	140.0
	Current assets		
5	Work in progress	**78.8**	69.3
5,7	Accounts receivable	**127.3**	143.5
5	Loans receivable	**0.1**	0.8
5	Other receivables	**7.5**	10.3
6	Prepaid expenses and accrued income	**10.2**	12.7
5	Financial assets at fair value through profit and loss	**27.9**	0.0
5	Cash and cash equivalents	**114.1**	203.7
		365.9	440.3
	Total	**515.4**	**580.3**

Note	EUR million	2009	2008
	Equity and liabilities		
	Equity		
	Equity attributable to the equity holders of the parent company		
8	Share capital	**14.6**	14.6
8	Share premium reserve	**0.0**	32.4
8	Legal reserve	**2.9**	20.5
8	Invested free equity reserve	**56.6**	5.8
	Translation difference	**-18.2**	-22.4
	Retained earnings	**120.2**	152.5
		176.0	203.4
	Minority interest	**8.0**	7.7
		184.0	211.1
	Liabilities		
	Non-current liabilities		
9	Interest bearing non-current liabilities	**101.3**	100.8
10	Pension obligations	**7.4**	6.7
	Deferred tax liability	**1.7**	4.7
	Other non-current liabilities	**2.3**	5.0
		112.7	117.2
	Current liabilities		
9,12	Amortisations of interest bearing non-current liabilities	**19.8**	20.5
9,12	Interest bearing current liabilities	**1.7**	1.2
11,12	Provisions	**8.3**	5.8
12	Project advances	**66.0**	73.6
12	Accounts payable	**21.5**	21.8
12	Other current liabilities	**29.3**	43.0
12	Current tax payable	**4.2**	3.6
13	Accrued expenses and deferred income	**68.0**	82.5
		218.8	252.0
		331.4	369.2
	Total	**515.4**	**580.3**

Statement of changes in equity

EUR million	Share capital	Share premium reserve	Legal reserve	Invested free equity reserve	Translation differences	Retained earnings	Total	Minority interest	Total equity
Equity 1 Jan. 2008	14.6	32.4	19.5	4.6	-13.9	125.4	182.6	6.9	189.5
Shares subscribed with stock options				1.2			1.2		1.2
Payment of dividend						-38.0	-38.0	-1.0	-39.0
Acquisition of own shares						-5.9	-5.9		-5.9
Transfer, retained earnings			1.0			-1.0	0.0		0.0
Expenses from share-based incentive programmes						1.2	1.2		1.2
Minority change						-0.1	-0.1	0.1	0.0
Comprehensive income for the period					-8.5	70.8	62.3	1.7	64.1
Changes for the period			1.0	1.2	-8.5	27.0	20.7	0.8	21.5
Equity 31 Dec. 2008	**14.6**	**32.4**	**20.5**	**5.8**	**-22.4**	**152.5**	**203.4**	**7.7**	**211.1**
Equity 1 Jan. 2009	14.6	32.4	20.5	5.8	-22.4	152.5	203.4	7.7	211.1
Shares subscribed with stock options				0.4			0.4		0.4
Payment of dividend						-37.9	-37,9	-1.1	-39.0
Acquisition of own shares						-1.9	-1.9		-1.9
Transfer to the invested free equity reserve		-32.4	-18.0	50.4			0.0		0.0
Transfer, retained earnings			0.3			-0.3	0.0		0.0
Expenses from share-based incentive programmes						1.2	1.2		1.2
Minority change						0.1	0.1	-0.1	0.0
Comprehensive income for the period					4.2	6.5	10.7	1.5	12.2
Changes for the period		-32.4	-17.7	50.8	4.2	-32.3	-27.4	0.3	-27.1
Equity 31 Dec. 2009	**14.6**	**0.0**	**2.9**	**56.6**	**-18.2**	**120.2**	**176.0**	**8.0**	**184.0**

Notes to the consolidated financial statements

ACCOUNTING PRINCIPLES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Group profile

Pöyry PLC is a Finnish public limited liability company organised under the laws of Finland and domiciled in Vantaa. Pöyry PLC is the parent company of the Pöyry Group. Pöyry is a global consulting and engineering firm focusing on the energy, forest industry and infrastructure & environment sectors.

A copy of the consolidated financial statements can be obtained either from the web site (www.poyry.com) or from the parent company's head office, the address of which is Jaakonkatu 3, 01620 Vantaa, Finland.

In its meeting on 1 February 2010 the Board of Directors of Pöyry PLC approved the publishing of these consolidated financial statements. According to the Finnish Limited Liability Companies Act shareholders have the right to approve or reject the annual accounts in the shareholders' meeting held after their release. The shareholders' meeting also has the right to make amendments to the annual accounts.

Basis of preparation

The consolidated financial statements of the Pöyry Group are prepared in accordance with International Financial Reporting Standards (IFRSs) including the IAS and IFRS standards as well as the SIC and IFRIC interpretations in force as at 31 December 2009. The Pöyry Group adopted IFRSs as from 1 January 2005. International financial reporting standards, referred to in the Finnish Accounting Act and in ordinances issued based on the provisions of this Act, refer to the standards and their interpretations adopted in accordance with the procedure laid down in regulation (EC) No 1606/2002 of the EU. The notes to the consolidated financial statements also conform with the Finnish accounting and company legislation. The financial statements of the parent company, Pöyry PLC, are prepared in compliance with FAS (Finnish accounting standards).

The consolidated financial statements are presented in euro. They have been prepared under the historical cost convention, unless otherwise stated in the accounting policies below.

The Group has applied as from 1 January 2009 the following new and amended standards and interpretations:

- IFRS 8 *Operating Segments*. Under IFRS 8 segment reporting is based on the reporting used for internal management reporting purposes and underlying accounting principles. IFRS 8 also requires disclosures on Group's products, services, geographical areas and major customers. The adoption of the new standard had no significant impact on the consolidated financial statements.
- Revised IAS 1 *Presentation of Financial Statements*. The revised standard mainly changed the presentation format of financial statements (the income statement and the statement of changes in equity).
- Amendments to IFRS 7 *Financial Instruments: Disclosures – Improving Disclosures About Financial Instruments*. The amendments have expanded the disclosures to be provided on fair value measurement of financial assets and financial liabilities and on liquidity risk. These amendments had no impact on the Pöyry's recognition and measurement principles in respect of financial instruments.
- Revised IAS 23 *Borrowing Costs*. The revised IAS 23 requires an entity to capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset in the cost of that asset. Previously Pöyry recognised borrowing costs as an expense in the period in which they were incurred following the allowed alternative treatment under IAS 23. The change did not have any material impact on the consolidated financial statements.
- *Improvements to IFRSs*, May 2008 (*Annual Improvements*). The amendments deal with 34 standards. Under this procedure minor and non-urgent amendments are grouped together and carried out through a single document annually. These amendments effective for the financial year 2009 had no major impact on the Group's 2009 financial statements.

In there financial statements the group has adopted early amendment to IFRS 8 (Improvements to IFRSs April 2009, effective mainly financial years beginning on or after 1 January 2010 with the effective date 1 January 2009). According to the amendment to IFRS 8 segment assets need not to be disclosed in case the segments total assets are not regularly provided to the entity's chief operating decision maker.

The adoption of the following new and amended standards had no impact on Pöyry's 2009 consolidated financial statements:

- Amendment to IFRS 2 *Share-based Payment – Vesting Conditions and Cancellations*. Based on the amended standard all non-vesting conditions have to be taken into account when determining the fair value of the equity instruments granted. The amendments have also clarified the accounting treatment of cancellations.
- Amendments to IAS 1 *Presentation of Financial Statements* and IAS 32 *Financial Instruments: Presentation – Puttable Financial Instruments and Obligations Arising on Liquidation*. The amendments deal with certain puttable equity instruments and their classification as equity in specific situations. Pöyry has not used such instruments.
- Amendments to IFRIC 9 *Remeasurement of Embedded Derivatives* and IAS 39 *Financial Instruments: Recognition and Measurement – Embedded Derivatives*. The amendments clarify the accounting treatment of embedded derivatives in those cases where a financial asset is reclassified out of the fair value through profit or loss category.
- IFRIC 13 *Customer Loyalty Programmes*. Pöyry has no such customer loyalty programmes caught by this interpretation.
- IFRIC 15 *Agreements for Construction of Real Estates*. The interpretation provides guidance whether IAS 18 *Revenue*, or IAS 11 *Construction Contracts*, should be applied when recognizing revenue from construction of real estates and when related revenue and expenses are recorded.
- IFRIC 16 *Hedges of a Net Investment in a Foreign Operation*. The interpretation provides guidance to the accounting treatment of the hedge of a net investment in a foreign operation.

Uses of estimates

The preparation of financial statements in conformity with IFRSs requires the management to make estimates and assumptions that affect the contents of the financial statements. Actual results may differ from these estimates. The estimates mainly relate to project revenue recognition, impairment testing as well as to recognition and measurement of defined benefit obligations, deferred taxes and provisions. The estimates and assumptions are based on the management's current best knowledge reflecting historical experience and other reasonable assumptions at the end of the reporting period.

By the time of the publication of the consolidated financial statements the Group is not aware of such major sources of estimation uncertainty at the end of the reporting period nor of such key assumptions concerning the future that might have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Subsidiaries

The consolidated financial statements incorporate the parent company and all those subsidiaries in which it holds, directly or indirectly, over 50 per cent of the voting rights or in which it otherwise has control at the end of the reporting period. Control is the power to govern the financial and operating policies of a company so as to obtain benefits from its activities. Group companies are consolidated and mutual shareholdings eliminated using the purchase method of accounting. The companies acquired or founded during the reporting period are consolidated from the date of acquisition or foundation, when control commenced. The companies closed or disposed of are incorporated in the consolidated financial statements until control ceases. All intercompany transactions are eliminated as part of the consolidation process.

The profit or loss and the total comprehensive income for the period attributable to the owners and minority are presented in the statement of comprehensive income. The minority's interest in equity is presented as a separate item within equity. Minority's share of accrued losses is recognized up to the maximum amount of their investment in the consolidated financial statements. Any excess is allocated against the share of owners, except to the extent that the minority has a binding obligation to cover losses.

Associates

Associates included in the consolidated financial statements are those entities in which the Group's shareholding and voting rights are usually between 20 and 50 per cent or in which it otherwise has significant influence, but not control, over the financial and operating policies. Holdings in associates are accounted for using the equity method. The Group's proportionate share of associates' profit for the financial year is included in the operating profit as the associates' operations closely relate to the business of the Group.

Joint ventures

Joint ventures included in the consolidated financial statements are those economic activities in which a Group company has entered into a contractual arrangement whereby two or more parties undertake an economic activity, which is subject to joint control. Holdings in joint ventures are accounted for using the equity method. The Group's proportionate share of the joint ventures' profit for the financial year is included in the operating profit as the joint venture operations closely relate to the business of the Group.

Foreign currency items

Foreign subsidiaries

In preparing the consolidated financial statements the income and expense items in the statements of comprehensive income and cash flows of those foreign subsidiaries whose functional currency is not the euro, are translated into euros at the average exchange rate during the period. Their balance sheets are translated at the ECB closing rate at the end of the reporting period.

Foreign exchange differences arising from the application of the purchase method, from the translation of the accumulated post-acquisition equity items as well as those resulting from the translation of the comprehensive income for the period at the average monthly rate in the statement of comprehensive income and with the closing rate in the statement of financial position are recorded in other comprehensive income. They are included in translation differences under equity.

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at the rates of exchange prevailing on the dates of the transactions. Foreign currency monetary balances and non-monetary items stated at fair value in a foreign currency are translated at the closing rate at the end of the reporting period. Other non-monetary items are translated using the exchange rate at the date of the transaction.

Gains and losses resulting from transactions in foreign currencies and translation of monetary items are recognised in other comprehensive income. Foreign exchange gains and losses arising on business operations are adjusted to revenues or operating expenses, respectively. Exchange differences arising on foreign currency loans are included in financial income and expenses except for the loans designated as hedges of foreign net investments that are highly effective. The effective portions of the exchange differences from such loans are recognised in other comprehensive income in the consolidated financial statements and presented as translation differences under equity. The translation differences accumulated in equity are transferred to profit or loss as a reclassification adjustment as part of the gain or loss on disposal, when the Group disposes of all, or part of, that entity.

Net sales and revenue recognition principles

Net sales equal fair value of services less indirect taxes associated to sales and other adjustment items.

The Group's operations estimates are made at least quarterly, when all project managers are required to prepare updated estimates for all ongoing projects. Also the provisions as well as overdue trade receivables are reviewed by the management at least on a quarterly basis.

The services provided by the Pöyry Group are generally classified into three categories for revenue recognition purposes:

1. Consulting and engineering projects with a fixed price contract or any type of cap or ceiling price contracts:

The revenue is recognised on the percentage-of-completion method, measured by reference to the stage of completion at the end of the reporting period. The stage of completion is defined as the proportion that project costs incurred for work performed both by the Group and subcontractors to date bear to the estimated total project costs.

2. Consulting and engineering projects with a cost plus contract which can be classified as pure reimbursable projects:

The revenue is recognised in the period during which the corresponding services have been rendered. If a reimbursable project has any kind of maximum, cap or estimate type of characteristics, revenue is recognised by reference to the stage of completion.

3. Contracting/Turnkey/EPC projects: The revenue is recognised using the percentage-of-completion method, measured by reference to the percentage of total cost incurred to date to estimated total cost at the end of the reporting period. Due to the different risk profile separately defined procedures are followed when assessing the risks and the progress made as well as in monitoring and controlling throughout the project.

The percentage-of-completion method is only applied when the outcome of a project can be estimated reliably. Project managers are responsible for the total estimate of a project made at least quarterly. At early stage of a project only costs are covered until the percentage of completion exceeds 10 per cent.

If the outcome of a project cannot be estimated reliably, the Group applies the cost recovery method in which the project costs incurred are expensed in the period in which they are incurred and revenue is recognised only to the extent of project costs incurred that probably will be recoverable.

When it is probable that total project costs will exceed total project revenue, the expected loss is recognised as an expense immediately.

The project revenue recognised according to the percentage-of-completion method, but not yet invoiced, including unfinished work is presented in the balance sheet under 'work-in-progress'. The unrecognised part of the invoicing is included in 'received project advances'.

Foreign currency cash flows in projects are mainly hedged for changes in exchange rates.

Employee benefits

Pension plans

The Group companies have various pension plans throughout the world. The statutory pension plans of Finnish companies are funded through payments to pension insurance companies. Voluntary pension plans are funded through pension insurances. Foreign subsidiaries operate their pension plans in accordance with the local regulations and practices.

Pension plans are classified as either defined contribution plans or defined benefit plans. The plans the Group has currently are mainly classified as defined contribution plans under which fixed contributions are paid into a separate entity and they are recognised as an expense in profit or loss in the year to which they relate. If the payee is not capable to pay the pension benefits in question, Pöyry Group will have no legal or constructive obligation to pay further contributions. All other plans not meeting the above criteria are classified as defined benefit plans. The Group has defined benefit plans in Switzerland, Germany, Austria, France and Norway. In Finland some voluntary pension plans have been classified as defined benefit plans. The expenditure from these plans is calculated separately for each plan in accordance with its terms and recognised as an expense over the expected working lives of the employees participating in the plan based on the actuarial calculations.

The discount rate used in calculation of the present value is determined by reference to market yields on high quality corporate bonds and to the maturity of the pension obligation. The present value of pension obligations is netted against the fair value of plan assets at the end of the reporting period and adjusted with unrecognised actuarial gains and losses and past service costs resulting in either a receivable or a liability to be recognised on the statement of financial position. The unfunded part of the defined benefit obligations increases the pension obligations and decreases equity. If a defined benefit plan is overfunded, the overfunded part increases the Group's assets and equity, respectively.

Actuarial gains and losses that arise subsequent to the date of transition are recognised in accordance with the corridor method to the extent that any unrecognised actuarial gain or loss of the period exceeds 10 per cent of the greater of the present value of the defined benefit obligation and the fair value of plan assets. That portion is recognised in profit or loss over the expected average remaining working lives of the employees participating in the plan.

Share-based payments

Share option plans

Pöyry PLC has granted share options in 1998 and 2004, the option plan of 1998 ended in 2005.

The granted share options are measured at their fair values at the grant date using the Black & Scholes option pricing model. The resulting employee expense is recognised during the vesting period with a corresponding increase in equity in retained earnings. The expense determined on the grant date is based on the estimate about the number of options that are expected to vest by the end of the vesting period. Payments received from share subscriptions on the grounds of options (adjusted by the transaction costs) are recognised in the invested free equity reserve. The option plan 2004 is described in the note 4 to the statement of comprehensive income.

Share-based incentive plan

In December 2007 the Board of Directors of Pöyry PLC has approved a share-based incentive plan for key personnel of Pöyry. The plan comprises three earning periods, which are the calendar years 2008, 2009 and 2010. The rewards will be paid partly in the company's shares and partly in cash in 2009, 2010 and 2011. The shares must be held for an approximate period of two years from the transfer date.

The fair value of the reward is expensed until the target group is entitled to the reward and the shares are freely transferable. The fair value of the share is the share price on the date at which the target group has agreed to the conditions of the plan reduced by the estimated dividends. The fair value of the cash part is remeasured at the end of each reporting period based on the share price at the end of the reporting period.The expenses are recognized as personnel expenses and the component settled in shares credited the retained earnings and the cash part as an accrued liability until paid out. The share-based incentive plan is described in the note 5 to the statement of comprehensive income.

Income taxes

The income taxes in the consolidated statement of comprehensive income comprise current tax of the Group companies calculated on the taxable profit for the period determined in accordance with local tax rules, the tax adjustments related to previous years as well as the change in the deferred tax assets and liabilities. For transactions and other events recognised in profit or loss, any related tax effects are also recognised in profit or loss. For transactions and other events recognised outside profit or loss (either in other comprehensive income or directly in equity), any related tax effects are also recognised either in other comprehensive income or directly in equity, respectively.

Those withholding taxes which are credited from income taxes are accounted for in the income taxes of the income statement. Those withholding taxes which are not credited from income taxes are accounted for as expenses in the expense accounts.

Deferred tax assets and liabilities are provided in the consolidated financial statements generally for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The main temporary differences arise from tax losses carried forward and defined benefit plans. Deferred taxes are not provided for impairment of goodwill, which is not deductible for tax purposes, nor for undistributed profits of subsidiaries to the extent that is it probable that the temporary difference will not reverse in the foreseeable future. Deferred tax liabilities are recognised at their full amounts in the balance sheet, and deferred tax assets are recognised at estimated realisable amounts, i.e. to the extent that it is probable that taxable profit will be available in the future, against which temporary differences can be utilized. The tax rate enacted or substantively enacted at the end of the reporting period is used as the tax rate.

Intangible assets

Goodwill

After 1 January 2004 goodwill represents the difference between the cost of the acquisition and the fair value measured at the acquisition date of the net identifiable assets and liabilities and contingent liabilities acquired. Goodwill arisen from the business acquisitions occurred prior to 1 January 2004 is reported as it was recognised under FAS and taken as deemed cost under IFRS. Based on this exemption granted in IFRS 1 the classification and accounting treatment of the business combinations was not been reconsidered in preparing the Group's opening IFRS balance sheet.

Goodwill is stated at cost less any impairment losses. Goodwill together with other intangible assets with indefinite useful lives is not amortised but is tested for impairment annually or when there is an indication that an asset may be impaired.

The Global Network Company concept is a cornerstone of the Pöyry Group's strategy. The Group's global office network is a unique and important key factor supporting the business, allowing the Group to offer its versatile expertise to locally as well as globally operating companies, combining the knowledge of its global network of experts with a strong knowledge of local conditions. The strategy, with all five business groups targeting the cooperation and integration level of a Global Network Company, supports the Group's policy for allocating goodwill according to the principles described below.

The business groups of the Pöyry Group represent the independent cash generating unit levels where management monitors the return on investment and are therefore chosen as the goodwill allocation level.

Purchase price allocation (PPA)

One of the cornerstones of Pöyry's acquisition policy is to acquire only companies with a good management and skilled workforce with a track record of earnings making capability at levels similar to Pöyry or its peers. This value is not separately recognised but subsumed within goodwill.

In each acquisition all potential value drivers are analysed. In Pöyry's consulting/engineering business, fair value determinations and identification of intangible assets that meet the criteria for recognition apart from goodwill most often relate to:

- ongoing work-in-progress, if the profitability of the separate projects is higher than what is reasonable for the completion effort based on profit for similar projects. PPAs to work-in-progress are written off over the duration of the projects.
- order backlog, i.e. orders received when work has not started and outstanding proposals and prospects weighed with the likelihood of realisation. The amounts allocated to order backlog, representing estimated sales and marketing expense savings, are written off after starting the work on the received assignments.
- client relationship, if the volume of a separate client has a material impact on the earnings level of the acquired company. Pöyry's strategy and past track record is to retain its clients with its skilled workforce and good management. Those amounts allocated to client relationship based on the materiality impact mentioned above, are subject to an annual impairment testing.

Other intangible assets

An intangible asset is initially capitalized in the statement of financial position at cost if the cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group. Other intangible assets are stated at historical cost less cumulative amortisation and impairment losses, if any. Those borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Intangibles with finite useful lives are amortised on a straight-line basis over their known or expected useful lives. An intangible asset once classified as held for sale is not amortised.

Software

Amortised on a straight-line basis over 3 to 5 years.

Customer relationships

The value allocated to the customer relationships in the connection of a business combination that is tested for impairment at least annually.

Order stock

The value allocated to the order stock in the connection of a business combination that is expensed during the related projects.

Research and development

The income and expenses attributable to research and development are part of the Group's client work and cannot therefore be reasonably defined in exact monetary terms in practice. These revenues and expenses are recognised in profit or loss and they are included in the operating profit.

Tangible assets

Items of property, plant and equipment are stated at historical cost less cumulative depreciation and any impairment losses. Those borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Gains and losses on sales and disposals are included in other operating income and in other operating expenses, respectively.

A predetermined schedule has been used to calculate depreciation on tangible assets. Depreciation is calculated based on historical cost and expected useful life. Depreciation is charged to the profit or loss on a straight-line basis. Expected useful lives and residual values are reassessed at least at each financial year-end and where they differ significantly from previous estimates, depreciation periods are changed accordingly. The estimated useful lives are as follows:

Buildings	20-40 years
Machinery and equipment	3-8 years

Land is not depreciated. A tangible asset once classified as held for sale is not depreciated.

Non-current assets held for sale

A non-current asset (or a disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. In order to classify assets as held for sale the following requirements must be fulfilled: asset's sale must be highly probable, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary, the management is committed to the plan to sell the asset and the sale is expected to take place within one year from the date of classification. Before classification as held for sale the non-current assets or assets and liabilities of disposal groups are measured in accordance with applicable IFRSs. As from classification date a non-current asset held for sale is generally measured at the lower of its carrying amount and fair value less costs to sell, and it is not depreciated any more.

Leases

The Group has entered into both finance and operating leases. The Group is a lessee. Leases of property, plant and equipment where substantially all the risks and rewards incidental to ownership have been transferred to the Group are classified as finance leases. These assets are capitalised and are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease less cumulative depreciation and any impairment losses. The associated lease liabilities are included in non-current and current interest-bearing liabilities in accordance with their maturity. Assets acquired under finance leases mainly include computers and other office equipment. They are depreciated as comparable owned assets over the shorter of the useful lives for tangible assets or the lease term and are adjusted for impairment charges, if any.

Lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability. In respect of finance leases, the depreciation on the leased assets and the financial charge on the lease liability are shown in profit or loss. The financial charge is allocated to profit or loss so as to achieve a constant interest rate on the outstanding liability during the lease term.

An operating lease is a lease of property, plant and equipment where the lessor retains significant risks and rewards incidental to ownership. In the Pöyry Group leases classified as operating leases mainly relate to office premises, also some car and office equipment leases have been classified as operating leases. Payments made thereunder are charged to profit or loss as rental expense on a straight-line basis over the lease term.

Impairment of tangible and intangible assets

The carrying amounts of the Group's assets are reviewed at the end of each reporting period to determine whether there is any indication for impairment. If an indication of impairment exists, the asset's recoverable amount is estimated. The recoverable amounts of following assets are also estimated annually irrespective whether there is any indication for impairment or not: goodwill and intangible assets with indefinite useful lives. The impairment test is performed at the level of a cash-generating unit. This is the smallest identifiable group that is independent of other units and whose cash flows are separable.

The recoverable amount is the higher of an asset's fair value less costs to sell, or its value in use. The value in use represents the present value of discounted future net cash flows expected to be derived from an asset or a cash-generating unit. The discounted cash flow analysis used to calculate value in use is based on the approved strategy where growth from acquisitions has been eliminated. The recoverable amount is based on reasonable estimates and assumptions and the latest plans or forecasts approved by the management. Goodwill impairment testing is carried out annually during December primarily by using discounted cash flow analysis but is also crosschecked by multiple based market price comparisons. Pre-tax weighted average cost of capital (WACC) is used as a discount rate for the recoverable amount. WACC represents the market opinion of time value of money and special risks relating to an asset.

The Group's scale for classifying the goodwill impairment testing results is the following (compared to the total carrying amount of tested assets): a) is below, b) corresponds to, c) exceeds slightly, d) exceeds clearly, e) exceeds significantly (> 50 per cent).

Other main assumptions used in the calculations for value in use are presented in the note 1 to the balance sheet.

Financial instruments

Pöyry classifies its financial items as follows: financial assets and financial liabilities at fair value through profit or loss, available-for-sale financial assets and loans or receivables (assets).

Financial assets

A financial asset is classified when originally acquired based on its purpose of use. All purchases or sales of financial assets are recognised or derecognised using settlement date accounting. The Group derecognizes financial assets when it has lost its right to receive the cash flows or when it has transferred substantially all the risks and rewards to an external party.

Financial assets at fair value through profit or loss

A financial asset is classified in this category when the financial asset is either held for trading or it is designated as a financial asset at fair value through profit or loss upon initial recognition (application of the fair value option).In Pöyry Group this category comprises those derivative instruments not meeting the hedge accounting criteria and certain investments. Gains and losses arising from a change in the fair value, realised or unrealised, are recognised in profit or loss as incurred.

Available-for-sale assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. In the Pöyry Group assets classified as available for sale comprise unlisted shares. As their fair value is not available or cannot be measured reliably, they are carried at cost. However, when there is objective evidence that the fair value of such share investments is significantly lower than their book value, this is indication of an impairment loss. If there is objective evidence of an impairment loss, the loss arisen is recognised in profit or loss. Available-for-sale financial assets are included in non-current assets unless the Group has the intention to sell them within less than 12 months after the end of the reporting period, in which case they are included in the current assets.

Loans or receivables (assets)

Financial assets that belong to this category are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Group does not hold them for trading purposes either. Loans and receivables are measured at amortised cost less impairment losses.

In the Pöyry Group this category includes trade receivables and other receivables arisen from business operations. Trade receivables are presented net of credit losses. The amount of doubtful receivables and assessment of need for impairment is based on risk of individual receivables. Generally, an impairment allowance of 50 per cent is made for those trade receivables which are more than 180 days overdue. Trade receivables are measured at fair value. If a receivable is due more than 360 days a credit loss provision is made unless there are especially weighty reasons.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and other short-term highly liquid investments with original maturities of three months or less from the date of acquisition. Bank overdrafts related to Group's cash pool accounts, if any, are included within current interest-bearing liabilities.

Financial liabilities

The Group classifies its financial liabilities in the following categories: financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost. A liability is classified as current when the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. The Group removes a financial liability (or a part of it) from its balance sheet only when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires.

Financial liabilities at fair value through profit or loss

In Pöyry Group this category comprises those derivative instruments not meeting the hedge accounting criteria. Gains and losses arising from the change in the fair value, realised or unrealised, are recognised in profit or loss as incurred.

Financial liabilities measured at amortised cost

This category includes the borrowings taken by the Group. On initial recognition a loan is measured at its fair value, using the effective interest method. Interest expenses are recognised in profit or loss over the period of the borrowings using the effective interest method. Subsequent to initial recognition, these liabilities are stated at amortised cost.

Derivative instruments and hedge accounting

Derivatives are classified as financial assets and financial liabilities at fair value through profit or loss. They are recognised on the balance sheet at fair value on the trade date. Subsequently they are fair valued. Derivatives are not used for speculative purposes. Gains and losses are accounted for based on the purpose of use of the derivative.

The Group applies the hedge accounting to certain derivatives. In that case, at the inception of a hedge relationship, the company, which enters into the hedges documents the relationship between the hedging instrument and the hedged item as well as the strategy for undertaking the hedge in accordance with the Group's risk management objective. The Group also documents and assesses, both at hedge inception and at least at the end of each reporting period whether the derivatives that are used in hedging transactions are highly effective in offsetting the changes in the fair values or cash flows of the hedged items.

Fair value hedges

The Group applies fair value hedge accounting to the forward contracts hedging sales and purchases denominated in foreign currencies as the hedge relates to a binding sale agreement that is either a balance sheet or an off-balance sheet item. In that case the fair value change resulting from the hedging instrument as well as from the hedged portion of the binding agreement is recognised in profit or loss, together with the change in the fair value of the interest element of a forward contract separated from the hedge relationship.

Hedging of a net investment in a foreign operation

The currency exposure of the parent company and hedging need related to equity in foreign subsidiaries (net investments) is reviewed on an annual basis but as the main principle remains that the translation exposure of investments in foreign subsidiaries is generally not hedged. If the Group needs external funding the preferred currency is chosen so that part of the foreign equity can be hedged by raising loans in the same currency. The Group applies hedge accounting to these loans. The effective portion of the exchange differences from such loans is recognised in other comprehensive income in the consolidated financial statements and presented as translation differences under equity. The translation differences accumulated in equity are transferred to profit or loss as a reclassification adjustment as part of the gain or loss on disposal, when the Group disposes of all, or part of, that entity. Other exchange differences arising on foreign currency loans are recognized in profit or loss under financial income and expenses.

Treasury shares

Pöyry PLC's own shares acquired by the Group, including directly attributable costs, are presented as a deduction from the total equity in the consolidated financial statements. Purchases and subsequent sales of treasury shares, including directly attributable transaction costs, are presented as changes in equity.

Provisions

A provision is an obligation of uncertain timing or amount. A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event that is probable and a reliable estimate can be made of the amount of the obligation. A provision is measured to the present value of the costs required to offset the obligation. If it is possible to receive compensation for part of the obligation from a third party, the compensation is recognised as a separate asset, but only when receipt of the compensation is virtually certain.

To minimise business risks the Pöyry Group has adopted in 2005 a group-wide risk management policy that includes procedures for identification, assessment, treatment and monitoring of risks. The policy is described in the risk management section.

Project provisions

When a project is unfinished, a project provision is recognised only in an exceptional case. If a disagreement arises between the Group and a customer or a subcontractor, or cost overrun is expected, their effect on the project is assessed. If the effect on the result of a project is probable, it is taken into account either by reducing the expected total invoice amount or by increasing the costs and consequently the expected total result falls. The expected loss is recognised immediately as a project provision only in an exceptional case when it is probable that the total project costs will exceed the total project revenues.

Existing professional, contractual or legal third party liability risks may also result in a provision to be recorded regarding a project already completed. A provision is recognised if the Pöyry Group is to compensate the client or a third party a damage caused by negligent action or inaction or normative breach.

Other provisions

Other provisions in the Group's business relate mainly to restructurings, i.e. termination expenses if employees are laid off and lease payments for vacant office space.

Dividends

The dividend relating to the financial year ended is not recognised until approved by a general meeting of shareholders.

New and amended standards and interpretations

During 2008 and 2009 the IASB has issued the following new and amended standards and interpretations that the Group has not yet adopted. The Group will adopt them as of the effective date or, if the date is other than the first day of the financial year, from the beginning of the subsequent financial year.

- Revised IFRS 3 *Business Combinations* (effective for financial years beginning on or after 1 July 2009). Significant amendments have been made to the standard. The amendments broaden the scope of IFRS 3 and impact, among other things, the amount of goodwill recognised on business combinations and sales results of businesses. Contingent consideration will be measured at fair value and subsequently re-measured through profit or loss. All acquisition-related costs, such as experts' fees, will be expensed instead of capitalization. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest (minority) in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. The Group is assessing the impacts on the consolidated financial statements.
- Amended IAS 27 *Consolidated and Separate Financial Statements* (effective for financial years beginning on or after 1 July 2009). The amendments affect the accounting treatment of acquisitions and sales achieved in stages. If the parent company retains control, impacts from changes in ownership in a subsidiary are recognized directly in Group's equity. Such transactions carried out with non-controlling interest (minority) no longer result in goodwill or gains and losses to be recorded in profit or loss. When control is lost, any remaining interest is measured at fair value through profit or loss. A similar accounting treatment is also applied to investments in associates and interests in joint ventures. In future losses of a subsidiary may be allocated to non-controlling interest also when they exceed the value of the minority shareholders' investment. The Group is assessing the impacts on the consolidated financial statements.
- IFRS 9 *Financial Instruments* (effective for financial years beginning on or after 1 January 2013). IFRS 9 is part of the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. The new standard deals with measurement categories for financial assets. The guidance in IAS 39 on impairment of financial assets and on hedge accounting continues to apply. The Group has not yet assessed the impacts of the new standard. IFRS 9 is still subject to endorsement by the EU.

Pöyry does not expect the adoption of the following standards, interpretations and their amendments to have a significant effect on the Group's consolidated financial statements:

- Amendment to IAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items* (effective for financial years beginning on or after 1 July 2009). The amendments deal with hedge accounting and relate to designation of a one-sided risk in a hedged item and designation of inflation in a financial hedged item.
- IFRIC 17 *Distributions of Non-cash Assets to Owners* (effective for financial years beginning on or after 1 July 2009). The interpretation provides guidance how an entity should account for non-cash dividend distributed to owners.
- IFRIC 18 *Transfers of Assets from Customers* (effective on financial years beginning on or after 1 July 2009). The interpretation provides guidance on how entities should account for items of property, plant and equipment received from customers, or cash that is received and used to connect the customer to a network (e.g. to a electricity network) or to provide ongoing access to a supply of goods or services or both.
- *Improvements to IFRSs* (April 2009) (effective mainly on financial years beginning on or after 1 January 2010). The amendments cover in total 15 standards and their impacts vary standard by standard. The amendments have not yet been endorsed by the EU.
- Amendments to IFRS 2 *Share-based Payment – Group Cash-settled Share-based Payment Transactions* (effective on financial years beginning on or after 1 January 2010). These amendments provide additional guidance to the accounting treatment of share-based payment transactions among group entities. The amended standard is still subject to endorsement by the EU.
- Amendment to IAS 32 *Financial Instruments: Presentation – Classification of Rights Issues* (effective on financial years beginning on or after 1 February 2010). The amendment relates to the accounting treatment (classification) of rights issues of shares, options or warrants in a currency other than the issuer's functional currency. The amendment to IAS 32 has not yet been endorsed by the EU.
- Revised IAS 24 *Related Party Disclosures* (effective for financial years beginning on or after 1 January 2011). The changes simplify the related party disclosure requirements for government-related entities and clarify the definition of a related party. The revised standard is still subject to endorsement by the EU.
- Amendments to IFRIC 14 IAS 19 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – Prepayments of a Minimum Funding Requirement* (effective for financial years beginning on or after 1 January 2011). The amendment results in prepayments of contributions in certain circumstances being recognised as an asset rather than an expense, when there is a minimum funding requirement (MFR). The amendments are still subject to endorsement by the EU.
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments:* (effective for financial years beginning on or after 1 July 2010). The interpretation provides guidance on accounting for debt for equity swaps, e.g. when equity instruments are issued to a creditor to extinguish all or a part of a financial liability. IFRIC 19 applies retrospectively. The interpretation has not yet been endorsed for use in the EU.

SEGMENT INFORMATION

Operating segments 2009

The Pöyry Group's operations have until the year-end 2009 been conducted through five operating segments (business groups): Energy, Forest Industry, Transportation, Water & Environment and Construction Services. The business groups are globally responsible for their operations. Each business group offers a full range of consulting, investment planning and implementation, maintenance planning and operations improvement services to its clients, covering the entire lifecycle of their business.

Energy

The Energy business group's services cover the entire lifecycle of the client's business, from strategic consulting to project implementation, operation and maintenance, and modernisation projects. The business group operates in six business areas: Management Consulting, Hydropower, Renewable Energy, Power and Heat, Oil and Gas, and Emerging Business.

Forest Industry

The Forest Industry business group provides engineering and project implementation services for investment projects worldwide, maintenance engineering and comprehensive local services to the mills, and consulting on forest industry strategies and operations. The business group's services are divided into three business areas: Management Consulting, Pulp and Paper Industry, and Chemical Process Industry. These are supported by the regional business areas: Europe including Russia, North America and South America.

Transportation

Pöyry's transportation business group offers consulting and engineering services, project management, and construction supervision. The business group's expertise covers rail-bound, road and urban transportation systems, tunnelling projects, and services related to traffic and community planning. The main markets are Asia, Europe and Latin America.

Water & Environment

The Water & Environment business group offers comprehensive engineering and expert services related to water and environmental technologies. The business group's expertise covers water resources management, treatment of municipal and industrial waste waters and waste management. Key markets are Europe, Asia and Africa.

Construction Services

The Construction Services business group offers a full range of services for office, commercial and industrial building projects. Services include consulting, project management, architectural design, structural design, building technology services as well as construction management and supervision. The main markets are Finland, the Baltic region, Russia and China.

Other, unallocated

The other consists of activities not relating to the primary segments as well as of such parent company expenses which are not charged to the business groups. The Group's parent company is responsible for developing the Group's strategy, financing, exploiting synergistic benefits, and for general co-ordination of the Group's operations. The parent company has charged service fees for general administration and parent company costs attributable to the business groups. The relative share charged is derived from the business groups' payroll costs.

The operating segments correspond to the internal reporting structure of the Group. Inter-segment pricing is determined on an arm's length basis. There are no significant sales between the segments. The statement of income of the segment is presented down to the operating profit in which also the share of the associate companies' results is included.

Operating segments

	Net sales		Operating profit		Operating profit %		Order stock	
EUR million	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
Energy	215.6	241.3	9.1	32.0	4.2	13.2	181.9	196.4
Forest Industry	175.8	294.5	-14.7	50.8	-8.4	17.2	45.3	86.3
Transportation	118.5	105.5	9.4	9.2	7.9	8.7	158.4	130.9
Water & Environment	86.5	87.6	4.9	4.2	5.7	4.8	62.3	76.8
Construction Services	79.0	92.8	6.5	9.9	8.3	10.7	37.5	48.3
Unallocated	-1.9	0.0	-3.6	-5.5			0.3	0.4
	673.5	**821.7**	**11.6**	**100.6**	**1.7**	**12.2**	**485.7**	**539.1**

	Capital expenditure		Depreciation		Personnel average		Personnel year-end	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008
Energy	1.4	2.9	2.2	2.1	1 741	1 865	1 621	1 870
Forest Industry	0.6	3.5	2.2	2.8	2 222	2 838	1 887	2 917
Transportation	1.7	2.1	1.5	1.5	1 174	974	1 162	1 073
Water & Environment	0.4	1.0	1.0	1.1	923	954	908	976
Construction Services	0.2	0.8	0.7	0.9	871	961	831	971
Unallocated	0.5	0.4	0.6	0.6	121	110	121	117
	4.8	**10.7**	**8.2**	**9.0**	**7 052**	**7 702**	**6 530**	**7 924**

Net sales and Personnel by area

	Net sales		Personnel year-end	
EUR million	**2009**	2008	**2009**	2008
The Nordic countries	194.4	234.3	2 510	3 278
Other Europe	323.7	363.1	2 826	2 959
Asia	54.7	72.6	529	709
North America	20.0	27.7	198	308
South America	50.3	89.5	344	529
Other	30.4	34.5	123	141
	673.5	**821.7**	**6 530**	**7 924**

OPERATING SEGMENTS, PROFORMA

Operating segments as of 1 January 2010

Pöyry Group has from the beginning of 2010 changed its business structure.
The new business groups, the operating segments, are from the beginning of 2010 the following:
Energy, Industry, Urban & Mobility, Water & Environment and Management Consulting.

The operating segments correspond to the Group's internal reporting structure from the beginning of 2010.

Below the proforma figures for the new operating segments.

	Net sales		Operating profit		Operating profit %	
EUR million	**2009**	2008	**2009**	2008	**2009**	2008
Energy	173.9	193.2	5.9	25.1	3.4	13.0
Industry	162.0	271.8	-10.1	49.4	-6.2	18.2
Urban & Mobility	184.5	179.1	14.9	16.3	8.1	9.1
Water & Environment	86.5	87.6	4.9	4.2	5.7	4.8
Management Consulting	68.5	90.0	-0.4	11.0	-0.7	12.3
Unallocated	-1.9	0.0	-3.6	-5.4		
Total	**673.5**	**821.7**	**11.6**	**100.6**	**1.7**	**12.2**

	Order stock		Personnel, year-end	
EUR million	**2009**	2008	**2009**	2008
Energy	171.0	182.0	1 402	1 628
Industry	39.3	82.4	1 790	2 810
Urban & Mobility	194.8	176.4	1 858	1 851
Water & Environment	62.3	76.8	908	976
Management Consulting	18.0	21.1	451	542
Unallocated	0.3	0.4	121	117
Total	**485.7**	**539.1**	**6 530**	**7 924**

ACQUISITIONS

Name and business	**2009** Acquisition date	Acquired interest, %
Aquarius International Consultants Pty Ltd	14 May 2009	100

The company is one of Australia's leading independent offshore engineering and marine consulting firm and is highly respected in the offshore oil and gas industry. The company is based in Perth, Australia, employing ten persons.

Name and business	2008 Acquisition date	Acquired interest, %
Arket Oy	7 May 2008	100

The company specialises in architectural design services for healthcare, office, retail and industrial buildings. The company is based in Espoo, Finland employing nine persons. The company has been merged with Pöyry Architects Oy.

Geopale Oy	12 May 2008	100

The company specialises in bedrock core drillings. The company is based in Jyväskylä, Finland employing 14 persons. The company has been merged with Pöyry Environment Oy, which has been merged with Pöyry Finland Oy.

Consilier Construct S.R.L.	27 May 2008	100

The company focuses on the tranportation market in particular on the road and rail sector. The company is based in Bucharest, Romania and has a staff of 220.

ETT Proyectos S.L.	1 October 2008	100

The company provides engineering and consultancy services in the rail sector, including both conventional systems as well as high speed systems. The company is based in Madrid, Spain and has a staff of 45.

Kündig & Partner AG	3 December 2008	100

The company is specialised in HVAC building services and brings in a focus on complex and sophisticated sanitary designs of hospitals and laboratory facilities. The company is based in Bern, Switzerland and has a staff of 10. The company has been merged with Pöyry Infra AG.

	2008	
Shanghai Kang Dao Construction Company Ltd	1 March 2009	100

The company is primarily engaged in project management for industrial and commercial real estate development and construction projects. The company is based in Shanghai, China and has a staff of 27.

The acquisition was completed in March 2009 and included in Pöyry Group from the beginning of March 2009.

EUR million	2009	2008
Aggregate figures for the acquisitions		
Purchase price		
Fixed price, paid	4.2	8.8
Earnout estimate	0.0	0.2
Fees	0.0	0.1
Total	**4.2**	**9.1**
Price allocation		
Equity	0.2	4.7
Fair value adjustments:		
Client relationship	0.0	0.0
Order stock	0.0	0.0
Total	**0.2**	**4.7**
Goodwill (remaining)	**4.0**	**4.4**

EUR million	2009	2008
Impact on the Pöyry Group's Statement of comprehensive income		
Operating profit from acquisition date to 31 December	0.0	1.8
Sales volume on a 12-month calendar year basis	3.0	17.4
Operating profit on 12-month calendar year basis	0.7	2.4
Impact on the Pöyry Group's number of personnel	37	328

Market leadership, experienced management and staff, and earnings expectations are factors contributing to the amount booked as goodwill.

	2009			2008		
EUR million	Book values at acq. date	Fair value adjustments	Adjusted IFRS values	Book values at acq. date	Fair value adjustments	Adjusted IFRS values
Impact on the Pöyry Group's assets and liabilities						
Intangible assets	0.0		0.0	0.1		0.1
Tangible assets	0.0		0.0	0.8	0.1	0.9
Work in progress	0.0		0.0	0.9	0.6	1.5
Accounts receivable	0.2		0.2	4.6		4.6
Other receivables	0.0		0.0	1.6	-0.2	1.4
Cash and cash equivalents	0.2		0.2	2.5		2.5
Assets total	**0.4**	**0.0**	**0.4**	**10.5**	**0.5**	**11.0**
Interest bearing liabilities	0.0		0.0	0.5		0.5
Project advances	0.0		0.0	0.0		0.0
Accounts payable	0.0		0.0	1.7		1.7
Other current liabilities	0.2		0.2	3.4	0.7	4.1
Liabilities total	**0.2**	**0.0**	**0.2**	**5.6**	**0.7**	**6.3**
Net identifiable assets and liabilities	**0.2**	**0.0**	**0.2**	**4.9**	**-0.2**	**4.7**
Total cost of business combinations			**4.2**			**9.1**
Goodwill			**4.0**			**4.4**
Consideration paid, satisfied in cash			4.2			8.8
Cash acquired			0.2			2.5
Net cash outflow			**4.0**			**6.3**

Based on the purchase agreements the companies acquired during the period under review are consolidated 100% into the Pöyry Group as of the end of the month when acquired.

As the acquisitions are individually immaterial, the above information is disclosed in aggregate.

NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

EUR million		2009	2008
1.	**Net sales**		
	Net sales	**673.5**	821.7
	Net sales by operating segments are presented on the Operating Segment information pages.		
	Net sales from project contracts recognised on the percentage-of-completion method	**488.3**	591.6
	Net sales from reimbursable projects	**185.2**	230.2
	The aggregate amount of project contracts cost incurred and recognised profits less losses to date	**924.5**	812.7
	Net sales from percentage-of-completion projects included in current assets	**78.8**	69.3
	Project advances recognised on the percentage-of-completion method	**66.0**	73.6
	Accrued expenses and deferred income from percentage-of-completion projects	**2.9**	2.5
	Expenses included in obligatory provisions from percentage-of-completion	**1.4**	2.7
2.	**Other operating income**		
	Rent income	0.6	0.3
	Gain on sales of fixed assets	0.2	6.3
		0.8	**6.6**
3.	**Personnel expenses**		
	Wages and salaries	319.9	337.6
	Bonuses	6.9	18.4
	Expenses from share-based incentive programmes	2.2	1.8
	Pension expenses, contribution plans	42.0	40.2
	Pension expenses, defined benefit plans	3.2	1.2
	Other social expenses	27.3	34.6
		401.5	**433.8**
	Fees paid to the members of the Board of Directors (EUR 1 000)		
	Henrik Ehrnrooth, Chairman	75	74
	Heikki Lehtonen, Vice Chairman	80	78
	Pekka Ala-Pietilä	55	54
	Alexis Fries	65	28
	Matti Lehti		26
	Michael Obermaier	27	
	Harri Piehl	55	54
	Karen de Segundo	73	67
	Franz Steinegger	28	54
		458	434
	Fees paid to the external member of the Nomination Committee (EUR 1000)		
	Georg Ehrnrooth	15	14
	Salaries and bonuses to the President and CEO and to the Deputy to the President and CEO (EUR 1 000)		
	Heikki Malinen, President and CEO 1 Jan. - 31 Dec. 2009 / 1 June - 31 Dec. 2008		
	Salary and bonus	446	554
	Share-based bonuses	0	138
	Fringe benefits	63	164
	Teuvo Salminen, Deputy to the President and CEO 1 Jan. - 31 Dec. 2009 / 1 Jan. - 31 Dec. 2008		
	Salary and bonus	443	667
	Share-based bonuses	0	211
	Fringe benefits	38	152
	Erkki Pehu-Lehtonen, President and CEO 1 Jan. - 31 May 2008		
	Salary and bonus		300
	Share-based bonuses		110
	Fringe benefits		65

EUR million	2009	2008
Salaries and bonuses to the other members of the Group Executive Committee (EUR 1 000)		
Salaries and bonuses	1 619	1 351
Share-based bonuses	47	529
Fringe benefits	254	212

The salaries,bonuses and benefits are reported on accrual basis.
The salaries, bonuses and benefits paid to the Board of Directors and the top management for the year 2008 have been changed to accrual basis. In the financial statements 2008 those expenses were reported based on cash basis.
The fringe benefits include voluntary pension insurance payments.

4. Option programme 2004

Pöyry PLC issued in 2004 stock options to the management of the Group as well as to a wholly-owned subsidiary of Pöyry PLC. According to the original terms, the stock options entitle to subscription of a maximum of 550 000 shares in Pöyry PLC, and each stock option entitles the holder to subscribe one share in the company. Because of the share split 2006 the terms and conditions were amended accordingly. Each stock option will entitle the holder to subscribe four (4) shares in the company with an accounting par value of EUR 0.25, with the total subscription price remaining unchanged. The total number of stock options are 550 000 and after the share split the stock options entitle to subscription of 2 200 000 shares.

Expenses from the option programme have been calculated using the Black & Scholes model, recorded as personnel expenses and credited to retained earnings. The expenses in 2009 were EUR 0.1 million and in 2008 EUR 0.3 million.

Terms and conditions

Programme	**Stock option 2004A** Stock options issued	**Stock option 2004B** Stock options issued	**Stock option 2004C** Stock options issued
Grant date	3 March 2004	3 March 2004	3 March 2004
Subscription period starts	1 March 2007	1 March 2008	1 March 2009
Subscription period ends	31 March 2010	31 March 2011	31 March 2012
Amount of stock options issued	165 000	165 000	220 000
Exercise price, EUR	4.11	4.85	8.23
Share price on issue date, EUR	5.50	5.50	5.50
Maturity, years	6	7	8

Vesting conditions
Should the employment in Pöyry Group end before 1 March 2009 and the subscription period of the programme has not started, the person must return the options to the group without considerations.

Settlement	Shares	Shares	Shares
Expected volatility, % Weighted average Sept. 2002–Sept. 2004	21.76	21.76	21.76
Expected life on issue date, years	3	2	1
Risk-free interest % p.a based on 3 March 2004 7 years bonds	3.76	3.76	3.76
Expected dividends	n/a	n/a	n/a
Expected personnel decrease on issue date, %/year	7	7	7
		Trade volume weighted average quotation	
Expected realization of the performance conditions on grant date	1–30 April 2004 +20%	1–30 April 2005 +20%	1–30 April 2006 +20%
Fair value on grant date, EUR	4.9847	5.3413	5.6734

Used stock options and share subscriptions

	Stock options 2004A	Stock options 2004B	Stock options 2004C	Total
Issued stock options 2004 total	165 000	165 000	220 000	550 000
Corresponding shares total	660 000	660 000	880 000	2 200 000
Amount of used stock options 2007	43 442			43 442
Share subscription 2007	173 768			173 768
Exercise price weighted average, EUR	5.41	6.15	9.53	
Amount of used stock options 2008	26 090	30 407		56 497
Share subscription 2008	104 360	121 628		225 988
Exercise price weighted average, EUR	4.76	5.50	8.88	
Amount of used stock options 2009	20 599	2 600		23 199
Share subscription 2009	82 396	10 400		92 796
Exercise price weighted average, EUR	4.11	4.85	8.23	
Amount of used stock options total	90 131	33 007		123 138
Share subscription total	360 524	132 028		492 552
Unused stock options 31 Dec. 2009	74 869	131 993	220 000	426 862
Corresponding shares	299 476	527 972	880 000	1 707 448
Expired stock options 31 Dec. 2009	0	0	0	0

Should all stock options left be used for subscription of shares, the new shares would equal 2.8 per cent of all shares after the subscriptions. All stock options have been issued and their receipt confirmed in 2004. Approximately 40 persons are included in the option programme.

5. Performance share plan 2008-2010

On 10 December 2007 the Board of Directors of Pöyry PLC agreed to establish a performance share plan. The plan was established as part of the incentive and commitment programme for the key personnel of the company and its subsidiaries. The performance share plan offers the target group the opportunity to receive Pöyry shares as a reward for attaining targets established for the earning period. The plan has three earning periods, each with a duration of one calendar year.

The earning periods comprise the calendar years 2008, 2009 and 2010. The Board of Directors shall determine annually the maximum amount of the rewards, the vesting conditions and the targets established for them. The extent to which the targets established for the vesting conditions are attained will determine how large a portion of the maximum reward will be paid to the key persons.

The reward paid on the basis of the performance share plan will be paid by the end of April of the year following the close of the earning period as a combination of shares and cash. The reward's cash component is intended for taxes and tax-related costs arising from the period.

The reward will not be paid if the person's employment ends before the close of the earning period. The person must also hold the earned shares and remain employed for at least two years after the close of the earning period.

Basic data concerning the performance share plan

	Earning period 2009	Earning period 2008
Grant dates	1 April 2009	31 January 2008 / 11 April 2008 / 30 September 2008 / 31 October 2008
Form of the reward	Shares and cash	Shares and cash
Target group	Key personnel	Key personnel
Maximum number of shares[1)]	800 000	540 000
Beginning of earning period	1 January 2009	1 January 2008
End of earning period	31 December 2009	31 December 2008
End of restriction period	1 January 2012	1 January 2011
Vesting conditions	Net sales and EPS	Net sales and EPS
	Working commitment	Working commitment
Maximum contractual life, years	2.8	2.9
Remaining contractual life, years	2.0	1.0
Number of persons 31 December 2009	312	278

1) The maximum amount of the share reward includes a component to be paid in cash.
Since the cash component of the share reward is also recognized as a share-based expense, the amounts below are presented in gross terms, i.e. the share reward figures include both the reward paid in shares and the number of shares corresponding to the amount of the reward paid in cash.

Financial year 2009

Gross amounts 1 January 2009	Earning period 2009	Earning period 2008	Total
Share rewards, outstanding at the beginning of the period	0	476 700	476 700
Changes during the financial year			
Granted	747 200		747 200
Forfeited	9 200	49 398	58 598
Exercised	0	431 282	431 282
Expired		265 039	265 039
Gross amounts 31 December 2009			
Share rewards, outstanding at the end of the period	738 000	211 661	949 661
Share rewards, exercisable at the end of the period	738 000	0	738 000

Remaining contractual life, weighted average, years 1.78

Measurement of fair value

IFRS2 requires an entity to measure the award at its fair value at the day at which the share-based payment is agreed upon between the counterparties. Since the person is not entitled to receive dividends during the earning period, the dividends expected to be paid have not been deducted from the share price of the grant date when measuring the fair falue. Since the share reward is paid as a combination of shares and cash, the measurement of the fair value of the reward consists of two parts under IFRS 2: the component settled in shares and the component settled in cash. The component settled in shares will be recognized in shareholders' equity and the payment settled in cash in liabilities. The fair value of the reward paid in shares at the reward's grant date was the Pöyry PLC share price less the dividends expected to be paid during the earning period. Correspondingly, the fair value of the liability incurred in respect of a cash-settled transaction is remeasured at each reporting date until the end of the earning period, and the fair value of the liability will thus change in accordance with the Pöyry PLC share price.

Inputs to the fair value determination of the rewards expensed during the period are listed in the below table as weighted average. The total fair value of the rewards is based on the Company's estimate on 31 December 2009.

Inputs to fair value measurement	Earning period 2009	Earning period 2008
Share price at the grant date, EUR	9.75	15.24
Assumed annual dividend, EUR	0.65	0.65
Fair value per share accounted for as equity-settled reward, EUR	9.10	14.36
Fair value per share of the cash-settled reward at the settlement/at the end of the period, EUR	11.17	9.75

Effect on earnings during the period and financial position

EUR 1000	2009 Total 2009	Myönnetty 2009	Myönnetty 2008	2008 Myönnetty 2008
Expense recognised for the period from share-based payments	2 195	303	1 892	1 490
Expense accounted for as equity-settled share-based payment	1 179	136	1 043	961
Value of liability for cash-settled share-based payments at the end of period	167	167		529

EUR million	2009	2008
6. Other operating expenses		
Other project expenses	40.4	51.3
Other operative expenses	36.0	31.3
Office facilities	32.6	31.1
Other fixed expenses	46.9	57.1
	155.9	**170.8**
Auditing fees included in fixed expenses		
Statutory auditing		
Group auditor	1.0	1.0
Other	0.1	0.1
Tax advisory		
Group auditor	0.4	0.5
Other	0.2	0.3
Other services		
Group auditor	0.4	0.3
Other	0.0	0.0
7. Financial income and expenses		
Dividend income from available-for-sale financial assets	0.0	0.0
Interest income from available-for-sale financial assets	1.5	0.7
Interest income from financial assets at fair value through profit and loss	0.8	0.0
Interest income from other financial assets	1.8	5.2
Interest income from loans and other receivables	0.1	0.3
Financial income from financial assets at fair value through profit and loss	0.6	0.0
Change in the fair value of financial assets	0.1	0.0
Other financial income	0.1	0.1
	5.0	6.3
Interest expenses from loans	-4.2	-2.1
Other interest expenses	-0.1	-0.2
Change in the fair value of interest rate swaps	-0.1	-0.7
Other financial expenses	-1.3	-0.5
	-5.7	-3.6
Exchange rate gains	2.4	0.5
Exchange rate losses	-0.9	-0.6
	+1.5	-0.1
Value decrease on non-current investments	0.0	-0.1
	+0.8	**+2.6**

The Group hedges the sales denominated in a foreign currency by using forward exchange contracts. Exchange rate gains and losses arisen from forward exchange contracts are recorded in sales and project expenses, and are therefore not included in financial income or expenses.

The parent company conducts the Group's financing. The parent company grants loans to subsidiaries if considered necessary. The loans are mainly granted in the currency of the subsidiary. The subsidiaries lend their excess of cash to the parent company in their home currency. The Group's exchange gains and losses have mainly been arisen from the Group's internal loans.

EUR million	2009	2008
8. Income taxes		
Taxes for the fiscal year	10.1	30.2
Taxes for previous years	0.1	-0.5
Deferred taxes	-5.8	0.9
	4.4	**30.6**
Reconciliation of current income taxes		
Profit before taxes	12.4	103.2
Income tax at Finnish tax rate 26%	3.2	26.8
Effect of different tax rates outside Finland	0.6	3.9
Non-deductible expenses and tax exempt income	0.2	-1.2
Losses for which no deferred tax benefits are recognized, tax effect	1.1	1.1
Used confirmed tax losses from previous years, tax effect	-0.1	-1.6
Effects of consolidation and elimination	-0.6	1.7
Taxes for previous years	0.1	-0.5
Other	-0.1	0.4
	4.4	**30.6**
Deferred tax receivables		
Tax losses carry forward	6.2	4.6
Tax receivables from pension obligations	0.6	0.6
Other temporary differences	2.7	1.0
	9.5	**6.2**
Deferred tax liabilities		
Tax liabilities from pension receivables	0.2	0.5
Tax liabilities for profit repatriation	0.2	0.3
Other temporary differences	1.3	3.8
	1.7	**4.7**

Deferred tax assets from losses of EUR 13.7 (9.4) million have not been recognised in the consolidated financial statements, because the realisation of the tax benefit included in these assets is not probable.

	2009	2008
9. Earnings per share		
Net profit for the period attributable to the equity holders of the parent company	6.5	70.8
Weighted average number of outstanding shares, 1 000	58 509	58 540
Diluted amount, 1 000	59 089	59 432
Earnings per share, EUR[1]	**0.11**	**1.21**
Diluted	**0.11**	**1.19**

[1] Calculation rule page 59.

NOTES TO THE STATEMENT OF FINANCIAL POSITION

EUR million	Goodwill	Intangible rights [1]	Other intangible assets	Total
1. Intangible assets				
Acquisition value 1 Jan. 2008	95.6	1.0	19.6	20.7
Exchange differences	-4.5	-0.1	-0.4	-0.5
Increase	5.6	0.0	1.4	1.4
Decrease	0.8	0.0	0.1	0.1
Acquisition value 31 Dec. 2008	95.9	0.9	20.5	21.4
Accumulated depreciation 1 Jan. 2008			14.1	14.1
Exchange differences			-0.3	-0.3
Accumulated depreciation of decrease			1.1	1.1
Depreciation for the period			2.5	2.5
Accumulated depreciation 31 Dec. 2008			15.2	15.2
Book value 31 Dec. 2008	95.9	0.9	5.3	6.2
Acquisition value 1 Jan. 2009	95.9	0.9	20.5	21.4
Exchange differences	3.1	0.0	0.3	0.3
Increase	4.4	0.0	1.6	1.6
Decrease	2.1	0.0	3.1	3.1
Acquisition value 31 Dec. 2009	101.3	0.9	19.3	20.2
Accumulated depreciation 1 Jan. 2009			15.2	15.2
Exchange differences			0.2	0.2
Accumulated depreciation of decrease			2.7	2.7
Depreciation for the period			2.2	2.2
Accumulated depreciation 31 Dec. 2009			14.8	14.8
Book value 31 Dec. 2009	**101.3**	**0.9**	**4.4**	**5.4**
Acquisition price from business acquisitions allocated to intangible assets				
Allocated to client relationships 2005[1]		1.0		
Exchange differences		-0.1		
Intangible rights 31 Dec. 2009		**0.9**		

[1] Purchase price allocated to client relationship, which is subject to annual impairment test.

Goodwill impairment testing

The forecasted scenarios are based on the Pöyry Group's four strategy periods where only organic growth and inflation have been considered, and on the long-term growth outlook where the growth rates stated below have been used.

Main assumptions	2008 Energy	Forest Industry	Transportation	Water & Environment	Construction Services
Beeta	1.00	0.75	0.90	0.90	0.90
WACC, %, Pre-tax	10.92	9.46	10.34	10.34	10.34
WACC, %, Post-tax	8.40	7.28	7.95	7.95	7.95
Perpetuity growth rates, %	3.00	2.00	2.50	2.50	2.50
Average change in operating profit percentage	At present level	Return to normal level	At present level	Improvement	At present level
Goodwill 31 Dec. 2008	37.1	24.5	4.4	9.5	20.4
Intangible rights 31 Dec.2008		0.9			
Book value 31 Dec. 2008	107.5	118.4	36.1	9.4	49.9

Main assumptions	**2009** Energy	Forest Industry	Transportation	Water & Environment	Construction Services
Beeta	0.94	1.02	0.89	0.97	0.90
WACC, %, Pre-tax	9.13	9.27	8.92	9.28	8.90
WACC, %, Post-tax	6.85	7.14	6.65	6.94	6.70
Perpetuity growth rates, %	2.00	2.00	2.00	2.00	2.00
Average change in operating profit percentage	At present level	Improvement	At present level	Improvement	At present level
Goodwill 31 Dec. 2009	41.8	25.1	4.4	9.5	20.5
Intangible rights 31 Dec. 2009		0.9			
Book value 31 Dec. 2009	93.6	53.6	24.3	23.1	29.2
Value in use 31 Dec. 2009	332.3	256.8	162.9	104.9	122.4
Break even analysis, the book value and the value in use are the same					
Beeta	4.81	5.39	4.57	7.51	7.90
WACC, %, Post-tax	21.49	23.70	20.61	31.73	33.20
Decrease in operating profit from 2010 >, %	-72.3	-79.6	-69.8	-78.4	-81.2

Result of goodwill impairment testing

Pöyry's scale for classifying the goodwill impairment as follows:
a) is below, b) corresponds to, c) exceeds slightly, d) exceeds clearly, e) exceeds significantly (> 50 per cent).

The impairment testing result shows that the "value in use" exceeds for all operating segments significantly the book value (as in 2008).

1) Sensitivity analysis in a scenario with extremely low growth and low operating profit level. In this analysis the growth per cent and operating profit per cent after year 2009 have been reduced with 50 per cent in comparision with the ordinary testing levels.

2) Sensitivity analysis in a scenario with extremely high discount rate. In this analysis the discount rate is 50 per cent higher compared with the ordinary testing.

Also in the both sensitivity analysis the impairment testing result shows that the "value in use" for all operating segments significantlly exceeds the book value (as for 2008).

An external independent expert has issued a "Fairness opinion" on the impairment test.

The impairment testing is made following the 2009 business structure. From the beginning of the year 2010 the business structure is changed.
The new business structure, with the new operating segments, does not effect the outcome of the impairment testing.

EUR million	Land areas	Buildings and structures	Machinery and equipment	Other tangible assets	Total
2. Tangible assets					
Acquisition value 1 Jan. 2008	0.8	1.2	58.0	5.1	65.2
Exchange differences		0.1	0.0	0.1	0.1
Increase		0.0	7.5	1.8	9.3
Decrease	0.7	0.1	7.6	0.2	8.6
Acquisition value 31 Dec. 2008	0.1	1,2	57.9	6.8	66.0
Accumulated depreciation 1 Jan. 2008		0.6	44.0	2.8	47.3
Exchange differences		0.1	0.1	0.1	0.3
Accumulated depreciation of decrease		0.0	6.9	0.1	7.0
Depreciation for the period		0.0	5.7	0.8	6.6
Accumulated depreciation 31 Dec. 2008		0.6	42.9	3.7	47.2
Book value 31 Dec. 2008	0.1	0.6	15.0	3.1	18.8
Acquisition value 1 Jan. 2009	0.1	1.2	57.9	6.8	66.0
Exchange differences		-0.1	1.1	0.3	1.3
Increase		0.0	2.8	1.4	4.3
Decrease	0.0	0.0	6.0	0.8	6.8
Acquisition value 31 Dec. 2009	0.1	1.1	55.9	7.7	64.8
Accumulated depreciation 1 Jan. 2009		0.6	42.9	3.7	47.2
Exchange differences		-0.1	0.7	0.1	0.8
Accumulated depreciation of decrease		0.0	5.6	0.2	5.8
Depreciation for the period		0.0	5.1	0.8	6.0
Accumulated depreciation 31 Dec. 2009		0.6	43.2	4.5	48.2
Book value 31 Dec. 2009	**0.1**	**0.6**	**12.7**	**3.3**	**16.6**
The tangible assets include assets acquired through finance lease.					
2008			1.6		1.6
2009			1.6		1.6

EUR million	Shares, associ-ated companies	Shares, other companies	Loans receivable, associated companies	Loans receivable, other	Total
3. Non-current investments					
Acquisition value 1 Jan. 2009	1.9	1.7	0.1		3.7
Exchange differences	-0.1				-0.1
Increase	0.0	0.2		1.4	1.6
Decrease	0.0				0.0
Accumulated influence on the earnings	3.3				3.3
Share of the profit for the period	0.5				0.5
Book value 31 Dec. 2009	**5.5**	**1.9**	**0.1**	**1.4**	**8.9**
Book value 31 Dec. 2008	5.8	1.7	0.1		7.6

Available-for-sale financial assets

Other shares, EUR 1.9 million, are available-for-sale financial assets. The shares are unlisted. The shares are valued at book value, because the fair value cannot be reliably determined.

EUR million	Ownership %	Book value	Assets	Liabilities	Net sales	Profit
Associated companies:						
Korea District Heating Engineering Company Ltd, Korea (Energy)	50.0	0.2	12.2	1.9	17.9	2.0
Emerging Power Partners Oy, Finland (Energy)	45.9	0.0	0.1	0.1	0.2	-0.0
ERL Management S.A., Switzerland (Forest Industry) (the figures from 2008)	49.0	1.6	114.2	110.8	422.5	-0.0
Entec SIA, Estonia (Water & Environment)	33.4	0.0				
Kiinteistö Oy Manuntori, Finland (Other)	34.2	0.1				
Total		1.9				

	Accumulated influence	Share of profits 2009	2008
Influence on the earnings and book values			
Energy	3.6	0.5	2.2[1)]
Associated companies total	**5.5**		

[1)] The result includes EUR 0.6 million reversal of the value decrease in 2006 and the 50 per cent part of the result EUR 0.6 million from 2007, which was not included in 2007. This is recognized as income due to a shareholder's agreement made in 2008.

The share of the associated companies' profits is included in the operating profit.

EUR million	2009	2008
4. Other non-current receivables		
Accounts receivable	4.0	3.8
Security deposits	3.2	0.9
Other receivables	0.1	0.1
Prepaid expenses and accrued income	0.2	0.2
	7.5	**5.0**

The other non-current receivables are valued at book value, which corresponds to the fair value. The discount effect is not material due to the maturity.

EUR million	2009	2008
5. Current assets		
Work in progress	78.8	69.3
Accounts receivable	127.3	143.5
Loans receivable	0.1	0.8
Other receivables	7.5	10.3
Prepaid expenses and accrued income	10.2	12.5
Receivables, external	145.1	167.1
Accounts receivable	0.0	0.0
Prepaid expenses and accrued income	0.0	0.1
Receivables from associated companies	0.0	0.1
Accounts receivable	127.3	143.5
Loans receivable	0.1	0.8
Other receivables	7.5	10.3
Prepaid expenses and accrued income	10.2	12.7
Receivables total	145.1	167.2
Financial assets at fair value through profit and loss	27.9	0.0
Available-for-sale investments, deposits	0.0	96.5
Other investments	27.7	25.0
Cash in hand and at banks	86.4	82.2
Cash and cash equivalents	114.1	203.7
	365.9	**440.3**

The current receivables are valued at book value, which corresponds to the fair value. The discount effect is not material due to the maturity.

EUR million	2009	2008
6. Prepaid expenses and accrued income		
Non-current	0.2	0.2
Current	10.2	12.7
	10.4	**12.9**
Interest expenses	0.5	0.6
Social expenses	1.8	1.3
Rents	1.4	1.2
Income taxes	1.1	2.8
Other	5.6	6.9
	10.4	**12.9**

EUR million	2009	2008
7. Accounts receivable		
Non-current	4.0	3.8
Current	127.3	143.5
	131.3	**147.3**
Accounts receivable, gross	142.1	152.8
Allowance for impairment 1 Jan.	-5.5	-5.3
Exchange differences	0.0	+0.0
Change	-5.3	-0.2
Allowance for impairment 31 Dec.	-10.8	-5.5
Accounts receivable, net	**131.3**	**147.3**
Impairment losses		
Change in allowance for impairment	5.3	0.2
Impairment loss recognized, direct recorded	1.2	1.2
	6.5	**1.4**

	Accounts receivable gross 2008	Allowance for impairment 2008	Accounts receivable net 2008
Not past due	97.8	0.0	97.8
Past due under 61 days	28.2	0.0	28.2
Past due 61-180 days	16.6	0.4	16.2
Past due 181-360 days	5.7	1.5	4.2
Past over 360 days	4.5	3.5	0.9
	152.8	**5.5**	**147.3**

	Accounts receivable gross **2009**	Allowance for impairment **2009**	Accounts receivable net **2009**
Not past due	71.8	0.0	71.8
Past due under 61 days	33.4	0.5	32.9
Past due 61-180 days	15.7	0.6	15.1
Past due 181-360 days	9.9	4.1	5.6
Past over 360 days	11.4	5.6	5.8
	142.1	**10.8**	**131.3**

		Shares million	Share capital EUR million	Share premium reserve EUR million	Legal reserve EUR million	Invested free equity reserve EUR million	Total EUR million
8.	**Equity, share capital and reserves**						
	1 Jan. 2008	58.7	14.6	32.4	19.5	4.6	71.1
	Shares subscribed with stock options	0.2				1.2	1.2
	Transfer, retained earnings foreign companies				1.0		1.0
	31 Dec. 2008	58.9	14.6	32.4	20,5	5.8	73.3
	1 Jan. 2009	58.9	14.6	32.4	20.5	5.8	73.3
	Shares subscribed with stock options	0.1				0.4	0.4
	Pöyry PLC's transfer to invested free equity reserve			-32.4	-18.0	50.4	0.0
	Transfer, retained earnings foreign companies				0.3		0.0
	31 Dec. 2009	**59.0**	**14.6**	**0.0**	**2.9**	**56.6**	**74.0**

Pöyry PLC's accounting par value of each share is EUR 0.25. The company has one series of shares.

Pöyry PLC held on 31 Dec. 2009 377 157 (31 Dec. 2008 395 000) own shares.

In 2004 Pöyry PLC issued 550 000 stock options. Each stock option entitles the holder to subscribe four shares in the company. i.e. a total of 2 200 000 new shares in Pöyry PLC. At the end of 2009 492 552 shares were subscribed with 123 138 stock options. Should all 2004 stock options be exercised for subscription, the number of shares would increase from 58 971 398 to 60 678 846. The subscription started on 1 March 2007 for 165 000 stock options, on 1 March 2008 for 165 000 stock options and on 1 March 2009 for 220 000 stock options. The subscription time will end on 31 March 2012.

The share premium reserve includes the premium paid for shares in share issues during 1997–2006 and shares subscribed with stock options before 2008. The share premium reserve has in 2009 been transferred in its entirety to the invested free equity reserve.

The legal reserve includes the premium paid for shares in Pöyry PLC's share issues before 1997 and transfer from retained earnings in subsidiaries outside Finland, which has in 2009 been transferred in its entirety to the invested free equity reserve The legal reserve includes also transfer from retained earnings to legal reserve in foreign companies.

The invested free equity reserve includes the 2007 share issue and the premium paid for shares with stock options 2008 and 2009. Furthermore the invested free equity reserve includes the transfer from the share premium reserve and the legal reserve in 2009.

	EUR million	Total	≤ 6 months 2009	7-12 months 2009	2010	2011	2012	2013
9.	**Liquidity risk**							
	31 Dec. 2008							
	Loans from credit institutions incl. interest	23.7	0.7	0.6	0.3	0.3	11.0	10.8
	Pension loans incl. interest	107.3	11.6	11.3	22.1	21.4	20.7	20.1
	Used credit facilities incl. interest	0.7	0.7					
	Finance lease liabilities incl. interest	1.7	0.3	0.3	0.6	0.5		
	Of which financial liabilities	122.5	11.1	10.5	20.1	20.1	30.3	30.3
	and interest[1]	10.8	2.1	1.7	2.8	2.1	1.4	0.5
	Accounts payable	21.8	21.8					
	Forward contracts, cash out	29.3	22.6	6.1	0.2	0.2	0.2	
	Forward contracts, cash in	-29.2	-22.5	-6.2	-0.1	-0.2	-0.2	
	Currency options, cash out	0.1	0.1	0.0				
	Currency options, cash in	-0.1	-0.0	-0.0	-0.0			
	Interest rate swaps[2]	1.2	0.1	0.2	0.2	0.2	0.2	0.1
	Derivatives total	1.3	0.3	0.0	0.2	0.3	0.3	0.1
	Total	156.4	35.4	12.2	23.2	22.5	32.1	31.0

31 Dec. 2009	Total	≤ 6 months 2010	7-12 months 2010	2011	2012	2013
Loans from credit institutions incl. interest	43.9	0.4	0.7	0.8	31.3	10.8
Pension loans incl. interest	84.3	11.1	11.0	21.4	20.7	20.1
Used credit facilities incl. interest	1.1	1.1				
Finance lease liabilities incl. interest	1.7	0.3	0.3	0.6	0.5	
Of which financial liabilities	122.7	11.1	10.3	20.1	50.9	30.3
and interest[1]	8.3	1.8	1.6	2.7	1.7	0.5
Accounts payable	21.5	21.5				
Forward contracts, cash out	32.8	22.3	10.1	0.2	0.2	0.0
Forward contracts, cash in	-32.9	-22.5	-10.0	-0.2	-0.2	0.0
Currency options, cash out	0.0	0.0				
Currency options, cash in	0.0	0.0				
Interest rate swaps[2]	1.0	0.2	0.2	0.3	0.3	0.1
Derivatives total	1.0	0.1	0.3	0.3	0.3	0.1
Total	**153.4**	**34.3**	**12.2**	**23.1**	**52.9**	**30.9**

[1] Figures are non-discounted and include both repayments of the loan capital and interest payments.

[2] Pöyry PLC has made interest rate swaps for EUR 0.0 million (0.9) million and a CHF 16.0 (16.0) million external non-current floating interest rate-bearing loans.

The Group had an outstanding client project and other quarantee liability amounting to EUR 53.5 milion, which is due on demand provided that the Group company and/or the Group has neglected its contractual obligations.

EUR million	2009	2008
10. Pension obligations		
Expenses		
Current service expenses	2.4	2.4
Past service expenses	0.0	0.1
Interest expenses	4.6	4.2
Expected return on plan assets	-4.2	-4.7
Recognized net actuarial gains and losses	0.4	-0.0
Gains and losses from curtailment	0.0	-0.1
Other	0.0	-0.6
	3.2	**1.2**
Net pension obligations		
Non-current receivables	0.3	0.3
Current receivables	0.5	2.6
Receivables total	0.8	2.9
Pension obligations	7.4	6.7
Net pension obligations	**6.6**	**3.8**
Reconciliation of the pension obligations		
Present value of funded obligations	126.5	112.2
Present value of non-funded obligations	8.9	6.8
Fair value of plan assets	-110.8	-100.7
Deficit/Surplus	-24.5	-18.3
Unrecognized actuarial gains (+) and losses (-)	17.8	14.4
Unrecognized actuarial past service costs	0.1	0.2
Net pension obligations	**6.6**	**3.8**
Change in net pension obligations		
Net pension obligations 1 Jan.	3.8	4.0
Current service expenses	2.4	2.4
Past service expenses	0.0	0.1
Interest expenses	4.6	4.2
Expected return on plan assets	-4.2	-4.7
Recognised net actuarial gains and losses	0.4	-0.0
Losses/gains from curtailments	0.0	-0.1
Other	2.0	-0.8
Exchange differences	-0.0	-0.2
Payments to funds	-2.4	-1.1
Benefits paid from funds	0.0	0.0
Net pension obligations 31 Dec.	**6.6**	**3.8**
Changes in obligations and plan assets		
Value of plan obligations 1 Jan.	119.0	109.6
Current service expenses	2.4	2.4
Employee contributions	1.6	1.5
Interest expenses	4.6	4.2
Recognised net actuarial gains and losses	10.2	1.1
Benefits paid from funds	-5.6	-9.1
Curtailment	0.0	-0.4
Other	0.4	3.3
Exchange differences	2.8	6.5
31 Dec.	135.3	119.0
Fair value of plan assets 1 Jan.	100.7	111.2
Expected return on plan assets	4.2	4.7
Recognised net actuarial gains and losses	6.5	-18.8
Payments to funds	3.9	2.5
Benefits paid from funds	-5.6	-9.1
Other	-1.3	3.5
Exchange differences	2.4	6.6
Fair value of plan assets 31 Dec.	110.8	100.7

EUR million	2009	2008
Actual return on plan assets	10.7	-14.1
The amount the company expects to contribute to its defined pension plans during year 2010/2009	2.8	2.8
Assets categories in percentage		
Switzerland:	%	%
Equity securities	30.0	26.0
Debt securities	57.0	59.0
Real estate	13.0	15.0
Other	0.0	0.0
	100.0	100.0

Information on asset categories in other plans is not available.

The expected long term return on plan assets is 4.0–5.6 per cent, which is based on expected long term return in each asset category.

Five-year overview	**2009**	2008	2007	2006	2005
Present value of funded obligations	-135.3	-119.0	-109.5	-114.4	-118.0
Fair value of plan assets	110.8	100.7	111.2	118.2	120.4
Deficit/Surplus	-24.5	-18.3	1.7	3.8	2.4
Experience adjustments to plan assets Losses (-)/gains (+)	6.6	-19.2	-2.7	2.1	
Experience adjustments to plan liabilities Losses (-)/gains (+)	-0.8	-1.2	0.7	0.3	

Principal actuarial assumptions

	2009		2008	
	Switzerland	Other countries average	Switzerland	Other countries average
Discount rate, %	2.75	5.06	3.50	5.85
Expected return on plan assets, %	4.00	5.33	4.00	6.31
Future salary increases, %	1.50	2.99	1.50	3.11
Future pension increases, %	0.25	1.86	0.25	2.15
Inflation	1.25	2.09	1.25	2.08

Switzerland
86.7 per cent of the net present value of the defined benefit obligations, i.e. EUR 117.3 million, relate to Pöyry Group's Swiss subsidiaries. These pension arrangements are according to local Swiss standards classified as defined contribution plans. The 2.75 per cent discount rate which is used in the actuarial report leads to a deficit of EUR 15.7 (in 2008 deficit 11.1) million.

EUR million	Project provisions	Rearrangement	Other	Total
11. Provisions				
Book value 1 Jan. 2008	3.9		1.1	5.0
Exchange rate differences	0.0		-0.4	-0.4
Increase	1.6	0.5	2.1	4.2
Used	0.5		0.1	0.6
Reversed	2.3		0.1	2.4
Book value 31 Dec. 2008	**2.7**	**0.5**	**2.6**	**5.8**
Non-current provisions				0.0
Current provisions				5.8
				5.8

EUR million	Project provisions	Rearrange-ment provi-sions	Other	Total
Book value 1 Jan. 2009	2.7	0.5	2.6	5.8
Exchange rate differ-ences	0.0		0.6	0.6
Increase	1.0	7.3	0.4	8.8
Used	0.7	3.8	0.0	4.6
Reversed	1.6	0.6	0.0	2.2
Book value 31 Dec. 2009	**1.4**	**3.3**	**3.6**	**8.3**
Non-current provisions				0.0
Current provisions				8.3
				8.3

The project provisions relate to projects in dispute and projects with expected losses. The provisions booked are based on the management's best estimate. Settlement is expected within the next twelve months.

The restructuring provisions include personnel expenses EUR 2.5 million as a result of capacity adaption measures, EUR 0.3 million provision for excess office space and other non-recurring provisions amounting to EUR 0.5 million.

	EUR million	**2009**	2008
12.	**Current liabilities**		
	Loans from credit institutions, amortisations	19.8	20.5
	Used credit facilities	1.0	0.6
	Finance lease liabilities	0.6	0.6
	Interest bearing liabilities	21.4	21.7
	Provisions	8.3	5.8
	Project advances	66.0	73.6
	Restricted project advances	2.2	2.1
		68.2	75.7
	Accounts payable	21.5	21.8
	Current tax payable	4.2	3.6
	Other current liabilities	27.1	40.9
	Accrued expenses and deferred income	68.0	82.5
	Total current liabilities	**218.8**	**252.0**

The current liabilities are valued at book value, which corresponds to the fair value. The discount effect is not material due to the maturity.

13.	**Accrued expenses and deferred income**		
	Expenses from percentage-of-completion projects	2.9	2.5
	Salaries and vacation accruals	45.4	60.1
	Social expenses	7.6	8.9
	Rents	0.4	0.4
	Interest expenses	1.3	1.7
	Income taxes	1.4	4.5
	Other	9.0	4.4
		68.0	**82.5**

14.	**Financial assets and liabilities**		
	(Balance sheet notes, T, Other notes, M)		
T3	Available-for-sale assets, shares	1.9	1.7
	Loans and other receivables		
T4	Non-current accounts receivable	4.0	3.8
T4	Other non-current receivables	3.2	0.9
T3,5	Current accounts receivable	127.3	143.5
T3,5	Current loans receivable	1.5	0.8
T5	Cash and cash equivalents	114.1	107.2
M3	Derivative instruments under hedge accounting	0.5	1.3
T5	Available-for-sale assets, deposits	0.0	96.5
T5	Financial assets at fair value through profit and loss	27.9	0.0
	Financial assets	**280.5**	**355.7**

	EUR million	**2009**	2008
	Liabilities at amortised cost		
T10	Interest bearing liabilities	122.7	122.5
T12	Accounts payable	21.5	21.8
M3	Derivative instruments under hedge accounting	0.4	1.4
	Financial liabilities at fair value through profit and loss		
M3	Derivative instruments not under hedge accounting	0.7	0.7
	Financial liabilities	**145.3**	**146.4**

The book value of the financial assets and liabilities corresponds to their fair value except the pension loans EUR 78.2 million included in interest bearing liabilities which fair value is EUR 80.1 million due to the change in the interest level.

Calculation rules of the fair values of derivates are found in item M3 Derivates in Other notes.

15. Fair value hierarchy for financial assets and liabilities recognised at fair value

	31 Dec. 2009	Level 1	Level 2	Level 3
Financial assets at fair value				
Available for sales assets, shares	1.9			1.9
Derivative instruments under hedge accounting	0.5		0.5	
Financial assets at fair value through profit and loss	27.9		27.9	
	30.3	0.0	28.4	1.9

	31 Dec. 2009	Level 1	Level 2	Level 3
Financial liabilities at fair value				
Derivative instruments under hedge accounting	0.4		0.4	
Derivative instruments not under hedge accounting	0.7		0.7	
	1.1	0.0	1.1	0.0

Level 1 Fair values measured using quoted prices in active markets.

Level 2 Fair values measured using directly or indirectly observable inputs other than those included in level 1.

Level 3 Fair values measured using valuation techniques based on unquoted parameter inputs.

16. Related party transactions

Pöyry PLC has related party relationships with its subsidiaries, associated companies, members of the Board of Directors, the President and CEO, the Deputy to the President and CEO and the members of the Group Executive Committee. Also Corbis S.A. belongs to the related parties.

Employee benefits for the Board of Directors, the President and CEO, the Deputy to the President and CEO and the members of the Group Executive Committee

Salaries, bonuses and other short-term employee benefits	3.4	4.9

Shareholding and option rights of related parties

The members of the Board of Directors, the President and CEO, the Deputy to the President and CEO and the members of the Group Executive Committee owned on 31 December 2009 a total of 179 676 shares and 108 227 stock options 2004 (at the end of 2008 a total of 167 437 shares, and 150 679 stock options 2004). With the stock options the shareholding can be increased by 432 908 shares equalling 0.7 per cent of the total number of shares and votes.

Performance share-plan 2008-2010

In December 2007 the Board of Directors of Pöyry PLC approved a share-based incentive plan for key personnel. The plan includes three earning periods which are the calendar years 2008, 2009 and 2010.

The option programme 2004 and the performance share plan 2008-2010 are described on the Shareholders and shares pages in the notes 4 and 5 to the statement of income.

Own shares

Pöyry PLC held 377 157 own shares corresponding to 0.6 per cent of total number of the shares.

Related party transactions with associated companies

The transactions with the associated companies are determined on an arm's length basis.

Sales to associated companies	0.1	0.3
Loans receivable from associated companies	0.1	0.1
Accounts receivable from associated companies	0.0	0.0

OTHER NOTES

EUR million	**2009**	2008
1. Contingent liabilities		
Other own obligations		
Pledged assets	2.0	0.1
Project and other guarantees	55.0	45.2
Claims and litigations	3.0	0.0
	60.0	**45.3**
For other parties		
Pledged assets	0.0	0.1
Other obligations	0.1	0.1
	0.1	**0.2**

Project guarantees are normal undertakings related to project business, for example bid bonds or performance guarantees.

Claims and litigations: Given the nature of Pöyry's operations, claims are made against Group companies from time to time based on several grounds. These claims lead seldom to litigation. The risk related to existing claims is considered immaterial on Group level taken into consideration the size of Pöyry's operations, the grounds and amounts of the claims, the applicable contractual terms, the issued expert opinions and the Group's insurance cover. Respectively, Group companies at times need to raise claims against clients and sub-contractors. During the financial year one material tax claim has been raised against a Group company, which relates to events prior to Pöyry's ownership in the company. According to expert opinions it is unlikely that the claim would lead to material consequences to Pöyry on group level.

2. Other lease agreements		
Lease payments for non-cancellable other lease agreements, mostly office rents:		
Year 2009		26.4
Year 2010	26.4	19.2
Year 2011–2013	40.9	30.2
Later	43.7	42.4
	111.0	**118.2**

3. Derivative instruments		
Foreign exchange forward contracts, nominal values	33.4	29.5
Foreign exchange forward contracts, fair values	0.5	1.1
	-0.4	-1.2
Currency options, nominal values		
Purchased	0.2	5.6
Written	0.0	4.5
Currency options, fair values		
Purchased	0.0	0.2
Written	0.0	-0.2
Interest rate swaps, nominal values	41.6	22.5
of which basis swaps	30.8	10.8
Interest rate swaps, fair values	-0.7	-0.7

The fair values of foreign exchange forward contracts and currency options are specified by closing date fair values for the corresponding maturities of the agreements. The fair values of the interest rate swaps have been specified by the present values of the future cash flows which are based on the closing date's interest rates and other market information. The fair values correspond the prices, which the Group should pay or receive if it terminates the derivative agreement.

The fair values are based on the fair value confirmations from banks.

4. Financial risk management

The financial risks represent one of Pöyry's main risk categories as described under Risk Management, and are hence managed as part of Pöyry's risk management process. Financial risk related responsibilities and procedures are described in Financing policies of the Group.

The Group has exposure to the following risks:

- credit risk
- liquidity risk
- market risk

Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligation, and arises principally from the Group's project assignments. The maximum amount of the credit risk equals the total book value of the financial assets reported on the table of the financial assets and liabilities.

The Group's sales relates to project assignments in around 60 countries of which only four countries represent more than 5 per cent of Pöyry's annual sales (Finland 22 per cent, Germany 12 per cent, Austria 6 per cent and Switzerland 5 per cent) .

The Group's client profile and the spread of its sales between numerous clients reduce the exposure to credit risks. No single client represents sales transactions exceeding four per cent of the Group's revenues. Credit rating procedures, internal follow-up of overdue receivables and a contract policy of balance between work performed and payments received further reduce the Group's credit risk exposure.

Overdue accounts receivable are reported and monitored by the management on a monthly basis. Overdue accounts receivable > 60 days are reported by client including reasons for delay and actions taken or planned.

The Group establishes an allowance for impairment that represents its estimate of incurred losses. An allowance for impairment of 50 per cent is made for amounts which are overdue more than 180 days, except for amounts related to international institutions, government or municipality controlled entities. Notwithstanding the client category, an allowance for impairment of 100 per cent is made for amounts which are overdue more than 360 days. Any deviation from the above rules has to be disclosed with reasons in the internal reporting.

An analysis of the age of sales receivables is presented in Note 7 Sales Receivables. From the Note 7 also becomes apparent that approximately EUR 5.6 million of sales receivable which are past due over 180 days and EUR 5.8 million of sales receivable which are past due over 360 days are under closer review found out not to be justified for impairment.

Investments are allowed only in liquid securities and only with counterparts that have a good credit rating, and are subject to both specified limits and approval procedures.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

To ensure that funding is obtainable and to minimise the cost of funding, the Group shall have a minimum liquidity corresponding to an average of one month's expenses and committed overdraft facilities corresponding to a minimum of half a month's average expenses. The Group's objective is to minimise the total cash needed for operations by both in-country and cross-border cash pools with both external and internal overdraft facilities.

The Group has committed overdraft facilities as at 31 December 2009 in several banks amounting to EUR 93.6 million of which EUR 1.1 million was used.

EUR million	**2009**	2008
Overdraft facilities	93.6	93.7
Used	1.1	0.6
Unused	92.5	93.1

The Groups liquidity as of December 2009 was hence EUR 234.5 million consisting of cash and cash equivalents and other liquid assets EUR 142.0 million and unused overdraft facilities EUR 92.5 million. According to Pöyry financing policies the Group's required minimum liquidity should correspond to one month's average expenses (EUR 55-60 million) i.e. Pöyry's liquidity at the end of year 2009 is close to four times higher than the minimum need.

Current loans, if significant, must not exceed twenty (20) per cent of the total amount of the Group's loans, and the average maturity of long-term debt shall be at least three years.

EUR million	**2009**	2008
Non-current	101.3	100.8
Current	21.4	21.7
Total loans	122.7	122.5

Contractual maturity of liabilities and derivatives has been presented in Table of Maturity Analysis in Note 9.

Market risk

Market risk is the risk that changes in market prices, such as exchange rates, interest rates will affect the Group's result. The objective is to manage and control market risk exposures within acceptable limits.

Currency risk

Transaction risks, operational: About 10 per cent of the Group's net sales are normally exposed to a foreign currency risk. The Group companies hedge project transaction cash flows denominated in a foreign currency by using forward exchange contracts and states them at fair value recognised in the income statement. Speculative forward contracts without a connection to a business operation are not allowed. The hedging is made by the companies according to the Group's hedging policy.

Operational exposure by currency 2009

EUR million	EUR	USD	VEF	Other
Receivables	5.7	5.1		
Order stock	20.4	42.3		
Payables	2.5	1.5		
Committed costs	6.0	16.1	3.1	
Hedges, net	-2.6	-28.0		
Cash and current investments	6.7	3.6	1.0	
Net exposure	21.7	5.4	-2.1	5.3

In 2008 the biggest operational exposures were in EUR (26.3 MEUR), USD (6.7 MEUR) and VEF, Venezuela Bolivar (- 2.6 MEUR).

Transaction risks, financial: According to the Group's financing policies the parent company conducts financing and subsidiaries are not allowed to take up loans from external parties. The parent company grants loans to Group companies if considered necessary, justified or otherwise to be in the best interest of the parties. As a rule, to centralize the currency risks to the parent company, loans are drawn in each company's domestic currency. The parent company has not any other loans in foreign currencies than those hedging the equity of the foreign subsidiaries, and thus the Group's financial exposure consists mainly of the Group's internal loans between the parent company and subsidiaries which have not been externally hedged.

Financial exposure by currency 2009

EUR million	AED	AUD	CHF	RON	EUR	CAD	SEK	Other
From internal loans	6.9	4.0	3.7	2.6	-2.4	2.4	2.2	8.3

In 2008 the biggest financial exposures were in GBP (-9.2 MEUR), CAD (3.6 MEUR), AED (3.4 MEUR), BND (1.5 MEUR, USD (-1.2 MEUR), CHF (1.2 MEUR) and ZAR (1.0 MEUR).

The Group level currency risks presented on the tables above arise when the companies have receivables, liabilities or other commitments in another than their home currency.

A change of ten (10) per cent in the exchange rates calculated on the balance sheet items has the major effects on the result in case of EUR-change (EUR 0.8 million), USD-change (EUR 0.7 million) and AED-change (EUR 0.7 million).

Translation risks: The profits generated by the foreign subsidiaries are in general repatriated annually and the estimated annual net profit is mainly hedged with forward contracts on a quarterly basis.

Currency exposure and hedging need related to share capital and other restricted equity in foreign subsidiaries is reviewed on an annual basis but as the main principle remains that the translation exposure of investments in foreign subsidiaries is generally not hedged. If the Group needs external funding the preferred currency is chosen so that part of the foreign equity can be hedged by raising loans in the same currency. To these loans the Group applies net investments hedge accounting and exchange differences arisen from these loans are recognised in equity in the translation difference reserve until the investment is disposed of that entity. At the end of 2009 the Group had CHF 21.6 million of these loans.

Equity (before eliminations) most important currencies

EUR million	2009 Equity	Of which net profit	of which hedged	Change 10 %		2008 Equity	Of which net profit	of which hedged	Change 10 %	
EUR	245.7	79.5				289.3	120.9			
CHF	47.4	4.9	21.6	2.6	0.5	51.1	3.9	21.5	3.0	0.4
GBP	8.5	2.8		0.9	0.3	15.0	6.7		1.5	0.7
USD	8.1	-2.5		0.8	0.3	10.9	1.4		1.1	0.1
BRL	5.1	2.0		0.5	0.2	11.6	25.8		1.2	2.6

Interest rate risk

The Group's policy is to achieve a balance between the maturity of long-term loans and the corresponding interest rate level. In case of essential interest rate level differences, the Group enters into interest rate swaps to achieve this target. The total amount of the interest bearing loans was at the year end EUR 122.7 million of which EUR 78.2 million had a fixed interest rate and EUR 44.5 million a floating rate. Of the loans with a floating rate EUR 10.8 million were covered by interest rate swaps. A change of one (1) per cent in the interest rate affects the interest expense by EUR 0.3 million.

Other market price risk

No other significant market price risks have been identified.

Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor, and market confidence and to sustain future development of the business.

The Board of Directors monitors the ownership structure, as well as the return on capital and the level of dividends to shareholders. The Group defines capital as the total balance sheet deducted with non-interest bearing liabilities.

The Group's target for the return on investment (ROI per cent) is > 20 per cent.

EUR million	**2009**	2008
Profit before taxes	12.4	103.2
Interest and other financial expenses	4.2	3.7
Total	16.6	106,9
Balance sheet total	515.4	580.3
Non-interest bearing liabilities	208.7	246.7
Total capital	306.7	333.6
Return on investment, %	5.3	45.4

The Group seeks to achieve a balance between growth targets, higher level of borrowings and return on capital. The net debt/equity ratio (gearing per cent) target is < 30 per cent.

EUR million	**2009**	2008
Interest bearing liabilities	122.7	122.5
Cash and cash equivalents and other liquid assets	142.0	203.7
Net interest bearing liabilities	-19.3	-81.2
Equity	184.0	211.1
Net debt/equity ratio, %	-10.5	-38.5

Neither Pöyry PLC nor any of its subsidiaries are subject to externally imposed capital requirements.

5. Share ownership

Group companies

		Ownership of voting rights Group, %	Parent company, %
Energy			
Aquarius International Consultants Pty Ltd	Australia, Perth	100.0	
Electrowatt Consultants Ltd	United Kingdom, Horsham	100.0	
Heymo Ingenieria S.A.	Spain, Madrid	60.0	60.0
IGL Consultants Ltd.	United Kingdom, Aberdeen	100.0	100.0
Pöyry (Argentina) S.A.	Argentina, Buenos Aires	100.0	
Poyry (B) Sdn Bhd	Brunei	90.0	
Pöyry & Company LLC	Oman, Muscat	65.0	
Pöyry Energy (Aberdeen) Limited	United Kingdom, Aberdeen	100.0	100.0
Pöyry Energy AG	Switzerland, Zurich	100.0	100.0
Pöyry Energy AS	Norway, Stavanger	100.0	100.0
Pöyry Energy GmbH	Austria, Vienna	74.9	74.9
Pöyry Energy GmbH	Germany, Hamburg	100.0	
Pöyry Energy Inc.	Philippines, Manila	100.0	
Poyry Energy (Kuala Lumpur) Sdn Bhd	Malaysia, Kuala Lumpur	100.0	
Pöyry Energy Limited	United Kingdom, Horsham	100.0	100.0
Pöyry Energy Ltd	Thailand, Bangkok	100.0	
Pöyry Energy (Mannheim) GmbH	Germany, Mannheim	100.0	
Pöyry Energy (Oxford) Limited	United Kingdom, Oxford	100.0	100.0
Poyry Energy (Perth) Pty Ltd	Australia, Perth	100.0	
Poyry Energy Pty Ltd	Australia, Perth	100.0	
Pöyry Energy S.A.	Peru, Lima	100.0	
Poyry Energy Sdn Bhd	Malaysia, Kuala Lumpur	100.0	
Pöyry Energy S.r.l.	Italy, Genoa	100.0	100.0
Pöyry Finland Oy	Finland, Vantaa	100.0	100.0
Pöyry (Peru) S.A.C.	Peru, Lima	100.0	
Pöyry SAS	France, Lyon	100.0	100.0
Poyry South Africa (Proprietary) Ltd	South Africa, Westville	100.0	100.0
Serviheymo S.L.	Spain, Madrid	60.0	
Industry			
CJSC "Giprobum-Pöyry"	Russia, St. Petersburg	100.0	100.0
PT. Poyry Indonesia	Indonesia, Jakarta	100.0	100.0
Pöyry (Appleton) LLC	USA, Appleton	100.0	
Pöyry Civil Oy	Finland, Vantaa	100.0	100.0
Pöyry Finland Oy	Finland, Vantaa	100.0	100.0
Pöyry Forest Industry AS	Norway, Sarpsborg	100.0	100.0
Pöyry Forest Industry GmbH	Germany, Dresden	100.0	
Poyry Forest Industry Sp. z o.o.	Poland, Lódz	100.0	100.0
Pöyry (Montréal) Inc.	Canada, Montreal	100.0	
Pöyry S.A.	Uruguay, Montevideo	100.0	
Pöyry Shandong Engineering Consulting Co., Ltd.	China, Jinan	70.0	
Pöyry Sweden AB	Sweden, Gävle	100.0	100.0
Pöyry Tecnologia Ltda.	Brazil, Sao Paolo	100.0	
Poyry (Vancouver) Inc.	Canada, Vancouver	100.0	

		Ownership of voting rights	
		Group %	Parent company %
Urban & Mobility			
Consilier Construct S.R.L.	Romania, Bucharest	100.0	100.0
Consolier Construct Engineering S.R.L.	Romania, Bucharest	100.0	
East Engineering Ltd Oy	Finland, Vantaa	100.0	100.0
ETT Proyectos S.A.	Spain, Madrid	100.0	100.0
LLC "Pöyry"	Russia, St. Petersburg	100.0	100.0
Pöyry Architects Oy	Finland, Helsinki	100.0	100.0
Pöyry Building Services Oy	Finland, Espoo	100.0	100.0
Pöyry CM Oy	Finland, Vantaa	100.0	100.0
Pöyry Finland Oy	Finland, Vantaa	100.0	100.0
Pöyry Infra AG	Switzerland, Zurich	100.0	100.0
Pöyry Infra Asia GmbH	Germany, Lorrach	100.0	
Pöyry Infra Consultoria e Projetos Ltda.	Brazil, Sao Paolo	100.0	
Pöyry Infra de Venezuela, S.A.	Venezuela, Valencia	100.0	
Pöyry Infra GmbH	Austria, Salzburg	72.8	
Pöyry Infra GmbH	Germany, Lorrach	100.0	
Pöyry Infra Ltd.	Thailand, Bangkok	100.0	
Poyry (México) S.A., de C.V.	Mexico	100.0	
Poyry Infra Sp. z o.o.	Poland, Cracow	100.0	
Pöyry Infra Traffic GmbH	Germany, Hamburg	100.0	
Pöyry OÛ	Estonia, Tallinn	100.0	100.0
Pöyry Telecom Oy	Finland, Vantaa	80.0	80.0
Pöyry (Thailand) Ltd.	Thailand, Bangkok	100.0	
Shanghai Kang Dao Construction Company Ltd	China, Shanghai	100.0	100.0
SIA "POYRY"	Latvia, Riga	100.0	100.0
UAB "Poyry"	Lithuania, Vilnius	100.0	
Water & Environment			
Aquatis spol s.r.o.	Czech Republic, Brno	84.4	
AS Pöyry Entec	Estonia, Tallinn	75.0	75.0
GKW Consult Dakar SARL	Senegal, Dakar	90.0	
Pöyry IDP Consult Incorporated	Philippines, Manila	67.0	67.0
IKOS ODD	Bulgaria, Sofia	80.0	
Pöyry Environment a.s.	Czech Republic, Brno	84.4	52.1
Pöyry Environment S.A.	France, Lyon	100.0	100.0
Pöyry Environment Szolgaltato Kft	Hungary, Budapest	100.0	
Pöyry Environment GmbH	Germany, Mannheim	100.0	
Pöyry Finland Oy	Finland, Vantaa	100.0	100.0
Pöyry GKW GmbH	Germany, Mannheim	100.0	
Pöyry GKW GmbH	Germany, Essen	100.0	
Pöyry GKW GmbH	Germany, Erfurt	100.0	
Pöyry GKW GmbH	Germany, Dresden	100.0	
Pöyry ibs GmbH	Germany, Schwerin	100.0	
Pöyry Romania s.r.l.	Romania, Voluntari	100.0	

		Ownership of voting rights	
		Group %	Parent company %
Management Consulting			
Adexia (Schweiz) AG	Switzerland, Zurich	100.0	
Econ Pöyry AB	Sweden, Stockholm	100.0	
Perforex Inc.	Canada, Oakville	100.0	
Perforex US Inc.	USA, Atlanta	100.0	
Perforex US LLC	USA, Atlanta	100.0	
Pöyry AS	Norway, Oslo	100.0	100.0
Pöyry Capital Limited	United Kingdom, London	85.0	85.0
Pöyry Energy Consulting France SAS	France, Paris	100.0	
Pöyry Energy Consulting Group AG	Switzerland, Zurich	100.0	
Pöyry Energy Consulting (Deutschland) GmbH	Germany, Dusseldorf	100.0	
Poyry Energy Consulting (Italia) S.r.l.	Italy, Milan	100.0	
Pöyry Energy Consulting (Schweiz) AG	Switzerland, Zurich	100.0	
Pöyry Forest Industry Consulting GmbH	Germany, Freising	100.0	
Poyry Forest Industry Consulting Inc.	USA, Tarrytown N.Y.	100.0	100.0
Pöyry Forest Industry Consulting Limited	United Kingdom, London	100.0	100.0
Poyry Forest Industry Limited	New Zealand, Auckland	100.0	100.0
Poyry Forest Industry Pte. Ltd.	Singapore	100.0	100.0
Poyry Forest Industry Pty Ltd	Australia, Melbourne	100.0	100.0
Pöyry Management Consulting Oy	Finland, Vantaa	100.0	100.0
Other			
Compostela Engineering S.L.	Spain, Madrid	100.0	
Granada Engineering S.L.	Spain, Madrid	100.0	
Jaakko Pöyry Engineering (South America) S.A.	Uruguay	100.0	100.0
JP-Invest (BVI) Ltd	British Virgin Islands	100.0	
JP-Sijoitus Oy	Finland, Vantaa	100.0	100.0
Pöyry (Beijing) Consulting Company Limited	China, Beijing	100.0	100.0
Pöyry (Deutschland) GmbH	Germany, Mannheim	100.0	100.0
Pöyry Latin America S.L.	Spain, Madrid	100.0	
Pöyry (USA) Inc.	USA, Appleton	100.0	100.0
Valencia Engineering S.L.	Spain, Madrid	100.0	

	Book value	
	Parent company EUR million	Other group company, EUR million
Other share ownership		
Amata Bien Hoa, Thailand		1.1
Private Energy Market Fund Ky, Finland		0.1
Other shares	0.2	0.5
	0.2	**1.7**

Key figures

Statement of income

EUR million	2005	2006	2007	2008	2009
Consulting and engineering	502.8	600.5	708.4	809.4	661.2
EPC	20.8	22.8	9.8	12.3	12.3
Net sales total	**523.6**	**623.3**	**718.2**	**821.7**	**673.5**
Change in net sales, %	10.5	19.0	15.2	14.4	-18.0
Other operating income	0.8	0.3	2.5	6.6	0.8
Share of associated companies' results	0.8	1.2	0.4	2.2	0.5
Materials, supplies and subconsulting	75.1	97.2	103.8	116.3	97.6
Personnel expenses	283.2	327.7	375.9	433.8	401.5
Depreciation	7.9	7.8	8.4	9.0	8.2
Other operating expenses	121.8	142.2	159.2	170.8	155.9
Operating profit	**37.2**	**49.9**	**73.8**	**100.6**	**11.6**
Proportion of net sales, %	7.1	8.0	10.3	12.2	1.7
Financial income and expenses	+1.4	+0.3	+2.7	+2.5	+0.8
Proportion of net sales, %	0.3	0.0	0.4	0.3	0.1
Profit before taxes	**38.6**	**50.2**	**76.5**	**103.2**	**12.4**
Proportion of net sales, %	7.4	8.1	10.7	12.6	1.8
Income taxes	-12.3	-15.4	-23.7	-30.6	-4.4
Net profit for the period	**26.3**	**34.8**	**52.8**	**72.6**	**8.0**
Attributable to:					
Equity holders of the parent company	25.9	33.6	51.3	70.8	6.5
Minority interest	0.4	1.2	1.5	1.8	1.5

Statement of financial position

EUR million	2005	2006	2007	2008	2009
Goodwill	42.4	61.4	95.6	95.9	101.3
Intangible and tangible assets	23.7	24.9	24.4	25.0	22.0
Non-current investments	12.7	12.3	7.7	7.6	8.9
Non-current receivables	20.2	17.9	11.2	11.5	17.3
Work in progress	56.6	52.7	64.5	69.3	78.8
Accounts receivable	108.1	134.2	141.9	143.5	127.3
Other current receivables	216	22.5	27.0	23.8	17.8
Cash and cash equivalents and other liquid assets	64.5	74.9	98.7	203.7	142.0
Assets total	**349.8**	**400.8**	**471.1**	**580.3**	**515.4**
Equity attributable to the equity holders of the parent company	144.2	156.8	182.6	203.4	176.0
Minority interest	4.7	6.1	6.9	7.7	8.0
Pension obligations	6.8	6.9	6.6	6.7	7.4
Provisions	3.4	3.7	5.0	5.8	8.3
Interest bearing liabilities	10.7	13.6	8.9	122.5	122.7
Project advances	51.0	70.0	97.3	73.6	66.0
Accounts payable	18.8	25.1	22.9	21.8	21.5
Other non-interest bearing liabilities	110.2	118.6	140.9	138.7	105.5
Liabilities total	**349.8**	**400.8**	**471.1**	**580.3**	**515.4**

Statement of cash flows

EUR million	2005	2006	2007	2008	2009
From operations	+37.8	+57.6	+86.4	+56.6	-10.4
Capital expenditure, net	-19.2	-31.2	-27.8	-10.9	-15.2
Financing	-16.3	- 16.0	- 33.4	+68.1	-40.3
Change in the fair value of financial assets					+0,1
Impact of translation differences in exchange rates			-1.4	-8.8	+4.1
Change in cash and cash equivalents and in other liquid assets	+2.3	+10.4	+23.8	+105.0	-61.7
Cash and cash equivalents and other liquid assets 31 December	**64.5**	**74.9**	**98.7**	**203.7**	**142.0**

Profitability and other key figures

EUR million	2005	2006	2007	2008	2009
Return on investment. %	26.9	31.9	42.4	45.4	5.3
Return on equity, %	19.4	23.5	31.9	38.7	4.1
Equity ratio, %	49.8	49.2	50.7	41.7	40.9
Equity/assets ratio, %	42.6	40.7	40.2	36.4	35.7
Net debt/equity ratio (gearing), %	-36.1	-37.6	-47.4	-38.5	-10.5
Net debt, EUR million	-53.8	-61.3	-89.9	-81.2	-19.3
Current ratio	1.4	1.3	1.3	1.7	1.7
Consulting and engineering, EUR million	428.1	500.8	551.4	538.6	483.6
EPC, EUR million	24.0	6.8	11.4	0.5	2.1
Order stock total, EUR million	452.1	507.6	562.8	539.1	485.7
Capital expenditure, operating, EUR million	8.0	9.8	9.1	10.7	4.8
Proportion of net sales, %	1.5	1.6	1.3	1.3	0.7
Capital expenditure in shares, EUR million	17.8	27.9	44.2	8.9	5.0
Proportion of net sales, %	3.4	4.5	6.2	1.1	0.7
Personnel in group companies on average	5 423	6 038	6 852	7 702	7 052
Personnel in associated companies on average	249	251	271	267	142
Personnel in group companies at year-end	5 608	6 389	7 269	7 924	6 530
Personnel in associated companies at year-end	248	236	277	142	141

Key figures for the shares	2005	2006	2007	2008	2009
Earnings/share, EUR	0.45	0.58	0.88	1.21	0.11
Corrected with dilution effect	0.45	0.57	0.86	1.19	0.11
Equity attributable to the equity holders of the parent company/share, EUR	2.48	2.70	3.11	3.45	2.98
Dividend, EUR million	18.9	29.1	38.1	38.0	5.9 [1)]
Dividend/share, EUR	0.325	0.50	0.65	0.65	0.10 [1)]
Dividend/earnings, %	72.2	86.2	73.9	53.7	90.9
Effective return on dividend, %	4.1	4.2	3.8	8.3	0.9
Price/earnings multiple	17.7	20.3	19.7	6.5	101.5
Issue-adjusted trading prices, EUR					
Average trading price	6.71	9.15	16.08	13.86	9.78
Highest trading price	8.50	12.61	20.14	18.34	13.17
Lowest trading price	5.55	7.65	11.37	6.90	7.55
Closing price at year-end	7.97	11.80	17.31	7.82	11.17
Total market value					
Outstanding shares, EUR million	463.4	686.5	1 015.3	457.3	654.5
Own shares, EUR million	0.0	0.0	0.0	3.1	4.2
Trading volume of shares					
Shares, 1 000	20 340	23 581	17 326	17 420	20 556
Proportion of the total volume, %	35.4	40.5	29.7	29.8	35.1
Issue-adjusted number of outstanding shares, 1 000					
On average	57 468	58 180	58 323	58 540	58 509
At year-end	58 180	58 180	58 653	58 879	58 971

[1)] Board of Directors' proposal

Net sales

EUR million	1–3/08	4–6/08	7–9/08	10–12/08	1–3/09	4–6/09	7–9/09	10–12/09	1–12/08	1–12/09
Energy	58.1	62.1	56.8	64.3	59.5	52.9	48.7	54.5	241.3	215.6
Forest Industry	70.8	81.9	69.3	72.5	53.8	48.7	35.2	38.1	294.5	175.8
Transportation	23.7	26.5	26.3	29.0	30.8	29.0	28.5	30.2	105.5	118.5
Water & Environment	20.3	21.6	20.3	25.4	21.0	22.0	20.6	22.9	87.6	86.5
Construction Services	22.9	25.4	20.6	23.9	22.2	20.7	16.8	19.3	92.8	79.0
Unallocated	0.4	0.5	0.6	-1.5	0.5	0.7	0.4	-3.5	0.0	-1.9
	196.2	**218.0**	**193.9**	**213.6**	**187.8**	**174.0**	**150.2**	**161.5**	**821.7**	**673.5**

Operating profit for the period

EUR million	1–3/08	4–6/08	7–9/08	10–12/08	1–3/09	4–6/09	7–9/09	10–12/09	1–12/08	1–12/09
Energy	5.6	8.3	6.3	11.8	4.1	2.5	0.6	1.9	32.0	9.1
Forest Industry	11.7	16.9	12.7	9.5	-2.8	-2.2	-4.0	-5.7	50.8	-14.7
Transportation	2.1	1.4	2.4	3.3	2.5	2.0	2.6	2.3	9.2	9.4
Water & Environment	0.7	1.4	0.3	1.8	0.8	1.5	1.1	1.5	4.2	4.9
Construction Services	2.7	3.4	1.9	1.9	1.7	1.6	1.4	1.8	9.9	6.5
Unallocated	-0.8	-1.4	-1.7	-1.6	-1.1	-0.8	-0.6	-1.1	-5.5	-3.6
Operating profit	**22.0**	**30.0**	**21.9**	**26.7**	**5.2**	**4.6**	**1.1**	**0.7**	**100.6**	**11.6**
Financial items	0.6	0.5	1.3	0.2	1.1	-0.5	-0.3	0.5	2.6	0.8
Profit before taxes	**22.6**	**30.5**	**23.2**	**26.9**	**6.3**	**4.1**	**0.8**	**1.2**	**103.2**	**12.4**
Income taxes	-7.1	-9.4	-7.5	-6.6	-2.0	-1.8	-0.8	0.2	-30.6	-4.4
Net profit for the period	**15.5**	**21.1**	**15.7**	**20.3**	**4.3**	**2.3**	**0.0**	**1.4**	**72.6**	**8.0**
Profit attributable to:										
Equity holders of the parent company	15.1	20.5	15.4	19.8	3.8	2.1	-0.4	1.0	70.8	6.5
Minority interest	0.4	0.6	0.3	0.5	0.5	0.2	0.4	0.4	1.8	1.5

Operating profit %

	1–3/08	4–6/08	7–9/08	10–12/08	1–3/09	4–6/09	7–9/09	10–12/09	1–12/08	1–12/09
Energy	9.6	13.4	11.1	18.3	6.9	4.7	1.2	3.5	13.2	4.2
Forest Industry	16.5	20.6	18.3	13.1	-5.2	-4.5	-11.4	-15.0	17.2	-8.4
Transportation	8.9	5.3	9.1	11.3	8.0	6.9	9.1	7.6	8.7	7.9
Water & Environment	3.4	6.5	1.5	7.3	3.8	6.8	5.3	6.6	4.8	5.7
Construction Services	11.8	13.4	9.2	8.1	7.5	7.7	8.3	9.3	10.7	8.3
	11.2	**13.8**	**11.3**	**12.5**	**2.8**	**2.6**	**0.7**	**0.4**	**12.2**	**1.7**

Order stock

Energy	205.8	195.8	216.1	196.4	195.2	190.9	186.3	181.9
Forest Industry	133.0	123.3	116.3	86.3	71.7	63.4	54.4	45.3
Transportation	113.1	114.5	130.3	130.9	151.8	157.0	163.1	158.4
Water & Environment	74.7	75.0	78.3	76.8	78.8	75.5	69.0	62.3
Construction Services	47.3	46.7	53.1	48.3	48.3	46.1	41.0	37.5
Unallocated	0.4	0.4	0.4	0.4	0.6	1.2	0.1	0.3
	574.3	**555.7**	**594.5**	**539.1**	**546.4**	**534.1**	**513.9**	**485.7**

Consulting and engineering	568.5	551.5	592.5	538.6	539.8	530.7	510.8	483.6
EPC	5.8	4.2	2.0	0.5	6.6	3.4	3.1	2.1
	574.3	**555.7**	**594.5**	**539.1**	**546.4**	**534.1**	**513.9**	**485.7**

OPERATING SEGMENTS, PROFORMA

Net sales

EUR million	1-3/08	4-6/08	7-9/08	10-12/08	1-3/09	4-6/09	7-9/09	10-12/09	1-12/08	1-12/09
Energy	47.1	49.3	46.6	50.2	48.3	41.6	40.0	44.0	193.2	173.9
Industry	65.5	75.5	63.5	67.3	51.3	45.6	31.5	33.6	271.8	162.0
Urban & Mobility	41.5	46.7	42.8	48.1	48.9	46.3	42.6	46.7	179.1	184.5
Water & Environment	20.3	21.7	20.3	25.3	21.0	22.0	20.6	22.9	87.6	86.5
Management Consulting	21.4	24.4	20.1	24.1	17.8	17.8	15.1	17.8	90.0	68.5
Unallocated	0.4	0.4	0.6	-1.4	0.5	0.7	0.4	-3.5	0.0	-1.9
	196.2	**218.0**	**193.9**	**213.6**	**187.8**	**174.0**	**150.2**	**161.5**	**821.7**	**673.5**

Operating profit for the period

EUR million	1-3/08	4-6/08	7-9/08	10-12/08	1-3/09	4-6/09	7-9/09	10-12/09	1-12/08	1-12/09
Energy	4.3	6.2	4.6	10.0	3.2	1.3	0.6	0.8	25.1	5.9
Industry	11.5	16.1	12.0	9.8	-0.9	-0.4	-3.6	-5.2	49.4	-10.1
Urban & Mobility	3.9	4.0	3.8	4.6	3.8	3.4	3.7	4.0	16.3	14.9
Water & Environment	0.7	1.4	0.3	1.8	0.8	1.5	1.1	1.5	4.2	4.9
Management Consulting	2.4	3.7	2.9	2.0	-0.6	-0.4	-0.1	0.7	11.0	-0.4
Unallocated	-0.8	-1.4	-1.7	-1.5	-1.1	-0.8	-0.6	-1.1	-5.4	-3.6
Operating profit	**22.0**	**30.0**	**21.9**	**26.7**	**5.2**	**4.6**	**1.1**	**0.7**	**100.6**	**11.6**

Operating profit %

	1-3/08	4-6/08	7-9/08	10-12/08	1-3/09	4-6/09	7-9/09	10-12/09	1-12/08	1-12/09
Energy	9.1	12.6	9.9	19.9	6.6	3.1	1.5	1.9	13.0	3.4
Industry	17.6	21.3	18.9	14.5	-1.8	-0.9	-11.4	-15.5	18.2	-6.2
Urban & Mobility	9.4	8.6	8.9	9.7	7.8	7.3	8.7	8.6	9.1	8.1
Water & Environment	3.4	6.5	1.5	7.3	3.8	6.8	5.3	6.7	4.8	5.7
Management Consulting	11.2	15.2	14.4	8.5	-3.4	-2.2	-0.7	3.6	12.3	-0.7
	11.2	**13.8**	**11.3**	**12.5**	**2.8**	**2.6**	**0.7**	**0.4**	**12.2**	**1.7**

Order stock

EUR million	1-3/08	4-6/08	7-9/08	10-12/08	1-3/09	4-6/09	7-9/09	10-12/09
Energy	190.4	180.9	199.8	182.0	180.4	178.5	173.6	171.0
Industry	125.2	113.4	109.1	82.4	66.8	57.5	48.7	39.3
Urban & Mobility	158.2	158.0	179.0	176.4	198.2	202.0	202.4	194.8
Water & Environment	74.7	75.0	78.3	76.8	78.8	75.5	69.0	62.3
Management Consulting	25.4	28.0	27.9	21.1	21.6	19.3	20.1	18.0
Unallocated	0.4	0.4	0.4	0.4	0.6	1.3	0.1	0.3
	574.3	**555.7**	**594.5**	**539.1**	**546.4**	**534.1**	**513.9**	**485.7**

Calculation of key figures

Return on investment, ROI %
$$\frac{\text{profit before taxes + interest and other financial expenses}}{\text{balance sheet total - non-interest bearing liabilities (quarterly average)}} \times 100$$

Return on equity, ROE %
$$\frac{\text{net profit}}{\text{equity (quarterly average)}} \times 100$$

Equity ratio %
$$\frac{\text{equity}}{\text{balance sheet total - advance payments received}} \times 100$$

Equity/assets ratio %
$$\frac{\text{equity}}{\text{balance sheet total}} \times 100$$

Net debt/equity ratio, gearing %
$$\frac{\text{interest-bearing liabilities - cash and cash equivalents}}{\text{equity}} \times 100$$

Current ratio
$$\frac{\text{current assets}}{\text{current liabilities}}$$

Earnings/share, EPS
$$\frac{\text{net profit attributable to the equity holders of the parent company}}{\text{issue-adjusted average number of shares for the fiscal year}}$$

Equity attributable to the equity holders of the parent company/share
$$\frac{\text{equity attributable to the equity holders of the parent company}}{\text{issue-adjusted number of shares at the end of the fiscal year}}$$

Dividend/share
$$\frac{\text{dividend}}{\text{issue-adjusted number of shares at the end of the fiscal year}}$$

Dividend/earnings %
$$\frac{\text{dividend for the fiscal year}}{\text{net profit attributable to the equity holders of the parent company}} \times 100$$

Effective return on dividend %
$$\frac{\text{dividend/share}}{\text{issue-adjusted trading price at the end of the fiscal year}} \times 100$$

Price/earnings multiple, P/E
$$\frac{\text{quoted share price at the end of the fiscal year}}{\text{earnings per share}}$$

Market value of share capital
number of shares at the end of the fiscal year x closing price at the end of the fiscal year

Exchange of shares %
$$\frac{\text{number of shares exchanged during the fiscal year}}{\text{average number of shares for the fiscal year}} \times 100$$

Shares and shareholders

Share capital and shares

The shares of Pöyry PLC are quoted on the NASDAQ OMX Helsinki Large Cap list under the trading code POY1V. The first day of trading was 2 December 1997. The company has one series of shares. Each share entitles to one vote and the same dividend rate. Pöyry PLC's share register is maintained by Euroclear Finland Ltd.

The share capital is EUR 14 588 478.

The total number of shares was on 31 December 2008 58 878 602. During 2009 92 796 new shares were subscribed with stock options pursuant to the stock option programme 2004 of Pöyry PLC. Following the registration of the subscribed shares the total number of shares increased to 58 971 398 on 31 December 2009. In January 2010 9 684 new shares were subscribed pursuant to the stock option programme 2004. Following the registration of the subscribed shares, the total number of shares will be 58 981 082.

Option programme 2004

The Annual General Meeting on 3 March 2004 decided to issue stock options to the management of the Group as well as to a wholly-owned subsidiary of Pöyry PLC. Following a share split the number of stock options is 550 000. Each stock option entitles the holder to subscribe four (4) shares in the company with an accounting par value of EUR 0.25 each, i.e. a total of 2 200 000 shares in Pöyry PLC. At the end of 2009 492 552 new shares have been subscribed with 123 138 stock options. Should all the remaining 426 862 stock options be used for subscription of shares, the new shares will equal 2.8 per cent of the total number of shares after the subscriptions. All stock options have been issued and their receipt confirmed. Approximately 40 persons are included in the option programme.

The share subscription price for stock option 2004A is the trade volume-weighted average quotation of the Pöyry PLC share on the NASDAQ OMX Helsinki between 1 April and 30 April 2004, with an addition of 20 per cent; for stock option 2004B the trade volume-weighted average quotation of the Pöyry PLC share between 1 April and 30 April 2005, with an addition of 20 per cent; and for stock option 2004C the trade volume-weighted average quotation of the Pöyry PLC share between 1 April and 30 April 2006, with an addition of 20 per cent. From the share subscription price of stock options will be deducted, as per the dividend record date, the amount of dividend paid after 1 April 2004 but before the share subscription.

Performance share plan 2008-2010

In December 2007 the Board of Directors of Pöyry PLC approved a share-based incentive plan for key personnel of Pöyry.

The plan comprises three earning periods which are the calendar years 2008, 2009 and 2010. The rewards will be paid partly in the company's shares and partly in cash in 2009, 2010 and 2011.

No rewards shall be paid if the person or the company gives notice of termination before the end of an earning period. Tha paid reward must be returned to the company if the person or the company gives notice of termination within two years from the end of the earning period.

The number of participants in the earning period 2008 amounted to 292 persons and in 2009 312 persons. The payout from the plan is based on the Group's earnings per share (EPS) and net sales. For the earning period 2008 the payout-ratio was 180.89 per cent corresponding to a value of 433 454 shares. The payments were made to the participants in April 2009.

Board of Directors' authorisations

Authorisation to issue shares

The Annual General Meeting (AGM) on 10 March 2008 authorised the Board of Directors to decide to issue new shares and to convey the company's own shares held by the company in one or more tranches. 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 and in relation to a share issue against payment at a price to be determined by the Board of Directors.

A maximum of 11 600 000 new shares can be issued. A maximum of 5 800 000 own shares held by the company can be conveyed.

The authorisation is in force for three years from the decision of the AGM.

During 2009 the Board has resolved on a directed share issue by conveying without consideration a total of 216 727 of the company's own shares to persons included in the company's performance share plan for 2008 in accordance with the terms and conditions of the plan. The Board of Directors further resolved on a directed share issue by conveying a total of 10 000 of the company's own shares held by the company to persons at the company's service and included in the company's incentive plan. The directed share is-

Development of share capital	Share capital EUR 1 000	Share premium reserve EUR 1 000	Legal reserve EUR 1 000	Invested free equity reserve EUR 1 000	Shares	EUR/share
2 December 1997	11 521	15 058	20 183		13 700	0.84
11 June 1999	11 998	20 117	20 183		14 267	0.84
20 March 2000, cancellation of shares	11 496	20 619	20 183		13 670	0.84
20 March 2000	13 670	20 619	18 008		13 670	1.00
Subscription with 1998 warrants in 2000	13 724	21 149	18 008		13 724	1.00
Subscription with 1998 warrants in 2001	13 933	23 084	18 008		13 933	1.00
22 March 2002, cancellation of shares	13 624	23 393	18 008		13 624	1.00
Subscription with 1998 warrants in 2002	13 792	24 842	18 008		13 792	1.00
Subscription with 1998 warrants in 2003	13 971	26 278	18 008		13 971	1.00
25 March 2004, cancellation of shares	13 808	26 441	18 008		13 808	1.00
Subscription with 1998 warrants in 2004	14 110	28 434	18 008		14 110	1.00
Subscription with 1998 warrants in 2005	14 497	30 504	18 008		14 497	1.00
31 August 2005, merger consideration	14 545	31 515	18 008		14 545	1.00
13 March 2006, share split	14 545	31 515	18 008		58 180	0.25
5 September 2007, share issue	14 545	31 922	18 008	4 600	58 479	0.25
Subscription with stock options 2004A in 2007	14 588	32 412	18 008	4 600	58 653	0.25
Subscription with stock options 2004A and 2004B in 2008	14 588	32 412	18 008	5 766	58 879	0.25
Transfer to the invested free equity reserve in 2009	14 588	0	0	56 273	58 899	0.25
Subscription with stock options 2004A, 2004B and 2004C in 2009	14 588			56 575	58 971	0.25
31 March 2012, if all 2004A/B/C stock options are exercised for subscription					60 679	0.25

Option programme 2004, share subscription price	Number of shares 31 Dec. 2009	Subscription period	Original subscription price, EUR	Subscription price 31 Dec. 2009, EUR
Stock option 2004A	299 476	1 March 2007 – 31 March 2010	6.66	4.11
Stock option 2004B	527 972	1 March 2008 – 31 March 2011	7.40	4.85
Stock option 2004C	880 000	1 March 2009 – 31 March 2012	10.78	8.23

sues do not affect the company's share capital or the total number of shares of the company. After these directed share issues, the maximum number of shares that may be conveyed is 5 573 273 shares.

Authorisation to acquire the company's own shares

The AGM on 10 March 2008 authorised the Board of Directors to decide on acquiring maximum of 5 800 000 shares. On 10 March 2008, the Board of Directors resolved to exercise the authorisation for the implementation of the Performance share plan 2008-2010 described above. By the end of 2008, 148 529 of the company's own shares had been acquired based on this authorisation. On 3 February 2009, the Board of Directors resolved to commence acquiring the company's own shares based on the above-mentioned authorisation. The shares may be acquired to develop the company's capital structure, to be used as payment in corporate acquisitions or when the company acquires assets related to its business and as part of the company's incentive programmes in a manner and to the extent decided by the Board of Directors, and to be transferred for other purposes, or to be cancelled. Based on the resolution by the Board of Directors, 139 000 of the company's own shares were acquired between 5 February and 4 March 2009.

The AGM on 10 March 2009 authorised the Board of Directors to decide on acquiring the company's own shares with distributable funds on the terms given below for the purposes mentioned in the previous paragraph with the following terms. A maximum of 5 800 000 shares can be acquired. The company's own shares can be acquired in accordance with the decision of the Board of Directors either through public trading or by public offer at their market price at the time of purchase. The acquisition of shares reduces the company's distributable shareholders' equity. The authorisation is in force for 18 months from the decision.

On 10 March 2009, the Board of Directors decided to exercise the authorisation and to commence the acquisition of the company's own shares mentioned in the first paragraph under this headline. By the end of 2009, 64 818 of the company's own shares have been acquired based on this authorisation. The average price of the shares acquired in 2009 was EUR 8.88. Furthermore, Pöyry PLC has acquired from its subsidiary 8914 Pöyry PLC shares.

Of the above mentioned directed share issue of 216 727 own shares related to the earnings period 2008 of the performance share plan 2008-2010, 215 641 shares have been transferred to the recipients. The number of shares transferred to the recipients as at 26 January 2010 is 206 957 taking into account the returns of shares. Own shares held by the company was 381 861 on 26 January 2010.

The total amount of own shares held by the company on 31 December 2009 was 377 157 representing 0.6 per cent of all shares and 0.6 per cent of all votes.

The Board of Directors proposes that the General Meeting on 11 March 2010 authorise the Board of Directors to decide on the acquisition of a maximum of 5 800 000 of the Company's own shares by using distributable funds.

It is proposed that the authorisation be effective for a period of 18 months. The authorisation granted to the Board of Directors regarding acquisition of the Company's own shares in the previous Annual General Meeting shall expire simultaneously.

Shareholders

According to Pöyry PLC's shareholder register, there were a total of 6 933 registered shareholders at the end of 2009. The number of shareholders increased by 2 209 during the year.

Updated on a monthly basis, information on the biggest shareholders and the distribution of ownership is available on Pöyry's website.

Nominee-registered shares and flagging notifications

The total number of nominee-registered shares on 31 December 2009 amounted to 11 049 056 shares, equalling 18,7 per cent of the share capital. According to flagging notifications received by Pöyry PLC, the asset management companies listed in the table below have owned shares in the company during 2009.

Management's shareholdings

The members of the Board of Directors and the Executive Committee owned on 31 December 2009 a total of 179 676 shares, which equals 0.3 per cent of the company's share capital and the number of votes. The President and CEO and the Deputy to the President and CEO are authorised to increase their shareholdings to a maximum of 0.4 per cent of the shares by exercising their stock options. Information concerning the shareholdings and stock options of the members of Pöyry PLC's Board of Directors and Executive Committee is given on pages 76 and 77.

	Shares	Stock options 2004A/B/C
Members of the Board of Directors	95 200	
President and CEO, Deputy to President and CEO	44 886	45 025
Group Executive Committee	39 590	63 502
Total	**179 676**	**108 227**

Henrik Ehrnrooth, Chairman of the Board of Directors, together with his brothers Georg Ehrnrooth and Carl-Gustaf Ehrnrooth, indirectly holds a controlling interest in Corbis S.A.

Share price development and trading volume

Pöyry PLC's market capitalisation at the end of the financial year was EUR 658.7 million. The share price increased during the year by 42.8 per cent from EUR 7.82 to EUR 11.17. During the same period, the OMX Helsinki index rose by 34.1 per cent and the OMX Helsinki Cap index by 36.2 per cent. The highest share price was EUR 13.17 and the lowest EUR 7.55. A total of 20 555 770 shares where traded at a total of EUR 201.1 million. The number of shares traded during the year equals 34.9 per cent of the total number of issued shares.

Dividend

Pöyry PLC's target is that the dividend/earnings ratio should be at least 50 per cent. Should the Group's net debt/equity ratio exceed 30 per cent, the dividend/earnings ratio may be adjusted.

The Board of Directors of Pöyry PLC proposes to the Annual General Meeting on 11 March 2010 that a dividend of EUR 0.10 per share be paid for the year 2009, totalling EUR 5.9 million. This corresponds to 90.9 per cent of the earnings per share for the financial year. The dividend will be payable on 23 March 2010.

Key figures for the shares

The development of the share price and trading volume, and key figures for the shares for the years 2005-2009 are presented on page 57.

Flagging notifications

Date of notification	Shareholder	Reason for notification	Shareholding on date of notification	Proportion of shares on date of notification, %	Proportion ot voting rights, %
11 November 2009	Ilmarinen Mutual Pension Insurance Company	holding falling below 1/20		3.43	3.46

Major registered shareholders

		Number of shares	Per cent of the shares	Per cent of the voting rights
1.	Corbis S.A.	18 500 000	31.37	31.57
2.	Procurator-Holding Oy	3 440 000	5.83	5,87
3.	Varma Mutual Pension Insurance Company	2 785 850	4.72	4.75
4.	Ilmarinen Mutual Pension Insurance Company	2 022 583	3.43	3.45
5.	Tapiola Mutual Pension Insurance Company	1 760 000	2.98	3.00
6.	UCITS Fund Aktia Capital	1 315 777	2.23	2.25
7.	Svenska Litteratursällskapet i Finland rf	1 204 922	2.04	2.06
8.	OP funds	1 024 528	1.73	1.75
9.	The State Pension Fund	1 000 000	1.70	1.71
10.	Mandatum Life	804 200	1.36	1.37
Shares nominee registered		11 049 056	18.74	18.86
Other shareholders		13 687 325	23.23	23.36
Total		**58 594 241**		
Own shares		377 157	0.64	
Total		**58 971 398**	**100.00**	**100.00**

Ownership structure by type of shareholder

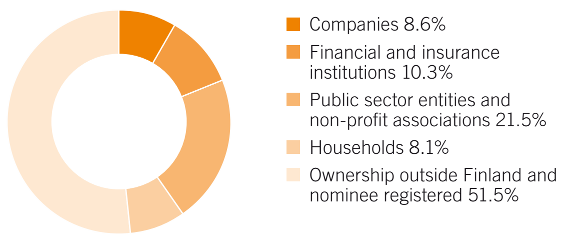
	Number of owners	Per cent of owners	Shares and voting rights	Per cent of shares	Per cent of voting rights
Companies	396	5.7	5 025 329	8.5	8.6
Financial and insurance institutions	45	0.6	6 042 429	10.2	10.3
Public sector entities and non-profit associations	150	2.2	12 572 591	21.3	21.5
Households	6144	88.6	4 758 849	8.1	8.1
Ownership outside Finland and shares nominee registered owners	198	2.9	30 195 043	51.3	51.5
Total	**6933**	**100.0**	**58 594 241**		**100.0**
Own shares			377 157	0.6	
Total			**58 971 398**	**100.0**	

Ownership structure by number of shares owned

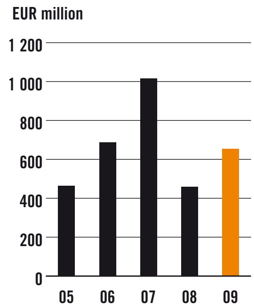
	Number of owners	Per cent of owners	Shares and voting rights	Per cent of shares	Per cent of voting rights
1–100	1 849	26.7	126 477	0.2	0.2
101–500	2 927	42.2	851 845	1.5	1.5
501–1000	1 002	14.5	795 477	1.4	1.4
1001–5000	896	12.9	1 960 742	3.3	3.3
5001–	259	3.7	54 859 700	93.0	93.6
Total			**58 594 241**		**100.0**
Own shares			377 157	0.6	
Total	**6 933**	**100.0**	**58 971 398**	**100.0**	

Source: Euroclear Finland Ltd., 31 December 2009

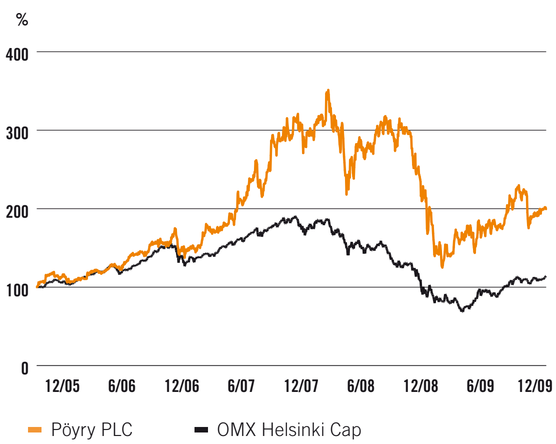
Ownership stucture by type of shareholder (by number of voting rights)



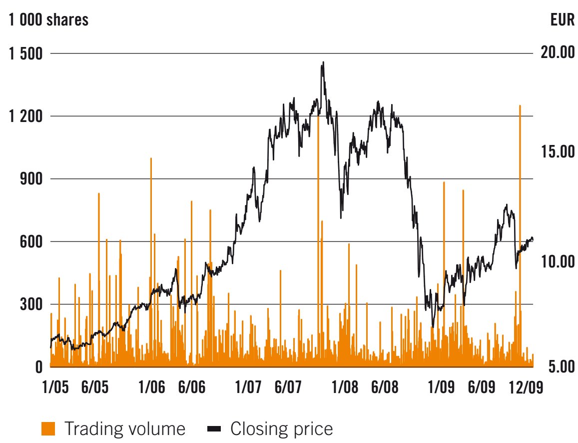
Market capitalisation



Development of the share on the NASDAQ OMX Helsinki



Closing price and trading volume of the share



Parent company

STATEMENT OF INCOME

	EUR million	2009	2008
1	**Net sales**	**11.5**	11.5
2	Other operating income	**5.3**	5.2
3	Personnel expenses	**-6.8**	-9.2
	Depreciation	**-0.4**	-0.5
	Other operating expenses	**-12.5**	-12.0
	Operating profit	**-2.9**	-5.0
5	Financial income and expenses	**+66.7**	+35.3
	Profit before extraordinary items	**63.8**	30.3
6	Extraordinary items	**+5.9**	+30.1
	Profit before taxes	**69.7**	60.4
7	Income taxes	**-1.0**	-4.2
	Net profit for the period	**68.7**	**56.2**

BALANCE SHEET

	EUR million	2009	2008
Assets			
	Fixed assets		
1	Intangible assets	**0.5**	0.6
2	Tangible assets	**0.5**	0.6
3	Non-current investments	**270.1**	295.2
		271.1	296.4
	Current assets		
4–5	Current receivables	**19.2**	36.6
	Investments	**55.1**	119.7
	Cash in hand and at banks	**47.3**	16.9
		121.6	173.2
	Total	**392.7**	**469.6**
Shareholders' equity and liabilities			
6	**Shareholders' equity**		
	Share capital	**14.6**	14.6
	Share premium reserve	**0.0**	32.4
	Legal reserve	**0.0**	18.0
	Invested free equity reserve	**56.6**	5.8
	Retained earnings	**26.8**	7.2
	Net profit for the period	**68.7**	56.2
		166.7	134.2
	Liabilities		
7–9	Non-current liabilities	**87.6**	93.5
10–11	Current liabilities	**138.4**	242.0
		226.0	335.5
	Total	**392.7**	**469.6**

STATEMENT OF CHANGES IN FINANCIAL POSITION

EUR million	2009	2008
From operations		
Operating profit	**-2.9**	-5.0
Depreciation and value decrease	**+0.4**	+0.6
Gain on sale of fixed assets	**-0.0**	-0.0
Change in net working capital	**-3.6**	-12.8
Financial income and expenses	**-0.3**	-5.0
Income taxes	**+1.2**	-6.4
Total from operations	**-5.2**	**-28.7**
Capital expenditure		
Investments in shares in subsidiaries	**-7.7**	-53.1
Investments in other shares	**-0.0**	-0.0
Investments in fixed assets	**-0.2**	-0.1
Shares in subsidiaries, return of equity	**+25.8**	+0.0
Sales of other shares	**+0.0**	+0.4
Capital expenditure total	**+17.9**	-52.8
Cash flow before financing	**+12.7**	**-81.5**
Financing		
New loans	**+25.4**	+75.4
Repayments of loans	**-14.0**	-2.6
Change in current financing	**-104.0**	+133.1
Change in non-current investments	**-12.9**	-4.5
Dividends	**-37.9**	-38.0
Share subscription	**+0.4**	+1.2
Acquisition of own shares	**-1.9**	-5.9
Distribution of own shares	**+3.3**	+0.0
Dividends received	**+64.7**	+25.6
Group contribution	**+30.1**	+25.4
Financing total	**-46.9**	+209.7
Change in cash and cash equivalents	**-34.2**	**+128.2**
Cash and cash equivalents 1 January	**136.6**	8.4
Cash and cash equivalents 31 December	**102.4**	**136.6**
Investments	55.1	119.7
Cash on hand and at banks	47.3	16.9
Cash and cash equivalents 31 December	**102.4**	**136.6**

NOTES TO THE FINANCIAL STATEMENTS

Accounting principles

Pöyry PLC prepares its financial statements in accordance with the Finnish Accounting Standards (FAS). Pöyry PLC is the parent company in the Pöyry Group. The financial statements are presented in euros and are prepared under the historical cost convention except for derivative financial instruments that are measured at fair value.

When appropriate, the financial statements of Pöyry PLC comply with the Group's accounting principles based on IFRSs. Below are described those accounting principles in which the financial statements of Pöyry PLC differ from the accounting principles of the consolidated financial statements. The accounting principles for the consolidated financial statements are presented in the notes to the consolidated financial statements.

Net sales

Pöyry PLC's net sales consist of intra-group service fees whose total invoice value is deducted by the following adjustment items: indirect taxes relating to sales, discounts and exchange differences of trade receivables denominated in foreign currencies.

Share option plans and share-based incentive plans

The accounting treatment of Pöyry PLC's share option plans and share-based incentive plan are described in the Pöyry Group's accounting principles. Pöyry PLC prepares its financial statements in accordance with FAS and thus no expense from the share option plan is recognised in the Pöyry PLC's income statement or balance sheet. Pöyry's share-based incentive plan is a combination of shares and a cash payment. The granted amount of the incentive plan, settled in shares, is measured at cost for the shares. The cash-settled part of the plan is measured at fair value at the balance sheet date. The expenses arising from the incentive plan are recognized in the income statement as personnel expenses over the vesting period and in the balance sheet as an accrued liability until paid out.

Pension arrangements

The statutory pension arrangements are generally satisfied through contracts with external insurance companies. Voluntary pension plans are organised through pension insurances. Pension-related payments are recognised as pension expenses on accrual basis. No other pension liabilities or pension assets arising from pension arrangements are recognised in the balance sheet except for pension-related accruals.

Leases

The leases are mainly office facility agreements. The company has also some car and office equipment leases. Lease payments are expensed over the rental period and they are included in other operating expenses. Assets leased under finance leases and related liabilities are not recognised in the parent company's balance sheet.

Extraordinary items

The extraordinary items comprise of received and granted group contributions and gains or losses from mergers. The group contributions as well as merger gains and losses are eliminated in preparing the consolidated financial statements.

Income taxes

The income taxes in the income statement include taxes based on the taxable profit for the period, together with tax adjustments for previous periods. The parent company does not recognise deferred tax assets or deferred tax liabilities in its separate financial statements.

Intangible and tangible assets

The intangible and tangible assets are measured at their historical cost less accumulated depreciation and amortisation according to plan as well as any impairment losses. Capitalised long-term expenditure under intangible assets mainly includes software and computer systems.

A predetermined schedule has been used in depreciation and amortisation according to plan on depreciable and amortisable fixed assets. Depreciation and amortisation according to plan is calculated on a straight-line basis based on the useful lives of the assets. Capitalised long-term expenditure is amortised over three to five years. Machinery and equipment are depreciated over three to eight years.

Derivative financial instruments

Pöyry PLC has entered into interest swaps to hedge the non-current external loans and entered into forward contracts to hedge an US Dollar (USD) denominated purchase agreement.

	EUR million	**2009**	2008
1.	**Net sales**		
	Net sales	**11.5**	**11.5**
	The parent company's net sales are Group internal service fees		
2.	**Other operating income**		
	Rent income	5.3	5.1
	Gain on sales of fixed assets	0.0	0.0
		5.3	**5.2**
3.	**Personnel expenses**		
	Wages and salaries	5.7	8.1
	Pension expenses	0.8	0.8
	Other social expenses	0.3	0.3
		6.8	**9.2**
	Salaries and bonuses of the President and CEO and the Deputy to the President and CEO are presented on the page 41.		
4.	**Audit fees (EUR 1000)**		
	The audit fees are included in other operating expenses		
	Statutory auditing, group auditor	110	110
	Tax advisory, group auditor	82	67
	Other services, group auditor	99	99
5.	**Financial income and expenses**		
	Dividend income		
	From group companies	77.3	42.1
	From other	0.0	0.0
		77.3	42.1
	Interest income from non-current investments		
	From group companies	0.4	2.0
	From other	0.0	0.0
		0.4	2.0
	Other interest and financial income		
	From group companies	0.2	0.2
	From other	3.3	0.9
		3.5	1.1
	Interest expenses and other financial expenses		
	To group companies	-1.5	-5.2
	To other	-3.0	-2.6
		-4.5	-7.8
	Differences in exchange rates		
	Exchange rate gains	0.9	3.2
	Exchange rate losses	-1.1	-4.7
		-0.2	-1.5
	Value decrease on non-current investments	-9.8	-0.7
	Total	**66.7**	**35.3**
6.	**Extraordinary items**		
	Group contribution received	14.0	30.1
	Group contribution paid	-8.1	0.0
		5.9	**30.1**
7.	**Income taxes**		
	Taxes for the fiscal year	1.0	4.5
	Taxes for previous years	0.0	-0.3
		1.0	**4.2**

EUR million	2009	2008
1. Intangible assets		
Acquisition value 1 Jan.	1.7	1.7
Increase	0.1	0.0
Decrease	0.1	0.0
Acquisition value 31 Dec.	1.7	1.7
Accumulated depreciation 1 Jan.	1.1	0.8
Accumulated depreciation of decrease	0.1	0.0
Depreciation for the period	0.2	0.3
Accumulated depreciation 31 Dec.	1.2	1.1
Book value 31 Dec.	**0.5**	**0.6**
2. Tangible assets		
Machinery and equipment		
Acquisition value 1 Jan.	0.6	0.5
Increase	0.1	0.1
Decrease	0.1	0.0
Acquisition value 31 Dec.	0.6	0.6
Accumulated depreciation 1 Jan.	0.5	0.4
Accumulated depreciation of decrease	0.2	0.0
Depreciation for the period	0.1	0.1
Accumulated depreciation 31 Dec.	0.4	0.5
Book value 31 Dec.	0.2	0.1
Other tangible assets		
Acquisition value 1 Jan.	1.2	1.1
Increase	0.0	0.1
Decrease	0.1	0.0
Acquisition value 31 Dec.	1.1	1.2
Accumulated depreciation 1 Jan.	0.8	0.6
Accumulated depreciation of decrease	0.1	0.0
Depreciation for the period	0.1	0.2
Accumulated depreciation 31 Dec.	0.8	0.8
Book value 31 Dec.	0.3	0.4
Total tangible assets		
Acquisition value 1 Jan.	1.8	1.6
Increase	0.1	0.2
Decrease	0.2	0.0
Acquisition value 31 Dec.	1.7	1.8
Accumulated depreciation 1 Jan.	1.2	1.0
Accumulated depreciation of decrease	0.3	0.0
Depreciation for the period	0.2	0.2
Accumulated depreciation 31 Dec.	1.2	1.2
Book value 31 Dec.	**0.5**	**0.6**

EUR million	2009	2008
3. Non-current investments		
Shares in group companies 1 Jan.	246.6	174.3
Increase	2.9	72.4
Decrease	32.4	0.1
Shares in group companies 31 Dec.	217.1	246.6
Receivables from group companies 1 Jan.	48.4	41.9
Increase	17.6	10.6
Decrease	13.3	4.1
Receivables from group companies 31 Dec.	52.7	48.4
Shares in associated companies		
Acquisition value 1 Jan.	0.1	0.2
Decrease	0.0	0.1
Shares in associated companies 31 Dec.	0.1	0.1
Other shares 1 Jan.	0.2	0.5
Decrease	0.0	0.3
Other shares 31 Dec.	0.2	0.2
Total non-current investments 1 Jan.	295.2	217.0
Increase	20.6	83.1
Decrease	45.7	4.8
Total non-current investments 31 Dec.	**270.1**	**295.2**
4. Current receivables		
Accounts receivable	0.3	1.1
Loans receivable	1.7	1.7
Other receivables	15.4	30.4
Prepaid expenses and accrued income	0.9	1.3
Total from group companies	18.3	34.5
Other receivables	0.2	0.0
Prepaid expenses and accrued income	0.7	2.0
	19.2	**36.6**
5. Prepaid expenses and accrued income		
Interest income	1.4	1.7
Taxes	0.0	1.5
Other	0.2	0.1
	1.6	**3.3**

EUR million		2009	2008
6.	**Shareholders' equity**		
	Share capital 1 Jan. / 31 Dec.	14.6	14.6
	Share premium reserve 1 Jan.	32.4	32.4
	Transferred to invested free equity reserve	32.4	0.0
	Share premium reserve 31 Dec.	0.0	32.4
	Legal reserve 1 Jan.	18.0	18.0
	Transferred to invested free equity reserve	18.0	0.0
	Legal reserve 31 Dec.	0.0	18.0
	Invested free equity reserve 1 Jan.	5.8	4.6
	Transferred from share premium reserve and legal reserve	50.4	0.0
	Shares subscribed with stock options	0.4	1.2
	Invested free equity reserve 31 Dec.	56.6	5.8
	Retained earnings 1 Jan.	63.4	51.1
	Payment of dividend	-37.9	-38.0
	Acquisition of own shares	-1.9	-5.9
	Distribution of own shares	3.3	0.0
	Net profit for the period	68.7	56.2
	Retained earnings 31 Dec.	95.6	63.4
	Total shareholders' equity 31 Dec.	**166.7**	**134.2**
7.	**Non-current liabilities**		
	Loans from credit institutions	41.6	21.5
	Pension loans	23.6	31.5
	Loans from group companies	22.4	37.8
	Other	0.0	2.7
		87.6	**93.5**
8.	**Loans with due date after five years or later**		
	Loans from group companies	22.4	37.8
9.	**Loans according to maturity**		
	Year 2009		229.5
	Year 2010	124.5	7.9
	Year 2011	7.9	7.9
	Year 2012	38.7	18.6
	Year 2013	18.6	18.6
	Later	22.4	37.8
		212.1	**320.3**
10.	**Current liabilities**		
	Loans from credit institutions	0.0	0.9
	Pension loans	7.9	7.9
	Accounts payable	0.1	0.2
	Loans	116.7	220.8
	Accounts payable	0.2	0.3
	Other current liabilities	8.1	0.4
	Accrued expenses and deferred income	0.3	0.3
	Total to group companies	125.3	221.8
	Other current liabilities	0.6	4.2
	Accrued expenses and deferred income	4.5	7.0
		138.4	**242.0**

EUR million		2009	2008
11.	**Accrued expenses and deferred income**		
	Salaries and vacation accruals	1.9	4.6
	Social expenses	0.3	0.5
	Interest expenses	1.0	1.4
	Taxes	0.7	0.0
	Other	0.9	0.8
		4.8	**7.3**
1.	**Contingent liabilities**		
	Other obligations		
	Rent and leasing obligations	**55.8**	**59.3**
	For group companies		
	Other obligations	**89.1**	**99.6**
2.	**Other lease agreements**		
	Lease payments for non-cancellable other lease agreements, mostly office rents		
	Year 2009		3.7
	Year 2010	3.8	3.8
	Year 2011-2013	11.6	11.4
	Later	40.4	40.4
		55.8	**59.3**
3.	**Derivative instruments**		
	Foreign exchange forward contracts, nominal values	0.6	1.2
	Foreign exchange forward contracts, fair values	0.0	0.1
	Interest rate swaps, nominal values	41.6	22.5
	of which basis swaps	30.8	10.8
	Interest rate swaps, fair values	-0.7	-0.7

Pöyry PLC has made interest rate swaps for CHF 16.0 (16.0) million external, non-current, floating interest rate-bearing loans.

The fair values of foreign exchange forward contracts and currency options are defined based on the market prices of the balance sheet date for deals with the same duration. The fair value of the interest rate swaps are based on discounted cash flows and the net present value -method and supported by the market interests of the balance sheet date and other market information. Fair values correspond to the prices the Group should pay or would receive, if it called off the derivative deal. Fair values are based on the values confirmed by the banks.

Proposal of the Board of Directors

The parent company's earnings distributable as dividend are	
Retained earnings	EUR 26 808 970.11
Net profit for the period	EUR 68 740 331.90
	EUR 95 549 302.01

The Board of Directors proposes that a dividend of EUR 0.10 per share be paid on
the outstanding shares on the record date 16 March 2010. The dividend is payable on 23 March 2010

On the proposal date the amount of the outstanding shares was 58 589 537	
Accordingly EUR 0.10 per share would be	EUR 5 858 953.70
The remainder will be transferred to retained earnings, thus	EUR 89 690 348.31
	EUR 95 549 302.01

Vantaa, Finland, 1 February 2010
Pöyry PLC
Board of Directors

Henrik Ehrnrooth

Heikki Lehtonen

Pekka Ala-Pietilä

Alexis Fries

Michael Obermayer

Harri Piehl

Karen de Segundo

Heikki Malinen
President and CEO

Auditor's report

TRANSLATION

To the Annual General Meeting of Pöyry PLC

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Pöyry PLC for the financial period 1 January - 31 December 2009. The financial statements comprise the consolidated statement of financial position, 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, statement of income, statement of changes in financial position 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 of 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.

Helsinki, 1 February 2010
KPMG OY AB

SIXTEN NYMAN
Authorized Public Accountant

Consistent and adequate information for investors at all times

Corporate governance statement
Risk management
Group Executive Committee
Investor information

Corporate Governance Statement

This Corporate Governance Statement has been prepared pursuant to the Finnish Corporate Governance Code 2008 and the guideline of the Securities Market Association dated 2 November 2009. The Corporate Governance Statement is issued separately from the report of the Board of Directors of Pöyry PLC for the financial period 1 January – 31 December 2009. The report of the Board of Directors is available at www.poyry.com.

Corporate governance at Pöyry is based on the laws of Finland, the Articles of Association ("Articles") of the parent company Pöyry PLC ("Company" or "Pöyry"), the Finnish Corporate Governance Code, and the rules and regulations of the Finnish Fi-nancial Supervisory Authority and NASDAQ OMX Helsinki Ltd, where the Company is listed.

The Company complies with the Finnish Corporate Governance Code with the exception of recommendation 22 according to which the Board of Directors shall appoint from among the Board members the members of the Committees. The Board of Directors has appointed an external member to the Nomination and Compensation Committee as a representative of the Company's main shareholder.

The Corporate Governance Code is publicly available on the website of the Securities Market Association www.cgfinland.fi.

The Company prepares consolidated financial statements and interim reports in accordance with the International Financial Reporting Standards (IFRS), as approved by the Accounting Regulatory Committee of the EU, and the applicable laws, regulations and rules.

1 ORGANISATION AND DESCRIPTION OF THE COMPOSITION AND OPERATIONS OF THE BOARD AND BOARD COMMITTEES

The responsibility for the control and management of the Company is divided between the shareholders represented at the General Meeting of Shareholders, the Board of Directors ("Board") with its two Committees, and the President and CEO assisted by the Group Executive Committee.

1.1 General Meetings of Shareholders

The shareholders of Pöyry exercise their decision-making power at the Company's General Meeting of Shareholders. The Annual General Meeting is held every year before the end of June, usually in March. The rights of the shareholders and the duties of the Annual General Meeting are defined in the law and in the Articles of Association of the Company.

An Extraordinary General Meeting may be convened by the Board when they consider it necessary or when required by law.

1.2 Board of Directors

Composition of the Board

The Board consists of a minimum of four (4) and a maximum of ten (10) Directors. In its Charter, the Board has established a general guideline that the Board comprise at least five (5) Directors of whom the majority shall be independent. The Annual General Meeting decides on the number of Directors and elects the Directors for a term of one (1) year lasting until the close of the following Annual General Meeting. The Board appoints from among its members a Chairman and a Vice Chairman.

In the Annual General Meeting of 2009 the following persons were elected as Directors:

Henrik Ehrnrooth (Chairman of the Board)

- Born 1954, Finnish citizen, M.Sc. (Forest Econ.), B.Sc. (Econ.). Not independent of significant shareholder
- Pöyry PLC, Chairman of the Board of Directors 2003-, Vice Chairman of the Board of Directors 1997-2002; Jaakko Pöyry Group, CEO 1995-1997; Jaakko Pöyry Oy, partner and co-owner 1985-1997 and President and CEO 1986-1995; Otava Books and Magazines Group Ltd., Member of the Board of Directors 1988-; YIT Corporation, Chairman of the Board of Directors 2009-
- Member of the Pöyry Board since 1997
- Pöyry PLC shares: Henrik Ehrnrooth, together with his brothers Georg Ehrnrooth and Carl-Gustaf Ehrnrooth, indirectly holds a controlling interest in Corbis S.A. See page 62.

Heikki Lehtonen (Vice Chairman of the Board)

- Born 1959, Finnish citizen, M.Sc. (Eng.). Independent member
- Componenta Corporation, President and CEO 1993-; Finnish Business and Policy Forum EVA, Member of the Supervisory Board 2005-; Otava Books and Magazines Group Ltd., Member of the Board of Directors 1991-
- Member of the Pöyry Board since 1997
- Pöyry PLC shares: 33 200 (33 200)

Pekka Ala-Pietilä

- Born 1957, Finnish citizen, M.Sc. (Econ.), D.Tech. h.c., D.Sc. h.c. Independent member
- Blyk Ltd, Co-founder and CEO 2006-; Nokia Corporation, President 1999-2005, Member of the Group Executive Board 1992-2005; SAP AG, Member of the Supervisory Board 2002-
- Member of the Pöyry Board since 2006
- Pöyry PLC shares: 40 000 (40 000)

Alexis Fries

- Born 1955, Swiss citizen, diploma in Physics. Independent member
- Management Consultant 2003 -; Alstom Group Paris, Member of the Group Executive Committee and President Power Division 2001-2003; ABB Alstom Power Brussels, Member of the Group Central Executive Management 1999–2001; Saurer AG, Member of the Board of Directors 2002–2007
- Member of the Pöyry Board since 2008
- Pöyry PLC shares: 0 (0)

Michael Obermayer

- Born 1948, German and Swedish citizen, Civ Ing (M.Sc.), Dr. rer. nat. (D.Sc.) Bio-chemistry, MBA. Independent member
- McKinsey & Company, Inc, McKinsey Global Learning Institute, Dean 2000-2004, McKinsey Eastern Europe, Chairman 1991-2000, World Economic Forum, Managing Director and Dean, Global Leadership Fellows Programme 2005-2007; INSEAD, Adjunct professor, part time 2006-; Troika Capital Partners/Russia New Growth Fund, Executive Chairman 2005-; Fjord Clean Energy Fund LP, Fjord Capital Partners Ltd, General Partner 2007-
- Member of the Pöyry Board since 2009
- Pöyry PLC shares: 0 (0)

Harri Piehl

- Born 1940, Finnish citizen, M.Sc. (Eng.). Independent member
- JP Operations Management Ltd Oy, Chairman of the Board of Directors 2000-2005; Kymmene Corporation, CEO and Member of the Board of Directors 1991-1996
- Member of the Pöyry Board since 2002
- Pöyry PLC shares: 18 000 (18 000)

Karen de Segundo

- Born 1946, Dutch citizen, Master in Law, MBA. Independent member
- British American Tobacco Plc., Member of the Board of Directors 2007-; E.on AG, Member of the Supervisory Board 2008-; Lonmin Plc., Member of the Board of Directors 2005-; Royal Ahold NV, Member of the Super-

visory Board 2004-; Shell International Gas & Power, CEO (Shell Global Gas & Power) and Chairman (Shell Coal) 1998-2000; Shell International Renewables, CEO 2000-2005
- Member of the Pöyry Board since 2005
- Pöyry PLC shares: 4 000 (4 000)

More detailed curricula vitae of the Members of the Board are available on the company's website www.poyry.com.

Shareholdings are stated as at 31 December 2009 and in brackets as at 31 December 2008. The figures include direct holdings, holdings of corporations or foundations in which the shareholder has a controlling interest, and holdings of the shareholder's spouse and other family members.

Operations of the Board

The duties of the Board are those specified in the Companies Act, according to which the Board is responsible for overseeing that the management and operations, and the supervision of accounting and financial matters of the Company are appropriately organised. The Articles of the Company do not define other duties for the Board. The Board has authority to act in all matters not reserved by law or the Articles to another governing body.

The Board meets as often as necessary to properly fulfil its duties. The Board agrees well in advance on its annual meeting schedule and additional meetings are arranged when necessary. In 2009, the Board of Directors convened twelve (12) times. The average participation of Directors in the meetings was ninety-two (92) per cent. The Board evaluates its performance and working methods annually.

The Board has adopted for itself a Charter. According to the Charter, apart from the statutory duties the main tasks of Board are:
- Approval of the strategic goals and direction
- Approval of strategically important or major acquisitions
- Business control including, among others, approvals of control policies, and business matters in accordance with the Company's Authorities and Approval Matrix
- Approval of the business organisation structure
- Appointment of the President and CEO
- Approval of the appointments of the Group Executive Committee and other top management
- Financial control including, among others, approval of interim reports and annual accounts and group level budgets;
- Approval of principles of risk management and internal control;
- Appointment of the Chief Audit Executive and the Internal Audit Charter;
- Appointments to the Board Committees and review of the reports of Board Committee.

1.3 Board Committees

Audit Committee

The Audit Committee comprises at least three (3) members. The members of the Audit Committee must be independent Directors. The committee members and committee Chairman are appointed in the first Board meeting held after the Annual General Meeting for a term of one (1) year.

The members elected to the Audit Committee on 10 March 2009 are Heikki Lehtonen, Chairman, Harri Piehl and Alexis Fries, who all are independent of the Company and its major shareholders. The Audit Committee convened seven (7) times in 2009. The participation of members of the Committee in the meetings was one hundred (100) percent.

The Board has approved a Charter for the committee. According to its Charter, the Audit Committee shall assist the Board in its responsibilities concerning
- monitoring and supervising the financial reporting process
- monitoring the efficiency of the Company's internal control, internal audit and risk management systems;
- reviewing the description of the main features of the internal control and risk management systems pertaining to the financial reporting process, which will be in-cluded in the Company's corporate governance statement;
- monitoring the statutory audit of the financial statements and consolidated financial statements;
- reviewing the internal audit charter before submission to the Board for approval and reviewing internal audit plans and reports;
- evaluating the independence and performance of the statutory auditor or audit firm, particularly the provision of related services to the Company;
- contacts with the auditor and revision of the reports that the auditor prepares for the Audit Committee; and
- preparing the proposal for the resolution on the election of the auditor.

Nomination and Compensation Committee

The Nomination and Compensation Committee comprise at least three (3) members. Deviating from recommendation 22 of the Finnish Corporate Governance Code, the Committee may have additionally one (1) member from outside of the Board to repre-sent the main shareholder of the Company. The committee members and committee Chairman are appointed in the first Board meeting held after the Annual General Meeting for a term of one (1) year.

Heikki Lehtonen, Chairman, Pekka Ala-Pietilä, Henrik Ehrnrooth and Karen de Segundo, and Georg Ehrnrooth as the external member were elected to the Nomination and Compensation Committee on 10 March 2009. The external member, Georg Ehrnrooth, was elected member of the Committee as a representative of the Company's main shareholder Corbis S.A. The Nomination and Compensation Committee convened seven (7) times in 2009. The average participation of members of the Commit-tee in the meetings was eighty-nine (89) percent.

The Board has approved a Charter for the committee. According to its Charter, the Nomination and Compensation Committee's duties are to review on an annual basis the composition and the performance of the Board, and to identify and review nominees for Directors in accordance with the Company's Guiding Principles for nomination of Directors of the Company. The Committee makes the proposal for the election of the Directors and their compensation to the Annual General Meeting of shareholders.

In addition, the Committee evaluates and makes recommendations to the Board in regard to
- matters relating to the appointment, compensation and other terms of the agreement of the President and CEO of the Company and identification of successors;
- basic principles about the compensation of the Company's Group Executive Committee members;
- group level variable pay schemes, both short term and long term performance based incentive schemes;
- the executive talent pool succession planning, development and reviews of other relevant factors

The committees prepare minutes of their meeting and report to the Board.

1.4 President and CEO

The President and CEO is appointed by the Board.

In accordance with the Companies Act, the President and CEO is in charge of the day-to-day management of the Group in accordance with the guidelines and instructions of the Board. The statutory duties of the President and CEO include ensuring that the Company's accounting methods comply with law and other regulations, and that the financial matters are handled in a reliable manner. The President and CEO is also in charge of the preparation of matters to be presented to the Board.

Heikki Malinen (born 1962, Finnish citizen, M.Sc. (Econ.) and MBA) has acted as President and CEO of Pöyry since 1 June 2008.

Teuvo Salminen (born 1954, Finnish citizen, M.Sc. (Econ.) has acted as the Deputy to the President and CEO since 1 January 1999 until 31 December 2009.

1.5 Group Executive Committee

The Group Executive Committee ("GEC") currently consists of nine (9) members including the President and CEO, who acts as the Chairman of the GEC. The members of the GEC report to the President and CEO. The GEC meets regularly once a month. In addition, the GEC has additional meetings dealing with strategic planning.

The GEC's main responsibility is to assist the President and CEO in the operative management of the Group. The tasks of the GEC include, among other things, the Group's strategic planning and review and control of financial matters, major operative decisions, investments and divestments, risk management and development of internal co-operation within the Group.

The GEC is assisted in its work by the GEC's sub-committees.

1.6 Internal Audit

Pöyry has established an independent Internal Audit function in 2009. The Internal Audit function is headed by the Chief Audit Executive (CAE), who reports to the President and CEO of Pöyry and to the Audit Committee.

The mission of the Internal Audit function is to provide independent, objective assurance regarding the adequacy and effectiveness of Pöyry's controls framework. It helps Pöyry to accomplish its objectives by bringing a systematic, risk based and disciplined approach to assessment of processes, controls and compliance, and hence supporting continuous improvement of Pöyry's operations. The Internal Audit has developed its procedures to meet the Standards for the Professional Practise of Internal Auditing of the Institute of Internal Auditors.

1.7 External Audit

According to the Articles, the Company has one (1) auditor, which shall be an authorised public accounting firm. The Audit Committee prepares proposals to the shareholders concerning the appointment and dissolution of an auditor. The Annual General Meeting appoints the auditor until further notice and resolves on the auditor's fee. The present auditor of the company is the authorised public accounting firm KPMG Oy Ab.

2 INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN RELATION TO THE FINANCIAL REPORTING PROCESS

2.1 Internal control and risk management framework

Pöyry's internal control and risk management framework is based on policies issued by the Board, the Pöyry Operating Guidelines, which are mandatory and applicable to the whole group. Pöyry has defined its objectives for internal control based on the international COSO framework. The key elements of internal control are the policies and procedures with an objective to ensure:

– Effectiveness, efficiency and transparency of operations on all levels
– Reliability of financial reporting
– Compliance with applicable laws and regulations and the Pöyry Operating Guidelines
– Ethical business conduct

The Pöyry Code of Conduct defines the manner in which Pöyry is represented in business context and imposes high ethical standards. Transparency and integrity are expected at all management levels and from every person working for Pöyry, which is also reflected in all aspects of financial reporting.

Internal controls framework covers all the processes, policies, guidelines, procedures, instructions and organisational structures of Pöyry that assist the management and ultimately the Board of Directors in ensuring that Pöyry achieves the above mentioned objectives. Internal control is not a separate process or set of activities but is embedded in the operations of Pöyry.

Risk management is an integral part of Pöyry's business management and internal controls framework. The aim of risk management is to enable the achievement of the Company's strategic and financial objectives and targets in a controlled manner.

Read more about Pöyry's risk management and typical risks in on page 74.

2.2 Control environment

The internal controls covering the financial reporting processes are an integrated part of Pöyry's internal control system.

It is the duty of the President and CEO, delegated to the CFO, to ensure that the Company's accounting methods comply with the law and other regulations, and that the financial matters are handled reliably. The CFO is responsible for appropriately organising the Finance function, and for notifying relevant levels of management of any material deviations from plans, for analysing the underlying reasons, and for suggesting corrective actions. The Audit Committee monitors the financial reporting process and the effectiveness of the controls therein. Furthermore, the Board of Directors regularly assesses the adequacy and effectiveness of Pöyry's internal controls and risk management.

Project management and project accounting are among Pöyry's most important key processes, also from financial reporting point of view. Several controls are implemented to focus on these critical areas. The project managers have the generic management responsibility for Pöyry's projects, including compliance with Pöyry policies and procedures, in order to ensure accurate and reliable input into financial accounting and financial information.

The controller function has a key role in Pöyry's internal control system in developing, maintaining and communicating mandatory policies and procedures and ensuring compliance with them. Transaction processing is increasingly centralised in dedicated internal shared Financial Service Centres, which strengthens the harmonisation of applied processes and procedures whilst also enhancing compliance. These centres have been established in countries where Pöyry has major operations.

2.3 Risk assessment

Risks related to financial reporting are identified and assessed as part of the group-wide Enterprise Risk Management (ERM) process. Periodic Group and Business Group level self-assessments as well as Internal and External Audits are undertaken to assess risks and to verify the adequacy and effectiveness of the controls framework around financial reporting.

Project risks are assessed both before submitting proposals and regularly during the implementation of projects, based on a mandatory risk review process using a standardised risk management tool for all major projects. The outcome of the project risk assessment may have an immediate impact on the financial reporting. Project managers are supported by dedicated finance resources in order to ensure the accuracy and compliance of the input for financial reporting.

Read more about Pöyry's risk management and typical risks on page 74.

2.4 Control activities

Pöyry's financial management and accounting processes include policies, procedures and controls that are necessary to ensure the reliability of financial reporting. Pöyry companies carry out financial reporting in a harmonised way across all Group companies, based on mandatory policies and procedures, using a common chart of accounts and harmonised set of project management and accounting systems.

All financial systems and processes are centralised and owned by the CFO to minimise risk of local deviations. All majority-owned subsidiaries use Pöyry's common systems for project accounting, financial accounting and monthly reporting. All major interfaces are standardised and reasonably automated between different systems in the financial reporting process.

The international financial reporting standards (IFRS) are applied in Pöyry Group. The maintenance and interpretation of accounting standards is centralised to the Group Finance function. Monthly closing, data transfers, reconciliation and control procedures are defined in detail for the financial reporting process.

The Board has issued Pöyry's Authorities and Approval Matrix to ensure that decision making involving far-reaching effects and significant risks is made at the appropriate organisational levels.

2.5 Information and communication

All applicable financial standards, policies, tools and systems as well as best practices are available in the Pöyry Group Intranet in order that all necessary information is generally available to ensure consistent, compliant and reliable financial reporting. Group Finance is responsible for the development and maintenance of the information.

Pöyry Finance management teams have regular meetings in order to continuously improve finance related processes, procedures, systems and controls. In order to keep the controller organisation's skills and competences at an appropriate level, the Group Finance arranges regular controller training events. Also the Finance management regularly visit business units and perform systematic reviews, which further enhance the communication and knowledge transfer within Finance. In certain larger operating countries, an appointed country controller has the responsibility to coach and develop the respective business unit controllers.

2.6 Monitoring

The CFO is responsible for maintaining and developing the company's performance management processes so that the management at different levels of the organisation is able to receive timely, reliable and adequate information regarding the achievement of the organisation's objectives, and also for developing the financial reporting processes and respective controls.

The actual performance against business plans, budgets and performance indicators is followed up through the monthly reporting process. In connection with the monthly reporting, updated and analysed full year estimates are mandatory every quarter, but also more frequently if material changes are foreseen.

Monthly performance reviews are held within two days from reporting deadline where Business Group President and Vice President Finance comment to the President and CEO and CFO on essential deviations or changes in actuals or full year estimates as well as on all essential events, concerns, risks and opportunities. Standard minimum agendas are mandatory for monthly meetings at all management levels covering all topics relevant for financial and operational monitoring.

Internal and external audits are performed based on annually approved, risk based audit plans, and audit findings are reported both to management levels and to the Audit Committee.

The Board of Directors receive monthly financial information on the Pöyry Group and business group level and approve all externally communicated financial reports. The Audit Committee follows annually the development of the Finance organisation, as securing adequate and professional finance and controlling resources is paramount.

Group and business group management and controllers supervise and monitor the reporting from the business groups and business units on a continuous basis.

Risk management

Risk management is an integral part of Pöyry's business management and internal controls framework. The aim of risk management is to enable the achievement of strategic and financial objectives and targets in a controlled manner.

1. RISK MANAGEMENT FRAMEWORK

1.1Policy and instructions

The Board has issued a Risk Management Policy for the Group, which defines the objectives, principles, operating procedures, organisation and responsibilities of risk management and the reporting and follow-up procedures. Based on the Policy, more detailed Risk Management Instructions have been issued for the day-to-day business. These instructions mainly concern projects, the core business of Pöyry.

1.2 Organisation

The President and CEO of the Company organises risk management of the Group with the assistance of the Group Executive Committee (GEC) and a specific member of the GEC in charge of risk management. The GEC issues risk management instructions and guidelines based on the Group's Risk Management Policy, follows monthly the major risks of the business groups, and oversees the development of risk management systems and practices of the Group. The GEC's Risk & Compliance Subcommittee reviews all major projects, which are subject to GEC or Board approval. The GEC conducts the Group level ERM process (see section "Process" below) and consolidates the Group and business group level results for a report to the Audit Committee and Board.

The primary responsibility for managing risks rests with the business groups, where risks also primarily accrue. The Business Group Presidents organise risk management in their business group following the Group's risk management guidelines. The Business Group's President reports the major risks and overall risk status of the business group to the GEC as part of the monthly business reporting. In addition, a separate follow-up report is prepared on the most significant risks.

The Audit Committee monitors the efficiency of the Group's risk management systems. In addition, the Audit Committee reviews regularly in its meetings the major risks of the Group as well as the ERM reports, and report on these to the Board.

The Board oversees risk management and reviews the risk management processes of the Group with the assistance of the Audit Committee, and approves the risk management principles of the Company. The ERM reports and most relevant Group level risks are reported regularly to the Board.

1.3 Process

Pöyry's risk management consists of a co-ordinated set of activities to identify, evaluate, treat and control all major risk areas of the Group in a systematic and proactive manner. Risks are addressed in accordance with the following main risk categories.

- External risks
- Internal risks
  - Strategic risks
  - Operational risks
  - Financial risks

A uniform group-wide ERM (Enterprise Risk Management) process is conducted annually in connection with the strategy process. In this process, each business group makes the short-term and long-term risk assessment independently. An overall Group level risk review and assessment is made by the Group Executive Committee. The business groups are responsible for treating their risks by taking appropriate actions. These actions typically include mitigating, transferring or absorbing risks, or a combination of these actions. The development of the actions is followed regularly in the organisation.

The risk management of projects and assignments is an integral part of Pöyry's day-to-day risk management. This is described below under Projects and Assignments.

2. DESCRIPTION OF RISKS

Typical risks related to Pöyry's business operations are described in the following. The description may not be comprehensive and the Company's operations may be subject also to other risks. The most significant risks and uncertainties identified during the financial year are described in the Board of Director's Report.

2.1 External risks

2.1.1 Markets

A cyclical downturn can have a negative effect on investments and hence also on Pöyry's business and revenues. The Group aims to reduce its vulnerability to market risks and business cycles by a balanced portfolio of assignments by clients in different industries and different parts of the public sector, market and geographical areas as well as through sub-contracting and other flexible employment arrangements. In economic downturns Pöyry's order stock, the activity level of employees and professional charging rates may decline, which would have a negative impact on Pöyry's revenues and financial position.

The global financial crises and economic downturn, which began at the end of 2008 have had a negative impact on certain business sectors of Pöyry as has been reported by the Company. This issue is covered in more detail in the Board of Directors' Report for 2009.

2.1.2 Competition

The consulting and engineering business is characterised by keen global competition. The economic downturn has led to overcapacity and, as a result, to intensified competition in certain sectors and markets.

With its new vision launched in the end of 2009, Pöyry aims at differentiating itself from its competitors by becoming "the global thought leader in engineering balanced sustainability for a complex world". Pöyry provides its clients with a full range of leading-edge sustainable solutions and services which best fulfil the clients' needs. In order to further differentiate and reduce exposure to low cost competition, Pöyry will increasingly develop and offer packaged solutions, whilst also maintaining a diverse portfolio of services and products.

2.2 Internal risks

2.2.1 Strategic risks

Business development

A significant part of Pöyry's growth is expected to be derived from acquisitions. A risk in implementing this strategy is the lack of good, reasonably priced acquisition targets which fit into Pöyry's vision and strategy. An additional risk related to acquisitions is the potential failure in managing the acquisition process. The Group has an Acquisition Policy, which defines the acquisition process with areas of responsibility and authorities. The GEC's Mergers & Acquisitions Subcommittee reviews all acquisitions. Special attention is paid to post-acquisition business and integration plans and their implementation.

In addition to acquisitions, organic growth is an important part of Pöyry's growth strategy. The key risk in achieving this strategic goal is the potential lack of the skilful resources required.

Risks with the one-brand strategy

In 2006 the Group adopted a one-brand strategy. The risks related to Pöyry's reputation and international recognition arising from the one-brand strategy are addressed by brand management guidelines. Furthermore, compliance with the Pöyry Operating Guidelines throughout the Group is an important mitigant to this risk.

2.2.2 Operational risks

Compliance with norms, procedures and instructions

The Group has mandatory Pöyry Operating Guidelines, approved by the Board, covering its main functions, and more detailed instructions prepared on the basis of these guidelines to mitigate the compliance risk. The Code of Conduct defines the requirements for ethical conduct and compliance with the applicable norms and regulations. The Authorities and Approval Matrix defines authority levels and approval requirements together with checking responsibilities for several control functions as a means to ensure that procedures are followed. In addition, the internal control framework is tailored to address the mitigation of compliance risks.

Projects and assignments

About twentyfive (25) per cent of Pöyry's business consists of consulting assignments such as management consulting, technical consulting and other similar advisory services. According to common practice in the consulting business, Pöyry aims to restrict inherent liability risks by using standard contract terms and insurances, and these assignments typically do not involve significant liability risks. Advisory services occasionally involve a risk related to receivables. Front-loaded and regular payment schedules are used to minimise such risks.

About seventyfour (74) per cent of Pöyry's business is derived from project services such as basic and detail engineering, procurement assistance, project and construction supervision, and project management and other site services. The projects are carried out on a fixed-price, ceiling-fee or time-charge basis. Fixed-price and ceiling-fee projects contain the risk of involving more professional work or time than estimated as a result of inaccurate time and cost estimates, performance delays, disputes about compensation for additional or changed services, inexperienced staff or other unexpected circumstances. Quality management systems and project review processes are in use throughout the Group to avoid and mitigate such risks. Regular project reviews are conducted in major projects and projects which include risks. The work in progress, changed and additional work and receivables are assessed and recorded in the project accounting and risk management system. The project manager plays key role in project risk management. The project manager is responsible for managing and controlling the project from bid preparation to final acceptance. Training is provided to project managers in all essential spheres of their activities. Supervision mechanisms are in place both for large and risky projects. Support functions, such as Legal and Finance have dedicated resources supporting project managers.

A small part of Pöyry's business is derived from engineering, procurement and construction (EPC) projects and operation and maintenance (O&M) service projects. EPC projects typically contain the project management, engineering, procurement, construction, erection, commissioning, start-up and testing of the plant. O&M projects consist of the running of the plants for the client including maintenance work.

According to the new Vision 2020, large projects, including EPC and O&M projects, are a new focus area of Pöyry. Separate risk management policies and instructions have been issued for EPC and O&M projects with detailed instructions regarding risk evaluation and control mechanisms and regular project audits at site. Specialist resources are trained and recruited to strengthen existing competences.

In majority of Pöyry's assignments the client is from the private sector. It is characteristic of these service contracts that liabilities cannot always be limited according to the Group's policies. As a rule, public-sector assignments are awarded according to public procurement, which involves the risk of tough price competition. In addition, public-sector decision-making involves the risk that the decision concerning the use of public funds for a specific project may be changed, delayed or cancelled, when political decision-makers are replaced. Due to the particular risks relating to public sector projects, separate project and risk management guidelines and procedures have been defined for the business units which are engaged in this business.

Partners

A fair amount of projects is conducted in co-operation with subcontractors, in consortiums or with other co-operation partners. Partner risks relating to the performance, compliance or financial standing of the partner can involve risk for Pöyry. Performance related liability risks are transferred with contractual back-to-back arrangements to each respective co-operation partner to the extent possible. In addition, the Group's risk management instructions require checking of the co-operation partners' financial status and professional quality standards as well as their confirmation concerning their compliance with ethical norms and regulations.

Liability

Professional services provided to clients involve liability risks. These risks may relate to a failure to deliver services in accordance with agreed professional standards, to calculation and similar errors and to performance delays. To mitigate such risks, special emphasis has been placed on the quality management and control systems in projects, and on limitation of professional liability in contracts. The Group provides regular training for project management including proposal and contract management to maximise consistency and efficiency. In order to cover professional and general liability risks, the Group has a global liability insurance programme. The risk with liability insurances is the availability and pricing of such cover. Furthermore, certain professional risks are not covered under liability insurances.

Human resources

Pöyry's business success depends on its professional staff. The availability of qualified professionals in various locations around the world is an important factor for the growth and profitability of the business. Pöyry's image as an employer is good and the Group aims at maintaining this image by being a trendsetter in its own field of business. Group-wide HR processes are being developed continuously and increasing emphasis on employee value proposition is included in the newly published Vision.

Information technology

Efficiency of Pöyry's operations is largely dependent on the use of information and communication technology systems. Malfunctioning or limited access to the systems can negatively affect the operations of the Group. Measures limiting the effects of external influences on the systems include backup copies of data firewalls, virus scanners and access security.

2.2.3 Financial risks

The financial risks are described in the Notes to the Financial Statements, section Other.

Group Executive committee

President and CEO
Acting President of the Forest Industry Business Group (24 April – 18 October 2009)
Heikki Malinen, born 1962, M.Sc. (Econ.), MBA
Member of Pöyry's Group Executive Committee since 2008.
Pöyry PLC shares: 18 033 (6 250)
Stock options 2004: 0 (0)

Deputy to President and CEO
(until 31 December 2009)
Teuvo Salminen, born 1954, M.Sc. (Econ.)
CapMan Plc, Member of the Board of Directors 2001-, Vice Chairman of the Board of Directors 2005-; YIT Corporation, Member of the Board of Directors 2001-2009; Holiday Club Resorts Oy, Chairman of the Board of Directors 2008-
Member of Pöyry's Group Executive Committee since 1997 until 31 December 2009
Pöyry PLC shares: 26 853 (16 000)
Stock options 2004: 45 025 (45 025)

Executive Vice President, Energy Business Group
Richard Pinnock, born 1962, B.Sc. (Eng.), B.Comm. (Hons)
Member of Pöyry's Group Executive Committee since 2003
Pöyry PLC shares: 5 427 (0)
Stock options 2004: 30 000 (30 000)

Executive Vice President, Forest Industry Business Group (as of 19 October 2009)
Martin Kuzaj, born 1957, Ph.D. (Chemistry)
Member of Pöyry's Group Executive Committee since 2009
Pöyry PLC shares: 10 000 (0)
Stock options 2004: 0 (0)

Executive Vice President, Transportation Business Group
Andy Goodwin, born 1962, B.Sc. (Eng.), B.Comm. (Hons)
Member of Pöyry's Group Executive Committee since 2009
Pöyry PLC shares: 1 809 (0)
Stock options 2004: 0 (0)

Executive Vice President, Water & Environment Business Group (until 12 January 2010)
Bernd Kordes, born 1954, Ph.D. (Civil Eng.)
Member of Pöyry's Group Executive Committee since 2009 until 12 January 2010
Pöyry PLC shares: 2 609 (0)
Stock options 2004: 4 000 (0)

Executive Vice President, Construction Services Business Group
Ari Asikainen, born 1957, M.Sc.(Tech.)
Member of Pöyry's Group Executive Committee since 2009
Pöyry PLC shares: 2 509 (1 700)
Stock options 2004: 6 702 (0)

Executive Vice President, Human Resources
Camilla Grönholm, born 1964, M.Sc. (Econ.)
Member of Pöyry's Group Executive Committee since 2006
Pöyry PLC shares: 3 618 (0)
Stock options 2004: 10 500 (12 679)

Executive Vice President, Chief Financial Officer (as of 2 March 2009)
Esa Ikäheimonen, born 1963, LL.M.
Member of Pöyry's Group Executive Committee since 2009
Pöyry PLC shares: 5 000 (0)
Stock options 2004: 0 (0)

Executive Vice President, Legal and Risk Management
Anne Viitala, born 1959, LL.M., trained on bench, eMBA.
Patria Oyj, Member of the Board of Directors 2007-2009, Vice Chairman of the Board of Directors 2008-2009
Member of Pöyry's Group Executive Committee since 2002
Pöyry PLC shares: 8 618 (3 000)
Stock options 2004: 12 000 (12 500)

*Curricula vitae of the members of the Group Executive Committee are available on the company's website **www.poyry.com**.*

Shareholdings are stated as at 31 December 2009 and in brackets as at 31 December 2008. The figures include direct holdings, holdings of corporations or foundations in which the shareholder has a controlling interest, and holdings of the shareholder's spouse and other family members.

John Lindahl, M.Sc. (Eng.), MBA acted as Executive Vice President, Forest Industry Business Group until 24 April 2009.

Lars Rautamo, M.Sc. (Econ.) acted as Executive Vice President, Chief Financial Officer until 2 March 2009.

Investor information

INVESTOR RELATIONS

Pöyry's shares are quoted on the NASDAQ OMX Helsinki' Large Cap list under the trading code POY1V. All shares carry equal voting and dividend rights. Pöyry PLC has been listed on the Helsinki stock exchange since 2 December 1997.

The primary objective of Pöyry's investor relations is to provide the capital markets with such relevant information that help them form a correct understanding of Pöyry as an investment target. The aim is to give all market participants access to accurate, consistent and up-to-date information about events that affect the Group's future operations, the company's financial position and shares.

Pöyry publishes, without undue delay and on an ongoing basis, all such information that may materially affect the value of the company's shares. Under the obligation for the disclosure of periodic information Pöyry publishes three (3) interim reports, the financial statement release and the Financial Statements as well as the Corporate Governance Statement in accordance with the Finnish Corporate Governance Code 2008. All relevant information is published as stock exchange releases via the NASDAQ OMX Helsinki and is also made available to the principle media and to the company's web pages simultaneously. The Group's website at www.poyry.com serves as an archive for all current and historical data about factors affecting the value of our shares.

Maintaining regular contacts with investors, analyst and the financial press is a major priority for Pöyry's investor relations. The President and CEO and the CFO participate in these activities and are regularly available for meetings with capital market representatives. During 2009 Pöyry had more than 50 one-on-one or group meetings with investors and analysts.

Silent period

Pöyry observes a silent period preceding the publication of its results. During this time the company's representatives do not comment on the company's financial position.

Investment analysis

To our knowledge the following brokerages have analysed Pöyry in 2009 as an investment target on their own initiative. Pöyry takes no responsibility for the opinions or estimates expressed in the reports written by their analysts.

Carnegie Investment Bank AB, Helsinki
Danske Markets, Helsinki
Evli Bank Plc, Helsinki
Handelsbanken Capital Markets, Stockholm
Nordea, Helsinki
Pohjola Bank Plc, Helsinki
SEB Enskilda AB, Helsinki Branch
Sofia Bank, Helsinki
Ålandsbanken Equities Research, Helsinki
E. Öhman J:or Securities Finland Ltd, Helsinki

For more information on Pöyry as an investment object, please contact:
Sanna Päivaniemi, Director, Investor Relations
Tel. +358 10 33 23002
sanna.paivaniemi (at) poyry.com

Coordination of investor meetings are handled by:
Peggy Hagberg, Executive Asssistant
Tel. +358 10 33 22629
peggy.hagberg (at) poyry.com

Orders for reports and other material are handled by:
Sari Mäkelä, Communications Assistant
Tel. +358 10 33 22828
sari.makela (at) poyry.com

ANNUAL GENERAL MEETING

The shareholders of Pöyry PLC are invited to attend the Annual General Meeting to be held on Thursday, 11 March 2010 at 4.00 p.m. at Hall A in the Finlandia Hall, Mannerheimintie 13 e, 00100 Helsinki, Finland (entrances M1 and K1). The reception of persons who have registered for the meeting and the distribution of voting tickets will commence at 3.00 p.m.

Right to attend and vote at the Meeting

Shareholders have the right to attend and vote at the Meeting

a) if they are included in the shareholder register held by Euroclear Finland Ltd on the record date of the General Meeting, 1 March 2010
b) if they have given notice to attend the Meeting on Monday 8 March 2010 at 10.00 a.m.Finnish time at the latest.

The shareholder, in whose name the shares are registered, is automatically registered in the shareholder register of the company. Foreign shareholders holding nominee-registered shares, who wish to attend the Meeting, can temporarily be registered in the shareholder register. Such registration shall be made on 1 March 2010 at the latest. For temporary registration, foreign shareholders shall contact their account operator.

Notice to attend

A shareholder wishing to attend the Meeting shall give notice to attend the Meeting to the company either

a) by filling in the registration form on the Pöyry PLC website at www.poyry.com/agm2010;
b) by telephone +358 10 33 22224 (Helena Küttner) Monday through Friday between 9 a.m. and 4 p.m. Finnish time;
c) by telefax +358 10 33 21816; or
d) by letter to Pöyry PLC, Legal Department/AGM, Jaakonkatu 3, FI-01620 Vantaa, Finland.

The notice shall be at the company's disposal no later than at 10 a.m. Finnish time on Monday 8 March 2010.

Proxies for representing a shareholder at the Meeting shall be submitted to the company no later than at 10 a.m. Finnish time on Monday 8 March 2009.

A complete notice to convene the Meeting has been published in a company announcement on 2 February 2010 and is mailed to all shareholders at their addresses in the shareholder register.

Proposals to the Meeting

A shareholder wishing that a matter specified in the Companies Act be handled in the Meeting shall request this in writing from the Board of Directors so early in advance that the matter can be included in the notice to convene the Meeting.

Dividend

The Board of Directors proposes to the Meeting convening on 11 March 2010 that a dividend of EUR 0.10 per share be paid for the year 2009. The dividend will be paid on 23 March 2010. This dividend is paid to shareholders entered into the shareholder register maintained by Euroclear Finland Ltd on the record date, 16 March 2010, which has been set by the Board of Directors.

Address changes

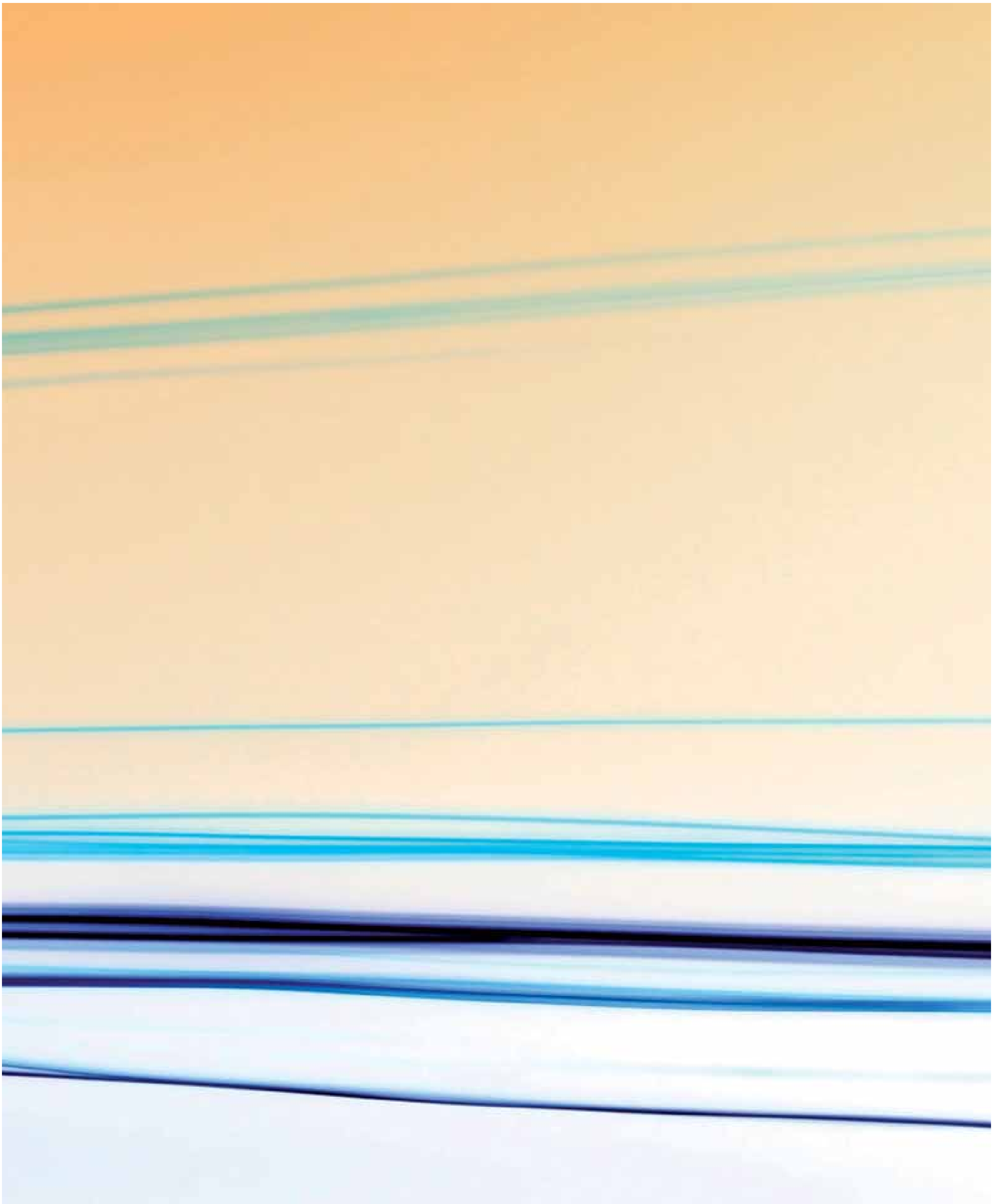
Shareholders are kindly requested to inform changes in their address or other personal data to their custodian.

Financial information in 2010

In 2010 Pöyry PLC will publish its interim reports as follows:

January–March	21 April at 8.30 a.m.	Finnish time
January–June	22 July at 8.30 a.m.	Finnish time
January–September	28 October at 8.30 a.m.	Finnish time

Pöyry PLC
P.O.Box 4, Jaakonkatu 3
FI-01621 VANTAA, Finland
Tel. +358 10 3311
Fax +358 10 33 21818



PÖYRY

Engineering balanced sustainability™