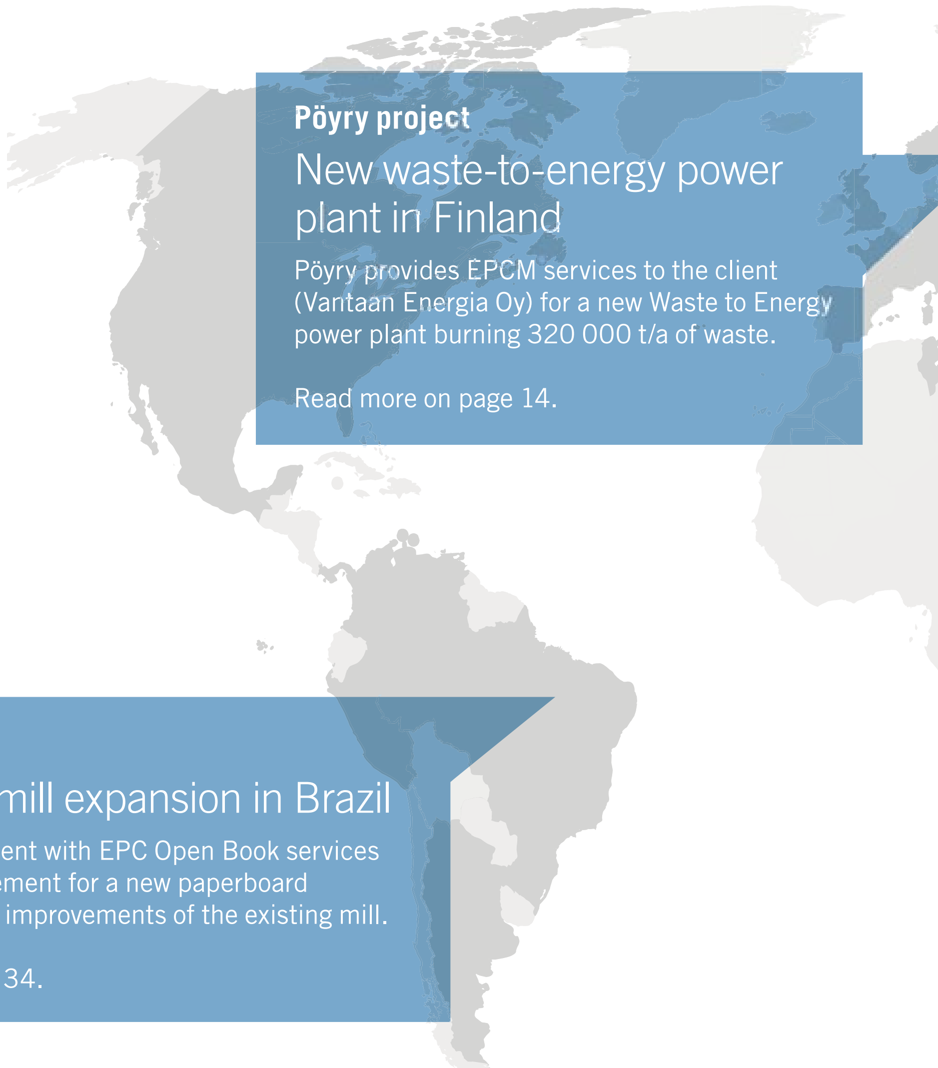
PÖYRY

Engineering balanced sustainability™

Annual Report 2011

Serving clients globally



Pöyry project

New waste-to-energy power plant in Finland

Pöyry provides EPCM services to the client (Vantaan Energia Oy) for a new Waste to Energy power plant burning 320 000 t/a of waste.

Read more on page 14.

Pöyry project

Paperboard mill expansion in Brazil

Pöyry assists the client with EPC Open Book services and project management for a new paperboard production line and improvements of the existing mill.

Read more on page 34.

Core services

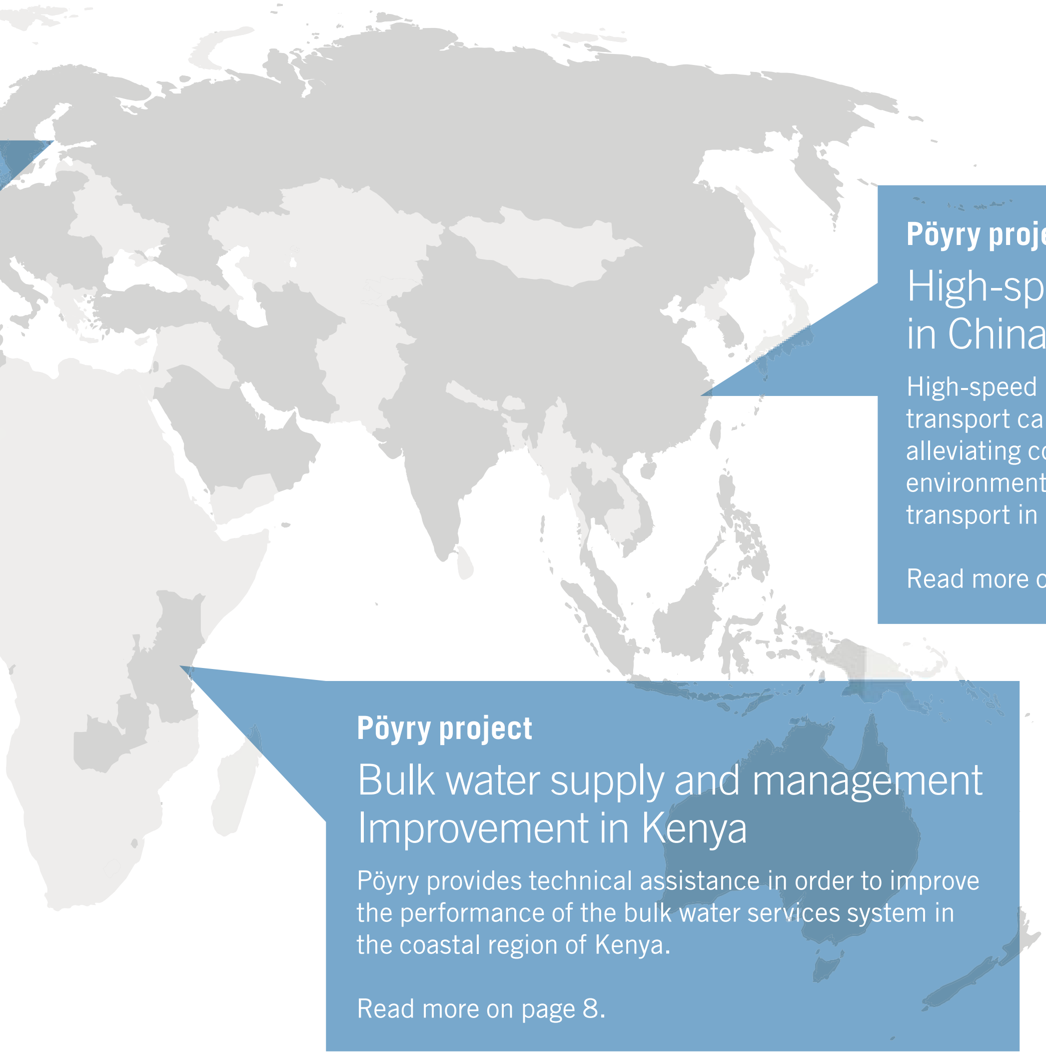
Our services encompass the entire life cycle of an investment, from feasibility studies and pre-engineering to complete implementation of projects and operations & maintenance services.

Management consulting provides leading-edge strategic and operational advice from pre-investment assessments to operational performance improvement.

Total solutions offer our clients a unique way to keep all the elements of the project under control – within budget, schedule and the defined risk profile.

In **Design and supervision** we can utilise the very core of Pöyry's engineering competences: deep process know-how and understanding of the plant/site dynamics.

Read more about Pöyry's projects:
www.poyry.com/projects



Pöyry project

High-speed rail lines in China

High-speed rail lines increase the transport capacity of railways, thus alleviating congestion and providing an environmentally friendly means of transport in a densely populated country.

Read more on page 20.

Pöyry project

Bulk water supply and management Improvement in Kenya

Pöyry provides technical assistance in order to improve the performance of the bulk water services system in the coastal region of Kenya.

Read more on page 8.

Key figures

	2011	2010	2009
Order stock at end of period, EUR million	**694.4**	526.2	485.7
Net sales total, EUR million	**796.1**	681.6	673.5
Operating profit excl. restructuring costs, EUR million	**30.4**	17.3	22.5
Operating margin excluding restructuring costs, %	**3.8**	2.5	3.3
Operating profit, EUR million	**20.0**	5.8	11.6
Operating margin, %	**2.5**	0.9	1.7
Profit before taxes, EUR million	**17.1**	4.3	12.4
Earnings per share, basic, EUR	**0.13**	0.00	0.11
Earnings per share, diluted, EUR	**0.13**	0.00	0.11
Gearing, %	**28.2**	3.5	-10.5
Return on investment, % (R12M)	**7.4**	2.6	5.3
Dividend per share (*BoD proposal)	**0.20**	0.10	0.10
Dividend pay-out ratio, % (*BoD proposal)	**153**	n.a.	91
Average number of personnel during period, calculated as full time equivalents (FTE)	**6,864**	6,611	7,052

Cover photo: Michael Reinhard

Pöyry 2011

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

With quality and integrity at our core, we deliver best-in-class management consulting, total solutions, and design and supervision. Our in-depth expertise extends to the fields of energy, industry, transportation, water, environment and real estate.

Pöyry has about 7,000 experts and a local office network in about 50 countries.

Pöyry's net sales in 2011 were EUR 796 million, and the company's shares are quoted on NASDAQ OMX Helsinki (Pöyry PLC: POY1V).

FINANCIAL TARGETS		ACTUAL 2011	
Net sales growth	15% p.a.	**16.8%**	Net sales growth was supported by multiple large projects that were in the implementation phase during 2011.
Operating profit % (before restructuring costs) **per business group**	minimum 8%, medium-term minimum 10%, long term	**Group 3.8%**	Operating profit before restructuring costs improved significantly. The Group operating margin below target.
Return on investment	20% or higher	**7.4%**	High restructuring costs burdened key figures for profitability.
Earnings per share, growth	15% or higher	**n.a.**	Earnings per share in 2011 were EUR 0.13 (EUR 0.00 in 2010).
Gearing, %	below 50%	**28.2%**	Gearing remained below the set maximum level.
Dividend/ earnings ratio	50% or higher	**152.6%**	The BoD's dividend proposal is EUR 0.20 per share. Effective return on dividend 3.7%.

Year 2011 in brief

FINANCIAL PERFORMANCE

- At the end of 2011, the value of the Group's order stock was EUR 694.4 million (526.2), which is 32.0% higher than at the end of 2010. Order stock includes a major EPC contract.
- Net sales in 2011 increased by 16.8% compared with the year before to EUR 796.1 million (681.6).
- Operating profit before restructuring costs recovered from the low levels of 2010 and amounted to EUR 30.4 million (17.3) or 3.8% (2.5) of net sales.
- Restructuring costs totalled EUR 10.4 million (11.5).
- The consolidated operating profit, including restructuring costs, totalled EUR 20.0 million (5.8) or 2.5% (0.9) of net sales.
- Earnings per share were EUR 0.13 (0.00).
- The Board of Directors proposes to the AGM that dividends of EUR 0,20 (0.10) be paid for 2011.
- Balance sheet remains strong and the Group's liquidity is good. The inclusion of the Vantaa Head Office building in the balance sheet in the second quarter of 2011 increased gearing which now stands at 28.2% (3.5).

STRATEGY IMPLEMENTATION

- Focusing on larger projects is one of the key elements in Pöyry's strategy. During 2011, Pöyry was awarded major pulp and paper sector projects in Latin America, and the region's share of the Group's net sales increased to 18% (11). In late 2011 Pöyry also made the decision to increase focus on Asia with the aim to increase the region's share of Pöyry's total business.
- Following the ongoing strategic review, the decision was made to merge the Water & Environment and the Urban & Mobility business groups into the new Urban business group in order to improve competitiveness and better capture synergies across the engineering units serving mainly the public sector. The change became effective as of 1 January 2012. Proforma figures for the new business group structure are presented in the Financial Statements on page 73.
- Active business portfolio development is part of Pöyry's key strategic priorities. During 2011, actions were taken to sharpen focus in the Energy business group. Acquisition of Pöyry SwedPower AB strengthens Pöyry's expert resources, opens major opportunities for common projects globally, and gives access to the Swedish market in the energy sector. The Oil and Gas business was divested.

OPERATIONAL EXCELLENCE PROGRAMME

- The group-wide operational excellence programme has proceeded according to plan. The programme will continue until the end of 2012.
- The operational excellence programme in Finland was concluded as planned in 2011. The targeted annualised operating profit improvement of EUR 15 million was achieved partly through the operational excellence programme and partly through increased activity.
- In 2011 the programme was launched in Germany. During the year the efficiency improvement measures resulted in restructuring costs of approximately EUR 5 million. The targeted annualised savings, approximately EUR 6.5 million, are expected to be achieved by the end of 2012.

KEY FIGURES

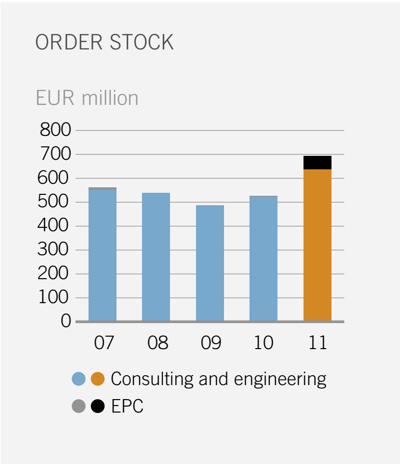
(Operating profit before restructuring costs)

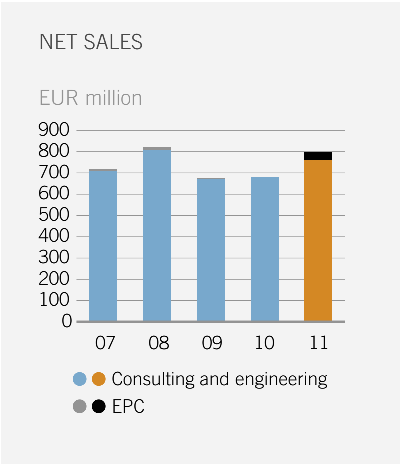
	Energy		Industry		Urban & Mobility		Water & Environment		Management Consulting		Group	
EUR million	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Net sales	205.7	171.2	236.5	159.8	181.3	197.2	84.3	79.3	88.2	73.6	796.1	681.6
Operating profit	8.7	6.4	14.1	-6.3	3.6	18.5	0.5	1.9	7.6	1.7	30.4	17.3
Operating profit, %	4.2	3.7	6.0	-3.9	2.0	9.4	0.6	2.4	8.6	2.3	3.8	2.5
Order stock	205.8	183.2	187.9	66.0	203.0	187.6	76.8	66.5	20.9	22.9	694.4	526.2
Personnel*	1,775	1,463	1,985	2,083	1,719	1,724	842	891	494	498	6,952	6,937

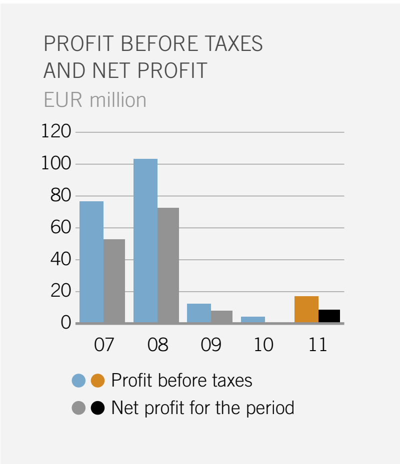
* FTE/end of the year

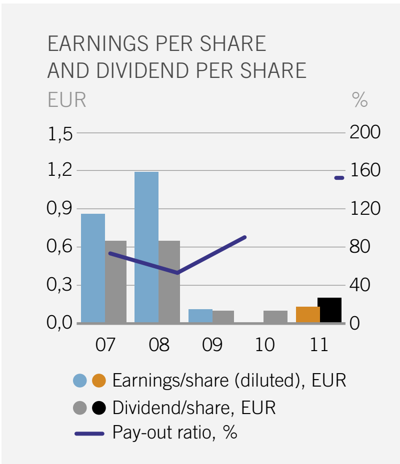
More detailed description of Pöyry's financial performance in 2011 is available in the report of the Board of Directors on pages 36–43.

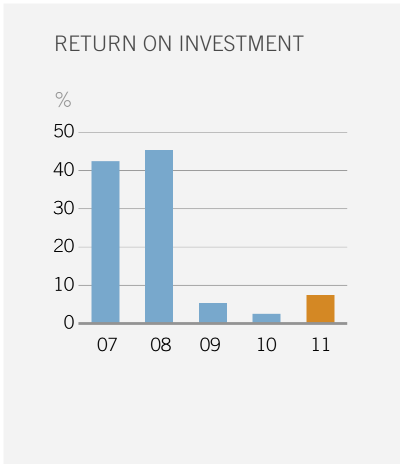
Read more:
www.poyry.com/investors

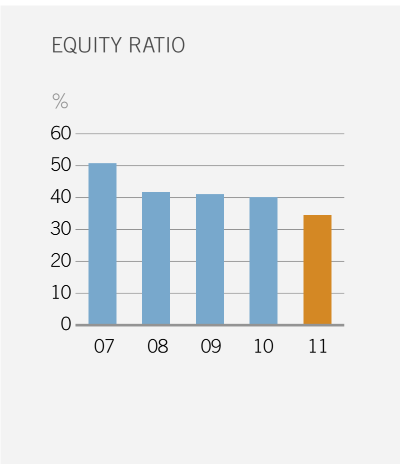


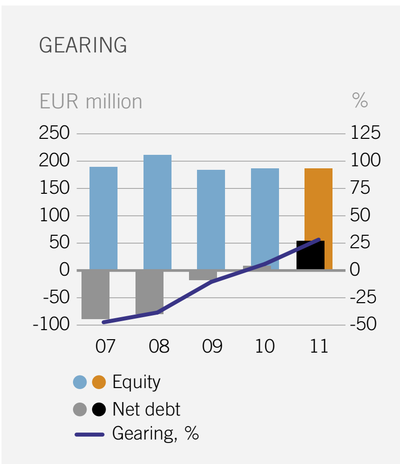


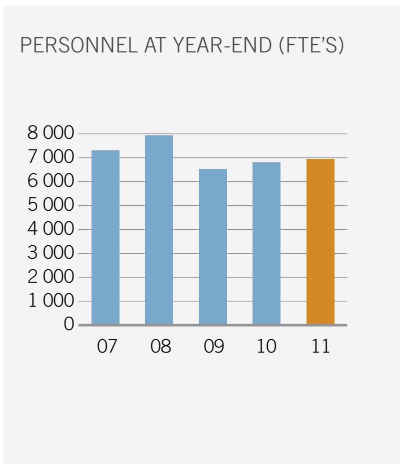










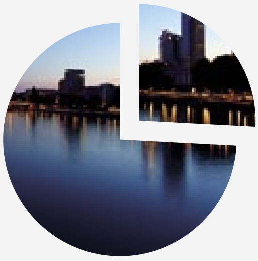


Business groups

SHARE OF GROUP'S NET SALES

ENERGY

- Hydropower
- Thermal power
- Renewable energy
- Nuclear energy
- Transmission & Distribution



26%

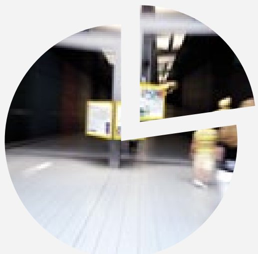
INDUSTRY

- Pulp, Paper, Board & Tissue
- Minerals processing
- Chemicals

30%

URBAN & MOBILITY*

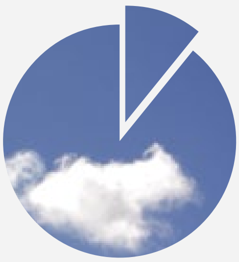
- Roads
- Rail and public transport
- Tunnels and underground structures
- Real estate and construction



23%

WATER & ENVIRONMENT*

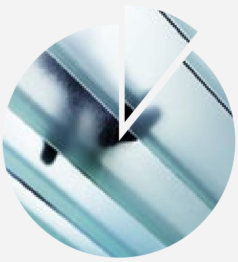
- Water
- Wastewater
- Waste
- Environment



11%

MANAGEMENT CONSULTING

- Energy
- Forest industry
- Other process industries



11%

* Pöyry's Water & Environment and Urban & Mobility business groups merged into new Urban business group. The new business group structure came into effect as of 1 January 2012.

In 2011, Pöyry's operations were conducted through five operating segments (business groups): Energy, Industry, Urban & Mobility, Water & Environment, and Management Consulting.

Read more about Pöyry's business at:
www.poyry.com

CORE EXPERTISE AREAS	MAJOR NEW PROJECTS IN 2011
The Energy business group provides engineering, supervision and technical advisory services worldwide to meet clients' specific needs. The business group focuses its operations in the areas of hydropower, thermal power, renewable energy, nuclear energy and transmission and distribution.	• Two biofuel-fired CHP plants in Finland and Latvia • New waste-to-energy power plant in Finland • Power and desalination plant in the Kingdom of Saudi Arabia • Mong Duong 1 coal-fired thermal power plant in Vietnam • Rehabilitation of various emergency power supply systems in Austria • Detail design for hydroelectric power plant and dam in Turkey • Site supervision and technical advice for a 200 MV wind park in Romania
The Industry business group provides technical consulting, engineering, project management, implementation services, and long-term co-operation and maintenance services for industrial clients worldwide. We serve the forest and other industries such as mineral processing and chemicals, delivering state-of-the-art development with a global approach.	• Pulp mill, Balance of Plant (BOP) engineering contract in Brazil • Paperboard mill, EPC Open Book of the Balance of Plant and associated EPCM services in Brazil • Ferrochrome production expansion, piping engineering contract in Finland • Pulp mill, EPCM, Project Management and Owners' Engineering contracts in Uruguay • Pulp mill BOP-EPCM and Owner's Engineering contracts in Brazil
The Urban & Mobility business group offers comprehensive design, project management and consulting services for transportation and real estate sector. The business group's expertise covers roads, rail and urban public transport, tunnels and other underground structures, as well as green building and sustainable land use.	• Design review and site supervision for Metro Lima in Peru • Site supervision for railway line Algiers-Constantine in Algeria • Real estate development, design and project management for Turku Port Center in Finland • Engineering services for Kerenzerberg tunnel equipment rehabilitation in Switzerland • Technical consulting for Koralm railway tunnel in Austria
The Water & Environment business group provides clients with innovative solutions for the water, wastewater, waste and environmental sectors. The services cover the entire project life cycle from feasibility studies through engineering, construction management, plant start-up to operations and maintenance.	• Integrated social impact assessment for a mining project in Northern Finland • Consultancy for urban infrastructure improvement in Kashmir, India • Environmental consultancy and assistance for the highway network rehabilitation in Switzerland • Feasibility study for eight brackish water desalination plants in Tunisia • Consultancy for wastewater and waste management in Vietnam
Management Consulting provides leading-edge strategic and operational advice from pre-investment assessments to operational performance improvement. We base our strategic advice on market-led insights and quantitative models, as well as a profound understanding of current and future technologies.	• Performance Improvement projects in the pulp and paper sector in North America and in Europe. • Major multi-client project to evaluate the impact of wind generation on the electricity market in Italy • Advisory services related to pulp and paper industry restructuring • Analysing possible new end-uses for bio-based fibres, from textiles to car components

From the CEO

Dear Shareholders and Readers,

Pöyry's continued success depends on a number of factors: we need, first and foremost, recruit and develop world-class consultants and engineers to execute challenging projects for our clients. Second, to grow in geographic markets and sectors, in which clients actively make capital investments. And, third, to continue the systematic work of becoming a more efficient and cost effective organization. I feel that during 2011 the company has made clear progress in all of these areas.

In the beginning of 2012 Pöyry stands on a solid foundation. The good order intake resulted in a high order stock of EUR 694.4 million, which was 32 per cent higher than in 2010. Net sales in 2011 increased by 16.8 per cent to EUR 796.1 million (681.6). Operating profit before restructuring costs, amounted to EUR 30.4 million (17.3) or 3.8 per cent (2.5) of net sales. The balance sheet of Pöyry remained strong.

The Industry business group started the year 2011 with signing a major EPC contract with MWV Rigesa, Brazil. The project is now in the middle of implementation. I am pleased to report that Pöyry has won the key pulp and paper projects in Latin America in 2011. The business group also continued its efforts to expand into the minerals processing sector. Overall, the Industry business group achieved a good turnaround after a tough 2009–2010.

In Energy our portfolio focuses on power generation, combined heat and power production and power networks. Therefore, in early June we sold our oil and gas business and in July we finalised the acquisition of parts of the engineering consulting business of Vattenfall Power Consultant AB. The business, focusing on hydropower, wind power and power networks as well as thermal power, was incorporated into a new company in Sweden called Pöyry SwedPower AB. Overall our Energy business group improved its relative profitability during a year of transition.

Implementation of a new business model, successful recruitment of skilled professionals and active sales efforts resulted in a clear turn-around in the Management Consulting business group. The business group is energized under new leadership and focused on providing value added solutions to its clients.

In the public sector the business environment became more challenging. Growing austerity measures started to negatively impact clients' spending on public sector projects and payment behavior. Competition for new projects grew clearly. Our financial performance in this business area failed to meet our expectations. As part of the strategic review of the water business, the decision was taken to merge Water & Environment and Urban & Mobility into one business group to improve competitiveness, better capture synergies and improve profitability.

Capital investments continue to move from developed to emerging markets. Therefore, Pöyry will further strengthen its presence in Latin America and Asia. During 2011 we started to prepare for taking the next steps on this journey.

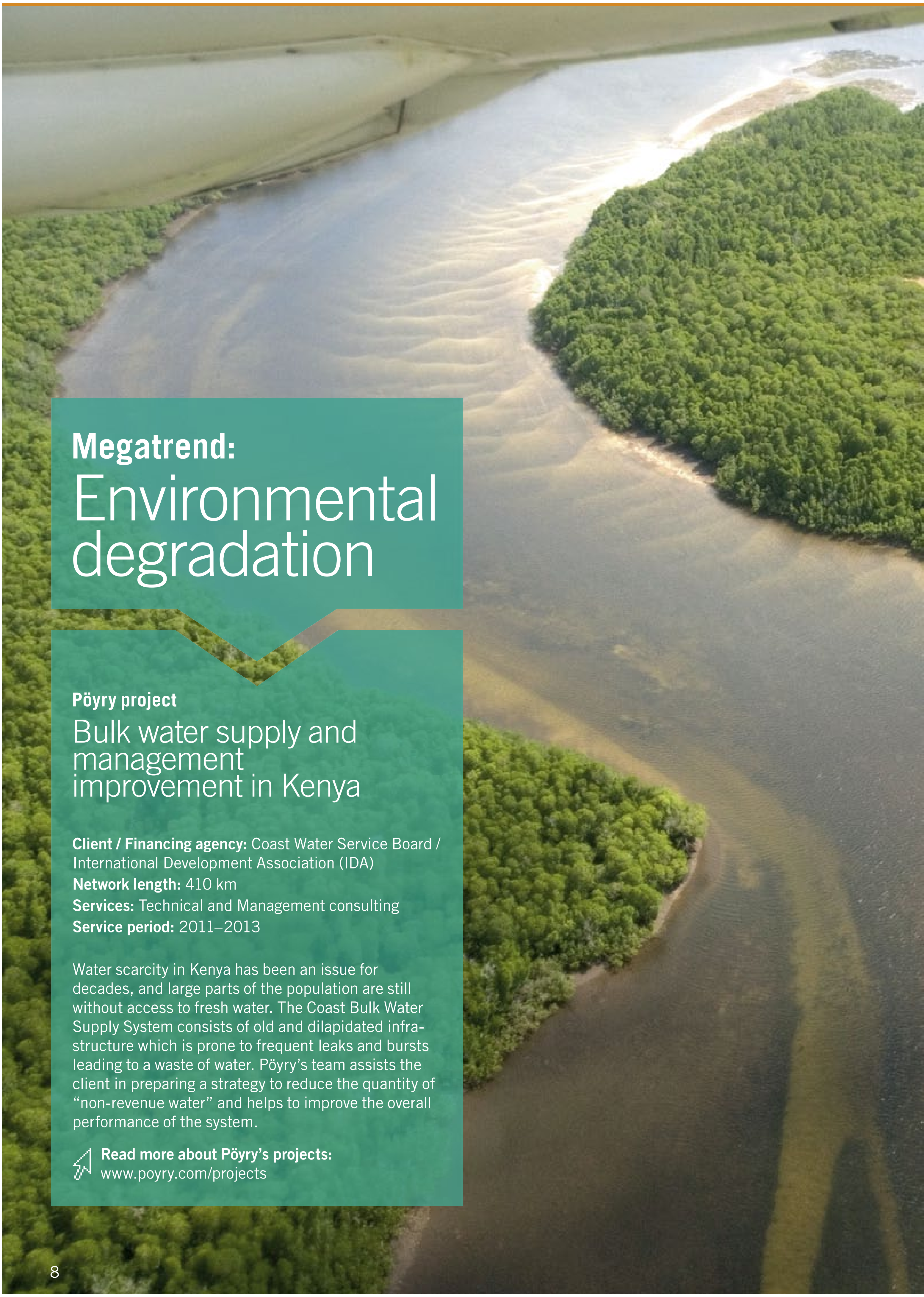
As part of our strategic roadmap we continued to improve the efficiency of our own operations. The operational excellence programme proceeded as planned in Europe. Our group wide growth enabling initiatives – Large Projects, Sales & Marketing, Way of Working and Thought Leadership – are well underway. At the same time, we started to build our corporate responsibility roadmap. We are committed to being a responsible partner for our clients and other stakeholders.

Based on the current strong order stock and outlook for new orders, the Group's net sales in 2012 are expected to remain stable compared with 2011. The comparable operating profit for 2012 is expected to clearly improve from the operating profit, excluding restructuring costs, in 2011.

I wish to thank our shareholders, employees, clients and other interest groups for your support and dedication to the company. Together we have a unique opportunity to make Pöyry an even stronger provider of advanced engineering and project management services.

Heikki Malinen
President and CEO


"During 2011 the company has made clear progress, and in the beginning of 2012 Pöyry stands on a solid foundation."



Megatrend:

Environmental degradation

Pöyry project

Bulk water supply and management improvement in Kenya

Client / Financing agency: Coast Water Service Board / International Development Association (IDA)
Network length: 410 km
Services: Technical and Management consulting
Service period: 2011–2013

Water scarcity in Kenya has been an issue for decades, and large parts of the population are still without access to fresh water. The Coast Bulk Water Supply System consists of old and dilapidated infrastructure which is prone to frequent leaks and bursts leading to a waste of water. Pöyry's team assists the client in preparing a strategy to reduce the quantity of "non-revenue water" and helps to improve the overall performance of the system.

Read more about Pöyry's projects:
www.poyry.com/projects

Business concept

Global megatrends drive long-term demand growth in Pöyry's chosen focus sectors. Our business concept relies on the ability to provide clients within these sectors with comprehensive services, not only for the investments but for the client's whole project life cycle.

Business concept

After a promising start to 2011, the economic uncertainty started to increase towards the end of the year and the composite leading indicators turned again to point to a slowdown in economic activity. The global economic distress is ultimately a result of changing fundamentals, such as resource scarcity and a shift in the economic balance globally. However, these changes are also long-term drivers of demand for more sustainable financial and technological solutions.

Megatrends are forces of global and macroeconomic development that define our present and future world. At Pöyry we have identified four megatrends that will fundamentally reshape our world in the decades to come: **Population Growth & Urbanisation, Shift in Economic Balance, Environmental Degradation, and Redirection of Technological Innovation**.

WHY WE TALK ABOUT MEGATRENDS

Largely driven by these megatrends, the engineering industry's major business potential in the future will relate to improving life conditions on Earth. As consultants and engineers with diverse insights, competence and skills, Pöyry can contribute and make a real difference by offering balanced solutions and sound engineering to our clients and for the planet's future challenges.

Continuing population growth and urbanisation are reshaping the world. The world population reached 7 billion in 2011 and keeps growing. For the first time in human history, more than 50 per cent of the world's population lives in cities and roughly 400 midsize cities in emerging markets are posed to generate more than 35 per cent of the global growth over the next 15 years.

A geographic shift in the global economy is underway with emerging economies and developing countries beginning to take over as the main growth engines in the world economy. In 2011, the re-emerging financial crisis in the USA and the Euro area has re-enforced this tendency.

Environmental degradation is compounded and multiplied by population growth and industrialisation. The planet's limited ability to provide ecosystem services, such as absorption of pollution and provision of clean water, is overloaded and continually degrading. According to the World Meteorological Organization's measurements, the atmospheric burden of greenhouse gases due to human activities reached record levels since pre-industrial time in 2010, and even if the greenhouse gas emissions were halted now, they would continue to linger in the atmosphere for decades to come and so continue to affect the delicate balance of the planet and the climate.

There is a major challenge of finding ways to provide necessary products and services in a sustainable manner. New technology, such as bio-technology, nano-technology and neuro-technology, blurs traditional barriers between the natural and the artificial, opens new areas of competition for resource use and will, in certain areas, suspend current or coming resource restrictions. While opening up new possibilities, this also creates a business risk, as effects and implications are difficult to predict. Advice on strategies and ideas about dealing with near- and longer-term implications for clients are needed.

PÖYRY IS CONCENTRATING ON CHOSEN FOCUS SECTORS

Pöyry's core expertise stems from a combination of in-depth process and sector expertise. Our chosen sectors include energy production as well as transmission and distribution, process industries with a focus on pulp and paper, minerals processing and chemical industries, as well as various areas of urban development including transportation systems and spatial planning. Water-related and environmental aspects need to be addressed within all these sectors. We continue to concentrate on these client sectors where we have acknowledged expertise to deliver and where we identify further opportunities.

RECENT DEVELOPMENTS IN THE FOCUS SECTORS

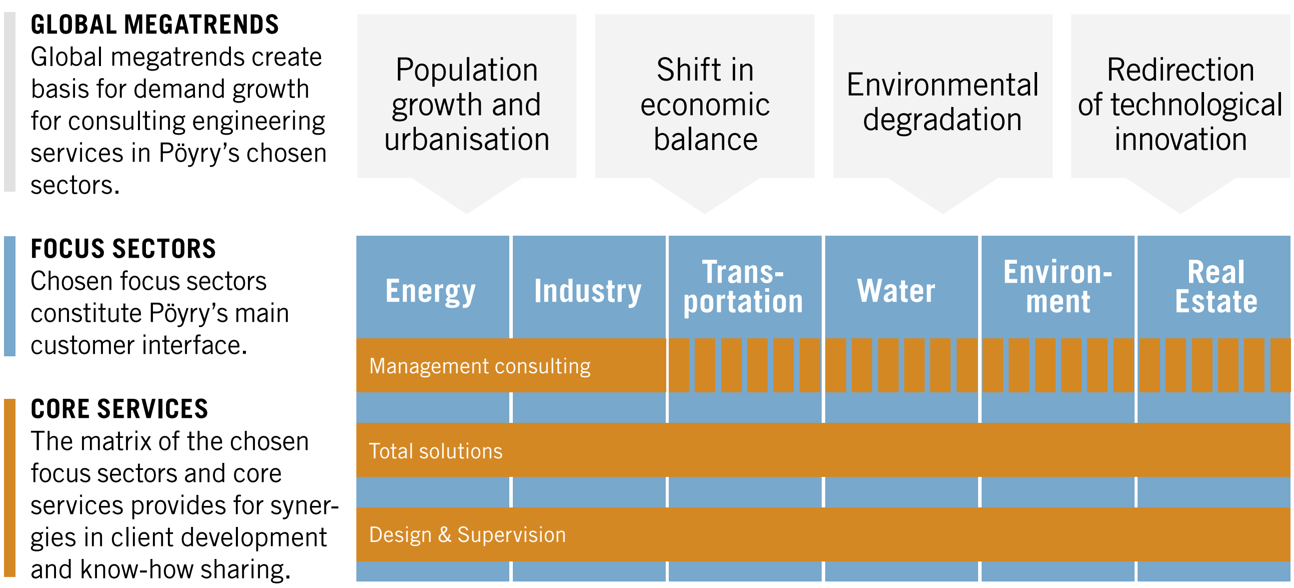
On a global basis, energy demand has continued to increase. At the same time, environmental concerns have grown more heated, spurring political actions in large parts of the world. In Europe, nuclear power was until recently seen as an acceptable way of achieving security of energy supply while not causing considerable environmental damage. However, after the Fukushima incident in March 2011, for example Germany made the decision to stop using nuclear energy. The accident has led to an increased focus on renewable energy, which has led to the opening up of further market opportunities for renewable energy generation, integrated power systems and improved power grids.

In 2011, market pulp demand continued to increase. Production volumes rose mainly in Asia and new pulp investment decisions were made especially in Latin America. Tissue paper market developed favourably with positive effects on global wood pulp demand. Print activity and paper demand slowed, especially in the western markets. As to investments, most of the paper and paperboard project activity is currently in the fast-growing markets, such as China and India. Large projects in North America and Western Europe are very rare. Chemicals industry investments recovered and the minerals processing sector showed a clear increase in mining and minerals investment activities in 2011.

Transport is fundamental to modern economy and society. It has a major impact on people's quality of life and companies' ability to compete in the world economy. Increasing urbanisation is reflected in the high global demand for mass transportation and urban design that account for ecological aspects, such as green buildings that cost less to operate and have excellent energy performance. In March 2011, the European Commission outlined an ambitious plan to transform Europe's current transport system by 2050 with such key goals as a 50 per cent shift of all medium-distance passenger and freight transport from road to rail and waterborne transport. At the same time, intelligent motorways are being developed to reduce congestion and improve safety.

Global megatrends create basis for demand growth for consulting engineering services in Pöyry's chosen focus sectors.

The international community is recognising the need to reduce greenhouse gas emissions. At the Durban Climate Change Conference in December 2011, a second commitment period of the Kyoto Protocol was agreed on from 1 January 2013. Increasing environmental awareness is tightening legislation and driving monitoring, assessment and design services, for industrial processes in particular. Concerns about the planet's future are reflected in industrial processes that are increasingly developed to be more environmentally friendly, with a focus on raw material efficiency, reduced water consumption, energy efficiency and low carbon emissions.



Core services

Pöyry's business concept relies on its ability to provide clients with comprehensive consulting and engineering services and solutions for complex challenges in the whole project life cycle. On top of this, our clients can rely on our project management capabilities from the smallest assignment to a large, complex contracting project.

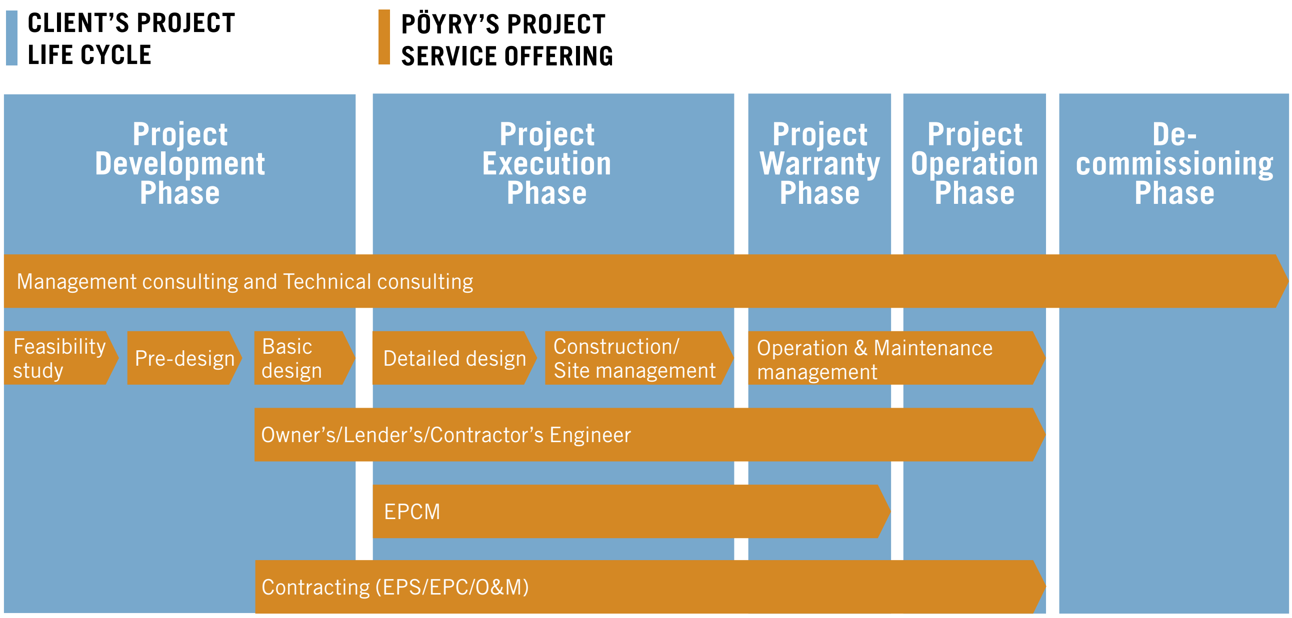
Our services encompass client's entire project life cycle from product development to de-commissioning. Depending on the phase in the project life cycle, Pöyry is able to offer everything from strategic management consulting and technical consulting to basic and detailed engineering and to executing the entire project as, for example, an EPC contractor or to providing performance improvement services to an existing plant.

PRODUCT LIFE CYCLE UNDERSTANDING AND PROJECT EXCELLENCE ARE PÖYRY'S WAYS TO DIFFERENTIATE

Mastering processes and understanding the special features of engineering and project management needs in the variety of our client sectors are essential elements in Pöyry's service offering. The key to Pöyry's competitive advantage, however, comes through profound sector knowledge, product life cycle understanding and project implementation excellence.

Pöyry's business consists of various types of project assignments and we have all the time over 10,000 assignments on-going globally. Pöyry's wide and deep understanding of its clients' core business processes makes it possible to offer an unbiased, technology-neutral view of the best project options be it a smaller consulting assignment or implementation of a large investment. Pöyry actively examines developments in the megatrends and analyses their impact on the relevant client sectors, and our business offering is developed accordingly. Many solutions put forward by Pöyry are a strategic part of our clients' future success and excelling in these is fundamental for Pöyry when we are helping clients reach their business goals. In 2011 we continued to develop our service offering to better enable the implementation of our strategic goals and achieving our vision aspirations.

Project life cycle



SERVICE OFFERING AND PROJECT LIFE CYCLE

Pöyry's core services are: management consulting, total solutions and design and supervision.

Management consulting provides leading-edge strategic and operational advice from pre-investment assessments to operational performance improvement. What makes us distinct from the general management consultants is our deep expertise in selected sectors with decades of experience, comprehensive databases, industry-wide recognition, specialised professionals and global presence. We base our strategic advice on market-led insights and quantitative models as well as a profound understanding of current and future technologies. Through Pöyry's engineering business we have unique access to industry-engineering specialists.

Total solutions offer our clients a unique way to keep all the elements of the project under control – within budget, schedule and the defined risk profile. When managing projects, we combine the full power of our global network with insightful local resources. Providing Engineering, Procurement and Project/Construction Management (EPCM) is one of the core competences at Pöyry. We have proven expertise and specialised tools for executing large, complex EPCM projects successfully, and this is clearly the area where we want to grow. As an EPCM service provider, Pöyry typically conducts procurement, construction and commissioning services on behalf of the client.

The contracting type of services in our portfolio include Engineering, Procurement and Supply (EPS), Engineering, Procurement and Construction (EPC) as well as Operations and Management (O&M). The EPS contractor will design, procure and deliver the necessary materials and equipment supply, but construction is not within the scope, whereas an EPC project will be conducted on a turn-key basis with full delivery, site construction and commissioning services. O&M operations are often outsourced by the owner and in certain markets Pöyry provides full O&M services.

In **Design and supervision** we can utilise the very core of Pöyry's engineering competences: deep process know-how and understanding of the plant/site dynamics. When providing engineering services, we can help the client in the product development phase by providing conceptual engineering and feasibility studies. Typically these include assessment of the technical, economic, environmental and social viability of a proposed project and establishment of preliminary design for the chosen solution.

Basic engineering provides the final concept for the investment execution. In order to keep up and develop our ability to meet the clients' expectations, Pöyry has specialised engineering competence lines in various disciplines within energy production and transmission, industrial solutions for pulp and paper, mining and chemicals, infrastructure and transportation related systems, water treatment and environmental solutions.

Detailed engineering is conducted after the final investment decision has been made and the project is released for implementation. Pöyry has adopted an engineering centre concept to provide its medium and large-scale investment assignments a standardised and efficient detailed engineering platform. The development of the concept was started in early 2009 under the Industry business group. Today we have around 450 engineers working in our main multi-disciplinary engineering centres in China, Poland, Thailand and Brazil. From the beginning of 2012 the Engineering Centre began operating as a Group function providing the Group with competitive resources for detailed engineering services to all Pöyry business groups.

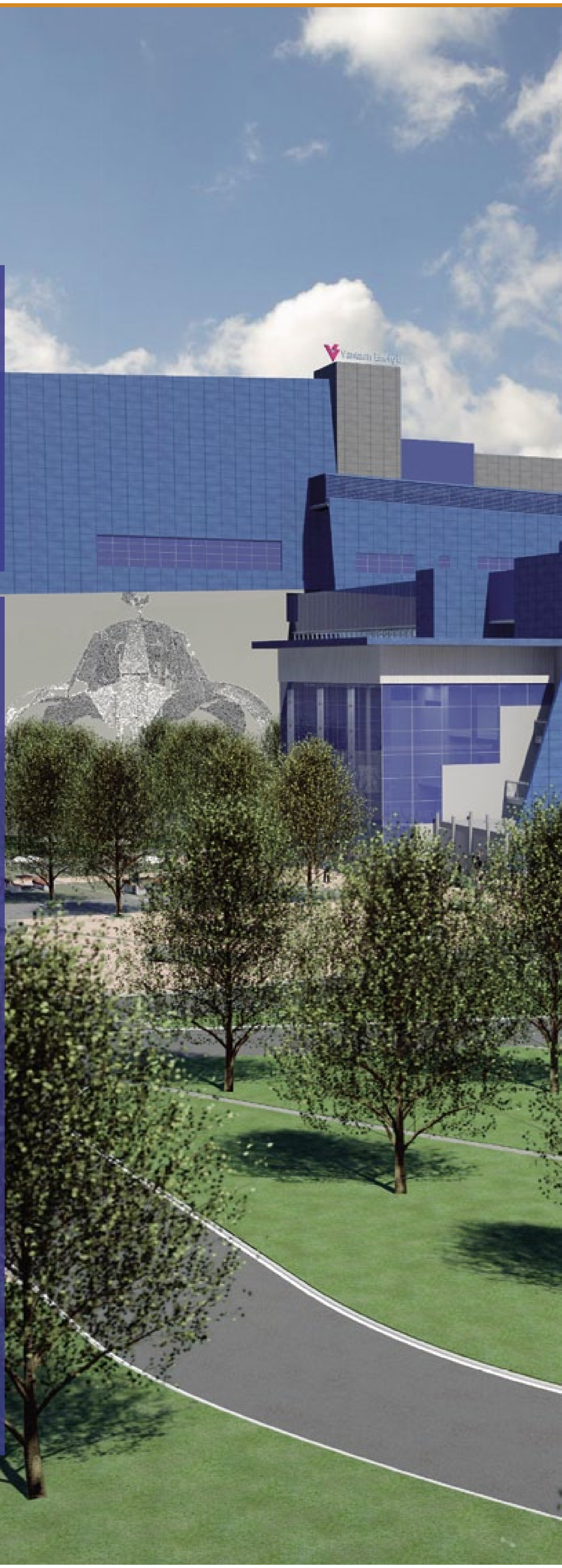
For successful investment execution Pöyry offers Construction and Site Supervision services that consist of various supervision services at construction sites. For investment implementation we may also take a role as Owner's, Lender's or Contractor's Engineer.

HARMONISING PÖYRY'S PROJECT MANAGEMENT PROCESSES

The common denominator for all Pöyry's services is the ability to manage projects successfully, and we continuously aim to further develop our existing and acknowledged project management capabilities. In 2011, Pöyry's project management process phases were reviewed and new project management principles were approved. Based on the multiple best practices already available, we are harmonising project management practices throughout Pöyry. The common project management process covers the whole project life cycle from marketing and sales through to project closure, and we apply it to all our services from the smallest consulting assignment to the large EPC projects. Pöyry's project management process is also being aligned with the international project management standard provided by the Project Management Institute (PMI).

Megatrend:

Redirection of technological innovation



Pöyry project

New Waste to Energy power plant in Finland

Client: Vantaan Energia Oy
WtE plant size: 320 000 t/a waste, 78 MW electricity, 120 MW district heat
Services: EPCM (Engineering, Procurement, Construction Management)
Service period: 2009–2014

Traditionally WtE plant is designed primarily to burn waste and its energy production efficiency is relatively low. In Vantaa WtE project the approach is different. The innovation and the design basis is to maximize energy production. This will be achieved by introducing gas turbine combined cycle process to the waste incineration process. By increasing the steam pressure (90 bar) and additionally superheating (to 535°C) the steam from the waste boilers in gas-turbine heat-recovery steam generator (HRSG) together with flue gas condensing systems, the energy production efficiency will be maximized. As a result, the plant output will be 78 MWe (net) and 120 MW dh with plant overall efficiency of 95 per cent. These values are the best in the world.

Read more about Pöyry's projects:
www.poyry.com/projects

Balanced sustainability and strategy

By 2020 Pöyry aims to be one of the world's leading consulting and engineering companies incorporating balanced sustainability into all our core services. To achieve this ambitious goal we follow the key strategic priorities defined in 2010.

Vision and strategy

Sustainability involves economic, environmental, and social aspects. Taking the lead in developing balanced solutions that consider all of them is the key to our future success in solving clients' complex challenges.

The world today is complex. Megatrends, which have been discussed earlier in this report (see pp. 10–11), express our current understanding of the forces that define the future world. All these forces place strains on the natural environment and resources, and our clients must also address these challenges in their businesses. This creates a healthy, long-term demand for Pöyry's services and technological innovations that address balanced sustainability. With this complexity in mind, we aim to develop from a mid-sized specialist into one of the world's leading consulting and engineering companies. Our ambition is clear. We want to engineer balanced sustainability.

ENGINEERING BALANCED SUSTAINABILITY – FOCUS ON RESOURCE EFFICIENCY

In our vision, sustainability is placed at the heart of everything we do. By 2020, we want to be the leader in offering solutions for engineering balanced sustainability. Engineering balanced sustainability is about improving resource efficiency; a major challenge of our time. A strong understanding of our clients' processes enables us to provide solutions to improve energy, water and material supply-chain efficiencies, while improving our clients' return on investments throughout the project life cycle. To claim the thought-leader position in engineering balanced sustainability, we must actively expand our knowledge, examine the markets, provide new insights, and develop new services.

Engineering has always been at the core of Pöyry. For decades, we have been involved in projects that address

Vision

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

global	conveys our ambition in terms of scale and scope, as well as our ambition to grow into a top player in our industry. We want to be recognized as one of the world's leading consulting and engineering companies.
thought leader	emphasises high-end consulting, being at the forefront in sustainability. We strive to be an agenda setter in energy, industry, transportation, water, environment, and real estate issues. We actively attract new talent and evolve our existing knowledge.
engineering	highlights our strong history and track record in designing and implementing technical solutions.
balanced sustainability	is a holistic multidimensional approach to sustainability that we apply to everything we do. It strives to achieve a balance between economic, environmental and social dimensions.
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.

dimensions of sustainability. By using the best technologies and environmental practices available for state-of-the-art contract deliveries, we fulfil our promise of engineering balanced sustainability. This is something that we consider our competitive advantage and will further develop in the future. We can engineer balanced sustainability into all our core services.

TECHNOLOGY AND PROJECT MANAGEMENT LINK TO BALANCED SUSTAINABILITY

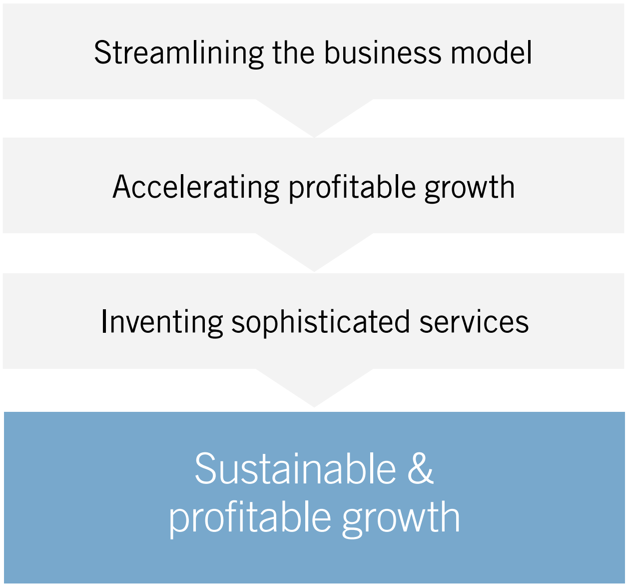
Beyond engineering, balanced sustainability is a larger and more comprehensive concept that is integrated into all of Pöyry's operations. It also affects the way we solve the challenges of our clients in both management consulting and project management. Technological innovations are instrumental in solving many of the challenges our planet is facing and create another link to balanced sustainability. The energy sector, for example, involves many innovations of renewable and bioenergy that create the kind of business where Pöyry, through our leadership in the field, will have a major role in the future.

Finnish energy company Vantaan Energia Oy is building a new Waste-to-Energy power plant in the city of Vantaa, Finland. The innovative process will consist of two combustion and flue gas cleaning lines and an integrated gas turbine (GT) and a heat recovery steam generator (HRSG) and steam turbine (ST). In order to increase the overall efficiency of the power plant, live steam produced in the grate boilers will be additionally superheated in the HRSG by GT exhaust gases. Once completed in 2014, the new power plant will produce 78 MW of electricity and 120 MW of district heat. The new Waste-to-Energy plant will fulfill the most stringent environmental requirements and is a step towards carbon-neutral energy production. It will provide efficient energy recovery from residual waste and offer a better waste management route than the current landfill disposal. Pöyry's services in the project include Environmental Impact Assessment (EIA), pre-engineering and full scope EPCM. The new and innovative solution, where Pöyry's in-depth process competences were in a key role, improves energy production efficiency, increases the production of renewable energy, improves the versatility of energy management and reduces emissions in the city of Vantaa.

STRATEGIC PRIORITIES TO ACHIEVE OUR VISION

Our vision sets an ambition for growth and future positioning through a set of strategic priorities.

Pöyry's competitive ability is based on deep process know-how combined with efficient design, experience in managing large projects, long-term client relationships, and



a global sales network that bring value added to our clients. Understanding the special needs of our chosen client sectors enables us to offer tailored design and management consulting services to a broad client base, while taking responsibility of their whole project life cycle.

In order to achieve our vision and reach the corresponding financial targets, our strategy was adjusted in 2010 and is now being firmly implemented through a set of strategic priorities. Our strategy is to mainly focus on organic growth by increasing project size and scope, to increase our geographic focus, and to invest in those business segments that offer the most attractive demand and prospects for growth.

BUSINESS MODEL DEVELOPMENT

In becoming the leading engineering company, Pöyry has decided to focus on certain sectors, i.e. providing specialised solutions for our chosen client segments, whose opportunities and profitable growth are fuelled by global megatrends. This is why we actively manage our business portfolio to strengthen our position in the priority segments and geographies.

Increased focus in the energy business

In order to strengthen our energy engineering business and to increase our market share in Sweden, Pöyry acquired parts of the engineering and consulting businesses of Vattenfall in 2011. These businesses complement Pöyry's expert resources in wind power, transmission and distribution networks, hydropower, thermal power as well as renewables, and open major opportunities for projects globally. The new businesses have been incorporated into a newly established company in Sweden called Pöyry SwedPower AB. With about 500 experts now working for us in Sweden, the country is one of the core markets for Pöyry. We are the leading consulting company for the Swedish forest industry, we have a good position in the local mining and mineral processing sector, and now we can strengthen our position in Sweden's growing energy market.

As part of refocusing the energy business, the oil and gas business was divested in June 2011. This business was subscale to Pöyry and did not fit into our portfolio of strategically important core businesses.

New Urban business group

In late 2011, Pöyry continued its business model development by making the decision to merge the Water & Environment and Urban & Mobility business groups. This change became effective as of 1 January 2012. In the public sector, the business environment has been challenging during the past few years, and combining these groups into the new Urban business group will enable us to improve our competitiveness and better capture the synergies across our consulting engineering units that mainly serve the public sector.

Programme for operational excellence

In order to improve the efficiency and quality of Pöyry's operations and to serve our clientele in a more cost-efficient way, an operational excellence programme was launched in late 2010. The operational excellence programme in Finland was concluded as planned in 2011. The targeted annualised operating profit improvement of EUR 15 million was achieved partly through the operational excellence programme and partly through increased activity.

In 2011 the programme was launched in Germany. During the year the efficiency improvement measures resulted in restructuring costs of approximately EUR 5 million. The targeted annualised savings, approximately EUR 6.5 million, are expected to be achieved by the end of 2012.

ACCELERATED PROFITABLE GROWTH

The long-term outlook for investments in emerging markets is robust, and in this respect, they are fundamentally important for Pöyry to secure long-term organic growth. We have a strong position in Latin America, especially in Brazil, and in late 2011, we made the decision to increase sales focus in Asia.

> By using best technologies and environmental practices for state-of-the-art contract deliveries, we fulfil our promise of engineering balanced sustainability.

One of Pöyry's key strengths is our ability to offer strong local know-how. To accelerate the sales of engineering to owners and contractors and the sales of Engineering, Procurement, Construction Management (EPCM) and Engineering, Procurement and Construction (EPC) projects to Asian clientele, we have increased our presence in the area.

Globally local services: case Latin America

In the long term, Pöyry plans to increasingly focus on service development, especially for the client needs that arise from global megatrends. Over the past year, Pöyry has managed to solidify its presence in Latin America, and we have won all major new pulp mill project contracts in the region.

These projects include the EPCM contract for the Montes del Plata pulp mill in Uruguay, the engineering and project management services for the Eldorado pulp mill in Brazil, and the BOP (Balance of Plant) EPCM and Owner's Engineer contracts for the Suzano pulp mill in Brazil.

Expanding to EPC offering

On top of the strong EPCM offering, Pöyry's strategic intent is to expand to EPC projects where we can add value for our clients and effectively manage the risks in line with the company's financial and other capabilities.

Medium-size EPC projects have already been successfully executed in the energy field over the last decade, and in early 2011, Pöyry was awarded a significant assignment by MWV Rigesa Ltda. for the expansion of its paperboard mill in Três Barras in the state of Santa Catarina in Brazil.

The assignment consists of contracts for EPC-Balance of Plant and associated EPCM services as well as overall project management services to support the client. The EPC contract has been developed around Pöyry's unique Open Book concept, which is a risk-sharing partnership arrangement with the client and an example of Pöyry's ambition to better serve our clients in large complex projects.

Tackling larger projects will enable us to plan, offer and implement the most sustainable solutions. In the future, we aim to apply our engineering balanced sustainability concept more systematically and transparently in our projects.

INCREASINGLY SOPHISTICATED SERVICES

The strategic priorities defined by Pöyry will be implemented in three phases. In the short term, the focus is on business model development and accelerating profitable growth. When approaching the end of our vision period in 2020, we aim to offer our clients increasingly sophisticated services and comprehensive management consulting. By then, our intent is to have the capabilities and a track record for larger-scope project management and to offer our clients a mix of efficient design and supervision services.

We have developed new innovative concepts, such as the Green Mill Index, which was published in the autumn 2011. The index is a tool for measuring the environmental sustainability of paper and pulp mills. Another example of solutions promoting balanced sustainability is the Green Motorway initiative. (More information on both examples is available at www.poyry.com.)

As tunnelling and other infrastructure projects are becoming more complex, they require comprehensive and interdisciplinary evaluation for geological and geotechnical situations and risks. That is why Pöyry has developed a tunnel management software 2DOC, which is used for managing and analyzing data collected in the course of a tunnelling project. Availability of reliable data saves time during the project and provides good basis for risk management and decision making. The software has been developed by our team in Austria, and it is currently used in various tunnelling projects worldwide, for instance in the 62-kilometre long Tunnel Emisor Oriente wastewater tunnel in Mexico City. The longest wastewater tunnel in the world is a part of the new drainage system in Mexico City, and it will significantly reduce the risk of flooding in the city and surrounding areas.

Long-term growth-enabling initiatives, battles

In addition to strategic priorities, Pöyry has defined four fields of long-term battles that will enable reaching our financial targets.

THOUGHT LEADERSHIP

Based on Pöyry's know-how and offering, we are able to contribute ideas, solutions and knowledge to solving clients' complex issues. We aim to be innovative trendsetters in our business sectors and the battle will accelerate this development.

MARKETING & SALES

In order to develop future business and accelerate profitable growth, Pöyry needs to proactively seek new opportunities and projects. A more proactive sales process, client intimacy and holistic value proposition are key to our success.

WAY OF WORKING

The battle is about designing and upgrading the company's organisational structure, systems and processes. In order to reach our vision, we need a strong global community with shared culture and values, leveraging its knowledge and experience. This will result in rewarding careers and a competitive edge.

LARGE PROJECTS

We aim to achieve future growth in larger and more complex projects with good profitability. Getting involved in selected, turn-key projects is an effective way to promote organic growth. Pöyry will not become a general contractor but sees opportunities in providing clients with value-added turn-key solutions.

Megatrend:

Population growth and urbanisation

Pöyry project

High speed rail lines in China

Type: High speed rail lines including tunnels, bridges and stations
Country: China
Services: construction supervision

China has the world's longest high speed rail network. High speed rail lines increase the transport capacity of railways, thus alleviating congestion and providing an environmentally friendly means of transport in a densely populated country. HSR network is expected to increase economic productivity and competitiveness while linking labour markets and promoting the growth of urban centres. Pöyry's recent assignments in China include Changsha-Kunming, Hefei-Fuzhou and Datong-Xi'an lines, where Pöyry is taking care of construction supervision in certain sections.

Read more about Pöyry's projects:
www.poyry.com/projects

Corporate responsibility

Pöyry has a reputation for operating with honesty and integrity, which is based on the trust we have earned from our clients. This is an arena in which we want to invest by further strengthening our ethical rules and procedures.

Corporate responsibility at Pöyry

At Pöyry we are committed to providing our clients with solutions that respect all angles of sustainability in a balanced way. We also want to manage and develop our own operations in a sustainable and responsible manner.

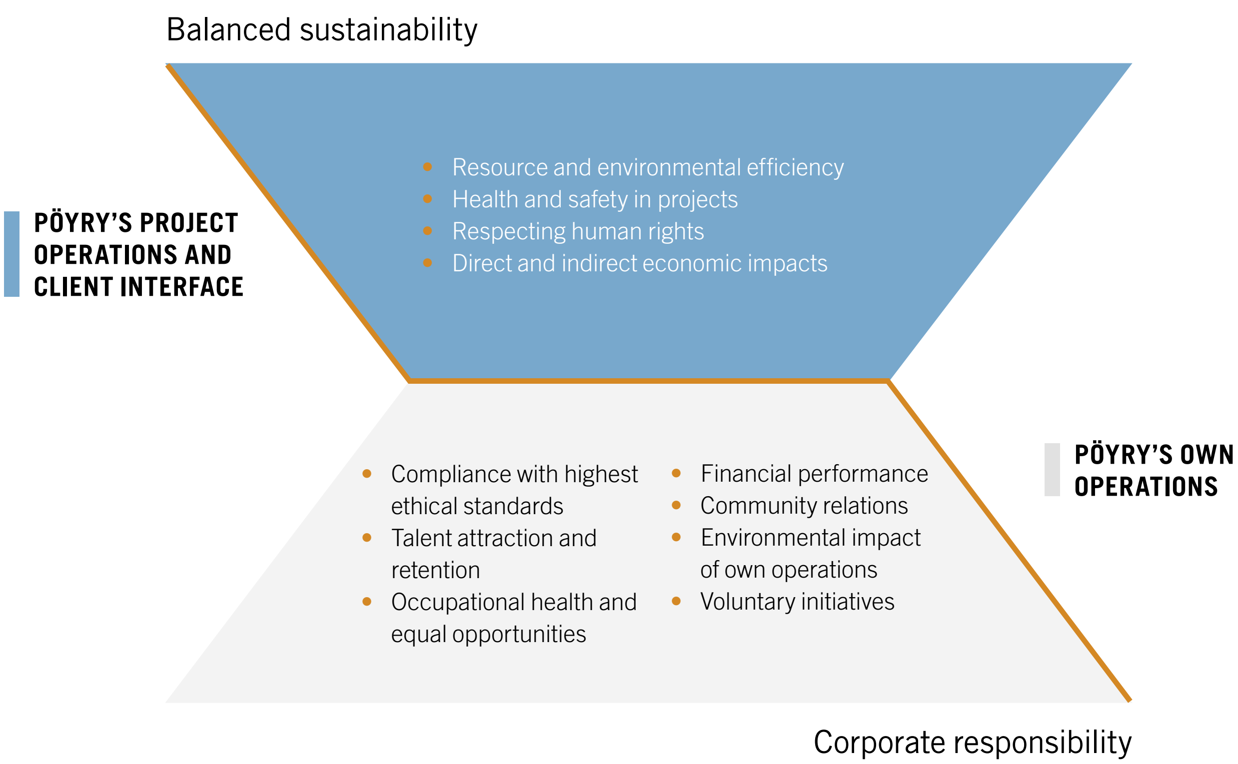
Pöyry is dedicated to balanced sustainability and responsible business. With quality and integrity at the core of our operations, our business conduct is always based on the highest ethical business standards as defined in the Pöyry Code of Conduct. Pöyry is a signatory to the World Economic Forum Partnering Against Corruption initiative (PACI) and is committed to the global fight against bribery and corruption. At Pöyry we have zero tolerance for corruption, bribery, anti-competitive practices, discrimination or harassment of any kind in our work.

In our vision we have made the commitment to Engineering balanced sustainability™, that is, improving our clients' investments' resource efficiency in a sustainable manner while improving their financial return. This sets high ambitions also on our own business conduct: in order to fulfil our commitment to engineering balanced sustainability, we need to take good care of our own business conduct while showing responsibility and respecting sustainability in our project work.

We discuss Pöyry's responsibility aspects under the title "Corporate responsibility", which is traditionally linked to the significant economic, environmental and social impacts of an organisation. In Pöyry's case we need to look at sustainability from two different perspectives: Pöyry's own operations and Pöyry's project work in the client interface.

DEFINING THE MATERIAL SUSTAINABILITY ASPECTS FOR PÖYRY

In order to identify what is relevant and significant for Pöyry to address in the context of corporate responsibility, in 2011 we started a process where we wanted to engage both Pöyry



people and our external stakeholders. Before we invited our stakeholders to give their opinion, we held an internal expert workshop where the balanced sustainability and corporate responsibility issues were thoroughly discussed. Based on these discussions we opened a web-based survey at www.poyry.com in August 2011. During the 2.5 half weeks the survey was open we received 230 answers from a wide range of stakeholders, the majority being Pöyry's employees. Responses were analysed with the help of an external partner.

In the survey, the respondents were asked to evaluate the importance for Pöyry of various responsibility aspects. The results supported our dual approach: we need to look at sustainability both from the perspective of our own operations and from that of our project work. Sustainability and responsibility aspects are essential in all of Pöyry's operations but the conclusion from the survey was that Pöyry people valued very highly the responsibility aspects that relate to Pöyry's own operations, whereas the external respondents expect us to pay attention to sustainability in our project operations.

The results of the stakeholder survey can be condensed into four themes:

- Responsible business
- Employer responsibility
- Environmental awareness in own operations
- Sustainability in project work

The vast majority of the responsibility aspects under these themes have been part of Pöyry's everyday working practices for a long time. Our Corporate Compliance Programme sets forth the compliance framework and ways of implementing it. Through this programme we cascade the responsible business practices throughout the Pöyry organisation and expect the same standards from our partners and suppliers (see pp. 24–25 for more about governance). We offer a range of personal and professional development opportunities to our personnel and aim at increasing the environmental awareness across the Group (see pp. 28–29 for more about People at Pöyry). We also have a dedicated balanced sustainability project team whose task is to increase our stakeholders' understanding of our capabilities and commitment to sustainability (see pp. 16–19 for more about Pöyry's approach to balanced sustainability).

The Group Executive Committee reviewed the resulting materiality matrix and a roadmap for Pöyry's corporate responsibility approach will be further developed and implemented during 2012.

HSEQ-project in Finland

As part of Pöyry's strategic objectives to harmonise our ways of working, a common operation system (the HSEQ system) for Pöyry companies in Finland was introduced in 2011. Today the operation model is based on the ISO 9001 Quality management systems standard, ISO 14001 Environmental management systems standard and OHSAS 18001 Occupational health and safety management systems standard.

Our clients lead the way in their businesses. To them the quality of service, safety and environmental consideration is essential. The HSEQ system contributes to realising these aspects in our project work and enables us to better support our clients' business. We also aim high in our internal operations: the HSEQ system guides us towards our strategic goal to be a thought leader in balanced sustainability and corporate responsibility. The HSEQ system promotes a uniform way of working within all Pöyry units regarding management, development, project execution and other matters.

Economic value distributed

(according to GRI)

DIRECT ECONOMIC VALUE GENERATED	€ Million
Net sales	796.1
Other operating income	0.8
Finance income	3.1
Share of associated companies' result	0.6
Total value generated	**800.6**
ECONOMIC VALUE DISTIBUTED TO STAKEHOLDERS	
Operating costs	328.2
Personnel (wages, salaries, bonuses)	358.5
Shareholders (dividends)*	11.8
Financiers (finance expenses)	6.1
Public sector (taxes and social expenses)	89.9
Total value distributed	**794.5**
ECONOMIC VALUE RETAINED	
	6.1

*BoD proposal

Corporate Governance and compliance

Pöyry is a global consulting and engineering company dedicated to balanced sustainability and responsible business with quality and integrity at our core. Our Code of Conduct, Pöyry Way and related policies and procedures clearly define our expectations on how we work and act as an employer, company and business partner.

REGULATORY FRAMEWORK

The corporate governance of Pöyry PLC is based on the laws of Finland, the Articles of Association of the parent company Pöyry PLC, the Finnish Corporate Governance Code, and the rules and regulations of the Finnish Financial Supervisory Authority and NASDAQ OMX Helsinki Ltd, where the Company is listed. The Company complies with the Finnish Corporate Governance Code. The code is publicly available at www.cgfinland.fi. Pöyry's Corporate Governance Statement and Remuneration Statement are available on Pöyry's website at www.poyry.com/investors.

GOVERNANCE

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

Subsidiaries of Pöyry PLC are governed by the laws of their domicile and the governance principles of Pöyry.

Management and business structure

President and CEO

Business Groups

Group Functions

MANAGEMENT AND BUSINESS STRUCTURE

In 2011, the business operations of Pöyry were organised into five (5) business groups: Energy, Industry, Urban & Mobility, Water & Environment, and Management Consulting. The business groups are further organised into business areas and business units. The Presidents of the business groups are members of the GEC.

The business support is organised into group-level support functions. The heads of the finance, HR, strategic growth & M&A, large projects, and legal & risk management functions are members of the GEC. Other group functions report to one of these function heads.

All members of the GEC report to the President and CEO of Pöyry.

OPERATING GUIDELINES

The Operating Guidelines are Pöyry's framework for conducting business. They define the most important common policies and instructions to be followed by the whole organisation.

Code of Conduct

The Code of Conduct ("Code") is a fundamental document in Pöyry's Operating Guidelines, which sets forth Pöyry's ethical principles and business standards. All other policies, guidelines and instructions that Pöyry follows are based on the principles set out in the Code. The Code is publicly available on Pöyry's website at www.poyry.com.

The Code of Conduct is an important element of the Pöyry Way consisting of the Pöyry Fundamentals and Principles, which form Pöyry's value base. The Code provides the fundamental guidance on how to conduct business in Pöyry. It sets

WEF PACI

Pöyry is a signatory to the World Economic Forum's "Partnering Against Corruption Initiative" (PACI). The World Economic Forum is an independent international organisation committed to improving the state of the world by engaging leaders in partnerships to shape global, regional and industry agendas. The PACI community of over 155 companies from all industries and all regions of the world is committed to making an impact in the fight against bribery and corruption by fostering high levels of engagement among its signatory companies. Pöyry is at the end of 2011 in stage 1 of the PACI three-stage process.

http://www.weforum.org/

Pöyry's Corporate Governance Statement and Remuneration Statement are available on Pöyry's website www.poyry.com

the standard of behaviour for everyone who works for Pöyry – both employees and business partners. The Code reiterates Pöyry's zero tolerance for corruption, bribery, anticompetitive practices, and discrimination or harassment of any kind. It also confirms the requirement for compliance with all applicable laws and regulations as well as the Pöyry Operating Guidelines.

The Compliance Guidelines for the Code of Conduct have been issued to the entire staff to provide more detailed guidance on the topics presented in the Code. The Code is applied without exception across all countries where Pöyry operates.

Pöyry has a Corporate Compliance Programme to ensure the understanding of and compliance with the Code of Conduct.

Compliance programme

Pöyry has been developing and implementing a Corporate Compliance Programme since 2010. The main purpose of the programme is to ensure that Pöyry and its employees comply with laws, rules, regulations and the Operating Guidelines of the company, in specific the Code of Conduct.The programme is to foster a culture of trust, honesty, integrity and respect throughout the Group.

The programme is based on appropriate policies and instructions, which are communicated and available to all employees. Training on the company's Operating Guidelines and Code of Conduct is at the core of the programme.

As part of the training, in the beginning of 2011 Pöyry launched a groupwide web based e-learning module on the Code of Conduct. This is to ensure that all Pöyry people understand, commit to and comply with the Code. Everyone at Pöyry is required to annually complete and sign off on the Code of Conduct e-learning module. Training on the Code and the Operating Guidelines is also a standard part of group-level business and project manager training programmes, and will be part of the New Employee Orientation module to be launched in 2012

The company's Internal Audit function plays an important role in the identification of compliance risks in their regular audits. To support the identification and monitoring of compliance risks, an anonymous whistleblowing hotline is being implemented and will be taken into use in the beginning of 2012.

Pöyry takes non-compliance issues seriously. The enforcement, remediation and discipline measures range from training and mentoring to dismissal, depending on the case.

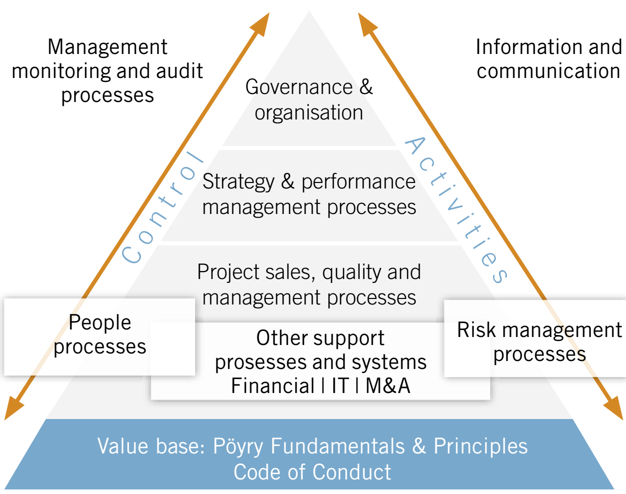
Internal Control Policy

Pöyry's Internal Control Policy defines the general rules and high level principles of Pöyry's internal control, which guide the design, development and implementation of Pöyry's internal control system. Pöyry's objectives for internal control are based on the international COSO framework (Committee of Sponsoring Organizations of the Tradeway Commission).

The purpose of Pöyry's internal control system is to ensure that the following objectives are achieved:

- Effectiveness, efficiency and transparency of operations on all levels
- Reliability of financial and other reporting
- Effective and comprehensive risk management
- Compliance with applicable laws and regulations and the Pöyry Operating Guidelines
- Ethical business conduct

The business organisation has the primary control responsibility. The Group functions have a secondary, functional control responsibility and audit functions (internal and external audit) an assurance role in internal control.



ICC and FIDIC

Pöyry is committed to anti-corruption standards through membership in the International Chamber of Commerce (ICC) and in the International Federation of Consulting Engineers (FIDIC).

Risk management

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

RISK MANAGEMENT PRINCIPLES

Risk management is an ongoing controlled process, that is part of the business processes. It is a coordinated set of activities to identify, assess, treat and control all major risk areas in a systematic and proactive way. The monitoring and measurement of existing risks and risk management procedures takes place continuously in order to evaluate the risk profile and effectiveness of the risk management processes. The clear focus in our risk management procedures is on proactive, preventive and protective measures and actions. In case of materialised risks, decisive and structured actions are taken and followed up.

RISK MANAGEMENT RESPONSIBILITIES

The Board of Directors approves the Risk Management Policy, oversees risk management and reviews the risk management processes of the Group with the assistance of the Audit Committee of the Board. The President and CEO organises risk management of the Group with the assistance of the Group Executive Committee (GEC) and the member of the GEC in charge of risk management. The head of the Group Risk Management function reports to the GEC member in charge of risk management.

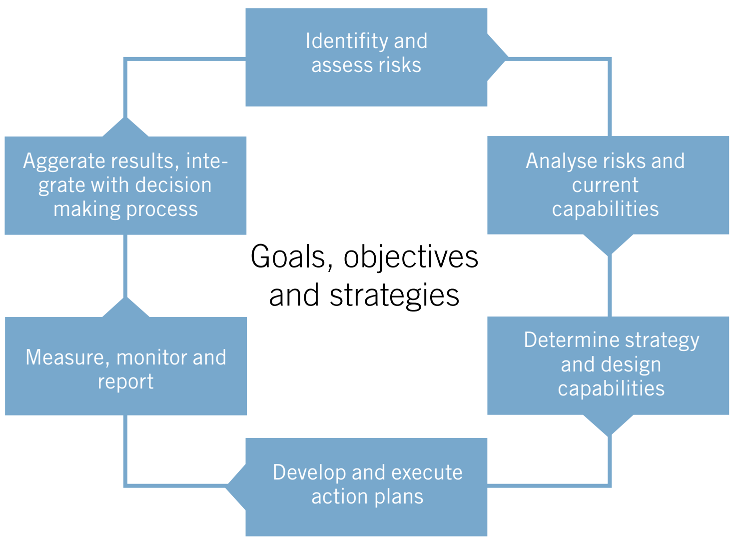
The primary responsibility for managing risks is with the business groups where risks also primarily occur. The day-to-day risk management is part of every Pöyry employee's duties in their own area of responsibilities.

RISK REPORTING

Presidents of the business groups regularly report on their business group's key risks as part of their business status reports to the GEC. A summary of the key Group level risks is presented as a regular item to the Audit Committee and the Board of Directors.

A summary of the results of the annual Enterprise Risk Management process (ERM report) and a follow-up of the key

Risk management process



Besides the day-to-day risk management processes, a standardised ERM process linked to the strategy process takes place annually. In this process, the risks relevant to Pöyry are classified into the following main risk categories:

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

Both project risk management and ERM processes follow one generic risk management process.

Description of the most significant risks can be found in the Board of Director's Report on page 42–43 and the financial risks in Note to the Financial Statements on pages 66–68.

Description of Pöyry's risk management framework can be found at www.poyry.com

risks in the ERM report are presented to the Audit Committee and Board of Directors periodically.

2011 – FOCUS ON IMPLEMENTING GROUPWIDE PROJECT RISK MANAGEMENT PROCESSES

Pöyry's business is about projects. Project risk management is at the centre of managing internal risks. The development and implementation of common, harmonised project management procedures and practices is a fundamental way to manage project risks.

Our Project Office has continued its project to harmonise the groupwide project management processes. This has been one of the key development areas in 2011. The work was preceded by an extensive fact finding on the best practices in project management throughout Pöyry. In addition to own best practices, PMI® and PMBOK provide guidelines for the project management processes. Global project management processes have been defined for the whole life cycle of a project according to PMBOK guidelines. Common ways of working in projects ascertain the best results for the client, as well as internal efficiency.

The project risk management process is one of the core project management processes. It extends from the proposal phase to the final completion of the project and is aimed at ensuring a due avoidance, mitigation and management of risks throughout the project life cycle. The development and implementation of a global project risk management process started already in 2010. Roll-out of this process continued in 2011, and the process with the supporting web-based tools created at Pöyry (Co-Pilot and PRA tools) has been implemented according to the GEC's decision. Training of the risk management process has been incorporated into the Pöyry PM Training programme.

As Pöyry is strongly focusing on large and complex projects, a Pöyry Group contracting risk portfolio assessment methodology has been developed for contracting type of projects (EPC/turn-key and O&M projects) in 2011. The methodology will be taken into use at the beginning of 2012. A detailed risk management process using the Co-Pilot tool has been in use in large and complex projects for several years. An example of successful use of the process was the Horizonte project in Brazil. Currently, the process is followed in the Rigesa expansion project in Brazil, Montes del Plata project in Uruguay and several others.

The company's Risk Management Policy and procedures were benchmarked against the ISO 31000 standard and a gap analysis was done and action points agreed for the required development actions. The benchmark was conducted by Internal Audit. No significant gaps or development needs were detected.

The ERM process was conducted in parallel to the strategy process with extra focus on risks threatening the achievement of the strategy. The ERM process is an ongoing activity. Risk registers and action items are followed up and updated regularly on business area, business group and group level.

Global Project Management training started 2011

One of the major achievements on the path to develop our project management was the launch of the global Pöyry Project Management (PM) Training programme. Project Management Institute PMI® (see www.pmi.org) was selected for the accreditation of our Project Managers. PMI's project management professional certification will be integrated into the project management training principals. ESI™ International (see www.esi-intl.com) is Pöyry's partner as the official project management training institute for the programme.

The Pöyry PM Training programme has three levels. It is based materially on the harmonised group-wide key project management processes developed in 2011. The training module on Pöyry's project risk management is an essential part of the programme.

TARGETS FOR 2012

- All policies and instructions require periodic review. During 2012, Pöyry's Risk Management Policy and Risk Management Instructions will be reviewed and updated.
- A compliance risk audit will be performed in cooperation with the Internal Audit function as part of the Corporate Compliance Programme.
- Portfolio risk management and reporting for both large and mid-sized projects will be further developed.

People at Pöyry

Pöyry is a responsible employer that fosters a dynamic environment to support the growth and development of its employees. We are a people business, which means that our success rests on the collaborative, professional, innovative and responsible way of working with our clients, each other and our stakeholders.

Pöyry offers its people the opportunity to grow and make a real difference. At Pöyry, we want to provide our employees with a rewarding and fulfilling career. We are committed to providing a healthy and safe workplace to all our employees and to conducting ethical business practices. We also want to act responsibly within the communities in which we are present.

THE PÖYRY COMMUNITY

One of the cornerstones of our vision is striving for a strong global community – One Pöyry. Our offering provides us with broad business opportunities worldwide, and by increasing the awareness of our broad capabilities internally as well as removing barriers for collaboration, we can fully utilise the synergy potential to win even larger projects. Hence we have continued to focus on developing a shared leadership culture and providing different networking forums and events to our key resources and management. Broad and engaging strategy work including strategy communication are important elements of providing clarity to our strategy to all employees within our organisation.

The Pöyry Pulse employee engagement survey, conducted in late 2011, shows that there is room for improvement in the area of strategy communication. Positively, the survey also shows continuously high engagement levels and work giving a sense of personal accomplishment to our people. We can see encouraging improvement in the scores related to line manager involvement and statements related to our value base that show that the development work done in the past years is paying off. We will continue developing our leadership capabilities to respond to the business needs in order to achieve our vision.

In line with our vision and strategy, we are seeing a shift in our resource base. The demand for our services in the emerging markets is expected to continue to grow and it will increase the number of local professionals in these markets. Increased diversity strengthens our capabilities to serve both existing and new clients in line with our vision and strategy.

The strategic People Agenda of Pöyry is built on three pillars:

- Shared culture and values
- Rewarding careers
- Growth enablers

DEVELOPMENT AND CAREER OPPORTUNITIES

In an expert organisation, the work itself and continuous learning are key drivers of employee engagement. With our broad offering, complex projects and ongoing collaboration with a network of experts globally, our daily work presents unique development opportunities. In addition to this, the four strategic battles – our growth enablers – drive a step change in our working environment and provide new learning opportunities to further increase our project management, sales, as well as leadership skills. The development work itself has provided interesting opportunities for hundreds of employees contributing to the different sub-projects of the battles. As part of the development, Pöyry invests in enhancing skills and capabilities as well as upgrading and harmonising processes and tools. This will lead to a professionally uniform way of working and ensure leading-edge development for our talent.

Pöyry Dialogue process

The Pöyry Dialogue is a global framework for the annual discussion between employee and line manager. The Pöyry Dialogue drives high performance, supports capability development and helps retain talent. It is an important channel to recognise performance at Pöyry. From the employees' point of view the Pöyry Dialogue clarifies job responsibilities, expectations and priorities. It also enables systematic dialogue about longer-term career aspirations and personal development goals. This was the first people process to be implemented globally in Pöyry. While the Pöyry Dialogue coverage has started to achieve good levels, refining and improving the quality of the dialogues further is on the agenda. The recently launched People@Pöyry HR application is another enabler for increased alignment of target setting globally. It will also support internal collaboration and resource sharing through increased visibility of our people.

Internal mobility

Encouraging internal mobility across business and country borders is one of the major drivers of Pöyry's people development. Pöyry offers its experts the opportunity to work in different locations worldwide or enjoy the challenges of an international environment within their home countries. The expansion of our EPC offering and the strong EPCM offering increase the need to pull together cross-organisational project teams at short notice. This provides our employees with both short and longer term transfer opportunities globally.

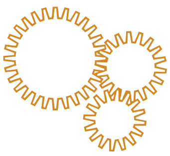
C3 Career Compass for consultants

For the consulting staff in the Management Consulting business group, the C3 Career Compass defines a career path based on a competency profile for seven career levels. The competency profile is based on 3 C's: client impact, competency development and company building. Within each of these 3 C's, the competency framework highlights skills, knowledge and abilities to be developed along the career path. Development of skills and progress along one's career path is supported through formal training, project work (with regular project reviews) and guidance from mentors and managers in the Pöyry Dialogue process.

Pöyry principles

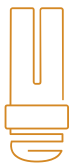
Collaborative

BE OPEN. We interact seamlessly across businesses, functions, and locations. Building on confidence and trust, everyone supports each other to the benefit of our clients and ourselves. By putting our minds together, there are no limits to what we can accomplish.



Professional

BE SHARP. We hold our promise to deliver in the highest regard – both internally and externally. It is in our nature to execute projects to perfection and bring the best value to our clients. By always raising the bar we will ensure the most sustainable solutions.



Innovative

THINK FORWARD. We continuously find new and better ways to work. As individuals and as a company we deliver solutions that lead the way to a more balanced planet. By being highly innovative we will become the preferred guide into the future.

Responsible

BE FAIR. We trust and empower our people, treating each other with respect and dignity. We work with the highest integrity and comply fully with all relevant regulations and standards – each individual is accountable for their actions. By developing balanced solutions we leave a positive contribution on society.

Board of 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; YIT Corporation, Chairman of the Board of Directors 2009– Otava Ltd.,Member of the Board of Directors 1988–

Member of the Pöyry Board since 1997

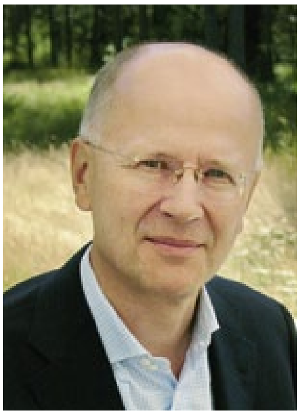
Pöyry PLC shares: Henrik Ehrnrooth, together with his brothers Georg Ehrnrooth and Carl-Gustaf Ehrnrooth, indirectly holds a controlling interest in Corbis S.A.

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 Ltd, Member of the Board of Directors 1996–

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)

Georg Ehrnrooth
Born 1966, Finnish citizen, Studies in agriculture and forestry, Högre Svenska Läroverket, Turku, Finland. Not independent of significant shareholder

Corbis S.A., Semerca Investments S.A. and Fennogens Investments S.A., Chairman of the Board of Directors 2009–; Opus Capita Oy, Member of the Board of Directors 2005–2011; eQ Asset Management Oy, Chairman of the Board of Directors 2009–2011; Norvestia Oyj, Member of the Board of Directors 2010–; Oy Forcit Ab, Member of the Board of Directors 2010–; Anders Wall Foundation, Member of the Board of Directors 2008–; Paavo Nurmi Foundation, Member of the Board of Directors 2005–

Member of the Pöyry Board since 2010

Pöyry PLC shares: Georg Ehrnrooth, together with his brothers Henrik Ehrnrooth and Carl-Gustaf Ehrnrooth, indirectly holds a controlling interest in Corbis S.A.

Shareholdings are stated as at 31 December 2011 and in brackets as at 31 December 2010. 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.

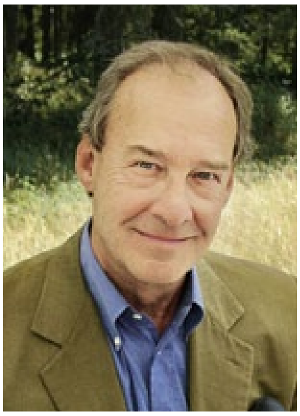
Curricula vitae of the members of the Board of Directors are available on the company's website www.poyry.com

Alexis Fries
Born 1955, Swiss citizen, diploma in Physics. Independent member

Management Consultant 2003–; Saurer AG, Member of the Board of Directors 2002–2007; 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

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

Biogasol APS, Member of Supervisory Board 2010-; European American Investment Bank AG, Chairman of Supervisory Board 2009-; Fjord Clean Energy Fund LP, Fjord Capital Partners Ltd, General Partner 2007–; World Economic Forum, Managing Director and Dean, Global Leadership Fellows Programme 2005–2007; INSEAD, Adjunct professor, part time 2006–; McKinsey & Company, Inc, McKinsey Global Learning Institute, Dean 2000–2004, McKinsey Eastern Europe, Chairman 1991–2000,

Member of the Pöyry Board since 2009

Pöyry PLC shares:
0 (0)

Karen de Segundo
Born 1946, Dutch citizen, Master in Law, MBA. Independent member

Royal Ahold NV, Member of the Supervisory Board 2004–2011; E.on AG, Member of the Supervisory Board 2008–; British American Tobacco Plc., Member of the Board of Directors 2007–; Lonmin Plc., Member of the Board of Directors 2005–; Shell International Renewables, CEO 2000–2005; Shell International Gas & Power, CEO (Shell Global Gas & Power) and Chairman (Shell Coal) 1998–2000;

Member of the Pöyry Board since 2005

Pöyry PLC shares:
4,000 (4,000)

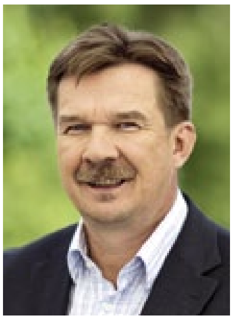
Group Executive Committee

Heikki Malinen
President and CEO
Born 1962
M.Sc. (econ.), MBA

Member of Pöyry's Group Executive Committee since 2008

Pöyry PLC shares:
33 033 (18 033)

Stock options 2004:
0 (0)

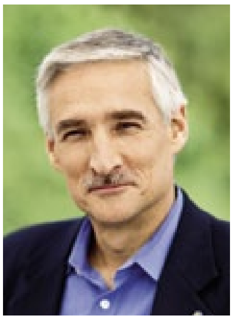


Ari Asikainen
Executive Vice President, Energy Business Group
Born 1957
M.Sc. (tech.)

Member of Pöyry's Group Executive Committee since 2009

Pöyry PLC shares:
12,209 (1,809)

Stock options 2004:
4,000 (5,200)

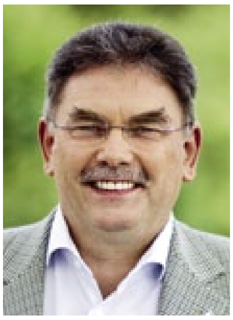


Richard Pinnock
Executive Vice President,
Group Strategic Growth
Born 1962
B.Sc. (eng.),
B.Comm. (Hons)

Member of Pöyry's Group Executive Committee since 2003

Pöyry PLC shares:
84 927 (41 427)

Stock options 2004:
12,000 (21,000)



Martin Kuzaj
Executive Vice President,
Industry Business Group
Born 1957
ph.D. (Chemistry)

Member of Pöyry's Group Executive Committee since 2009

Pöyry PLC shares:
17,500 (10,000)

Stock options 2004:
0 (0)

Andy Goodwin
Executive Vice President,
Urban & Mobility Business Group
Born 1962
B.Sc. (eng.),
B.Comm. (Hons)

Member of Pöyry's Group Executive Committee since 2009

Pöyry PLC shares:
9,309 (1,809)

Stock options 2004:
0 (0)

Shareholdings are stated as at 31 December 2011 and in brackets as at 31 December 2010. 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.

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

Martin Bachmann
Executive Vice President,
Water & Environment Business Group
Born 1967
M.Sc. Civil Engineering

Member of Pöyry's Group Executive Committee since 2010

Pöyry PLC shares: 6,904 (1,904)

Stock options 2004: 0

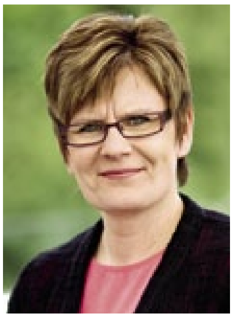
Jarkko Sairanen
Executive Vice President
President Management Consulting Business Group
Born 1963

M. Sc. Industrial Engineering
MBA

Member of Pöyry's Group Executive Committee since 2011

Pöyry PLC Shares: 7,500

Stock Options 2004: 0

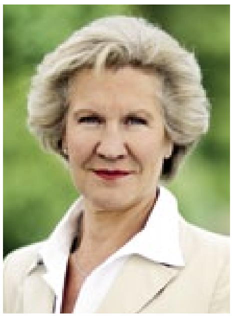


Camilla Grönholm
Executive Vice President,
Human Resources
Born 1964
M.Sc. (econ.)

Member of Pöyry's Group Executive Committee since 2006

Pöyry PLC shares: 26,618 (3,618)

Stock options 2004: 6,000 (10,500)



Anne Viitala
Executive Vice President,
Legal and Commercial
Born 1959
Il.M., trained on bench, eMBA

Member of Pöyry's Group Executive Committee since 2002

Pöyry PLC shares: 23,547 (9,618)

Stock options 2004: 0 (11,750)

Jukka Pahta
Chief Financial Officer
Born 1966
M.Sc. (Econ.)
MBA

Member of Pöyry's Group Executive Committee since 2011

Pöyry PLC Shares: 5,000

Stock Options 2004: 0

Megatrend:

Shift in economic balance

Pöyry project

Paperboard mill expansion in Brazil

Project : New paperboard production line, improvements to existing mill
Client: MWV Rigesa
Services: EPC Open Book, project management
Location: Três Barras, Brazil
Project period: 2011–2012

Brazil is one of the key players in the global economy. Also the growing domestic consumption feeds the consumer goods market and the need for packaging material. Pöyry assists the client with EPC Open Book services and project management for a new paperboard production line and improvements of the existing mill. Most advanced technology and stringent environmental criteria have been used both in conception and implementation of this state-of-the-art project. A water management system will enable water efficiency improvements, reducing water consumption per ton of paper produced by 65 per cent. The complexity of the project and opportunities to improve sustainability of the MWV Rigesa expansion project are most exiting for Pöyry.

Read more about Pöyry's projects:
www.poyry.com/projects

Financial Statements

Good order intake in 2011 resulted in high order stock at the end of the report period. During the year Pöyry won all key pulp and paper projects in Latin America resulting in a good turnaround in the Industry business group. Also Energy and Management Consulting business groups showed good improvement.

Report of the Board of Directors 1 January–31 December 2011

MARKET REVIEW

The global economy continued to recover in 2011 although towards the end of the year at a slower pace. The ongoing debt crisis in certain countries in Europe increased uncertainty and the composite leading indicators pointed to a slowdown in economic activity in most OECD countries as well as in major non-member economies.

During the autumn the uncertainty around the general economic outlook increased further but all in all the improved economic environment, compared with the previous year, was positively reflected in the energy and industrial sectors' investment activity. A number of major pulp mill investments moved ahead in Latin America and the minerals processing sector showed a clear increase in mining and minerals investments. Increasing energy consumption has improved market conditions in the energy sector, especially in Asia. However, the limited availability of financing has delayed the implementation of projects especially in renewable energy.

Investment activity in the transportation and real estate sectors continued to develop steadily in the more developed areas of the world. However, public sector infrastructure investments were delayed in Latin America. The economies of Eastern Europe continued to struggle as a result of the austerity measures. Within the water supply and sanitation segment, public sector investment activity continued modestly in Europe. The improved economic environment increased demand for management consulting services in the first part of the year but the increasing macroeconomic uncertainty slowed down demand towards the end of the year.

Note: Figures in brackets, unless otherwise stated, refer to the same period the previous year. All figures and totals have been rounded, which may lead to minor discrepancies upon addition or subtraction.

ORDER STOCK

Order stock, EUR million, end of period	12/2011	12/2010	Change, %
Consulting and engineering	636.8	521.1	22.2
EPC	57.6	5.1	n.a.
Total	694.4	526.2	32.0

The Group's order stock totalled EUR 694.4 million (526.2) at the end of 2011. The Industry business group's order stock includes a major EPC contract which was received from MWV Rigesa, Brazil, in the first quarter of 2011 for the Balance of Plant (BOP) of their paperboard mill expansion project. In year-on-year comparison order stock was clearly higher in the Industry business group and also increased in all business groups other than the Management Consulting business group. The order stock breakdown by business group at the end of the reporting period was as follows: Energy EUR 205.8 million (30 per cent of the total order stock), Industry EUR 187.9 million (27 per cent), Urban & Mobility EUR 203.0 million (29 per cent), Water & Environment EUR 76.8 million (11 per cent) and Management Consulting EUR 20.9 million (3 per cent).

ORDER INTAKE

The Group's order intake in January–December 2011 was higher than in 2010. The main contributor was the Industry business group. In year-on-year comparison, the order intake has also developed steadily in the Energy business group. In the Management Consulting business group order intake was strong in the first part of the year but slowed down somewhat towards the end of the year. Order intake was fairly stable in the Urban & Mobility business group but declined somewhat in the Water & Environment business group.

GROUP NET SALES

Net sales by business group, EUR million	1–12/ 2011	1–12/ 2010	Change, %	Share of total sales, % 1–12/ 2011
Energy	205.7	171.2	20.2	25.8
Industry	236.5	159.8	48.0	29.7
Urban & Mobility	181.3	197.2	-8.1	22.8
Water & Environment	84.3	79.3	6.3	10.6
Management Consulting	88.2	73.6	19.8	11.1
Unallocated	0.2	0.5	-60.0	0.0
Total	796.1	681.6	16.8	100.0

Consolidated net sales in January–December 2011 increased by 16.8 per cent compared with the year before to EUR 796.1 million (681.6). Net sales were clearly higher than the year before in the Industry business group which was supported by the large projects in Latin America. Net sales also increased in the Energy, Management Consulting and Water & Environment business groups. Net sales declined in the Urban & Mobility business group.

Business groups (operating segments)

All personnel numbers are calculated as full-time equivalents (FTE).

Energy	1–12/ 2011	1–12/ 2010	Change, %
Order stock, EUR million	205.8	183.2	12.3
Net sales, EUR million	205.7	171.2	20.2
Operating profit excl. restructuring costs, EUR million	8.7	6.4	35.9
Operating margin excl. restructuring costs, %	4.2	3.7	
Operating profit, EUR million	5.4	4.4	22.7
Operating margin, %	2.6	2.5	
Personnel at end of period	1,775	1,463	21.3

1–12/2011

Supported by solid order intake especially in Asia and Middle-East, the order stock value of EUR 205.8 million at the end of the period increased 12.3 per cent from the year before (183.2).

Net sales for January-December 2011 were EUR 205.7 (171.2) million representing an increase of 20.2 per cent from the year before and reflecting improved market conditions and strong order stock.

Operating profit before restructuring costs of EUR 3.3 million amounted to EUR 8.7 million (6.4) and the operating margin was 4.2 per cent of sales (3.7). Operating profit was supported by successful restructuring measures and an increase in volumes. Operating profit improved from the year before although it was burdened by the start-up efforts relating to the carve-out and integration of Vattenfall's engineering consulting business to Pöyry during the latter part of the year. Operating profit after restructuring costs including the integration costs of the business acquired in Sweden was EUR 5.4 million or 2.6 per cent of net sales.

A transaction whereby Pöyry PLC acquired parts of the engineering consulting business of Vattenfall Power Consultant AB was completed on 15 July and the newly established company SwedPower AB was consolidated in Pöyry's reporting from 1 July 2011.

In June 2011 Pöyry announced the divestment of its oil and gas business. The oil and gas business was excluded from Pöyry's financials as of 4 June 2011.

Industry	1–12/ 2011	1–12/ 2010	Change, %
Order stock, EUR million	**187.9**	66.0	184.7
Net sales, EUR million	**236.5**	159.8	48.0
Operating profit excl. restructuring costs, EUR million	**14.1**	-6.3	n.a.
Operating margin excl. restructuring costs, %	**6.0**	-3.9	
Operating profit, EUR million	**15.6**	-11.8	n.a.
Operating margin, %	**6.6**	-7.4	
Personnel at end of period	**1,985**	2,083	-4.7

1–12/2011

The order stock value was EUR 187.9 million at the end of the period (66.0). The order stock includes a major EPC contract and three major pulp mill projects in Latin America that were received during 2011 and which are now in the implementation phase. Order intake especially in the Local Project Services has continued steadily.

Net sales for January–December 2011 were EUR 236.5 (159.8) million. This was 48.0 per cent higher than the year before and reflected the improved market environment as well as increased order stock.

Operating profit amounted to EUR 15.6 million (-11.8), and the operating margin was 6.6 per cent of sales (-7.4). Operating profit was supported by the profitability improvement actions and increasing capacity utilisation levels. Operating profit includes a reversal of EUR 1.7 million of the restructuring provisions made in 2010.

Urban & Mobility	1–12/ 2011	1–12/ 2010	Change, %
Order stock, EUR million	**203.0**	187.6	8.2
Net sales, EUR million	**181.3**	197.2	-8.1
Operating profit excl. restructuring costs, EUR million	**3.6**	18.5	-80.5
Operating margin excl. restructuring costs, %	**2.0**	9.4	
Operating profit, EUR million	**-0.7**	17.8	n.a.
Operating margin, %	**-0.4**	9.0	
Personnel at end of period	**1,719**	1,724	-0.3

1–12/2011

Order stock value at EUR 203.0 million at the end of the period was higher than the year before (187.6).

Due to delays in public sector investments especially in Latin America and Eastern Europe, net sales, which stood at EUR 181.3 million for January–December 2011, were lower than in the year before (197.2). The comparison figure includes revenue recognition from a long-running major project.

Operating profit before restructuring costs of EUR 4.3 million declined to EUR 3.6 million (18.5). The operating margin was 2.0 per cent of sales (9.4). The comparison figure includes profit recognition from a long-running major project. Operating profit for 2011 includes an increase of EUR 4.3 million in provision, which relates to accounts receivable in the Venezuelan infrastructure projects as described under the section "Balance Sheet". Operating profit was also burdened by lower net sales and continued business development costs in Asia and Eastern Europe as well as by recognised losses from certain projects in Latin America. Operating profit after restructuring costs was EUR -0.7 million or -0.4 per cent of net sales.

Water & Environment	1–12/ 2011	1–12/ 2010	Change, %
Order stock, EUR million	**76.8**	66.5	15.5
Net sales, EUR million	**84.3**	79.3	6.3
Operating profit excl. restructuring costs, EUR million	**0.5**	1.9	-73.7
Operating margin excl. restructuring costs, %	**0.6**	2.4	
Operating profit, EUR million	**-2.1**	1.3	n.a.
Operating margin, %	**-2.5**	1.7	
Personnel at end of period	**842**	891	-5.5

1–12/2011

Order stock value was EUR 76.8 million at the end of the period and increased from the year before (66.5).

Supported by the solid order stock net sales of EUR 84.3 for January–December 2011 were higher than the year before (79.3).

Operating profit before restructuring costs of EUR 2.6 million was EUR 0.5 million (1.9) and the operating margin 0.6 per cent of sales (2.4). Actions taken to adjust capacity to demand have had a positive impact especially in Finland. Continued growth efforts, challenges in the international markets, as well as bad-debt provisions of EUR 0.7 million burdened profitability. Operating profit after restructuring costs was EUR -2.1 million or -2.5 per cent of net sales.

Management Consulting	1–12/ 2011	1–12/ 2010	Change, %
Order stock, EUR million	**20.9**	22.9	-8.7
Net sales, EUR million	**88.2**	73.6	19.8
Operating profit excl. restructuring costs, EUR million	**7.6**	1.7	n.a.
Operating margin excl. restructuring costs, %	**8.6**	2.3	
Operating profit, EUR million	**7.2**	-0.5	n.a.
Operating margin, %	**8.2**	-0.6	
Personnel at end of period	**494**	498	-0.8

1–12/2011

Order stock value at the end of the period was EUR 20.9 million which is somewhat lower than the year before (22.9), reflecting a slowdown in the order intake during the fourth quarter of 2011, but remained at a good level.

An improved market environment, especially in the early part of the report period, as well as project acquisition success supported net sales which amounted to EUR 88.2 (73.6) million in January–December 2011. This was 19.8 per cent higher than the year before.

Operating profit before restructuring costs of EUR 0.4 million amounted to EUR 7.6 million (1.7), and the operating margin was 8.6 per cent of sales (2.3). Successful restructuring of operations and recovering consulting market especially in the early part of the report period were reflected in the improved operating profit. Operating profit after restructuring costs was EUR 7.2 million or 8.2 per cent of net sales.

Group Overhead

Unallocated costs in January–December 2011 were EUR 5.4 million (5.4), representing 0.7 per cent of sales (0.8). Unallocated costs include EUR 1.3 million restructuring costs.

GROUP FINANCIAL RESULT

The consolidated operating profit excluding restructuring costs totalled EUR 30.4 million. Compared with the year before, the operating profit improved significantly in the Industry and Management Consulting business groups as a result of improving activity and successful restructuring measures. The operating profit also improved in the Energy business group despite the start-up efforts caused by the integration of Pöyry SwedPower. The operating profit in the Urban & Mobility and Water & Environment business groups declined from the year before due to a challenging market environment especially in the public sector.

The consolidated operating profit for the reporting period totalled EUR 20.0 million (5.8). The consolidated operating margin for the report period increased to 2.5 per cent from 0.9 per cent the year before.

The net of financial items was EUR -2.9 million (-1.5).

Profit before taxes totalled EUR 17.1 million (4.3).

Income taxes were EUR 8.4 million (3.9).

Net profit for the period was EUR 8.7 (0.4) million, of which EUR 7.8 million was attributable to equity holders of the parent company and EUR 0.9 million to non-controlling interests.

Diluted earnings per share were EUR 0.13 (0.00).

BALANCE SHEET

The consolidated balance sheet is strong. The consolidated balance sheet amounted to EUR 641.6 million at the end of the reporting period which is EUR 109.1 million higher than at year-end 2010 (532.5) and EUR 9.7 million higher than at the end of September 2011 (631.9). The Vantaa Head Office building was included in the balance sheet in the second quarter of 2011.

Total equity at the end of the reporting period was EUR 187.0 million (187.1). Total equity attributable to the equity holders of the parent company was EUR 179.8 million (179.9) or EUR 3.01 per share (3.03).

The accounts receivable include receivables, which relate to certain public sector infrastructure projects in Venezuela, where the client is a public authority. The receivables have been described in the report of the Board of Directors for 2010. The client has certified the debt in full and is arranging financing for the payment of the said receivables. Pöyry has continued intensive collection activities to ensure payment of these receivables with support of several high level contacts and authorities. Although progress has been made on many of the targeted actions, the payment is still pending. While the receivables are undisputed, there continues to be uncertainty about the timing of the payments, which has been reflected in the valuation of the receivables. The current net value of the receivable is approximately EUR 24.1 million after provisions. The increase in provision was EUR 4.3 million in 2011.

Return on equity (ROE) was 4.6 per cent (0.2). Return on investment (ROI) was 7.4 per cent (2.6).

CASH FLOW AND FINANCING

The Group's liquidity is good. At the end of the reporting period, the Group's cash and cash equivalents and other liquid assets amounted to EUR 79.0 (99.0) million. In addition to these, the Group had unused long-term overdraft facilities amounting to EUR 77.0 million.

Net cash from operating activities in the reporting period was EUR 30.5 million (-13.1), representing EUR 0.52 per share. Net cash before financing activities was EUR -33.9 million (-29.2) including the acquisition of the Vantaa Head Office building. The cash flow includes a net of EUR -11.4 million from acquisitions and divestments. The comparison figure includes EUR -9.7 million from acquisitions.

Net debt at the end of the reporting period totalled EUR 52.6 million (6.5). Gearing was 28.2 per cent (3.5). The equity ratio was 34.6 per cent (40.1).

Pöyry PLC paid its shareholders dividends amounting to EUR 5.9 million or EUR 0.10 per share in March 2011.

Calculation of key figures is presented on the Calculation of key figures page and key figures are presented on the Key figures page of the Financial Statements.

CAPITAL EXPENDITURE, ACQUISITIONS AND DIVESTMENTS

During the reporting period, the Group's operating capital expenditure totalled EUR 82.0 million, of which EUR 8.4 million consisted mainly of computer software, systems and hardware, EUR 28.4 million was due to acquisitions and EUR 45.2 due to the acquisition of the Vantaa Head Office building. During 2011 divestments totalled EUR 17.25 million.

On 15 July Pöyry PLC and Vattenfall AB completed the transaction whereby Pöyry PLC acquired parts of the engineering consulting business of Vattenfall Power Consultant AB. The newly established company SwedPower AB was consolidated in Pöyry's reporting from 1 July 2011. Integration of the carved-out business into Pöyry incurred start-up costs which are reported as one-time restructuring items in 2011.

Capital expenditure, EUR million	1–12/ 2011	1–12/ 2010
Capital expenditure, operating	8.4	6.8
Capital expenditure, land and buildings	45.2	0.0
Capital expenditure, shares	28.4	11.8
Capital expenditure, total	82.0	18.6

HUMAN RESOURCES

Personnel (FTE) by business group, at the end of the period	1–12/ 2011	1–12/ 2010	Change, %
Energy	**1,775**	1,463	21.3
Industry	**1,985**	2,083	-4.7
Urban & Mobility	**1,719**	1,724	-0.3
Water & Environment	**842**	891	-5.5
Management Consulting	**494**	498	-0.8
Group staff and shared resources	**137**	142	-3.5
Personnel, total	**6,952**	6,801	2.2

Personnel (FTE) by geographic area, at the end of the period	1–12/ 2011	1–12/ 2010	Change, %
Nordic countries	**2,569**	2,467	4.1
Other Europe	**2,728**	2,859	-4.6
Asia	**655**	538	21.7
North America	**244**	215	13.5
South America	**712**	615	15.8
Other areas	**44**	107	-58.9
Personnel, total	**6,952**	6,801	2.2

Personnel structure

The Group had an average of 6,864 (6,611) employees (FTEs) during the reporting period, which is 3.8 per cent more than the year before as increased demand in certain areas has resulted in recruitment needs. The number of personnel at the end of the period was 6,952 (6,801). The geographical shift in demand has been reflected in the regional numbers of personnel. The increase in the Energy business group includes the business that was acquired in Sweden in July. In the Nordic countries Sweden increased due to the acquisition and Finland decreased due to the structural changes in the Industry business group. The emerging markets continued to grow; growth compared to the end of 2010 was about 200 employees corresponding to approximately 20 per cent of the workforce in Latin America, Asia and Middle-East.

Organisational capabilities

To ensure that Pöyry Group's organisational capabilities develop in accordance with changing business needs, the principles and actions for development are defined as a part of the annual strategy process. The vision sets a clear agenda for the development focus areas and will provide exciting career opportunities for our staff. In 2011 a shared leadership culture was developed further and various networking forums and events were provided to the key resources and management. The Pöyry Pulse employee engagement survey was conducted late 2011. The survey indicates areas of development but also shows continuously high engagement levels among the personnel.

More about People at Pöyry is available on pages 28–29 in the Annual Report.

Personnel expenses

Personnel expenses, EUR million	1–12/ 2011	1–12/ 2010	Change, %
Wages and salaries	**339.2**	319.0	6.3
Bonuses	**17.6**	10.6	65.6
Expenses from share-based incentives	**1.7**	1.9	-9.0
Social expenses	**81.5**	73.0	11.6
Personnel expenses, total	**440.1**	404.5	8.8

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 the Group companies' line management, but which will be increasingly directed at individual experts, such as staff in project work.

Performance share plan 2011–2015

In February 2011 the Board of Directors of Pöyry PLC approved a new share-based incentive plan for Pöyry Group's key personnel for the period of 2011–2015 (the "Plan"). The Plan is directed at approximately 300 people. The Plan includes earning periods which commence at the beginning of the years 2011, 2012 and 2013. The first earning period is for the calendar years 2011–2013. The rewards to be paid on the basis of the earning period 2011–2013 will correspond to a maximum total of 475,000 Pöyry PLC shares if the target performance set by the Board of Directors is met. If the Company's performance exceeds the target and reaches maximum performance, as defined by the Board of Directors, the rewards to be paid on the basis of the earning period 2011–2013 will correspond to a maximum total of 950,000 Pöyry PLC shares. This number of shares also includes the proportion of the rewards to be paid in cash.

On 8 February 2012, 89 per cent of the grants in the Plan for the earning period 2011–2013 had been allocated.

In accordance with the terms of the Plan an interim pay-out based on the 2011 earnings period has been approved by the Board of Directors. Based on 2011 Net Sales and EPS, excluding restructuring costs, the pay-out ratio is 50 per cent. The final pay-out ratio will be confirmed based on the three year criteria for 2011–2013, however, at the minimum on 50 per cent pay-out level i.e. in the range of 50–200 per cent.

RESEARCH AND DEVELOPMENT

The cornerstone of 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 2011 Pöyry was involved in a number of development projects that are related to climate change, the 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.

When approaching the end of its Vision period in 2020 Pöyry's aim is to be able to offer increasingly sophisticated services and comprehensive management consulting. To enable this Pöyry has defined four key Growth Enablers: Thought Leadership, Large Projects, Way of Working and Marketing & Sales. Internal development programmes to improve the company's execution capabilities in these areas have been launched and are ongoing.

GOVERNANCE

Pöyry publishes its Corporate Governance Statement separately from the Report of the Board of Directors and the Financial Statements. The Corporate Governance Statement is available on the company's website at www.poyry.com.

Annual General Meeting 2011

The Annual General Meeting of Pöyry PLC was held on 10 March 2011. The AGM adopted Pöyry PLC's annual accounts and granted the members of the Board of Directors and the company's President and CEO discharge from liability for the financial period of 1 January to 31 December 2010.

The AGM decided that a dividend of EUR 0.10 be distributed per outstanding share for the financial year 2010. The dividend was paid on 22 March 2011.

The AGM decided that the Board of Directors consist of seven (7) ordinary members. The AGM elected the following members to the Board of Directors: Mr. Pekka Ala-Pietilä, Mr. Georg Ehrnrooth, Mr. Henrik Ehrnrooth, Mr. Alexis Fries, Mr. Heikki Lehtonen, Mr. Michael Obermayer and Ms. Karen de Segundo.

The AGM decided that the annual fees of the members of the Board of Directors be EUR 40,000 for a member, EUR 50,000 for the Vice Chairman and EUR 60,000 for the Chairman of the Board, and the annual fee of the members of the committees of the Board of Directors be EUR 15,000. In addition, the AGM authorised the Board of Directors to decide about an additional fee of not more than EUR 15,000 per annum for each of the foreign residents of the Board of Directors and an additional fee of not more than EUR 5,000 per annum for each of the foreign residents of the committees of the Board of Directors. The authorisation shall be in force until the next AGM.

In its assembly meeting immediately following the AGM, the Board of Directors elected Henrik Ehrnrooth as Chairman and Heikki Lehtonen as Vice Chairman. Heikki Lehtonen, Alexis Fries and Georg Ehrnrooth were elected members of the Audit Committee. Henrik Ehrnrooth, Heikki Lehtonen, Karen de Segundo and Pekka Ala-Pietilä were elected members of the Nomination and Compensation Committee. In accordance with the authorisation by the AGM, the Board decided to pay an additional fee of EUR 15,000 per annum to the foreign residents of the Board of Directors and an additional fee of EUR 5,000 per annum to the foreign residents of the committees of the Board of Directors.

KPMG Oy Ab, Authorised Public Accountants, continues as Pöyry PLC's auditors based on the resolution made at the AGM on 6 March 2002. Sixten Nyman, Authorised Public Accountant, continues as responsible auditor.

The decisions made by the Annual General Meeting of Pöyry PLC on 10 March 2011 are available in full on the company's website at www.poyry.com.

Authorisations

The Board of Directors of Pöyry PLC on 10 March 2011 decided on a directed share issue for the reward payment from the earning period 2010 of the Pöyry Performance Share Plan 2008–2010. In the share issue, 132,565 Pöyry PLC shares held by the company will be issued and conveyed without consideration to the key persons participating in the Pöyry Performance Share Plan according to the terms and conditions of the plan. The decision on the directed share issue was based on the authorisation granted to the Board of Directors by the Annual General Meeting of Shareholders held on 10 March 2008.

The AGM on 10 March 2011 authorised the Board of Directors to decide on the acquisition of the company's own shares with distributable funds. A maximum of 5,900,000 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 amount of shares in the possession of the company shall at no time exceed one tenth (1/10) of the aggregate amount of shares in the company. The authorisation shall be in force 18 months from the decision of this AGM. The authorisation granted by the previous AGM regarding acquisition of the company's own shares expired simultaneously.

The AGM on 10 March 2011 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 11,800,000 new shares can be issued. A maximum of 5,900,000 own shares held by the company can be conveyed. In addition, the authorisation includes the right to decide on a share issue without consideration to the company itself so that the amount of own shares held by the company after the share issue is a maximum of one-tenth (1/10) of all shares in the company. The authorisation shall be in force 18 months from the decision of this AGM.

Decisions made by the Annual General Meeting of Pöyry PLC on 10 March 2011 relating to Board of Directors' authorisations are available in full on the company's website at www.poyry.com.

Group executive management

The Group Executive Committee consisted of ten (10) members at the end of 2011:

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 & Mobility business group
Martin Bachmann, EVP and President, Water & Environment business group
Jarkko Sairanen, EVP and President, Management Consulting business group (from 1 April 2011)
Jukka Pahta, EVP, Chief Financial Officer (from 1 March 2011)
Richard Pinnock, EVP, Group Strategic Growth
Camilla Grönholm, EVP, Human Resources
Anne Viitala, EVP, Legal and Commercial

Johan Brink, acting CFO until 28 February 2011, participated in the work and meetings of the Group Executive Committee until that date.

SHARE CAPITAL AND SHARES

The share capital of Pöyry PLC at 31 December 2011 totalled EUR 14,588,478. The total number of shares including treasury shares totalled 59,759,610 at the end of the reporting period.

On 26 April 2011 the Board of Directors of Pöyry PLC resolved to commence acquiring the company's own shares. The resolution was based on the authorisation granted by the Annual General Meeting on 10 March 2011. The Board of Directors was authorised to acquire a maximum of 5,900,000 shares. The authorisation shall be in force for

18 months from the decision of the AGM. The share buyback began on 5 May 2011. On 27 July 2011 Pöyry announced that it had ended the share buyback programme. The company acquired under the programme a total of 409,000 shares, a total of 0.7 per cent of all shares, at an average price of EUR 10.66 through public trading on the NASDAQ OMX Helsinki exchange.

The Board of Directors of Pöyry PLC decided on 10 March 2011 on a directed share issue for the reward payment from the earning period 2010 of the Pöyry Performance Share Plan 2008–2010. Of the directed share issue of 132,565 own shares related to the earning period 2010 of the performance share plan 2008–2010 (see Company announcement of 10 March 2011), a net of 126,660 shares had been transferred to the recipients by 8 February 2012.

Including the above mentioned share transfers and repurchased own shares, Pöyry PLC held on 8 February 2012 a total of 683,945 treasury shares corresponding to 1.1 per cent of the total number of shares.

SHARES SUBSCRIBED FOR UNDER THE OPTION PROGRAMME 2004

In 2011 a total of 345,812 new shares were subscribed for under Pöyry's stock option programme 2004. At the end of 2011 a total of 1,280,764 new shares have been subscribed for. With the remaining stock options, 880,000 shares can be subscribed for. This would increase the total number of Pöyry's shares to 60,639,610. The option programme includes approximately 40 key persons. The programme will end on 31 March 2012.

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 for Pöyry's shares on 30 December 2011 was EUR 5.42 (9.15). The volume weighted average share price during the reporting period was EUR 8.79 (9.99), the highest quotation being EUR 11.90 (12.30) and the lowest EUR 5.11 (8.23). The share price decreased approximately 41 per cent from the end of 2010. During the reporting period approximately 17.3 million Pöyry shares were traded on the NASDAQ OMX Helsinki, corresponding to a turnover of approximately EUR 150.6 million. The average daily trading volume was about 68,282 shares or approximately EUR 0.6 million.

On 30 December 2011, the total market value of Pöyry's shares was EUR 320.2 million (539.9) excluding treasury shares held by the company and EUR 323.9 million (543.6) including treasury shares.

OWNERSHIP STRUCTURE

During the reporting period, the number of registered shareholders decreased from 7,954 at the end of 2010 to 7,400 at the end of the reporting period, representing a decline of about 7 per cent.

Corbis S.A. continued to be the largest shareholder with 30.96 per cent of the shares. The Chairman of the Board of Directors of Pöyry, Henrik Ehrnrooth, indirectly holds a controlling interest in Corbis S.A. with his brothers Georg Ehrnrooth and Carl-Gustaf Ehrnrooth.

At the end of the reporting period a total of 8.76 per cent of the shares were owned by nominee-registered shareholders. Total ownership outside Finland, including Corbis, together with nominee-registered shareholders was in total 40.85 per cent of the shares.

FLAGGINGS IN 2011

In January 2011 Pöyry PLC received a disclosure under Chapter 2, Section 9 of the Securities Market Act, according to which, as a result of share transactions concluded on 11 January 2011, the holdings of Ilmarinen Mutual Pension Insurance Company (business ID 0107638-1), Finland, exceeded 5 percent of Pöyry PLC's shares and votes. According to the disclosure, Ilmarinen Mutual Pension Insurance Company held on 11 January 2011 a total of 2,980,389 shares which is 5.02 per cent of Pöyry PLC's shares and votes.

STRATEGY IMPLEMENTATION IN 2011

Focusing on larger projects is one of the key elements in Pöyry's strategy. During 2011 Pöyry was awarded major large scale pulp and paper sector projects in Latin America and the region's share of the Group's net sales increased from 11 per cent to 18 per cent.

In June 2011 Pöyry divested its oil and gas business to increase focus in its energy operations. The oil and gas business was excluded from Pöyry's financials as of 4 June 2011.

In July 2011 Pöyry PLC and Vattenfall AB concluded the transaction whereby Pöyry acquired parts of the engineering consulting business of Vattenfall Power Consultant AB. The newly established company Pöyry SwedPower AB was consolidated to Pöyry's reporting as from 1 July 2011. The acquisition of SwedPower AB complements Pöyry's expert resources in wind power, networks, hydro power, thermal power and renewables, and opens major opportunities for common projects globally. It is a major step in growing Pöyry's energy business in Sweden and makes Sweden one of the core markets for Pöyry.

In October 2011, following the on-going strategic review the decision was made to merge the Water & Environment and Urban & Mobility business groups into new Urban business group in order to improve competitiveness and better capture synergies across engineering units mainly serving the public sector. Martin Bachmann, former Executive Vice President and President of the Water & Environment business group, was appointed President of the new Urban business group. The change in the Group's business group structure as well as the appointment became effective as of 1 January 2012. Pro forma figures regarding the new business group structure are included in the tables to the Financial Statements. In the same context it was decided to increase Pöyry's focus on emerging markets, especially on Asia, with the aim to increase the region's share of Pöyry's total business.

OPERATIONAL EXCELLENCE PROGRAMME

The Group's operational excellence programme was launched in 2010.

The operational excellence programme in Finland was concluded as planned in 2011. The targeted annualised operating profit improvement of EUR 15 million was achieved partly through the operational excellence programme and partly through increased activity.

In 2011 the programme was launched in Germany. During the year the efficiency improvement measures resulted in restructuring costs of approximately EUR 5 million. The targeted annualised savings, approximately EUR 6.5 million, are expected to be achieved by the end of 2012.

The Group wide operational excellence programme will continue until the end of 2012.

CORPORATE RESPONSIBILITY

Pöyry is dedicated to balanced sustainability and responsible business. With quality and integrity at the core of our operations, our business conduct is always based on the highest ethical business standards as defined in the Pöyry Code of Conduct. Pöyry is a signatory to the World Economic Forum Partnering Against Corruption Initiative (PACI) and is committed to the global fight against bribery and corruption. Pöyry has zero tolerance for corruption, bribery, fraud and anti-competitive practices, and discrimination or harassment of any kind in our work.

In order to identify what is relevant and significant for Pöyry to address in the context of corporate responsibility, stakeholders were invited to give their opinion in a web-based survey at www.poyry.com in August 2011. The results of the stakeholder survey were compiled into a materiality matrix which will form basis for further development work regarding corporate responsibility issues at Pöyry.

In 2011 Pöyry also became a member of the World Business Council for Sustainable Development (WBCSD). Together with other WBCSD members Pöyry contributes to solving some of our planet's biggest challenges that require high-quality consulting and design capabilities. The WBCSD is a global association dealing exclusively with business and sustainable development. The council plays a leading advocacy role for business and provides a forum for its members to share best practices and develop innovative tools.

IMPORTANT EVENTS AFTER THE END OF THE REPORTING PERIOD

In January 2012, it was announced that Andy Goodwin, President of the Asian operations, will leave Pöyry to pursue his career elsewhere. His membership in the Group Executive Committee ended on 19 January 2012.

MOST SIGNIFICANT RISKS AND BUSINESS UNCERTAINTIES

The uncertainties in the financial markets continue and the risk of an economic downturn or financial crises is still relevant. This risk can create uncertainty and delays in clients' decision making. Should the risk materialise, it could create serious problems for clients in arranging financing for investments and could have an adverse impact on Pöyry's net sales and profitability.

The size and complexity of large projects typically require thorough and lengthy development work. There are uncertainties about the availability of financing, the selected implementation concept as well as the timing of investment decisions and project start-ups which all are beyond Pöyry's control.

An important part of Pöyry's business comes from municipal and other public sector clients. The increased indebtedness of various economies has led the EU and an increasing number of governments to decide on austerity and cost-reduction measures. There is a risk that this will impact infrastructure investments negatively. The magnitude and timing, and particularly the impact on the type of services provided by Pöyry is, however, unclear. With respect to municipal clients there is a risk that reduced tax revenues of local governments may impact negatively on the funding of infrastructure projects or delay them.

Part of Pöyry's net sales originates from emerging and developing countries, some of which face political and economic challenges. There is a risk that in projects in these countries payment of invoices may be delayed excessively or the Pöyry Group may experience credit losses. To manage this risk, the company maintains systematic processes for the follow-up and active collection of receivables. The most notable risk in this area is the accounts receivable in the Venezuelan infrastructure projects as described under the section "Balance Sheet". Intensive activities to collect these receivables are ongoing. However, there are considerable political uncertainties in Venezuela and there continues to be uncertainty about the timing of the payments, which has been reflected in the valuation of the receivables as described under the section "Balance Sheet".

Description of Pöyry's Risk Management framework is available on the company's website at www.poyry.com. The financial risks are described in the Notes to the Financial Statements.

MARKET OUTLOOK 2012

After a good recovery in early 2011 the global economic outlook has rapidly weakened. The key risks in 2012 are related to the recurring debt and other financial crises in the Euro-zone. There are, however, significant differences in economic prospects between countries. In emerging markets, growth is expected to slow down but remain relatively good.

In the energy and the industrial sectors relevant to Pöyry's businesses, the long-term fundamentals behind the future demand remain solid. In the energy and industrial sectors, demand is increasingly geared to emerging markets. However, increasing economic uncertainty may delay investment decisions. In the energy sector, regulatory uncertainty is also prolonging the investment decision processes. The Fukushima accident clearly decreased the number of potential new nuclear investment projects in certain European countries, but on the other hand, it increased the need for other kind of power generation investments. Investment activity in energy transmission and distribution is expected to increase.

Several global megatrends support transportation and real estate investments in markets where Pöyry has exposure. Public sector investments are expected to remain fairly stable in most markets although the level of uncertainty has increased especially in Eastern Europe. Within the water supply and sanitation segment public sector investment activity is expected to continue modestly in Europe. However, the fundamental need for water sector and environmental expertise is expected to create demand for services within Pöyry's scope. Public-private partnership investments are expected to continue.

The current macroeconomic uncertainty and the debt crises may impact negatively the demand for management consulting services especially in North America and Central Europe as clients may be postponing decisions on using consulting services.

OUTLOOK FOR 2012

Pöyry's businesses are predominantly driven by clients' new capital investments and most of the businesses are also inherently late in the cycle. It is difficult to predict the timing of clients' new investment decisions and project start-ups. The uncertainty around the general economic outlook is high, which may also impact investment activity in business segments that are relevant to Pöyry's operations.

Based on the current strong order stock and outlook for new orders, the Group's net sales in 2012 are expected to remain stable compared with 2011. The comparable operating profit for 2012 is expected to improve clearly from the operating profit, excluding restructuring costs, in 2011.

Outlook concerning business groups

The net sales in the Industry and Management Consulting business groups are expected to improve and in the Energy and Urban business groups to remain stable compared with 2011. Comparable operating profit in the Energy business group is expected to improve clearly, in the Industry business group to improve, in the Urban business group to improve significantly and in the Management Consulting business group to remain stable compared with 2011.

BOARD OF DIRECTORS' PROPOSAL FOR DISPOSAL OF DISTRIBUTABLE FUNDS

Pöyry Group's parent company Pöyry PLC's net profit for 2011 was EUR 1,870,314.30 and retained earnings were EUR 92,888,018.60, so the total amount distributable as dividend was EUR 94,758,332.90. The Board of Directors of Pöyry PLC proposes to the Annual General Meeting on 8 March 2012 that a dividend of EUR 0.20 (0.10) per share be paid for the year 2011. The number of outstanding shares is 59,075,665 and the total amount of dividends is EUR 11,815,133.00. The Board of Directors proposes that the dividend be paid on 20 March 2012.

Vantaa, 8 February 2012
Pöyry PLC
Board of Directors

Statement of comprehensive income

	EUR million	2011	2010
1	**Net sales**	**796.1**	681.6
2	Other operating income	**+0.8**	+1.0
	Share of associated companies' results	**+0.6**	+0.7
	Materials and supplies	**-42.2**	-10.6
	External charges, subconsulting	**-111.8**	-101.8
3	Personnel expenses	**-440.1**	-404.5
	Depreciation	**-9.2**	-8.1
6	Other operating expenses	**-174.2**	-152.5
		-777.5	-677.5
	Operating profit	**20.0**	**5.8**
7	Financial income and expenses	**-2.9**	-1.5
	Profit before taxes	**17.1**	**4.3**
8	Income taxes	**-8.4**	-3.9
	Net profit for the period	**8.7**	**0.4**
	Other comprehensive income		
	Cash flow hedging	**-1.2**	
	Impact on deferred tax assets	**+0.3**	
	Reclassification of translation differences to profit and loss	**+2.0**	
	Translation differences	**-1.5**	+7.2
	Total comprehensive income for the period	**8.3**	**7.6**
	Net profit attributable to:		
	Equity holders of the parent company	**7.8**	0.1
	Non-controlling interest	**0.9**	0.3
	Total comprehensive income attributable to:		
	Equity holders of the parent company	**7.4**	7.2
	Non-controlling interest	**0.9**	0.4
9	Earnings/share, EUR	**0.13**	**0.00**
	Corrected with dilution effect	**0.13**	0.00

Statement of cash flows

EUR million	2011	2010
From operating activities		
Net profit for the period	**8.7**	0.4
Expenses from share-based incentive programmes	**+1.7**	+1.9
Depreciation and value decrease	**+9.2**	+8.1
Gain on sale of fixed assets	**0.0**	-0.1
Share of associated companies' results	**+0.2**	-0.3
Financial income and expenses	**-2.9**	-1.5
Income taxes	**+8.4**	+3.9
Change in work in progress	**-33.8**	-2.9
Change in accounts and other receivables	**-25.8**	-39.6
Change in advances received	**+34.7**	+0.2
Change in payables and other liabilities	**+41.0**	+28.7
Received financial income	**+3.0**	+2.1
Paid financial expenses	**-5.5**	-5.4
Paid income taxes	**-8.4**	-8.7
Total from operating activities	**+30.5**	**-13.1**
Capital expenditure		
Investments in shares in subsidiaries deducted with cash acquired [1)]	**-26.9**	-9.7
Investments in real estates	**-45.2**	-0.0
Investments in fixed assets	**-8.4**	-6.8
Sales of shares in subsidiaries deducted with cash decrease [1)]	**+15.8**	+0.0
Sales of fixed assets	**+0.3**	+0.4
Capital expenditure total, net	**-64.4**	**-16.1**
Net cash before financing	**-33.9**	**-29.2**
Financing		
New loans	**+93.2**	+0.0
Repayments of loans	**-67.7**	-19.9
Finance lease payments	**-2.5**	0.0
Change in current financing	**-0.2**	-0.7
Investments in shares in subsidiaries with non-controlling interest	**-0.3**	0.0
Paid dividends	**-6.9**	-6.7
Acquisitions of own shares	**-4.4**	-0.0
Share subscription	**+1.6**	+1.9
Net cash from financing	**+12.8**	**-25.4**
Change in cash and cash equivalents and in other liquid assets	**-21.1**	**-54.6**
Cash and cash equivalents and other liquid assets 1 January	**99.0**	142.0
Change in the fair value of financial assets	**0.0**	-0.1
Impact of translation differences in exchange rates	**+1.1**	+11.7
Cash and cash equivalents and other liquid assets, 31 December	**79.0**	**99.0**
Financial assets at fair value through profit and loss	**0.2**	11.4
Cash and cash equivalents	**78.8**	87.6
Cash and cash equivalents and other liquid assets, 31 December	**79.0**	**99.0**

[1)] The breakdown of cash flows is included in note Acquisitions and Disposals.

Statement of financial position

	EUR million	2011	2010
	Assets		
	Non-current assets		
1	Goodwill	131.4	116.7
1	Intangible assets	12.4	5.2
2	Tangible assets	63.2	16.2
3	Shares in associated companies	6.0	6.1
3	Other shares	2.1	2.1
3	Loans receivable	0.9	1.7
8, SI	Deferred tax receivables	12.3	11.5
10	Pension receivables	0.8	0.6
4	Other	8.2	8.4
		237.3	168.5
	Current assets		
5	Work in progress	115.5	81.6
5,7	Accounts receivable	182.1	161.4
5	Loans receivable	0.1	0.1
5	Other receivables	11.2	7.8
6	Prepaid expenses and accrued income	16.4	14.1
5	Financial assets at fair value through profit and loss	0.2	11.4
5	Cash and cash equivalents	78.8	87.6
		404.3	364.0
	Total	**641.6**	**532.5**

	EUR million	2011	2010
	Equity and liabilities		
	Equity		
	Equity attributable to the equity holders of the parent company		
8	Share capital	14.6	14.6
8	Legal reserve	3.4	3.4
8	Invested free equity reserve	60.1	58.5
	Fair value reserve	-0,9	0.0
	Translation differences	-9.1	-11.6
	Retained earnings	111.7	115.0
		179.8	179.9
	Non-controlling interest	7.2	7.2
		187.0	187.1
	Liabilities		
	Non-current liabilities		
9	Interest bearing non-current liabilities	109.2	85.3
10	Pension obligations	9.7	8.2
8, SI	Deferred tax liability	3.4	2.9
	Other non-current liabilities	12.0	3.1
		134.3	99.5
	Current liabilities		
9,12	Amortisations of interest bearing non-current liabilities	21.8	19.6
9,12	Interest bearing current liabilities	0.6	0.6
11,12	Provisions	19.6	16.6
12	Project advances	100.9	66.2
12	Accounts payable	30.5	30.0
12	Other current liabilities	43.5	31.3
12	Current tax payable	8.2	3.9
13	Accrued expenses and deferred income	95.2	77.7
		320.3	245.9
		454.6	345.4
	Total	**641.6**	**532.5**

STATEMENT OF CHANGES IN EQUITY

EUR million	Share capital	Legal reserve	Invested free equity reserve	Fair value reserve	Translation differences	Retained earnings	Total	Non-controlling interest	Total equity
Equity 1 Jan. 2010	14.6	2.9	56.6		-18.2	120.2	176.0	8.0	184.0
Shares subscribed with stock options			1.9				1.9		1.9
Payment of dividend						-5.9	-5.9	-1.2	-7.1
Expenses from share-based incentive programmes						0.6	0.6		0.6
Comprehensive income for the period		0.5			6.6	0.1	7.2	0.4	7.6
Changes for the period		0.5	1.9		6.6	-5.2	3.9	-0.7	3.1
Equity 31 Dec. 2010	**14.6**	**3.4**	**58.5**		**-11.6**	**115.0**	**179.9**	**7.2**	**187.1**
Equity 1 Jan. 2011	14.6	3.4	58.5		-11.6	115.0	179.9	7.2	187.1
Shares subscribed with stock options			1.6				1.6		1.6
Payment of dividend						-5.9	-5.9	-0.6	-6.5
Acquisition of own shares						-4.4	-4.4		-4.4
Expenses from share-based incentive programmes						0.9	0.9		0.9
Change of non-controlling interest						0.2	0.2	-0.2	0.0
Reclassification of translation differences to profit and loss					2.0	-2.0	0.0		0.0
Comprehensive income for the period				-0.9	0.5	7.8	7.4	0.9	8.3
Changes for the period			1.6	-0.9	2.5	-3.3	-0.1	0.0	-0.1
Equity 31 Dec. 2011	**14.6**	**3.4**	**60.1**	**-0.9**	**-9.1**	**111.7**	**179.8**	**7.2**	**187.0**

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, whose operations are conducted through five operating segments (business groups): Energy, Industry, Urban & Mobility, Water & Environment and Management Consulting.

A copy of the consolidated financial statements can be obtained either from the website (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 8 February 2012 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 2011. 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 to 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 principles below.

The Group has applied as from 1 January 2011 the following standards, their amendments and interpretations that have come into effect. These had no significant impact on the consolidated financial statements for the financial year 2011.

- Revised IAS 24 Related Party Disclosures: The revised standard clarifies the definition of a related party in order to simplify the identification of related party relationships particularly in relation to significant influence and joint control. Certain disclosures in respect of government-related entities have changed.
- Amendment to IAS 32 Financial Instruments: Presentation – Classification of Rights Issues: The amendment relates to the accounting treatment (classification) of issues of rights, options or warrants in a currency other than the issuer's functional currency.
- 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: The amended interpretation allows prepayments of certain voluntary contributions being recognised as an asset when there is a minimum funding requirement (MFR).

- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments: The interpretation clarifies the accounting treatment when an entity renegotiates the terms of a financial liability with its creditor and as a result issues equity instruments to a creditor of the entity to settle the financial liability fully or partially.
- Improvements to IFRSs (May 2010): The annual improvements process provides a mechanism for minor and non-urgent amendments to IFRSs to be grouped together and issued in one package annually. The amendments cover in total seven standards. Their impacts vary standard by standard but are not significant.

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, accounts receivable, 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.

The acquisition of companies is accounted for by using the acquisition method to which all identifiable assets and liabilities of the acquired company together with the consideration transferred are measured at fair value at the acquisition date. Acquisition-related costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are recognised in profit or loss. Any contingent consideration payable is recognised at fair value at the acquisition date, and taken into account as part of the consideration transferred. The obligation to pay contingent consideration is classified as a liability or as equity based on the definitions of financial instruments in IAS 32 standard.

The companies acquired or founded during the reporting period are consolidated from the date that control of the companies commences, which is generally the acquisition or foundation date. The companies closed or disposed of are incorporated in the consolidated financial statements until control ceases. All intercompany balances and transactions are eliminated as part of the consolidation process.

Total comprehensive income for the period attributable to the owners of the parent and any non-controlling interests is presented in the statement of comprehensive income. Non-controlling interests are measured either at fair value or at their proportionate interest in the recognised amount of identifiable net assets of the acquired company. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if it results in a deficit balance for the non-controlling interests. In the balance sheet, non-controlling interests are presented within equity of the owners of the parent. Changes in ownership interests in subsidiaries that do not result in a loss of control are recognised only in equity of the parent company.

In a business combination achieved in stages, the acquirer's previous equity interest in the acquired company is measured at fair value, and the related profit or loss is recognised in the statement of comprehensive income.

Acquisitions prior to 1 January 2010 have been recognised according to the previous effective standards.

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.

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 for the period arising from the application of the acquisition method, translation of the accumulated post-acquisition equity items and translation of the comprehensive income for the period at the average monthly rate in the statement of comprehensive income and at the closing rate in the balance sheet are recorded as separate item in other comprehensive income. The accumulated translation difference amounts are reported as separate item 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 profit or loss. 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/Turn-key/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 currently has 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 balance sheet. 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 2004. 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 at 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.

In February 2011 the Board of Directors of Pöyry PLC has approved a share-based incentive plan of key personnel of Pöyry. The plan includes earning periods which commence at the beginning of the years 2011, 2012 and 2013. The first earning period is for the calendear years 2011–2013. The rewards will be paid partly in the company's shares and partly in cash in 2014, 2015 and 2016. 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 recognised 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.

Operating profit

Operating profit is the net amount that consists when other operating income and share of the associated companies' results are added to the net sales and materials and supplies, external charges (subconsulting), personnel expenses, depreciation, possible value decreases and other operating expenses are deducted. All the other items are presented below the operating profit. Exchange rate differences and changes in the fair value of derivates are included in the operating profit if arisen from the items related to business, otherwise recorded in financial items.

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.

The withholding taxes which are deducted from income taxes are recognised in income taxes. The withholding taxes which are not deductible from income taxes are recognised in expenses.

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, or 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

For acquisitions after 1 January 2010, the Group recognises goodwill at the acquisition date as the excess of the sum of the fair value of the consideration transferred, the recognised amount of any non-controlling interest in the acquired company and the acquirer's previous equity interest in the acquired company over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Acquisitions between 1 January 2004 and 31 December 2009 have been booked according to the previous IFRS standards (IFRS 3 (2004)), in which 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 has not been reconsidered in preparing the Group's opening IFRS balance sheet.

Goodwill is stated in the balance sheet 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. For this purpose, goodwill is allocated to cash generating units, or in case of associated companies, goodwill is included in the acquisition cost of the associated company. The business groups of the Pöyry Group represent the independent cash generating unit levels where the Board of Directors and the management monitors the profit, cash flow and capital employed, and are therefore chosen as the goodwill allocation level.

Items recognised separately from goodwill

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. Value of assembled workforce 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. Separately recognised work-in-progress items 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 weighted with the likelihood of realisation. The amounts recognised separately for order backlog, representing estimated sales and marketing expense savings, are written off after starting the work on the received assignment.
- client relationship - Client relationships are identifiable intangible assets if they arise from contractual or legal rights, or are separable.

Other intangible assets

An intangible asset is initially capitalised in the balance sheet 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 customer relationships recognised separately in the connection of a business combination are tested for impairment at least annually.

Order stock

The order stock recognised separately in the connection of a business combination 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 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. Some car and office equipment leases have also been classified as operating leases. Payments made there under 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, loans or receivables (assets) as well as financial liabilities measured at amortised cost.

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 derecognises 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 the risk of individual receivables. Generally, an impairment allowance of 50 per cent is made for those trade receivables that 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.

Cash flow hedges

The Group applies cash flow hedge accounting to a currency and interest swap agreement hedging a foreign currency denominated, floating rate loan agreement. The derivative is designated and qualifies as an effective cash flow hedge. The fair value resulting from an interest rate differencial between the currencies is recognised in the fair value reserve in equity. The accrued interests and exchange rate differences are recognised in income statement in the same period in which the hedged item affects the income statement.

When a hedging instrument is sold or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity until the loan agreement expires.

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 rate 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 recognised 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 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.

Restructuring provisions

Restructuring 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.

Other provisions

Other provisions include provisions usually related to employment claims customary in one of the Group's operating countries and are based on local professional opinions.

Contingent liability

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability can also be a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability. A contingent liability is disclosed in the notes to the financial instruments.

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

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.

- Amendment to IAS 19 Employee Benefits* (effective for financial years beginning on or after 1 January 2013): In future all actuarial gains and losses are immediately recognized in other comprehensive income, i.e. the corridor approach is eliminated, and finance costs are calculated on a net funding basis. The amendment has an impact on accounting principles of the Pöyry Group and an impact on the equity and pension obligations.

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: * = not yet endorsed for use by the European Union

- Amendments to IFRS 7 Financial Instruments: Disclosures (effective for financial years beginning on or after 1 July 2011): The amendments will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial instruments and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets.
- Amendments to IAS 12 Income Taxes* (effective for financial years beginning on or after 1 January 2012): The amendments deal with the underlying assumption related to the recognition of deferred tax. Based on the amendments, the carrying amounts of certain assets carried at fair value, e.g. those of investment properties, are expected to be recovered primarily through sale in future rather than through use
- Amendments to IAS 1 Presentation of Financial Statements* (effective for financial years beginning on or after 1 July 2012): The major change is the requirement to group items of other comprehensive income as to whether or not they will be reclassified subsequently to profit or loss when specific conditions are met.
- IFRS 10 Consolidated Financial Statements* (effective for financial years beginning on or after 1 January 2013): IFRS 10 builds on existing principles by identifying the concept of control as the determining factor when deciding whether an entity should be incorporated within the consolidated financial statements. The standard also provides additional guidance to assist in the determination of control where this is difficult to assess.
- IFRS 11 Joint Arrangements* (effective for financial years beginning on or after 1 January 2013): In the accounting of joint arrangements IFRS 11 focuses on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. In future jointly controlled entities are to be accounted for using only one method, equity method, and the other alternative, proportional consolidation, is no longer allowed.
- IFRS 12 Disclosures of Interests in Other Entities* (effective for financial years beginning on or after 1 January 2013): IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including associates, joint arrangements, structured entities and other off-balance sheet vehicles.
- IFRS 13 Fair Value Measurement* (effective for financial years beginning on or after 1 January 2013): IFRS 13 establishes a single source for all fair value measurements and disclosure requirements for use across IFRSs. The new standard also provides a precise definition of fair value. IFRS 13 does not extend the use of fair value accounting, but it provides guidance on how to measure fair value under IFRSs when fair value is required or permitted.
- IAS 27 (revised 2011) Separate Financial Statements* (effective for financial years beginning on or after 1 January 2013): The revised standard includes the provisions on separate financial statements that are left after the control provisions have been included in the new IFRS 10.
- IAS 28 (revised 2011) Investments in Associates and Joint Ventures* (effective for financial years beginning on or after 1 January 2013): Following the issue of IFRS 11, the revised IAS 28 includes the requirements for joint ventures, as well as associates, to be equity accounted.
- Amendments to IFRS 7 Financial Instruments: Disclosures* (effective for financial years beginning on or after 1 January 2013): The amended standard requires the presentation of information that will allow evaluation of the effects of netting arrangements on the entity's financial position. The disclosures required by those amendments are to be provided retrospectively.
- Amendments to IAS 32 Financial Instruments: Presentation* (effective for financial years beginning on or after 1 January 2014): The amendments provide clarifications on the application of requirements for offsetting financial assets and financial liabilities on the balance sheet. The amended standard is to be applied retrospectively.
- IFRS 9 Financial Instruments* and subsequent amendments (effective date deferred by IASB for financial years beginning on or after 1 January 2015 (previously 1 January 2013)): IFRS 9 is the first step of the IASB's three-phase project to replace the current IAS 39 Financial Instruments: Recognition and Measurement. The amendments resulting from the first phase address the classification, measurement and recognition of financial assets and financial liabilities. Different ways of measurement for financial assets have been retained, but simplified. Based on measurement, financial assets are classified into two main groups: financial assets at amortised cost and financial assets at fair value. Classification depends on a company's business model and the characteristics of contractual cash flows. For financial liabilities, the standard retains most of the IAS 39 requirements.

SEGMENT INFORMATION

Operating segments 2011

In 2011 Pöyry's operations were conducted through five operating segments (business groups): Energy, Industry, Urban & Mobility, Water & Environment and Management Consulting which are globally responsible for their operations.

Energy

The Energy business group provides engineering, supervision and technical advisory services worldwide to meet client's specific needs. The business group focuses its operations in the areas of hydropower, thermal power, renewable energy, nuclear energy and transmission & distribution.

Industry

The Industry business group provides technical consulting, engineering, project management and implementation projects, as well as long-term co-operation services for industrial clients. In addition to the forest industry, the business group also provides services to other areas of industrial processes and facilities such as minerals processing and chemicals.

Urban & Mobility

The Urban & Mobility business group offers comprehensive design, project management and consulting services for the transportation and real estate sector. The business group's expertise covers roads, rail and urban public transport, tunnels, as well as green building and sustainable land use.

Water & Environment

The Water & Environment business group provides clients with innovative solutions for the water, wastewater, waste and environmental sector. The services cover the entire project lifecycle, from feasibility studies through engineering, construction management, plant start-up to operations and maintenance.

Management Consulting

The Management Consulting business group offers leading-edge consulting and advisory services covering the whole value chain in the energy, forest and other process industries. The business group adds value to clients by combining in-depth know-how in strategies, markets and operations.

Other, unallocated items

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.

Reporting

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

All personnel numbers are calculated as full-time equivalents (FTE).

OPERATING SEGMENTS, PRO FORMA

Operating segments as of 1 January 2012

Pöyry Group has changed its business structure. From the beginning of 2012 the new business groups, the operating segments, are Energy, Industry, Urban, and Management Consulting. The business structure was changed by merging the Water & Environment and Urban & Mobility business groups. In addition to this, two smaller units have been moved from the Urban business group to the Energy business group.

The internal reporting structure 2012 will follow the new business structure.

On the following page the pro forma figures for the new operating segments are presented.

Operating segments

	Net sales		Operating profit		Operating profit %		Order stock	
EUR million	2011	2010	2011	2010	2011	2010	2011	2010
Energy	205.7	171.2	5.4	4.4	2.6	2.5	205.8	183.2
Industry	236.5	159.8	15.6	-11.8	6.6	-7.4	187.9	66.0
Urban & Mobility	181.3	197.2	-0.7	17.8	-0.4	9.0	203.0	187.6
Water & Environment	84.3	79.3	-2.1	1.3	-2.5	1.7	76.8	66.5
Management Consulting	88.2	73.6	7.2	-0.5	8.2	-0.6	20.9	22.9
Unallocated	0.2	0.5	-5.4	-5.4			0.0	0.0
	796.1	**681.6**	20.0	**5.8**	2.5	**0.9**	694.4	**526.2**

	Capital expenditure		Depreciation		Personnel average		Personnel year-end	
	2011	2010	2011	2010	2011	2010	2011	2010
Energy	1.6	1.5	2.2	1.7	1 668	1 409	1 775	1 463
Industry	1.3	1.7	1.5	2.2	1 955	1 904	1 985	2 083
Urban & Mobility	1.7	2.2	2.1	2.1	1 737	1 797	1 719	1 724
Water & Environment	1.2	0.6	0.9	0.9	869	891	842	891
Management Consulting	1.3	0.3	0.7	0.7	497	470	494	498
Real estate	46.6	0.2	1.3	0.1				
Unallocated	0.4	0.3	0.5	0.4	138	140	137	142
	54.1	**6.8**	9.2	**8.1**	6 864	**6 611**	6 952	**6 801**

Net sales and personnel by area

EUR million	Net sales 2011	Net sales 2010	Personnel year-end 2011	Personnel year-end 2010
The Nordic countries*)	228.1	194.1	2 569	2 467
Other Europe	305.3	304.5	2 728	2 859
Asia	56.4	44.6	655	538
North America	33.3	28.6	244	215
South America	142.0	73.9	712	615
Other	31.0	35.9	44	107
	796.1	**681.6**	**6 952**	**6 801**
*) of which Finland	**159.9**	**145.7**		

OPERATING SEGMENTS, PRO FORMA

EUR million	Net sales 2011	Net sales 2010	Operating profit 2011	Operating profit 2010	Operating profit % 2011	Operating profit % 2010
Energy	223.2	185.1	6.4	5.5	2.9	3.0
Industry	236.5	159.8	15.6	-11.8	6.6	-7.4
Urban	248.0	262.5	-3.7	17.9	-1.5	6.8
Management Consulting	88.2	73.6	7.2	-0.5	8.2	-0.6
Unallocated	0.2	0.5	-5.4	-5.4		
	796.1	**681.6**	**20.0**	**5.8**	**2.5**	**0.9**

EUR million	Order stock 2011	Order stock 2010	Personnel, year-end 2011	Personnel, year-end 2010
Energy	216.0	191.6	2 003	1 683
Industry	187.9	66.0	1 985	2 083
Urban	269.6	245.7	2 333	2 395
Management Consulting	20.9	22.9	494	498
Unallocated	0.0	0.0	137	142
	694.4	**526.2**	**6 952**	**6 801**

ACQUISITIONS

Name and business	2011 Acquisition date	Acquired interest, %
Paul Keller Ingenieure AG	10 May 2011	100
The company is a highly specialised engineering consultancy company active in the provision of electrical engineering and consultancy services, particularly for rail, metro, tunnels and other complex traffic systems. The company is based close to Zürich, Switzerland, employing 42 persons.		
Pöyry Telecom Oy	17 June 2011 30 September 2011	17.5 2.5
The shareownership in the company has been increased from 80 per cent to 100 per cent.		
Pöyry SwedPower AB	15 July 2011	100
Acquisition of parts of the engineering consulting business of the Swedish company Vattenfall Power Consultant AB. The business, focusing on hydro power, wind power and power networks as well as thermal power, has been incorporated into a newly established company, Pöyry SwedPower AB. The company is based in Sweden, employing 245 persons.		

Name and business	2010 Acquisition date	Acquired interest, %
PRG-Tec Oy	1 February 2010	100
The company specialises in hydrological and geophysical measurements. The clientele comprises of nuclear waste management companies in Finland and Sweden. The company was based in Espoo, Finland employing eight persons. The company has been merged with Pöyry Finland Oy on 31 December 2010.		
Pöyry Eröterv Zrt (former ETV-Eröterv Zrt)	14 June 2010	98.9
The company's product range comprises nuclear and conventional power plant engineering, services for radioactive waste related projects as well as full scale designing services in the area of transmission and distribution. The company is based in Budapest, Hungary, and has a staff of 170.		
Pöyry Brennus Ingénieurs Conseils SA	1 July 2010	100
The company runs NUMEX which is Europe's leading platform for operators for exchanging maintenance experience and best-practice maintenance procedures. The company is based in France and has no personnel.		
Pöyry Silviconsult Engenharia Ltda	9 November 2010	60
The company provides solutions for forest businesses and socio-environmental management. The company is based in the city of Curitiba, State of Paraná in Brazil, employing 23 persons.		

EUR million	2011	2010
Aggregate figures for the acquisitions		
Purchase price		
Fixed price, paid	21.6	11.8
Contingent consideration	8.7	0.5
Total	30.3	**12.3**
Price allocation		
Equity	1.7	1.7
Non-controlling interest	0.2	0.0
Total	2.0	**1.7**
Remaining	28.3	**10.6**
Intangible rights	7.2	0.5
Goodwill	21.1	10.1
Total	28.3	**10.6**

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

The goodwill value from the acquisition of Pöyry SwedPower AB, was especially due to company's knowledge on wind power and power networks. The value of the client relationships which are based on contracts is included in intangible assets.

According to the sales and purchase agreement of Pöyry SwedPower AB the purchase price includes a contingent consideration which is due for payment at latest in March 2015. The contingent consideration of the sale and purchase agreement is based on management's estimate of the net sales in the period until end of 2014. The fair value of the contingent consideration is EUR 9.0 million at the end of the year 2011.

The Group has acquired 60 per cent stake in Silviconsult Engenharia Ltda during the financial year 2010. The terms and conditions of the sale and purchase agreement include a call option of the Company and a put option of the non-controlling interest. The put and call options with an exercise date in January 2014, have been treated as a contingent consideration. The acquired business is consolidated 100 per cent. The contingent consideration of the sale and purchase agreement is based on management's estimate of the average operating profit of the business in coming three years. The fair value of contingent consideration is EUR 0.5 million at the end of the year 2011.

The goodwill value from the acquisition of ETV-Eröterv Zrt in 2010, was especially due to the company's profound knowledge of the Russian nuclear power plants.

The non-controlling interest is measured at the proportionate interest of the net asset of the acquired company.

The changes and reconciliation of the goodwill and the intangible rights are presented in the Notes to the financial position, No. 1 Intangible assets.

EUR million	2011	2010
Acquisition related costs		
The costs are included in other operating expenses.	0.8	0.2
Impact on the Pöyry Group's Statement of comprehensive income*)		
Operating profit from acquisition date to 31 December		0.9
Sales volume on a 12-month calendar year basis		14.7
Operating profit on 12-month calendar year basis		1.6
Impact on the Pöyry Group's number of personnel	289	201
Impact on the Pöyry Group's assets and liabilities		
Intangible assets	0.1	0.0
Tangible assets	0.2	0.2
Deferred tax receivables	0.2	0.1
Work in progress	1.2	0.6
Accounts receivable	1.7	1.4
Other receivables	7.0	0.4
Cash and cash equivalents	1.1	2.1
Assets total	11.5	**4.8**

EUR million	2011	2010
Interest bearing liabilities	0.2	0.0
Pension obligations	1.2	
Project advances	0.2	1.1
Accounts payable	1.2	0.2
Other current liabilities	7.0	1.8
Liabilities total	9.8	**3.1**
Net identifiable assets and liabilities	1.7	**1.7**
Change in non-controlling interest	0.2	0.0
Total cost of business combinations	30.3	**12.3**
Intangible rights	7.2	**0.5**
Goodwill	21.1	**10.1**
Consideration to be paid, satisfied in cash	30.3	12.3
Unpaid share	8.7	0.6
Acquisition related costs	0.8	0.2
Cash acquired	1.1	2.1
Net cash outflow	21.3	**9.7**

*) The impact of the acquired businesses on the operating profit is minor due to the integration expenses in the start up phase.

Based on the purchase agreements the companies acquired during the period under review are consolidated 100 per cent 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.

DISPOSALS

In June 2011 Pöyry divested its oil and gas business. The combined annual net sales of the divested units were approximately EUR 20 million. Additionally Pöyry divested three companies, which are not material.

EUR million	2011
Net assets and liabilities in divested units	
Tangible assets	0.5
Intangible assets	0.1
Goodwill	11.8
Work in progress	0.2
Accounts receivable	0.4
Other receivables	5.4
Cash and cash equivalents	1.5
Assets total	19.9
Accounts payable	0.3
Other current liabilities	3.5
Liabilities total	3.8
Net assets and liabilities in divested units, total	16.1
Non-controlling interest	-0.1
Exchange rate differences	2.0
Loss on sale	-1.2
Consideration received	16.8
Consideration received	16.8
Liabilities related to sale	0.4
Cash and cash equivalents in sold entities	-1.5
Net cash outflow	15.8

NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

1. Net sales

EUR million	2011	2010
Net sales Net sales by operating segments are presented on the Operating Segment information pages.	796.1	681.6
Net sales from project contracts recognised on the percentage-of-completion method	554.3	470.1
Net sales from reimbursable projects	241.8	211.5
The aggregate amount of project contracts cost incurred and recognised profits less losses to date	1 116.9	906.6
Net sales from percentage-of-completion projects included in current assets	115.5	81.6
Project advances recognised on the percentage-of-completion method	100.9	66.2
Accrued expenses and deferred income from percentage-of-completion projects	13.5	6.5
Expenses included in provisions from percentage-of-completion projects	8.6	3.4

2. Other operating income

EUR million	2011	2010
Rent income	0.8	0.9
Gain on sales of fixed assets	0.0	0.1
	0.8	**1.0**

3. Personnel expenses

EUR million	2011	2010
Wages and salaries	339.2	319.0
Bonuses	17.6	10.6
Expenses from share-based incentive programmes	1.7	1.9
Pension expenses, contribution plans	43.3	42.7
Pension expenses, defined benefit plans	3.8	3.1
Other social expenses	34.4	27.2
	440.1	**404.5**

Fees paid to the members of the Board of Directors (EUR 1 000)		
Henrik Ehrnrooth, Chairman	75	75
Heikki Lehtonen, Vice Chairman	80	80
Pekka Ala-Pietilä	55	55
Georg Ehrnrooth	55	47
Alexis Fries	75	75
Michael Obermayer	55	55
Harri Piehl		11
Karen de Segundo	75	75
	470	473

Fees paid to the external member of the Nomination Committee (EUR 1000)		
Georg Ehrnrooth		3

Salaries and bonuses to the President and CEO (EUR 1 000)		
Heikki Malinen, President and CEO		
Salary and bonus	771	595
Share-based bonuses	27	324
Fringe benefits	59	111

	2011	2010
Salaries and bonuses to the other members of the Group Executive Committee (EUR 1 000)		
Salaries and bonuses	3 687	2 837
Share-based bonuses	104	972
Fringe benefits	182	182

The salaries, bonuses and benefits are reported on accrual basis. The fringe benefits include voluntary pension insurance payments. The sharebased reward for 2011 is accrued during the full earning period 2011–2013 based on the result 2011.

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. After 2009 there are no expenses.

Terms and conditions

	Stock option 2004A	Stock option 2004B	Stock option 2004C
Programme	Stock options issued	Stock options issued	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	4.01	4.65	8.03
Share price on issue date, EUR	5.50	5.50	5.50
Maturity, years	6	7	8
Vesting conditions			

If the employment in Pöyry Group had ended before 1 March 2009 and the subscription period of the programme had not started, the person had to return the options to the Group without considerations.

Settlement	Shares	Shares	Shares
Expected volatility, %	21.76	21.76	21.76
Weighted average Sept. 2002–Sept. 2004			
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 realisation 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 option 2004A	Stock option 2004B	Stock option 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 2010	13 021	1 000		14 021
Share subscription 2010	52 084	4 000		56 084
Exercise price weighted average, EUR	4.11	4.85	8.23	
Amount of used stock options 2010	58 843	37 736		96 579
Share subscription 2010	235 372	150 944		386 316
Exercise price weighted average, EUR	4.01	4.75	8.13	
Amount of used stock options 2011		15 621		15 621
Share subscription 2011		62 484		62 484
Exercise price weighted average, EUR		4.75	8.13	
Amount of used stock options 2011		70 832		70 832
Share subscription 2011		283 328		283 328
Exercise price weighted average, EUR		4.65	8.03	
Amount of used stock options total	161 995	158 196	0	320 191
Share subscription total	647 980	632 784	0	1 280 764
Expired stock options 2010	3 005		0	3 005
Expired stock options 2011		6 804	0	6 804
Unused stock options 31 Dec. 2011 total	0	0	220 000	220 000
Corresponding shares	0	0	880 000	880 000
Expired stock options 31 Dec. 2011	3 005	6 804	0	9 809

Should all stock options left be used for subscription of shares, the new shares would equal 1.5 per cent of all shares after the subscriptions. All stock options have been issued and their receipt confirmed in 2004. The option programme includes 40 persons.

5. Performance share plans

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.

Performance share plan 2011-2015

On 7 February 2011 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 three calendar years.

The earning periods comprise the calendar years 2011-2013, 2012-2014 and 2013-2015. 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 componen is intendedfor taxes and tax-related costs arising from the period.

The reward will not be paid if the person's employment ends before the possible reward payment.

Basic data concerning the performance share plans

	Earning period 2011–2013	Earning period 2010	Earning period 2009	Earning period 2008
Grant dates	15 April 2011	15 Mar. 2010 / 7 September 2010 / 25 October 2010	1 Apr. 2009	31 Jan. 2008 / 11 Apr. 2008 / 30 Sept. 2008 / 31 Oct. 2008
Form of the reward	Shares and cash	Shares and cash	Shares and cash	Shares and cash
Target group	Key personnel	Key personnel	Key personnel	Key personnel
Maximum number of shares[1)]	975 000	1 036 450	800 000	540 000
Beginning of earning period	1 Jan. 2011	1 Jan. 2010	1 Jan. 2009	1 Jan. 2008
End of earning period	31 Dec. 2013	31 Dec. 2010	31 Dec. 2009	31 Dec. 2008
End of restriction period	30 Apr. 2014	1 Jan. 2013	1 Jan. 2012	1 Jan. 2011
Vesting conditions	Net sales and EPS Working commitment	Net sales and EPS Working commitment	Net sales and EPS Working commitment	Net sales and EPS Working commitment
Maximum contractual life, years	3.0	2.8	2.8	2.9
Remaining contractual life, years	2.3	1.0	0.0	0.0
Number of persons 31 Dec.	269	265	0	0

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 2011

Gross amounts 1 January 2011	Earning period 2011–2013	Earning period 2010	Earning period 2009	Earning period 2008	Total
Share rewards, outstanding at the beginning of the period	0	916 550	0	0	916 550
Changes during the financial year					
Granted	892 000	22 500			914 500
Forfeited	45 600	41 050			86 650
Exercised	0	264 510	0	0	264 510
Expired	0	726 780			726 780
Gross amounts 31 December 2011					
Share rewards, outstanding at the end of the period	846 400	253 320	0	0	1 099 720
Share rewards, exercisable at the end of the period	846 400	253 220	0	0	1 099 720
Remaining contractual life, weighted average, years	2.3	1.0			

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 value. 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 2011.

Inputs to fair value measurement, EUR	Earning period 2011–2013	Earning period 2010	Earning period 2009	Earning period 2008
Share price at the grant date	10.85	10.10	9.75	15.24
Assumed annual dividend	0.38	0.10	0.65	0.65
Fair value per share accounted for as equity-settled reward	9.71	10.00	9.10	14.36
Fair value per share of the cash-settled reward at the settlement/at the end of the period	5.42	10.71		9.75

Effect on earnings during the period and financial position

EUR 1 000	2008 Total	Granted 2008
Expense recognised for the period from share-based payments	1 490	1 490
Expense accounted for as equity-settled share-based payment	961	961
Value of liability for cash-settled share-based payments at the end of period	529	529

	2009 Total	Granted 2009	Granted 2008
Expense recognised for the period from share-based payments	2 195	303	1 892
Expense accounted for as equity-settled share-based payment	1 179	136	1 043
Value of liability for cash-settled share-based payments at the end of period	167	167	0

	2010 Total	Granted 2010	Granted 2009	Granted 2008
Expense recognised for the period from share-based payments	1 895	729	-303	1 469
Expense accounted for as equity-settled share-based payment	991	380	-136	747
Value of liability for cash-settled share-based payments at the end of period	349	349	0	0

	2011 Total	Granted 2011	Granted 2010	Granted 2009	Granted 2008
Expense recognised for the period from share-based payments	1 725	751	973	0	0
Expense accounted for as equity-settled share-based payment	891	482	409	0	0
Value of liability for cash-settled share-based payments at the end of period	834	269	565	0	0

6. Other operating expenses

	2011	2010
Other project expenses	50.5	40.6
Other operative expenses	36.0	27.2
Office facilities	32.2	34.2
Other fixed expenses	55.5	50.5
	174.2	**152.5**
Auditing fees included in fixed expenses		
Statutory auditing		
Group auditor	1.0	1.0
Other	0.1	0.1
Tax advisory		
Group auditor	0.5	0.4
Other	0.3	0.2
Other services		
Group auditor	0.2	0.3
Other	0.1	0.0

7. Financial income and expenses

	2011	2010
Dividend income from available-for-sale financial assets	0.0	0.0
Interest income from financial assets at fair value through profit and loss	0.2	1.1
Interest income from other financial assets	2.5	0.5
Interest income from loans and other receivables	0.1	0.1
Financial income from financial assets at fair value through profit and loss	0.0	0.2
Other financial income	0.2	0.0
	3.1	1.9
Interest expenses from loans	-4.0	-3.8
Other interest expenses	-0.1	-0.0
Financial expenses from financial assets at fair value through profit and loss	0.0	-0.2
Change in the fair value of financial assets	-0.1	-0.1
Change in the fair value of interest rate swaps	-0.1	-0.0
Other financial expenses	-1.8	-1.3
	-6.1	-5.4
Exchange rate gains	1.3	2.7
Exchange rate losses	-1.2	-0.6
	+0.1	+2.1
	-2.9	**-1.5**

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.

8. Income taxes

	2011	2010
Taxes for the fiscal year	9.0	5.4
Taxes for previous years	-0.4	-0.7
Deferred taxes	-0.2	-0.8
	8.4	**3.9**

	2011	2010
Reconciliation of current income taxes		
Profit before taxes	17.1	4.3
Income tax at Finnish tax rate 26%	4.4	1.1
Effect of different tax rates outside Finland	1.9	0.5
Non-deductible expenses and tax exempt income	0.6	0.6
Losses for which no deferred tax benefits are recognized, tax effect	2.0	2.0
Used confirmed tax losses from previous years, tax effect	-1.0	-1.1
Dissolved used confirmed tax losses from previous years	1.2	0.6
Effects of consolidation and elimination	0.3	0.9
Taxes for previous years	-0.4	-0.7
Effects of temporary differences	-0.7	0.0
Impact of the change in the Finnish corporate tax rate (24.5 %)	-0.1	
Other	0.1	0.1
	8.4	**3.9**

	2011	2010
Deferred tax receivables		
Tax losses carry forward	7.9	8.7
Tax receivables from pension obligations	1.1	0.6
Other temporary differences	3.3	2.2
	12.3	11.5
Deferred tax liabilities		
Tax liabilities from pension receivables	0.3	0.2
Tax liabilities due to voluntary provisions	0.4	0.4
Other temporary differences	2.8	2.3
	3.4	**2.9**

Deferred tax assets from losses of EUR 26.6 (15.1) million have not been recognised in the consolidated financial statements, because the realisation of the tax benefit included in these assets is not probable.

9. Earnings per share

	2011	2010
Net profit for the period attributable to the equity holders of the parent company	7.8	0.1
Weighted average number of outstanding shares, 1 000	58 972	58 819
Diluted amount, 1 000	59 049	59 180
Earnings per share, EUR[1]	0.13	**0.00**
Diluted	0.13	**0.00**

[1] Calculation rule page 73.

NOTES TO THE STATEMENT OF FINANCIAL POSITION

1. Intangible assets

	Goodwill	Intangible rights [2]	Other intangible assets	Total
Acquisition value 1 Jan. 2010	101.3	0.9	19.3	20.2
Exchange differences	5.9	0.1	0.8	0.9
Increase	10.2	0.5	1.5	2.0
Decrease	0.7	0.0	0.2	0.2
Acquisition value 31 Dec. 2010	116.7	1.5	21.3	22.8
Accumulated depreciation and value decrease 1 Jan. 2010			14.8	14.8
Exchange differences			0.6	0.6
Accumulated depreciation of decrease			0.1	0.1
Depreciation for the period		0.1	2.1	2.2
Value decrease		0.2	0.0	0.2
Accumulated depreciation and value decrease 31 Dec. 2010		0.3	17.3	17.6
Book value 31 Dec. 2010	116.7	1.2 [2]	4.0	5.2
Acquisition value 1 Jan. 2011	116.7	1.5	21.3	22.8
Exchange differences	0.2	0.2	0.0	0.2
Increase	26.5 [1]	7.2 [1]	1.6	8.8
Decrease	12.0 [1]	0.0	1.7	1.7
Acquisition value 31 Dec. 2011	131.4	8.9	21.2	30.1
Accumulated depreciation and value decrease 1 Jan. 2011		0.3	17.3	17.6
Exchange differences			0.0	0.0
Accumulated depreciation of decrease			1.8	1.8
Depreciation for the period		0.2	1.7	1.9
Value decrease				0.0
Accumulated depreciation and value decrease 31 Dec. 2011		0.5	17.2	17.7
Book value 31 Dec. 2011	**131.4**	**8.5** [2]	**3.9**	**12.4**

Increase and decrease in goodwill and intangible rights

[1] The increase EUR 26.5 million in goodwill 2011 includes EUR 21.1 million from the acquisitions made in 2011, and EUR 5.4 million is due to earn-out payment, which was more than recorded at the acquisition in 2004. The increase EUR 7.2 million in intangible rights is due to the acquisitions made in 2011. Of the decrease, EUR 11.8 million is due to the divestment of the oil and gas business in June 2011.

[2] Purchase price from business acquisitions allocated to intangible rights which are subject to annual impairment test.

Goodwill impairment testing

The forecasted scenarios are based on the Pöyry Group's three 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.

	2010				
Main assumptions	Energy	Industry	Urban & Mobility	Water & Environ-ment	Manage-ment Consulting
Beta	1.01	1.23	1.10	1.10	1.32
WACC, %, Pre-tax	9.47	10.72	10.01	9.73	11.12
WACC, %, Post-tax	6.85	7.68	7.17	7.03	8.03
Perpetuity growth rates, %	2.00	2.00	2.00	2.00	2.00
Average change in operating profit percentage	Improvement	Improvement	Improvement	Improvement	Improvement
Goodwill 31 Dec. 2010	25.3	22.3	25.3	10.4	33.5
Intangible rights 31 Dec. 2010	0.4	0.8			
Book value 31 Dec. 2010	68.1	10.6	50.7	16.4	52.1
Value in use 31 Dec. 2010	253.0	231.0	197.0	82.0	162.0
Break even analysis, the book value and the value in use are the same					
Beta	5.42	9.89	3.85	5.22	5.19
WACC, %, Post-tax	23.48	40.35	17.55	22.72	22.61
Decrease in operating profit from 2011 >, %	-76.7	-83.2	-65.2	-74.8	-72.1

	2011			
Main assumptions	Energy	Industry	Urban	Manage-ment Consulting
Beta	1.01	1.23	1.09	1.32
WACC, %, Pre-tax	10.12	11.49	10.69	11.94
WACC, %, Post-tax	7.12	7.94	7.43	8.29
Perpetuity growth rates, %	2.00	2.00	2.00	2.00
Average change in operating profit percentage	Improvement	Improvement	Improvement	Improvement
Goodwill 31 Dec. 2011	40.8	16.2	40.4	34.0
Intangible rights 31 Dec. 2011	7.6	0.8		
Book value 31 Dec. 2011	100.8	35.6	77.7	57.4
Value in use 31 Dec. 2011	289.3	299.7	219.1	161.8
Break even analysis, the book value and the value in use are the same				
Beta	4.29	22.84	3.17	4.74
WACC, %, Post-tax	19.50	89.45	15.28	21.18
Decrease in operating profit from 2012 >, %	-70.1	-89.2	-58.4	-67.0

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 tall operating segments significantly the book value (as for 2010).

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 2012 have been reduced with 50 per cent in comparision with the ordinary testing levels.

In the sensitivity analysis the impairment testing result shows that the 'value in use' for the Industry business segment significantly exceeds the book value and for the other business segments clearly.

2) In this analysis the discount rate is 50 per cent higher compared with the ordinary testing.

In the sensitivity analysis the impairment testing result shows that the 'value in use' for all operating segments significantly exceeds the book value.

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

The impairment testing in 2010 was following the 2011 business structure and in 2011 the new business structure effective since 1 January 2012.

Discount rates applied in the calculations have changed from the previous year due to changes in market variables applied in value-in-use calculations (e.g. risk-free rate and tax rate) as well as organizational changes which have caused reorganization of cash-generating units. Changes in cash-generating units due to the organizational changes have influenced beta variables applied in discount rate calculations, because their determination is partly based on the cash generating units' financial information.

2. Tangible assets

	Land areas	Buildings and structures	Machinery and equipment	Other tangible assets	Total
Acquisition value 1 Jan. 2010	0.1	1.1	55.9	7.7	64.8
Exchange differences		-0.1	2.3	0.9	3.1
Increase			4.4	1.0	5.5
Decrease			2.3	0.2	2.5
Acquisition value 31 Dec. 2010	0.1	1.0	60.3	9.4	70.9
Accumulated depreciation 1 Jan. 2010		0.6	43.2	4.5	48.2
Exchange differences		-0.1	1.9	0.5	2.3
Accumulated depreciation of decrease			1.4	0.2	1.6
Depreciation for the period			4.7	1.1	5.8
Accumulated depreciation 31 Dec. 2010		0.5	48.2	5.9	54.7
Book value 31 Dec. 2010	0.1	0.5	12.1	3.5	16.2
Acquisition value 1 Jan. 2011	0.1	1.0	60.3	9.4	70.9
Exchange differences			-0.1	0.1	0.0
Increase	6.4	41.2	5.2	1.8	54.6
Decrease			4.2	0.9	5.1
Acquisition value 31 Dec. 2011	6.5	42.2	61.2	10.5	120.4
Accumulated depreciation 1 Jan. 2011		0.5	48.2	5.9	54.7
Exchange differences				0.1	0.1
Accumulated depreciation of decrease			4.2	0.6	4.8
Depreciation for the period		1.2	4.9	1.1	7.3
Accumulated depreciation 31 Dec. 2011		1.7	48.9	6.6	57.2
Book value 31 Dec. 2011	**6.5**	**40.5**	**12.3**	**3.9**	**63.2**
The tangible assets include assets acquired through finance lease.					
2010			1.0		1.0
2011			1.0		1.0

3. Non-current investments

	Shares, associ-ated companies	Shares, other companies	Loans receivable, associated companies	Loans receivable, other	Total
Acquisition value 1 Jan. 2010	1.9	1.9	0.1	1.4	5.3
Exchange differences	0.3	0.2			0.5
Increase				0.2	0.2
Decrease		0.1			0.1
Accumulated influence on the earnings	3.2				3.2
Share of the profit for the period	0.7				0.7
Book value 31 Dec. 2010	6.1	2.1	0.1	1.6	9.9
Acquisition value 1 Jan. 2011	1.9	2.1	0.1	1.6	5.6
Exchange differences	0.1				0.1
Increase				0.1	0.1
Decrease				0.9	0.9
Accumulated influence on the earnings	3.4				3.4
Share of the profit for the period	0.5				0.5
Book value 31 Dec. 2011	**6.0**	**2.1**	**0.1**	**0.8**	**9.0**

Available-for-sale financial assets
Other shares, EUR 2.1 (2.1) 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.

		Ownership %	Book value	Assets	Liabilities	Net sales	Profit
Associated companies:							
Korea District Heating Engineering Company Ltd, Korea (Energy)	2011	50.0	0.2	16.8	3.2	14.8	2.2
	2010			15.5	2.2	16.8	3.0
Emerging Power Partners Oy, Finland (Energy)	2011	45.9	0.0	0.1	0.1	0.2	0.0
	2010			0.2	0.1	0.2	0.0
ERL Management S.A., Switzerland (Industry)	2010 [1)]	49.0	1.6	157.5	153.4	91.4	0.0
	2009			213.1	209.0	220,4	0.1
Kiinteistö Oy Manuntori, Finland (Other)		34.2	0.1				
Total			1.9				

	Accumulated influence	Share of profits 2011	Share of profits 2010
Influence on the earnings and book values			
Energy business group	4.1	**0.6**	0.7
Associated companies total	**6.0**		

The share of the associated companies' profits is included in the operating profit.
[1)] The Financial Statements for ERL Management S.A. will be ready after Pöyry closing and therefore the reported figures are from the years 2010 and 2009.

4. Other non-current receivables

EUR million	2011	2010
Accounts receivable	**5.4**	4.1
Security deposits	**1.4**	1.6
Other receivables	**1.2**	2.5
Prepaid expenses and accrued income	**0.2**	0.1
	8.2	**8.4**

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.

5. Current assets

EUR million	2011	2010
Work in progress	**115.5**	81.6
Accounts receivable	**181.8**	161.2
Loans receivable	**0.1**	0.1
Other receivables	**11.2**	7.8
Prepaid expenses and accrued income	**16.4**	14.1
Receivables, external	**209.6**	183.1
Accounts receivable	**0.3**	0.2
Receivables from associated companies	**0.3**	0.2
Accounts receivable	**182.1**	161.4
Loans receivable	**0.1**	0.1
Other receivables	**11.2**	7.8
Prepaid expenses and accrued income	**16.4**	14.1
Receivables total	**209.9**	183.3
Financial assets at fair value through profit and loss	**0.2**	11.4
Cash in hand and at banks	**78.8**	87.6
Cash and cash equivalents	**78.8**	87.6
	404.3	**364.0**

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

6. Prepaid expenses and accrued income

EUR million	2011	2010
Non-current	**0.2**	0.1
Current	**16.4**	14.1
	16.6	**14.2**
Interest expenses	**0.0**	0.1
Social expenses	**0.6**	1.0
Rents	**1.7**	1.5
Income taxes	**6.1**	3.2
Other	**8.2**	8.4
	16.6	**14.2**

7. Accounts receivable

EUR million	2011	2010
Non-current	**5.4**	4.1
Current [1)]	**182.1**	161.4
	187.5	**165.5**
Accounts receivable, gross	**195.7**	172.7
Allowance for impairment 1 Jan.	**-7.2**	-10.8
Exchange differences	**-0.1**	-0.8
Change	**-1.0**	+4.4
Allowance for impairment 31 Dec.	**-8.2**	-7.1
Accounts receivable, net	**187.5**	**165.5**
Impairment losses +/reversal -		
Change in allowance for impairment	**1.0**	-4.4
Impairment loss recognized, direct recorded	**0.8**	1.1
	1.8	**-3.3**

2010	Accounts receivable gross	Allowance for impairment	Accounts receivable net
Not past due	112.8 [1)]	0.0	112.8
Past due under 61 days	27.8	0.2	27.6
Past due 61–180 days	10.7	0.2	10.5
Past due 181–360 days	6.3	1.1	5.2
Past over 360 days	15.1	5.7	9.4
	172.7	**7.1**	**165.5**

2011	Accounts receivable gross	Allowance for impairment	Accounts receivable net
Not past due	105.1	0.0	105.1
Past due under 61 days	30.7	0.1	30.6
Past due 61–180 days	9.4	0.1	9.3
Past due 181–360 days	30.5 [1)]	0.9	29.6
Past over 360 days	20.0	7.1	12.9
	195.7	**8.2**	**187.5**

[1)] The accounts receivable include receivables, which relate to certain public sector infrastructure projects in Venezuela, where the client is a public authority. The client has certified the debt in full and is arranging financing for the payment of the said receivables. Pöyry has continued intensive collection activities to ensure payment of these receivables with support of several high level contacts and authorities. Although progress has been made on many of the targeted actions, the payment is still pending. While the receivables are undisputed, there continues to be uncertainty about the timing of the payments, which have been considered in the valuation of the receivables. The current net value of the receivable is approximately EUR 24.1 million after provisions.

8. Equity, share capital and reserves

	Shares million	Share capital EUR million	Legal reserve EUR million	Invested free equity reserve EUR million	Total EUR million
1 Jan. 2010	59.0	14.6	2.9	56.6	74.0
Shares subscribed with stock options	0.4			1.9	1.9
Translation difference			0.5		0.5
31 Dec. 2010	59.4	14.6	3.4	58.5	76.4
1 Jan. 2011	59.4	14.6	3.4	58.5	76.4
Shares subscribed with stock options	0.3			1.6	1.6
Translation difference			0.1		0.1
31 Dec. 2011	**59.8**	**14.6**	**3.4**	**60.1**	**78.1**

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. 2011 682 815 (31 Dec. 2010 401 967) 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 2011, 1 280 764 shares were subscribed with 320 191 stock options. Should all 2004 stock options be exercised for subscription, the number of shares would increase from 59 759 610 to 60 639 610. The subscription started on 1 March 2007 (ended 31 March 2010) for 165 000 stock options, on 1 March 2008 (ended 31 March 2011) 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 legal reserve includes transfer from retained earnings to legal reserve in foreign companies.

The invested free equity reserve includes the premium paid for shares in share issues before 2006, the 2007 share issue, the premium for the shares subscribed with stock options before 2008 and the premium paid for the shares with stock options in 2008-2011.

9. Liquidity risk

EUR million 31 Dec. 2010	Total	≤ 6 months 2011	7–12 months 2011	2012	2013	2014	2015
Loans from credit institutions including interest	47.0	0.4	0.5	33.3	12.8		
Pension loans including interest	62.2	10.8	10.6	20.7	20.1		
Used credit facilities including interest	0.2	0.2					
Finance lease liabilities including interest	1.1	0.2	0.2	0.4	0.2		
Of which financial liabilities	105.5	10.2	10.0	52.7	32.5		
and interest [1]	5.0	1.5	1.3	1.7	0.5		
Accounts payable	30.0	30.0					
Forward contracts, cash out	70.7	70.1	0.3	0.3	0.0		
Forward contracts, cash in	-72.6	-72.1	-0.3	-0.2	0.0		
Interest rate swaps [2]	0.8	0.2	0.2	0.4	0.1		
Derivatives total	-1.2	-1.9	0.2	0.4	0.1		
Total	139.3	39.8	11.6	54.8	33.2		

31 Dec. 2011	Total	≤ 6 months 2012	7–12 months 2012	2013	2014	2015	2016
Loans from credit institutions including interest	91.1	5.1	5.1	23.2	3.8	16.8	37.1
Pension loans including interest	28.5	7.3	7.2	14.0			
Used credit facilities including interest	21.2	0.4	0.3	20.5			
Finance lease liabilities including interest	1.1	0.2	0.2	0.4	0.2		
Of which financial liabilities	131.6	11.3	11.2	55.4	2.5	15.5	35.9
and interest [1]	10.1	1.8	1.6	2.7	1.5	1.3	1.2
Accounts payable	30.5	30.5					
Forward contracts, cash out	39.5	35.5	1.9	2.0			
Forward contracts, cash in	-38.1	-34.5	-1,7	-1,9			
Interest rate swaps [2]	-1.4			-0.2	-0.4	-0.3	-0.4
Derivatives total	0.0	1.0	0.2	-0.1	-0.4	-0.3	-0.4
Total	**172.2**	**44.6**	**12.9**	**58.0**	**3.6**	**16.5**	**36.6**

[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 a EUR 11.8 (0.0) million and a CHF 16.0 (16.0) million external non-current floating interest rate-bearing loans and an interest rate and currency swap for a SEK 401.6 million external non-current floating interest rate-bearing loan.

The Group had an outstanding client project and other guarantee liability amounting to EUR 86.5 milion, which is due on demand provided that the Group company and/or the Group has neglected its contractual obligations.

10. Pension obligations

	2011	2010
Expenses		
Current service expenses	3.8	2.9
Past service expenses	0.0	0.1
Interest expenses	4.5	4.3
Expected return on plan assets	-5.5	-4.9
Recognized net actuarial gains and losses	1.0	0.5
Gains and losses from curtailment	0.0	0.1
Other	0.0	0.0
	3.8	**3.1**
Net pension obligations		
Non-current receivables	0.8	0.7
Current receivables	0.4	0.4
Receivables total	1.2	1.1
Pension liability	9.7	7.9
Net pension liability	8.4	**6.8**
Reconciliation of the net pension liability		
Present value of funded obligations	165.0	151.4
Present value of non-funded obligations	5.8	6.0
Fair value of plan assets	-137.8	-127.8
Deficit/Surplus	-33.0	-29.6
Unrecognized actuarial gains (-) and losses (+)	24.5	22.7
Unrecognized actuarial past service costs	0.1	0.1
Net pension liability	8.4	**6.8**
Change in net pension liability		
Net pension obligations 1 Jan.	6.8	6.6
Current service expenses	3.8	2.9
Past service expenses	0.0	0.1
Interest expenses	4.5	4.3
Expected return on plan assets	-5.5	-4.9
Recognised net actuarial gains and losses	1.0	0.5
Acquisitions, increase	1.3	0.0
Losses/gains from curtailments	0.0	0.1
Exchange differences	0.0	0.0
Payments to funds	-3.5	-2.8
Benefits paid from funds	0.0	0.0
Net pension liability 31 Dec.	8.4	**6.8**
Changes in obligations and plan assets		
Value of plan obligations 1 Jan.	157.3	135.3
Current service expenses	3.8	2.9
Employee contributions	2.0	1.6
Interest expenses	4.5	4.3
Recognised net actuarial gains and losses	-2.1	2.5
Benefits paid from funds	-9.4	-7.7
Acquisitions, increase	6.3	0.0
Curtailment	0.0	-1.0
Exchange differences	8.3	19.2
Value of plan obligations 31 Dec.	170.8	157.3
Fair value of plan assets 1 Jan.	127.8	110.8
Expected return on plan assets	5.5	4.9
Recognised net actuarial gains and losses	-3.6	-1.1
Payments to funds	5.5	4.4
Benefits paid from funds	-9.4	-7.7
Acquisitions, increase	5.0	0.0
Curtailment	0.0	0.0
Exchange differences	7.1	16.4
Fair value of plan assets 31 Dec.	137.8	127.8

EUR million	2011	2010
Actual return on plan assets	1.8	3.8
The amount the company expects to contribute to its defined pension plans during year 2012/2011	3.7	3.4

Assets categories in percentage	%	%
Switzerland:		
Equity securities	30.0	28.0
Debt securities	56.0	59.0
Real estate	14.0	13.0
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 3.93–4.6 per cent, which is based on expected long-term return in each asset category.

Five-year overview	2011	2010	2009	2008	2007
Present value of obligations	-170.8	-157.3	-135.3	-119.0	-109.5
Fair value of plan assets	137.8	127.8	110.8	100.7	111.2
Deficit/Surplus	-33.0	-29.6	-24.5	-18.3	1.7
Experience adjustments to plan assets Losses (-)/ gains (+)	-3.6	-1.5	6.6	-19.2	-2.7
Experience adjustments to plan obligations Losses (-)/gains (+)	1.4	2.3	-0.8	-1.2	0.7

Principal actuarial assumptions

	2011		2010	
	Switzer-land	Other countries average	Switzer-land	Other countries average
Discount rate, %	2.50	4.37	2.50	4.13
Expected return on plan assets, %	3.93	4.53	4.00	4.33
Future salary increases, %	1.50	2.52	1.50	2.76
Future pension increases, %	0.25	1.89	0.25	1.74
Inflation	1.00	2.05	1.25	2.06

89.9 (88.4 in 2010) per cent of the net present value of the defined benefit obligations, i.e. EUR 153.5 (139.1) million, relate to Pöyry Group's Swiss subsidiaries. These pension arrangements are according to local Swiss standards classified as defined contribution plans. The 2.50 per cent discount rate which is used in the actuarial report leads to a deficit of EUR 24.2 (20.5) million.

11. Provisions

EUR million	Project provisions	Restructuring provisions	Other	Total
Book value 1 Jan. 2010	1.4	3.3	3.6	8.3
Exchange rate differences	0.3	0.0	0.4	0.7
Increase	3.3	8.8	0.1	12.2
Used	1.0	2.0	0.2	3.2
Reversed	0.6	0.6	0.2	1.4
Book value 31 Dec. 2010	**3.4**	**9.5**	**3.7**	**16.6**
Non-current provisions				0.0
Current provisions				16.6
				16.6

EUR million	Project provisions	Restruc-turing provisions	Other	Total
Book value 1 Jan. 2011	3.4	9.5	3.7	16.6
Exchange rate differences	0.1	0.1	-0.3	-0.1
Increase	6.0	5.2	0.9	12.1
Used	0.7	5.5	0.3	6.5
Reversed	0.3	2.2	0.1	2.6
Book value 31 Dec. 2011	**8.6**	**7.1**	**3.9**	**19.6**
Non-current provisions				0.0
Current provisions				19.6
				19.6

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 5.1 million as a result of capacity adaption measures, EUR 1.0 million provision for excess office space and other non-recurring provisions amounting to EUR 1.0 million.

Other provisions include provisions related to employment claims customary in one of the Group's operating countries and are based on local professional opinions.

12. Current liabilities

EUR million	2011	2010
Loans from credit institutions, amortisations	**21.8**	19.6
Used credit facilities	**0.1**	0.1
Finance lease liabilities	**0.5**	0.5
Interest bearing liabilities	**22.4**	20.2
Provisions	**19.6**	16.6
Project advances	**100.9**	66.2
Restricted project advances	**4.7**	2.4
	105.6	68.6
Accounts payable	**30.5**	30.0
Current tax payable	**8.2**	3.9
Other current liabilities	**38.9**	28.9
Accrued expenses and deferred income	**95.2**	77.7
Total current liabilities	**320.3**	**245.9**

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

EUR million	2011	2010
Expenses from percentage-of-completion projects	**13.5**	6.5
Salaries and vacation accruals	**59.3**	47.1
Social expenses	**9.4**	8.1
Rents	**0.3**	0.3
Interest expenses	**1.0**	1.0
Income taxes	**0.5**	1.2
Other	**11.1**	13.5
	95.2	**77.7**

14. Financial assets and liabilities

	EUR million	2011	2010
	(Balance sheet notes, T, Other notes, M)		
T3	Available-for-sale assets, shares	**2.1**	2.1
	Loans and other receivables		
T4	Non-current accounts receivable	**5.4**	4.1
T4	Other non-current receivables	**1.5**	1.6
T3,5	Current accounts receivable	**182.1**	161.4
T3,5	Current loans receivable	**0.1**	1.8
T5	Cash and cash equivalents	**78.8**	87.6
M3	Derivative instruments under hedge accounting	**0.2**	2.6
T5	Financial assets at fair value through profit and loss	**0.2**	11.4
	Financial assets	**270.2**	**272.5**
	Liabilities at amortised cost		
T10	Interest bearing liabilities	**131.6**	105.5
T12	Accounts payable	**30.5**	30.0
M3	Derivative instruments under hedge accounting	**2.8**	0.7
	Financial liabilities at fair value through profit and loss		
M3	Derivative instruments not under hedge accounting	**0.6**	0.7
	Financial liabilities	**165.5**	**136.9**

The book value of the financial assets and liabilities corresponds to their fair value except the pension loans EUR 27.3 million included in interest bearing liabilities which fair value is EUR 27.0 million due to the change in the interest level.

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

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

	31 Dec. 2010	Level 1	Level 2	Level 3
Financial assets at fair value				
Available for sales assets, shares	2.1			2.1
Derivative instruments under hedge accounting	2.6		2.6	
Financial assets at fair value through profit and loss	11.4		11.4	
	16.1	0.0	14.0	2.1
Financial liabilities at fair value				
Derivative instruments under hedge accounting	0.7		0.7	
Derivative instruments not under hedge accounting	0.7		0.7	
	1.4	0.0	1.4	0.0

	31 Dec. 2011	Level 1	Level 2	Level 3
Financial assets at fair value				
Available for sales assets, shares	2.1			2.1
Derivative instruments under hedge accounting	0.2		0.2	
Financial assets at fair value through profit and loss	0.2		0.2	
	2.4		0.3	2.1
Financial liabilities at fair value				
Derivative instruments under hedge accounting	2.8		2.8	
Derivative instruments not under hedge accounting	0.6		0.6	
	3.4		3.4	

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 and the members of the Group Executive Committee. Also Corbis S.A. belongs to the related parties.

EUR million	2011	2010
Employee benefits for the Board of Directors, the President and CEO and the members of the Group Executive Committee		
Salaries, bonuses and other short-term employee benefits	5.3	5.5

Shareholding and option rights of related parties
The members of the Board of Directors, the President and CEO and the members of the Group Executive Committee owned on 31 December 2011 a total of 303 747 shares and 22 000 stock options 2004 (at the end of 2010 a total of 165 418 shares, and 48 450 stock options 2004). With the stock options the shareholding can be increased by 88 000 shares equalling 0.1 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.

Performance share plan 2011–2015
On 7 February 2011 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 2011–2013, 2012–2014 and 2013–2015.

The option programme 2004, the performance share plans 2008–2010 and 2011–2015 are described on the Shareholders and shares pages and in the notes 4 and 5 to the statement of income.

Own shares
Pöyry PLC held at the end of 2011 682 815 own shares corresponding to 1.1 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	0.2	0.2
Loans receivable from associated companies	0.1	0.1
Accounts receivable from associated companies	0.3	0.2

OTHER NOTES

1. Contingent liabilities

EUR million	2011	2010
Other own obligations		
Pledged assets	1.2	1.4
Project and other guarantees	99.2	55.1
	100.4	**56.5**
For other parties		
Pledged assets	0.2	0.2
Other obligations	0.0	0.0
	0.2	**0.2**

Project and other guarantees
Project guarantees are normal undertakings related to project business, for example, bid bonds or performance guarantees. The increase in project guarantees relates to an EPC-project in Brazil.

Claims and litigation
Given the nature of Pöyry's operations, claims are made against the Group companies from time to time based on various grounds. However, these claims seldom result in litigation.

During the third quarter reporting period of 2011 three class proceedings of material value have been commenced in Canada against Pöyry's subsidiary companies along with other defendants concerning the same subject matter, which relates to a client corporation (the "Recent Litigation"). The Recent Litigation is in its preliminary stages. At this stage, it remains premature to assess accurately the level of risk to the Pöyry entities affected by the Recent Litigation.

Other than the Recent Litigation, the risk related to the claims and litigation against Group companies is, on balance, considered immaterial on the Group level given the grounds and amounts of these claims, the applicable contractual terms, the issued expert opinions, the size of Pöyry's operations, and the Group's insurance coverage.

2. Other lease agreements

EUR million	2011	2010
Lease payments for non-cancellable other lease agreements, mostly office rents:		
Year 2011		24.1
Year 2012	24.3	18.5
Year 2013–2015	29.5	25.1
Later	3.6	33.0
	57.4	**100.7**
Rent expenses during the period	24.6	27.2

3. Derivative instruments

EUR million	2011	2010
Foreign exchange forward contracts, nominal values	38.6	70.2
Foreign exchange forward contracts, fair values	0.2	2.6
	-1.5	-0.7
Currency options, nominal values		
Purchased	0.0	1.1
Currency options, fair values		
Purchased	0.0	0.0
Interest rate swaps, nominal values	70.0	12.8
of which basis swaps	45.0	0.0
Interest rate swaps, fair values	-1.9	-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, excluding the accrued interest and exchange rate difference. 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 the 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 six countries represent more than 5 per cent of Pöyry's annual sales (Finland 20 per cent, Brazil 15 per cent, Germany 9 per cent, Sweden, Switzerland and Austria 6 per cent).

The Group's client profile and the spread of its sales between numerous clients reduce the exposure to credit risks. Only one client represents sales transactions exceeding five 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 amount of doubtful receivables and assessment of need for impairment is based on risk of individual receivables. 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. An allowance for impairment is made unless there are especially weighty reasons.

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 2011 in several banks amounting to EUR 97.2 million of which EUR 20.2 million was used.

	2011	2010
Overdraft facilities	**97.2**	94.1
Used	**20.2**	0.2
Unused	**77.0**	93.9

The Group's liquidity as of December 2011 was hence EUR 156.0 million consisting of cash and cash equivalents and other liquid assets EUR 79.0 million and unused overdraft facilities EUR 77.0 million. According to Pöyry financing policies the Group's required minimum liquidity should correspond to one month's average expenses (EUR 60–65 million) i.e. Pöyry's liquidity at the end of year 2011 is close to two and a half 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.

	2011	2010
Non-current	**109.2**	85.3
Current	**22.4**	20.2
Total loans	**131.6**	105.5

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. Since October 2011, the Group has not hedged the USD-denominated receivables of EUR 21 million related to certain public sector infrastructure projects in Venezuela in order to avoid the impact on cash flow.

Operational exposure by currency 2011

EUR million	EUR	USD	PLN	Other
Receivables	6.1	25.1	2.6	
Order stock	21.6	37.2	1.1	
Payables	3.6	1.1	0.2	
Committed costs	4.4	24.3	0.4	
Hedges, net	-16.5	-15.5	0.0	
Cash and current investments	11.7	2.6		
Net exposure	14.9	24.0	3.1	6.4

Operational exposure by currency 2010

EUR million	EUR	USD	JPY	Other
Receivables	4.9	2.3		
Order stock	24.4	38.5	1.3	
Payables	3.3	0.6		
Committed costs	4.8	10.2	0.4	
Hedges, net	-16.7	-27.7	-0.6	
Cash and current investments	10.9	2.4	0.2	
Net exposure	15.4	4.7	0.5	4.6

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 one hedged by a currency swap, 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 2011

EUR million	AED	GBP	CHF	RON	THB	CAD	SEK	Other
From internal loans	8.0	-5.1	8.9	2.7	-3.7	8.9	2.6	6.7

Additionally the Group has an unpaid conditional purchase price from the acquisition of a subsidiary. The estimated amount was SEK 80 million at year-end.

Financial exposure by currency 2010

EUR million	AED	AUD	CHF	RON	EUR	CAD	SEK	Other
From internal loans	8.2	5.0	7.5	2.4	-2.8	4.2	3.5	9.8

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 CAD-change (EUR 0.9 million), CHF-change (EUR 0.9 million) and AED-change (EUR 0.8 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.

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 2011 the Group had EUR 26.3 (CHF 32.0) million of these loans.

Equity (before eliminations) most important currencies

2011 EUR million	Equity	of which net profit	of which hedged	Change 10%, effect on equity	of which to net profit
EUR	225.0	7.2			
CHF	58,5	-1.3	26.3	3.2	0.1
GBP	9.5	1.8		1.0	0.2
USD	12.1	1.3		1.2	0.1
BRL	6.8	-2.5		0.7	0.3
CZK	4.5	0.4		0.5	0.0

2010 EUR milion	Equity	of which net profit	of which hedged	Change 10% effect on equity	of which to net profit
EUR	236.1	9.1			
CHF	58.6	7.7	25.6	3.3	0.8
GBP	8.1	1.9		0.8	0.2
USD	10.5	1.6		1.1	0.2
BRL	4.1	-2.3		0.4	0.2
CZK	4.2	0.5		0.4	0.1

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 131.6 million of which EUR 27.3 million had a fixed interest rate and EUR 104.3 million a floating rate. Of the loans with a floating rate EUR 25.0 million were covered by interest rate swaps. A change of one (1) per cent in the interest rate affects the interest expense by EUR 0.8 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.

	2011	2010
Profit before taxes	**17.1**	4.3
Interest and other financial expenses	**6.0**	3.4
Total	**23.1**	7.7
Balance sheet total	**641.6**	532.5
Non-interest bearing liabilities	**323.0**	239.9
Total capital	**318.6**	292.6
Return on investment, %	**7.4**	2.6

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.

	2011	2010
Interest bearing liabilities	**131.6**	105.5
Cash and cash equivalents and other liquid assets	**79.0**	99.0
Net interest bearing liabilities	**52.6**	6.5
Equity	**187.0**	187.1
Net debt/equity ratio, %	**28.2**	3.5

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

5. Share ownership

		Ownership of voting rights Group, %	Parent company, %
Group companies			
Aquatis spol s.r.o.	Czech Republic, Brno	84.4	
Brennus Ingénieurs Conseils S.A.	France, Sene	100.0	100.0
CJSC "Giprobum-Pöyry"	Russia, St. Petersburg	100.0	100.0
Compostela Engineering S.L.	Spain, Madrid	100.0	
Consolier Construct Engineering S.R.L.	Romania, Bucharest	100.0	
Cordoba Management Consulting S.L.	Spain, Madrid	100.0	
East Engineering Ltd Oy	Finland, Vantaa	100.0	100.0
Electrowatt Consultants Ltd	United Kingdom, Horsham	100.0	
EPP Empresa de Paga-mentos Planejados Ltda	Brazil, Sao Paolo	100.0	
ETT Proyectos S.A.	Spain, Madrid	100.0	100.0
GKW Consult Dakar SARL	Senegal, Dakar	90.0	
Granada Engineering S.L.	Spain, Madrid	100.0	
Heymo Ingenieria S.A.	Spain, Madrid	60.0	60.0
IGL Consultants Ltd.	United Kingdom, Aberdeen	100.0	100.0
JP-Invest (BVI) Ltd	British Virgin Islands, Tortola	100.0	
JP-Sijoitus Oy	Finland, Vantaa	100.0	100.0
Kiiinteistö Oy Vantaan Jaakonkatu 3	Finland, Vantaa	100.0	100.0
LLC "Pöyry"	Russia, St. Petersburg	100.0	100.0
Martinparkki Oy	Finland, Vantaa	50.0	50.0
Paul Keller Ingenieure AG	Switzerland, Dubendorf	100.0	100.0
Pilowin S.A.	Uruguay, Montevideo	100.0	
PT. Poyry Indonesia	Indonesia, Jakarta	100.0	100.0
Pöyry & Company LLC	Oman, Muscat	65.0	
Pöyry (Appleton) LLC	USA, Appleton	100.0	
Pöyry (Argentina) S.A.	Argentina, Buenos Aires	100.0	
Pöyry (B) Sdn Bhd	Brunei, Kuala Belait	90.0	
Pöyry (Beijing) Consulting Company Limited	China, Beijing	100.0	100.0
Poyry (México) S.A., de C.V.	Mexico, Mexico	100.0	
Pöyry (Montréal) Inc.	Canada, Montreal	100.0	
Pöyry (Peru) S.A.C.	Peru, Lima	100.0	
Pöyry (Thailand) Ltd.	Thailand, Bangkok	100.0	
Pöyry (USA) Inc.	USA, Appleton	100.0	100.0
Poyry (Vancouver) Inc.	Canada, Vancouver	100.0	
Pöyry Capital Limited	United Kingdom, London	90.4	90.4
Pöyry CM Oy	Finland, Vantaa	100.0	100.0
Poyry Consulting and Engineering (India) Private Limited	India, Maharashtra Mumbai	100.0	100.0
Pöyry Consultoria e Projetos Ltda.	Brazil, Sao Paolo	100.0	
Pöyry Deutschland GmbH	Germany, Mannheim	100.0	100.0
Poyry Energy (Kuala Lumpur) Sdn Bhd	Malaysia, Kuala Lumpur	100.0	100.0
Pöyry Energy AG	Switzerland, Zurich	100.0	100.0
Pöyry Energy Consulting Group AG	Switzerland, Zurich	100.0	
Pöyry Energy GmbH	Austria, Vienna	74.9	74.9
Pöyry Energy Inc.	Philippines, Manila	100.0	
Pöyry Energy Limited	United Kingdom, Horsham	100.0	100.0

		Ownership of voting rights Group, %	Parent company, %
Pöyry Energy Ltd	Thailand, Bangkok	100.0	
Poyry Energy Sdn Bhd	Malaysia, Kuala Lumpur	100.0	100.0
Pöyry Energy S.r.l.	Italy, Genoa	100.0	100.0
Pöyry Environment a.s.	Czech Republic, Brno	84.4	52.1
Pöyry Environment GmbH	Germany, Mannheim	100.0	
Pöyry Environment Szolgaltato Kft	Hungary, Budapest	100.0	
Pöyry Eröterv Zrt.	Hungary, Budapest	98.9	98.9
Pöyry Finland Oy	Finland, Vantaa	100.0	100.0
Pöyry Industry AS	Norway, Sarpsborg	100.0	100.0
Pöyry Infra AG	Switzerland, Zurich	100.0	100.0
Pöyry Infra Asia GmbH	Germany, Lorrach	100.0	
Pöyry Infra de Venezuela, S.A.	Venezuela, Caracas	100.0	
Pöyry Infra GmbH	Austria, Salzburg	74.9	
Pöyry Infra GmbH	Germany, Lorrach	100.0	
Pöyry Infra Ltd.	Thailand, Bangkok	100.0	
Poyry Infra Sp. z o.o.	Poland, Cracow	100.0	
Pöyry Infra Traffic GmbH	Germany, Hamburg	100.0	
Pöyry Latin America S.L.	Spain, Madrid	100.0	
Poyry Management Consulting (Australia) Pty Ltd	Australia, Melbourne	100.0	100.0
Poyry Management Consulting (Canada) Inc.	Canada, Oakville	100.0	
Pöyry Management Consulting (Deutschland) GmbH	Germany, Freising	100.0	
Pöyry Management Consulting (Düsseldorf) GmbH	Germany, Dusseldorf	100.0	
Pöyry Management Consulting (France) SAS	France, Paris	100.0	
Pöyry Management Consulting (Italia) S.r.l.	Italy, Milan	100.0	
Pöyry Management Consulting (Norway) AS	Norway, Oslo	100.0	100.0
Poyry Management Consulting (NZ) Limited	New Zealand, Auckland	100.0	100.0
Pöyry Management Consulting (Schweiz) AG	Switzerland, Zurich	100.0	
Poyry Management Consulting (Singapore) Pte. Ltd.	Singapore	100.0	100.0
Pöyry Management Consulting (Sweden) AB	Sweden, Stockholm	100.0	
Pöyry Management Consulting (UK) Limited	United Kingdom, Oxford	100.0	100.0
Pöyry Management Consulting (USA) Inc.	USA, Atlanta	100.0	
Pöyry Management Consulting Oy	Finland, Vantaa	100.0	100.0
Pöyry OÛ	Estonia, Tallinn	100.0	100.0
Pöyry Panama S.A.	Panama, Panama City	100.0	
Poyry Poland Sp. z o.o.	Poland, Lódz	100.0	100.0
Poyry Romania S.R.L.	Romania, Bucharest	100.0	100.0
Pöyry S.A.	Uruguay, Montevideo	100.0	
Pöyry SAS	France, Lyon	100.0	100.0
Pöyry Shandong Engineering Consulting Co., Ltd.	China, Jinan	90.0	

		Ownership of voting rights Group, %	Parent company, %
Pöyry Silviconsult Engenharia Ltda	Brazil, Curitiba	60.0	
Pöyry Solucoes em Projetos Ltda	Brazil, Sao Paolo	100.0	
Pöyry South Africa (Proprietary) Ltd	South Africa, Westville	100.0	100.0
Pöyry Sweden AB	Sweden, Gävle	100.0	100.0
Pöyry SwedPower AB	Sweden, Stockholm	100.0	100.0
Pöyry SwedPower UK Limited	United Kingdom, London	100.0	
Pöyry Tanzania Limited	Tanzania, Dar es Salaam	100.0	100.0
Pöyry Tecnologia Ltda.	Brazil, Sao Paolo	100.0	
Pöyry Telecom Oy	Finland, Vantaa	100.0	100.0
Salamanca Proyectos Llave en Mano S.L.	Spain, Madrid	100.0	
Serviheymo S.L.	Spain, Madrid	60.0	
UAB "Poyry"	Lithuania, Vilnius	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		1.3
Private Energy Market Fund Ky, Finland		0.1
Other shares	0.2	0.5
	0.2	**1.9**

Key figures

Statement of income

EUR million	2007	2008	2009	2010	2011
Consulting and engineering	708.4	809.4	670.4	678.8	758.5
EPC	9.8	12.3	3.1	2.8	37.6
Net sales total	**718.2**	**821.7**	**673.5**	**681.6**	**796.1**
Change in net sales, %	15.2	14.4	-18.0	1.2	16.8
Other operating income	2.5	6.6	0.8	1.0	0.8
Share of associated companies' results	0.4	2.2	0.5	0.7	0.6
Materials, supplies and subconsulting	103.8	116.3	97.6	112.4	154.0
Personnel expenses	375.9	433.8	401.5	404.5	440.1
Depreciation	8.4	9.0	8.2	8.1	9.2
Other operating expenses	159.2	170.8	155.9	152.5	174.2
Operating profit	**73.8**	**100.6**	**11.6**	**5.8**	**20.0**
Proportion of net sales, %	10.3	12.2	1.7	0.9	2.5
Financial income and expenses	+2.7	+2.6	+0.8	-1,5	-2.9
Proportion of net sales, %	0.4	0.3	0.1	-0.2	-0.4
Profit before taxes	**76.5**	**103.2**	**12.4**	**4.3**	**17.1**
Proportion of net sales, %	10.7	12.6	1.8	0.6	2.1
Income taxes	-23.7	-30.6	-4.4	-3.9	-8.4
Net profit for the period	**52.8**	**72.6**	**8.0**	**0.4**	**8.7**
Attributable to:					
Equity holders of the parent company	51.3	70.8	6.5	0.1	7.8
Non-controlling interest	1.5	1.8	1.5	0.3	0.9

Statement of financial position

EUR million	2007	2008	2009	2010	2011
Goodwill	95.6	95.9	101.3	116.7	131.4
Intangible and tangible assets	24.4	25.0	22.0	21.4	75.6
Non-current investments	7.7	7.6	8.9	9.9	9.0
Non-current receivables	11.2	11.5	17.3	20.5	21.3
Work in progress	64.5	69.3	78.8	81.6	115.5
Accounts receivable	141.9	143.5	127.3	161.4	182.1
Other current receivables	27.0	23.8	17.8	22.0	27.7
Cash and cash equivalents and other liquid assets	98.7	203.7	142.0	99.0	79.0
Assets total	**471.1**	**580.3**	**515.4**	**532.5**	**641.6**
Equity attributable to the equity holders of the parent company	182.6	203.4	176.0	179.9	179.8
Non-controlling interest	6.9	7.7	8.0	7.2	7.2
Pension obligations	6.6	6.7	7.4	8.2	9.7
Provisions	5.0	5.8	8.3	16.6	19.6
Interest bearing liabilities	8.9	122.5	122.7	105.5	131.6
Project advances	97.3	73.6	66.0	66.2	100.9
Accounts payable	22.9	21.8	21.5	30.0	30.5
Other non-interest bearing liabilities	140.9	138.7	105.5	118.9	162.3
Liabilities total	**471.1**	**580.3**	**515.4**	**532.5**	**641.6**

Statement of cash flows

EUR million	2007	2008	2009	2010	2011
From operations	+86.4	+56.6	-10.4	-13.1	+30.5
Capital expenditure, net	-27.8	-10.9	-15.2	-16.1	-64.4
Financing	-33.4	+68.1	-40.3	-25.4	+12.8
Change in the fair value of financial assets			+0.1	-0.1	0.0
Impact of translation differences in exchange rates	-1.4	-8.8	+4.1	+11.7	+1.1
Change in cash and cash equivalents and in other liquid assets	+23.8	+105.0	-61.7	-43.0	-20.0
Cash and cash equivalents and other liquid assets 31 December	**98.7**	**203.7**	**142.0**	**99.0**	**79.0**

Profitability and other key figures

EUR million	2007	2008	2009	2010	2011
Return on investment, %	42.4	45.4	5.3	2.6	7.4
Return on equity, %	31.9	38.7	4.1	0.2	4.6
Equity ratio, %	50.7	41.7	40.9	40.1	34.6
Net debt/equity ratio (gearing), %	-47.4	-38.5	-10.5	3.5	28.2
Net debt, EUR million	-89.9	-81.2	-19.3	6.5	52.6
Current ratio	1.3	1.7	1.7	1.5	1.3
Consulting and engineering, EUR million	551.4	538.6	483.6	521.1	636.8
EPC, EUR million	11.4	0.5	2.1	5.1	57.6
Order stock total, EUR million	562.8	539.1	485.7	526.2	694.4
Capital expenditure, operating, EUR million	9.1	10.7	4.8	6.8	8.4
Proportion of net sales, %	1.3	1.3	0.7	1.0	1.1
Capital expenditure, real estate					45.2
Proportion of net sales, %					5.7
Capital expenditure in shares, EUR million	44.2	8.9	5.0	11.8	28.4
Proportion of net sales, %	6.2	1.1	0.7	1.8	3.6
Personnel in group companies on average	6 852	7 702	7 052	6 611	6 864
Personnel in associated companies on average	271	267	142	138	140
Personnel in group companies at year-end	7 269	7 924	6 530	6 801	6 952
Personnel in associated companies at year-end	277	142	141	136	137

Key figures for the shares

EUR million	2007	2008	2009	2010	2011
Earnings/share, EUR	0.88	1.21	0.11	0.00	0.13
Corrected with dilution effect	0.86	1.19	0.11	0.00	0.13
Equity attributable to the equity holders of the parent company/share, EUR	3.11	3.45	2.98	3.03	3.01
Dividend, EUR million	38.1	38.0	5.9	5.9	11.8 [1]
Dividend/share, EUR	0.65	0.65	0.10	0.10	0.20 [1]
Dividend/earnings, %	73.9	53.7	90.9	n/a	152.6 [1]
Effective return on dividend, %	3.8	8.3	0.9	1.1	3.7 [1]
Price/earnings multiple	19.7	6.5	101.5	n/a	41.3
Issue-adjusted trading prices, EUR					
Average trading price	16.08	13.86	9.78	9.99	8.79
Highest trading price	20.14	18.34	13.17	12.30	11.90
Lowest trading price	11.37	6.90	7.55	8.23	5.11
Closing price at year-end	17.31	7.82	11.17	9.15	5.42
Total market value					
Outstanding shares, EUR million	1 015.3	457.3	654.5	539.9	320.2
Own shares, EUR million	0.0	3.1	4.2	3.7	3.7
Trading volume of shares					
Shares, 1 000	17 326	17 420	20 556	22 696	17 275
Proportion of the total volume, %	29.7	29.8	35.1	38.3	29.0
Issue-adjusted number of shares, 1 000					
On average	58 323	58 540	58 509	59 221	59 655
At year-end	58 653	58 879	58 971	59 414	59 760

[1] Board of Directors' proposal

Net sales

EUR million	1–3/10	4–6/10	7–9/10	10–12/10	1–3/11	4–6/11	7–9/11	10–12/11	1–12/10	1–12/11
Energy	42.8	41.1	44.3	43.0	49.7	47.8	48.8	59.4	171.2	205.7
Industry	35.8	40.1	37.2	46.7	44.6	55.7	62.8	73.4	159.8	236.5
Urban & Mobility	47.5	52.0	42.6	55.1	44.1	45.9	40.9	50.4	197.2	181.3
Water & Environment	19.3	19.9	18.9	21.2	20.0	22.1	20.7	21.5	79.3	84.3
Management Consulting	17.2	18.5	18.0	19.9	21.7	23.6	20.6	22.3	73.6	88.2
Unallocated	0.1	0.1	0.2	0.1	0.0	0.1	0.1	0.0	0.5	0.2
	162.7	**171.7**	**161.2**	**186.0**	**180.0**	**195.3**	**193.9**	**226.9**	**681.6**	**796.1**

Operating profit and net profit for the period

EUR million	1–3/10	4–6/10	7–9/10	10–12/10	1–3/11	4–6/11	7–9/11	10–12/11	1–12/10	1–12/11
Energy	0.4	0.4	1.0	2.6	3.0	1.9	0.1	0.4	4.4	5.4
Industry	-4.3	-1.7	-0.8	-5.0	0.9	3.1	4.6	7.0	-11.8	15.6
Urban & Mobility	3.6	3.2	1.6	9.4	2.5	0.9	1.0	-5.1	17.8	-0,7
Water & Environment	0.5	0.8	0.0	0.0	-0.4	0.4	0.4	-2.5	1.3	-2.1
Management Consulting	0.3	-1.6	-1.0	1.8	1.4	2.8	2.0	1.0	-0.5	7.2
Unallocated	-1.0	-1.0	-0.6	-2.8	-1.0	-1.9	-1.2	-1.3	-5.4	-5.4
Operating profit	**-0.4**	**0.0**	**0.1**	**6.1**	**6.4**	**7.2**	**6.9**	**-0.5**	**5.8**	**20.0**
Financial items	-0.2	-0.7	-0.9	0.3	-1.6	-0.2	-0.8	-0.3	-1.5	-2.9
Profit before taxes	**-0.6**	**-0.7**	**-0.8**	**6.4**	**4.8**	**7.0**	**6.1**	**-0.8**	**4.3**	**17.1**
Income taxes	-0.5	-0.8	-1.3	-1.3	-2.1	-2.6	-2.8	-0.9	-3.9	-8.4
Net profit for the period	**-1.1**	**-1.5**	**-2.1**	**5.1**	**2.7**	**4.4**	**3.3**	**-1.7**	**0.4**	**8.7**
Profit attributable to:										
Equity holders of the parent company	-0.9	-1.7	-2.3	5.0	2.3	4.1	3.1	-1.7	0.1	7.8
Minority interest	-0.2	0.2	0.2	0.1	0.4	0.3	0.2	0.0	0.3	0.9

Operating profit %	1–3/10	4–6/10	7–9/10	10–12/10	1–3/11	4–6/11	7–9/11	10–12/11	1–12/10	1–12/11
Energy	1.0	1.0	2.3	6.0	6.0	4.0	0.2	0.6	2.5	2.6
Industry	-12.0	-4.2	-2.2	-10.7	2.0	5.6	7.3	9.5	-7.4	6.6
Urban & Mobility	7.6	6.2	3.8	17.0	5.7	2.0	2.4	-10.0	9.0	-0.4
Water & Environment	2.6	4.0	0.0	0.2	-2.0	1.8	1.9	-11.6	1.7	-2.5
Management Consulting	1.7	-8.6	-5.6	9.2	6.5	11.9	9.7	4.5	-0.6	8.2
	-0.2	**0.0**	**0.1**	**3.3**	**3.5**	**3.7**	**3.6**	**-0.2**	**0.9**	**2.5**

Order stock

EUR million	1–3/10	4–6/10	7–9/10	10–12/10	1–3/11	4–6/11	7–9/11	10–12/11
Energy	175.5	191.2	183.4	183.2	177.0	194.9	205.8	205.8
Industry	69.6	82.5	72.5	66.0	237.8	232.9	217.7	187.9
Urban & Mobility	193.6	199.6	196.1	187.6	195.3	205.5	197.0	203.0
Water & Environment	70.5	72.5	70.6	66.5	79.0	80.0	75.7	76.8
Management Consulting	20.5	23.8	21.1	22.9	27.4	28.8	28.2	20.9
	529.7	**569.6**	**543.7**	**526.2**	**716.7**	**742.1**	**724.4**	**694.4**

Consulting and engineering	527.9	564.3	538.5	521.1	618.0	648.5	655.2	636.8
EPC	1.8	5.3	5.2	5.1	98.7	93.6	69.2	57.6
	529.7	**569.6**	**543.7**	**526.2**	**716.7**	**742.1**	**724.4**	**694.4**

OPERATING SEGMENTS, PRO FORMA

Net sales

EUR million	1–3/10	4–6/10	7–9/10	10–12/10	1–3/11	4–6/11	7–9/11	10–12/11	1–12/10	1–12/11
Energy	45.8	44.3	47.6	47.5	53.6	52.3	53.1	64.2	185.1	223.2
Industry	35.8	40.1	37.2	46.7	44.6	55.7	62.8	73.4	159.8	236.5
Urban	63.8	68.7	58.2	71.8	60.2	63.5	57.3	67.0	262.5	248.0
Management Consulting	17.2	18.5	18.0	19.9	21.7	23.6	20.6	22.3	73.6	88.2
Unallocated	0.1	0.1	0.2	0.1	0.0	0.1	0.1	0.0	0.5	0.2
	162.7	**171.7**	**161.2**	**186.0**	**180.0**	**195.3**	**193.9**	**226.9**	**681.6**	**796.1**

Operating profit

EUR million	1–3/10	4–6/10	7–9/10	10–12/10	1–3/11	4–6/11	7–9/11	10–12/11	1–12/10	1–12/11
Energy	0.7	0.7	1.3	2.8	3.3	2.1	0.4	0.6	5.5	6.4
Industry	-4.3	-1.7	-0.8	-5.0	0.9	3.1	4.6	7.0	-11.8	15.6
Urban	3.8	3.7	1.3	9.1	1.8	1.1	1.1	-7.7	17.9	-3.7
Management Consulting	0.3	-1.6	-1.0	1.8	1.4	2.8	2.0	1.0	-0.5	7.2
Unallocated	-1.0	-1.0	-0.6	-2.8	-1.0	-1.9	-1.2	-1.3	-5.4	-5.5
	-0.4	**0.0**	**0.1**	**6.1**	**6.4**	**7.2**	**6.9**	**-0.5**	**5.8**	**20.0**

Operating profit %	1–3/10	4–6/10	7–9/10	10–12/10	1–3/11	4–6/11	7–9/11	10–12/11	1–12/10	1–12/11
Energy	1.6	1.6	2.7	6.0	6.2	4.0	0.8	0.9	3.0	2.9
Industry	-12.0	-4.2	-2.2	-10.7	2.0	5.6	7.3	9.5	-7.4	6.6
Urban	6.0	5.4	2.2	12.7	3.0	1.7	1.9	-11.5	6.8	-1.5
Management Consulting	1.7	-8.6	-5.6	9.2	6.5	11.9	9.7	4.5	-0.6	8.2
	-0.2	**0.0**	**0.1**	**3.3**	**3.5**	**3.7**	**3.6**	**-0.2**	**0.9**	**2.5**

Order stock

EUR million	1–3/10	4–6/10	7–9/10	10–12/10	1–3/11	4–6/11	7–9/11	10–12/11
Energy	186.2	200.0	194.2	191.6	190.2	207.4	215.7	216.0
Industry	69.6	82.5	72.5	66.0	237.8	232.9	217.7	187.9
Urban	253.4	263.3	255.9	245.7	261.2	273.0	262.8	269.6
Management Consulting	20.5	23.8	21.1	22.9	27.4	28.8	28.2	20.9
	529.7	**569.6**	**543.7**	**526.2**	**716.7**	**742.1**	**724.4**	**694.4**

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 %

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

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 Mid 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 2010 59 413 798. During 2011, 345 812 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 59 759 610 on 31 December 2011.

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 was 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 2011 1 280 764 new shares have been subscribed with 320 191 stock options. Should all the remaining 220 000 stock options be used for subscription of shares, the new shares will equal 1.5 per cent of the total number of shares after the subscriptions. All stock options have been issued and their receipt confirmed, part of which have been returned. Approximately 40 persons are included in the option programme.

The subscription period for stock options 2004A and 2004B has ended. The subscription period for stock options 2004C will end on 31 March 2012. The share subscription price for stock option 2004C is the trade volume-weighted average quotation of the share between 1 April and 30 April 2006, with an addition of 20 per cent. From the share subscription price of stock opitons 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 the key personnel. The plan comprises three earning periods, which are the calendar years 2008, 2009 and 2010. The rewards has been paid partly (50 per cent) in the company's shares and partly (50 per cent) in cash in 2009, 2010 and 2011.

Performance share plan 2011–2015

In February 2012, the Board of Directors of Pöyry PLC approved a new share-based incentive plan for the Pöyry Group key personnel. The incentive plan is directed to approximately 300 people. The plan includes earning periods which commence at the beginning of years 2011, 2012 and 2013. The first earning period is calendar years 2011–2013. The rewards to be paid on the basis of the earning period 2011–2013 will correspond to a maximum total of 475 000 Pöyry PLC shares if the target performance set by the Board of Directors is met. If the Company's performance exceeds the target and reaches maximum performance, as defined by the Board of Directors, the rewards to be paid on the basis of the earning period 2011–2013 will correspond to a maximum total of 950 000 Pöyry PLC shares. These numbers of shares include also the proportion of reward to be paid in cash.

Board of Directors' authorisations

Authorisation to issue shares

The Annual General Meeting (AGM) on 10 March 2011 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 11 800 000 new shares can be issued. A maximum of 5 900 000 own shares held by the company can be conveyed. The authorisation is in force for 18 months from the decision of the AGM.

At the end of 2011 totally 132 565 shares have been issued. After these directed share issues, the maximum number of shares that may be conveyed is 5 767 435 shares.

The Board of Directors proposes that the General Meeting on 8 March 2012 authorise 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 agains payment or without consideration on terms to be determined by the Board of Directors and in relation to a share issue agains payment at a price to determined by the Board of Directors. A maximum of 11 800 000 new shares can be issued. A maximum of 5 900 000 own shares held by the company can be conveyed. The authorisation shall be effective for a period of 18 months. The authorisation granted by the previous AGM regarding the share issue shall expire simultaneously.

Authorisation to acquire the company's own shares

The AGM on 10 March 2011 authorised the Board of Directors to decide on acquiring maximum of 5 900 000 own shares with distributable funds. 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.

On 26 April 2011 the Board of Directors of Pöyry PLC resolved to commence acquiring the company's own shares. The resolution of the Board of Directors was based on the authorisation granted by the Annual General Meeting on 10 March 2011. The share buyback began on 5 May 2011. On 27 July 2011 Pöyry announced that it had ended the share buyback programme. The company acquired under the programme a total of 409 000 shares at an average price of EUR 10.66 through public trading on the NASDAQ OMX Helsinki exchange. Pöyry PLC's Board of Directors has an authorisation to acquire a maximum of 5 900 000 shares. The authorisation is in force for 18 months from the decision of the AGM.

The Board of Directors proposes that the General Meeting on 8 March 2012 authorise the Board of Directors to decide on the acquisition of a maximum of 5 900 000 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 AGM shall expire simultaneously.

Shareholders

According to Pöyry PLC's shareholder register, there were a total of 7 400 registered shareholders at the end of 2011. The number of shareholders decreased by 554 during the year.

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

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
Subscription with stock options 2004A, 2004B and 2004C in 2010	14 588			58 469	59 414	0.25
Subscription with stock options 2004B in 2011	14 588			60 083	59 760	0.25
31 March 2012, if all 2004A/B/C stock options are exercised for subscription					60 640	0.25

Option programme 2004, share subscription price	Number of shares 31 Dec. 2011	Subscription period	Original subscription price, EUR	Subscription price 31 Dec. 2011, EUR
Stock option 2004A	Subscription ended	1 March 2007–31 March 2010	6.66	
Stock option 2004B	Subscription ended	1 March 2008–31 March 2011	7.40	
Stock option 2004C	880 000	1 March 2009–31 March 2012	10.78	8.03

Nominee-registered shares and flagging notifications

The total number of nominee-registered shares on 31 December 2011 amounted to 5 232 570 shares, equalling 8.8 per cent of the share capital. According to flagging notifications received by Pöyry PLC, the asset management company listed in the table below has owned shares in the company during 2011.

Management's shareholdings

The members of the Board of Directors and the Executive Committee owned on 31 December 2011a total of 303 747 shares, which equals 0.5 per cent of the company's share capital and the number of votes. Information concerning the shareholdings and stock options of the members of Pöyry PLC's Board of Directors and Executive Committee is given on the company's website at www.poyry.com.

	Shares	Stock options 2004C
Members of the Board of Directors	77 200	
President and CEO	33 033	0
Group Executive Committee	193 514	22 000
Total	**303 747**	**22 000**

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 323.9 million. The share price decreased during the year by 40.8 per cent from EUR 9.15 to EUR 5.42. The highest share price was EUR 11.90 and the lowest EUR 5.11. A total of 17 275 276 shares where traded at a total of EUR 150.6 million. The number of shares traded during the year equals 29.0 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 50 per cent, the dividend/earnings ratio may be adjusted.

The Board of Directors of Pöyry PLC proposes to the Annual General Meeting on 8 March 2012 that a dividend of EUR 0.20 per share be paid for the year 2011, totalling EUR 11.8 million. The dividend will be payable on 20 March 2012.

Key figures for the shares

The development of the share price and trading volume, and key figures for the shares for the years 2007–2011 are presented on page 71.

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 January 2011	Ilmarinen Mutual Pension Insurance Company	holding exceeding 1/20	2 980 389	5.02	5.05

Major registered shareholders

	Number of shares	Per cent of the shares	Per cent of the voting rights
1. Corbis S.A.	18 500 000	30.96	31.32
2. Ilmarinen Mutual Pension Insurance Company	5 168 631	8.65	8.75
3. Procurator-Holding Oy	3 613 535	6.05	6.12
4. Varma Mutual Pension Insurance Company	2 785 850	4.66	4.72
5. Mandatum Life Insurance Company Limited	1 879 887	3.15	3.18
6. Tapiola Mutual Pension Insurance Company	1 760 000	2.95	2.98
7. Society of Swedish Literature in Finland	1 188 000	1.99	2.01
8. Alfred Berg Finland Mutual Fund	1 003 894	1.68	1.70
9. The State Pension Fund	900 000	1.51	1.52
10. Veritas Pension Insurance Company Ltd	840 579	1.41	1.42
Shares nominee registered	5 232 570	8.76	8.86
Other shareholders	16 203 849	27.09	27.42
Total	**59 076 795**		
Own shares	682 815	1.14	
Total	**59 759 610**	**100.00**	**100.00**

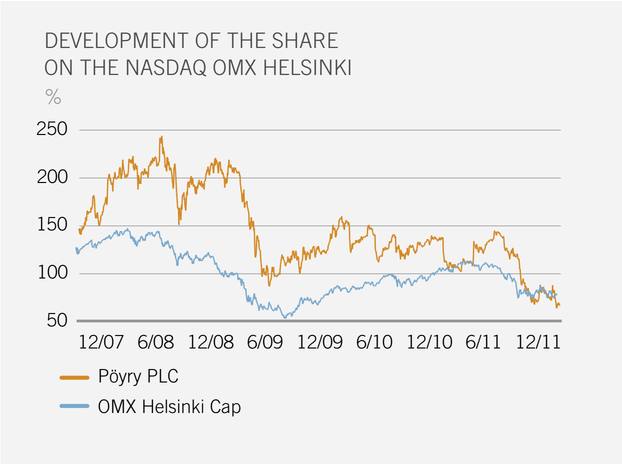
Ownership structure by type of shareholder

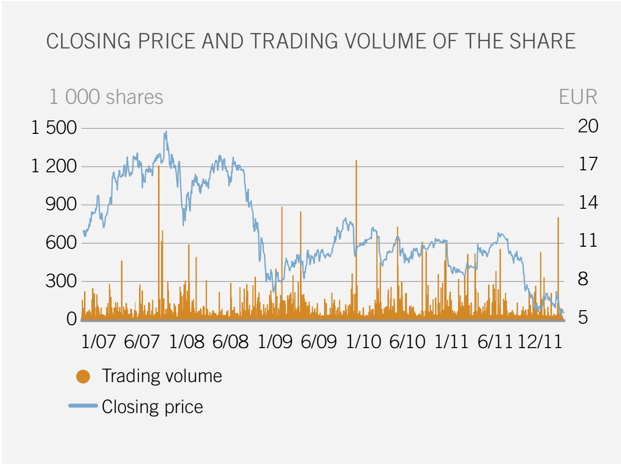
	Number of owners	Per cent of owners	Shares and voting rights	Per cent of shares	Per cent of voting rights
Companies	418	5.6	5 373 857	9.0	9.1
Financial and insurance institutions	57	0.8	8 956 351	15.0	15.2
Public sector entities and non-profit associations	136	1.8	15 218 217	25.5	25.8
Households	6 516	88.1	5 126 029	8.6	8.7
Ownership outside Finland and shares nominee registered owners	273	3.7	24 402 341	40.8	41.2
Total	**7 400**	**100.0**	**59 076 795**		**100.0**
Own shares			682 615	1.1	
Total			**59 759 610**	**100.0**	

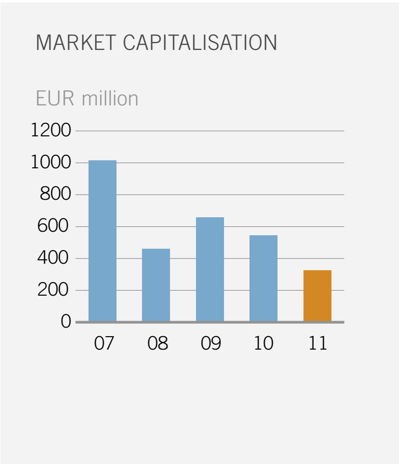
Ownership structure by number of shares owned

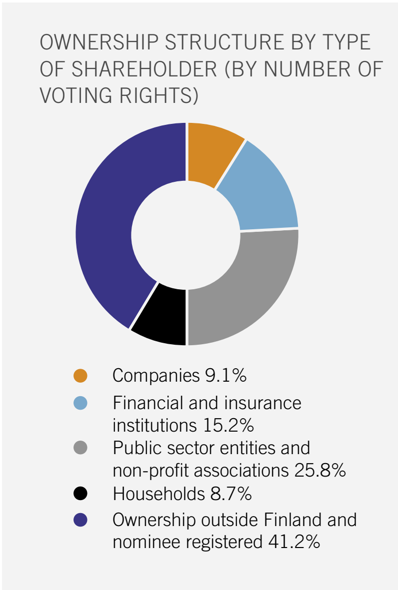
	Number of owners	Per cent of owners	Shares and voting rights	Per cent of shares	Per cent of voting rights
1–100	1 858	25.1	125 160	0.2	0.2
101–500	3 102	41.9	916 006	1.5	1.6
501–1000	1 108	15.0	880 648	1.5	1.5
1001–5000	1 046	14.1	2 265 783	3.8	3.8
5001–	286	3.9	54 889 198	91.9	92.9
Total	**7 400**	**100.0**	**59 076 795**		**100.0**
Own shares			682 615	1.1	
Total			**59 759 610**	**100.0**	

Source: Euroclear Finland Ltd., 31 December 2011


DEVELOPMENT OF THE SHARE
ON THE NASDAQ OMX HELSINKI
%
250
200
150
100
50
12/07 6/08 12/08 6/09 12/09 6/10 12/10 6/11 12/11
Pöyry PLC
OMX Helsinki Cap


CLOSING PRICE AND TRADING VOLUME OF THE SHARE
1 000 shares
EUR
1 500
1 200
900
600
300
0
20
17
14
11
8
5
1/07 6/07 1/08 6/08 1/09 6/09 1/10 6/10 1/11 6/11 12/11
Trading volume
Closing price


MARKET CAPITALISATION
EUR million
1200
1000
800
600
400
200
0
07 08 09 10 11


OWNERSHIP STRUCTURE BY TYPE OF SHAREHOLDER (BY NUMBER OF VOTING RIGHTS)
Companies 9.1%
Financial and insurance institutions 15.2%
Public sector entities and non-profit associations 25.8%
Households 8.7%
Ownership outside Finland and nominee registered 41.2%

Parent company

STATEMENT OF INCOME

	EUR million	2011	2010
1	**Net sales**	14.5	14.4
2	Other operating income	5.6	5.6
3	Personnel expenses	-7.6	-7.8
	Depreciation	-0.3	-0.4
	Other operating expenses	-19.9	-16.4
	Operating profit	-7.7	-4.6
5	Financial income and expenses	+0.2	+10.4
	Profit before extraordinary items	-7.5	5.8
6	Extraordinary items	9.4	6.4
	Profit before taxes	1.9	12.2
7	Income taxes	0.0	-0.1
	Net profit for the period	1.9	**12.1**

BALANCE SHEET

	EUR million	2011	2010
Assets			
	Fixed assets		
1	Intangible assets	0.1	0.2
2	Tangible assets	1.7	0.5
3	Non-current investments	351.5	292.1
		353.3	292.8
	Current assets		
4–5	Current receivables	29.7	20.7
	Investments	0.2	11.4
	Cash in hand and at banks	12.0	43.9
		41.9	76.0
	Total	395.2	**368.8**
Shareholders' equity and liabilities			
6	**Shareholders' equity**		
	Share capital	14.6	14.6
	Invested free equity reserve	60.1	58.5
	Retained earnings	92.9	89.7
	Net profit for the period	1.9	12.1
		169.4	174.9
	Liabilities		
7–10	Non-current liabilities	138.2	83.2
11–12	Current liabilities	87.6	110.7
		225.8	193.9
	Total	395.2	**368.8**

STATEMENT OF CHANGES IN FINANCIAL POSITION

EUR million	2011	2010
From operations		
Operating profit	-7.7	-4.6
Depreciation	+0.3	+0.4
Sales loss	+1.4	0.0
Change in net working capital	-0.1	+2.3
Financial income and expenses	-2.3	-0.6
Income taxes	-1.0	-1.3
Total from operations	-9.4	**-3.8**
Capital expenditure		
Investments in shares in subsidiaries	-51.3	-14.8
Investments in fixed assets	-1.0	-0.3
Shares in subsidiaries, return of equity	+12.1	+10.0
Sales of shares in subsidiaries	+13.8	+0.0
Sales of other shares	0.0	+0.0
Capital expenditure total	-26.5	-5.1
Cash flow before financing	-35.9	**-8.9**

EUR million	2011	2010
Financing		
New loans	+101.8	+1.9
Paid loans	-37.0	0.0
Repayments of loans	-10.8	-11.0
Change in current financing	-37.4	-30.4
Change in non-current investments	-27.6	-9.6
Dividends	-5.9	-5.9
Share subscription	+1.6	+1.9
Acquisition of own shares	-4.4	-0.0
Distribution of own shares	+1.3	+0.0
Dividends received	+4.6	+8.8
Group contribution	+6.4	+5.9
Financing total	-7.2	-38.3
Change in cash and cash equivalents	-43.1	**-47.1**
Cash and cash equivalents 1 January	55.3	102.4
Cash and cash equivalents 31 December	12.2	55.3
Investments	0.2	11.4
Cash on hand and at banks	12.0	43.9
Cash and cash equivalents 31 December	12.2	**55.3**

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 IFRS. 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 also has 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.

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 and currency swaps to hedge a part of the non-current external loans.

Cash flow hedge accounting is applied to a currency and interest swap agreement hedging a foreign currency denominated, floating rate loan agreement. The accrued interests and exchange rate differences are recognised in the statement of income of Pöyry PLC, and the fair value resulting from an interest rate differential between the currencies is recognised in the fair value reserve in the Group's equity

1. Net sales

EUR million	2011	2010
Net sales	14.5	**14.4**

The parent company's net sales are Group internal service fees

2. Other operating income

EUR million	2011	2010
Rent income	5.6	**5.6**

3. Personnel expenses

EUR million	2011	2010
Wages and salaries	6.5	6.8
Pension expenses	0.7	0.9
Other social expenses	0.3	0.1
	7.6	**7.8**

Salaries and bonuses of the President and CEO are presented on the page 46.

4. Audit fees (EUR 1 000)

EUR million	2011	2010
The audit fees are included in other operating expenses		
Statutory auditing, group auditor	128	110
Tax advisory, group auditor	40	63
Other services, group auditor	108	123

5. Financial income and expenses

EUR million	2011	2010
Dividend income		
From group companies	4.6	14.5
From other	0.0	0.0
	4.6	14.5
Interest income from non-current investments		
From group companies	1.4	1.2
From other	0.0	0.0
	1.4	1.2
Other interest and financial income		
From group companies	0.2	0.1
From other	0.5	1.4
	0.7	1.5
Interest expenses and other financial expenses		
To group companies	-0.8	-0.3
To other	-3.3	-3.1
	-4.1	-3.4
Differences in exchange rates		
Exchange rate gains	2.0	3.7
Exchange rate losses	-2.3	-5.1
	-0.3	-1.4
Value decrease on non-current investments	-2.0	-2.0
Total	0.2	**10.4**

6. Extraordinary items

EUR million	2011	2010
Group contribution received	9.5	8.7
Group contribution paid	-0.1	-2.3
	9.4	**6.4**

7. Income taxes

EUR million	2011	2010
Taxes for the fiscal year	0.0	0.1
Taxes for previous years	0.0	0.0
	0.0	**0.1**

1. Intangible assets

EUR million	2011	2010
Acquisition value 1 Jan.	1.7	1.7
Increase	0.0	0.0
Acquisition value 31 Dec.	1.7	1.7
Accumulated depreciation 1 Jan.	1.5	1.2
Depreciation for the period	0.1	0.3
Accumulated depreciation 31 Dec.	1.6	1.5
Book value 31 Dec.	0.1	**0.2**

2. Tangible assets

EUR million	2011	2010
Machinery and equipment		
Acquisition value 1 Jan.	0.8	0.6
Increase	0.8	0.2
Acquisition value 31 Dec.	1.6	0.8
Accumulated depreciation 1 Jan.	0.5	0.4
Depreciation for the period	0.1	0.1
Accumulated depreciation 31 Dec.	0.6	0.5
Book value 31 Dec.	1.0	0.3
Other tangible assets		
Acquisition value 1 Jan.	1.1	1.1
Increase	0.6	0.0
Acquisition value 31 Dec.	1.7	1.1
Accumulated depreciation 1 Jan.	0.9	0.8
Depreciation for the period	0.1	0.1
Accumulated depreciation 31 Dec.	1.0	0.9
Book value 31 Dec.	0.7	0.2
Total tangible assets		
Acquisition value 1 Jan.	1.9	1.7
Increase	1.3	0.2
Acquisition value 31 Dec.	3.2	1.9
Accumulated depreciation 1 Jan.	1.4	1.2
Depreciation for the period	0.2	0.2
Accumulated depreciation 31 Dec.	1.5	1.4
Book value 31 Dec.	1.7	**0.5**

3. Non-current investments

EUR million	2011	2010
Shares in group companies 1 Jan.	229.5	217.1
Increase	62.6	24.3
Decrease	29.6	11.9
Shares in group companies 31 Dec.	262.5	229.5
Receivables from group companies 1 Jan.	62.3	52.7
Increase	39.2	18.9
Decrease	12.8	9.3
Receivables from group companies 31 Dec.	88.7	62.3
Shares in associated companies		
Acquisition value 1 Jan.	0.1	0.1
Shares in associated companies 31 Dec.	0.1	0.1
Other shares 1 Jan.	0.2	0.2
Other shares 31 Dec.	0.2	0.2
Total non-current investments 1 Jan.	292.1	270.1
Increase	101.9	43.2
Decrease	42.4	21.2
Total non-current investments 31 Dec.	351.5	**292.1**

4. Current receivables

EUR million	2011	2010
Accounts receivable	1.4	0.7
Loans receivable	15.3	8.0
Other receivables	9.6	9.8
Prepaid expenses and accrued income	1.6	1.2
Total from group companies	27.9	19.8
Other receivables	0.4	0.0
Prepaid expenses and accrued income	1.5	0.9
	29.7	**20.7**

5. Prepaid expenses and accrued income

EUR million	2011	2010
Interest income	1.6	1.2
Taxes	1.0	0.5
Other	0.4	0.4
	3.0	**2.1**

6. Shareholders' equity

EUR million	2011	2010
Restricted equity		
Share capital 1 Jan. / 31 Dec.	14.6	14.6
Restricted equity 1 Jan. / 31 Dec.	14.6	14.6
Unrestricted equity		
Invested free equity reserve 1 Jan.	58.5	56.6
Shares subscribed with stock options	1.6	1.9
Invested free equity reserve 31 Dec.	60.1	58.5

EUR million	2011	2010
Retained earnings 1 Jan.	101.8	95.5
Payment of dividend	-5.9	-5.9
Acquisition of own shares	-4.4	0.0
Distribution of own shares	1.3	0.0
Net profit for the period	1.9	12.1
Retained earnings 31 Dec.	94.8	101.8
Unrestricted equity 31 Dec.	154.8	160.3
Total shareholders' equity 31 Dec.	169.4	174.9

7. Non-current liabilities

EUR million	2011	2010
Loans from credit institutions	95.0	45.6
Pension loans	7.9	15.7
Loans from group companies	26.4	21.9
	129.3	83.2

8. Loans with due date after five years or later

EUR million	2011	2010
Loans from group credit institutions	35.9	0.0
Loans from group companies	26.4	21.9
	62.3	21.9

9. Loans according to maturity

EUR million	2011	2010
Year 2011		100.4
Year 2012	78.5	40.7
Year 2013	49.2	20.7
Year 2014	2.3	0.0
Year 2015	15.5	0.0
Year 2016	35.9	0.0
Later	26.4	21.9
	207.8	183.7

10. Other non-current liabilities

EUR million	2011	2010
Other non-current liabilities	9.0	0.0

11. Current liabilities

EUR million	2011	2010
Loans from group credit institutions	8.2	0.0
Pension loans	7.9	7.9
Provisions, restructuring	0.0	0.6
Accounts payable	1.1	1.3
Loans	62.4	92.6
Accounts payable	2.0	0.4
Other current liabilities	0.2	2.2
Accrued expenses and deferred income	0.3	0.5
Total to group companies	64.9	95.7
Other current liabilities	0.9	0.9
Accrued expenses and deferred income	4.6	4.3
	87.6	110.7

12. Accrued expenses and deferred income

EUR million	2011	2010
Salaries and vacation accruals	2.6	2.5
Social expenses	0.4	0.4
Interest expenses	0.9	0.9
Other	1.0	1.0
	4.9	4.8

OTHER NOTES

1. Contingent liabilities

EUR million	2011	2010
Other obligations		
Rent and leasing obligations	0.3	52.1
For group companies		
Other obligations	88.1	83.7

2. Other lease agreements

EUR million	2011	2010
Lease payments for non-cancellable other lease agreements, mostly office rents		
Year 2011		3.9
Year 2012	0.2	3.9
Year 2013–2015	0.1	7.9
Later	0.0	36.4
	0.3	52.1

3. Derivative instruments

EUR million	2011	2010
Interest rate swaps, nominal values	70.0	12.8
of which basis swaps	45.0	0.0
Interest rate swaps, fair values	-1.9	-0.7

Pöyry PLC has made interest rate swaps for EUR 11.8 (0.0) million and for CHF 16.0 (16.0) million external, non-current, floating interest rate-bearing loans and an interest rate and currency swap for SEK 401.6 million external non-current floating interest rate-bearing loan.

The fair values of foreign exchange forward contracts are specified by closing date fair values for the corresponding maturities of the agreements. 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	92 888 018.60
Net profit for the period	EUR	1 870 314.30
	EUR	94 758 332.90

The Board of Directors proposes that a dividend of EUR 0.20 per share be paid on
the outstanding shares on the record date 13 March 2012. The dividend is payable on 20 March 2012

On the proposal date the amount of the outstanding shares was 59 075 665		
Accordingly EUR 0.20 per share would be	EUR	11 815 133.00
The remainder will be transferred to retained earnings, thus	EUR	82 943 199.90
	EUR	94 758 332.90

Vantaa, Finland, 8 February 2012
Pöyry PLC
Board of Directors

Henrik Ehrnrooth | Heikki Lehtonen | Pekka Ala-Pietilä

Georg Ehrnrooth | Alexis Fries | Michael Obermayer

Karen de Segundo | Heikki Malinen, President and CEO

Auditor's report

This document is an English translation of the Finnish auditor's report.
Only the Finnish version of the report is legally binding.

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 year ended December 31, 2011. The financial statements comprise the consolidated statement of financial position, statement of comprehensive income, statement of changes in equity and 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.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view 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 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 express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about 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 or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability Companies Act or the articles of association of the company.

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, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the consolidated financial statements

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

Opinion on the company's financial statements and the report of the Board of Directors

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

Helsinki, 8 February 2012
KPMG OY AB

Sixten Nyman
Authorized Public Accountant

Investor information

Pöyry PLC's shares are quoted on the NASDAQ OMX Helsinki Mid 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.

In its disclosure Pöyry complies with the Finnish and EU legislation, the rules of NASDAQ OMX Helsinki Ltd, the regulations and instructions of the Finnish Financial Supervisory Authority, and the Finnish Corporate Governance Code. Pöyry's disclosure is based on facts, objectivity and fairness. Pöyry is committed to disclosing reliable, relevant, adequate, timely and comparable information. Pöyry publishes financial information about the Pöyry Group as a whole and about its business groups (i.e. the operating segments). Under the periodic disclosure obligation, Pöyry publishes information on its financial performance according to a schedule that is published before the end of the previous financial year. Under the ongoing disclosure obligation, Pöyry discloses without undue delay a stock exchange release on any decision, issue or event that may have a material effect on the value of its share. All stock exchange releases are published through the organiser of public trading (stock exchange) and are also made available to the principle media and posted on Pöyry's websites simultaneously. The information is also conveyed to the national release register maintained by the stock exchange. All of Pöyry's releases are available on Pöyry's website at www.poyry.com for at least 5 years.

Pöyry regularly meets with shareholders, investors and analysts on road shows and meetings in Finland and abroad. Pöyry's Investor Relations function centrally handles contacts and meetings and coordinates the meetings.

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 2011 as an investment target on their own initiative. Pöyry takes no responsibility for the opinions or estimates expressed in the reports written by the 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
Swedbank AB, Helsinki
Ålandsbanken Equities Research, Helsinki

For more information, please contact
Pöyry's Investor Relations Team
Tel. +358 10 33 23002
email: ir.group@poyry.com

Financial information in 2012

In 2012 Pöyry PLC will publish its interim reports as follows:

January–March 25 April at 8.30 a.m. Finnish time
January–June 27 July at 8.30 a.m. Finnish time
January–September 26 October at 8.30 a.m. Finnish time

ANNUAL GENERAL MEETING

The shareholders of Pöyry PLC are invited to attend the Annual General Meeting to be held on Thursday, 8 March 2012 at 4.00 p.m. at the Helsinki Hall of the Finlandia Hall, Mannerheimintie 13 e, 00100 Helsinki, Finland (entrances M3 and K3). 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 registered in the shareholder register of the company held by Euroclear Finland Ltd on the record date of the General Meeting, 27 February 2012
b) if they have given notice to attend the Meeting on Monday 5 March 2012 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.

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/agm2012;
b) by telephone +358 10 33 21455 (Katriina Anttinen), 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 5 March 2012.

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 5 March 2012.

Holders of nominee registered shares

If a holder of nominee registered shares is entitled to be recorded in the Company's shareholder register on the record date of the General Meeting 27 February 2012, the shareholder may in accordance with the instructions of his/her custodian bank request that he/she is notified for temporary registration in the shareholder register of the Company for participation in the General Meeting at the latest on 5 March 2012 at 10.00 a.m. A holder of nominee registered shares in considered to be registered for the General Meeting, when he/she is notified for temporary registration in the shareholder register as described above. A holder of nominee registered shares is advised to request necessary instructions regarding the temporary registration in the shareholder register of the Company, the issuing of proxy documents and registration for the General Meeting from his/her custodian bank sufficiently in advance.

A complete notice to convene the Meeting has been published in a company announcement on 9 February 2012 and is mailed to all shareholders at their addresses in the shareholder register.

Proposals to the Meeting

The company discloses well in advance on its website the date by which a shareholder shall notify the board of directors of the company of an issue that he or she demands to be included in the agenda of the annual general meeting.

Dividend

The Board of Directors proposes to the Meeting convening on 8 March 2012 that a dividend of EUR 0.20 per share be paid for the year 2011. The dividend will be paid on 20 March 2012. This dividend is paid to shareholders entered into the shareholder register maintained by Euroclear Finland Ltd on the record date, 13 March 2012, 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.

Annual summary 2011

JANUARY 2011

12 Jan 2011	Disclosure under Chapter 2, Section 10 of the Securites Market Act; shareholding of Ilmarinen Mutual Pension Insurance Company in Pöyry PLC
13 Jan 2011	Pöyry awarded EUR 8.4 million pulp mill engineering contract in Brazil
31 Jan 2011	Invitation to Pöyry's full year 2010 result news conferences on 8 February 2011

FEBRUARY 2011

8 Feb 2011	Pöyry awarded BRL 325 million (about EUR 144 million) assignment in a paperboard project in Brazil
8 Feb 2011	The Board of Directors of Pöyry PLC resolved on an incentive plan for key personnel
8 Feb 2011	Pöyry PLC's notice concerning annual accounts for 2010
8 Feb 2011	Notice to Pöyry PLC's Annual General Meeting
8 Feb 2011	Approval of share subscriptions with stock options
8 Feb 2011	CORRECTION: Pöyry PLC's notice concerning annual accounts for 2010
17 Feb 2011	Pöyry's Corporate Governance Statement 2010 published
17 Feb 2011	Pöyry's Annual Report 2010 published
24 Feb 2011	Pöyry received the notice to proceed for the EPC open Book BOP contract announced on 8 February 2011

MARCH 2011

10 March 2011	Decisions made by the Annual General Meeting of Pöyry PLC
10 March 2011	Pöyry PLC Performance Share Plan 2008–2010 – directed share issue
10 March 2011	Approval of share subscriptions with stock options
23 March 2011	Pöyry awarded EPCM, Project Management and Owners' Engineering contracts for a new pulp mill project in Uruguay

APRIL 2011

6 Apr 2011	Change in Pöyry's share subscription schedule in July 2011
14 Apr 2011	Pöyry expands its energy business in Sweden by acquiring parts of engineering and consulting business from Vattenfall
19 Apr 2011	Invitation to Pöyry's Q1 2011 result news conferences on 27 April 2011
19 Apr 2011	Pöyry awarded EUR 8.0 million contract for supporting services for the Eldorado pulp mill project in Brazil
20 Apr 2011	Pöyry exercises purchase option to acquire Group's Head Office building in Vantaa, Finland
27 Apr 2011	Pöyry initiates share buyback
27 Apr 2011	Approval of share subscriptions with stock options
27 Apr 2011	Order stock increased – net sales and operating profit improving towards the end of the year 2011

JUNE 2011

6 June 2011	Pöyry divests Oil and Gas business to increase focus

JULY 2011

15 July 2011	Pöyry completes the acquisition of parts of engineering and consulting business from Vattenfall, Sweden
19 July 2011	Invitation to Pöyry's January–June 2011 result news conferences on 27 July 2011
27 July 2011	Pöyry completes share buyback programme
27 July 2011	Pöyry PLC's company calendar in 2012
27 July 2011	Pöyry PLC: Interim report 1 January 2011–30 June 2011

OCTOBER 2011

12 Oct 2011	Pöyry PLC: Pöyry increases focus on emerging markets and realigns structure
18 Oct 2011	Invitation to Pöyry's January–September 2011 result news conferences on 27 October 2011
27 Oct 2011	Pöyry PLC: Interim report 1 January–30 September 2011

PÖYRY

Engineering balanced sustainability™

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