PÖYRY

Financial Statements **2012**

02 Year 2012 in brief
04 Business groups
06 From the CEO

Financial Statements 2012

8 Report of the Board of Directors
14 Statement of comprehensive income
14 Statement of cash flows
15 Statement of financial position
16 Statement of changes in equity
17 Notes to the consolidated financial statements
40 Key figures
44 Shares and shareholders
48 Financial Statements of the Parent company
52 Proposal of the Board of Directors
53 Auditor’s report

54 Investor information
55 Annual summary 2012

Pöyry 2012

Pöyry is an international consulting and engineering company.

We serve clients globally across the energy and industrial sectors and locally in our core markets. We deliver strategic advisory and engineering services, underpinned by strong project implementation capability and expertise.

Our focus sectors are power generation and transmission & distribution, forest industry, chemicals & biorefining, mining & metals, transportation, water, and real estate.

Pöyry has an extensive local office network employing about 7,000 experts. Pöyry's net sales in 2012 were EUR 775 million and the company's shares are quoted on the NASDAQ OMX Helsinki (Pöyry PLC: POY1V).

FINANCIAL TARGETS		ACTUAL 2012	
Net sales	EUR 1,000 million by the end of 2017	**EUR 775 million**	
Operating profit %, Group	8–9% by the end of 2017	**0.9%, excl. restructuring costs**	Operating profit declined in all business groups.
Return on investment	20% or higher	**-5.0%**	High restructuring costs burdened key figures for profitability.
Earnings per share, growth	15% or higher	**n.a.**	Earnings per share in 2012 was EUR -0.41 (0.13)
Gearing, %	below 50%	**51.3%**	
Dividend/ earnings ratio	50% or higher		The Board will propose to the AGM that no dividend will be paid for 2012.

After a challenging 2012: Focus on domestic markets

The market environment continued to be challenging in 2012. Due to this and extensive restructuring costs, Pöyry's financial performance was disappointing. To strengthen long-term profitability, Pöyry is increasing its focus on domestic markets. It is targeting substantial cost savings by addressing low-performing units and streamlining administrative processes.

Key figures 2012

- The value of the Group's order stock was EUR 547.7 million (694.4).
- Net sales decreased by 2.7% to EUR 775.0 million (796.1).
- Operating profit before restructuring costs amounted to EUR 7.1 million (30.4) or 0.9% (3.8) of net sales.
- Total restructuring costs during the year were EUR 25 million.
- The consolidated operating profit totalled EUR -17.9 million (20.0) or -2.3% (2.5) of net sales.
- Earnings per share was EUR -0.41 (0.13).
- The Board of Directors of Pöyry PLC proposes to the Annual General Meeting on 7 March 2013 that no dividend will be paid for the year 2012 (2011: 0.20).

Outlook 2013

- The Group's net sales in 2013 are expected to increase compared with 2012 and operating profit in 2013 is expected to increase compared with the operating profit excluding restructuring costs in 2012.

February 2013: Adjusted strategic focus

1. In 2012 the management structure was simplified by removing the Business Area layer. Parts of the IT and Financial Accounting functions are currently being outsourced and administrative processes have been streamlined. By the end of 2013, low-performing business units will have been addressed. Targeted annualised savings are EUR 40–50 million by the end of 2014.
2. Pöyry is adopting a clear dual approach to serving clients – a global competence-based business model and a local business model in key geographies. The engineering business in the main home markets (Finland, Sweden, Germany, Switzerland, Austria, Brazil, Thailand) will be strengthened.
3. Pöyry will continue to increase the proportion of large energy and industry projects, and development of comprehensive strategic advisory services will be continued.
4. Pöyry's strategic evolution aims at reaching the net sales of EUR 1,000 million, with a corresponding operating profit margin of 8–9% by the end of 2017.

KEY FIGURES
(Operating profit before restructuring costs)

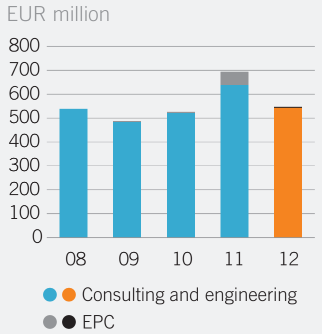
	Energy business group		Industry business group		Urban business group		Management Consulting		Group	
EUR million	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Net sales	**229.3**	223.2	**241.7**	236.5	**226.6**	248.0	**79.3**	88.2	**775.0**	796.1
Operating profit	**7.6**	9.7	**5.7**	14.1	**2.3**	3.1	**1.6**	7.6	**7.1**	30.4
Operating profit, %	**3.3**	4.3	**2.4**	6.0	**1.0**	1.3	**2.0**	8.6	**0.9**	3.8
Order stock	**236.5**	216.0	**75.0**	187.9	**217.9**	269.6	**18.3**	20.9	**547.7**	694.4
Personnel*	**1,810**	2,003	**2,008**	1,985	**1,840**	2,333	**539**	494	**6,323**	6,952

* FTE/end of the year

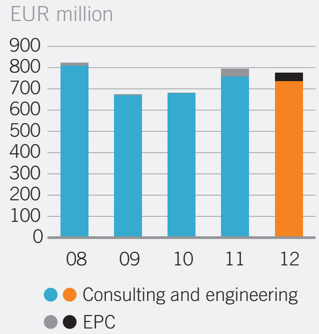
More detailed description of Pöyry's financial performance in 2012 is available in the report of the Board of Directors on pages 8–13.

Read more:
www.poyry.com/investors

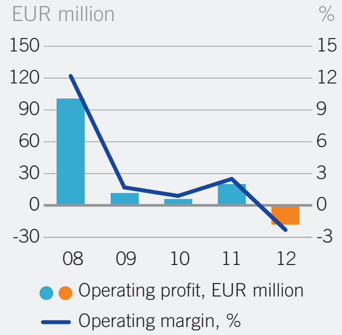
ORDER STOCK



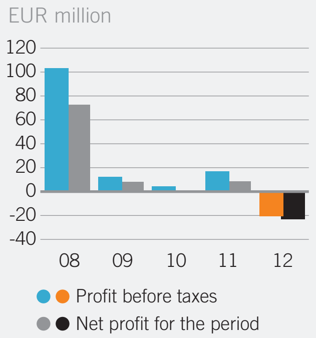
NET SALES



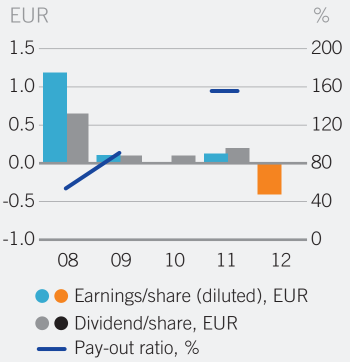
OPERATING PROFIT
(INCL. RESTRUCTURING COSTS)



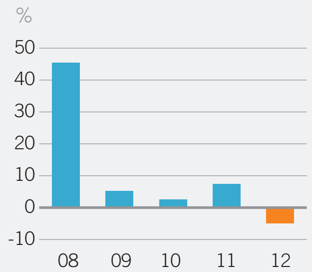
PROFIT BEFORE TAXES
AND NET PROFIT



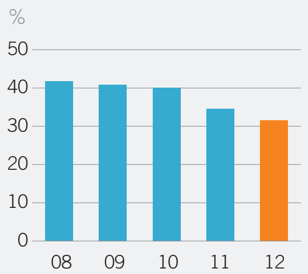
EARNINGS PER SHARE
AND DIVIDEND PER SHARE



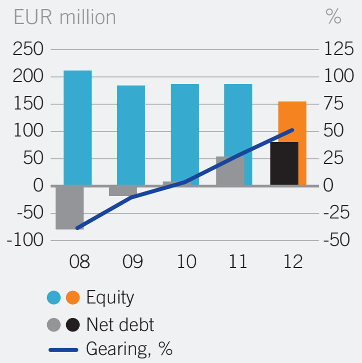
RETURN ON INVESTMENT



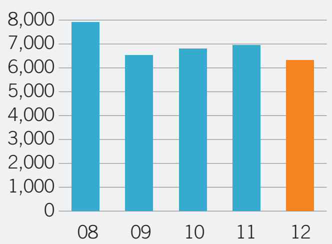
EQUITY RATIO



GEARING



PERSONNEL AT YEAR-END (FTE'S)



Strategic advisory, engineering and project implementation

MANAGEMENT CONSULTING

- Energy
- Forest industry
- Biofutures
- Operational excellence

ENERGY

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

INDUSTRY

- Pulp & paper
- Mining & metals
- Chemicals & biorefining

URBAN

- Transportation
- Water
- Environmental services
- Real estate

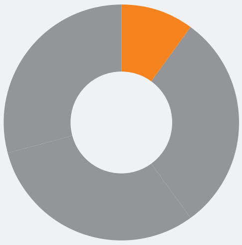
In 2012, Pöyry's operations were conducted through four operating segments (business groups): Management Consulting, Energy, Industry and Urban.

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

CORE EXPERTISE AREAS | SHARE OF GROUP'S NET SALES

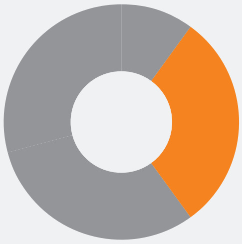
The Management Consulting business group provides strategic advisory services to the world's capital and resource intensive industries. Our expertise is based on market-led insights and quantitative models, as well as a profound understanding of sector specific strategies and technologies.

10%



The Energy business group combines Pöyry's global competence lines, providing technical consulting, engineering, supervision and project management services within the areas of power generation, and transmission & distribution. We help clients to effectively manage their assets throughout the entire business life-cycle underpinned by our in-depth sector knowledge. We deliver both new build and rehabilitation projects, as well as services relating to existing assets.

30%

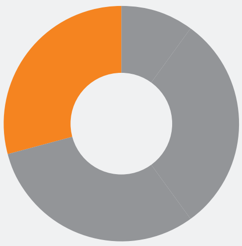


The Industry business group combines Pöyry's global competence lines, providing technical consulting, engineering, project management and implementation services to clients in the areas of process industries throughout the entire business life-cycle. Our focus sectors extend from pulp & paper and mining & metals to chemicals & biorefining. We deliver solutions for complex new investment projects and rebuilds of existing plants.

31%

The Urban business group provides engineering, supervision, project management and consulting services mainly in the infrastructure sector. The business group's expertise enables clients to respond to opportunities created by population growth, urbanisation and environmental challenges. In 2013 these operations will be re-configured to deliver Pöyry's local services for multiple client sectors across our key main home countries.

29%



Restoring profitability by refocusing

Following a period of disappointing results, Pöyry is improving its organisation by promoting domestic client services to enhance long-term profitability.

2012 turned out to be particularly challenging year for Pöyry. Amid difficult market conditions coupled with prolonged global economic uncertainty the Group was again faced with disappointing operational results.

Since the 2009 decline of the pulp and paper sector (one of Pöyry's main competence lines), the business has struggled. Challenging projects in its international transportation business have become an additional burden.

In view of the above mentioned market circumstances, new project investments progressed at a slower pace and the Group's order intake dropped below the previous year. Order stock totalled EUR 548 million (694) at the end of the year. Order stock declined as large projects received in the Industry business group in 2011 were being delivered. EUR 52 million of the decrease comes from divestments concluded in 2012. Net sales were EUR 775 million (796) and operating profit before restructuring costs was EUR 7 million (30) or 0.9 per cent (3.8) of net sales. Extensive restructuring costs, which amounted to EUR 25 million, burdened the net result and the earnings per share was EUR -0.41.

During the recent years, extensive restructuring measures have been initiated. However, they have fallen short of the expected results and growth in the international transportation business led to an inadequate focus on profitability. Moreover, initiatives aimed at increased organisational integration have not progressed at the intended pace.

Our priority is to restore profitability by refocusing. Pöyry enjoys clear leadership positions in its industrial and energy sectors. A major portion of the Group's business, however, originates from a large number of medium and small-sized domestic projects, which generate a steady flow of new orders across a wide range of client sectors. On 6 February 2013 we announced an improved organisation enhancing our focus on the domestic client business.

Our management structure has been simplified by removing the Business Area layer, parts of the IT and Financial Accounting functions are being outsourced and administrative processes have been streamlined. By the end of 2013, low-performing business units will have been addressed. These measures target at annualised savings of EUR 40–50 million by the end of 2014.

Our focused strategy enables us to meet the needs of our domestic clients through a broad range of services and to serve our global clients in energy and industry along our leading competence lines. We are aiming to reach net sales of EUR 1,000 million with corresponding operating profit margin in the range of 8–9 per cent by the end of 2017. As to the short-term outlook, the Group's net sales in 2013 are expected to increase compared with 2012 and operating profit in 2013 is expected to increase compared with the operating profit excluding restructuring costs in 2012.

I would like to express a special appreciation to our people for their contribution and to all our shareholders for their trust during 2012.

Alexis Fries
President and CEO

"Our dual business model approach enables us to meet the needs of both our domestic and global clients."

Report of the Board of Directors 1 January–31 December 2012

MARKET REVIEW

The positive momentum in the global economy weakened during the second quarter. Albeit, the long-term fundamentals driving demand in the energy and industrial sectors remained solid. During the year the prevailing economic uncertainty influenced investment decisions, as clients remained cautious. Low energy prices in Europe affected investments in the electricity generation sector, however, interest in renewable power generation and power grids remained high. In the industrial sectors, investments in larger projects in Latin America were delayed.

Public sector infrastructure investments remained fairly stable in most of Pöyry's main markets. Within the European water supply and sanitation sector, public sector investment activity continued modestly, however, some projects were delayed especially in Eastern Europe and Latin America

The macroeconomic uncertainty also affected external strategic advisory services, where clients were postponing orders, both in the forest industry and in the European energy sector.

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	12/2012	12/2011	Change, %
Consulting and engineering	**542.7**	636.8	-14.8
EPC	**5.0**	57.6	-91.3
Total	**547.7**	**694.4**	**-21.1**

The Group's order stock value totalled EUR 547.7 million at the end of the reporting period. EUR 52 million of the decrease comes from divestments concluded in 2012. The order stock value was higher than the year before in the Energy business group but declined in all other business groups. The main decline occurred in the Industry business group where large projects received in 2011 were being delivered in Latin America, while new orders were delayed. EUR 51.1 million of the decline comes from the Urban business group due to divestments made in 2012. At the end of the reporting period, the order stock by business group was as follows: Energy EUR 236.5 million (43 per cent of the total order stock), Industry EUR 75.0 million (14 per cent), Urban EUR 217.9 million (40 per cent), and Management Consulting EUR 18.3 million (3 per cent).

ORDER INTAKE

The Group's order intake in 2012 was lower than the year before. In the Energy business group, the order intake, supported by strong first and fourth quarters, turned out higher than the previous year. However, order intake declined in all other business groups. Contrary to 2011, no large orders were recorded in the Industry business group. Order intake declined in the Urban business group due to divestments and reduced activity in non-core markets. Order intake in the Management Consulting business group declined, reflecting the challenging business environment.

GROUP NET SALES

Net sales by business group, EUR million	1–12/ 2012	1–12/ 2011	Change, %	Share of total sales, % 1–12/ 2012
Energy	**229.3**	223.2	2.7	30
Industry	**241.7**	236.5	2.2	31
Urban	**226.6**	248.0	-8.6	29
Management Consulting	**79.3**	88.2	-10.1	10
Unallocated	**-1.9**	0.2		0
Total	**775.0**	**796.1**	**-2.7**	**100**

Consolidated net sales amounted to EUR 775.0 million. Net sales in the Industry and in the Energy business groups were supported by the solid order stock. Net sales in the Urban business group decreased due to divestments and reduced activity in non-core markets. The decrease in net sales in the Management Consulting business group reflected the challenging business environment.

GROUP OPERATING PROFIT

The consolidated operating profit excluding restructuring costs amounted to EUR 7.1 million (30.4), which is 0.9 per cent of net sales (3.8). Operating profit declined in all business groups.

The Group's restructuring costs amounted to EUR 25.0 million in 2012. Fourth quarter restructuring costs amounted to EUR 11.7 million, and were related to addressing low-performing units, outsourcing of support functions and streamlining administrative processes.

The consolidated operating profit for the reporting period amounted to EUR -17.9 million (20.0). The consolidated operating margin for the report period was -2.3 per cent (2.5).

Business groups (operating segments)

Business group reporting is based on the organisational structure prevailing on 1 January 2012. 2011 reporting numbers have been restated (pro forma) accordingly. Employee numbers are reported in full time equivalents (FTE).

Energy	1–12/ 2012	1–12/ 2011	Change, %
Order stock, EUR million, end of period	**236.5**	216.0	9.5
Sales, EUR million	**229.3**	223.2	2.7
Operating profit excl. restructuring costs, EUR million	**7.6**	9.7	-21.6
Operating margin excl. restructuring costs, %	**3.3**	4.3	
Operating profit, EUR million	**4.1**	6.4	-35.9
Operating margin, %	**1.8**	2.9	
Personnel at end of period	**1,810**	2,003	-9.6

Steady order inflow during the year resulted in a balanced order stock at the end of the year. The order stock value was EUR 236.5 million, which is 9.5 per cent higher than the year before.

Net sales at EUR 229.3 million remained stable compared with the year before.

Operating profit excluding restructuring costs amounted to EUR 7.6 million (3.3 per cent of sales), and EUR 4.1 million including restructuring costs (1.8 per cent of sales) and remained on an unsatisfactory level despite increased efforts in sales and capacity adjustments. EUR 3.5 million restructuring costs relate to the continued integration of Pöyry SwedPower acquired in 2011 and addressing several low-performing units

Industry	1–12/ 2012	1–12/ 2011	Change, %
Order stock, EUR million, end of period	**75.0**	187.9	-60.1
Sales, EUR million	**241.7**	236.5	2.2
Operating profit excl. restructuring costs, EUR million	**5.7**	14.1	-59.6
Operating margin excl. restructuring costs, %	**2.4**	6.0	
Operating profit, EUR million	**5.1**	15.6	-67.3
Operating margin, %	**2.1**	6.6	
Personnel at end of period	**2,008**	1,985	1.2

The order stock value at the end of the period was EUR 75.0 million. The order stock value was clearly lower than the year before which included an important EPC order as well as other larger orders received in early 2011.

Net sales amounted to EUR 241.7 million which is 2.2 per cent higher than the year before.

Operating profit excluding restructuring costs amounted to EUR 5.7 million (2.4 per cent of sales) and EUR 5.1 million including restructuring costs (2.1 per cent of net sales).Operating profit was burdened by a lack of larger orders and project delays especially in Latin America, as well as by some recognised project and credit losses. EUR 0.6 million restructuring costs relate to streamlining business operations.

Urban	1–12/ 2012	1–12/ 2011	Change, %
Order stock, EUR million, end of period	**217.9**	269.6	-19.2
Sales, EUR million	**226.6**	248.0	-8.6
Operating profit excl. restructuring costs, EUR million	**2.3**	3.1	-25.8
Operating margin excl. restructuring costs, %	**1.0**	1.3	
Operating profit, EUR million	**0.1**	-3.7	n.a.
Operating margin, %	**0.0**	-1.5	
Personnel at end of period	**1,840**	2,333	-21.1

The order stock value at the end of the period amounted to EUR 217.9 million including a reduction of EUR 51.1 million attributed to divestments and effects from refocusing the business to home markets.

Net sales amounted to EUR 226.6 million, which is 8.6 per cent lower than the year before. Net sales have been impacted by project delays mainly in the international markets as well as divestments and actions taken to refocus operations on home markets.

Operating profit before restructuring costs amounted to EUR 2.3 million (1.0 per cent of sales) including an EUR 4.8 million provision on accounts receivable in certain Venezuelan infrastructure projects as described under the section “Balance Sheet”. Operating profit including restructuring costs amounted to EUR 0.1 million (0.0 per cent of net sales). After a positive start to the year, the operating profit declined from the year before due to project and credit losses. Performance in the core domestic markets in Northern Europe and Switzerland has been improving as a result of restructuring efforts which are starting to have a positive impact on profitability. EUR 2.2 million restructuring costs relate to actions to streamline and refocus business operations. As part of these actions divestments representing combined net sales of about EUR 35 million were concluded in 2012.

Management Consulting	1–12/ 2012	1–12/ 2011	Change, %
Order stock, EUR million, end of period	**18.3**	20.9	-12.4
Sales, EUR million	**79.3**	88.2	-10.1
Operating profit excl. restructuring costs, EUR million	**1.6**	7.6	-78.9
Operating margin excl. restructuring costs, %	**2.0**	8.6	
Operating profit, EUR million	**-0.1**	7.2	n.a.
Operating margin, %	**-0.1**	8.2	
Personnel at end of period	**539**	494	9.1

The order stock value at the end of the period was EUR 18.3 million reflecting the challenging market environment.

Net sales amounted to EUR 79.3 million, which is 10.1 per cent lower than the year before. The decline in net sales mainly reflects lower activity in all regions.

Operating profit excluding restructuring costs amounted to EUR 1.6 million (2.0 per cent of sales) and EUR -0.1 million including restructuring costs (-0.1 per cent of net sales). Operating profit declined due to lower sales as well as to build-up of operational excellence offering and expansion of energy consulting. EUR 1.7 million restructuring costs relate to addressing low-performing units.

Group Overhead and unallocated costs

Unallocated costs in January-December 2012 amounted to EUR 27.1 million (5.5), representing 3.5 per cent of sales (0.7). Unallocated costs included EUR 17.0 million in restructuring costs of which EUR 7.5 million related to divestments concluded in 2012 and EUR 9.5 million to actions to streamline administrative processes. The remaining unallocated costs of EUR 10.1 million include extraordinary personnel expenses and an impairment of intangible rights.

GROUP FINANCIAL RESULT

The net financial items amounted to EUR -2.9 million (-2.9). Loss before taxes totalled EUR -20.8 million (17.1). Income taxes were EUR -2.2 million (-8.4).

Net profit for the period amounted to a loss of EUR -23.0 million (8.7), of which EUR -23.9 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 -0.41 (0.13).

BALANCE SHEET

The consolidated balance sheet amounted to EUR 578.6 million at the end of reporting period which is EUR 63.0 million lower than at year-end 2011 (641.6). The amendment to IAS 19 Employee benefits applies from 1 January 2013 onwards and has an impact on Pöyry's balance sheet. The pension obligation increases and the estimated net decrease in equity amounts to EUR 22.0 million in the balance sheet of 31 December 2012. The comparison figures for 2012 are adjusted in 2013 financial reporting.

Total equity at the end of the reporting period amounted to EUR 154.3 million (187.0). Total equity attributable to equity holders of the parent company was EUR 146.9 million (179.8) or EUR 2.46 per share (3.01).

The accounts receivable include positions 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 continues to pursue intensive collection efforts with the concerned government authorities. As a result of these efforts a first portion of the receivables were settled by the client in 2012, although an important amount remains pending. While the outstanding receivables are undisputed, uncertainty remains about the exact timing and amount of the expected payments. This fact is reflected in their current valuation estimated to approximately EUR 17 million following an impairment of EUR 4.8 million.

The return on equity (ROE) was -13.4 per cent (4.6). The return on investment (ROI) was –5.0 per cent (7.4).

CASH FLOW AND FINANCING

At the end of the reporting period, the Group's cash and cash equivalents and other liquid assets amounted to EUR 83.0 (79.0) million including EUR 37.7 million of commercial papers. In addition to these, the Group had unused long-term overdraft facilities amounting to EUR 78.2 million.

Net cash from operating activities in the reporting period was EUR -6.7 million (30.5), representing EUR 0.11 per share. Net cash before financing activities was EUR -12.9 million (-33.9).

Net debt at the end of the reporting period totalled EUR 79.1 million (52.6). Gearing was 51.3 per cent (28.2). The equity ratio was 31.6 per cent (34.6).

Pöyry paid its shareholders dividends amounting to EUR 11.8 million or EUR 0.20 per share in March 2012.

CAPITAL EXPENDITURE, ACQUISITIONS AND DIVESTMENTS

During the reporting period, the Group's capital expenditure totalled EUR 7.2 million.

Capital expenditure, EUR million	1–12/ 2012	1–12/ 2011
Capital expenditure, operating	**7.2**	8.4
Capital expenditure, land and buildings	**0.0**	45.2
Capital expenditure, shares	**0.0**	28.4
Capital expenditure, total	**7.2**	82.0

PERSONNEL

Personnel (FTE) by business group, at the end of the period	1–12/ 2012	1–12/ 2011	Change, %
Energy	**1,810**	2,003	-9.6
Industry	**2,008**	1,985	1.2
Urban	**1,840**	2,333	-21.1
Management Consulting	**539**	494	9.1
Group staff and shared resources	**126**	137	-8.0
Personnel, total	**6,323**	6,952	-9.0

Personnel (FTE) by geographic area, at the end of the period	1–12/ 2012	1–12/ 2011	Change, %
Nordic countries	**2,532**	2,569	-1.4
Other Europe	**2,219**	2,728	-18.7
Asia	**565**	655	-13.7
North America	**231**	244	-5.3
South America	**753**	712	5.8
Other areas	**23**	44	-47.7
Personnel, total	**6,323**	6,952	-9.0

Personnel structure

The Group had an average of 6,695 (6,864) employees (FTEs) during the reporting period, which is 2.5 per cent less than the year before. The number of personnel (FTEs) at the end of the period was 6,323 (6,952). Number of personnel has decreased especially in areas outside the core markets as a result of actions to increase focus on key home markets. The majority of these actions have been concentrated on the Urban business group where a number of units were divested and closed.

In 2012 Pöyry streamlined its HR, IT, Finance, and Facilities functions by consolidating respective management processes. Moreover, an outsourcing programme has been launched in December 2012 covering parts of the Group's financial accounting and IT operations.

Personnel expenses

Personnel expenses, EUR million	1–12/ 2012	1–12/ 2011	Change, %
Wages and salaries	**349.0**	339.2	2.9
Bonuses	**5.0**	17.6	-71.6
Expenses from share-based incentives	**0.7**	1.7	-58.8
Social expenses	**84.1**	81.5	3.2
Personnel expenses, total	**438.8**	440.1	-0.3

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.

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. The plan includes earning periods which commence at the beginning of the years 2011, 2012 and 2013.

See Notes to the Financial Statements item 5 for more detailed information.

GOVERNANCE

Pöyry publishes its corporate Governance Statement separately form 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 2012

The Annual General Meeting ("AGM") of Pöyry PLC was held on 8 March 2012. 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 1 January to 31 December 2011.

The AGM decided that a dividend of EUR 0.20 be distributed per outstanding share for the financial year 2011. The dividend was paid on 20 March 2012.

The AGM decided that the Board of Directors consists 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 45,000 for a member, EUR 55,000 for the Vice Chairman and EUR 65,000 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.

At its assembly meeting immediately following the AGM, the Board of Directors elected Henrik Ehrnrooth as Chairman and Heikki Lehtonen as Vice Chairman. Heikki Lehtonen (Chairman), Alexis Fries and Georg Ehrnrooth were elected as members of the Audit Committee. Pekka Ala-Pietilä (Chairman), Henrik Ehrnrooth, Heikki Lehtonen and Karen de Segundo were elected as 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.

Karen de Segundo replaced Alexis Fries as member of the Audit Committee on 1 September, 2012 when Alexis Fries assumed his position as President and CEO of the Company.

Michael Obermayer replaced Karen de Segundo as member of the Nomination and Compensation Committee on 1 September 2012.

The AGM decided to elect until further notice PricewaterhouseCoopers Oy as the new auditor of Pöyry PLC. PricewaterhouseCoopers Oy has appointed Merja Lindh, Authorised Public Accountant, as the auditor in charge.

The decisions made by the AGM of Pöyry PLC on 8 March 2012 are available in full on the company's website at www.poyry.com.

Authorisations

The AGM on 8 March 2012 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 will be acquired in accordance with the decision of the Board of Directors either through public trading or by public offer at market prices 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 for 18 months from the decision of the AGM. The authorisation granted by the previous AGM regarding acquisition of the company's own shares expired simultaneously.

The AGM on 8 March 2012 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 for 18 months from the decision of the AGM. The authorisation granted by the previous AGM regarding issuing shares expired simultaneously.

The decisions made by the AGM of Pöyry PLC on 8 March 2012 relating to the authorisations of the Board of Directors are available in full on the company's website at www.poyry.com.

Group executive management

The Group Executive Committee consisted of nine (9) members at the end of 2012:

Alexis Fries, President and Chief Executive Officer
Ari Asikainen, Executive Vice President (EVP) and President, Energy business group
Martin Kuzaj, EVP and President, Industry business group
Martin Bachmann, EVP and President, Urban business group
Jarkko Sairanen, EVP and President, Management Consulting business group
Jukka Pahta, EVP, Chief Financial Officer
Richard Pinnock, EVP, Group Strategic Growth
Pasi Tolppanen, Senior Vice President, Operations
Anne Viitala, EVP, Legal and Commercial

On 20 December 2012 Jaana Rinne, MSc (Econ), was appointed Senior Vice President, Human Resources and member of Pöyry PLC's Group Executive Committee. She will take over the new duties during spring 2013.

Heikki Malinen was President and CEO of the Company from 1 June 2008 until 13 June 2012. Henrik Ehrnrooth acted as interim President and CEO of the Company from 13 June until 31 August 2012. Alexis Fries has been the President and CEO of the Company since 1 September 2012.

SHARE CAPITAL AND SHARES

The share capital of Pöyry PLC at 31 December 2012 totalled EUR 14,588,478 and the total number of shares including treasury shares totalled 59,759,610. At the end of the reporting period, Pöyry PLC held a total of 698,155 of its own shares, which corresponds to 1.2 per cent of the total number of shares and had a market value of EUR 2.0 million.

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 112,450 shares had been transferred to recipients by 31 December 2012. Restriction period for the shares ended on 1 January 2013.

Including the above mentioned share transfers, on 31 December Pöyry PLC held a total of 698,155 treasury shares, corresponding to 1.2 per cent of the total number of shares.

SHARES SUBSCRIBED FOR UNDER THE OPTION PROGRAMME 2004

The share subscription period of Pöyry's 2004C share options expired on 31 March 2012 concluding concurrently the whole programme. During the programme a total of 1,280,764 new shares were subscribed for. The option programme included approximately 40 key persons.

MARKET CAP AND TRADING

The closing price of Pöyry's shares on 30 December 2012 was EUR 2.93 (5.42). The volume weighted average share price during the report period was EUR 4.41 (8.79), the highest quotation being EUR 7.22 (11.90) and the lowest EUR 2.81 (5.11). The share price decreased approximately 46 per cent from the end of 2011. During the report period, approximately 12.5 million Pöyry shares were traded on the NASDAQ OMX Helsinki, corresponding to a turnover of approximately EUR 55.2 million. The average daily trading volume was 50,052 shares or approximately EUR 0.2 million.

On 30 December 2012, the total market value of Pöyry's shares was EUR 173.1 (320.2) million excluding treasury shares held by the company, and EUR 175.1 (323.9) million including treasury shares.

OWNERSHIP STRUCTURE

During the report period, the number of registered shareholders increased from 7,400 at the end of 2011 to 7,671 at the end of the reporting period, representing an increase of about 4 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, holds indirectly with his brothers Georg Ehrnrooth and Carl-Gustaf Ehrnrooth a controlling interest in Corbis S.A.

At the end of the reporting period a total of 5.73 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 37.86 per cent of the shares.

FLAGGINGS IN 2012

No flagging notifications were received in 2012.

OPERATIONAL EXCELLENCE PROGRAMME

The Group's operational excellence programme launched in 2010 was concluded in 2012. The programme included streamlining operations and office network, improving core processes and investing in competence development especially in Finland and Germany. In 2011 the targeted annualised operating profit improvement of EUR 15 million was achieved in Finland. In 2012 actions were implemented in Germany to achieve the annualised savings target of approximately EUR 6.5 million. However, these savings were largely offset by challenging market environment, low project profitability and project losses in certain business areas.

IMPORTANT EVENTS AFTER THE END OF THE REPORTING PERIOD

On 6 February 2013 Pöyry announced that it is improving its organisation by introducing Regional Operations, thereby increasing its focus on domestic markets in order to strengthen the long-term growth and profitability. In late 2012 and early 2013 Pöyry has taken actions to address low-performing units, outsource elements of support operations and streamline administrative processes which target at EUR 40–50 million combined run-rate cost savings by the end of 2014. Pöyry aims at reaching net sales of EUR 1,000 million with a corresponding operating profit margin of 8–9 per cent by the end of 2017, all other financial targets remain unchanged.

Accordingly, as of the first quarter 2013, Pöyry's financial reporting will be based on the following four Business Segments: Management Consulting business group; Industry business group; Energy business group; and Regional Operations. The pro forma figures reflecting these changes will be communicated along with the first quarter 2013 interim report.

For further information see Company Announcement of 6 February 2013.

MOST SIGNIFICANT RISKS AND BUSINESS UNCERTAINTIES

The economic uncertainties continue and the risk of recession particularly in the European market persists. This can create uncertainty and delays in clients' decision-making. These circumstances can impact Pöyry's clients' ability in arranging financing needed for investments, and more generally slow down overall business activity, adversely impacting Pöyry's net sales and profitability.

Apart from smaller and mid-sized projects, Pöyry focuses on larger and EPC-type projects. 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 are all 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. This is impacting 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, the 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 corresponding payment of invoices may be delayed excessively or that 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 on-going. 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.

MARKET OUTLOOK 2013

In the beginning of 2013 the outlook for the US, China and many emerging economies, including Brazil, is improving. The positive development is supported by low interest rates and fiscal and monetary stimulus. The leading indicators for Europe are stabilizing but the outlook for the first half of 2013 remains challenging. Global economic growth in 2013 is driven by private consumption and services. The investment outlook is, however, weaker than the overall economic growth, especially in Europe.

In those energy and the industrial sectors that are relevant to Pöyry's businesses, the long-term economic fundamentals remain solid, however, demand is increasingly geared to emerging markets whereas investment activity in Europe is slowing down. Economic uncertainty may continue to delay investment decisions. Regulatory uncertainty may additionally impact upon investment decisions in the energy sector. The number of potential new nuclear investment projects in certain European countries has decreased but on the other hand, there is an increasing need for investments in other power generation technology. Investment activity in energy transmission and distribution is expected to increase.

The general economic development around Pöyry's key European markets is expected to evolve moderately. The outlook for Latin America and Asia is somewhat more positive. Industrial production in Northern Europe is expected to improve modestly. Industrial activity in Continental Europe is expected to remain stable, while industrial activity is expected to resume in Brazil and in Thailand.

However, the current macroeconomic environment may unfavourably impact demand for management consulting services especially in Europe and North America as clients may be postponing assignments for consulting services.

FINANCIAL OUTLOOK FOR 2013

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.

The Group's net sales in 2013 are expected to increase compared with 2012 and operating profit in 2013 is expected to increase compared with the operating profit excluding restructuring costs in 2012.

BOARD OF DIRECTORS' PROPOSAL FOR DISPOSAL OF DISTRIBUTABLE FUNDS

The Group's parent company Pöyry PLC's net profit for 2012 amounted to EUR -20,500,624.05 and retained earnings were EUR 82,943,199.90. The total distributable earnings were EUR 62,442,575.85. Considering the unsatisfactory performance, the Board of Directors of Pöyry PLC will propose to the Annual General Meeting on 7 March 2013 that no dividend will be paid for the year 2012.

Vantaa, 5 February 2013
Pöyry PLC
Board of Directors

Statement of comprehensive income

	EUR million	2012	2011
1	**Net sales**	**775.0**	796.1
2	Other operating income	**+2.4**	+0.8
	Share of associated companies' results	**+0.6**	+0.6
	Materials and supplies	**-47.3**	-42.2
	External charges, subconsulting	**-101.7**	-111.8
3	Personnel expenses	**-438.8**	-440.1
	Depreciation and impairment	**-11.8**	-9.2
6	Other operating expenses	**-196.3**	-174.2
		-795.9	-777.5
	Operating profit	**-17.9**	**20.0**
	Financial income	**+1.6**	+3.1
	Financial expenses	**-4.4**	-6.1
7	Exchange rate differences	**-0.1**	+0.1
		-2.9	-2.9
	Profit before taxes	**-20.8**	**17.1**
8	Income taxes	**-2.2**	-8.4
	Net profit for the period	**-23.0**	**8.7**
	Other comprehensive income		
	Cash flow hedging	**+0.2**	-1.2
	Impact on deferred tax assets	**-0.1**	+0.3
	Reclassification of translation differences to profit and loss	**0.0**	+2.0
	Translation differences	**+2.5**	-1.5
	Total comprehensive income for the period	**-20.4**	**8.3**
	Net profit attributable to:		
	Equity holders of the parent company	**-23.9**	7.8
	Non-controlling interest	**0.9**	0.9
	Total comprehensive income attributable to:		
	Equity holders of the parent company	**-21.3**	7.4
	Non-controlling interest	**0.9**	0.9
9	Earnings/share, EUR	**-0.41**	0.13
	Corrected with dilution effect	**-0.41**	0.13

Statement of cash flows

EUR million	2012	2011
From operating activities		
Net profit for the period	**-23.0**	8.7
Expenses from share-based incentive programmes	**+0.7**	+1.7
Depreciation and impairment	**+11.8**	+9.2
Gain on sale of shares and fixed assets	**-1.7**	0.0
Loss on sale of shares	**+9.2**	+1.2
Net impact from associated companies	**0.0**	+0.2
Financial income and expenses	**+2.9**	+2.9
Income taxes	**+2.2**	+8.4
Change in work in progress	**+15.0**	-33.8
Change in accounts and other receivables	**+22.4**	-25.8
Change in advances received	**-5.4**	+34.7
Change in payables and other liabilities	**-30.4**	+34.0
Received financial income	**+1.7**	+3.0
Paid financial expenses	**-4.8**	-5.5
Paid income taxes	**-7.2**	-8.4
Total from operating activities	**-6.7**	**+30.5**
Capital expenditure		
Investments in shares in subsidiaries deducted with cash acquired [1)]	**+0.3**	-26.9
Investments in real estates	**0.0**	-45.2
Investments in fixed assets	**-7.2**	-8.4
Sale of shares in subsidiaries deducted with cash decrease [1)]	**+0.5**	+15.8
Sale of fixed assets	**+0.2**	+0.3
Capital expenditure total, net	**-6.2**	**-64.4**
Net cash before financing	**-12.9**	**-33.9**
Financing		
New loans	**+32.7**	+93.2
Repayments of loans	**-41.0**	-67.7
Finance lease payments	**0.0**	-2.5
Change in current financing	**+37.6**	-0.2
Investments in shares in subsidiaries with non-controlling interest	**0.0**	-0.3
Paid dividends	**-12.6**	-6.9
Acquisitions of own shares	**0.0**	-4.4
Share subscription	**0.0**	+1.6
Net cash from financing	**+16.7**	**+12.8**
Change in cash and cash equivalents and in other liquid assets	**+3.8**	**-21.1**
Cash and cash equivalents and other liquid assets 1 January	**79.0**	99.0
Impact of translation differences in exchange rates	**+0.2**	+1.1
Cash and cash equivalents and other liquid assets, 31 December	**83.0**	**79.0**
Financial assets at fair value through profit and loss	**0.1**	0.2
Cash and cash equivalents	**82.9**	78.8
Cash and cash equivalents and other liquid assets, 31 December	**83.0**	**79.0**

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

Statement of financial position

	EUR million	2012	2011
	Assets		
	Non-current assets		
10	Goodwill	**131.4**	131.4
10	Intangible assets	**9.3**	12.4
11	Tangible assets	**60.6**	63.2
12	Shares in associated companies	**6.0**	6.0
12	Other shares	**2.1**	2.1
12	Loans receivable	**0.5**	0.9
8	Deferred tax receivables	**13.5**	12.3
19	Pension receivables	**1.0**	0.8
13	Other	**6.0**	8.2
		230.4	237.3
	Current assets		
14	Work in progress	**92.6**	115.5
14,16	Accounts receivable	**145.1**	182.1
14	Loans receivable	**0.1**	0.1
14	Other receivables	**12.0**	11.2
15	Prepaid expenses and accrued income	**15.4**	16.4
14	Financial assets at fair value through profit and loss	**0.1**	0.2
14	Cash and cash equivalents	**82.9**	78.8
		348.2	404.3
	Total	**578.6**	**641.6**

	EUR million	2012	2011
	Equity and liabilities		
	Equity		
	Equity attributable to the equity holders of the parent company		
17	Share capital	**14.6**	14.6
17	Legal reserve	**3.5**	3.4
17	Invested free equity reserve	**60.1**	60.1
17	Fair value reserve	**-0.8**	-0.9
	Translation differences	**-6.7**	-9.1
	Retained earnings	**76.2**	111.7
		146.9	179.8
	Non-controlling interest	**7.4**	7.2
		154.3	187.0
	Liabilities		
	Non-current liabilities		
18	Interest bearing non-current liabilities	**84.0**	109.2
19	Pension obligations	**9.1**	9.7
8	Deferred tax liability	**1.5**	3.4
	Other non-current liabilities	**11.9**	12.0
		106.5	134.3
	Current liabilities		
18,21	Amortisations of interest bearing non-current liabilities	**40.1**	21.8
18,21	Commercial papers	**37.7**	0.0
18,21	Interest bearing current liabilities	**0.3**	0.6
20	Provisions	**16.9**	19.6
21	Project advances	**90.8**	100.9
21	Accounts payable	**24.1**	30.5
21	Other current liabilities	**31.0**	43.5
21	Current tax payable	**2.8**	8.2
22	Accrued expenses and deferred income	**74.0**	95.2
		317.8	320.3
		424.3	454.6
	Total	**578.6**	**641.6**

Statement of changes in equity

EUR million	Share capital	Legal reserve	Invested free equity reserve	Fair value reserve	Translation differences	Retained earnings	Total	Non-control-ling interest	Total equity
Equity 1 Jan. 2012	14.6	3.4	60.1	-0.9	-9.1	111.7	179.8	7.2	187.0
Comprehensive income									
Comprehensive income for the period		0.1		0.1	2.4	-23.9	-21.3	0.9	-20.4
Comprehensive income for the period total		0.1		0.1	2.4	-23.9	-21.3	0.9	-20.4
Contributions by and distributions to owners of the parent, recognised directly in equity									
Payment of dividend						-11.8	-11.8	-0.8	-12.6
Expenses from share-based incentive programmes						0.3	0.3		0.3
Total contributions by and distributions to owners of the parent, recognised directly in equity						-11.5	-11.5	-0.8	-12.3
Equity 31 Dec. 2012	**14.6**	**3.5**	**60.1**	**-0.8**	**-6.7**	**76.2**	**146.9**	**7.4**	**154.3**
Equity 1 Jan. 2011	14.6	3.4	58.5	0.0	-11.6	115.0	179.9	7.2	187.1
Comprehensive income									
Comprehensive income for the period		0.1		-0.9	0.5	7.7	7.4	0.9	8.3
Reclassification of translation differences to profit and loss					2.0	-2.0	0.0		0.0
Comprehensive income for the period total		0.1		-0.9	2.5	5.7	7.4	0.9	8.3
Contributions by and distributions to owners of the parent, recognised directly in equity									
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
Total contributions by and distributions to owners of the parent, recognised directly in equity			1.6			-9.1	-7.5	-0.9	8.4
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, which operations are conducted through four operating segments (business groups): Energy, Industry, Urban and Management Consulting.

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

In its meeting on 5 February 2013 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 2012. 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 2012 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 2012.

- Amendments to IFRS 7 Financial Instruments: Disclosures (effective for financial years beginning on or after 1 July 2011): These amendments are as part the IASBs comprehensive review of off balance sheet activities. The amendments promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitization of financial asset.
- Amendments to IAS 12 Income Taxes (effective for financial years beginning on or after 1 January 2012): Currently IAS 12, 'Income taxes', requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 Investment Property. Hence this amendment introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, 'Income taxes- recovery of revalued non-depreciable assets', would no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is accordingly withdrawn.

Uses of estimates

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

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

Subsidiaries

The consolidated financial statements incorporate the parent company and all those subsidiaries in which it holds, directly or indirectly, over 50 per cent of the voting rights or in which it otherwise has control at the end of the reporting period. Control is the power to govern the financial and operating policies of a company so as to obtain benefits from its activities.

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

The percentage-of-completion method is only applied when the outcome of a project can be estimated reliably. Project managers are responsible for the total estimate of a project made at least quarterly. At early stage of a project only costs are covered until the percentage of completion exceeds 10 per cent, if there is no risk allowance included in the project budget.

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

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

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

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

Employee benefits

Pension plans

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

Pension plans are classified as either defined contribution plans or defined benefit plans. The plans the Group has currently are mainly classified as defined contribution plans under which fixed contributions are paid into a separate entity and they are recognised as an expense in profit or loss in the year to which they relate. If the payee is not capable to pay the pension benefits in question, Pöyry Group will have no legal or constructive obligation to pay further contributions. All other plans not meeting the above criteria are classified as defined benefit plans. The Group has defined benefit plans in Switzerland, Germany, Austria, France and Norway. In Finland some voluntary pension plans have been classified as defined benefit plans. The expenditure from these plans is calculated separately for each plan in accordance with its terms and recognised as an expense over the expected working lives of the employees participating in the plan based on the actuarial calculations. The discount rate used in calculation of the present value is determined by reference to market yields on high quality corporate bonds and to the maturity of the pension obligation. The present value of pension obligations is netted against the fair value of plan assets at the end of the reporting period and adjusted with unrecognised actuarial gains and losses and past service costs resulting in either a receivable or a liability to be recognised on the 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.

Share-based incentive plan

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

In February 2011 the Board of Directors of Pöyry PLC has approved a share-based incentive plan for Pöyry Group's key personnel. 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.

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 I 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 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 was 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 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.
- customer relationship – Customer 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, as a definite useful life of an customer relationship can not be defined.

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 are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease less cumulative depreciation and any impairment losses. The associated lease liabilities are included in non-current and current interest-bearing liabilities in accordance with their maturity. Assets acquired under finance leases mainly include computers and other office equipment. They are depreciated as comparable owned assets over the shorter of the useful lives for tangible assets or the lease term and are adjusted for impairment charges, if any.

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

An operating lease is a lease of property, plant and equipment where the lessor retains significant risks and rewards incidental to ownership. In the Pöyry Group leases classified as operating leases mainly relate to office premises, also some car and office equipment leases have been classified as operating leases. Payments made 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. 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).

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

Available-for-sale assets

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

Loans or receivables (assets)

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

In the Pöyry Group this category includes trade receivables and other receivables arisen from business operations. Trade receivables are presented net of credit losses. The amount of doubtful receivables and assessment of need for impairment is based on risk of individual receivables. Generally, an impairment allowance of 50 per cent is made for those trade receivables which are more than 180 days overdue. Trade receivables are measured at amortised cost. 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 insturment 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. The pension obligation increases and the estimated net decrease in equity amounts to EUR 22.0 million in the balance sheet of 31 December 2012.

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:

- 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 pro-

vides 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 of 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

Pöyry's operations are conducted through four operating segments (business groups):

Energy business group

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.

Industry business group

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.

Urban business group

Responding to the increasing need for solutions driven by population growth, urbanisation and environmental challenges, Urban business group offers comprehensive design, project management and consulting services for transportation, water, environment and real estate sectors. The business group's expertise covers roads, rail, urban public transport, tunnels, water, wastewater and waste management as well as green building and sustainable land use.

Management Consulting business group

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.

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 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

	Net sales		Operating profit		Operating profit %		Order stock	
EUR million	2012	2011	2012	2011	2012	2011	2012	2011
Energy	**229.3**	223.2	**4.1**	6.4	**1.8**	2.9	**236.5**	216.0
Industry	**241.7**	236.5	**5.1**	15.6	**2.1**	6.6	**75.0**	187.9
Urban	**226.6**	248.0	**0.1**	-3.7	**0.0**	-1.5	**217.9**	269.6
Management Consulting	**79.3**	88.2	**-0.1**	7.2	**-0.1**	8.2	**18.3**	20.9
Unallocated	**-1.9**	0.2	**-27.1**	-5.5				
	775.0	**796.1**	**-17.9**	**20.0**	**-2.3**	**2.5**	**547.7**	**694.4**

	Capital expenditure		Depreciation		Personnel average		Personnel year-end	
	2012	2011	2012	2011	2012	2011	2012	2011
Energy	**1.8**	1.9	**1.8**	2.4	**1,885**	1,900	**1,810**	2,003
Industry	**1.7**	1.3	**1.5**	1.5	**2,037**	1,949	**2,008**	1,985
Urban	**1.2**	2.6	**2.6**	2.7	**2,124**	2,381	**1,840**	2,333
Management Consulting	**0.8**	1.3	**1.1**	0.7	**524**	497	**539**	494
Real estate		46.6	**2.1**	1.3				
Unallocated	**1.7**	0.4	**2.7**	0.5	**125**	137	**126**	137
	7.2	**54.1**	**11.8**	**9.2**	**6,695**	**6,864**	**6,323**	**6,952**

Net sales and personnel by area

	Net sales		Personnel year-end	
EUR million	2012	2011	2012	2011
The Nordic countries*)	**244.1**	228.1	**2,532**	2,569
Other Europe	**281.9**	305.3	**2,219**	2,728
Asia	**57.1**	56.4	**565**	655
North America	**30.8**	33.3	**231**	244
South America	**144.2**	142.0	**753**	712
Other	**16.9**	31.0	**23**	44
	775.0	**796.1**	**6,323**	**6,952**
*) of which Finland	**158.7**	**159.9**		

ACQUISITIONS

No acquisitions in 2012.

Acquisitions in 2011:

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. The Company has been merged with Pöyry Finland Oy 30 April 2012.		
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.		

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

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 customer relationships which are based on contracts is included in intangible assets.

According to the sale and purchase agreement of Pöyry Swedpower AB the puchase price includes a contingent consideration which is due for payment at the latest in March 2015. The contingent consideration of the sale and purchase agreement is based on management's estimate of the net sales in 2014. The fair value of the contingent consideration is EUR 9.3 million at the end of year 2012.

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 Note 10 Intangible assets.

EUR million	2011
Acquisition related costs	
The costs are included in other operating expenses.	0.8
Impact on the Pöyry Group's Statement of comprehensive income	
The impact of the acquired businesses on the operating profit is minor due to the integration expenses in the start up phase.	
Impact on the Pöyry Group's number of personnel	289
Impact on the Pöyry Group's assets and liabilities	
Intangible assets	0.1
Tangible assets	0.2
Deferred tax receivables	0.2
Work in progress	1.2
Accounts receivable	1.7
Other receivables	7.0
Cash and cash equivalents	1.1
Assets total	**11.5**
Interest bearing liabilities	0.2
Pension obligations	1.2
Project advances	0.2
Accounts payable	1.2
Other current liabilities	7.0
Liabilities total	**9.8**
Net identifiable assets and liabilities	**1.7**
Change in non-controlling interest	0.2
Total cost of business combinations	**30.3**
Intangible rights	**7.2**
Goodwill	**21.1**
Consideration to be paid, satisfied in cash	30.3
Unpaid share	8.7
Acquisition related costs	0.8
Cash acquired	1.1
Net cash outflow	**21.3**

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 March 2012 Pöyry sold parts of its water and environment operations involving the sale of Pöyry Environment GmbH and Pöyry Tanzania Ltd. In June Pöyry sold Pöyry Romania Srl and in December three other companies, which are not material. The combined annual net sales of the sold units was approximately EUR 37 million.

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	2012	2011
Net assets and liabilities in divested units		
Tangible assets	**0.4**	0.5
Intangible assets	**0.4**	0.1
Goodwill	**2.1**	11.8
Deferred tax receivables	**0.2**	0.0
Work in progress	**7.8**	0.2
Accounts receivable	**11.1**	0.4
Other receivables	**2.8**	5.4
Cash and cash equivalents	**1.0**	1.5
Assets total	**25.8**	**19.9**
Pension obligations	**0.9**	0.0
Project advances received	**4.7**	0.0
Accounts payable	**1.9**	0.3
Other current liabilities	**7.8**	3.5
Liabilities total	**15.3**	**3.8**
Net assets and liabilities in divested units, total	**10.5**	16.1
Non-controlling interest	**0.0**	-0.1
Exchange rate differences	**0.0**	2.0
Gain on sale	**1.6**	0.0
Liabilities related to sale	**0.6**	0.0
Loss on sale	**-9.2**	-1.2
Consideration received	**3.5**	**16.8**
Consideration received	**3.5**	16.8
Accounts receivable	**2.0**	0.0
Liabilities related to sale	**0.6**	0.4
Cash and cash equivalents in sold entities	**-1.0**	-1.5
Net cash inflow	**0.5**	**15.8**

NOTES TO THE FINANCIAL STATEMENTS

1. Net sales

EUR million	2012	2011
Net sales Net sales by operating segments are presented on the Operating Segment information pages.	**775.0**	796.1
Net sales from project contracts recognised on the percentage-of-completion method	**561.3**	554.3
Net sales from reimbursable projects	**213.7**	241.8
The aggregate amount of project contracts cost incurred and recognised profits less losses to date	**871.3**	1,116.9
Net sales from percentage-of-completion projects included in current assets	**92.6**	115.5
Project advances recognised on the percentage-of-completion method	**90.8**	100.9
Accrued expenses and deferred income from percentage-of-completion projects	**10.5**	13.5
Expenses included in provisions from percentage-of-completion projects	**4.4**	8.6

2. Other operating income

EUR million	2012	2011
Rent income	**0.7**	0.8
Gain on sales of shares	**1.6**	0.0
Gain on sales of fixed assets	**0.1**	0.0
	2.4	**0.8**

3. Personnel expenses

EUR million	2012	2011
Wages and salaries	**349.0**	339.2
Bonuses	**5.0**	17.6
Expenses from share-based incentive programmes	**0.7**	1.7
Pension expenses, contribution plans	**51.4**	43.3
Pension expenses, defined benefit plans	**2.1**	3.8
Other social expenses	**30.6**	34.4
	438.8	440.1

Fees paid to the members of the Board of Directors (EUR 1,000)		
Henrik Ehrnrooth, Chairman	**79**	75
Heikki Lehtonen, Vice Chairman	**84**	80
Pekka Ala-Pietilä	**59**	55
Georg Ehrnrooth	**59**	55
Alexis Fries	**72**	75
Michael Obermayer	**65**	55
Karen de Segundo	**79**	75
	498	470

Salaries and bonuses to the President and CEO (EUR 1,000)		
Heikki Malinen, President and CEO 1 Jan.–12 June 2012 and 1 Jan.–31 Dec. 2011		
Salary and bonus	**252**	771
Share-based bonuses	**0**	27
Fringe benefits	**20**	59
Henrik Ehrnrooth 13 June–31 Aug. 2012		
Salary and bonus	**124**	
Share-based bonuses	**0**	
Fringe benefits	**0**	
Alexis Fries 1 Sept.–31 Dec. 2012		
Salary and bonus	**337**	
Share-based bonuses	**44**	
Fringe benefits	**8**	

	2012	2011
Salaries and bonuses to the other members of the Group Executive Committee (EUR 1,000)		
Salaries and bonuses	**2,345**	3,687
Share-based bonuses	**0**	104
Fringe benefits	**178**	182

The salaries, bonuses and benefits are reported on accrual basis. The fringe benefits include voluntary pension insurance payments.

4. Option programme 2004

Pöyry PLC issued in 2004 stock options to the management of the Group as well as to a wholly-owned subsidiary of Pöyry PLC. The share subscription period for the stock options 2004C expired on 31 March 2012 concluding concurrently the whole programme.

Expenses from the option programme have been calculated using the Black & Scholes model. 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	7.83
Initial price, EUR	6.66	7.40	10.78
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 2007–2010	161,995	87,364		249,359
Share subscription 2007–2010	647,980	349,456		997,436
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 2012			0	0
Share subscription 2012			0	0

Exercise price weighted average, EUR			7.83	
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
Expired stock options 2012			220,000	220,000
Expired stock options total				229,809
Total stock options according to the programme	165,000	165,000	220,000	550,000

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 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 possible reward payment.

Basic data concerning the performance share plans

	Earning period 2012–2014	Earning period 2011–2013	Earning period 2010	Earning period 2009	Earning period 2008
Grant dates	15 Nov. 2012	15 April 2011	15 March 2010/ 7 September 2010/ 25 October 2010	1 April 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	Shares and cash
Target group	Key personnel	Key personnel	Key personnel	Key personnel	Key personnel
Maximum number of shares 1)	975,000	975,000	1,036,450	800,000	540,000
Beginning of earning period	1 Jan. 2012	1 Jan. 2011	1 Jan. 2010	1 Jan. 2009	1 Jan. 2008
End of earning period	31 Dec. 2014	31 Dec. 2013	31 Dec. 2010	31 Dec. 2009	31 Dec. 2008
End of restriction period	30 April 2015	30 Apr. 2014	1 Jan. 2013	1 Jan. 2012	1 Jan. 2011
Vesting conditions	Net sales and EPS	Net sales and EPS	Net sales and EPS	Net sales and EPS	Net sales and EPS
	Working commitment	Working commitment	Working commitment	Working commitment	Working commitment
Maximum contractual life, years	2.5	3.0	2.8	2.8	2.9
Remaining contractual life, years	2.3	1.3	0.0	0.0	0.0
Number of persons 31 Dec.	110	233	0	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 2012

Gross amounts 1 January 2012	Earning period 2012–2014	Earning period 2011–2013	Earning period 2010	Earning period 2009	Earning period 2008	Total
Share rewards, outstanding at the beginning of the period	0	846,400	253,320	0	0	1,099,720
Changes during the financial year						
Granted	408,600	12,000	0	0	0	420,600
Forfeited	10,000	200,400	28,420	0	0	238,820
Exercised	0	0	0	0	0	0
Expired	0	0	224,900	0	0	224,900
Gross amounts 31 December 2012						
Share rewards, outstanding at the end of the period	398,600	658,000	0	0	0	1,056,600
Share rewards, exercisable at the end of the period	398,600	658,000	0	0	0	1,056,600
Remaining contractual life, weighted average, years	2.3	1.3	0.0			

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 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 2012.

Inputs to fair value measurement, EUR	Earning period 2012–2014	Earning period 2011–2013	Earning period 2010	Earning period 2009	Earning period 2008
Share price at the grant date	2.99	10.74	10.10	9.75	15.24
Assumed annual dividend	0.13	0.38	0.10	0.65	0.65
Fair value per share accounted for as equity-settled reward	2.61	9.61	10.00	9.10	14.36
Fair value per share of the cash-settled reward at the settlement/at the end of the period	2.93	2.93	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	269	269	0	0	0

	2012 Total	Granted 2012	Granted 2011	Granted 2010	Granted 2009
Expense recognised for the period from share-based payments	660	1	-176	835	0
Expense accounted for as equity-settled share-based payment	289	0	-40	329	0
Value of liability for cash-settled share-based payments at the end of period	134	0	133		

6. Other operating expenses

EUR million	2012	2011
Other project expenses	**50.1**	50.5
Impairment loss on accounts receivable and work in progress	**11.7**	1.8
Other operative expenses	**37.4**	34.2
Office facilities	**30.1**	32.2
Loss on sale of shares	**9.2**	1.0
Other fixed expenses	**57.9**	54.5
	196.3	**174.2**

Auditing fees included in fixed expenses		
Statutory auditing		
Group auditor	**0.8**	1.0
Other	**0.1**	0.1
Tax advisory		
Group auditor	**0.4**	0.5
Other	**0.3**	0.3
Other services		
Group auditor	**0.1**	0.2
Other	**0.1**	0.1

7. Financial income and expenses

EUR million	2012	2011
Dividend income from available-for-sale financial assets	**0.0**	0.0
Interest income from financial assets at fair value through profit and loss	**0.0**	0.2
Interest income from other financial assets [1]	**1.4**	2.5
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**	0.0
Other financial income	**0.2**	0.2
	1.6	3.1
Interest expenses from loans	**-2.0**	-4.0
Other interest expenses	**0.0**	-0.1
Financial expenses from financial assets at fair value through profit and loss	**0.0**	0.0
Change in the fair value of financial assets	**0.0**	-0.1
Cash flow hedges, transfer from equity	**-0.9**	0.0
Change in value of derivatives outside hedge accounting	**-0.3**	-0.1
Other financial expenses [2]	**-1.2**	-1.8
	-4.4	-6.1
Exchange rate gains	**3.6**	1.3
Exchange rate losses	**-3.7**	-1.2
	-0.1	+0.1
	-2.9	**-2.9**

[1] Interest income from other financial assets consists mainly of interest earned on short term bank deposits.
[2] Difference in other financial expenses is explained by the refinancing fees which occurred during the year of 2011.

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

EUR million	2012	2011
Taxes for the fiscal year	**6.1**	9.0
Taxes for previous years	**-0.8**	-0.4
Deferred taxes	**-3.1**	-0.2
	2.2	**8.4**
Reconciliation of current income taxes		
Profit before taxes	**-20.8**	17.1
Income tax at Finnish tax rate 24.5 (26) %	**-5.1**	4.4
Effect of different tax rates outside Finland	**0.3**	1.9
Non-deductible expenses and tax exempt income	**3.8**	0.6
Losses for which no deferred tax benefits are recognized, tax effect	**2.4**	2.0
Used confirmed tax losses from previous years, tax effect	**-0.2**	-1.0
Dissolved used confirmed tax losses from previous years	**1.9**	1.2
Taxes for previous years	**-0.8**	-0.4
Impact of the change in the Finnish corporate tax rate (24.5%)	**0.0**	-0.1
Other	**0.1**	-0.3
	2.2	**8.4**

	2012	2011
Deferred tax receivables		
Tax losses carry forward	**10.4**	7.9
Tax receivables from pension obligations	**0.8**	1.1
Other temporary differences	**2.3**	3.3
	13.5	**12.3**
Deferred tax liabilities		
Tax liabilities from pension receivables	**0.6**	0.3
Tax liabilities due to voluntary provisions	**0.0**	0.4
Other temporary differences	**0.9**	2.8
	1.5	**3.4**

Deferred tax assets from losses of EUR 37.5 (26.6) 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

	2012	2011
Net profit for the period attributable to the equity holders of the parent company	**-23.9**	7.8
Weighted average number of outstanding shares, 1,000	**59,017**	58,972
Diluted amount, 1,000	**59,017**	59,049
Earnings per share, EUR[1)]	**-0.41**	**0.13**
Diluted	**-0.41**	**0.13**

1) Calculation rule page 43.

10. Intangible assets

EUR million	Goodwill [1)]	Intangible rights [2)]	Other intangible assets	Total
Acquisition value 1 Jan. 2012	131.4	8.9	21.2	30.1
Exchange differences	2.0	0.3	0.1	0.4
Increase	0.0	0.0	1.8	1.8
Decrease	2.1	0.3	2.0	2.3
Acquisition value 31 Dec. 2012	131.4	8.9	21.1	30.0
Accumulated depreciation and value decrease 1 Jan. 2012		0.5	17.2	17.7
Exchange differences			0.1	0.1
Accumulated depreciation of decrease			1.6	1.6
Depreciation for the period		0.1	2.1	2.3
Impairment		2.2	0.0	2.2
Accumulated depreciation and value decrease 31 Dec. 2012		2.8	17.9	20.7
Book value 31 Dec. 2012	**131.4**	**6.1**	**3.2**	**9.3**
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	7.2	1.6	8.8
Decrease	12.0	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
Impairment		0.0		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	3.9	12.4

Increase and decrease in goodwill and intangible rights
1) The decrease EUR 2.1 million in goodwill 2012 includes the share of divested companies in goodwill.
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. 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 acquisitions allocated to intangible rights which are subject to annual impairment test. In impairment test the fair value of customer relationship is compared with book value. The fair value of customer relationships is calculated considering the development of customer relationship during the accounting period and estimated future development of the customer relationship. In 2012 an impairment of EUR 2.2. million was recognised related to the value of customer relationships. The increase EUR 7.2 million in intangible rights is due to the acquisitions made in 2011.

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.

	2012			
Main assumptions	Energy	Industry	Urban	Management Consulting
Beta	1.01	1.23	1.09	1.32
WACC, %, Pre-tax	10.13	11.39	10.71	11.29
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. 2012	42.4	16.2	38.1	34.8
Intangible rights 31 Dec. 2012	5.2	0.9		
Book value 31 Dec. 2012	95.1	31.5	82.2	55.1
Value in use 31 Dec. 2012	288.4	291.3	192.6	145.0
Break even analysis, the book value and the value in use are the same				
Beta	4.46	12.62	2.77	3.98
WACC, %, Post-tax	20.12	50.91	13.77	18.33
Decrease in operating profit from 2013 >, %	-71.3	-85.2	-53.9	-62.0

	2011			
Main assumptions	Energy	Industry	Urban	Management 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 all operating segments significantly the book value (as for 2011).

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 2013 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 and Management Consulting business segments significantly exceeds the book value, the Energy business segment clearly exceeds and the Urban business segment slightly exceeds.

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 the Industry and Management Consulting business segments significantly exceeds the book value and the Energy and Urban segments clearly exceeds.

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

11. Tangible assets

EUR million	Land areas	Buildings and structures	Machinery and equipment	Other tangible assets	Total
Acquisition value 1 Jan. 2012	6.5	42.2	61.2	10.5	120.4
Exchange differences			-0.1		-0.1
Increase		0.2	3.0	2.1	5.4
Decrease			2.0	0.5	2.5
Acquisition value 31 Dec. 2012	6.5	42.4	62.0	12.1	123.2
Accumulated depreciation 1 Jan. 2012		1.7	48.9	6.6	57.2
Exchange differences			-0.1		-0.1
Accumulated depreciation of decrease			1.8	0.1	1.9
Depreciation for the period		1.7	4.4	1.2	7.3
Accumulated depreciation 31 Dec. 2012		3.4	51.4	7.8	62.6
Book value 31 Dec. 2012	**6.5**	**39.0**	**10.7**	**4.4**	**60.6**
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.					
2012			0.6		0.6
2011			1.0		1.0

12. Non-current investments

	Shares, associated companies	Shares, other companies	Loans receivable, associated companies	Loans receivable, other	Total
Acquisition value 1 Jan. 2012	1.9	2.1	0.1	0.8	4.9
Exchange differences	-0.1				-0.1
Increase		0.1		0.2	0.2
Decrease		0.1		0.5	0.6
Accumulated influence on the earnings	3.6				3.6
Share of the profit for the period	0.6				0.6
Book value 31 Dec. 2012	**6.0**	**2.1**	**0.1**	**0.5**	**8.6**
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)	2012	50.0	0.2	19.1	3.7	21.5	2.3
	2011			16.8	3.2	14.8	2.2
Emerging Power Partners Oy, Finland (Energy)	2012	45.9	0.0	0.2	0.1	0.2	0.0
	2011			0.1	0.1	0.2	0.0
ERL Management S.A., Switzerland (Industry)	2011 [1)]	49.0	1.6	328.7	324.7	0.0	-0.2
	2010			157.5	153.4	91.4	0.0
Kiinteistö Oy Manuntori, Finland (Other)		34.2	0.1				
Total			1.9				

	Accumulated influence	Share of profits 2012	Share of profits 2011
Influence on the earnings and book values			
Energy business group	4.1	**0.6**	0.6
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 2011 and 2010.

13. Other non-current receivables

EUR million	2012	2011
Accounts receivable	**2.7**	5.4
Security deposits	**0.8**	1.4
Other receivables	**2.2**	1.2
Prepaid expenses and accrued income	**0.3**	0.2
	6.0	**8.2**

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.

14. Current assets

EUR million	2012	2011
Work in progress	**92.6**	115.5
Accounts receivable	**145.1**	181.8
Loans receivable	**0.1**	0.1
Other receivables	**12.0**	11.2
Prepaid expenses and accrued income	**15.4**	16.4
Receivables, external	**172.6**	209.6
Accounts receivable	**0.0**	0.3
Receivables from associated companies	**0.0**	0.3
Accounts receivable	**145.1**	182.1
Loans receivable	**0.1**	0.1
Other receivables	**12.0**	11.2
Prepaid expenses and accrued income	**15.4**	16.4
Receivables total	**172.6**	209.9
Financial assets at fair value through profit and loss	**0.1**	0.2
Cash in hand and at banks	**82.8**	78.8
Cash and cash equivalents	**82.8**	78.8
	348.2	**404.3**

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

15. Prepaid expenses and accrued income

EUR million	2012	2011
Non-current	**0.3**	0.2
Current	**15.4**	16.4
	15.7	**16.6**
Interest expenses	**0.0**	0.0
Social expenses	**1.3**	0.6
Rents	**1.6**	1.7
Income taxes	**4.3**	6.1
Other	**8.5**	8.2
	15.7	**16.6**

16. Accounts receivable

EUR million	2012	2011
Non-current	**2.7**	5.4
Current [1]	**145.1**	182.1
	147.8	**187.5**
Accounts receivable, gross	**171.5**	195.7
Allowance for impairment 1 Jan.	**-8.2**	-7.2
Exchange differences	**0.0**	-0.1
Change	**-15.4**	-1.0
Allowance for impairment 31 Dec.	**-23.6**	-8.2
Accounts receivable, net	**147.8**	**187.5**
Impairment losses +/reversal -		
Change in allowance for impairment	**15.4**	1.0
Impairment loss recognized, direct recorded	**1.4**	0.8
Transfers from previous years	**-5.4**	0.0
	11.4	**1.8**

2012	Accounts receivable gross	Allowance for impairment	Accounts receivable net
Not past due	74.6	0.0	74.6
Past due under 61 days	28.6	0.2	28.3
Past due 61–180 days	9.7	1.1	8.5
Past due 181–360 days	8.3	2.5	5.8
Past over 360 days	50.4 [1]	19.8	30.6
	171.5	**23.6**	**147.8**

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 positions 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 continues to pursue intensive collection efforts with the concerned government authorities. As a result of these efforts a first portion of the receivables were settled by the client in 2012, although an important amount remains pending. While the outstanding receivables are undisputed, uncertainty remains about the exact timing and amount of the expected payments. This fact is reflected in the current valuation estimated to approximately EUR 17 million.

17. 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. 2012	59.8	14.6	3.4	60.1	78.1
Translation difference			0.1		0.1
31 Dec. 2012	**59.8**	**14.6**	**3.5**	**60.1**	**78.2**
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. 2012 698,155 (31 Dec. 2011 682,815) own shares.

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.

18. Maturity profile

EUR million 31 Dec. 2012	Total	≤ 6 months 2013	7–12 months 2013	2014	2015	2016	2017
Loans from credit institutions including interest	85.0	8.0	21.0	3.2	16.3	36.5	
Commercial papers	37.7	16.9	20.8				
Pension loans including interest	24.3	8.1	8.0	2.1	2.1	2.1	2.0
Used credit facilities including interest	19.1					19.1	
Finance lease liabilities including interest	0.6	0.1	0.1	0.2	0.1	0.1	
Of which financial liabilities	162.1	31.8	49.2	4.5	17.7	57.0	2.0
and interest [1]	4.5	1.2	0.8	1.0	0.8	0.7	
Accounts payable	24.1	24.1					
Forward contracts, cash out	25.6	25.6					
Forward contracts, cash in	-25.4	-25.4					
Interest rate swaps [2]	-2.4	0.3	0.1	-0.7	-0.4	-1.8	
Derivatives total	-2.2	0.4	0.1	-0.7	-0.4	-1.8	
Total	**188.6**	**57.6**	**50.1**	**4.8**	**18.1**	**55.9**	**2.0**

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 5.9 (11.8) 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 381.1 (401.6) million external non-current floating interest rate-bearing loan. Regarding the cross currency swap under cash flow hedge accounting, this table describes the periods when amounts transferred from equity will have impact on the Group's revenue.

The Group had an outstanding client project and other guarantee liability amounting to EUR 72.6 milion, which is due on demand provided that the Group company and/or the Group has neglected its contractual obligations.

19. Pension obligations

EUR million	2012	2011
Expenses		
Current service expenses	**3.1**	3.8
Past service expenses	**0.0**	0.0
Interest expenses	**4.6**	4.5
Expected return on plan assets	**-5.5**	-5.5
Curtailment	**-1.3**	0.0
Recognized net actuarial gains and losses	**1.4**	1.0
Losses (+) and gains (-) from settlement	**-0.1**	0.0
Other	**0.0**	0.0
	2.1	**3.8**
Net pension obligations		
Non-current receivables	**1.0**	0.8
Current receivables	**2.1**	0.4
Receivables total	**3.1**	1.2
Pension liability	**9.1**	9.7
Net pension liability	**6.0**	**8.4**
Reconciliation of the net pension liability		
Present value of funded obligations	**174.1**	165.0
Present value of non-funded obligations	**6.3**	5.8
Fair value of plan assets	**-147.0**	-137.8
Deficit/Surplus	**-33.5**	-33.0
Unrecognized actuarial gains (-) and losses (+)	**27.5**	24.5
Unrecognized actuarial past service costs	**0.0**	0.1
Net pension liability	**6.0**	**8.4**
Change in net pension liability		
Net pension obligations 1 Jan.	**8.4**	6.8
Current service expenses	**3.1**	3.8
Past service expenses	**0.0**	0.0
Interest expenses	**4.6**	4.5
Expected return on plan assets	**-5.5**	-5.5
Recognised net actuarial gains and losses	**1.4**	1.0
Acquisitions, increase	**0.0**	1.3
Disposals, decrease	**-0.7**	0.0
Losses (+)/gains (-) from curtailments	**-1.3**	0.0
Losses (+) and gains (-) from settlement	**-0.1**	0.0
Exchange differences	**0.0**	0.0
Payments to funds	**-3.8**	-3.5
Benefits paid from funds	**0.0**	0.0
Net pension liability 31 Dec.	**6.0**	**8.4**
Changes in obligations and plan assets		
Value of plan obligations 1 Jan.	**170.8**	157.3
Current service expenses	**3.1**	3.8
Employee contributions	**2.1**	2.0
Interest expenses	**4.6**	4.5
Recognised net actuarial gains and losses	**10.9**	-2.1
Benefits paid from funds	**-11.2**	-9.4
Acquisitions, increase	**0.0**	6.3
Disposals, decrease	**-1.2**	0.0
Losses (+) and gains (-) from settlement	**-0.1**	0.0
Curtailment	**-1.3**	0.0
Exchange differences	**2.8**	8.3
Value of plan obligations 31 Dec.	**180.5**	170.8
Fair value of plan assets 1 Jan.	**137.8**	127.8
Expected return on plan assets	**5.5**	5.5
Recognised net actuarial gains and losses	**6.5**	-3.6
Payments to funds	**6.0**	5.5
Benefits paid from funds	**-11.2**	-9.4
Acquisitions, increase	**0.0**	5.0
Curtailment	**0.0**	0.0
Exchange differences	**2.4**	7.1
Fair value of plan assets 31 Dec.	**147.0**	137.8

EUR million	2012	2011
Actual return on plan assets	**11.6**	1.8
The amount the company expects to contribute to its defined pension plans during year 2013/2012	**3.9**	3.7
Assets categories in percentage	%	%
Switzerland:		
Equity securities	**30.0**	30.0
Debt securities	**57.0**	56.0
Real estate	**13.0**	14.0
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	2012	2011	2010	2009	2008
Present value of obligations	-180.5	-170.8	-157.3	-135.3	-119.0
Fair value of plan assets	147.0	137.8	127.8	110.8	100.7
Deficit/Surplus	-33.5	-33.0	-29.6	-24.5	-18.3
Experience adjustments to plan assets Losses (-)/gains (+)	6.1	-3.6	-1.5	6.6	-19.2
Experience adjustments to plan obligations Losses (-)/gains (+)	1.0	1.4	2.3	-0.8	-1.2

Principal actuarial assumptions

	2012		2011	
	Switzer-land	Other countries average	Switzer-land	Other countries average
Discount rate, %	2.00	2.93	2.50	4.37
Expected return on plan assets, %	2.00	2.82	3.93	4.53
Future salary increases, %	1.00	2.56	1.50	2.52
Future pension increases, %	0.25	1.84	0.25	1.89
Inflation	1.00	1.98	1.00	2.05

88.7 (89.9 in 2011) per cent of the net present value of the defined benefit obligations, i.e. EUR 160.1 (153.5) million, relate to Pöyry Group's Swiss subsidiaries. These pension arrangements are according to local Swiss standards classified as defined contribution plans. The 2.00 per cent discount rate which is used in the actuarial report leads to a deficit of EUR 23.0 (24.2) million.

20. Provisions

EUR million	Project provisions	Restruct-uring provisions	Other	Total
Book value 1 Jan. 2012	8.6	7.1	3.9	19.6
Exchange rate differences	0.0	0.0	-0.3	-0.2
Increase	3.3	8.7	0.2	12.3
Used	0.4	5.7	0.2	6.2
Reversed	7.2	0.5	0.9	8.5
Book value 31 Dec. 2012 [1)]	**4.4**	**9.8**	**2.8**	**16.9**

Non-current provisions	0.0
Current provisions	16.9
	16.9

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

1) 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 7.4 million as a result of capacity adaption measures, EUR 0.7 million provision for excess office space and other provisions amounting to EUR 1.6 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.

21. Current liabilities

EUR million	2012	2011
Loans from credit institutions, amortisations	**40.1**	21.8
Commerical papers	**37.7**	0.0
Used credit facilities	**0.0**	0.1
Finance lease liabilities	**0.3**	0.5
Interest bearing liabilities	**78.2**	22.4
Provisions	**16.9**	19.6
Project advances	**90.8**	100.9
Restricted project advances	**1.9**	4.7
	92.8	105.6
Accounts payable	**24.1**	30.5
Current tax payable	**2.8**	8.2
Other current liabilities	**29.0**	38.9
Accrued expenses and deferred income	**74.0**	95.2
Total current liabilities	**317.8**	**320.3**

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

22. Accrued expenses and deferred income

EUR million	2012	2011
Expenses from percentage-of-completion projects	**10.5**	13.5
Salaries and vacation accruals	**43.8**	59.3
Social expenses	**7.8**	9.4
Rents	**0.1**	0.3
Interest expenses	**0.6**	1.0
Income taxes	**1.8**	0.5
Fair value of derivative instruments	**1.5**	4.0
Other	**6.7**	7.2
	74.0	**95.2**

23. Financial assets and liabilities

	EUR million	2012	2011
12	Available-for-sale assets, shares	**2.1**	2.1
	Loans and other receivables		
13	Non-current accounts receivable	**2.7**	5.4
13	Other non-current receivables	**0.8**	1.5
14	Current accounts receivable	**145.1**	182.1
14	Current loans receivable	**0.1**	0.1
14	Cash and cash equivalents	**82.8**	78.8
28	Derivatives under fair value hedge accounting	**0.1**	0.2
14	Financial assets at fair value through profit and loss	**0.1**	0.2
	Financial assets	**233.8**	**270.2**
	Liabilities at amortised cost		
18	Interest bearing liabilities	**162.1**	131.6
21	Accounts payable	**24.1**	30.5
28	Derivatives under fair value hedge accounting	**0.1**	1.5
28	Derivatives under cash flow hedge accounting	**1.1**	1.3
28	Derivatives outside hedge accounting	**0.3**	0.6
	Financial liabilities	**187.8**	**165.5**

The book value of the financial assets and liabilities corresponds to their fair value.

Calculation rules of the fair values of derivatives are found in item 28 Derivatives in Other notes.

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

EUR million	31 Dec. 2012	Level 1	Level 2	Level 3
Financial assets at fair value				
Available for sale assets, shares	2.1			2.1
Derivatives under fair value hedge accounting	0.1		0.1	
Financial assets at fair value through profit and loss	0.1		0.1	
	2.3		0.2	2.1
Financial liabilities at fair value				
Derivatives under fair value hedge accounting	0.1		0.1	
Derivatives under cash flow hedge accounting	1.1		1.1	
Derivatives outside of hedge accounting	0.3		0.3	
	1.5		1.5	

	31 Dec. 2011	Level 1	Level 2	Level 3
Financial assets at fair value				
Available for sale assets, shares	2.1			2.1
Derivatives under fair value 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				
Derivatives under fair value hedge accounting	1.5		1.5	
Derivatives under cash flow hedge accounting	1.3		1.3	
Derivatives outside of 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.

25. 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	2012	2011
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	**3.8**	5.3

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 2012 a total of 230,423 shares (at the end of 2011 a total of 303,747 shares, and 22,000 stock options 2004). The share subscription period for the stock options 2004 expired on 31 March 2012 concluding concurrently the whole programme. In 2012 no shares were subscribed for under Pöyrys's stock option programme.

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 performance share plans are described in the Note 5.

Own shares

Pöyry PLC held at the end of 2012,698,155 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	**0.1**	0.2
Loans receivable from associated companies	**0.1**	0.1
Accounts receivable from associated companies	**0.0**	0.3

OTHER NOTES

26. Contingent liabilities

EUR million	2012	2011
Other own obligations		
Pledged securities	**44.4**	46.3
Other obligations	**0.7**	0.0
Project and other guarantees	**72.7**	99.2
	117.8	**145.5**
For other parties		
Pledged assets	**0.1**	0.2
Other obligations	**0.3**	0.0
	0.4	**0.2**

Pledged securities

All shares owned by Pöyry (100 per cent) in the mutual real estate company Kiinteistö Oy Vantaan Jaakonkatu 3 and all shares owned by Pöyry (50 per cent) in the mutual real estate company Martinparkki Oy have been pledged against a Swedish Krona based bank loan with a book value of EUR 44.4 million.

Project and other guarantees

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

Claims and litigation

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

In 2011 three competing class proceedings of material value were commenced in Ontario, Canada against Pöyry's subsidiary companies along with other defendants concerning matters relating to Sino-Forest Corporation ("SFC"). Only one of these competing class proceedings was allowed to proceed by the Ontario court (the "Ontario Proceeding"), the others were stayed. The Ontario Proceeding only named one Pöyry subsidiary company as a defendant. A parallel proceeding was commenced in Quebec, Canada involving the same Pöyry subsidiary company (together with the Ontario Proceeding, the "Canadian SFC Litigation").

During the first reporting period of 2012, the Pöyry subsidiary company named as a defendant in the Ontario Proceeding concluded a settlement agreement with the plaintiffs concerning the Canadian SFC Litigation (the "Settlement Agreement"), subject to approval by both of the Ontario and Quebec courts.

In the third reporting period of 2012, certain defendants in the Canadian SFC Litigation commenced separate proceedings in Ontario against several Pöyry group companies (the "Additional Ontario Litigation"). An agreement has been reached between the parties dismissing the Additional Ontario Litigation, subject to the approval of the Settlement Agreement by both of the Ontario and Quebec courts.

In the third reporting period of 2012, the Ontario court approved the Settlement Agreement. The Quebec court approved the Settlement Agreement in the fourth reporting period of 2012, thereby giving full effect to the Settlement Agreement and barring the Additional Ontario Litigation. A limited number of class members have elected not to participate in the Settlement Agreement and the Canadian SFC Litigation. In doing so, these parties have preserved their right to commence their own legal proceedings in Canada in relation to the same allegations that form the basis of the Canadian SFC Litigation; however, at this time, no such proceedings are known to have been commenced.

In the fourth reporting period of 2012, the Pöyry subsidiary company named as a defendant in the Ontario Proceeding was also added as a defendant to an existing class action previously commenced against SFC and others in the State of New York of the USA (the "US SFC Litigation"). The allegations pleaded are similar to those in the Canadian SFC Litigation. It remains premature to accurately assess the level of risk to the Pöyry company named as a defendant in the US SFC Litigation.

Other than the US SFC Litigation, the risk related to the claims and litigations against Group companies is, on balance, considered immaterial on the Group level, taking into consideration the value and basis of these claims and litigations, the contractual terms and conditions and expert opinions applicable to these claims and litigations, and insurance cover of the Group companies.

27. Other lease agreements

EUR million	2012	2011
Lease payments for non-cancellable other lease agreements, mostly office rents:		
Year 2012		24.3
Year 2013	**21.8**	16.2
Year 2014–2016	**29.6**	16.3
Later	**3.0**	0.6
	54.3	**57.4**
Rent expenses during the period	**23.0**	24.6

28. Derivative instruments

EUR million	2012	2011
Foreign exchange forward contracts, no hedge accounting		
Nominal values total	**12.5**	0.0
Fair value, gains	**0.0**	0.0
Fair value, losses	**-0.2**	0.0
Fair value, net	**-0.2**	0.0
Foreign exchange forward contracts, fair value hedge accounting		
Nominal values total	**13.0**	38.6
Fair value, gains	**0.1**	0.2
Fair value, losses	**-0.1**	-1.5
Fair value, net	**0.0**	-1.3
Interest rate swaps, no hedge accounting		
Nominal values total	**19.2**	25.0
Fair value, gains	**0.0**	0.0
Fair value, losses	**-0.2**	-0.6
Fair value, net	**-0.2**	-0.6
Cross currency swaps, cash flow hedge accounting		
Nominal values total	**42.7**	45.0
of which basis swaps	**0.0**	45.0
Fair value, gains	**0.0**	0.0
Fair value, losses	**-1.1**	-1.3
Fair value, net	**-1.1**	-1.3

The Group hedges the sales denominated in foreign currency by using foreign exchange forward contracts. Exhange rate gains and losses arisen from forward contratcs are recorded in sales and project expenses.

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. Derivatives under fair value hedge accounting are effective. 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.

29. Financial risk management

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

The Group has exposure to the following risks:

- credit risk
- liquidity risk
- market risk

Credit risk

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

The Group's sales relates to project assignments in around 60 countries of which only six countries represent more than 5 per cent of Pöyry's annual sales (Finland 20 per cent Germany 8 per cent, Brazil 15, per cent, Sweden 9 per cent, Switzerland 7 per cent 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. Credit rating procedures, internal follow-up of overdue receivables and a contract policy of balance between work performed and payments received further reduce the Group's credit risk exposure.

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

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

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 credit 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 had committed credit facilities as at 31 December 2012 in several banks amounting to EUR 97.2 million of which EUR 19.0 million was in use.

EUR million	2012	2011
Credit facilities	**97.2**	97.2
Used	**19.0**	20.2
Unused	**78.2**	77.0

The Group's liquidity at the end of December 2012 was EUR 161.1 million consisting of cash and cash equivalents EUR 83.0 million and unused credit facilities of EUR 78,2 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 2012 was approximately two and half times higher than the minimum requirement.

The total amount of current loans includes EUR 37.7 million of issued commercial paper. The Group monitors that the outstanding total amount of issued commercial paper does not exceed the total amount of unused committed Revolving Credit Facilities. The Group's financing policy also sets a guideline according to which the average maturity of long-term debt should be at least three years.

EUR million	2012	2011
Non-current	**84.0**	109.2
Current	**78.1**	22.4
Total loans	**162.1**	131.6

Contractual maturity of liabilities and derivatives has been presented in Table of Maturity Profile in Note 18.

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: Normally about 10 per cent of the Group's net sales are exposed to a foreign currency risk. The Group companies hedge project transaction cash flows denominated in a foreign currency by using external foreign exchange forward contracts. The forward contracts are stated at fair value and recognised in the income statement. Fair value hedge accounting is applied when the forward contracts are used for hedging orderstock. Speculative forward contracts without a connection to a business operation are not allowed. The hedging is done by the companies according to the Group's hedging policy. Since October 2011, the Group has not hedged the USD-denominated receivables of EUR 17.1 million related to certain public sector infrastructure projects in Venezuela in order to avoid the impact on cash flow.

Operational exposure by currency 2012

EUR million	EUR	USD	PLN	Other
Receivables	9.6	4.9	2.8	
Order stock	19.3	17.7		
Payables	-5.9	-1.4		
Committed costs	-3.8	-14.7	-0.2	
Forward contracts, net	-0.6	-5.5		
Other hedges	-16.0*			
Cash and current investments	10.9	4.4		
Net exposure	13.4	5.5	2.6	5.7

* The amount consists of an external outstanding stop-loss order which, if certain exchange rate level was met, would be confirmed as a forward contract where the subsidiary is selling euros to the bank.

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	
Forward contracts, net	-16.5	-15.5		
Other hedges				
Cash and current investments	11.7	2.6		
Net exposure	14.9	24.0	3.1	6.4

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 granted in each company's domestic currency.

The parent company does not have any other loans in foreign currencies than those hedging the equity of the foreign subsidiaries and one which is hedged by a cross currency swap, thus the Group's financial exposure consists mostly of the Group's internal loans between the parent company and subsidiaries which mainly have not been externally hedged.

Financial exposure by currency 2012

EUR million	CAD	AED	CHF	GBP	THB	SEK	PLN	Other
Internal loans	6.3	6.1	5.6	-4.2	-3.1	2.7	2.1	6.5

At the end of 2012 (2011), the Group had an unpaid conditional purchase price from the acquisition of a subsidiary. The amount as per 31.12.2012 was SEK 80 (80) million.

Financial exposure by currency 2011

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

Changes in the exchange rates have an impact on the Group's profitability. Of the above presented operational and financial exposures (total transaction risk exposure), USD, CAD and AED represent the most significant currencies. The below table simulates a ten (10) per cent strengthening and weakening of euro against these currencies (compared with the closing rates of 31 December 2012). In case the euro strengthened ten per cent against USD, CAD or AED the impact on the Group's profitability would be EUR -0.6 million in each case. A ten per cent weakening of the euro against these three currencies would on the other hand increase the Group's profitability for EUR 0.7 million in all three scenarios.

2012, EUR million	USD	CAD	AED
EUR +10% impact on profitability	-0.6	-0.6	-0.6
EUR -10% impact on profitability	+0.7	+0.7	+0.7

2011, EUR million	CAD	CHF	AED
EUR +10% impact on profitability	-0.8	-0.8	-0.7
EUR -10% impact on profitability	+0.9	+0.9	+0.8

Translation risks: Currency exposure and hedging need related to share capital and other restricted equity in foreign subsidiaries is reviewed on an annual basis but the main principle is that the translation exposure of investments in foreign subsidiaries is generally not hedged. If the Group needs external funding, the funding currency can be chosen in a way that the foreign equity becomes partly or fully hedged. To these loans the Group applies net investments hedge accounting, and the exchange differences arisen from these loans are recognised in equity (translation difference reserve) until the investment of the particular entity is disposed. At the end of 2012 the Group had CHF 26.5 (26.3) million of these types of loans.

Changes in the currency rates have also influence on the amount of equity. If the euro lost ten (10) per cent of its value, this would increase the amount of total equity the Group has. Then again, if the euro appreciated ten per cent it would have a negative impact on the Group's equity.

The below table shows the currencies in which the Group has a significant amount of equity, and the simulated impact of a ten per cent weakening or strengthening of the euro against these currencies (compared with the closing rates of 31 December 2012).

Equity, most important currencies

2012				EUR +10%		EUR -10%	
EUR million	Equity	Net profit	Equity hedges	impact on equity	impact on net profit	impact on equity	impact on net profit
EUR	178.5	-20.3					
CHF	59.3	-1.7	26.5	-5.4	+0.2	+6.6	-0.2
GBP	13.7	3.0		-1.2	-0.3	+1.5	+0.3
USD	12.1	0.3		-1.1	0.0	+1.3	0.0

2011				EUR +10%		EUR -10%	
EUR million	Equity	Net profit	Equity hedges	impact on equity	impact on net profit	impact on equity	impact on net profit
EUR	225.0	7.2					
CHF	58.5	-1.3	26.3	-3.2	-0.1	+3.2	+0.1
USD	12.1	1.3		-1.1	-0.1	+1.2	+0.1
GBP	9.5	1.8		-0.9	-0.2	+1.0	+0.2

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 may enter into interest rate swaps to achieve this target.

The total amount of the interest bearing loans at the year-end was EUR 162.1 million (131.6) of which EUR 13.6 (27.3) million have been withdrawn at fixed interest rate and EUR 148.5 (104.3) million at floating rate. Of the loans with a floating rate EUR 63.6 (25.0) million were swapped into fixed rates using interest rate swaps. These interest rate derivatives are stated at fair value and recognised in the income statement. Cash flow hedge accounting is applied to the cross currency swap and, without the exchange rate difference, the change in fair value of this instrument is recognised in equity (other comprehensive income). The following table presents a simulated change of one (1) per cent in the interest rates compared to the closing rates of 31 December 2012 and how this affects the Group's income statement and balance sheet. The effect on the income statement comes from the Group's floating and long term loan portfolio which is recognized through the income statement. The balance sheet effect arises from the changes in the fair value of the cross currency swap.

EUR million	2012 Net profit	2012 Equity	2011 Net profit	2011 Equity
Change in interest rates +1%	-0.3	+1.5	-0.9	+1.5
Change in interest rates -1%	+0.3	-0.9	+0.9	-0.9

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 to maintain investor, creditor, and market confidence and to sustain future development of the business. The Board of Directors monitors the ownership structure, as well as the return on capital and the level of dividends to shareholders. The Group defines capital as the total balance sheet deducted with non-interest bearing liabilities.

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

EUR million	2012	2011
Result before taxes	**-20.8**	17.1
Interest and other financial expenses	**4.5**	6.0
Total	**-16.3**	23.1
Balance sheet total	**578.6**	641.6
Non-interest bearing liabilities	**262.2**	323.0
Total capital	**316.4**	318.6
Return on investment, %	**-5.0**	7.4

The Group seeks to achieve a balance between growth targets, higher level of borrowings and return on capital. The net debt/equity ratio (gearing per cent) target is < 50 per cent.

EUR million	2012	2011
Interest bearing liabilities	**162.1**	131.6
Cash and cash equivalents	**83.0**	79.0
Net interest bearing liabilities	**79.1**	52.6
Equity	**154.2**	187.0
Net debt/equity ratio, %	**51.3**	28.2

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

30. Share ownership

		Ownership of voting rights Group, %	Parent company, %
Group companies			
Aquatis spol s.r.o.	Czech Republic, Brno	84.4	
CJSC "Giprobum-Pöyry"	Russia, St. Petersburg	100.0	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 Pagamentos Planejados Ltda	Brazil, Sao Paolo	100.0	
Heymo Ingenieria S.A.	Spain, Madrid	60.0	60.0
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 (Appleton) LLC	USA, Appleton	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	95.4	95.4
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
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 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 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
Pöyry Management Consulting (Austria) GmbH	Austria, Vienna	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
Pöyry S.A.	Uruguay, Montevideo	100.0	
Pöyry Shandong Engineering Consulting Co., Ltd.	China, Jinan	90.0	
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 Tecnologia Ltda.	Brazil, Sao Paolo	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	2008	2009	2010	2011	2012
Consulting and engineering	809.4	670.4	678.8	758.5	**735.7**
EPC	12.3	3.1	2.8	37.6	**39.3**
Net sales total	**821.7**	**673.5**	**681.6**	**796.1**	**775.0**
Change in net sales, %	14.4	-18.0	1.2	16.8	**-2.7**
Other operating income	6.6	0.8	1.0	0.8	**2.4**
Share of associated companies' results	2.2	0.5	0.7	0.6	**0.6**
Materials, supplies and subconsulting	116.3	97.6	112.4	154.0	**149.0**
Personnel expenses	433.8	401.5	404.5	440.1	**438.8**
Depreciation and impairment	9.0	8.2	8.1	9.2	**11.8**
Other operating expenses	170.8	155.9	152.5	174.2	**196.3**
Operating profit	**100.6**	**11.6**	**5.8**	**20.0**	**-17.9**
Proportion of net sales, %	12.2	1.7	0.9	2.5	**-2.3**
Financial income and expenses	+2.6	+0.8	-1,5	-2.9	**-2.9**
Proportion of net sales, %	0.3	0.1	-0.2	-0.4	**-0.4**
Profit before taxes	**103.2**	**12.4**	**4.3**	**17.1**	**-20.8**
Proportion of net sales, %	12.6	1.8	0.6	2.1	**-2.7**
Income taxes	-30.6	-4.4	-3.9	-8.4	**-2.2**
Net profit for the period	**72.6**	**8.0**	**0.4**	**8.7**	**-23.0**
Attributable to:					
Equity holders of the parent company	70.8	6.5	0.1	7.8	**-23.9**
Non-controlling interest	1.8	1.5	0.3	0.9	**0.9**

Statement of financial position

EUR million	2008	2009	2010	2011	2012
Goodwill	95.9	101.3	116.7	131.4	**131.4**
Intangible and tangible assets	25.0	22.0	21.4	75.6	**69.9**
Non-current investments	7.6	8.9	9.9	9.0	**8.6**
Non-current receivables	11.5	17.3	20.5	21.3	**20.4**
Work in progress	69.3	78.8	81.6	115.5	**92.6**
Accounts receivable	143.5	127.3	161.4	182.1	**145.1**
Other current receivables	23.8	17.8	22.0	27.7	**27.5**
Cash and cash equivalents and other liquid assets	203.7	142.0	99.0	79.0	**83.0**
Assets total	**580.3**	**515.4**	**532.5**	**641.6**	**578.6**
Equity attributable to the equity holders of the parent company	203.4	176.0	179.9	179.8	**146.9**
Non-controlling interest	7.7	8.0	7.2	7.2	**7.4**
Pension obligations	6.7	7.4	8.2	9.7	**9.1**
Provisions	5.8	8.3	16.6	19.6	**16.9**
Interest bearing liabilities	122.5	122.7	105.5	131.6	**162.1**
Project advances	73.6	66.0	66.2	100.9	**90.8**
Accounts payable	21.8	21.5	30.0	30.5	**24.1**
Other non-interest bearing liabilities	138.7	105.5	118.9	162.3	**121.2**
Liabilities total	**580.3**	**515.4**	**532.5**	**641.6**	**578.6**

Statement of cash flows

EUR million	2008	2009	2010	2011	2012
From operations	+56.6	-10.4	-13.1	+30.5	**-6.7**
Capital expenditure, net	-10.9	-15.2	-16.1	-64.4	**-6.2**
Financing	+68.1	-40.3	-25.4	+12.8	**+16.7**
Change in the fair value of financial assets		+0.1	-0.1	0.0	**0.0**
Impact of translation differences in exchange rates	-8.8	+4.1	+11.7	+1.1	**+0.2**
Change in cash and cash equivalents and in other liquid assets	+105.0	-61.7	-43.0	-20.0	**+4.0**
Cash and cash equivalents and other liquid assets 31 December	**203.7**	**142.0**	**99.0**	**79.0**	**83.0**

Profitability and other key figures

	2008	2009	2010	2011	2012
Return on investment, %	45.4	5.3	2.6	7.4	**-5.0**
Return on equity, %	38.7	4.1	0.2	4.6	**-13.4**
Equity ratio, %	41.7	40.9	40.1	34.6	**31.6**
Net debt/equity ratio (gearing), %	-38.5	-10.5	3.5	28.2	**51.3**
Net debt, EUR million	-81.2	-19.3	6.5	52.6	**79.1**
Current ratio	1.7	1.7	1.5	1.3	**1.1**
Consulting and engineering, EUR million	538.6	483.6	521.1	636.8	**542.7**
EPC, EUR million	0.5	2.1	5.1	57.6	**5.0**
Order stock total, EUR million	539.1	485.7	526.2	694.4	**547.7**
Capital expenditure, operating, EUR million	10.7	4.8	6.8	8.4	**7.2**
Proportion of net sales, %	1.3	0.7	1.0	1.1	**0.9**
Capital expenditure, real estate				45.2	
Proportion of net sales, %				5.7	
Capital expenditure in shares, EUR million	8.9	5.0	11.8	28.4	
Proportion of net sales, %	1.1	0.7	1.8	3.6	
Personnel in group companies on average	7,702	7,052	6,611	6,864	**6,695**
Personnel in associated companies on average	267	142	138	140	**146**
Personnel in group companies at year-end	7,924	6,530	6,801	6,952	**6,323**
Personnel in associated companies at year-end	142	141	136	137	**152**

Key figures for the shares

	2008	2009	2010	2011	2012
Earnings/share, EUR	1.21	0.11	0.00	0.13	**-0.41**
Corrected with dilution effect	1.19	0.11	0.00	0.13	**-0.41**
Equity attributable to the equity holders of the parent company/share, EUR	3.45	2.98	3.03	3.01	**2.46**
Dividend, EUR million	38.0	5.9	5.9	11.8	**0.0** [1]
Dividend/share, EUR	0.65	0.10	0.10	0.20	**0.00** [1]
Dividend/earnings, %	53.7	90.9	n/a	152.6	**n/a** [1]
Effective return on dividend, %	8.3	0.9	1.1	3.7	**n/a** [1]
Price/earnings multiple	6.5	101.5	n/a	41.3	**-7.2**
Issue-adjusted trading prices, EUR					
Average trading price	13.86	9.78	9.99	8.79	**4.41**
Highest trading price	18.34	13.17	12.30	11.90	**7.22**
Lowest trading price	6.90	7.55	8.23	5.11	**2.81**
Closing price at year-end	7.82	11.17	9.15	5.42	**2.93**
Total market value					
Outstanding shares, EUR million	457.3	654.5	539.9	320.2	**173.1**
Own shares, EUR million	3.1	4.2	3.7	3.7	**2.0**
Trading volume of shares					
Shares, 1,000	17,420	20,556	22,696	17,275	**12,513**
Proportion of the total volume, %	29.8	35.1	38.3	29.0	**20.9**
Issue-adjusted number of shares, 1,000					
On average	58,540	58,509	59,221	59,655	**59,760**
At year-end	58,879	58,971	59,414	59,760	**59,760**

[1] Board of Directors' proposal

Net sales

EUR million	1–3/12	4–6/12	7–9/12	10–12/12	1–3/11	4–6/11	7–9/11	10–12/11	1–12/12	1–12/11
Energy	55.8	59.0	52.9	61.6	53.6	52.3	53.1	64.2	229.3	223.2
Industry	72.6	66.1	53.6	49.4	44.6	55.7	62.8	73.4	241.7	236.5
Urban	61.5	58.2	51.3	55.6	60.2	63.5	57.3	67.0	226.6	248.0
Management Consulting	20.0	19.4	18.1	21.8	21.7	23.6	20.6	22.3	79.3	88.2
Unallocated	-0.5	-3.8	0.1	2.3	0.0	0.1	0.1	0.0	-1.9	0.2
	209.5	**198.8**	**176.0**	**190.7**	**180.0**	**195.3**	**193.9**	**226.9**	**775.0**	**796.1**

Operating profit and net profit for the period

EUR million	1–3/12	4–6/12	7–9/12	10–12/12	1–3/11	4–6/11	7–9/11	10–12/11	1–12/12	1–12/11
Energy	0.2	0.9	1.2	1.8	3.3	2.1	0.4	0.6	4.1	6.4
Industry	5.2	2.5	0.8	-3.4	0.9	3.1	4.6	7.0	5.1	15.6
Urban	2.3	-0.2	0.2	-2.2	1.8	1.1	1.1	-7.7	0.1	-3.7
Management Consulting	0.4	0.2	0.3	-1.0	1.4	2.8	2.0	1.0	-0.1	7.2
Unallocated	-9.1	-4.0	-3.7	-10.3	-1.0	-1.9	-1.2	-1.3	-27.1	-5.5
Operating profit	**-1.0**	**-0.6**	**-1.2**	**-15.1**	**6.4**	**7.2**	**6.9**	**-0.5**	**-17.9**	**20.0**
Financial items	-0.4	-0.2	-1.1	-1.2	-1.6	-0.2	-0.8	-0.3	-2.9	-2.9
Profit before taxes	**-1.4**	**-0.8**	**-2.3**	**-16.3**	**4.8**	**7.0**	**6.1**	**-0.8**	**-20.8**	**17.1**
Income taxes	-2.2	-1.5	0.2	1.3	-2.1	-2.6	-2.8	-0.9	-2.2	-8.4
Net profit for the period	**-3.6**	**-2.3**	**-2.1**	**-15.0**	**2.7**	**4.4**	**3.3**	**-1.7**	**-23.0**	**8.7**
Profit attributable to:										
Equity holders of the parent company	-3.9	-2.3	-2.6	-15.1	2.3	4.1	3.1	-1.7	-23.9	7.8
Minority interest	0.3	0.0	0.5	0.1	0.4	0.3	0.2	0.0	0.9	0.9

Operating profit %	1–3/12	4–6/12	7–9/12	10–12/12	1–3/11	4–6/11	7–9/11	10–12/11	1–12/12	1–12/11
Energy	0.4	1.5	2.3	2.9	6.2	4.0	0.8	0.9	1.8	2.9
Industry	7.2	3.8	1.5	-6.9	2.0	5.6	7.3	9.5	2.1	6.6
Urban	3.7	-0.3	0.4	-4.0	3.0	1.7	1.9	-11.5	0.0	-1.5
Management Consulting	2.0	1.0	1.7	-4.6	6.5	11.9	9.7	4.5	-0.1	8.2
	-0.6	**-0.3**	**-0.7**	**-7.9**	**3.5**	**3.7**	**3.6**	**-0.2**	**-2.3**	**2.5**

Order stock

EUR million	1–3/12	4–6/12	7–9/12	10–12/12	1–3/11	4–6/11	7–9/11	10–12/11
Energy	259.1	250.0	233.8	236.5	190.2	207.4	215.7	216.0
Industry	146.0	113.9	93.6	75.0	237.8	232.9	217.7	187.9
Urban	270.2	256.4	245.1	217.9	261.2	273.0	262.8	269.6
Management Consulting	21.3	23.8	22.6	18.3	27.4	28.8	28.2	20.9
Unallocated	0.3	0.0	0.0	0.0				
	696.9	**644.1**	**595.1**	**547.7**	**716.7**	**742.1**	**724.4**	**694.4**
Consulting and engineering	671.1	631.9	586.5	542.7	618.0	648.5	655.2	636.8
EPC	25.8	12.2	8.6	5.0	98.7	93.6	69.2	57.6
	696.9	**644.1**	**595.1**	**547.7**	**716.7**	**742.1**	**724.4**	**694.4**

Calculation of key figures

Return on investment, ROI %	(profit before taxes + interest and other financial expenses) / (balance sheet total – non-interest bearing liabilities (quarterly average))	x 100
Return on equity, ROE %	net profit / equity (quarterly average)	x 100
Equity ratio %	equity / (balance sheet total – advance payments received)	x 100
Net debt/equity ratio, gearing %	(interest-bearing liabilities – cash and cash equivalents) / equity	x 100
Current ratio	current assets / current liabilities	
Earnings/share, EPS	net profit attributable to the equity holders of the parent company / issue-adjusted average number of shares for the fiscal year	
Equity attributable to the equity holders of the parent company/share	equity attributable to the equity holders of the parent company / issue-adjusted number of shares at the end of the fiscal year	
Dividend/share	dividend / issue-adjusted number of shares at the end of the fiscal year	
Dividend/earnings %	dividend for the fiscal year / net profit attributable to the equity holders of the parent company	x 100
Effective return on dividend %	dividend/share / issue-adjusted trading price at the end of the fiscal year	x 100
Price/earnings multiple, P/E	quoted share price at the end of the fiscal year / 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 %	number of shares exchanged during the fiscal year / average number of shares for the fiscal year	x 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 and the total number of shares ison 59,759,610.

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. The share subscription period expired on 31 March 2012 concluding concurrently the whole programme.

See Notes to the Financial Statements item 4, for more detailed information.

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 comprised three earning periods, which were the calendar years 2008, 2009 and 2010. Vesting period for the shares of the earnings period 2010 ended on 1 January 2013 concluding the plan.

See Notes to the Financial Statements, item 5, for more detailed information.

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. The plan includes earning periods which commence at the beginning of the years 2011, 2012 and 2013.

See Notes to the financial Statements, item 5, for more detailed information.

BOARD OF DIRECTORS' AUTHORISATIONS

Authorisation to issue shares

The Annual General Meeting (AGM) on 8 March 2012 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. The authorisation has not been used.

The Board of Directors proposes that the General Meeting on 7 March 2013 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 8 March 2012 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. The authorisation has not been used.

The Board of Directors proposes that the General Meeting on 7 March 2013 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 7,671 registered shareholders at the end of 2012. The number of shareholders increased by 271 during the year.

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

Nominee-registered shares and flagging notifications

The total number of nominee-registered shares on 31 December 2012 amounted to 3,424,215 shares, equalling 5.7 per cent of the share capital. No flagging notifications has been received by Pöyry PLC during 2012.

Management's shareholdings

The members of the Board of Directors and the Executive Committee owned on 31 December 2012 a total of 230,423 shares, which equals 0.4 per cent of the company's share capital and the number of votes. Information concerning the shareholdings 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
Members of the Board of Directors	62,200
President and CEO	0
Group Executive Committee	168,223
Total	**230,423**

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 175.1 million. The share price decreased during the year by 45.9 per cent from EUR 5.42 to EUR 2.93. The highest share price was EUR 7.22 and the lowest EUR 2.81. A total of 12,513,083 shares where traded at a total of EUR 55.2 million. The number of shares traded during the year equals 20.9 per cent of the total number of issued shares.

Dividend

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

The Board of Directors of Pöyry PLC will propose to the Annual General Meeting on 7 March 2013 that no dividend will be paid for the year 2012.

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

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	5,426,977	9.08	9.19
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	2,075,287	3.47	3.51
6.	Tapiola Mutual Pension Insurance Company	1,760,000	2.95	2.98
7.	Alfred Berg Finland Mutual Fund	1,441,836	2.41	2.44
8.	Veritas Pension Insurance Company Ltd	982,053	1.64	1.66
9.	The State Pension Fund	900,000	1.51	1.52
10.	Kaleva Mutual Insurance Company	798,500	1.34	1.35
Shares nominee registered		3,424,215	5.73	5.80
Other shareholders		17,353,202	29.03	29.39
Total		**59,061,455**		
Own shares		698,155	1.17	
Total		**59,759,610**	**100.00**	**100.00**

Ownership structure by type of shareholder

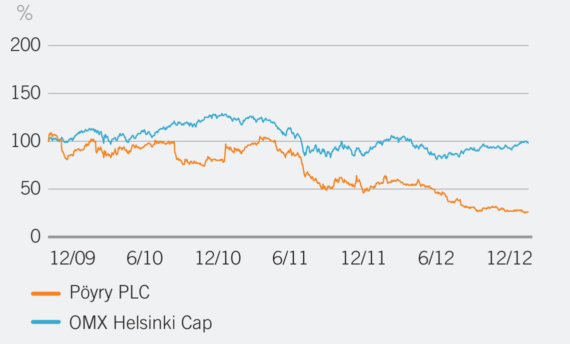
	Shares and voting rights	Per cent of shares	Per cent of voting rights
Non-financial corporations	6,998,938	11.7	11.9
Financial and insurance corporations	9,026,194	15.1	15.3
General Government	12,325,058	20.6	20.9
Households	5,767,465	9.7	9.8
Non-profit institutions serving households	2,320,550	3.9	3.9
Foreign Owners	19,198,535	32.1	32.4
Nominee Registered	3,424,215	5.7	5.8
Total	**59,061,455**	**98.8**	**100.0**
Own shares	698,155	1.2	
Total	**59,759,610**	**100.0**	

Ownership structure by number of shares owned

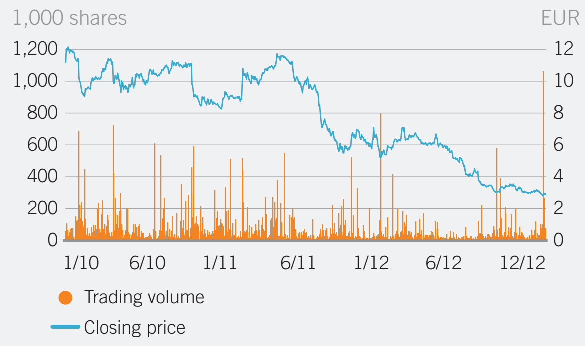
	Number of shareholders	Per cent of shareholders	Shares and voting rights	Per cent of shares	Per cent of voting rights
1–100	1,811	23.6	121,035	0.2	0.2
101–500	3,186	41.5	943,835	1.6	1.6
501–1000	1,199	15.6	970,006	1.6	1.6
1001–5000	1,180	15.4	2,585,238	4.3	4.4
5001–	295	3.8	54,441,341	91.1	92.2
Total	**7,671**	**100.0**	**59,061,455**		**100.0**
Own shares			698,155	1.2	
Total			**59,759,610**	**100.0**	

Source: Euroclear Finland Ltd., 31 December 2012

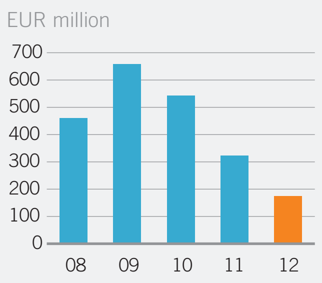
DEVELOPMENT OF THE SHARE ON THE NASDAQ OMX HELSINKI



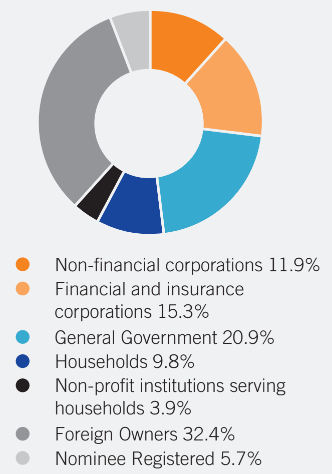
CLOSING PRICE AND TRADING VOLUME OF THE SHARE



MARKET CAPITALISATION



OWNERSHIP STRUCTURE BY TYPE OF SHAREHOLDER (BY NUMBER OF VOTING RIGHTS)



Parent company

STATEMENT OF INCOME

	EUR million	2012	2011
1	**Net sales**	**18.8**	14.5
2	Other operating income	**5.8**	5.6
3	Personnel expenses	**-6.3**	-7.6
	Depreciation	**-0.6**	-0.3
	Other operating expenses	**-40.3**	-19.9
	Operating profit	**-22.7**	-7.7
5	Financial income and expenses	**-11.3**	+0.2
	Profit before extraordinary items	**-34.0**	-7.5
6	Extraordinary items	**13.7**	9.4
	Profit before taxes	**-20.3**	1.9
7	Income taxes	**-0.2**	0.0
	Net profit for the period	**-20.5**	**1.9**

BALANCE SHEET

	EUR million	2012	2011
Assets			
	Fixed assets		
8	Intangible assets	**0.4**	0.1
9	Tangible assets	**2.3**	1.7
10	Non-current investments	**323.7**	351.5
	Non-current receivables	**1.3**	0.0
		327.7	353.3
	Current assets		
11,12	Current receivables	**46.0**	29.7
	Investments	**0.1**	0.2
	Cash in hand and at banks	**24.1**	12.0
		70.2	41.9
	Total	**397.9**	**395.2**
Shareholders' equity and liabilities			
13	**Shareholders' equity**		
	Share capital	**14.6**	14.6
	Invested free equity reserve	**60.1**	60.1
	Retained earnings	**82.9**	92.9
	Net profit for the period	**-20.5**	1.9
		137.1	169.4
	Liabilities		
14–17	Non-current liabilities	**112.8**	138.2
18,19	Current liabilities	**148.0**	87.6
		260.8	225.8
	Total	**397.9**	**395.2**

STATEMENT OF CHANGES IN FINANCIAL POSITION

EUR million	2012	2011
From operations		
Operating profit	**-22.7**	-7.7
Depreciation	**+0.6**	+0.3
Loss on sale of shares	**+6.0**	+1.4
Change in net working capital	**+4.7**	-0.1
Financial income and expenses	**-2.2**	-2.3
Income taxes	**+0.8**	-1.0
Total from operations	**-12.8**	**-9.4**
Capital expenditure		
Investments in shares in subsidiaries	**0.0**	-51.3
Investments in fixed assets	**-1.5**	-1.0
Shares in subsidiaries, return of equity	**0.0**	+12.1
Sale of shares in subsidiaries	**+1.5**	+13.8
Sale of other shares	**0.0**	0.0
Capital expenditure total	**0.0**	**-26.5**

EUR million	2012	2011
Cash flow before financing	**-12.8**	**-35.9**
Financing		
New loans	**+31.1**	+101.8
Paid loans	**-20.7**	-37.0
Repayments of loans	**-16.1**	-10.8
Change in current financing	**+21.9**	-37.4
Change in non-current investments	**+8.5**	-27.6
Dividends	**-11.8**	-5.9
Share subscription	**0.0**	+1.6
Acquisition of own shares	**0.0**	-4.4
Distribution of own shares	**0.0**	+1.3
Dividends received	**+2.5**	+4.6
Group contribution	**+9.5**	+6.4
Financing total	**+24.8**	-7.2
Change in cash and cash equivalents	**+12.0**	**-43.1**
Cash and cash equivalents 1 January	**12.2**	55.3
Cash and cash equivalents 31 December	**24.2**	12.2
Investments	**0.1**	0.2
Cash on hand and at banks	**24.1**	12.0
Cash and cash equivalents 31 December	**24.2**	**12.2**

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 royalties and 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	2012	2011
Net sales	**18.8**	**14.5**

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

2. Other operating income

EUR million	2012	2011
Rent income	**5.8**	**5.6**

3. Personnel expenses

EUR million	2012	2011
Wages and salaries	**5.3**	6.5
Pension expenses	**0.7**	0.7
Other social expenses	**0.2**	0.3
	6.3	**7.6**

Salaries and bonuses of the President and CEO are presented on the page 44.

4. Audit fees

EUR 1,000	2012	2011
The audit fees are included in other operating expenses		
Statutory auditing, group auditor	**120**	128
Tax advisory, group auditor	**67**	40
Other services, group auditor	**73**	108

5. Financial income and expenses

EUR million	2012	2011
Dividend income		
From group companies	**2.6**	4.6
From other	**0.0**	0.0
	2.6	4.6
Interest income from non-current investments		
From group companies	**1.5**	1.4
From other	**0.0**	0.0
	1.5	1.4
Other interest and financial income		
From group companies	**0.6**	0.2
From other	**0.1**	0.5
	0.7	0.7
Interest expenses and other financial expenses		
To group companies	**-0.4**	-0.8
To other	**-3.3**	-3.3
	-3.7	-4.1
Differences in exchange rates		
Exchange rate gains	**3.3**	2.0
Exchange rate losses	**-3.9**	-2.3
	-0.6	-0.3
Value decrease on non-current investments	**-11.9**	-2.0
Total	**-11.3**	**0.2**

6. Extraordinary items

EUR million	2012	2011
Group contribution received	**13.7**	9.5
Group contribution paid	**0.0**	-0.1
	13.7	**9.4**

7. Income taxes

EUR million	2012	2011
Taxes for the fiscal year	**0.2**	0.0
Taxes for previous years	**0.0**	0.0
	0.2	**0.0**

8. Intangible assets

EUR million	2012	2011
Acquisition value 1 Jan.	**1.7**	1.7
Increase	**0.5**	0.0
Acquisition value 31 Dec.	**2.2**	1.7
Accumulated depreciation 1 Jan.	**1.6**	1.5
Depreciation for the period	**0.2**	0.1
Accumulated depreciation 31 Dec.	**1.8**	1.6
Book value 31 Dec.	**0.4**	**0.1**

9. Tangible assets

EUR million	2012	2011
Machinery and equipment		
Acquisition value 1 Jan.	**1.6**	0.8
Increase	**0.2**	0.8
Decrease	**0.1**	0.0
Acquisition value 31 Dec.	**1.7**	1.6
Accumulated depreciation 1 Jan.	**0.6**	0.5
Accumulated depreciation of decrease	**0.1**	0.0
Depreciation for the period	**0.2**	0.1
Accumulated depreciation 31 Dec.	**0.7**	0.6
Book value 31 Dec.	**1.0**	1.0
Other tangible assets		
Acquisition value 1 Jan.	**1.7**	1.1
Increase	**0.8**	0.6
Acquisition value 31 Dec.	**2.5**	1.7
Accumulated depreciation 1 Jan.	**1.0**	0.9
Depreciation for the period	**0.2**	0.1
Accumulated depreciation 31 Dec.	**1.2**	1.0
Book value 31 Dec.	**1.3**	0.7
Total tangible assets		
Acquisition value 1 Jan.	**3.2**	1.9
Increase	**1.0**	1.3
Decrease	**0.1**	0.0
Acquisition value 31 Dec.	**4.2**	3.2
Accumulated depreciation 1 Jan.	**1.5**	1.4
Accumulated depreciation 31 Dec.	**0.1**	0.0
Depreciation for the period	**0.5**	0.2
Accumulated depreciation 31 Dec.	**1.9**	1.5
Book value 31 Dec.	**2.3**	**1.7**

10. Non-current investments

EUR million	2012	2011
Shares in group companies 1 Jan.	**262.5**	229.5
Increase	**3.5**	62.6
Decrease	**14.9**	29.6
Shares in group companies 31 Dec.	**251.1**	262.5
Receivables from group companies 1 Jan.	**88.7**	62.3
Increase	**5.0**	39.2
Decrease	**21.4**	12.8
Receivables from group companies 31 Dec.	**72.4**	88.7
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.	**351.5**	292.1
Increase	**8.5**	101.9
Decrease	**36.3**	42.4
Total non-current investments 31 Dec.	**323.7**	**351.5**

11. Current receivables

EUR million	2012	2011
Accounts receivable	**4.6**	1.4
Loans receivable	**21.2**	15.3
Other receivables	**14.0**	9.6
Prepaid expenses and accrued income	**2.7**	1.6
Total from group companies	**42.5**	27.9
Other receivables	**1.7**	0.4
Prepaid expenses and accrued income	**1.8**	1.5
	46.0	**29.7**

12. Prepaid expenses and accrued income

EUR million	2012	2011
Interest income	**1.9**	1.6
Taxes	**0.0**	1.0
Other	**2.5**	0.4
	4.5	**3.0**

13. Shareholders' equity

EUR million	2012	2011
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.	**60.1**	58.5
Shares subscribed with stock options	**0.0**	1.6
Invested free equity reserve 31 Dec.	**60.1**	60.1
Retained earnings 1 Jan.	**94.8**	101.8
Payment of dividend	**-11.8**	-5.9
Acquisition of own shares	**0.0**	-4.4
Distribution of own shares	**0.0**	1.3
Net profit for the period	**-20.5**	1.9
Retained earnings 31 Dec.	**62.4**	94.8
Unrestricted equity 31 Dec.	**122.5**	154.8
Total shareholders' equity 31 Dec.	**137.1**	**169.4**

14. Non-current liabilities

EUR million	2012	2011
Loans from credit institutions	**74.4**	95.0
Pension loans	**8.0**	7.9
Loans from group companies	**21.1**	26.4
	103.5	**129.3**

15. Loans with due date after five years or later

EUR million	2012	2011
Loans from group credit institutions	**2.0**	35.9
Loans from group companies	**21.1**	26.4
	23.1	**62.3**

16. Loans according to maturity

EUR million	2012	2011
Year 2012		78.5
Year 2013	**128.4**	49.2
Year 2014	**4.3**	2.3
Year 2015	**17.6**	15.5
Year 2016	**58.5**	35.9
Year 2017	**2.0**	0.0
Later	**21.1**	26.4
	231.9	**207.8**

17. Other non-current liabilities

EUR million	2012	2011
Other non-current liabilities	**9.3**	9.0

18. Current liabilities

EUR million	2012	2011
Commercial papers	**37.7**	0.0
Loans from credit institutions	**21.5**	8.2
Pension loans	**9.9**	7.9
Current loans	**69.1**	16.1
Provisions	**0.8**	0.0
Accounts payable	**0.8**	1.1
Loans	**59.3**	62.4
Accounts payable	**5.7**	2.0
Other current liabilities	**8.8**	0.2
Accrued expenses and deferred income	**0.2**	0.3
Total to group companies	**74.0**	64.9
Other current liabilities	**0.4**	0.9
Accrued expenses and deferred income	**3.2**	4.6
	148.0	**87.6**

19. Accrued expenses and deferred income

EUR million	2012	2011
Salaries and vacation accruals	**1.8**	2.6
Social expenses	**0.2**	0.4
Interest expenses	**0.6**	0.9
Other	**0.8**	1.0
	3.4	**4.9**

OTHER NOTES

20. Contingent liabilities

EUR million	2012	2011
For own debt		
Loans for which pledged assets are given	**44.4**	**45.1**
Pledged assets and mortgages for own debt	**44.4**	45.1
For own obligations		
Rent and leasing obligations	**0.2**	**0.3**
For group companies		
Other obligations	**59.8**	**88.1**
Pledged assets, mortgages and obligations total		
Pledged assets	**44.4**	45.1
Rent and leasing obligations	**0.2**	0.3
Other obligations	**59.8**	88.1
	104.4	**133.4**

21. Other lease agreements

EUR million	2012	2011
Lease payments for non-cancellable other lease agreements, mostly office rents		
Year 2012		0.2
Year 2013	**0.0**	0.1
Year 2014–2016	**0.1**	0.0
Later	**0.1**	0.0
	0.2	**0.3**

22. Derivative instruments

EUR million	2012	2011
Foreign exchange forward contracts, hedge accounting not applied:		
Nominal values	**12.5**	0.0
Fair values	**-0.2**	0.0
Interest rate swaps, hedge accounting not applied:		
Nominal values	**19.2**	25.0
Fair values	**-0.2**	-0.6
Cross currency swaps, cash flow hedge accounting:		
Nominal values	**42.7**	70.0
of which basis swaps	**0.0**	45.0
Fair values	**-1.1**	-1.3

Pöyry PLC has made interest rate swaps for EUR 5.9 (11.8) million and for CHF 16.0 (16.0) million external, non-current, floating interest rate-bearing loans and a cross currency swap for SEK 381.1 (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 82,943,199.90
Profit (loss) for the period	EUR -20,500,624.05
	EUR 62,442,575.85

The Board of Directors proposes to the Annual General Meeting on 7 March 2013 that no dividend will be paid for the year 2012.

Vantaa, Finland, 5 February 2013
Pöyry PLC
Board of Directors

Henrik Ehrnrooth	Heikki Lehtonen	Pekka Ala-Pietilä
Georg Ehrnrooth	Alexis Fries	Michael Obermayer
Karen de Segundo		

Auditor's report

Translation from the Finnish Original

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 31 December, 2012. 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, income statement, cash flow statement 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 whether they 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, 5 February 2013
PricewaterhouseCoopers Oy
Authorised Public Accountants

Merja Lindh
Authorised 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 on-going 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 web pages 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 2012 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, Helsinki
Danske Markets, Helsinki
Evli Bank, Helsinki
Inderes, Helsinki
Nordea, Helsinki
Pohjola Bank, Helsinki
Swedbank, Helsinki

For more information, please contact:
Pöyry Investor Relations
Tel. +358 10 33 23002
ir.group (at) poyry.com

Financial information in 2013

In 2013 Pöyry PLC will publish its interim reports as follows:
January–March 24 April at 8.30 a.m. Finnish time
January–June 24 July at 8.30 a.m. Finnish time
January–September 29 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, 7 March 2013 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 included in the shareholder register held by Euroclear Finland Ltd on the record date of the General Meeting, 25 February 2013
b) if they have given notice to attend the Meeting on Monday 4 March 2013 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.

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/agm2013;
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 4 March 2013. Proxies for representing a shareholder at the Meeting shall be submitted to the company no later than at 10.00 a.m. Finnish time on Monday 4 March 2013.

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 25 February 2013, 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 4 March 2013 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 6 February 2013.

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 7 March 2013 that no dividend will be paid for the year 2012.

Address changes

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

Annual summary 2012

JANUARY 2012

16 Jan 2012	Share subscription schedule for 2012
19 Jan 2012	Change in Pöyry PLC's Group Executive Committee

FEBRUARY 2012

1 Feb 2012	Invitation to Pöyry's January-December 2011 result news conferences on 9 February 2012
9 Feb 2012	Pöyry PLC's notice concerning annual accounts for 2011
9 Feb 2012	Notice to Pöyry PLC's Annual General Meeting
16 Feb 2012	Pöyry's Annual Report and Corporate Governance Statement 2011 published

MARCH 2012

2 March 2012	Pöyry divests parts of its water and environment operations
8 March 2012	Decisions made by the Annual General Meeting of Pöyry PLC

APRIL 2012

17 Apr 2012	Invitation to Pöyry's January-March 2012 result news conferences on 25 April 2012
25 Apr 2012	Value of Pöyry's share-based incentive plan for the year 2012
25 Apr 2012	Pöyry Oyj: Interim Report 1 January–31 March 2012

MAY 2012

22 May 2012	Changes in Pöyry PLC's Group Executive Committee

JUNE 2012

13 Jun 2012	Change of Pöyry's President and CEO
21 Jun 2012	Changes in Pöyry PLC's Board Committees
21 Jun 2012	Pöyry PLC's company calendar in 2013
29 Jun 2012	Pöyry reduces operating profit estimate for 2012

JULY 2012

19 Jul 2012	Invitation to Pöyry's January-June 2012 result news conferences on 27 July 2012
27 Jul 2012	Pöyry Oyj: Interim Report 1 January–30 June 2012

AUGUST 2012

27 Aug 2012	Alexis Fries will take up his position as President and CEO of Pöyry on 1 September 2012 january 2012

SEPTEMBER 2012

24 Sep 2012	The ownership of Corbis SA in Pöyry unchanged

OCTOBER 2012

18 Oct 2012	Pöyry reduces operating profit estimate for 2012
19 Oct 2012	Invitation to Pöyry's January–September 2012 result news conferences on 26 October 2012
26 Oct 2012	Pöyry Oyj: Intermin Report 1 January–30 September 2012

DECEMBER 2012

20 Dec 2012	Pöyry Oyj: Jaana Rinne appointed Senior Vice President, Human Resources of Pöyry

PÖYRY
Engineering balanced sustainability™

Pöyry PLC
P.O. Box 4, Jaakonkatu 3
FI-01621 Vantaa, Finland
Tel. +358 10 3311
Fax +358 10 332 1818
Company ID: 1009321-2
Domicile: Vantaa
www.poyry.com