

PÖYRY PLC

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# Financial Statements 2013



# Contents

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- 04 Year 2013 in brief
- 06 From the CEO
- 07 Business groups

## Financial Statements 2013

- 8 Report of the Board of Directors
- 13 Statement of comprehensive income
- 13 Statement of cash flows
- 14 Statement of financial position
- 15 Statement of changes in equity
- 16 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

### Financial information in 2014

In 2014 Pöyry PLC will publish its interim reports as follows (Finnish time):  
January–March 29 April at 8.30 a.m.  
January–June 31 July at 8.30 a.m.  
January–September 29 October at 8.30 a.m



Read more:  
[www.poyry.com/about-poyry/investor-information](http://www.poyry.com/about-poyry/investor-information)

# Pöyry 2013

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, transmission & distribution, forest industry, chemicals & biorefining, mining & metals, transportation, water and real estate sectors.

Pöyry has an extensive local office network employing about 6,500 experts. Pöyry's net sales in 2013 were EUR 650 million and the company's shares are quoted on NASDAQ OMX Helsinki (Pöyry PLC: POY1V).

FINANCIAL TARGETS		ACTUAL 2013	
<b>Net sales</b>	EUR 1,000 million by the end of 2017	<b>EUR 651 million</b>	
<b>Operating profit %, Group</b>	8–9% by the end of 2017	<b>2.1%</b>	Operating profit improved.
<b>Return on investment</b>	20% or higher	<b>5.8%</b>	Project losses burdened key figures for profitability.
<b>Earnings per share, growth</b>	15% or higher	<b>n.a.</b>	Earnings per share in 2013 was EUR 0.06 (-0.43).
<b>Gearing, %</b>	below 50%	<b>26.0%</b>	Gearing improved as proceeds from the sale of the office real estate in Vantaa, Finland were used mainly for repayments of loan liabilities.
<b>Dividend/earnings ratio</b>	50% or higher		The Board will propose to the AGM that no dividend will be paid for 2013.

# Decline in the net sales, improved operating profit

Operating profit improved. Project losses were compensated by the positive contribution gained from the divestment of the office real estate in Vantaa, Finland. Net sales declined, amid uncertain economic environments in Pöyry's industrial and energy sectors, and in Northern Europe as a whole. In spite of promising order prospects, client investments have generally taken longer to materialise.

## Key figures 2013

- The value of the Group's order stock was EUR 500.0 million (547.7).
- Net sales decreased by 16% to EUR 650.8 million (775.0).
- Operating profit improved and amounted to EUR 13.9 million (-18.8) or 2.1% (-2.4) of net sales.
- Operating profit was burdened by project losses of approximately EUR 15 million.
- Divestment of the Vantaa office real estate in Finland positively impacted operating profit by EUR 13.8 million and cash flow by EUR 58.3 million.
- Earnings per share was EUR 0.06 (-0.43).
- The Board of Directors of Pöyry PLC proposes to the Annual General Meeting on 11 March 2014 that no dividend will be paid for the year 2013 (2012:0).

## Outlook 2014

- The Group's operating profit is expected to increase in 2014.

## Adjusted strategic focus

- Pöyry's organisational structure is based on Strategic Advisory, Global Competence Lines and Regional Operations. Pöyry's operations were organised along the following business lines: Energy Business Group, Industry Business Group, Regional Operations and Management Consulting Business Group.
- The focus on domestic client business has been enhanced. These activities are reported under Regional Operations.
- Global Competence Lines build on the global leadership positions in the industrial and energy sectors. Large project competence capabilities are being further developed and its share in corresponding orders is expected to increase.
- The development of comprehensive strategic advisory services continues under the Management Consulting Business Group.
- Pöyry progressed according to plan with its structural and administrative process improvement programme announced at the end of 2012. Targeted annualised savings are EUR 40–50 million by the end of 2014. In 2013 centrally managed global support functions were introduced. Certain IT and financial processes were outsourced.
- By the end of 2017, Pöyry aims to reach net sales amounting to EUR 1,000 million with a corresponding operating profit margin of 8–9%.

## KEY FIGURES

EUR million	Energy		Industry		Regional Operations		Management Consulting		Group	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Net sales	<b>179.5</b>	217.4	<b>111.7</b>	146.6	<b>288.4</b>	333.5	<b>70.9</b>	79.3	<b>650.8</b>	775.0
Operating profit	<b>0.6</b>	4.4	<b>3.7</b>	-0.1	<b>4.0</b>	4.1	<b>2.7</b>	-0.1	<b>13.9</b>	-18.8
Operating profit, %	<b>0.3</b>	2.0	<b>3.3</b>	-0.1	<b>1.4</b>	1.2	<b>3.7</b>	-0.1	<b>2.1</b>	-2.4
Order stock	<b>209.7</b>	223.7	<b>42.6</b>	54.4	<b>230.6</b>	251.5	<b>17.1</b>	18.3	<b>500.0</b>	547.7
Personnel*	<b>1,445</b>	1,713	<b>937</b>	1,150	<b>2,670</b>	2,825	<b>431</b>	539	<b>5,704</b>	6,323

\* FTE/end of the year



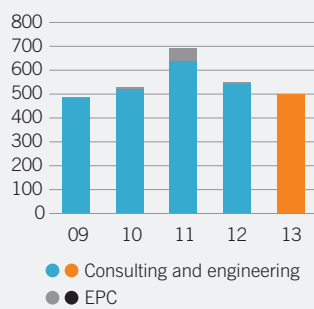
More detailed description of Pöyry's financial performance in 2013 is available in the report of the Board of Directors on pages 8–12.



Read more:  
[www.poyry.com/investors](http://www.poyry.com/investors)

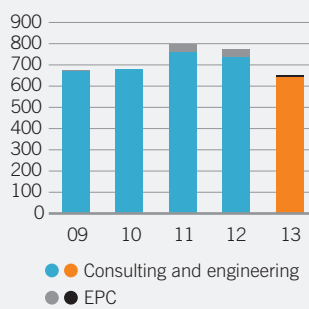
### ORDER STOCK

EUR million



### NET SALES

EUR million



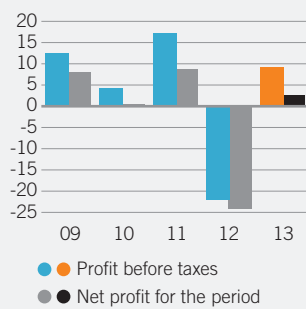
### OPERATING PROFIT

EUR million



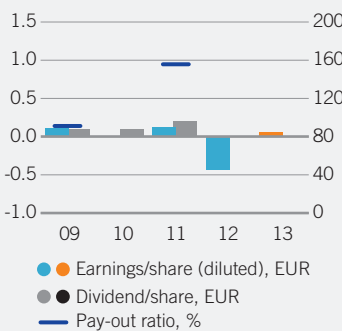
### PROFIT BEFORE TAXES AND NET PROFIT

EUR million



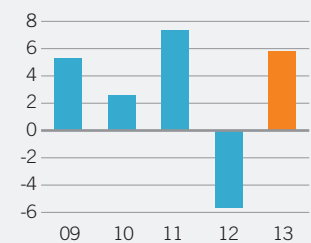
### EARNINGS PER SHARE AND DIVIDEND PER SHARE

EUR



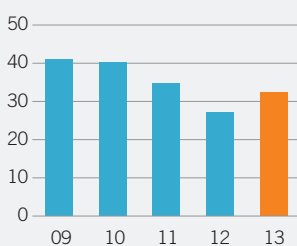
### RETURN ON INVESTMENT

%



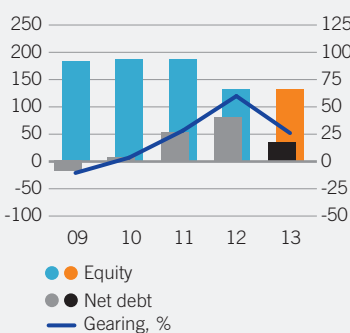
### EQUITY RATIO

%



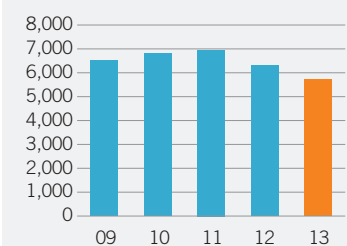
### GEARING

EUR million



### PERSONNEL AT YEAR-END (FTE'S)

EUR million



# Promising order prospects in challenging market environment



Operating profit improves as organisational refocusing and cost saving measures form a solid foundation for future growth.

As expected, operating profit improved over 2012 before restructuring expenses. Losses originating from projects in the order stock of the former Urban Business Group were compensated by the positive effects resulting from the divestment of the office real estate in Vantaa, Finland.

Net sales declined, amid ongoing economic uncertainty in Pöyry's industrial and energy sectors, and in Northern Europe as a whole. Client investments have generally taken longer to materialise, although underlying demand remained steady and the progression of project opportunities continued. As previously announced, important orders were recorded in both the Energy and Industry Business Groups, indicating that Pöyry continues to successfully defend its market position in its areas of global competence.

A steady influx of small and medium sized orders has been sustained through an enhanced focus on key domestic markets. However, increased competitive pressures were experienced during the last quarter in particular, which negatively affected sales performance in Northern Europe. In view of these developments, in December 2013, Pöyry concluded statutory employee negotiations in Finland.

As new project investments progressed at a slower pace the Group's order intake dropped below the previous year. Order stock totalled EUR 500 million (548) at the end of the year. Net sales were EUR 651 million (775) and operating profit was EUR 14 (-19) million, which is 2.1 (-2.4) per cent of net sales. In 2012 the operating profit excluding restructuring expenses was EUR 6.2 million.

During 2013, Pöyry adjusted its organisation in line with its strategic evolution that was announced in February 2013. Through its focused business strategy, Pöyry is better equipped to serve clients across its key domestic markets with a broad range of local services, whilst meeting the specific needs of internationally-based clients through its global energy and industry competence lines. Pöyry provides a full client service

across the entire project lifecycle, from management consulting and engineering services to project implementation and operations support.

At the end of 2012, Pöyry's former Urban Business Group was refocused and integrated, and as of 1 January 2013, its business operations were reported under Regional Operations. In 2013, the Group's operating profit was burdened by project losses of approximately EUR 15 million, which originated from several projects in the former Urban Business Group. Following a detailed review, Pöyry has since implemented firm measures to improve its project management processes across the whole Group.

Pöyry progressed according to plan with its structural and administrative process improvement programme, which was announced at the end of 2012. The programme is on track to deliver targeted annualised cost savings of EUR 40–50 million by the end of 2014. As part of these actions, Pöyry introduced centrally managed global support functions and outsourced certain IT and financial processes in several of Pöyry's main locations.

Although current revenue development has fallen short of expectations, the order prospects pipeline continues to be solid and healthy. We remain committed to our strategic evolution, which supports future growth. The Group's operating profit in 2014 is expected to increase.

I would like to express a special appreciation to our people for their contribution and to all our shareholders for their trust during 2013.

**Alexis Fries**  
President and CEO

# Strategic advisory, engineering and project implementation

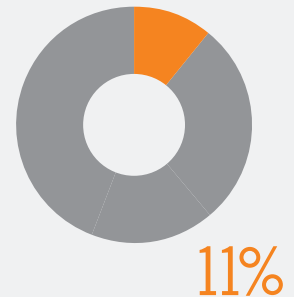
## CORE EXPERTISE AREAS

## SHARE OF GROUP'S NET SALES

### MANAGEMENT CONSULTING

- Energy
- Forest industry
- BioFutures
- Transactions
- Operational excellence

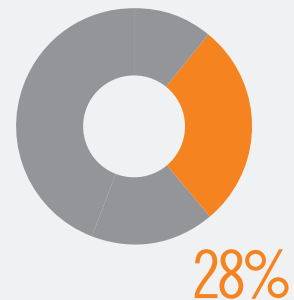
**The Management Consulting Business Group** provides strategic advisory services to the world's capital and resource intensive industries. Our expertise is based on market-led insights and quantitative models, as well as a profound understanding of sector specific strategies and technologies.



### ENERGY

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

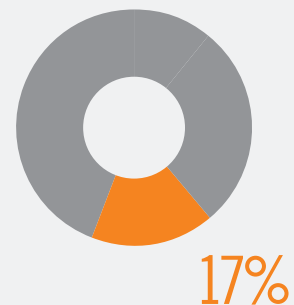
**The Energy Business Group** provides technical consulting, engineering, supervision and project management services within the areas of hydro power, thermal power, nuclear power, renewables and transmission & distribution. We help clients to effectively manage their assets throughout the entire business life-cycle underpinned by in-depth sector knowledge. We deliver both new build and rehabilitation projects, as well as services relating to existing assets.



### INDUSTRY

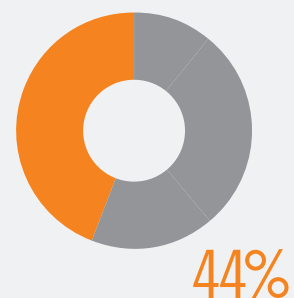
- Pulp & paper
- Mining & metals
- Chemicals & biorefining

**The Industry Business Group** provides technical consulting, engineering, project management and implementation services to clients in the areas of process industries and across the entire investment life-cycle. 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.



### REGIONAL OPERATIONS

**The Regional Operations** serve clients with a broad range of services covering engineering and technical advisory, delivered across the energy, industry, transportation, real estate and water sectors. Pöyry's experts have profound local market knowledge, underpinned by global competence. Our extensive local office network is located within easy reach of client's operations.



# Report of the Board of Directors 1 January–31 December 2013

## MARKET REVIEW

During 2013 economic uncertainty continued to affect Pöyry's energy and industry market sectors. In particular, Northern Europe experienced increased competitive pressure during the latter part of the year. Amid these developments, however, underlying demand remained steady and the progression of project opportunities continued. Nevertheless, client decisions took generally longer, resulting in delays to the procurement of engineering and consulting services. This uncertainty also impacted the demand for management consulting services, albeit with variance across local markets.

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	12/2013	12/2012	Change, %
Consulting and engineering	500.0	542.7	-7.9
EPC	0.0	5.0	n.a.
<b>Total</b>	<b>500.0</b>	<b>547.7</b>	<b>-8.7</b>

The Group's order stock totalled EUR 500.0 million at the end of the reporting period. This is EUR 47.7 million lower than in 2012 (547.7). Order stock dropped in all business lines. The main decline (-21.7%) occurred in the Industry Business Group, where client investment decisions related to certain larger projects were delayed.

## ORDER INTAKE

The Group's order intake was lower than in 2012 across all business lines, with the exception of the Industry Business Group where the order intake increased due to orders received in Latin America. The order intake in the Energy Business Group was affected by low demand in Western Europe where electric utilities faced challenges relating to the regional development of electricity markets. Order intake in the Regional Operations declined slightly, as the former Urban Business Group was integrated and its associated business refocused on key countries with lower risks. Order intake in the Management Consulting Business Group declined due to adverse business developments in Northern Europe in particular.

## GROUP NET SALES

Net sales by business line, EUR million	1-12/2013	1-12/2012	Change, %	Share of total sales, % 1-12/2013
Energy	179.5	217.4	-17.4	28
Industry	111.7	146.6	-23.8	17
Regional Operations	288.4	333.5	-13.5	44
Management Consulting	70.9	79.3	-10.6	11
Unallocated	0.3	-1.9	n.a.	0
<b>Total</b>	<b>650.8</b>	<b>775.0</b>	<b>-16.0</b>	<b>100</b>

Consolidated net sales amounted to EUR 650.8 million. This is EUR 100.3 million lower than the comparable number after divestments in 2012 (751.1). Reported 2012 net sales were EUR 775.0 million.

Net sales declined in all business lines. Net sales in the Industry Business Group originated mainly from small and medium sized projects,

a change from 2012 when net sales included more large project deliveries. Net sales in the Regional Operations decreased as the former Urban Business Group was integrated and its associated business refocused on key countries with lower risks. The decrease in net sales in the Energy and the Management Consulting Business Groups reflected the challenges in the current business environments.

## GROUP OPERATING PROFIT

Operating profit by business line, EUR million	1-12/2013	1-12/2012	Change, %
Energy	0.6	4.4	-86.4
Industry	3.7	-0.1	n.a.
Regional Operations	4.0	4.1	-2.4
Management Consulting	2.7	-0.1	n.a.
Unallocated	2.9	-27.1	n.a.
<b>Total</b>	<b>13.9</b>	<b>-18.8</b>	<b>n.a.</b>

The consolidated operating profit was EUR 13.9 million (-18.8), which is 2.1 per cent of net sales (-2.4). In 2012 the operating profit excluding restructuring expenses was EUR 6.2 million. In 2012 the consolidated operating profit of EUR -18.8 million was burdened by restructuring costs amounting to EUR 25 million.

The Group's operating profit was burdened by project losses of approximately EUR 15 million. These losses mainly originated from detailed reviews and adjustments to several projects from the former Urban Business Group. As a consequence organisational measures were implemented, leading to an enhanced control over project management processes across the whole Group.

Pöyry concluded statutory employee negotiations in Finland and the corresponding restructuring provisions have been included in the accounts. These negative impacts were compensated by a positive contribution of EUR 13.8 million resulting from the divestment of the office real estate in Vantaa, Finland.

## Business lines (operating segments)

Business Line reporting is based on the new organisational structure as announced in February 2013. Reporting numbers for 2012 have been restated (pro forma) accordingly. Employee numbers are reported in full time equivalents (FTE).

Energy Business Group	1-12/2013	1-12/2012	Change, %
Order stock, EUR million, end of period	209.7	223.7	-6.3
Sales, EUR million	179.5	217.4	-17.4
Operating profit, EUR million	0.6	4.4	-86.4
Operating margin, %	0.3	2.0	
Personnel at end of period	1,445	1,713	-15.7

Order stock amounted to EUR 209.7 million, which is 6.3 per cent lower than the previous year. It includes an order of EUR 40 million recorded in the third quarter for owner's engineer services for a large power plant in the Kingdom of Saudi Arabia. Order prospects remain attractive.

Net sales amounted to EUR 179.5 million, which is 17.4 per cent lower than the previous year. The decrease mainly related to lower demand in Western Europe where electric utilities faced challenges relating to the regional development of electricity markets.



Operating profit amounted to EUR 0.6 million (0.3 per cent of sales) and was lower than the previous year. Operating profit was burdened by project losses of approximately EUR 7 million originating mainly from a project in Austria.

Industry Business Group	1-12/ 2013	1-12/ 2012	Change, %
Order stock, EUR million, end of period	<b>42.6</b>	54.4	-21.7
Sales, EUR million	<b>111.7</b>	146.6	-23.8
Operating profit, EUR million	<b>3.7</b>	-0.1	n.a.
Operating margin, %	<b>3.3</b>	-0.1	
Personnel at end of period	<b>937</b>	1,150	-18.5

Order stock amounted to EUR 42.6 million, which is 21.7 per cent lower than the previous year. The decrease is mainly attributed to delays in client investment decisions relating to certain larger projects. An important order was recorded in Latin America during the first quarter. Order prospects remained attractive.

Net sales amounted to EUR 111.7 million and were 23.8 per cent lower than the year before. Net sales in the Industry Business Group were supported mainly by small and medium sized projects, whereas net sales in 2012 included more large project deliveries.

Operating profit amounted to EUR 3.7 million (3.3 per cent of sales) and improved compared to the previous year.

Regional Operations	1-12/ 2013	1-12/ 2012	Change, %
Order stock, EUR million, end of period	<b>230.6</b>	251.5	-8.3
Sales, EUR million	<b>288.4</b>	333.5	-13.5
Operating profit, EUR million	<b>4.0</b>	4.1	-2.4
Operating margin, %	<b>1.4</b>	1.2	
Personnel at end of period	<b>2,670</b>	2,825	-5.5

Order stock amounted to EUR 230.6 million and was 8.3 per cent lower than the year before. The decrease was mainly due to the integration of the former Urban Business Group and refocusing of its associated business on key countries with lower risks.

Net sales amounted to EUR 288.4 million, which is 7.4 per cent lower than the comparable figure after divestments in 2012 (311.5). Reported net sales in 2012 were EUR 333.5 million.

Operating profit amounted to EUR 4.0 million (1.4 per cent of sales) and remained on the same level than the year before. Operating profit in the Regional Operations was burdened by project losses of approximately EUR 7 million, mainly originating from detailed reviews and adjustments to several projects from the former Urban Business Group. These project losses were recorded during the second half of the year.

Management Consulting Business Group	1-12/ 2013	1-12/ 2012	Change, %
Order stock, EUR million, end of period	<b>17.1</b>	18.3	-6.6
Sales, EUR million	<b>70.9</b>	79.3	-10.6
Operating profit, EUR million	<b>2.7</b>	-0.1	n.a.
Operating margin, %	<b>3.7</b>	-0.1	
Personnel at end of period	<b>431</b>	539	-20.0

Order stock at the end of the period was EUR 17.1 million, 6.6 per cent lower than the previous year.

Net sales amounted to EUR 70.9 million, which is 10.6 per cent lower than the year before, reflecting the challenging market environment. Net sales improved in Central Europe but declined in other regions, reflecting partly the refocusing and profit improvement measures especially in North America, Northern Europe and Asia Pacific.

Operating profit amounted to EUR 2.7 million (3.7 per cent of sales). Performance improved during the second half of the year as a result of the structural improvements implemented during the first half of 2013. The expansion of Operational Excellence services contributed positively.

#### Group overhead and unallocated items

In 2013 unallocated items had a positive impact of EUR 2.9 million (-27.1) to operating profit, representing 0.4 per cent of sales (-3.5). Group overhead and unallocated items include the profit of EUR 13.8 million resulting from the divestment of the office real estate in Vantaa. Unallocated items in 2012 were mostly related to divestments and other restructuring expenses.

#### GROUP FINANCIAL RESULT

The net financial items amounted to EUR -5.2 million (-3.8). The increase in net financial items was mainly due to higher interest expenses.

Profit before taxes totalled EUR 9.1 million (-22.0).

Income taxes were EUR -6.5 million (-2.2) including EUR 3.2 million tax expenses related to the divestment of the office real estate in Vantaa.

Net profit for the period amounted to EUR 2.6 million (-24.2), of which EUR 3.6 million are attributable to equity holders of the parent company and EUR -1.0 million to non-controlling interests.

Diluted earnings per share were EUR 0.06 (-0.43).

#### BALANCE SHEET

The consolidated balance sheet amounted to EUR 481.5 million, which is EUR 99.6 million lower than in 2012 (581.1). The reduction was mainly driven by the divestment of the office real estate in Vantaa and decrease in net working capital. Following IAS 19, Employee benefits were restated as of 1 January 2013. Due to the corresponding increase in pension obligations, equity decreased by EUR 22.0 million. 2012 numbers have been adjusted accordingly. In 2013 equity increased by EUR 6.6 million due to the remeasurements of pension obligations which were recognised in other comprehensive income.

Total equity at the end of the reporting period amounted to EUR 132.5 million (132.3). Total equity attributable to equity holders of the parent company was EUR 129.6 million (124.9) or EUR 2.17 per share (2.09).

Accounts receivable include positions which relate to certain public sector infrastructure projects in Venezuela, where the client is a public authority. The receivables have been described in the report of the Board of Directors for 2012 and there have not been any material changes during 2013. The current valuation of the receivables is approximately EUR 16 million.

Return on equity (ROE) amounted to 2.0 per cent (-16.1). Return on investment (ROI) amounted to 5.8 per cent (-5.7).

#### CASH FLOW AND FINANCING

Group cash and cash equivalents and other liquid assets at the end of the reporting period amounted to EUR 72.4 (83.0) million. In addition to these, the Group had available credit facilities amounting to EUR 95.9 million. The amount of issued Commercial Papers was EUR 40.6 million.

Net cash from operating activities in the reporting period amounted to EUR -1.0 million (-7.5), representing EUR -0.02 per share. Net cash flow before financing activities amounted to EUR 51.3 million (-13.7).

The EUR 58.3 million proceeds from the sale of the office real estate in Vantaa were used mainly for repayments of loan liabilities. Net debt at the end of the reporting period totalled EUR 34.5 million (79.1). Gearing improved and dropped to 26.0 per cent (59.9). The equity ratio was 32.3 per cent (27.0).

## CAPITAL EXPENDITURE

During the reporting period, the Group's capital expenditures totalled EUR 5.9 million.

Capital expenditure, EUR million	1-12/ 2013	1-12/ 2012
Capital expenditure, operating	<b>5.9</b>	7.2
Capital expenditure, shares	<b>0.0</b>	0.0
Capital expenditure, total	<b>5.9</b>	7.2

## PERSONNEL

Personnel (FTE) by business group, at the end of the period	1-12/ 2013	1-12/ 2012	Change, %
Energy	<b>1,445</b>	1,713	-15.7
Industry	<b>937</b>	1,150	-18.5
Regional Operations	<b>2,670</b>	2,825	-5.5
Management Consulting	<b>431</b>	539	-20.0
Group staff and shared resources	<b>221</b>	96	130.2
Personnel, total	<b>5,704</b>	6,323	-12.4

Personnel (FTE) by geographic area, at the end of the period	1-12/ 2013	1-12/ 2012	Change, %
Nordic countries	<b>2,376</b>	2,532	-6.2
Other Europe	<b>1,999</b>	2,219	-9.9
Asia	<b>546</b>	565	-3.4
North America	<b>148</b>	231	-35.9
South America	<b>618</b>	753	-17.9
Other areas	<b>17</b>	23	-26.1
Personnel, total	<b>5,704</b>	6,323	-9.8

## Personnel

The Group had an average of 5,889 (6,695) employees (FTEs), decreasing by 12.0 per cent from the previous year. The number of personnel (FTEs) at the end of the period was 5,704 (6,323). The changes are a result of the actions taken to increase the focus on key home markets, address low-performing units and to deliver cost-saving and restructuring measures. Group staff and shared resources have been centrally reallocated.

Following the conclusion of statutory employee negotiations in Finland the overall capacity will be reduced in stages by a maximum of 200 people and include permanent and temporary layoffs. In January 2014, temporary layoffs were started.

## Personnel expenses

Personnel expenses, EUR million	1-12/ 2013	1-12/ 2012	Change, %
Wages and salaries	<b>312.3</b>	349.0	-10.5
Bonuses	<b>3.7</b>	5.0	-26.0
Expenses from share-based incentives	<b>0.3</b>	0.7	-57.1
Social expenses	<b>74.7</b>	83.7	-10.8
Personnel expenses, total	<b>391.0</b>	438.4	-11.0

Wages and salaries in the Pöyry Group are determined on the basis of local collective and individual agreements, employee performance and the required qualification level. Supplementing the base salary, the Group has implemented bonus schemes.

## Performance share plan 2011-2015

In February 2011, the Board of Directors of Pöyry PLC approved a share-based incentive plan for Pöyry Group's key personnel. The plan includes earning periods, which commenced 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 from the Report of the Board of Directors and the Financial Statements. The Corporate Governance Statement will be available on the company's website at [www.poyry.com](http://www.poyry.com) on Tuesday 18 February 2014 at the latest.

## Annual General Meeting 2013

The Annual General Meeting ("AGM") of Pöyry PLC was held on 7 March 2013. The AGM adopted Pöyry PLC's annual accounts and granted the members of the Board of Directors and the persons that acted as President and CEO of the company during the year 2012 discharge from liability for the financial period 1 January to 31 December 2012.

The AGM decided that no dividend be distributed for 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), Georg Ehrnrooth and Karen de Segundo were elected as members of the Audit Committee. Pekka Ala-Pietilä (Chairman), Henrik Ehrnrooth, Heikki Lehtonen and Michael Obermayer 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.

PricewaterhouseCoopers Oy continues as Pöyry PLC's auditors based on the resolution made in the AGM on 7 March 2013. PricewaterhouseCoopers Oy has appointed Merja Lindh, Authorised Public Accountant, as the auditor in charge.

The decisions made by the AGM of Pöyry PLC on 7 March 2013 are available in full on the company's website at [www.poyry.com](http://www.poyry.com).

### Authorisations

In the AGM on 7 March 2013 the Board of Directors was authorised to decide on the acquisition of up to 5,900,000 own shares of the company in one or more tranches by using distributable funds. The shares may be acquired either through public trading, in which case the shares would be acquired in another proportion than that of the current shareholders, or by public offer at market prices at the time of purchase. The Board of Directors is authorised to resolve on all other terms and conditions regarding the acquisitions of own shares. 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 Board of Directors was also authorised to decide on the issuance of new shares and special rights entitling to shares, as well as 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 comprises a right to deviate from the shareholders' pre-emptive subscription right, as well as a right for the Board of Directors to resolve on all other terms and conditions regarding the issuance or conveyance of shares and special rights entitling to shares. Furthermore, 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 7 March 2013 relating to the authorisations of the Board of Directors are available in full on the company's website at [www.poyry.com](http://www.poyry.com).

### Group executive management

The Group Executive Committee consisted of ten (10) members at the end of 2013:

**Alexis Fries**, President and CEO

**Sergio Guimaraes**, Executive Vice President (EVP) and President, Energy Business Group as of 22 April 2013

**Martin Kuzaj**, EVP and President, Industry Business Group

**Martin Bachmann**, EVP and Chairman Regional Operations

**Jarkko Sairanen**, EVP and President, Management Consulting Business Group

**Jukka Pahta**, EVP, Chief Financial Officer

**Richard Pinnock**, EVP, Group Strategic Growth

**Pasi Tolppanen**, President, Regional Operations Northern Europe

**Anne Viitala**, EVP, Legal and Communications

**Jaana Rinne**, Senior Vice President, Human Resources as of 15 April 2013

Ari Asikainen was EVP and President, Energy Business Group until 21 April 2013.

### SHARE CAPITAL AND SHARES

The share capital of Pöyry PLC at 31 December 2013 totalled EUR 14,588,478 and the total number of shares including treasury shares totalled 59,759,610.

In March 2013 the Board of Directors of Pöyry PLC decided on a directed share issue without consideration in relation to the payment of a share based incentive. In the share issue, 15,000 Pöyry PLC shares held by the company were conveyed without consideration to the President and CEO Alexis Fries as a share based incentive, forming a part of his fixed remuneration in 2012 according to the terms and conditions of his service contract.

At the end of the reporting period, Pöyry PLC held a total of 683,155 of its own shares, which corresponds to 1.1 per cent of the total number of shares and had a market value of EUR 2.8 million.

### MARKET CAP AND TRADING

The closing price of Pöyry's shares on 31 December 2013 was EUR 4.07 (2.93). The volume weighted average share price during the report period was EUR 3.81 (4.41), the highest quotation being EUR 4.70 (7.22) and the lowest EUR 2.93 (2.81). The share price increased approximately 39 per cent from the end of 2012. During the reporting period, 12.7 million Pöyry shares were traded on the NASDAQ OMX Helsinki, corresponding to a turnover of approximately EUR 48 million. The average daily trading volume was 50,933 shares or approximately EUR 0.2 million.

On 31 December 2013, the total market value of Pöyry's shares was EUR 240.4 (173.1) million excluding treasury shares held by the company, and EUR 243.2 (175.1) million including treasury shares.

### OWNERSHIP STRUCTURE

During the reporting period, the number of registered shareholders decreased from 7,671 at the end of 2012 to 6,899 at the end of December 2013, representing a decrease of about 10 per cent.

Corbis S.A. continued to be the largest shareholder with 34.20 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 8.96 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 44.46 per cent of the shares.

### FLAGGINGS IN 2013

No flagging notifications were received by the report's date in 2013.

### PÖYRY'S EVOLUTION

Pöyry's new organisational structure was introduced in February 2013 and is based on Strategic Advisory, Global Competence Lines and Regional Operations. In line with this evolution Pöyry is integrating its local activities in Latin and North America and Asia Pacific to the Regional Operations as of January 2014. Corresponding pro forma figures are published as a separate company announcement on 5 February 2014.

The resulting organisational set up serves clients both globally and locally in key home markets. The introduction of Global Competence Lines enables the business to build on the global leadership positions established in the industrial and energy sectors. Pöyry is continuing to develop its large projects competence capabilities and its share in corresponding orders are expected to increase.

The establishment of Regional Operations provides the business with a more focused platform to deliver the large number of small to medium-sized domestic client projects across the full breadth of Pöyry's sectors. The development of comprehensive strategic advisory services continues under the Management Consulting Business Group.

Pöyry progressed according to plan with its structural and administrative process improvement program announced at the end of 2012. The program aims at achieving annualised savings of EUR 40–50 million by the end of 2014. In this context Pöyry introduced centrally managed global support functions and outsourced IT and certain financial processes. By the end of 2017, Pöyry aims to reach net sales amounting to EUR 1,000 million with a corresponding operating profit margin of 8–9%.

## MOST SIGNIFICANT RISKS AND BUSINESS UNCERTAINTIES

The economic uncertainties continue and the risk of recession persists, particularly in European markets. This environment can affect clients' decision making and lead to delays. These circumstances may adversely influence Pöyry's clients' ability to arrange project financing and more generally, slow down overall business activity, hence impacting Pöyry's net sales and profitability.

Pöyry focuses equally on small, medium and large projects. Large projects, which also include Engineering, Procurement and Construction (EPC) projects, may require thorough and lengthy development work and therefore contain uncertainties related to financing, implementation concepts and the exact timing of project start-up – all of which are beyond Pöyry's control. During the project execution phase, further risks may emerge. The company has stringent risk management processes in place by which such risks are identified and mitigated as much as possible at an early stage.

Part of Pöyry's business comes from municipal and other public sector clients. The high level of indebtedness of various economies has led the EU and an increasing number of governments to decide on austerity and cost-reduction measures. This may have a negative effect on infrastructure investments and consequently, could affect the services provided by Pöyry.

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 excessively delayed 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. The receivables have been described in the report of the Board of Directors for 2012. Intensive activities to collect these receivables are ongoing. However, there are considerable political uncertainties in Venezuela and there continues to be uncertainty about the timing and the amount of the payments, which has been reflected in the valuation of the receivables.

The most relevant risks related to Pöyry's business are presented in more detail on the company's website [www.poyry.com](http://www.poyry.com).

## MARKET OUTLOOK 2014

The economic and market outlook for 2014 is cautiously optimistic. At the end of 2013 there was improving global growth both in the manufacturing and service sectors. The leading indicators in December showed an expansion in new order volumes backed by improving employment data. This indicates that the rise in economic activity extends into 2014. Global GDP-growth is also projected to increase slightly.

The sector specific outlook remains mixed. In the graphic paper industry, the decline in structural consumption is set to continue. However, in other forest product industry sectors, the outlook is improving. For energy, and other industrial sectors relevant to Pöyry's businesses, the long-term economic fundamentals remain solid and investment activity is expected to gradually improve. In Europe the growth remains fragile, delaying economic recovery and investment decisions.

## FINANCIAL OUTLOOK FOR 2014

Significant part of Pöyry's businesses is driven by clients' new capital investments, which are mostly late in their economic cycles. Consequently, it is difficult to predict the exact timing of clients' investment decisions and project start-ups. Uncertainty around the general economic outlook prevails, which may impact upon investment activity in business segments that are relevant to Pöyry's operations.

Through its enhanced regional focus, Pöyry is establishing a solid foundation in key domestic markets from which it expects to generate a steady flow of projects and growth in line with prevailing market developments. In parallel, Pöyry is accessing global growth potentials in conjunction with its global competences and special opportunities with selected large projects.

The Group's operating profit in 2014 is expected to increase.

## BOARD OF DIRECTORS' PROPOSAL FOR DISPOSAL OF DISTRIBUTABLE FUNDS

The Group's parent company Pöyry PLC's net profit for 2013 amounted to EUR -11,884,522.26 and retained earnings were EUR 62,442,575.85. The total distributable earnings were EUR 50,558,053.59. Considering the challenging market situation the Board of Directors of Pöyry PLC will propose to the Annual General Meeting on 11 March 2014 that no dividend will be paid for the year 2013.

Vantaa, 4 February 2014

Pöyry PLC

Board of Directors

## Statement of comprehensive income

EUR million	2013	2012
1 <b>Net sales</b>	<b>650.8</b>	775.0
2 Other operating income	<b>+24.1</b>	+2.4
Materials and supplies	<b>-14.1</b>	-47.3
External charges, subconsulting	<b>-86.3</b>	-101.7
3 Personnel expenses	<b>-391.0</b>	-438.4
10,11 Depreciation and impairment	<b>-14.3</b>	-11.8
6 Other operating expenses	<b>-155.3</b>	-197.0
	<b>-661.0</b>	-796.2
<b>Operating profit</b>	<b>13.9</b>	<b>-18.8</b>
7 Financial income	<b>+1.9</b>	+2.3
7 Financial expenses	<b>-6.8</b>	-6.0
7 Exchange rate differences	<b>-0.3</b>	-0.1
	<b>-5.2</b>	-3.8
12 Share of associated companies' results	<b>+0.4</b>	+0.6
<b>Profit before taxes</b>	<b>9.1</b>	<b>-22.0</b>
8 Income taxes	<b>-6.5</b>	-2.2
<b>Net profit for the period</b>	<b>2.6</b>	<b>-24.2</b>
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of net defined benefit pension liability	<b>8.1</b>	-1.7
Impact on deferred taxes	<b>-1.5</b>	
Items that may be reclassified to profit or loss		
Cash flow hedging	<b>+1.1</b>	+0.2
Impact on deferred tax assets	<b>-0.3</b>	-0.1
Translation differences	<b>-6.4</b>	+2.5
<b>Total comprehensive income for the period</b>	<b>3.6</b>	<b>-23.3</b>
Net profit attributable to:		
Equity holders of the parent company	<b>3.6</b>	-25.1
Non-controlling interest	<b>-1.0</b>	0.9
Total comprehensive income attributable to:		
Equity holders of the parent company	<b>4.6</b>	-24.2
Non-controlling interest	<b>-1.0</b>	0.9
9 Earnings/share, EUR	<b>0.06</b>	-0.43
Corrected with dilution effect	<b>0.06</b>	-0.43

## Statement of cash flows

EUR million	2013	2012
<b>From operating activities</b>		
Net profit for the period	<b>+2.6</b>	-24.2
Expenses from share-based incentive programmes	<b>+0.3</b>	+0.7
Depreciation and impairment	<b>+16.3</b>	+11.8
Gain on sale of shares and fixed assets	<b>-14.6</b>	-1.7
Adjustment to unpaid liability for acquired shares	<b>-9.0</b>	0.0
Loss on sale of shares and fixed assets	<b>+0.5</b>	+9.2
Financial income and expenses	<b>+5.2</b>	+3.1
Income taxes	<b>+6.5</b>	+2.2
Change in work in progress	<b>+6.8</b>	+15.0
Change in accounts and other receivables	<b>+17.3</b>	+22.4
Change in project advances received	<b>-19.1</b>	-5.4
Change in payables and other liabilities	<b>-4.5</b>	-30.1
Received financial income	<b>+1.6</b>	+1.6
Paid financial expenses	<b>-7.1</b>	-4.8
Paid income taxes	<b>-3.8</b>	-7.2
<b>Total from operating activities</b>	<b>-1.0</b>	<b>-7.5</b>
<b>Capital expenditure</b>		
Investments in shares in subsidiaries deducted with cash acquired <sup>1)</sup>	<b>0.0</b>	+0.3
Investments in fixed assets	<b>-5.9</b>	-7.2
Sale of shares in subsidiaries deducted with cash decrease <sup>1)</sup>	<b>-0.1</b>	+0.5
Sale of real estates	<b>+58.3</b>	0.0
Sale of other fixed assets	<b>0.0</b>	+0.2
<b>Capital expenditure total, net</b>	<b>+52.3</b>	<b>-6.2</b>
<b>Net cash before financing</b>	<b>+51.3</b>	<b>-13.7</b>
<b>Financing</b>		
New loans	<b>+46.6</b>	+32.7
Repayments of loans	<b>-102.2</b>	-41.0
Change in current financing	<b>+3.1</b>	+37.6
Received dividends	<b>+1.8</b>	+0.7
Paid dividends	<b>-0.8</b>	-12.6
<b>Net cash from financing</b>	<b>-51.5</b>	<b>+17.4</b>
<b>Change in cash and cash equivalents and in other liquid assets</b>	<b>-0.2</b>	<b>+3.8</b>
Cash and cash equivalents and other liquid assets 1 January	<b>83.0</b>	79.0
Reclassification of subsidiary company to associated company	<b>-3.7</b>	0.0
Impact of translation differences in exchange rates	<b>-6.7</b>	+0.2
<b>Cash and cash equivalents and other liquid assets, 31 December</b>	<b>72.4</b>	<b>83.0</b>
Financial assets at fair value through profit and loss	<b>0.2</b>	0.1
Cash and cash equivalents	<b>72.2</b>	82.9
<b>Cash and cash equivalents and other liquid assets, 31 December</b>	<b>72.4</b>	<b>83.0</b>

<sup>1)</sup> The breakdown of cash flows is included in note Disposals.

## Statement of financial position

EUR million	2013	2012
<b>Assets</b>		
<b>Non-current assets</b>		
10 Goodwill	<b>127.4</b>	131.4
10 Intangible assets	<b>2.4</b>	9.3
11 Tangible assets	<b>13.3</b>	60.6
12 Shares in associated companies	<b>8.1</b>	6.0
12 Other shares	<b>2.0</b>	2.1
12 Loans receivable	<b>0.3</b>	0.5
8 Deferred tax receivables	<b>16.4</b>	19.0
19 Pension receivables	<b>0.2</b>	0.2
13 Other	<b>5.7</b>	6.0
	<b>175.8</b>	235.0
<b>Current assets</b>		
14 Work in progress	<b>84.8</b>	92.6
14,16 Accounts receivable	<b>124.6</b>	145.1
14 Loans receivable	<b>0.3</b>	0.1
14 Other receivables	<b>9.1</b>	9.9
15 Prepaid expenses and accrued income	<b>14.5</b>	15.4
14 Financial assets at fair value through profit and loss	<b>0.2</b>	0.1
14 Cash and cash equivalents	<b>72.2</b>	82.9
	<b>305.7</b>	346.1
<b>Total</b>	<b>481.5</b>	<b>581.1</b>

EUR million	2013	2012
<b>Equity and liabilities</b>		
<b>Equity</b>		
Equity attributable to the equity holders of the parent company		
17 Share capital	<b>14.6</b>	14.6
17 Legal reserve	<b>3.5</b>	3.5
17 Invested free equity reserve	<b>60.1</b>	60.1
17 Fair value reserve	<b>0.0</b>	-0.8
Translation differences	<b>-13.2</b>	-6.7
Retained earnings	<b>64.6</b>	54.2
	<b>129.6</b>	124.9
Non-controlling interest	<b>2.9</b>	7.4
	<b>132.5</b>	132.3
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
18 Interest bearing non-current liabilities	<b>56.4</b>	84.0
19 Pension obligations	<b>23.9</b>	33.6
8 Deferred tax liability	<b>0.2</b>	1.5
Other non-current liabilities	<b>2.1</b>	11.9
	<b>82.6</b>	131.0
<b>Current liabilities</b>		
Amortisations of interest bearing non-current liabilities	<b>9.3</b>	40.1
18,21 Commercial papers	<b>40.6</b>	37.7
18,21 Interest bearing current liabilities	<b>0.6</b>	0.3
20 Provisions	<b>15.7</b>	16.9
21 Project advances	<b>71.6</b>	90.8
21 Accounts payable	<b>27.4</b>	24.1
21 Other current liabilities	<b>27.9</b>	31.0
21 Current tax payable	<b>4.6</b>	2.8
22 Accrued expenses and deferred income	<b>68.7</b>	74.0
	<b>266.4</b>	317.8
	<b>349.0</b>	448.8
<b>Total</b>	<b>481.5</b>	<b>581.1</b>

## Statement of changes in equity

EUR million	Share capital	Legal reserve	Invested free equity reserve	Fair value reserve	Translation differences	Retained earnings	Total	Non-controlling interest	Total equity
Equity 1 Jan. 2013	14.6	3.5	60.1	-0.8	-6.7	54.2	124.9	7.4	132.3
Comprehensive income									
Comprehensive income for the period				0.8	-6.4	10.2	4.6	-1.0	3.6
Reclassification of subsidiary company to associated company								-2.7	-2.7
Comprehensive income for the period total				0.8	-6.4	10.2	4.6	-3.7	0.9
Contributions by and distributions to owners of the parent, recognised directly in equity									
Payment of dividend						0.0	0.0	-0.8	-0.8
Expenses from share-based incentive programmes						0.2	0.2		0.2
Total contributions by and distributions to owners of the parent, recognised directly in equity						0.2	0.2	-0.8	-0.6
<b>Equity 31 Dec. 2013</b>	<b>14.6</b>	<b>3.5</b>	<b>60.1</b>	<b>0.0</b>	<b>-13.2</b>	<b>64.6</b>	<b>129.6</b>	<b>2.9</b>	<b>132.5</b>
Equity 1 Jan. 2012	14.6	3.4	60.1	-0.9	-9.1	92.1	160.2	7.2	167.4
Comprehensive income									
Comprehensive income for the period		0.1		0.1	2.4	-26.3	-23.7	0.9	-22.8
Comprehensive income for the period total		0.1		0.1	2.4	-26.3	-23.7	0.9	-22.8
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
<b>Equity 31 Dec. 2012</b>	<b>14.6</b>	<b>3.5</b>	<b>60.1</b>	<b>-0.8</b>	<b>-6.7</b>	<b>54.2</b>	<b>124.9</b>	<b>7.4</b>	<b>132.3</b>



# 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, Regional Operations, and Management Consulting.

A copy of the consolidated financial statements can be obtained either from the web site ([www.poyry.com](http://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 4 February 2014 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 2013. 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 2013 the following standards, their amendments and interpretations that have come into effect. Especially IAS 19 has significant impact on the consolidated financial statements for the financial year 2013.

- Amendment to IAS 19 "Employee Benefits" was revised in June 2011. The changes on the group's accounting policies has been to immediately recognize the actuarial gains and losses i.e. the corridor method is abandoned and to calculate net interest cost by applying the discount rate to the net defined benefit liability.
- Amendments to IAS 1 "Presentation of Financial Statements" require 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" build on existing principles by identifying the concept of control as the determining factor when deciding whether an entity should be incorporated within the consolidated financial statements. The standard also provides additional guidance to assist in the determination of control where this is difficult to assess.
- IFRS 11 "Joint Arrangements" 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" 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" establishes a single source for all fair value measurements and disclosure requirements for use across IFRSs. The new standard also provides a precise definition of fair value. IFRS 13 does not extend the use of fair value accounting, but it provides guidance on how to measure fair value under IFRSs when fair value is required or permitted.
- Amendments to "IFRS 7 Financial Instruments: Disclosures" requires the presentation of information that will allow evaluation of the effects of netting arrangements on the entity's financial position.

### 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 attributable to the owners of the parent company. 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.

### 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 and

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 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.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognised immediately in profit and loss.

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.

#### *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 calendar 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 on 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 is 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 derivatives are included in the operating profit if arisen from the items related to business, otherwise recorded in financial items.

##### **Income taxes**

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

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

Deferred tax assets and liabilities are provided in the consolidated financial statements generally for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The main temporary differences arise from tax losses carried forward and defined benefit plans. Deferred taxes are not provided for impairment of goodwill, which is not deductible for tax purposes, or for undistributed profits of subsidiaries to the extent that it is 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 reconsidered in preparing the Group's opening IFRS balance sheet.

Goodwill is stated in the balance sheet at cost less any impairment losses. Goodwill together with other intangible assets with indefinite useful lives is not amortised but is tested for impairment annually or when there

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

### Items recognised separately from goodwill

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

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

- ongoing work-in-progress, if the profitability of the separate projects is higher than what is reasonable for the completion effort based on profit for similar projects. Separately recognised work-in-progress items are written off over the duration of the projects.
- order backlog, i.e. orders received when work has not started and outstanding proposals and prospects weighted with the likelihood of realisation. The amounts recognised separately for order backlog, representing estimated sales and marketing expense savings, are written off after starting the work on the received assignment.
- 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, computer 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, 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. 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 part of the forward contracts hedging sales and purchases denominated in foreign currencies as the hedge relates to a binding sale agreement that is 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 differential between the currencies is recognised in the fair value reserve in equity. The accrued interests and exchange rate differences are recognised in income statement in the same period in which the hedged item affects the income statement.

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

At the end of 2013 the Group did not have any such derivatives for which cash flow hedge accounting is applied.

### *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.

IFRS 9 "Financial Instrument" and subsequent amendments are published in three steps and to replace the current IAS 39 Financial Instruments: Recognition and Measurement. Based on measurement, financial assets are classified into two main groups: financial assets at amortised cost and financial assets at fair value. The determination is made at initial recognition. 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. IFRS 9 hedge accounting allows flexibility in how an economic relationship is demonstrated and for qualifying hedges actual hedge ineffectiveness will be reported.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.



## RESTATEd FINANCIAL STATEMENTS 2012

EUR million	2012
<b>Statement of comprehensive income</b>	
Operating profit, reported	-17.9
Adjustments:	
Share of associated companies result transferred to financial items	-0.6
Other operating income /expense transferred to financial income	-0.7
Pension expenses due to change in IAS 19	-1.2
Interest part transferred to financial expenses	1.6
<b>Operating profit, restated</b>	<b>-18.8</b>
Profit before taxes, reported	-20.8
Adjusted pension expenses due to change in IAS 19	-1.2
<b>Profit before taxes, restated</b>	<b>-22.0</b>
Net profit, reported	-23.0
Adjusted pension expenses due to change in IAS 19	-1.2
<b>Net profit, restated</b>	<b>-24.2</b>
Total comprehensive income, reported	-20.4
Adjusted pension expenses due to change in IAS 19	-1.2
Remeasurements of net defined benefit pension liability	-1.7
<b>Total comprehensive income, restated</b>	<b>-23.3</b>
<b>Statement of financial position, 31 Dec. 2012</b>	
Deferred tax receivables, reported	13.5
Increase based on pension obligations, IAS 19	5.5
<b>Deferred tax receivables, restated</b>	<b>19.0</b>
Pension receivables, non-current and current, reported	3.1
Decrease based on pension obligations, IAS 19	-3.0
<b>Pension receivables, non-current and current, restated</b>	<b>0.1</b>
Total assets, reported	578.6
Total adjustments due to changes in IAS 19	2.5
<b>Total assets, restated</b>	<b>581.1</b>
Retained earnings, reported	76.2
Decrease based on pension obligations, IAS 19	-22.0
<b>Retained earnings, restated</b>	<b>54.2</b>
Pension obligations, reported	9.1
Increase based on pension obligations, IAS 19	24.5
<b>Pension obligations, restated</b>	<b>33.6</b>
Total equity and liabilities, reported	578.6
Total adjustments due to changes in IAS 19	2.5
<b>Total equity and liabilities, restated</b>	<b>581.1</b>

## SEGMENT INFORMATION

**Operating segments**

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

*Energy*

The Energy business group provides technical consulting, engineering, supervision and project management services within the areas of hydro power, thermal power, nuclear power, renewables and transmission & distribution. We help clients to effectively manage their assets throughout the entire business life-cycle underpinned by in-depth sector knowledge. We deliver both new build and rehabilitation projects, as well as services relating to existing assets.

*Industry*

The Industry business group provides technical consulting, engineering, project management and implementation services to clients in the areas of process industries and across the entire investment life-cycle. 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.

*Regional Operations*

Regional Operations business line provides clients with a broad range of services covering engineering and technical advisory, delivered across the energy, industry, transportation, real estate and water sectors. Our local office network is located within easy reach of client's operations, underpinned by global competence.

*Management Consulting*

Management Consulting 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.

*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 charges intra-group royalties and service fees.

*Reporting*

The operating 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.

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

EUR million	Net sales		Operating profit		Operating profit %		Order stock	
	2013	2012	2013	2012	2013	2012	2013	2012
Energy	179.5	217.4	0.6	4.4	0.3	2.0	209.7	223.7
Industry	111.7	146.6	3.7	-0.1	3.3	-0.1	42.6	54.4
Regional Operations	288.4	333.5	4.0	4.1	1.4	1.2	230.6	251.5
Management Consulting	70.9	79.3	2.7	-0.1	3.7	-0.1	17.1	18.3
Unallocated	0.3	-1.9	2.9	-27.1				
	650.8	775.0	13.9	-18.8	2.1	-2.4	500.0	547.7

EUR million	Capital expenditure		Depreciation and impairment		Personnel average		Personnel year-end	
	2013	2012	2013	2012	2013	2012	2013	2012
Energy	0.6	1.7	1.4	1.7	1,501	1,793	1,445	1,713
Industry	0.1	1.3	0.3	1.0	973	1,186	937	1,150
Regional Operations	1.0	1.8	2.8	3.4	2,726	3,099	2,670	2,825
Management Consulting	0.1	0.8	0.7	1.1	463	524	431	539
Real estate	1.2		1.6	2.1				
Unallocated	2.9	1.6	7.4	2.5	226	93	221	96
	5.9	7.2	14.3	11.8	5,889	6,695	5,704	6,323

## Net sales and personnel by area

EUR million	Net sales		Personnel year-end	
	2013	2012	2013	2012
The Nordic countries <sup>*)</sup>	230.3	244.1	2,376	2,532
Other Europe	229.2	281.9	1,999	2,219
Asia	57.0	57.1	546	565
North America	21.9	30.8	148	231
South America	100.3	144.2	618	753
Other	12.1	16.9	17	23
	650.8	775.0	5,704	6,323
<sup>*)</sup> of which Finland	158.4	158.7		

## ACQUISITIONS

No acquisitions in 2012 and 2013.

## DISPOSALS

In November 2013 Pöyry sold its Vantaa office real estate and 50 per cent of the shares in Martinparkki Oy. In addition, Pöyry sold in 2013 two companies which are not material. The combined annual net sales of the sold units are approximately EUR 2 million.

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.

EUR million	2013	2012
<b>Net assets and liabilities in divested units</b>		
Tangible assets	0.0	0.4
Intangible assets	0.0	0.4
Real estate	44.5	0.0
Goodwill	0.0	2.1
Deferred tax receivables	0.0	0.2
Work in progress	0.0	7.8
Accounts receivable	0.1	11.1
Other receivables	0.0	2.8
Cash and cash equivalents	0.1	1.0
<b>Assets total</b>	<b>44.8</b>	<b>25.8</b>

EUR million	2013	2012
Pension obligations	0.0	0.9
Project advances received	0.0	4.7
Accounts payable	0.0	1.9
Other current liabilities	0.1	7.8
<b>Liabilities total</b>	<b>0.1</b>	<b>15.3</b>
<b>Net assets and liabilities in divested units, total</b>	<b>44.7</b>	<b>10.5</b>
Non-controlling interest	0.0	0.0
Exchange rate differences	0.0	0.0
Gain on sale	13.8	1.6
Liabilities related to sale	0.0	0.6
Loss on sale	-0.1	-9.2
<b>Consideration received</b>	<b>58.3</b>	<b>3.5</b>
Consideration received	58.3	3.5
Accounts receivable	0.0	2.0
Liabilities related to sale	0.0	0.6
Cash and cash equivalents in sold entities	-0.1	-1.0
<b>Net cash inflow</b>	<b>58.2</b>	<b>0.5</b>

NOTES TO THE FINANCIAL STATEMENTS

1. Net sales

EUR million	2013	2012
Net sales	650.8	775.0
Net sales by operating segments are presented on the Operating Segment information pages.		
Net sales from project contracts recognised on the percentage-of-completion method	494.2	561.3
Net sales from reimbursable projects	156.6	213.7
The aggregate amount of project contracts cost incurred and recognised profits less losses to date		
	826.1	871.3
Net sales from percentage-of-completion projects included in current assets	84.8	92.6
Project advances recognised on the percentage-of-completion method	71.6	90.8
Accrued expenses and deferred income from percentage-of-completion projects	7.7	10.5
Expenses included in provisions from percentage-of-completion projects	8.6	4.4

2. Other operating income

EUR million	2013	2012
Rent income	0.5	0.7
Gain on sales of shares	0.0	1.6
Gain on sales of fixed assets	14.6	0.1
Adjustment of unpaid purchase price	9.0	0.0
	24.1	2.4

3. Personnel expenses

EUR million	2013	2012
Wages and salaries	312.3	349.0
Bonuses	3.7	5.0
Expenses from share-based incentive programmes	0.3	0.7
Pension expenses, contribution plans	41.5	50.9
Pension expenses, defined benefit plans	1.7	2.1
Other social expenses	31.5	30.6
	391.0	438.3

Fees paid to the members of the Board of Directors (EUR 1,000)

Henrik Ehrnrooth, Chairman	80	79
Heikki Lehtonen, Vice Chairman	85	84
Pekka Ala-Pietilä	60	59
Georg Ehrnrooth	60	59
Alexis Fries	60	72
Michael Obermayer	80	65
Karen de Segundo	80	79
	505	498

Salaries and bonuses to the President and CEO (EUR 1,000)

Alexis Fries 1 Jan.–31 Dec. 2013 and 1 Sept.–31 Dec. 2012		
Salary and bonus	989	337
Share-based bonuses	183	44
Fringe benefits	54	8
Heikki Malinen, 1 Jan.–12 June 2012		
Salary and bonus		252
Share-based bonuses		0
Fringe benefits		20
Henrik Ehrnrooth 13 June–31 Aug. 2012		
Salary and bonus		124
Share-based bonuses		0
Fringe benefits		0

	2013	2012
<b>Salaries and bonuses to the other members of the Group Executive Committee (EUR 1,000)</b>		
Salaries and bonuses	3,615	2,345
Share-based bonuses	0	0
Fringe benefits	268	178

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 2013–2015	Earning period 2012–2014	Earning period 2011–2013	Earning period 2010	Earning period 2009	Earning period 2008
Grant dates	31 May 2013	15 Nov. 2012	15 April 2011	15 March 2010/ 7 Sept. 2010/ 25 Oct. 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	Shares and cash
Target group	Key personnel	Key personnel	Key personnel	Key personnel	Key personnel	Key personnel
Maximum number of shares <sup>1)</sup>	600,000	975,000	975,000	1,036,450	800,000	540,000
Beginning of earning period	1 Jan. 2013	1 Jan. 2012	1 Jan. 2011	1 Jan. 2010	1 Jan. 2009	1 Jan. 2008
End of earning period	31 Dec. 2015	31 Dec. 2014	31 Dec. 2013	31 Dec. 2010	31 Dec. 2009	31 Dec. 2008
End of restriction period	30 April 2016	30 April 2015	30 April 2014	1 Jan. 2013	1 Jan. 2012	1 Jan. 2011
Vesting conditions	EPS Working commitment	Net sales and EPS Working commitment	Net sales and EPS Working commitment	Net sales and EPS Working commitment	Net sales and EPS Working commitment	Net sales and EPS Working commitment
Maximum contractual life, years	2.9	2.5	3.0	2.8	2.8	2.9
Remaining contractual life, years	2.3	0.0	0.3	0.0	0.0	0.0
Number of persons 31 Dec.	55	0	222	0	0	0

<sup>1)</sup> 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 2013

	Earning period 2013–2015	Earning period 2012–2014	Earning period 2011–2013	Total 2011–2015	Earning period 2010	Earning period 2009–2008
Gross amounts 1 January 2013						
Share rewards, outstanding at the beginning of the period	0	398,600	658,000	1,056,600	253,320	0
<b>Changes during the financial year</b>						
Granted	567,000	0	0	567,000	0	0
Forfeited	0	49,800	22,400	72,200	28,420	0
Exercised	0	0	0	0	0	0
Expired	0	0	0	0	224,900	0
<b>Gross amounts 31 December 2013</b>						
Share rewards, outstanding at the end of the period	567,000	0	635,600	1,202,600	0	0
Share rewards, exercisable at the end of the period	567,000	0	635,600	1,202,600	0	0
Remaining contractual life, weighted average, years	2.3	0.0	0.3		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 2013.

Inputs to fair value measurement, EUR	Earning period					
	2013–2015	2012–2014	2011–2013	2010	2009	2008
Share price at the grant date	4.21	2.99	10.74	10.10	9.75	15.24
Assumed annual dividend	0.08	0.13	0.38	0.10	0.65	0.65
Fair value per share accounted for as equity-settled reward	3.96	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	4.07		4.07	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
Expense recognised for the period from share-based payments	1,725	751	973	0
Expense accounted for as equity-settled share-based payment	891	482	409	0
Value of liability for cash-settled share-based payments at the end of period	834	269	564	0
	2012 Total	Granted 2012	Granted 2011	Granted 2010
Expense recognised for the period from share-based payments	661	1	-175	835
Expense accounted for as equity-settled share-based payment	289	0	-40	329
Value of liability for cash-settled share-based payments at the end of period	371	0	-135	506

	2013 Total	Granted 2013	Granted 2012	Granted 2011	Granted 2011	Granted 2011
Expense recognised for the period from share-based payments	864	0	5	283	-175	751
Expense accounted for as equity-settled share-based payment	607	0	2	163	-40	482
Value of liability for cash-settled share-based payments at the end of period	257	0	3	120	-135	269

### 6. Other operating expenses

EUR million	2013	2012
Other project expenses	44.5	50.1
Impairment loss on accounts receivable and work in progress	0.8	11.7
Other operative expenses	48.0	37.4
Office facilities	27.2	30.1
Loss on sale of shares	0.0	9.2
Other fixed expenses	34.8	58.5
	155.3	197.0

### Auditing fees included in fixed expenses

	2013	2012
Statutory auditing		
Group auditor	0.8	0.8
Other	0.1	0.1
Tax advisory		
Group auditor	0.3	0.4
Other	0.2	0.3
Other services		
Group auditor	0.0	0.1
Other	0.0	0.1

### 7. Financial income and expenses

EUR million	2013	2012
Dividend income from available-for-sale financial assets	0.2	0.7
Interest income from other financial assets <sup>1)</sup>	0.7	1.4
Interest income from loans and other receivables	0.8	0.1
Financial income from derivatives	0.1	0.0
Other financial income	0.1	0.2
	1.7	1.6
Interest expenses from loans	-3.0	-2.0
Other interest expenses	-0.1	0.0
Change in the fair value of financial assets	0.0	0.0
Cash flow hedges, transfer from equity	-0.8	-0.9
Financial expenses from derivatives	-0.7	0.0
Change in value of derivatives outside hedge accounting	0.0	-0.3
Defined benefit liability, interest expenses, net	-0.7	-1.7
Other financial expenses <sup>2)</sup>	-1.6	-1.2
	-6.8	-6.0
Exchange rate gains <sup>3)</sup>	5.7	3.6
Exchange rate losses <sup>3)</sup>	-6.0	-3.7
	-0.3	-0.1
	-5.2	-3.8

<sup>1)</sup> Interest income from other financial assets consists mainly of interest earned on short term bank deposits.

<sup>2)</sup> Other financial expenses is mainly explained by fees occurred during the year of 2013 which concern restructuring of the Group's loan portfolio.

<sup>3)</sup> Difference compared to last year is caused mainly by starting the centralized foreign exchange rate risk hedging during 2013.

The Group hedges the project cash flows denominated in foreign currency by using foreign exchange forward contracts. Exchange rate gains or losses arisen from these forward contracts are recorded in sales and project expenses, and not in financial income and expenses except for the forward points.

The parent company conducts the Group's financing and grants loans to subsidiaries if considered necessary. These loans are mainly granted in the currency of the subsidiary, and the subsidiaries lend their excess of cash to the parent company in their home currency. The subsidiaries hedge their commercial foreign currency exposures by doing internal forward deals with the parent company, which hedges the net exposure externally.

## 8. Income taxes

EUR million	2013	2012
Taxes for the fiscal year	5.9	6.1
Taxes for previous years	0.8	-0.8
Deferred taxes	-0.2	-3.1
	6.5	2.2

Reconciliation of current income taxes		
Profit before taxes	9.1	-22.0
Correction due to IAS 19		0.3
Income tax at Finnish tax rate 24.5%	2.2	-5.4
Effect of different tax rates outside Finland	-0.6	0.3
Non-deductible expenses and tax exempt income	0.5	3.7
Losses for which no deferred tax benefits are recognized, tax effect	3.9	2.4
Used confirmed tax losses from previous years, tax effect	-1.2	-0.2
Dissolved used confirmed tax losses from previous years	1.2	1.9
Taxes for previous years	0.8	-0.8
Other	-0.3	0.1
	6.5	2.2

## 10. Intangible assets

EUR million	Goodwill	Intangible rights <sup>1)</sup>	Other intangible assets	Total
Acquisition value 1 Jan. 2013	131.4	8.9	21.1	30.0
Exchange differences	-4.0	-0.2	-0.6	-0.8
Increase			0.6	0.6
Decrease			0.6	0.6
Acquisition value 31 Dec. 2013	127.4	8.7	21.7	30.4
Accumulated depreciation and value decrease 1 Jan. 2013		2.8	17.9	20.7
Exchange differences			-0.5	-0.5
Accumulated depreciation of decrease			0.6	0.6
Depreciation for the period		0.1	1.4	1.5
Impairment		5.8 <sup>1)</sup>		5.8
Accumulated depreciation and value decrease 31 Dec. 2013		8.7	19.3	28.1
<b>Book value 31 Dec. 2013</b>	<b>127.4</b>	<b>0.0</b>	<b>2.4</b>	<b>2.4</b>
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 <sup>2)</sup>	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

Increase and decrease in goodwill and intangible rights

<sup>1)</sup> Purchase price from acquisitions allocated to intangible rights which are subject to annual impairment test. In impairment test the fair value of client relationship is compared with book value. The fair value of client relationships is calculated considering the development of client relationship during the accounting period and estimated future development of the client relationships. In 2013 an impairment of EUR 5.8 million was recognised related to the value of client relationships.

<sup>2)</sup> The decrease EUR 2.1 million in goodwill 2012 includes the share of divested companies in goodwill.

EUR million	2013	2012
<b>Deferred tax receivables</b>		
Tax losses carry forward	10.4	10.4
Tax receivables from pension obligations	4.9	6.3
Other temporary differences	1.1	2.3
	16.4	19.0
<b>Deferred tax liabilities</b>		
Tax liabilities from pension receivables	0.0	0.6
Other temporary differences	0.2	0.9
	0.2	1.5

Deferred tax assets from losses of EUR 42.1 (37.5) 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

	2013	2012
Net profit for the period attributable to the equity holders of the parent company	3.6	-25.1
Weighted average number of outstanding shares, 1,000	59,076	59,017
Diluted amount, 1,000	59,076	59,017
Earnings per share, EUR <sup>1)</sup>	0.06	-0.43
Diluted	0.06	-0.43

<sup>1)</sup> Calculation rule page 43.

### 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. Impairment testing has been made according to the business structure at the time of impairment testing.

2013

Main assumptions	Energy	Industry	Regional Operations	Management Consulting
Beta	1.012	1.231	1.095	1.324
WACC, %, Pre-tax	9.86	16.99	10.50	11.64
WACC, %, Post-tax	7.14	12.12	7.45	8.31
Perpetuity growth rates, %	2.00	2.00	2.00	2.00
Average change in operating profit percentage	Improvement	Improvement	Improvement	Improvement
Goodwill 31 Dec. 2013	41.1	9.7	44.1	32.5
Book value 31 Dec. 2013	76.8	13.8	63.8	56.8
Value in use 31 Dec. 2013	173.3	94.8	143.2	69.8
Break even analysis, the book value and the value in use are the same				
Beta	3.69	12.70	2.85	1.70
WACC, %, Post-tax	17.24	55.36	14.05	9.74
Decrease in operating profit from 2014 >, %	-67.1	-76.0	-53.2	-18.7

The WACC % for Industry operating segment is a weighted average of geographic area specific WACC's which strongly differ from each other in Industry operating segment.

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

### Result of goodwill impairment testing

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

Impairment testing result shows that the "value in use" for the Energy, Industry and Regional Operations operating segments exceeds significantly the book value. The "value in use" for Management Consulting operating segment exceeds the book value. In 2012 the "value in use" for all operating segments exceeded significantly the book value.

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 2014 have been reduced with 50 per cent in comparison with the ordinary testing levels.

In the sensitivity analysis the impairment testing result shows that the "value in use" for the Industry operating segment exceeds significantly the book value. In the Energy and Regional Operations operating segments the "value in use" exceeds the book value. The "value in use" for Management Consulting operating segment is below the book value.

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

In the sensitivity analysis the impairment testing result shows that the "value in use" for the Industry operating segment exceeds significantly the book value. In the Energy and Regional Operations operating segments the "value in use" exceeds the book value. The "value in use" for Management Consulting operating segment is below the book value.

## 11. Tangible assets

EUR million	Land areas	Buildings and structures	Machinery and equipment	Other tangible assets	Total
Acquisition value 1 Jan. 2013	6.5	42.4	62.0	12.1	123.2
Exchange differences		-0.1	-1.9	-0.5	-2.5
Increase		0.1	3.5	1.7	5.3
Decrease	6.4	38.9	0.4	0.5	46.3
Acquisition value 31 Dec. 2013	0.1	3.6	63.3	12.8	79.7
Accumulated depreciation 1 Jan. 2013		3.4	51.4	7.8	62.6
Exchange differences			-1.5	-0.3	-1.8
Accumulated depreciation of decrease		2.1	1.1	0.2	1.3
Depreciation for the period		1.6	4.0	1.4	6.9
Accumulated depreciation 31 Dec. 2013		2.9	52.7	8.7	66.4
<b>Book value 31 Dec. 2013</b>	<b>0.1</b>	<b>0.7</b>	<b>10.6</b>	<b>4.1</b>	<b>13.3</b>
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
The tangible assets include assets acquired through finance lease.					
2013			0.7		0.7
2012			0.6		0.6

## 12. Non-current investments

	Shares, associated companies	Shares, other companies	Loans receivable, associated companies	Loans receivable, other	Total
Acquisition value 1 Jan. 2013	1.9	2.1	0.1	0.5	4.5
Exchange differences	-0.2				-0.2
Transfer from group company shares	1.3				1.3
Decrease		0.1		0.2	0.3
Accumulated influence on the earnings	3.0				3.0
Transfer from group company shares	1.7				1.7
Share of the profit for the period	0.4				0.4
<b>Book value 31 Dec. 2013</b>	<b>8.1</b>	<b>2.0</b>	<b>0.1</b>	<b>0.3</b>	<b>10.5</b>
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

## Available-for-sale financial assets

Other shares, EUR 2.0 (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	2013	50.0	0.2	21.2	4.5	24.6
	2012			19.1	3.7	21.5
Heymo Ingenieria S.A., Spain	2013	60.0	1.3	4.2	0.6	6.7
	2012			8.0	1.3	10.1
Emerging Power Partners Oy, Finland	2013	45.9	0.0	0.2	0.1	0.2
	2012			0.2	0.1	0.2
ERL Management S.A., Switzerland	2012 <sup>1)</sup>	49.0	1.6	375.3	371.6	0.0
	2011			328.7	324.7	0.0
Kiinteistö Oy Manuntori, Finland		34.2	0.1			
Total			3.2			

	Accumulated influence	Share of profits	
		2013	2012
Influence on the earnings and book values	4.9	0.4	0.6
Associated companies total	8.1		

<sup>1)</sup> The Financial Statements for ERL Management S.A. will be ready after Pöyry closing and therefore the reported figures are from the years 2012 and 2011.

### 13. Other non-current receivables

EUR million	2013	2012
Accounts receivable	3.5	2.7
Security deposits	0.5	0.8
Other receivables	1.5	2.2
Prepaid expenses and accrued income	0.1	0.3
	5.7	6.0

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

### 14. Current assets

EUR million	2013	2012
Work in progress	84.8	92.6
Accounts receivable	124.6	145.1
Loans receivable	0.3	0.1
Other receivables	9.1	9.9
Prepaid expenses and accrued income	14.5	15.4
Receivables, external	148.6	170.5
Accounts receivable	0.0	0.0
Receivables from associated companies	0.0	0.0
Financial assets at fair value through profit and loss	0.2	0.1
Cash in hand and at banks	72.2	82.9
Cash and cash equivalents	72.2	82.9
	305.7	346.1

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	2013	2012
Non-current	0.1	0.3
Current	14.6	15.4
	14.7	15.7
Interest expenses	0.0	0.0
Social expenses	0.8	1.3
Rents	2.0	1.6
Income taxes	2.9	4.3
Fair value of derivative instruments	1.5	0.0
Other	7.5	8.5
	14.7	15.7

### 16. Accounts receivable

EUR million	2013	2012
Non-current	3.5	2.7
Current <sup>1)</sup>	124.6	145.1
	128.1	147.8
Accounts receivable, gross	150.4	171.5
Allowance for impairment 1 Jan.	-23.6	-8.2
Exchange differences	0.5	0.0
Change	0.8	-15.4
Allowance for impairment 31 Dec.	-22.4	-23.6
Accounts receivable, net	128.1	147.8
Impairment losses +/-reversal -		
Change in allowance for impairment	-0.8	15.4
Impairment loss recognized, direct recorded	1.9	1.4
Transfers from previous years	0.0	-5.4
	1.1	11.4

	Accounts receivable gross	Allowance for impairment	Accounts receivable net
2013			
Not past due	70.0	0.0	70.0
Past due under 61 days	23.0	0.2	22.8
Past due 61–180 days	7.4	0.1	7.3
Past due 181–360 days	4.2	0.7	3.5
Past over 360 days	45.8 <sup>1)</sup>	21.4	24.5
	150.4	22.4	128.1

	Accounts receivable gross	Allowance for impairment	Accounts receivable net
2012			
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 <sup>1)</sup>	19.8	30.6
	171.5	23.6	147.8

<sup>1)</sup> The accounts receivable include receivables, which relate to certain public sector infrastructure projects in Venezuela, where the client is a public authority. The client has certified the debt in full and is arranging financing for the payment of the said receivables. Pöyry continues to pursue intensive collection efforts with the concerned government authorities. As a result of these efforts the first portion of the receivables have been settled by the client, although an important amount remains pending. While the outstanding receivables are undisputed, uncertainty remains about the exact payment schedules. This fact is reflected in the current valuation estimated to approximately estimated to EUR 15.8 million following the impairment made in 2012.

## 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. 2013	59.8	14.6	3.5	60.1	78.2
Translation difference					
<b>31 Dec. 2013</b>	<b>59.8</b>	<b>14.6</b>	<b>3.5</b>	<b>60.1</b>	<b>78.2</b>
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

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. 2013 683,155 (31 Dec. 2012 698,155) 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		≤ 6 months	7–12 months				
31 Dec. 2013	Total	2014	2014	2015	2016	2017	2018
Loans from credit institutions including interest	60.1	4.7	3.7	32.9	6.4	6.3	6.1
Commercial papers	40.6	28.2	12.3				
Pension loans including interest	8.2	1.1	1.0	2.1	2.1	2.0	
Used credit facilities including interest	0.2		0.2				
Finance lease liabilities including interest	0.7	0.2	0.2	0.2	0.1	0.1	
Of which financial liabilities <sup>1)</sup>	106.9	33.5	16.9	34.3	8.1	8.1	6.0
and interest <sup>1)</sup>	2.9	0.6	0.6	0.9	0.5	0.3	0.1
Accounts payable	27.4	27.4					
Forward contracts, cash out	82.1	82.1					
Forward contracts, cash in	-83.0	-83.0					
Interest rate swaps <sup>2)</sup>	0.0	0.0					
Derivatives total	-0.9	-0.9					
<b>Total</b>	<b>136.3</b>	<b>60.7</b>	<b>17.5</b>	<b>35.2</b>	<b>8.6</b>	<b>8.4</b>	<b>6.1</b>

		≤ 6 months	7–12 months				
31 Dec. 2012		2013	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 <sup>1)</sup>	162.1	31.8	49.2	4.5	17.7	57.0	2.0
and interest <sup>1)</sup>	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 <sup>2)</sup>	-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

<sup>1)</sup> Figures are non-discounted and include both repayments of the loan capital and interest payments.

<sup>2)</sup> At the end of 2012 Pöyry PLC had interest rate swaps for a EUR 5.9 million and a CHF 16.0 million external non-current floating interest rate-bearing loans and an interest rate and currency swap for a SEK 381.1 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 at the end of the financial year an outstanding client project and other guarantee liability amounting to EUR 57.1 (72.7) million, which is due on demand provided that the Group company and/or the Group has neglected its contractual obligations.



### 19. Pension obligations

54.8 (68.8) per cent of the group's net defined benefit liability is related to Swiss defined benefit pension plans. In Switzerland the level of benefits provided is based on accumulated account balance, which depends on salary during the service time. The plan also provides benefits on death, disability, and termination. Retirement benefit is paid either as a lump sum or as a monthly pension payment, which is defined as a proportion of the accrued retirement savings amount. Benefits are paid from the funds managed by a trust. The foundation board of the trust must be composed of representatives of company and plan participants.

The defined benefit pension plans in Finland are mainly funded voluntary pension plans. The amount of the benefit is based on salaries of the final years leading up to retirement and guarantees a total pension defined in the plan. The voluntary plan pensions are increased based on the earnings-related pension index.

The defined benefit pension plans in Germany are individual, partly funded and partly unfunded pension plans. In unfunded pension plans the company meets the benefit payment obligation as it falls due.

Group has additionally minor defined benefit pension plans e.g. in Austria and Norway.

Assets related to defined benefit pension plans are governed by local regulations and practice in each country.

EUR million	2013	2012
<b>Amounts recognised in the Statement of income</b>		
Current service expenses	3.3	3.1
Past service expenses	-1.8	-1.4
Administration expenses	0.2	0.0
Pension expenses	1.7	1.7
Net interest expenses	0.7	1.6
Total expenses	2.4	3.3

Past service expenses include the impact of changes in Swiss pension plans to net liability. The changes in 2013 relate to conversion rate of the pension benefit, contribution rates and retirement's age. The changes in 2012 relate to the amount of spouse's pension benefit.

EUR million	2013	2012
<b>Amounts recognised in other comprehensive income</b>		
Gains (-) / losses (+) due to changes in demographic assumptions	5.5	0.0
Gains (-) / losses (+) due to changes in financial assumptions	-4.3	11.8
Experience (gains) / losses	-3.1	-1.0
Return on plan assets, excluding amounts included in interest expense	-6.2	-9.1
Remeasurements recognised in other comprehensive income, gains (-) / losses (+)	-8.1	1.7
Cumulative amounts recognised in other comprehensive income	-6.6	1.7
<b>Defined benefit obligation in the balance sheet, net</b>		
Assets	0.2	0.2
Liabilities	23.9	33.7
Net pension liability	23.7	33.5

#### Reconciliation of the defined benefit obligation 2013

EUR million	Switzerland	Other Europe	Total
Present value of funded obligations	151.1	13.3	164.4
Fair value of plan assets	-138.1	-9.1	-147.2
Deficit of funded plans	-13.0	-4.2	-17.2
Present value of unfunded obligations	0.0	6.5	6.5
Total deficit of defined benefit pension plans	-13.0	-10.7	-23.7
Net pension liability 31 Dec. 2013	13.0	10.7	23.7

#### Reconciliation of the defined benefit obligation 2012

EUR million	Switzerland	Other Europe	Total
Present value of funded obligations	160.1	14.1	174.2
Fair value of plan assets	-137.1	-9.9	-147.0
Deficit of funded plans	-23.0	-4.2	-27.2
Present value of unfunded obligations	0.0	6.3	6.3
Total deficit of defined benefit pension plans	-23.0	-10.5	-33.5
Net pension liability 31 Dec. 2012	23.0	10.5	33.5

#### Movement in the defined benefit obligation 2013

EUR million	Liability	Assets	Total
Net pension liability 1 Jan. 2013	180.5	-147.0	33.5
Current service expenses	3.3		3.3
Past service expenses	-1.8		-1.8
Interest expenses	3.6	-2.9	0.7
	5.1	-2.9	2.2
Return on plan assets, excluding amounts included in interests (+/-)		-6.2	-6.2
Gain (-) /loss (+) from change in demographic assumptions	5.5		5.5
Gain (-) /loss (+) from change in financial assumptions	-4.3		-4.3
Experience gains (-) / losses	-3.1		-3.1
	-1.9	-6.2	-8.1
Exchange differences	-3.4	3.0	-0.4
Contributions from employers		-3.7	-3.7
Contributions from plan participants	2.1	-2.1	0.0
Payments from plans	-11.4	11.4	0.0
Settlements	-0.1	0.1	0.0
Administration expenses		0.2	0.2
Net pension liability 31 Dec. 2013	170.9	-147.2	23.7

#### Movement in the defined benefit obligation 2012

EUR million	Liability	Assets	Total
Net pension liability 1 Jan. 2012	170.8	-137.8	33.0
Current service expenses	3.1		3.1
Past service expenses	-1.4		-1.4
Interest expenses	4.6	-3.0	1.6
	6.3	-3.0	3.3
Return on plan assets, excluding amounts included in interests (+/-)		-9.1	-9.1
Gain (-) /loss (+) from change in demographic assumptions			0.0
Gain (-) /loss (+) from change in financial assumptions	11.9		11.9
Experience gains (-) / losses	-1.0		-1.0
	10.9	-9.1	1.8
Exchange differences	2.8	-2.4	0.4
Contributions from employers		-3.8	-3.8
Contributions from plan participants	2.1	-2.1	0.0
Payments from plans	-11.2	11.2	0.0
Disposals, decrease	-1.2		-1.2
Net pension liability 31 Dec. 2012	180.5	-147.0	33.5



**Movement in the net defined benefit obligation**

	2013	2012
Net pension liability 1 Jan.	33.5	33.0
Contributions	-3.7	-3.8
Expenses included in Income statement	2.4	3.3
Remeasurements recognised in other comprehensive income, gains (-) / losses (+)	-8.1	1.7
Disposals, decrease	0.0	-1.1
Exchange differences	-0.4	0.4
Net pension liability 31 Dec.	23.7	33.5

**Plan assets are comprised as follows 2013**

EUR million	Switzerland	Other Europe	Total
Equity instruments, quoted	39.8	0.2	40.0
Government bonds, quoted	72.9	0.7	73.6
Corporate bonds, quoted	0.0	0.3	0.3
Property	17.2	0.3	17.5
Insurance contracts, unquoted	5.5	7.2	12.7
Cash and cash equivalents	2.7	0.0	2.7
Other	0.0	0.4	0.4
	138.1	9.1	147.2

**Plan assets are comprised as follows 2012**

EUR million	Switzerland	Other Europe	Total
Equity instruments, quoted	38.1	0.2	38.3
Government bonds, quoted	70.5	0.8	71.3
Corporate bonds, quoted	0.0	0.4	0.4
Property	17.0	0.3	17.3
Insurance contracts, unquoted	7.9	7.7	15.6
Cash and cash equivalents	3.7	0.0	3.7
Other	0.0	0.4	0.4
	137.2	9.8	147.0

**The significant actuarial assumptions**

2013	Switzerland	Other Europe average
Discount rate, %	2.25	3.20
Average future salary increase, %	1.00	2.54
Cost of living adjustment for pensions in payment, %	0.25	1.71
Inflation, %	1.00	1.98
2012	Switzerland	Other Europe average
Discount rate, %	2.00	2.93
Average future salary increase, %	1.00	2.56
Cost of living adjustment for pensions in payment, %	0.25	1.84
Inflation, %	1.00	1.98

**Sensitivity analysis**

Change in defined benefit obligation, when the assumptions used in calculations are changed.

2013	Switzerland	Other Europe	Total
	%	%	%
Discount rate, 0.5% change	-5.3	-4.8	-5.3
Future salary increase, 0.5% change	0.6	0.7	0.6
Future pension increase, 0.25% change	2.7	2.1	2.6
Mortality, 5% change	-1.2	-1.7	-1.3
Discount rate, -0.5% change	5.9	5.2	5.8
Future salary increase, -0.5% change	-0.5	-0.7	-0.5
Future pension increase, -0.25% change	-2.5	-2.0	-2.4
Mortality, -5% change	1.3	1.8	1.4
Duration of the defined benefit obligations	13.7	10.5	13.3

The above sensitivity analyses are based on a change in an assumption while holding all the other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the balance sheet.

Through its defined benefit pension plans, the group is exposed to a number of risks. The most significant of which are detailed below:

**Asset volatility**

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit.

Asset volatility is particularly significant in a Swiss plan, as company has to pay additional contributions if the pension fund becomes underfunded.

**Changes in bond yields**

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

**Inflation risk**

Some of the group pension obligations are linked to inflation and higher inflation will lead to higher liabilities. In the Swiss plans, the pension payments are not linked to inflation, so this is a less material risk.

**Life expectancy**

When plans' obligations are to provide benefits for the life of the member, increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant in the Swiss and German pension plans.

In the Swiss pension plan the pension fund holds an "Asset fluctuation reserve" in order to absorb the volatility of the yields on plan assets. The full target value of this reserve is a security level of 97.5%. According to the rules of the pension fund another utilisation of the return on assets is not permitted before the Asset Fluctuation Reserve has reached its full target value.

In the Swiss pension plan the company must contribute 14% of contributory salary for the pension plan according to the rules of the pension plan. In Finnish pension plans company's contributions are mainly related to index increases in pension benefits.

**Expected maturity analysis of undiscounted pension obligations**

2013	Switzerland	Other Europe	Total
2014	8.0	2.9	10.9
2015-2016	16.8	5.5	22.3
2017-2018	16.7	5.7	22.4
Later	42.5	13.6	56.1

## 20. Provisions

EUR million	Project provisions	Restructuring provisions	Other	Total
Book value 1 Jan. 2013	4.4	9.8	2.8	16.9
Exchange rate differences	-0.1	-0.1	-0.4	-0.6
Increase	5.0	2.6	0.1	7.7
Used	0.2	5.5	0.1	5.9
Reversed	0.4	1.8	0.1	2.4
Book value 31 Dec. 2013 <sup>1)</sup>	<b>8.6</b>	<b>4.8</b>	<b>2.3</b>	<b>15.7</b>
Non-current provisions				0.0
Current provisions				15.7
				<b>15.7</b>

EUR million	Project provisions	Restructuring 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 <sup>1)</sup>	<b>4.4</b>	<b>9.8</b>	<b>2.8</b>	<b>16.9</b>
Non-current provisions				0.0
Current provisions				16.9
				<b>16.9</b>

<sup>1)</sup> 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 4.4 million as a result of capacity adaption measures, EUR 0.4 million provision for excess office space and other provisions amounting to EUR 0.1 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	2013	2012
Loans from credit institutions, amortisations	<b>9.3</b>	40.1
Commerical papers	<b>40.6</b>	37.7
Used credit facilities	<b>0.2</b>	0.0
Finance lease liabilities	<b>0.3</b>	0.3
Interest bearing liabilities	<b>50.4</b>	78.2
Provisions	<b>15.7</b>	16.9
Project advances	<b>71.6</b>	90.8
Restricted project advances	<b>0.2</b>	1.9
	<b>71.8</b>	92.8
Accounts payable	<b>27.3</b>	24.1
Accounts payable, associated companies	<b>0.1</b>	0.0
Current tax payable	<b>4.6</b>	2.8
Other current liabilities	<b>27.7</b>	29.0
Accrued expenses and deferred income	<b>68.7</b>	74.0
Total current liabilities	<b>266.4</b>	<b>317.8</b>

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	2013	2012
Expenses from percentage-of-completion projects	<b>7.7</b>	10.5
Salaries and vacation accruals	<b>42.2</b>	43.8
Social expenses	<b>7.8</b>	7.8
Rents	<b>0.5</b>	0.1
Interest expenses	<b>0.4</b>	0.6
Income taxes	<b>0.3</b>	1.8
Fair value of derivative instruments	<b>1.6</b>	1.5
Other	<b>8.1</b>	7.8
	<b>68.7</b>	<b>74.0</b>

## 23. Financial assets and liabilities

EUR million	2013	2012
12 Available-for-sale assets, shares	<b>2.0</b>	2.1
Loans and other receivables		
13 Non-current accounts receivable	<b>3.5</b>	2.7
13 Other non-current receivables	<b>0.5</b>	0.8
14 Current accounts receivable	<b>124.6</b>	145.1
14 Current loans receivable	<b>0.3</b>	0.1
14 Cash and cash equivalents <sup>1)</sup>	<b>72.2</b>	82.9
Derivatives under fair value hedge accounting	<b>0.4</b>	0.1
28 Derivatives outside of hedge accounting	<b>1.0</b>	0.0
14 Financial assets at fair value through profit and loss	<b>0.2</b>	0.1
Financial assets	<b>204.6</b>	<b>233.8</b>
Liabilities at amortised cost		
18 Interest bearing liabilities	<b>106.9</b>	162.1
21 Accounts payable	<b>27.4</b>	24.1
Derivatives under fair value hedge accounting	<b>0.1</b>	0.1
Derivatives under cash flow hedge accounting	<b>0.0</b>	1.1
28 Derivatives outside hedge accounting	<b>0.5</b>	0.3
Financial liabilities	<b>134.8</b>	<b>187.8</b>

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.

<sup>1)</sup> Cash and cash equivalents include current account balances which belong to a multi-currency notional cash pool operated by Pöyry PLC. For reporting purposes the account balances of this cash pool can be offset if the conditions of IAS 32 Financial Instruments: Presentation are met. The Group met these conditions and at 31 Dec 2013 EUR 1.6 million of the cash balances and equivalent amount of the overdraft balances were offset.

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

EUR million	31 Dec. 2013	Level 1	Level 2	Level 3
Financial assets at fair value				
Available for sale assets, shares	2.0			2.0
Derivatives under fair value hedge accounting	0.4		0.4	
Derivatives outside of hedge accounting	1.0		1.0	
Financial assets at fair value through profit and loss	0.2		0.2	
	3.6		1.6	2.0
Financial liabilities at fair value				
Derivatives under fair value hedge accounting	0.1		0.1	
Derivatives under cash flow hedge accounting				
Derivatives outside of hedge accounting	0.5		0.5	
	0.6		0.6	

EUR million	31 Dec. 2012	Level 1	Level 2	Level 3
<b>Financial assets at fair value</b>				
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
<b>Financial liabilities at fair value</b>				
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	

Level 1 fair values are measured using quoted prices in active markets at the balance sheet date for identical assets or liabilities. A market is regarded as active if quoted prices are easily and regularly available from e.g. an exchange, dealer, broker, industry group or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. Instruments in Level 1 consist mainly of DAX, FTSE and Dow Jones equity investments classified as trading securities or available for sale.

Level 2 fair values of financial instruments that are not traded in an active market (for example OTC-derivatives) are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. To value financial instruments the following techniques can be used:

- Quoted market prices or dealer quotes for similar instruments
- Interest rate swaps: the present value of the estimated future cash flows based on observable yield curves.
- Foreign exchange forward contracts: discounting back to present value based on forward rates at the balance sheet date
- Other financial instruments: for example discounted cash flow analysis.

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

During 2013 there were no transfers between levels 1, 2 and 3. The change in level 3 compared to previous year is explained by fair value changes of such shares owned by group companies which are not denominated in euros, and/or selling of these shares.

## 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	2013	2012
<b>Employee benefits for the Board of Directors, the President and CEO and the members of the Group Executive Committee</b>		
Salaries, bonuses and other short-term employee benefits	5.3	3.8

### Shareholdings

The members of the Board of Directors, the President and CEO and the members of the Group Executive Committee owned on 31 December 2013 a total of 344,014 shares (at the end of 2012 a total of 230,423 shares).

### 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 2008–2010 and 2011–2015 are described in the Note 5.

### Own shares

Pöyry PLC held at the end of 2013, 683,155 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.

EUR million	2013	2012
Sales to associated companies	0.1	0.1
Loans receivable from associated companies	0.1	0.1
Accounts receivable from associated companies	0.0	0.0

## OTHER NOTES

### 26. Contingent liabilities

EUR million	2013	2012
<b>Other own obligations</b>		
Pledged securities	0.0	44.4
Other obligations	0.4	0.7
Project and other guarantees	57.1	72.7
	57.4	117.8
<b>For other parties</b>		
Pledged assets	0.1	0.1
Other obligations	0.3	0.3
	0.4	0.4

#### Pledged securities

At the end of 2013 the Group did not have any pledged securities. As per 31.12.2012 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 were 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 or arbitration.

#### Litigations and arbitrations of material value

##### *Sino Forest Corporation related litigations*

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"), which was subsequently approved by the Ontario and Quebec courts in the third and fourth reporting periods of 2012, respectively.

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. There are no material developments in the US SFC Litigation since the above-referenced addition of the Pöyry subsidiary company as a defendant.

A 'Litigation Trust' was created by way of the SFC insolvency proceedings in December 2012 to pursue certain claims that SFC and/or its noteholders had at that time. In the fourth reporting period of 2013, a proceeding in Ontario was served by the Litigation Trust against, inter alia, certain of Pöyry's subsidiary companies that had provided consulting services to SFC. Based on the preliminary views of Pöyry's legal advisors in Canada, this proceeding is deemed without merit and barred pursuant to the court orders issued in connection with the approval of the above-referenced Settlement Agreement.

##### *Rigesa arbitration*

In 2013 Pöyry Tecnologia Ltda. and Pöyry Soluções em Projectos Ltda., subsidiary companies of Pöyry, commenced arbitration proceedings against Rigesa Celulose, Papel e Embalagens Ltda. ("Rigesa") in Brazil regarding the payment of certain change orders and other claims in relation to project deliveries of the said subsidiary companies to Rigesa. Rigesa has since commenced counter proceedings against the said Pöyry subsidiary companies in relation to the same project. The two arbitration proceedings have been combined into one proceeding (together the "Rigesa arbitration"). While Pöyry is convinced on the justification for its claims against Rigesa and does not see merit in Rigesa's counterclaims, it is premature to assess the outcome of the Rigesa arbitration.

The risk related to the individual claims and litigations where Group companies are involved 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, the extent of Pöyry's business operations and insurance cover of the Group companies. There are, however, always uncertainties related to the outcome of litigation and arbitration proceedings.

## 27. Other lease agreements

EUR million	2013	2012
<b>Lease payments for non-cancellable other lease agreements, mostly office rents:</b>		
Year 2013		21.8
Year 2014	<b>32.6</b>	16.9
Year 2015–2017	<b>43.2</b>	14.5
Later	<b>70.0</b>	1.1
1)	<b>145.8</b>	<b>54.3</b>
Rent expenses during the period	<b>20.2</b>	23.0

1) The change compared to previous year is explained by Pöyry PLC and its subsidiaries entering into long term office rental agreements during 2013.

## 28. Derivative instruments

EUR million	2013	2012
Foreign exchange forward contracts, no hedge accounting		
Nominal values total	<b>59.3</b>	12.5
Fair value, gains	<b>1.0</b>	0.0
Fair value, losses	<b>-0.5</b>	-0.2
Fair value, net	<b>0.5</b>	-0.2
Foreign exchange forward contracts, fair value hedge accounting		
Nominal values total	<b>33.8</b>	13.0
Fair value, gains	<b>0.4</b>	0.1
Fair value, losses	<b>-0.1</b>	-0.1
Fair value, net	<b>0.3</b>	0.0
Interest rate swaps, no hedge accounting		
Nominal values total		19.2
Fair value, gains		0.0
Fair value, losses		-0.2
Fair value, net		-0.2
Cross currency swaps, cash flow hedge accounting		
Nominal values total		42.7
Fair value, gains		0.0
Fair value, losses		-1.1
Fair value, net		-1.1

The Group hedges the project cash flows denominated in foreign currency by using foreign exchange forward contracts. Exchange rate gains or losses arisen from these forward contracts are recorded in sales and project expenses.

The fair value of the foreign exchange forward contracts is specified by closing date fair values for the corresponding maturities of the agreements. The fair values of the interest rate swaps and cross currency 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 information, excluding the accrued interest and exchange rate difference. The fair values represent the prices which the Group should pay or receive if it terminated the derivative agreement, and the fair values are based on banks' confirmations as well as reports produced by the treasury management system. Derivative instruments have not been set off in the financial statements but all belong to master netting agreements agreed with external counterparties. At the end of December 2013 the Group did not have any outstanding interest rate or cross currency swaps.

## 29. Financial risk management

The financial risks represent one of Pöyry's main risk categories and are hence managed as part of Pöyry's risk management process. Financial risk related responsibilities and procedures are described in the Treasury Policy.

The Group has centralized the management of financial risks to Group Treasury, which is operating within the parent company Pöyry PLC. The objective of concentrating the financial risk management into Group Treasury is to be able to evaluate and control the risks in an efficient manner. The

objective of Group Treasury function is to provide financial risk related services for the group companies to protect from unfavourable changes in the financial markets, and therefore to help secure the Group's profitability.

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 six countries represent more than 5 per cent of Pöyry's annual sales (Finland 24 per cent, Brazil 12 per cent Germany 9 per cent, Sweden 9 per cent, Switzerland 8 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 and refinancing risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due, and refinancing risk is defined as the risk of being unable to borrow on the market to fund actual or forecasted commitments.

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. To ensure efficient cash management, the Group minimises 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 and uncommitted credit facilities as at 31 December 2013 in several banks amounting to EUR 96.1million of which EUR 0.2 million were in use.

EUR million	2013	2012
Credit facilities	<b>96.1</b>	97.2
Used	<b>0.2</b>	19.0
Unused	<b>95.9</b>	78.2

The Group's liquidity at the end of December 2013 was EUR 168.2 million consisting of cash and cash equivalents EUR 72.4 million and unused credit facilities of EUR 95.9 million. According to Pöyry financing policies the Group's required minimum liquidity should correspond to Group's one month's average expenses (EUR 60–65 million), i.e. Pöyry's liquidity at the end of 2013 was approximately two and a half times higher than the minimum requirement.

The total amount of current loans includes EUR 40.6 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 treasury policy also sets a guideline according to which the average maturity of long-term debt should be at least three years.

EUR million	2013	2012
Non-current	<b>56.4</b>	84.0
Current	<b>50.5</b>	78.1
Total loans	<b>106.9</b>	162.1

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

### Market risk

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

**Currency risk**

Transaction risks, commercial: Majority of the Group's international business operations are denominated in the local functional currencies, and only about ten per cent of the Group's net sales are exposed to foreign currency risk. The Group companies hedge their commercial exposure, i.e. the project cash flows denominated in a foreign currency, by using internal foreign exchange forward contracts with Group Treasury. Hedging principles follow the Group's treasury policy which states that all committed cash flows in foreign currencies must be hedged and speculative forward contracts without connection to a business operation are not allowed.

Transaction risks, financial: According to the Group's Treasury policy the parent company conducts financing and subsidiaries are not allowed to take up loans from external parties without permission and coordination from Group Treasury. The parent company grants loans to Group companies if considered necessary, justified or otherwise to be in the best interest of the parties. The group companies lend their excess cash to the parent company and as a rule, to centralize the foreign currency risks to the parent company, all internal funding is done in the domestic currency of the group companies. At the end of December 2013 the parent company did not have any other loans in foreign currencies than those hedging the equity of a foreign subsidiary, thus the Group's financial exposure consists mainly of the Group's internal loans between the parent company and subsidiaries.

Based on an assumption that the transaction risk is not hedged at all, the following table describes the open risk exposure of the Group as on 31 Dec. 2013 and as on 31 Dec. 2012:

EUR Million	AED	BRL	CAD	CHF	GBP	SAR	SEK	USD
2013	6.5	6.7	5.3	34.4	7.7	8.4	2.4	18.3
2012	6.1	0.0	6.3	34.3	4.2	6.4	9.3	22.6

Since October 2011, the Group has not hedged the USD-denominated receivables worth of EUR 15.8 (17.1) million related to certain public sector infrastructure projects in Venezuela in order to avoid the impact on cash flow. At the end of 2012, the Group had an unpaid conditional purchase price from the acquisition of a subsidiary and this was not hedged. The amount as per 31.12.2012 was SEK 80 million. This conditional purchase price did not exist any longer at the end of 2013.

During 2013 the parent company has started to centrally hedge the net transaction exposure by external forward contracts. The main objective is to minimize external hedging needs by netting as much cash flows in foreign currencies as possible against each other. The forward contracts are stated at fair value and recognised in the income statement. Fair value hedge accounting is applied to a part of the forward contracts when they are used for hedging order stock. External derivative instruments have not been set off in the financial statements but they all belong to master netting agreements signed with external counterparties. Financial assets and liabilities belonging under these agreements are described in the following table:

31.12.2013 EUR million				Related amounts not set off in the balance sheet	
	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities set off in the balance sheet	Net amounts of financial assets presented in the balance sheet	Financial instruments	Net amount
Financial assets					
Derivative assets	1.4	0.0	1.4	0.3	1.1
Cash and cash equivalent <sup>*)</sup>	24.1	1.6	22.5	0.0	22.5
	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets set off in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Financial instruments	Net amount
Financial liabilities					
Derivative liabilities	0.6	0.0	0.6	0.3	0.3
Bank overdrafts <sup>*)</sup>	1.6	1.6	0.0	0.0	0.0

31.12.2012 EUR million				Related amounts not set off in the balance sheet	
	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities set off in the balance sheet	Net amounts of financial assets presented in the balance sheet	Financial instruments	Net amount
Financial assets					
Derivative assets	0.1	0.0	0.1	0.0	0.1
Cash and cash equivalent	0.0	0.0	0.0	0.0	0.0
	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets set off in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Financial instruments	Net amount
Financial liabilities					
Derivative liabilities	1.5	0.0	1.5	0.0	1.5
Bank overdrafts	0.0	0.0	0.0	0.0	0.0

<sup>\*)</sup> Netting of cash and cash equivalents and bank overdrafts refer to the new cash pool structure implemented during 2013. More information available in note 23.

Changes in the exchange rates have an impact on the Group's profitability. Of the above presented commercial and financial exposures (total transaction risk exposure), CHF, SAR and USD (at the end of 2012 CHF, SEK and USD) represent the most significant currencies. The below table simulates a ten (10) per cent strengthening and weakening of euro against these currencies with all other variables held constant and compared with the closing rates of 31.12.2013. In case the euro strengthened/weakened ten per cent the impact on the Group's profitability would be as follows: +3.1/-3.8 million euros regarding CHF, -0.8/+0.9 million euros regarding SAR and -1.7/+2.0 million euros regarding USD:

2013, EUR million	CHF	SAR	USD
EUR +10% impact on profitability	+3.1	-0.8	-1.7
EUR -10% impact on profitability	-3.8	+0.9	+2.0
2012, EUR million	CHF	SEK	USD
EUR +10% impact on profitability	+3.1	-0.8	-2.1
EUR -10% impact on profitability	-3.8	+1.0	+2.5

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 2013 the Group had CHF 26.1 (26.5) million of loans hedging foreign equity in Switzerland.

Due to translation risk, changes in the currency rates have influence on the amount of equity as well as on the profitability. If the euro lost ten (10) per cent of its value, this would increase the total amount of Group equity and profitability. Then again, if the euro appreciated ten per cent it would have a negative impact on both, equity and profitability. 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 Dec. 2013 and all other variables held constant):



Equity, most important currencies

2013				EUR +10%		EUR -10%	
EUR million	Equity	Equity hedges	Net profit	impact on equity	impact on net profit	impact on equity	impact on net profit
EUR	143.3		0.9				
CHF	50.5	26.1	-1.4	-2.2	+0.1	+2.7	-0.1
GBP	11.7		0.1	-1.1	0.0	+1.3	0.0
USD	10.4		1.0	-0.9	-0.1	+1.2	+0.1

2012				EUR +10%		EUR -10%	
EUR million	Equity	Equity hedges	Net profit	impact on equity	impact on net profit	impact on equity	impact on net profit
EUR	178.5		-14.1				
CHF	59.3	26.5	-1.7	-3.0	+0.2	+3.6	-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

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. Changes in the interest rate markets affect the Group's funding costs and the fair values of interest rate derivatives.

The total amount of the interest bearing loans at the end of 2013 was EUR 106.9 million (162.1) of which EUR 31.3 (13.6) million have been withdrawn at fixed interest rate and EUR 75.6 (148.5) million at floating rate. On 31.12.2013 the Group did not have any outstanding interest rate or cross currency swaps. At the end of 2012, of the loans with a floating rate EUR 63.6 million were swapped into fixed rates using interest rate swaps. These interest rate derivatives were stated at fair value and recognised in the income statement. At the end of 2012, cash flow hedge accounting was applied to a cross currency swap and, without the exchange rate difference, the change in fair value of this instrument was 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 31.12.2013 (all other variables held constant) 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 in 2012 came from the changes in the fair value of the cross currency swap:

EUR million	2013 Net profit	2013 Equity	2012 Net profit	2012 Equity
Change in interest rates +1%	-0.3	0.0	-0.3	+1.5
Change in interest rates -1%	+0.3	0.0	+0.3	-0.9

Other market price risk

No other significant market price risks have been identified.

Capital structure 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 seeks to achieve a balance between growth targets, higher level of borrowings and return on capital and the Board sets the long-term targets on return on investment and the gearing ratio. Aiming for and maintaining these targets ensure the Group's access to external funding sources when needed, and with competitive pricing.

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

EUR million	2013	2012
Result before taxes	9.1	-22.0
Interest and other financial expenses	7.1	6.1
Total	16.2	-15.9
Balance sheet total	481.5	581.1
Non-interest bearing liabilities	242.2	286.8
Total capital	239.3	294.3
Return on investment, %	5.8	-5.7

The net debt/equity ratio (gearing per cent) target is < 50 per cent.

EUR million	2013	2012
Interest bearing liabilities	106.9	162.1
Cash and cash equivalents	72.4	83.0
Net interest bearing liabilities	34.5	79.2
Equity	132.5	132.3
Net debt/equity ratio, %	26.0	59.9

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, %
<b>Group companies</b>			
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	
JP-Invest (BVI) Ltd	British Virgin Islands, Tortola	100.0	
JP-Sijoitus Oy	Finland, Vantaa	100.0	100.0
LLC "Pöyry"	Russia, St. Petersburg	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 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 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	
Pöyry Management Consulting (Deutschland) GmbH	Germany, Freising	100.0	

		Ownership of voting rights	
		Group, %	Parent company, %
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 Panama S.A.	Panama, Panama City	100.0	
Poyry Poland Sp. z o.o.	Poland, Łódź	100.0	100.0
Pöyry S.A.	Uruguay, Montevideo	100.0	
Pöyry Schweiz AG	Switzerland, Zurich	100.0	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	
Valencia Engineering S.L.	Spain, Madrid	100.0	

		Book value	
		Parent company EUR million	Other group company, EUR million
<b>Other share ownership</b>			
Amata Bien Hoa, Thailand			1.3
Private Energy Market Fund Ky, Finland			0.1
Other shares	0.2		0.4
	<b>0.2</b>		<b>1.8</b>

## Key figures

## Statement of income

EUR million	2009	2010	2011	2012	2013
Consulting and engineering	670.4	678.8	758.5	735.7	<b>642.4</b>
EPC	3.1	2.8	37.6	39.3	<b>8.4</b>
<b>Net sales total</b>	<b>673.5</b>	<b>681.6</b>	<b>796.1</b>	<b>775.0</b>	<b>650.8</b>
Change in net sales, %	-18.0	1.2	16.8	-2.7	<b>-16.0</b>
Other operating income	0.8	1.0	0.8	2.4	<b>24.1</b>
Materials, supplies and subconsulting	97.6	112.4	154.0	149.0	<b>100.4</b>
Personnel expenses	401.5	404.5	440.1	438.4	<b>391.0</b>
Depreciation and impairment	8.2	8.1	9.2	11.8	<b>14.3</b>
Other operating expenses	155.9	152.5	174.2	197.0	<b>155.3</b>
<b>Operating profit</b>	<b>11.1</b>	<b>5.1</b>	<b>19.4</b>	<b>-18.8</b>	<b>13.9</b>
Proportion of net sales, %	1.7	0.7	2.4	-2.3	<b>2.1</b>
Financial income and expenses	+0.8	-1.5	-2.9	-3.8	<b>-5.2</b>
Share of associated companies' results	+0.5	+0.7	+0.6	+0.6	<b>+0.4</b>
<b>Profit before taxes</b>	<b>12.4</b>	<b>4.3</b>	<b>17.1</b>	<b>-22.0</b>	<b>9.1</b>
Proportion of net sales, %	1.8	0.6	2.1	-2.8	<b>1.4</b>
Income taxes	-4.4	-3.9	-8.4	-2.2	<b>-6.5</b>
<b>Net profit for the period</b>	<b>8.0</b>	<b>0.4</b>	<b>8.7</b>	<b>-24.2</b>	<b>2.6</b>
Attributable to:					
Equity holders of the parent company	6.5	0.1	7.8	-25.1	<b>3.6</b>
Non-controlling interest	1.5	0.3	0.9	0.9	<b>-1.0</b>

## Statement of financial position

EUR million	2009	2010	2011	2012	2013
Goodwill	101.3	116.7	131.4	131.4	<b>127.4</b>
Intangible and tangible assets	22.0	21.4	75.6	69.9	<b>15.7</b>
Non-current investments	8.9	9.9	9.0	8.6	<b>10.5</b>
Non-current receivables	17.3	20.5	21.3	25.2	<b>22.2</b>
Work in progress	78.8	81.6	115.5	92.6	<b>84.8</b>
Accounts receivable	127.3	161.4	182.1	145.1	<b>124.6</b>
Other current receivables	17.8	22.0	27.7	25.3	<b>24.0</b>
Cash and cash equivalents and other liquid assets	142.0	99.0	79.0	83.0	<b>72.4</b>
<b>Assets total</b>	<b>515.4</b>	<b>532.5</b>	<b>641.6</b>	<b>581.1</b>	<b>481.5</b>
Equity attributable to the equity holders of the parent company	176.0	179.9	179.8	124.9	<b>129.6</b>
Non-controlling interest	8.0	7.2	7.2	7.4	<b>2.9</b>
Pension obligations	7.4	8.2	9.7	33.6	<b>23.9</b>
Provisions	8.3	16.6	19.6	16.9	<b>15.7</b>
Interest bearing liabilities	122.7	105.5	131.6	162.1	<b>106.9</b>
Project advances	66.0	66.2	100.9	90.8	<b>71.6</b>
Accounts payable	21.5	30.0	30.5	24.1	<b>27.4</b>
Other non-interest bearing liabilities	105.5	118.9	162.3	121.2	<b>103.5</b>
<b>Liabilities total</b>	<b>515.4</b>	<b>532.5</b>	<b>641.6</b>	<b>581.1</b>	<b>481.5</b>

## Statement of cash flows

EUR million	2009	2010	2011	2012	2013
From operations	-10.4	-13.1	+30.5	-7.5	<b>-1.0</b>
Capital expenditure, net	-15.2	-16.1	-64.4	-6.2	<b>+52.3</b>
Financing	-40.3	-25.4	+12.8	+17.4	<b>-51.5</b>
Change in the fair value of financial assets	+0.1	-0.1	0.0	0.0	<b>0.0</b>
Reclassification of subsidiary company to associated company					<b>-3.7</b>
Impact of translation differences in exchange rates	+4.1	+11.7	+1.1	+0.2	<b>-6.7</b>
Change in cash and cash equivalents and in other liquid assets	-61.7	-43.0	-20.0	+4.0	<b>-10.6</b>
<b>Cash and cash equivalents and other liquid assets 31 December</b>	<b>142.0</b>	<b>99.0</b>	<b>79.0</b>	<b>83.0</b>	<b>72.4</b>



## Profitability and other key figures

	2009	2010	2011	2012	2013
Return on investment, %	5.3	2.6	7.4	-5.7	<b>5.8</b>
Return on equity, %	4.1	0.2	4.6	-16.1	<b>2.0</b>
Equity ratio, %	40.9	40.1	34.6	27.0	<b>32.3</b>
Net debt/equity ratio (gearing), %	-10.5	3.5	28.2	59.9	<b>26.0</b>
Net debt, EUR million	-19.3	6.5	52.6	79.1	<b>34.5</b>
Current ratio	1.7	1.5	1.3	1.1	<b>1.1</b>
Consulting and engineering, EUR million	483.6	521.1	636.8	542.7	<b>500.0</b>
EPC, EUR million	2.1	5.1	57.6	5.0	<b>0.0</b>
Order stock total, EUR million	485.7	526.2	694.4	547.7	<b>500.0</b>
Capital expenditure, operating, EUR million	4.8	6.8	8.4	7.2	<b>5.9</b>
Proportion of net sales, %	0.7	1.0	1.1	0.9	<b>0.9</b>
Capital expenditure, real estate			45.2		
Proportion of net sales, %			5.7		
Capital expenditure in shares, EUR million	5.0	11.8	28.4		
Proportion of net sales, %	0.7	1.8	3.6		
Personnel in group companies on average	7,052	6,611	6,864	6,695	<b>5,889</b>
Personnel in associated companies on average	142	138	140	146	<b>253</b>
Personnel in group companies at year-end	6,530	6,801	6,952	6,323	<b>5,704</b>
Personnel in associated companies at year-end	141	136	137	152	<b>252</b>

## Key figures for the shares

	2009	2010	2011	2012	2013
Earnings/share, EUR	0.11	0.00	0.13	-0.43	<b>0.06</b>
Corrected with dilution effect	0.11	0.00	0.13	-0.43	<b>0.06</b>
Equity attributable to the equity holders of the parent company/share, EUR	2.98	3.03	3.01	2.09	<b>2.17</b>
Dividend, EUR million	5.9	5.9	11.8	0.0	<b>0.0</b> <sup>1)</sup>
Dividend/share, EUR	0.10	0.10	0.20	0.00	<b>0.00</b> <sup>1)</sup>
Dividend/earnings, %	90.9	n/a	152.6	n/a	<b>n/a</b> <sup>1)</sup>
Effective return on dividend, %	0.9	1.1	3.7	n/a	<b>n/a</b> <sup>1)</sup>
Price/earnings multiple	101.5	n/a	41.3	-6.8	<b>66.6</b>
Issue-adjusted trading prices, EUR					
Average trading price	9.78	9.99	8.79	4.41	<b>3.81</b>
Highest trading price	13.17	12.30	11.90	7.22	<b>4.70</b>
Lowest trading price	7.55	8.23	5.11	2.81	<b>2.93</b>
Closing price at year-end	11.17	9.15	5.42	2.93	<b>4.07</b>
Total market value					
Outstanding shares, EUR million	654.5	539.9	320.2	173.1	<b>240.4</b>
Own shares, EUR million	4.2	3.7	3.7	2.0	<b>2.8</b>
Trading volume of shares					
Shares, 1,000	20,556	22,696	17,275	12,513	<b>12,733</b>
Proportion of the total volume, %	35.1	38.3	29.0	20.9	<b>21.3</b>
Issue-adjusted number of shares, 1,000					
On average	58,509	59,221	59,655	59,760	<b>59,760</b>
At year-end	58,971	59,414	59,760	59,760	<b>59,760</b>

<sup>1)</sup> Board of Directors' proposal

**Net sales**

EUR million	1-3/13	4-6/13	7-9/13	10-12/13	1-3/12	4-6/12	7-9/12	10-12/12	1-12/13	1-12/12
Energy	48.0	47.5	41.9	42.1	52.6	56.0	50.0	58.8	179.5	217.4
Industry	24.2	31.4	26.9	29.2	46.5	41.4	32.8	25.8	111.7	146.6
Regional Operations	75.8	75.4	68.1	69.1	90.9	85.8	75.0	81.9	288.4	333.5
Management Consulting	18.7	16.3	16.4	19.5	20.0	19.4	18.1	21.8	70.9	79.3
Unallocated	-0.4	-0.4	0.4	0.7	-0.5	-3.8	0.1	2.3	0.3	-1.9
	<b>166.3</b>	<b>170.2</b>	<b>153.7</b>	<b>160.6</b>	<b>209.5</b>	<b>198.8</b>	<b>176.0</b>	<b>190.7</b>	<b>650.8</b>	<b>775.0</b>

**Operating profit**

EUR million	1-3/13	4-6/13	7-9/13	10-12/13	1-3/12	4-6/12	7-9/12	10-12/12	1-12/13	1-12/12
Energy	1.6	0.9	-1.0	-0.9	0.0	0.5	1.4	2.5	0.6	4.4
Industry	-0.9	2.0	1.6	1.0	2.2	1.9	0.0	-4.2	3.7	-0.1
Regional Operations	2.7	1.1	2.7	-2.5	5.3	0.3	0.9	-2.3	4.0	4.1
Management Consulting	0.3	-0.7	1.1	2.0	0.4	0.2	0.3	-1.0	2.7	-0.1
Unallocated	-0.5	-1.5	-3.8	8.7	-9.1	-4.0	-3.7	-10.3	2.9	-27.1
Operating profit	<b>3.1</b>	<b>1.9</b>	<b>0.6</b>	<b>8.3</b>	<b>-1.3</b>	<b>-1.1</b>	<b>-1.2</b>	<b>-15.2</b>	<b>13.9</b>	<b>-18.8</b>
Financial items	-0.8	-1.7	-1.4	-1.3	-0.6	-0.1	-1.6	-1.5	-5.2	-3.8
Share of associated companies' results	-0.1	0.3	-0.1	0.3	0.2	0.1	0.2	0.1	0.4	0.6
Profit before taxes	<b>2.2</b>	<b>0.5</b>	<b>-0.9</b>	<b>7.3</b>	<b>-1.7</b>	<b>-1.1</b>	<b>-2.6</b>	<b>-16.6</b>	<b>9.1</b>	<b>-22.0</b>
Income taxes	-1.4	-1.1	0.8	-4.8	-2.2	-1.5	0.2	1.3	-6.5	-2.2
Net profit for the period	<b>0.8</b>	<b>-0.6</b>	<b>-0.1</b>	<b>2.5</b>	<b>-3.9</b>	<b>-2.6</b>	<b>-2.4</b>	<b>-15.3</b>	<b>2.6</b>	<b>-24.2</b>
Profit attributable to:										
Equity holders of the parent company	0.7	-0.6	0.9	2.6	-4.2	-2.6	-2.9	-15.4	3.6	-25.1
Minority interest	0.1	0.0	-1.0	-0.1	0.3	0.0	0.5	0.1	-1.0	0.9

Operating profit %	1-3/13	4-6/13	7-9/13	10-12/13	1-3/12	4-6/12	7-9/12	10-12/12	1-12/13	1-12/12
Energy	3.3	1.9	-2.4	-2.1	0.0	0.9	2.8	4.3	0.3	2.0
Industry	-3.7	6.4	5.9	3.4	4.7	4.6	0.0	-16.3	3.3	-0.1
Regional Operations	3.6	1.5	4.0	-3.6	5.8	0.3	1.2	-2.8	1.4	1.2
Management Consulting	1.6	-4.3	6.7	10.0	2.0	1.0	1.7	-4.6	3.7	-0.1
	<b>1.9</b>	<b>1.1</b>	<b>0.4</b>	<b>5.2</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-0.7</b>	<b>-8.0</b>	<b>2.1</b>	<b>-2.4</b>

**Order stock**

EUR million	1-3/13	4-6/13	7-9/13	10-12/13	1-3/12	4-6/12	7-9/12	10-12/12
Energy	209.0	209.4	231.6	209.7	243.5	234.6	219.7	223.7
Industry	94.6	77.7	65.3	42.6	117.1	86.1	69.7	54.4
Regional Operations	263.1	247.7	237.9	230.6	314.9	299.8	283.4	251.5
Management Consulting	19.1	20.9	22.8	17.1	21.3	23.8	22.6	18.3
Unallocated	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0
	<b>585.9</b>	<b>555.7</b>	<b>557.6</b>	<b>500.0</b>	<b>696.9</b>	<b>644.1</b>	<b>595.1</b>	<b>547.7</b>
Consulting and engineering	580.9	553.8	554.8	500.0	671.1	631.9	586.5	542.7
EPC	5.0	1.9	2.8	0.0	25.8	12.2	8.6	5.0
	<b>585.9</b>	<b>555.7</b>	<b>557.6</b>	<b>500.0</b>	<b>696.9</b>	<b>644.1</b>	<b>595.1</b>	<b>547.7</b>

### Calculation of key figures

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

# Shares and shareholders

## SHARE CAPITAL AND SHARES

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

The share capital is EUR 14,588,478 and the total number of shares is 59,759,610.

## 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 target group of the plan consists of about 250 persons. The plan includes three earning periods which have commenced 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 7 March 2013 authorised the Board of Directors to decide to issue new shares and special rights entitling to shares, as well as 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 comprises a right to deviate from the shareholders' pre-emptive subscription right, as well as a right for the Board of Directors to resolve on all other terms and conditions regarding the issuance or conveyance of shares and special rights entitling to shares. Furthermore, 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 is in force for 18 months from the decision of the AGM. The authorisation granted by the previous AGM regarding issuing shares expired simultaneously.

In March 2013 the Board of Directors of Pöyry PLC decided on a directed share issue without consideration in relation to the payment of a share based incentive. In the share issue, 15,000 Pöyry PLC shares held by the company were conveyed without consideration to the President and CEO Alexis Fries as a share based incentive, forming a part of his fixed remuneration in 2012 according to the terms and conditions of his service contract.

The Board of Directors proposes that the AGM on 11 March 2014 authorise to decide to issue new shares and special rights entitling shares, as well as 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 Board of Directors proposes that the authorisation comprise a right to deviate from the shareholders' pre-emptive subscription right. The authorisation shall be effective for a period of 18 months. The authorisation granted to the Board of Directors regarding issuing shares in the previous AGM shall expire simultaneously.

### Authorisation to acquire the company's own shares

In the Annual General Meeting (AGM) on 7 March 2013 the Board of Directors was authorised to decide on the acquisition of up to 5,900,000 own shares of the company in one or more tranches by using distributable funds. The shares may be acquired either through public trading in which case the shares would be acquired in another proportion than that of the current shareholders, or by public offer at their market price at the time of purchase. The Board of Directors is authorised to resolve on all other terms and conditions regarding the acquisitions of own shares. The authorisation is in force for 18 months. The authorisation granted by the previous AGM regarding acquisition of the company's own shares expired simultaneously. The authorisation has not been used.

The Board of Directors proposes that the AGM on 11 March 2014 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 6,899 registered shareholders at the end of 2013. The number of shareholders decreased by 772 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 2013 amounted to 5,356,890 shares, equalling 9,0 per cent of the share capital. No flagging notifications has been received by Pöyry PLC during 2013.

### Management's shareholdings

The members of the Board of Directors and the Executive Committee owned on 31 December 2013 a total of 344,014 shares, which equals 0.6 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](http://www.poyry.com).

	Shares
Members of the Board of Directors	62,200
President and CEO	115,000
Group Executive Committee	166,814
<b>Total</b>	<b>344,014</b>

Henrik Ehrnrooth, Chairman of the Board of Directors, together with his brothers, board member 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 243.2 million. The share price increased during the year by 38.9 per cent from EUR 2.93 to EUR 4.07. The highest share price was EUR 4.70 and the lowest EUR 2.93. A total of 12,733,228 shares were traded at a total of EUR 48.3 million. The number of shares traded during the year equals 21.3 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 11 March 2014 that no dividend will be paid for the year 2013.

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.	20,440,000	34.20	34.60
2. Ilmarinen Mutual Pension Insurance Company	4,690,977	7.85	7.94
3. Procurator-Holding Oy	3,900,018	6.53	6.60
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. Veritas Pension Insurance Company Ltd	1,119,000	1.87	1.89
8. Nordea Nordic Small Cap Fund	975,502	1.63	1.65
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	5,356,890	8.96	9.07
Other shareholders	14,274,431	23.89	24.16
<b>Total</b>	<b>59,076,455</b>		
Own shares	683,155	1.14	
<b>Total</b>	<b>59,759,610</b>	<b>100.00</b>	<b>100.00</b>

Ownership structure by type of shareholder

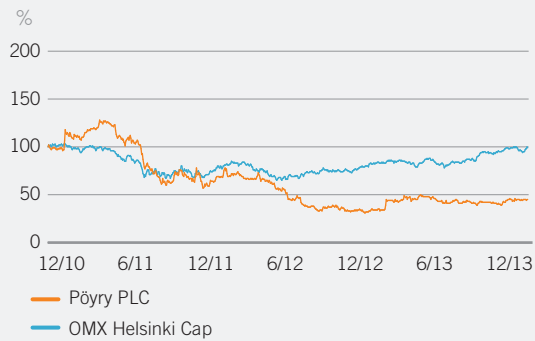
	Shares and voting rights	Per cent of shares	Per cent of voting rights
Non-financial corporations	6,614,481	11.1	11.2
Financial and insurance corporations	7,790,041	13.0	13.2
General Government	12,012,540	20.1	20.3
Households	5,025,129	8.4	8.5
Non-profit institutions serving households	1,062,320	1.8	1.8
Foreign Owners	21,215,054	35.5	35.9
Nominee Registered	5,356,890	9.0	9.1
<b>Total</b>	<b>59,076,455</b>	<b>98.9</b>	<b>100.0</b>
Own shares	683,155	1.1	
<b>Total</b>	<b>59,759,610</b>	<b>100.0</b>	

Ownership structure by number of shares owned

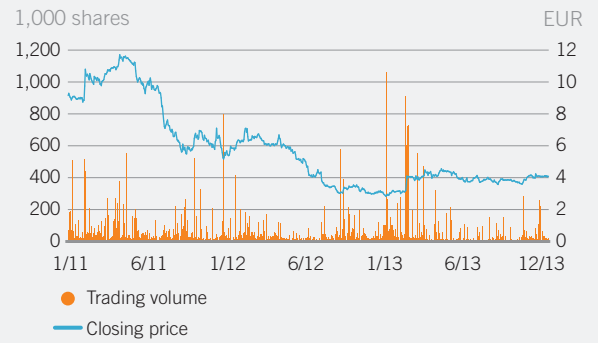
	Number of shareholders	Per cent of shareholders	Shares and voting rights	Per cent of shares	Per cent of voting rights
1–100	1,727	25.0	112,529	0.2	0.2
101–500	2,848	41.2	830,711	1.4	1.4
501–1,000	1,057	15.3	860,732	1.4	1.5
1,001–5,000	1,017	14.7	2,225,270	3.7	3.8
5,001–	250	3.6	55,047,213	92.2	93.1
<b>Total</b>	<b>6,899</b>	<b>100.0</b>	<b>59,076,455</b>		<b>100.0</b>
Own shares			683,155	1.1	
<b>Total</b>			<b>59,759,610</b>	<b>100.0</b>	

Source: Euroclear Finland Ltd., 31 December 2013

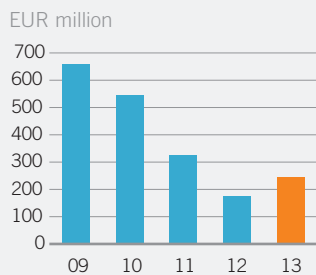
DEVELOPMENT OF THE SHARE ON THE NASDAQ OMX HELSINKI



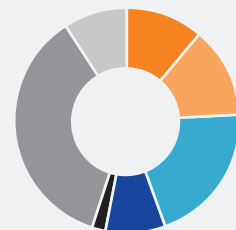
CLOSING PRICE AND TRADING VOLUME OF THE SHARE



MARKET CAPITALISATION



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



- Non-financial corporations 11.2%
- Financial and insurance corporations 13.2%
- General Government 20.3%
- Households 8.5%
- Non-profit institutions serving households 1.8%
- Foreign Owners 35.9%
- Nominee Registered 9.1%



## Parent company

## STATEMENT OF INCOME

EUR million	2013	2012
1 <b>Net sales</b>	<b>22.1</b>	18.8
2 Other operating income	19.4	5.8
3 Personnel expenses	-6.2	-6.3
8,9 Depreciation	-0.7	-0.6
Other operating expenses	-30.6	-40.3
<b>Operating profit</b>	<b>+4.0</b>	-22.7
5 Financial income and expenses	-20.3	-11.3
<b>Profit before extraordinary items</b>	<b>-16.3</b>	-34.0
6 Extraordinary items	6.2	13.7
<b>Profit before taxes</b>	<b>-10.1</b>	-20.3
7 Income taxes	-1.7	-0.2
<b>Net profit for the period</b>	<b>-11.9</b>	-20.5

## BALANCE SHEET

EUR million	2013	2012
<b>Assets</b>		
<b>Fixed assets</b>		
8 Intangible assets	0.5	0.4
9 Tangible assets	2.0	2.3
10 Non-current investments	241.4	323.7
Non-current receivables	0.0	1.3
	<b>243.8</b>	327.7
<b>Current assets</b>		
11,12 Current receivables	45.4	46.0
Investments	0.2	0.1
Cash in hand and at banks	27.7	24.1
	<b>73.3</b>	70.2
<b>Total</b>	<b>317.1</b>	<b>397.9</b>
<b>Shareholders' equity and liabilities</b>		
13 <b>Shareholders' equity</b>		
Share capital	14.6	14.6
Invested free equity reserve	60.1	60.1
Retained earnings	62.4	82.9
Net profit for the period	-11.9	-20.5
	<b>125.2</b>	137.1
<b>Liabilities</b>		
14-17 Non-current liabilities	82.9	112.8
18,19 Current liabilities	108.9	148.0
	<b>191.8</b>	260.8
<b>Total</b>	<b>317.1</b>	<b>397.9</b>

## STATEMENT OF CHANGES IN FINANCIAL POSITION

EUR million	2013	2012
<b>From operations</b>		
Operating profit	+4.0	-22.7
Gain on sale	-13.6	0.0
Depreciation	+0.7	+0.6
Value decrease	+2.0	0.0
Loss on sale of shares	0.0	+6.0
Change in net working capital	-9.5	+4.7
Financial income and expenses	-2.1	-2.2
Income taxes	-0.2	+0.8
<b>Total from operations</b>	<b>-18.7</b>	-12.8
<b>Capital expenditure</b>		
Investments in shares in subsidiaries	-1.2	0.0
Investments in fixed assets	-0.5	-1.5
Shares in subsidiaries, return of equity	+0.2	0.0
Sale of shares in subsidiaries	+29.6	+1.5
<b>Capital expenditure total</b>	<b>+28.1</b>	0.0

EUR million	2013	2012
<b>Cash flow before financing</b>	<b>+9.4</b>	-12.8
<b>Financing</b>		
New loans	+44.4	+31.1
Paid loans	-76.5	-20.7
Repayments of loans	-18.1	-16.1
Change in current financing	-15.4	+21.9
Change in non-current investments	+36.2	+8.5
Paid dividends	0.0	-11.8
Dividends received	+10.1	+2.5
Group contribution	+13.7	+9.5
<b>Financing total</b>	<b>-5.6</b>	+24.8
<b>Change in cash and cash equivalents</b>	<b>+3.7</b>	+12.0
Cash and cash equivalents 1 January	24.2	12.2
<b>Cash and cash equivalents 31 December</b>	<b>27.9</b>	<b>24.2</b>
Investments	0.2	0.1
Cash on hand and at banks	27.7	24.1
<b>Cash and cash equivalents 31 December</b>	<b>27.9</b>	<b>24.2</b>

## 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 uses mainly foreign exchange forward contracts to centrally hedge the Group's foreign currency risk exposure, and interest rate swaps to hedge part of the non-current external loans.

### 1. Net sales

EUR million	2013	2012
Net sales	<b>22.1</b>	<b>18.8</b>

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

### 2. Other operating income

EUR million	2013	2012
Rent income	<b>5.8</b>	<b>5.8</b>
Gain on sales of fixed assets	<b>13.6</b>	<b>0.0</b>
	<b>19.4</b>	<b>5.8</b>

### 3. Personnel expenses

EUR million	2013	2012
Wages and salaries	<b>5.1</b>	5.3
Pension expenses	<b>0.7</b>	0.7
Other social expenses	<b>0.4</b>	0.2
	<b>6.2</b>	<b>6.3</b>

Salaries and bonuses of the President and CEO are presented on the page 24.

## 4. Audit fees

EUR 1,000	2013	2012
The audit fees are included in other operating expenses		
Statutory auditing, group auditor	<b>122</b>	120
Tax advisory, group auditor	<b>144</b>	67
Other services, group auditor	<b>86</b>	73

## 5. Financial income and expenses

EUR million	2013	2012
Dividend income		
From group companies	<b>10.2</b>	2.6
From associated companies	<b>0.9</b>	0.0
	<b>11.2</b>	2.6
Interest income from non-current investments		
From group companies	<b>1.7</b>	1.5
From other	<b>0.0</b>	0.0
	<b>1.7</b>	1.5
Other interest and financial income		
From group companies	<b>0.6</b>	0.6
From other	<b>0.8</b>	0.1
	<b>1.3</b>	0.7
Interest expenses and other financial expenses		
To group companies	<b>-0.5</b>	-0.4
To other	<b>-5.2</b>	-3.3
	<b>-5.6</b>	-3.7
Differences in exchange rates		
Exchange rate gains	<b>9.6</b>	3.3
Exchange rate losses	<b>-9.2</b>	-3.9
	<b>0.4</b>	-0.6
Value decrease on non-current investments	<b>-29.3</b>	-11.9
<b>Total</b>	<b>-20.3</b>	<b>-11.3</b>

## 6. Extraordinary items

EUR million	2013	2012
Group contribution received	<b>6.2</b>	13.7
Group contribution paid	<b>0.0</b>	0.0
	<b>6.2</b>	<b>13.7</b>

## 7. Income taxes

EUR million	2013	2012
Taxes for the fiscal year	<b>1.7</b>	0.2
Taxes for previous years	<b>0.0</b>	0.0
	<b>1.7</b>	<b>0.2</b>

### 8. Intangible assets

EUR million	2013	2012
Acquisition value 1 Jan.	<b>2.2</b>	1.7
Increase	<b>0.3</b>	0.5
Acquisition value 31 Dec.	<b>2.5</b>	2.2
Accumulated depreciation 1 Jan.	<b>1.8</b>	1.6
Depreciation for the period	<b>0.2</b>	0.2
Accumulated depreciation 31 Dec.	<b>2.0</b>	1.8
Book value 31 Dec.	<b>0.5</b>	<b>0.4</b>

### 9. Tangible assets

EUR million	2013	2012
Machinery and equipment		
Acquisition value 1 Jan.	<b>1.7</b>	1.6
Increase	<b>0.0</b>	0.2
Decrease	<b>0.0</b>	0.1
Acquisition value 31 Dec.	<b>1.7</b>	1.7
Accumulated depreciation 1 Jan.	<b>0.7</b>	0.6
Accumulated depreciation of decrease	<b>0.0</b>	0.1
Depreciation for the period	<b>0.2</b>	0.2
Accumulated depreciation 31 Dec.	<b>0.9</b>	0.7
Book value 31 Dec.	<b>0.8</b>	1.0
Other tangible assets		
Acquisition value 1 Jan.	<b>2.5</b>	1.7
Increase	<b>0.1</b>	0.8
Acquisition value 31 Dec.	<b>2.6</b>	2.5
Accumulated depreciation 1 Jan.	<b>1.2</b>	1.0
Depreciation for the period	<b>0.3</b>	0.2
Accumulated depreciation 31 Dec.	<b>1.5</b>	1.2
Book value 31 Dec.	<b>1.1</b>	1.3
Total tangible assets		
Acquisition value 1 Jan.	<b>4.2</b>	3.2
Increase	<b>0.2</b>	1.0
Decrease	<b>0.0</b>	0.1
Acquisition value 31 Dec.	<b>4.4</b>	4.2
Accumulated depreciation 1 Jan.	<b>1.9</b>	1.5
Accumulated depreciation of decrease	<b>0.0</b>	0.1
Depreciation for the period	<b>0.5</b>	0.5
Accumulated depreciation 31 Dec.	<b>2.4</b>	1.9
Book value 31 Dec.	<b>2.0</b>	<b>2.3</b>

### 10. Non-current investments

EUR million	2013	2012
Shares in group companies 1 Jan.	<b>251.1</b>	262.5
Transfer to associated companies	<b>1.3</b>	0.0
Increase	<b>7.2</b>	3.5
Decrease	<b>50.9</b>	14.9
Shares in group companies 31 Dec.	<b>206.1</b>	251.1
Receivables from group companies 1 Jan.	<b>72.4</b>	88.7
Increase	<b>11.7</b>	5.0
Decrease	<b>50.4</b>	21.4
Receivables from group companies 31 Dec.	<b>33.7</b>	72.4
Shares in associated companies 1 Jan.	<b>0.1</b>	0.1
Transfer from group company shares	<b>1.3</b>	0.0
Shares in associated companies 31 Dec.	<b>1.4</b>	0.1
Other shares 1 Jan.	<b>0.2</b>	0.2
Other shares 31 Dec.	<b>0.2</b>	0.2
Total non-current investments 1 Jan.	<b>323.7</b>	351.5
Increase	<b>18.9</b>	8.5
Decrease	<b>101.3</b>	36.3
Total non-current investments 31 Dec.	<b>241.4</b>	<b>323.7</b>

### 11. Current receivables

EUR million	2013	2012
Accounts receivable	<b>8.0</b>	4.6
Loans receivable	<b>25.3</b>	21.2
Other receivables	<b>7.4</b>	14.0
Prepaid expenses and accrued income	<b>1.7</b>	2.7
Total from group companies	<b>42.4</b>	42.5
Loans receivable	<b>0.2</b>	0.0
Other receivables	<b>0.1</b>	1.7
Prepaid expenses and accrued income	<b>2.6</b>	1.8
	<b>45.4</b>	<b>46.0</b>

### 12. Prepaid expenses and accrued income

EUR million	2013	2012
Interest income	<b>1.2</b>	1.9
FX derivatives	<b>1.6</b>	0.0
Taxes	<b>0.0</b>	0.0
Other	<b>1.4</b>	2.5
	<b>4.2</b>	<b>4.5</b>

### 13. Shareholders' equity

EUR million	2013	2012
Restricted equity		
Share capital 1 Jan./31 Dec.	<b>14.6</b>	14.6
Restricted equity 1 Jan./31 Dec.	<b>14.6</b>	14.6
Unrestricted equity		
Invested free equity reserve 1 Jan./31 Dec.	<b>60.1</b>	60.1
Retained earnings 1 Jan.	<b>62.4</b>	94.8
Payment of dividend	<b>0.0</b>	-11.8
Net profit for the period	<b>-11.9</b>	-20.5
Retained earnings 31 Dec.	<b>50.5</b>	62.4
Unrestricted equity 31 Dec.	<b>110.6</b>	122.5
Total shareholders' equity 31 Dec.	<b>125.2</b>	<b>137.1</b>

**14. Non-current liabilities**

EUR million	2013	2012
Loans from credit institutions	50.1	74.4
Pension loans	6.0	8.0
Loans from group companies	26.9	21.1
	<b>82.9</b>	<b>103.5</b>

**15. Loans with due date after five years or later**

EUR million	2013	2012
Loans from credit institutions	6.0	2.0
Loans from group companies	26.9	21.1
	<b>32.9</b>	<b>23.1</b>

**16. Loans according to maturity**

EUR million	2013	2012
Year 2013		128.4
Year 2014	93.8	4.3
Year 2015	34.1	17.6
Year 2016	8.0	58.5
Year 2017	8.0	2.0
Year 2018	6.0	0.0
Later	26.9	21.1
	<b>176.7</b>	<b>231.9</b>

**17. Other non-current liabilities**

EUR million	2013	2012
Other non-current liabilities	0.0	9.3

**18. Current liabilities**

EUR million	2013	2012
Commercial papers	40.6	37.7
Loans from credit institutions	6.2	21.5
Pension loans	2.0	9.9
Current loans	48.8	69.1
Provisions	0.0	0.5
Accounts payable	2.3	0.8
Loans	45.0	59.3
Accounts payable	6.0	5.7
Other current liabilities	0.1	8.8
Accrued expenses and deferred income	0.9	0.2
Total to group companies	52.0	74.0
Other current liabilities	0.3	0.4
Accrued expenses and deferred income	5.6	3.2
	<b>108.9</b>	<b>148.0</b>

**19. Accrued expenses and deferred income**

EUR million	2013	2012
Salaries and vacation accruals	1.6	1.8
Social expenses	0.3	0.2
Interest expenses	0.4	0.6
FX derivatives	1.1	0.0
Taxes	1.5	0.0
Other	1.7	0.7
	<b>6.5</b>	<b>3.4</b>

**OTHER NOTES****20. Contingent liabilities**

EUR million	2013	2012
For own debt		
Loans for which pledged assets are given	0.0	44.4
Pledged assets and mortgages for own debt <sup>1)</sup>	0.0	44.4
For own obligations		
Rent and leasing obligations <sup>2)</sup>	74.7	0.2
For group companies		
Other obligations	38.6	59.8
For other parties		
Other obligations	0.1	0.2
Pledged assets, mortgages and obligations total		
Pledged assets	0.0	44.4
Rent and leasing obligations	74.7	0.2
Other obligations	38.7	60.0
	<b>113.4</b>	<b>104.6</b>

<sup>1)</sup> At the end of 2013 the Group did not have any pledged securities. As per 31 Dec. 2012 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 were pledged against a Swedish Krona based bank loan with a book value of EUR 44.4 million.

<sup>2)</sup> The change compared to previous year is explained by Pöyry PLC entering into long term office rental agreements during 2013.

**21. Other lease agreements**

EUR million	2013	2012
Lease payments for non-cancellable other lease agreements, mostly office rents		
Year 2013		0.2
Year 2014	5.4	0.0
Year 2015–2017	14.7	0.0
Later	54.6	0.0
	<b>74.7</b>	<b>0.2</b>

**22. Derivative instruments**

EUR million	2013	2012
Foreign exchange forward contracts, hedge accounting not applied:		
Nominal values	71.5	12.5
Fair values	0.5	-0.2
Foreign exchange forward contracts, fair value hedge accounting:		
Nominal values	67.6	0.0
Fair values	0.0	0.0
Interest rate swaps, hedge accounting not applied:		
Nominal values	0.0	19.2
Fair values	0.0	-0.2
Cross currency swaps, cash flow hedge accounting:		
Nominal values	0.0	42.7
Fair values	0.0	-1.1

At the end of 2012 Pöyry PLC had outstanding interest rate swaps for a EUR 5.9 million and a CHF 16.0 million external non-current floating interest rate-bearing loans and an interest rate and currency swap for a SEK 381.1 million external non-current floating interest rate-bearing loan. At the end of December 2013 the Group did not have any outstanding interest rate or cross currency swaps.

The fair values of the foreign exchange forward contracts are specified by closing date fair values for the corresponding maturities of the agreements. The fair values of the interest rate swaps and cross currency 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 information. The fair values represent the prices which the Group should pay or receive if it terminated the derivative agreement, and the fair values are based on banks' confirmations as well as reports produced by the treasury management system.

# Proposal of the Board of Directors

The parent company's earnings distributable as dividend are

Retained earnings

EUR 62,442,575.85

Profit (loss) for the period

EUR -11,884,522.26

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EUR 50,558,053.59

The Board of Directors proposes to the Annual General Meeting on 11 March 2014 that no dividend will be paid for the year 2013.

Vantaa, Finland, 4 February 2014  
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, 2013. 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, 4 February 2014  
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](http://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 2013 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  
**Nordea**, Helsinki  
**Pohjola Bank**, Helsinki

For more information, please contact:  
 Pöyry Investor Relations  
 Tel. +358 10 33 22629  
[ir.group \(at\) poyry.com](mailto:ir.group@poyry.com)

## Financial information in 2014

In 2014 Pöyry PLC will publish its interim reports as follows:  
 January–March 29 April at 8.30 a.m. Finnish time  
 January–June 31 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 Tuesday, 11 March 2014 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, 27 February 2014
- b) if they have given notice to attend the Meeting on Thursday 6 March 2014 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/agm2014](http://www.poyry.com/agm2014);
- 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 Thursday 6 March 2014. 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 Thursday 6 March 2014.

## Holders of nominee registered shares

If a holder of nominee registered shares is entitled to be recorded in the Company's shareholder register on the record date of the General Meeting 27 February 2014, 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 6 March 2014 at 10.00 a.m. A holder of nominee registered shares is 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 5 February 2014.

## 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 11 March 2014 that no dividend will be paid for the year 2013.

## Address changes

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







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](http://www.poyry.com)