PÖYRY

PÖYRY PLC

Financial Statements 2014

Contents

Financial information in 2015

Pöyry PLC will publish its interim reports in 2015 as follows:
January–March: Tuesday 5 May
January–June: Thursday 30 July
January–September: Wednesday 28 October

More investor information:
www.poyry.com

Pöyry in 2014

Pöyry is an international consulting and engineering company.

We serve clients globally across the energy and industrial sectors and provide local services in our core markets. We deliver management consulting 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 and water.

Pöyry has an extensive local office network employing about 6,000 experts. Pöyry's net sales in 2014 were EUR 571 million and the company's shares are quoted on NASDAQ OMX Helsinki (Pöyry PLC: POY1V).

FINANCIAL TARGETS		ACTUAL 2014	
Net sales	EUR 1,000 million by the end of 2017 *	**EUR 571 million**	Net sales declined mostly due to a business divestment in Finland and developments in the Regional Operations.
Operating profit %, Group	8–9% by the end of 2017 *	**-4.0%**	Operating profit decreased mainly due to one-time items and lower net sales.
Return on investment	20% or higher	**-9.9%**	Key figures for profitability were burdened by project losses and a write-off of receivables from Venezuela.
Earnings per share, growth	15% or higher	**n.a.**	Earnings per share in 2014 was EUR -0.40 (0.06).
Gearing, %	below 50%	**39.1%**	
Dividend/ earnings ratio	50% or higher		The Board will propose to the AGM that no dividend will be paid for 2014.

* The timing for achieving the financial targets will be reviewed by the company in the course of its strategic planning cycle.

Result declined – operations and structure streamlined, processes improved

In 2014, the operating environment in several key markets remained challenging. Pöyry's net sales declined, which, together with several one-time items, impacted the operating profit. Pöyry identified and addressed various internal and external challenges to enable a strong focus on improving sales in 2015.

Key figures in 2014

- The Group's comparable order stock, excluding the business divestment in Finland in June 2014, was EUR 472.5 million (461.9) at year-end. Reported order stock in 2013 was EUR 499.7 million.
- Comparable net sales were EUR 552.4 (601.8) million. Reported net sales declined to EUR 571.2 (650.8) million, which was mainly attributable to developments in the Regional Operations.
- Consolidated operating profit decreased to EUR -23.1 (13.9) million. The figure in 2014 includes a write-off of the receivables from Venezuela amounting to EUR -14 million and a gain of EUR +19 million from the divestment in Finland. The comparable figure in 2013 includes a gain of EUR +14 million from the divestment of the Vantaa office real estate.
- Operating profit was burdened by lower net sales, as well as several one-time items totalling EUR -23 (-15) million. Most of them were project losses from the former Urban Business Group that were recorded in the Regional Operations.
- Earnings per share were EUR -0.40 (0.06).
- The Board of Directors will propose to the Annual General Meeting on 12 March 2015 that no dividend will be paid for the year 2014 (2013:0).

Focus on reinforcing the foundation

- In line with its strategic evolution introduced in February 2013, Pöyry further streamlined its operations in global sales and project management, the Regional Operations and the Industry and Energy Business Groups. The Group Executive Committee structure was adjusted with a view to improving efficiency.
- Pöyry successfully concluded the implementation of its structural and administrative process improvement programme announced at the end of 2012. Furthermore, Pöyry has introduced improvements in terms of sales focus, project management and capacity management.
- The loss-making projects originating from the former Urban Business Group were contained and related provisions recorded. Their execution continues to comply with contractual schedules and, accordingly, will require some time to complete.

Outlook for 2015

- The Group's operating profit is expected to increase and be positive.

Figures in brackets refer to the same period in the previous year.

REPORTED KEY FIGURES

	Energy		Industry		Regional Operations		Management Consulting		Group	
EUR million	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Net sales	**140.5**	144.3	**36.1**	39.6	**327.3**	398.4	**65.4**	66.0	**571.2**	650.8
Operating profit	**0.8**	4.4	**0.0**	2.0	**-34.7**	1.7	**3.7**	2.3	**-23.1**	13.9
Operating profit, %	**0.6**	3.0	**0.1**	5.2	**-10.6**	0.4	**5.7**	3.6	**-4.0**	2.1
Order stock	**189.7**	196.7	**26.0**	16.0	**241.7**	271.8	**14.9**	15.2	**472.5**	499.7
Personnel*	**1,077**	1,133	**439**	449	**3,065**	3,714	**399**	413	**5,170**	5,943

* FTE, end of the year

COMPARABLE KEY FIGURES

Excluding the divestment in Finland in 2014

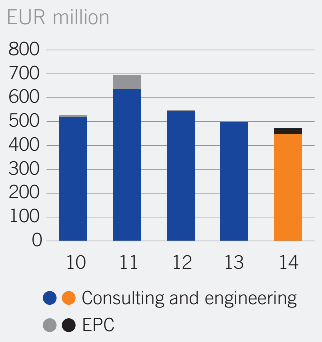
	Regional Operations		Group	
EUR million	2014	2013	2014	2013
Net sales	**309.4**	350.5	**552.4**	601.8
Order stock	**241.7**	234.0	**472.5**	461.9

A more detailed description of Pöyry's financial performance in 2014 is available in the report of the Board of Directors on pages 8–13.

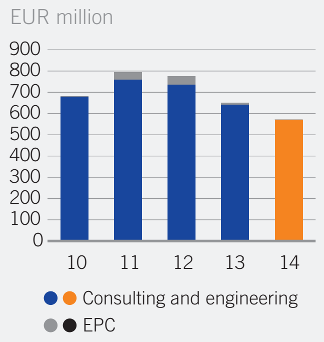
Read more: www.poyry.com

THE GROUP'S REPORTED FIGURES

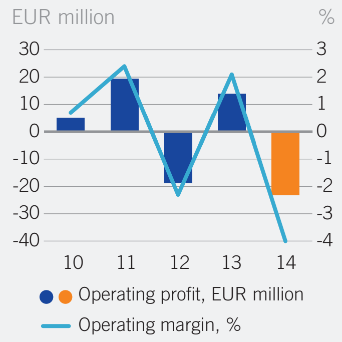
ORDER STOCK



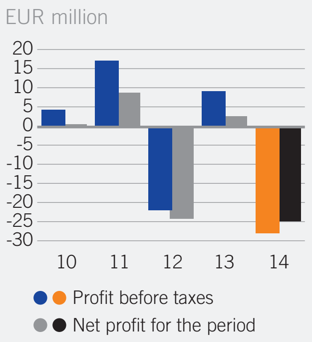
NET SALES



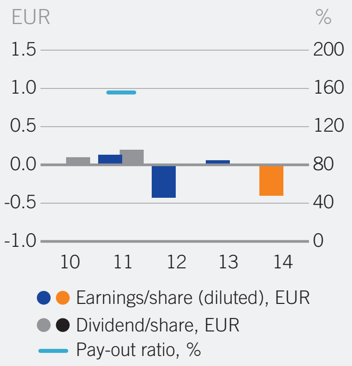
OPERATING PROFIT



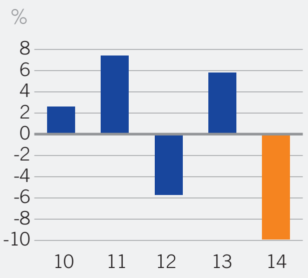
PROFIT BEFORE TAXES AND NET PROFIT



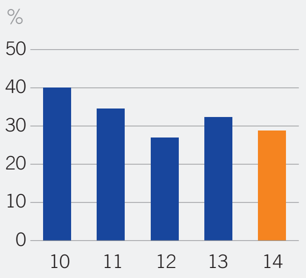
EARNINGS PER SHARE AND DIVIDEND PER SHARE



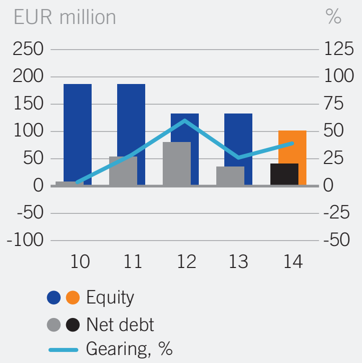
RETURN ON INVESTMENT



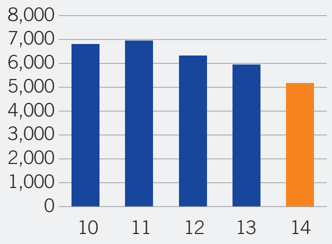
EQUITY RATIO



GEARING



PERSONNEL AT YEAR-END (FTE'S)



A year of investing for the future

In 2014, Pöyry further focused on addressing its internal and external challenges, reinforcing a healthy base for growth.

Over the year, Pöyry's net sales declined mainly due to developments in certain parts of the Regional Operations. The economic slowdown in Latin America combined with necessary project revenue adjustments in Central Europe were the main factors. The slow global economic recovery resulted in prolonged customer decision making and subdued demand for energy and management consulting related services, as well as for industry related services in Europe and particularly in Finland. Comparable net sales, excluding the divestment of the real estate businesses in Finland in June 2014, were EUR 552.4 (601.8) million.

As expected, the Group's operating profit declined and was EUR -23.1 (13.9) million. The figure for 2014 includes a write-off of the receivables from Venezuela amounting to EUR -14 million and a gain of EUR +19 million from the business divestment in Finland. The figure for 2013 includes a gain of EUR +14 million from the divestment of the office real estate in Vantaa, Finland.

Operating profit was burdened by lower net sales, as well as several one-time items totalling EUR -23 (-15) million. Most one-time items related to a number of clearly identified loss-making projects, originating from the former Urban Business Group and recorded in the Regional Operations, as well as restructuring expenses. However, operating profit was positive and increased in the Management Consulting Business Group. It was also positive in the Energy and Industry Business Groups and the Regional Operations Northern Europe.

While the number of identified larger project opportunities was stagnating under the general economic challenges, order prospects held strong. The comparable order intake remained stable due to several mid-sized projects that were secured across all businesses. Comparable order stock at the year-end improved slightly to EUR 472.5 (461.9) million.

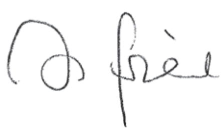
Since early 2013, we have identified and addressed various challenges both externally and internally, mostly related to identified legacy projects. We have streamlined the company structure, strengthened project management and administrative processes, outsourced parts of our IT and finance functions, adjusted our capacity and divested real-estate related businesses in Finland.

In addition, the loss-making projects originating from the former Urban Business Group have been contained, albeit there are certain remaining risks which is typical to project business. Their execution continues to comply with contractual schedules and, accordingly, will require some time to complete. Due to our improved project management processes, no significant new problem projects have emerged since 2012.

Our 2014 figures were burdened by past challenges, which have taken us longer than expected to resolve. However, due to the healthy foundation that has been created during the last two years, we have started this year with a stronger organisation and a much sharper focus on client sales and projects. We are fit for the future.

As a result, positive trends are emerging. Stable development of order prospects will continue fuelling our project pipeline. Sales training and process improvements are increasing sales effectiveness. Renewed IT systems and tools are improving communication and collaboration. In addition, robust group project management guidelines and review cycles are reducing the risk of recurring shortfalls and the assessment of project managers enables better project execution.

Amidst all these changes, I would like to express my warmest thanks to our people for their ongoing commitment and to our shareholders for their trust in Pöyry. With your continued support and as our efforts start taking effect, we expect the Group's operating profit for 2015 to increase and be positive.



Alexis Fries
President and CEO

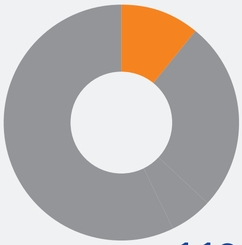
Strategic advisory, engineering and project implementation

CORE EXPERTISE AREAS | SHARE OF GROUP'S NET SALES

MANAGEMENT CONSULTING

- Energy
- Forest industry
- Biorefining
- 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.

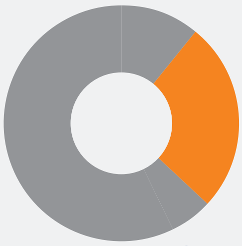


11%

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.

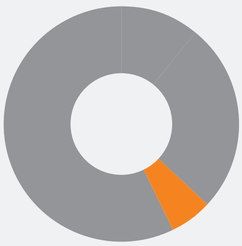


25%

INDUSTRY

- Pulp & paper
- 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 to chemicals & biorefining. We deliver solutions for complex new investment projects and rebuilds of existing plants.



6%

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 and supported by environmental services. 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.

57%

Report of the Board of Directors 1 January–31 December 2014

MARKET REVIEW

The underlying drivers to economic development and the pace of recovery differed across the main economies. The continued weakening of commodity prices, especially the drop in the oil price, impacted economies dependent on raw material exports, whereas net importers of commodities are gradually gaining. The strong domestic demand in the US, benefitting from decreasing oil prices, continued to fuel US GDP growth. At the same time, Russia suffered severely from reduced oil and gas exports, the weakening of its currency and the imposed economic sanctions. This also had a ripple through effect into the European economy.

The continued disparity between the US economic recovery and the weak development, including deflation threat, in the Eurozone has led to the weakening of the Euro against the US dollar. The Brazilian economy continued to struggle due to the lack of structural reforms, prevailing low commodity prices and delayed investment decisions in several industrial sectors.

Demand in Pöyry's key domestic markets for energy related services remained subdued. In Europe, low economic activity reduced the demand for energy and maintained energy prices at a low level. This, combined with regulatory uncertainties, dampened investment activity in the sector. In Asia and in Thailand in particular, political uncertainties earlier this year caused delays in customer decision making, something that was apparent in the overall investment activity for utilities. Continued growth in the demand for energy in the Middle East, Saudi Arabia and the United Arab Emirates in particular, reinforced the need for investments into new power generation capacity, albeit in a tight competitive environment.

The low demand for products and services in Europe and in Finland in particular, continued to depress demand in industry related services. However, announced investments into greenfield pulp mills, as well as decisions on production line conversions introduced new business prospects in Europe in particular. Despite the continued weakening of the Brazilian economic situation and outlook, the investment pipeline into new pulp production capacity remained appealing. Low global commodity prices, especially for iron ore and copper, but for other minerals as well and more recently, for oil and gas, continued to burden the prospects in these segments in all regions.

The continued high level of sovereign debt, the weakening financial standing of the public sector, as well as newly initiated austerity measures in many of Pöyry's domestic markets, especially Europe, reduced the overall demand for infrastructure design and project management services. This development was partially offset by public sector decision making aimed at initiating infrastructure investments in order to stimulate and support the otherwise depressed economic growth.

Slower than expected growth across our key markets, along with tighter cost scrutiny among clients, had a direct impact on demand for management consulting services. On the other hand, increased margin pressure in many of our clients' industries continued to offer opportunities for Pöyry's strategic advisory and operational excellence services in particular.

Notes:

(i) Reporting is based on the organisational structure announced in February 2014. Pöyry further streamlined its business operations, as announced on 19 August 2014. The reported figures have been restated accordingly for the period under review and the comparable period in 2013 in the following Business Lines: the Mining and Metals Business Unit, previously reported under the Industry Business Group, is reported under Regional Operations; and the Regional Operations Asia Pacific, previously reported under Regional Operations, are reported under the Energy Business Group.
(ii) Following the divestment in Finland of significant parts of Pöyry's real estate design and consulting business, as well as its construction management business, the reported figures of Pöyry PLC and the Regional Operations in particular, have been impacted as of 2 June 2014.
(iii) Employee figures are reported in full time equivalents (FTE).
(iv) Figures in brackets refer to the corresponding year-on-year figures.
(v) Figures have been rounded off, which may lead to minor discrepancies upon addition or subtraction.

ORDER STOCK

The Group's order stock improved slightly from EUR 461.9 million at the end of 2013 to EUR 472.5 million on 31 December 2014 on a comparable basis, excluding the divestment in Finland which was executed in June 2014. On 31 December 2013, reported order stock was EUR 499.7 million. Order stock increased in the Industry Business Group and remained stable in other Business Lines.

Order stock was EUR 189.7 million in the Energy Business Group (40% of the total order stock), EUR 26.0 million in the Industry Business Group (5%), EUR 241.7 million in the Regional Operations (51%) and EUR 14.9 million in the Management Consulting Business Group (3%).

ORDER INTAKE

The Group's comparable order intake remained stable. The figure decreased year-on-year in the Energy Business Group, increased in the Industry Business Group and was stable in all other Business Lines. Several mid-sized projects were secured during the year.

GROUP NET SALES

Net sales by business line, EUR million	1–12/ 2014	1–12/ 2013	Change, %	Share of total sales, % 1–12/2014
Energy	**140.5**	144.3	-2.7	25
Industry	**36.1**	39.6	-9.0	6
Regional Operations	**327.3**	398.4	-17.8	57
Management Consulting	**65.4**	66.0	-0.8	11
Unallocated	**1.9**	2.5	-22.8	0
Total	**571.2**	650.8	-12.2	100

Comparable net sales excluding the divested business in Finland was EUR 552.4 (601.8) million. Reported net sales declined to EUR 571.2 (650.8) million, which was mainly attributable to developments in the Regional Operations.

GROUP OPERATING PROFIT

Operating profit by business line, EUR million	1–12/ 2014	1–12/ 2013	Change, %
Energy	**0.8**	4.4	-80.9
Industry	**0.0**	2.0	n.a.
Regional Operations	**-34.7**	1.7	n.a.
Management Consulting	**3.7**	2.3	59.7
Unallocated	**7.0**	3.5	n.a.
Total	**-23.1**	13.9	n.a.

Consolidated operating profit decreased to EUR -23.1 (13.9) million.

The figure includes a write-off of the receivables from Venezuela amounting to EUR -14 million and a gain of EUR +19 million from the divestment in Finland. Both items were recognised in June 2014. The comparable figure includes a gain of EUR +14 million from the divestment of the office real estate in Vantaa in December 2013.

Operating profit was burdened by lower net sales as well as several one-time items totalling EUR -23 (-15) million. Most one-time items were recorded in the Regional Operations and were related to project losses originating from the former Urban Business Group, as well as restructuring expenses.

Operating profit was positive and increased in the Management Consulting Business Group. The figure was also positive in the Energy Business Group, the Industry Business Group and in Northern Europe, but negative in all other Regional Operations.

BUSINESS LINES

Energy Business Group	1–12/ 2014	1–12/ 2013	Change, %
Order stock, EUR million, end of period	**189.7**	196.7	-3.6
Sales, EUR million	**140.5**	144.3	-2.7
Operating profit, EUR million	**0.8**	4.4	-80.9
Operating margin, %	**0.6**	3.0	
Personnel at end of period	**1,077**	1,133	-4.9

Order stock remained stable and was EUR 189.7 (196.7) million. Several mid-size orders were secured in 2014.

Net sales remained stable and amounted to EUR 140.5 (144.3) million.

Operating profit declined to EUR 0.8 (4.4) million. The decline was mainly related to impairment losses on accounts receivable.

Industry Business Group	1–12/ 2014	1–12/ 2013	Change, %
Order stock, EUR million, end of period	**26.0**	16.0	62.6
Sales, EUR million	**36.1**	39.6	-9.0
Operating profit, EUR million	**0.0**	2.0	n.a.
Operating margin, %	**0.1**	5.2	
Personnel at end of period	**439**	449	-2.0

Order stock increased year-on-year and was EUR 26.0 (16.0) million due to positive developments in Asia and Europe.

Net sales decreased by 9.0 per cent to EUR 36.1 (39.6) million, reflecting the completion of a large pulp mill project earlier in the year.

Operating profit declined to EUR 0.0 (2.0) million and was burdened by higher business development costs, as well as a project loss recognised in Northern Europe.

Regional Operations	1–12/ 2014	1–12/ 2013	Change, %
Order stock, EUR million, end of period	**241.7**	271.8	-11.1
Sales, EUR million	**327.3**	398.4	-17.8
Operating profit, EUR million	**-34.7**	1.7	n.a.
Operating margin, %	**-10.6**	0.4	
Personnel at end of period	**3,065**	3,714	-17.5

Comparable order stock, excluding the divestment in Finland in June 2014, remained stable and was EUR 241.7 (234.0) million. Reported order stock declined by 11.1 per cent from EUR 271.8 million in 2013.

Comparable net sales totalled EUR 309.4 (350.5) million. The figure remained stable in Northern Europe. It declined in all other regions, especially in Latin America, which was impacted by the economic slowdown and delayed project awards. In addition, it decreased in Central Europe, mostly due to project revenue adjustments. Reported net sales declined by 17.8 per cent year-on-year to EUR 327.3 (398.4) million.

Operating profit decreased to EUR -34.7 (1.7) million. Operating profit was positive in Northern Europe, but negative in most other Regional Operations. The figure decreased across all regions and was affected by weaker sales.

Operating profit includes the write-off of the receivables from Venezuela amounting to EUR -14 million, recognised in June 2014. The figure was also burdened by several one-time items amounting to EUR -22 (-13) million, which mainly related to project losses originating from the former Urban Business Group in Austria, Switzerland and Romania. Moreover, the one-time items include restructuring expenses in Central Europe, as well as charges related to the on-going arbitration proceedings concerning a large project in Brazil that was completed last year.

Management Consulting Business Group	1–12/ 2014	1–12/ 2013	Change, %
Order stock, EUR million, end of period	**14.9**	15.2	-2.0
Sales, EUR million	**65.4**	66.0	-0.8
Operating profit, EUR million	**3.7**	2.3	59.7
Operating margin, %	**5.7**	3.6	
Personnel at end of period	**399**	413	-3.5

Order stock remained stable over the review period and was EUR 14.9 (15.2) million.

Net sales remained stable at EUR 65.4 (66.0) million.

Operating profit increased to EUR 3.7 (2.3) million mainly due to structural improvements implemented during the first half of 2013.

UNALLOCATED ITEMS

During the period, unallocated items increased the operating profit by EUR +7.0 (+3.5) million. The divestment in Finland increased the operating profit by EUR +19 million. In 2013, a profit of EUR +14 million resulting from the divestment of the office real estate in Vantaa was included in unallocated items.

Unallocated expenses increased in line with expectations, caused by the progressing centralisation of the global support functions, related outsourcing costs, restructuring of the Group Executive Committee in August, as well as office rent following the sale of the head office building in Finland in 2013.

GROUP FINANCIAL RESULT

The net financial items amounted to EUR -5.0 (-5.2) million. The items in 2014 included a write-down of share value in joint ventures, amounting to EUR 1.1 million. On the other hand, interest expenses declined compared to 2013.

Profit before taxes totalled EUR -28.0 (9.1) million.

Income taxes were EUR 3.0 (-6.5) million.

Net profit for the period amounted to EUR -24.9 (2.6) million, of which EUR -23.7 million were attributable to equity holders of the parent company and EUR -1.2 to non-controlling interests.

Diluted earnings per share were EUR -0.40 (0.06).

BALANCE SHEET

The consolidated balance sheet amounted to EUR 436.0 million, which is EUR 45.5 million lower than EUR 481.5 million at the end of 2013. Total equity at the end of the reporting period amounted to EUR 101.8 (132.5) million. The actuarial gains and losses related to defined benefit pension plans decreased the equity by EUR 7.9 million net of tax. Total equity attributable to equity holders of the parent company was EUR 100.2 (129.6) million, or EUR 1.68 (2.17) per share.

Return on equity (ROE) amounted to -20.3 (2.0) per cent. Return on investment (ROI) amounted to -9.9 (5.8) per cent.

CASH FLOW AND FINANCING

Group cash and cash equivalents and other liquid assets at the end of the reporting period amounted to EUR 50.3 (72.4) million. In addition to these, the Group had available credit facilities amounting to EUR 97.8 million. The amount of issued Commercial Papers was EUR 31.3 million.

Net cash flow from operating activities in the reporting period amounted to EUR -32.9 (-1.0) million, representing EUR -0.56 per share. Net cash flow before financing activities amounted to EUR -8.4 (51.3) million including net proceeds of EUR 27 million from the divestment in Finland. Net debt at the end of the reporting period was EUR 39.8 (34.5) million. Gearing was 39.1 (26.0) per cent. The equity ratio was 28.8 (32.3) per cent.

Calculation principles and key figures are presented in the Key figures section.

CAPITAL EXPENDITURE

During the reporting period, the Group's capital expenditures totalled EUR 2.6 (5.9) million.

Capital expenditure, EUR million	1–12/ 2014	1–12/ 2013
Capital expenditure, operating	**2.6**	5.9
Capital expenditure, total	**2.6**	5.9

PERSONNEL

Personnel (FTE) by business group, at the end of the period	1–12/ 2014	1–12/ 2013	Change, %
Energy	**1,077**	1,133	-4.9
Industry	**439**	449	-2.0
Regional operations	**3,065**	3,714	-17.5
Management Consulting	**399**	413	-3.5
Group staff and shared resources	**189**	234	-19.3
Personnel, total	**5,170**	5,943	-13.0

Personnel (FTE) by geographic area, at the end of the period	1–12/ 2014	1–12/ 2013	Change, %
Nordic countries	**1,852**	2,376	-22.0
Other Europe	**1,878**	1,999	-6.1
Asia	**538**	546	-1.5
North America	**160**	148	8.1
South America	**729**	857	-14.9
Other areas	**13**	17	-23.5
Personnel, total	**5,170**	5,943	-13.0

Personnel structure

The Group had an average of 5,433 (6,139) employees (FTEs), which was 11.5 per cent less than in the previous year. The number of personnel (FTEs) at the end of the period was 5,170 (5,943). The figure decreased by 435 people due to the divestment of the real estate business in Finland.

As of 1 January 2014, expenses related to contracts with independent self-employed specialists in Latin America have been included in the personnel expenses and, accordingly, the number of independent self-employed specialists has been included in the employee figures. This measure has increased the amount of personnel by about 250 FTEs. The figures for the corresponding year have been restated accordingly.

Personnel expenses

Personnel expenses, EUR million	1–12/ 2014	1–12/ 2013	Change, %
Wages and salaries	**304.4**	329.9	-7.7
Bonuses	**6.4**	3.7*	73.0
Expenses from share-based incentives	**0.3**	0.3	7.6
Social expenses	**70.1**	74.7	-6.2
Personnel expenses, total	**381.2**	408.5	-6.7

*In 2013, the bonus expenses were reduced by reversal of bonus accruals made in 2012.

Performance share plan

The Board of Directors of Pöyry PLC approved on 4 February 2014 a new share-based incentive plan for the Pöyry Group key personnel. The incentive plan is directed to approximately 40 people. The plan consists of three discretionary periods, calendar years 2014, 2015 and 2016. The Board of Directors of the company will decide on the performance criteria and their targets at the beginning of each discretionary period. The rewards to be paid on the basis of the discretionary period 2014 will correspond to an approximate value of a maximum total of 300,000 Pöyry PLC shares (gross), if the earnings target set by the Board of Directors is met. Should the company's earnings exceed the target and reach maximum performance, as defined by the Board of Directors, the rewards to be paid on the basis of the discretionary period 2014 will correspond to an approximate value of a maximum total of 600,000 Pöyry PLC shares (gross).

The Board of Directors of Pöyry decided on 29 April 2014 to amend the total reward amount of the share-based incentive plan that was approved on 4 February 2014. The rewards to be paid on the basis of the discretionary period 2014 will correspond to an approximate value of a maximum total of 400,000 Pöyry PLC shares (gross), if the earnings target set by the Board of Directors is met. Should the company's earnings exceed the target and reach maximum performance, as defined by the Board of Directors, the rewards to be paid on the basis of the discretionary period 2014 will correspond to an approximate value of a maximum total of 800,000 Pöyry PLC shares (gross).

See note 7 in the Notes to the Financial Statements 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 on Thursday 19 February 2015 at the latest.

Annual General Meeting 2014

The Annual General Meeting ("AGM") of Pöyry PLC was held on 11 March 2014. The AGM adopted Pöyry PLC's annual accounts and granted the members of the Board of Directors and the President and CEO of the company discharge from liability for the financial period 1 January to 31 December 2013.

The AGM decided that no dividend be distributed for 2013.

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 8 March 2012. PricewaterhouseCoopers Oy has appointed Merja Lindh, Authorised Public Accountant, as the auditor in charge.

The decisions made by the AGM of Pöyry PLC on 11 March 2014 are available in full on the company's website at www.poyry.com.

Authorisations

In the AGM on 11 March 2014, 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 acquisition 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 11 March 2014 relating to the authorisations of the Board of Directors are available in full on the company's website at www.poyry.com.

Group Executive Management

On 19 August 2014, Pöyry announced changes in the management structure of the Group Executive Committee with a view to improving efficiency.

Alexis Fries, President and CEO assumed the tasks of Chairman of Pöyry's Regional Operations.

Marcelo Cordaro, previously President of Pöyry's operations in Brazil, was additionally appointed President Regional Operations Latin America.

Nicholas Oksanen, previously President of Pöyry's Pulp and Paper Business Unit in the Industry Business Group, was additionally appointed President Industry Business Group.

Richard Pinnock, previously Executive Vice President Group Strategic Growth, was appointed Executive Vice President Global Sales and Project Management with the responsibility for strengthening the Group's global sales and project management. He will also continue to develop the Group's Large Projects Competence Centre.

Pasi Tolppanen, President Regional Operations Northern Europe and President of Pöyry's operations in Finland, and Marcelo Cordaro were both appointed as Vice Chairmen Regional Operations.

Martin Bachmann, Chairman Regional Operations and President Regional Operations Alpine Arc and AsiaPacific, and Martin Kuzaj, President Regional Operations Central Europe, President Regional Operations Latin America and President Industry Business Group left the Pöyry Group.

After the changes, the Group Executive Committee consisted of Alexis Fries, Sergio Guimaraes, Marcelo Cordaro, Nicholas Oksanen, Jukka Pahta, Richard Pinnock, Jarkko Sairanen, Pasi Tolppanen, Anne Viitala and Jaana Rinne. All the Group Executive Committee members report to the President and CEO, Alexis Fries.

The Group Executive Committee consisted of ten (10) members at the end of 2014:

Alexis Fries, President and CEO, Chairman of Pöyry's Regional Operations and President Regional Operations Central Europe

Sergio Guimaraes, Executive Vice President (EVP) and President, Energy Business Group

Nicholas Oksanen, EVP, President Industry Business Group and President of Pöyry's Pulp and Paper Business Unit in the Industry Business Group

Marcelo Cordaro, EVP, President Regional Operations Latin America and President of Pöyry's operations in Brazil, Vice Chairman Regional Operations

Jarkko Sairanen, EVP and President, Management Consulting Business Group

Jukka Pahta, EVP, Chief Financial Officer

Richard Pinnock, EVP, Global Sales and Project Management

Pasi Tolppanen, EVP, President Regional Operations Northern Europe, Vice Chairman Regional Operations

Anne Viitala, EVP, Legal and Communications

Jaana Rinne, Senior Vice President, Human Resources

Martin Kuzaj was EVP, President Regional Operations Central Europe, President Regional Operations Latin America and President Industry Business Group until 19 August, 2014. Martin Bachmann was EVP and Chairman Regional Operations and President Regional Operations Alpine Arc and Asia Pacific until 19 August, 2014.

SHARE CAPITAL AND SHARES

The share capital of Pöyry PLC at 31 December 2014 totalled EUR 14,588,478 and the total number of shares including treasury shares was 59,759,610.

On 11 March 2014, the Board of Directors of Pöyry PLC decided on a directed share issue for the reward payment from the earning period 2011–2013 of the Pöyry Performance Share Plan 2011-2015. In the share issue, maximum of 72,700 Pöyry PLC shares held by the company were issued and conveyed without consideration to the key persons participating in the Pöyry Performance Share Plan according to the terms and conditions of the plan. More detailed information about the plan has been announced on 8 February 2011. The decision on the directed share issue is based on the authorisation granted to the Board of Directors by the Annual General Meeting of shareholders, held on 11 March 2014.

On 29 April 2014, the Board of Directors of Pöyry PLC decided on a directed share issue without consideration in relation to the payment of a share based compensation. In the share issue, 95,000 Pöyry PLC shares held by the company were conveyed without consideration to the President and CEO Alexis Fries as a share based compensation for restructuring the company and forming a part of his remuneration according to the terms and conditions of his service contract concluded in September 2012. The decision on the conveyance of treasury shares by means of a directed share issue without consideration was based on the authorisation granted to the Board of Directors by the Annual General Meeting of Shareholders held on 11 March 2014.

On 31 December 2014, Pöyry PLC held a total of 519,055 own shares, which corresponds to 0.9 per cent of the total number of shares.

MARKET CAP AND TRADING

The closing price of Pöyry's shares on 31 December 2014 was EUR 2.66 (4.07). The volume weighted average share price during the reporting period was EUR 3.81 (3.81), the highest quotation being EUR 4.80 (4.70) and the lowest EUR 2.60 (2.93). The share price decreased by 34.6 per cent since the end of 2013. During the reporting period, approximately 11.3 million Pöyry shares were traded at NASDAQ OMX Helsinki, corresponding to a turnover of approximately EUR 43 million. The average daily trading volume was 45,358 shares, or approximately EUR 0.2 million.

On 31 December 2014, the total market value of Pöyry's shares was EUR 157.6 (240.4) million excluding the treasury shares held by the company and EUR 159.0 (243.2) million including the treasury shares.

OWNERSHIP STRUCTURE

The number of registered shareholders was 6,584 at the end of December 2014 compared to 6,899 shareholders at the end of 2013.

Corbis S.A. remained the largest shareholder with 34.20 per cent ownership of the total shares. The Chairman of the Board of Directors of Pöyry, Henrik Ehrnrooth, together with his brothers Georg Ehrnrooth (member of the Board of Directors of Pöyry) and Carl-Gustaf Ehrnrooth, indirectly holds a controlling interest in Corbis S.A.

At the end of the reporting period, a total of 10.51 per cent of the shares were owned by nominee-registered shareholders. Total ownership outside Finland, including Corbis, together with nominee-registered shareholders represented 45.49 per cent of the total shares.

FLAGGINGS IN 2014

On 20 May 2014, Pöyry PLC received a disclosure under Chapter 9, Section 5 of the Securities Market Act according to which, as a result of share transactions concluded on 19 May 2014, the holdings of RWC Asset Management LLP (UK, ID OC332015) exceeded 5 per cent of Pöyry PLC's total shares and votes. According to the disclosure, RWC Asset Management LLP held on 19 May 2014 a total of 3,008,148 shares which represented 5.03 per cent of Pöyry PLC's total shares and votes.

EVENTS AFTER THE REPORTING PERIOD

On 12 January 2015, Anja Silvennoinen was appointed Executive Vice President of Pöyry PLC and President of the Energy Business Group as well as member of the Group Executive Committee of Pöyry PLC. She will assume these tasks on 1 March 2015 and report to President and CEO. The previous position holder, Sergio Guimaraes, will assume a Senior Vice President, Business Development role at Pöyry and leave his position at the Group Executive Committee.

PÖYRY'S EVOLUTION

Pöyry's current organisational structure was introduced in February 2013 and is based on Management Consulting, Global Competence Lines and Regional Operations. In line with this evolution, Pöyry integrated its local activities in Latin and North America and Asia Pacific to Regional Operations in January 2014.

On 19 August 2014, Pöyry further streamlined its business operations and adjusted its management structure to improve efficiency. The Project Management Services Business Unit, previously part of the Industry Business Group, and the Group's Large Projects Competence Centre were integrated under the Global Sales and Project Management Function.

In addition, the Regional Operations Alpine Arc and Central Europe were combined into one region, Central Europe, which includes three of Pöyry's Key Countries: Germany, Switzerland and Austria. The Mining and Metals Business Unit, previously part of the Industry Business Group, was integrated into the Regional Operations Northern Europe. In addition, the Regional Operations Asia Pacific, comprising of local operations in China and Thailand, were integrated into the Energy Business Group.

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

The establishing of Regional Operations provides the business with a more focused platform to deliver a 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 concluded the implementation of its structural and administrative process improvement programme announced at the end of 2012. As these measures have been progressing, Pöyry has introduced further improvements in terms of sales focus, project management and capacity management.

SIGNIFICANT RISKS AND BUSINESS UNCERTAINTIES

The economic and political uncertainties continue and the risk of recession, particularly in the European market, persists. This can impact 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, mid-size 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.

Among the on-going projects, there are some facing particular challenges and risks in the context of their execution. In some of these projects, the respective subsidiary companies are involved in disputes and litigations where the outcome and timing of the resolutions are uncertain and could differ from the management's current assessment. The majority of these projects originate from the former Urban Business Group. There is a distinct management focus on resolving these issues and their evolution is regularly reviewed and assessed in line with the company's risk assessment processes.

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 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 delayed excessively or that the Pöyry Group may experience credit losses. To manage this risk, the company maintains systematic processes for the follow-up and active collection of receivables.

The most relevant risks related to Pöyry's business are presented in more detail on the company's website at www.poyry.com.

MARKET OUTLOOK 2015

The economic and market outlook for 2015 has softened and global growth prospects remain weak. There are, however, some expectations for lower oil and other energy prices to stimulate private demand and investments globally. In addition, the threat of deflation and stagnation triggered the European Central Bank to launch a quantitative easing programme of bond purchases as of March 2015. This is expected to create conditions for regional and global recovery during the second half of 2015 and into 2016. In the US and the UK, economic growth is projected to remain robust.

For the businesses relevant to Pöyry, 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 prospects remain unchanged and investment activity is expected to gradually improve. In Europe the growth remains fragile, delaying economic recovery and investment decisions.

FINANCIAL OUTLOOK FOR 2015

The Group's operating profit is expected to increase and be positive.

BOARD OF DIRECTORS' PROPOSAL FOR DISPOSAL OF DISTRIBUTABLE FUNDS

The Group's parent company Pöyry PLC's net profit for 2014 amounted to EUR -14,777,499.04 and retained earnings were EUR 51,050,896.68. The total distributable earnings were EUR 36,273,397.64. Considering the challenging market situation the Board of Directors of Pöyry PLC will propose to the Annual General Meeting on 12 March 2015 that no dividend will be paid for the year 2014.

Vantaa, 3 February 2015

Pöyry PLC
Board of Directors

Statement of comprehensive income

EUR million		2014	2013
4	**Net sales**	**571.2**	650.8
5	Other operating income	**+22.6**	+24.1
	Materials and supplies	**-3.4**	-14.1
	External charges, subconsulting	**-59.5**	-72.4
6	Personnel expenses	**-381.2**	-408.5
12,13	Depreciation and impairment	**-5.3**	-14.3
8	Other operating expenses	**-167.5**	-151.7
		-616.9	-661.0
	Operating profit	**-23.1**	**13.9**
9	Financial income	**+1.3**	+1.9
9	Financial expenses	**-6.0**	-6.8
9	Exchange rate differences	**-0.4**	-0.3
		-5.0	-5.2
14	Share of associated companies' and joint ventures' results	**+0.1**	+0.4
	Profit before taxes	**-28.0**	**9.1**
10	Income taxes	**+3.0**	-6.5
	Net profit for the period	**-24.9**	**2.6**
	Other comprehensive income		
	Items that will not be reclassified to profit or loss		
	Remeasurements of net defined benefit pension liability	**-9.3**	8.1
	Impact on deferred taxes	**+1.4**	-1.5
	Items that may be reclassified to profit or loss		
	Cash flow hedging		+1.1
	Impact on deferred tax assets		-0.3
	Translation differences	**+0.7**	-6.4
	Total comprehensive income for the period	**-32.1**	**3.6**
	Net profit attributable to:		
	Equity holders of the parent company	**-23.7**	3.6
	Non-controlling interest	**-1.2**	-1.0
	Total comprehensive income attributable to:		
	Equity holders of the parent company	**-30.9**	4.6
	Non-controlling interest	**-1.2**	-1.0
11	Earnings/share, EUR	**-0.40**	0.06
	Corrected with dilution effect	**-0.40**	0.06

Statement of cash flows

EUR million	2014	2013
From operating activities		
Net profit for the period	**-24.9**	+2.6
Expenses from share-based incentive programmes	**+0.3**	+0.3
Depreciation and impairment	**+5.3**	+16.2
Impairment losses from accounts receivable and work in progress	**+16.9**	+1,1
Gain on sales of shares and fixed assets	**-20.8**	-14.6
Adjustment to unpaid liability for acquired shares	**-**	-9.0
Loss on sales of shares and fixed assets	**+0.1**	+0.5
Financial income and expenses	**+4.6**	+5.2
Income taxes	**-3.0**	+6.5
Change in work in progress	**+3.0**	+6.8
Change in accounts and other receivables	**-10.1**	+16.2
Change in project advances received	**+10.2**	-18.9
Change in payables and other liabilities	**-6.2**	-4.7
Received financial income	**+1.2**	+1.7
Paid financial expenses	**-6.5**	-7.1
Paid income taxes	**-2.9**	-3.8
Total from operating activities	**-32.9**	**-1.0**
Capital expenditure		
Sales of business operations and shares in subsidiaries deducted with cash decrease [1]	**+27.1**	-0,1
Investments in fixed assets	**-2.6**	-5.9
Sale of real estates	**-**	+58.3
Sales of other fixed assets	**0.0**	0.0
Capital expenditure total, net	**+24.5**	**+52.3**
Net cash before financing	**-8.4**	**+51.3**
Financing		
New loans	**+15.0**	+46.6
Repayments of loans	**-21.2**	-102.2
Change in current financing	**-10.9**	+3.1
Received dividends	**+1.3**	+1.8
Paid dividends	**-**	-0.8
Net cash from financing	**-15.7**	**-51.5**
Change in cash and cash equivalents and in other liquid assets	**-24.1**	**-0.2**
Cash and cash equivalents and other liquid assets 1 January	**72.4**	83.0
Reclassification of subsidiary company to joint venture		-3.7
Impact of translation differences in exchange rates	**+2.0**	-6.7
Cash and cash equivalents and other liquid assets, 31 December	**50.3**	**72.4**
Financial assets at fair value through profit and loss	**0.2**	0.2
Cash and cash equivalents	**50.1**	72.2
Cash and cash equivalents and other liquid assets, 31 December	**50.3**	**72.4**

[1] The breakdown of cash flows is included in note 3 Disposals

Statement of financial position

	EUR million	2014	2013
Assets			
	Non-current assets		
12	Goodwill	**119.2**	127.4
12	Intangible assets	**2.2**	2.4
13	Tangible assets	**10.4**	13.3
14	Shares in associated companies and joint ventures	**0.1**	8.1
14	Other shares	**1.9**	2.0
14	Loans receivable	**0.4**	0.3
10	Deferred tax receivables	**24.1**	16.4
22	Pension receivables	**0.2**	0.2
16	Other	**5,6**	5.6
		164.2	175.8
	Current assets		
17	Work in progress	**80.8**	84.8
17,19	Accounts receivable	**113.6**	124.6
17	Loans receivable	**0.0**	0.3
17	Other receivables	**6.5**	6.1
17,18	Prepaid expenses and accrued income	**10.6**	11.6
17	Current tax receivables	**4.8**	6.0
17	Financial assets at fair value through profit and loss	**0.2**	0.2
17	Cash and cash equivalents	**50.1**	72.2
		266.7	305.8
15	Assets classified as held for sale	**5.2**	-
	Total	**436.0**	**481.5**

	EUR million	2014	2013
Equity and liabilities			
	Equity		
	Equity attributable to the equity holders of the parent company		
20	Share capital	**14.6**	14.6
20	Legal reserve	**3.6**	3.6
20	Invested free equity reserve	**60.1**	60.1
	Translation differences	**-12.5**	-13.2
	Retained earnings	**34.4**	64.6
		100.2	129.6
	Non-controlling interest	**1.6**	2.9
		101.8	132.5
	Liabilities		
	Non-current liabilities		
21	Interest bearing non-current liabilities	**37.4**	56.4
22	Pension obligations	**34.3**	23.9
10	Deferred tax liability	**0.4**	0.2
	Other non-current liabilities	**0.1**	2.0
		72.2	82.6
	Current liabilities		
21,24	Amortisations of interest bearing non-current liabilities	**21.3**	9.3
	Commercial papers	**31.3**	40.6
21,24	Interest bearing current liabilities	**0.2**	0.6
23	Provisions	**16.5**	15.7
24	Project advances	**82.4**	71.8
24	Accounts payable	**21.2**	27.4
24	Other current liabilities	**22.6**	26.9
24	Current tax payable	**5.5**	5.8
24,25	Accrued expenses and deferred income	**61.1**	68.3
		262.0	266.4
		334.2	349.0
	Total	**436.0**	**481.5**

Statement of changes in equity

EUR million	Share capital	Legal reserve	Invested free equity reserve	Fair value reserve	Translation differences	Retained earnings	Total	Non-controlling interest	Total equity
Equity 1 Jan. 2014	14.6	3.6	60.1		-13.2	64.6	129.6	2.9	132.5
Comprehensive income									
Comprehensive income for the period		+0.0			0.7	-31.6	-30.9	-1.2	-32.1
Comprehensive income for the period total		+0.0			0.7	-31.6	-30.9	-1.2	-32.1
Contributions by and distributions to owners of the parent, recognised directly into equity									
Expenses from share-based incentive programmes						0.2	0.2		0.2
Reversals from share-based incentive programmes						1.2	1.2		1.2
Total contributions by and distributions to owners of the parent, recognised directly into equity						1.4	1.4		1.4
Equity 31 Dec. 2014	**14.6**	**3.6**	**60.1**		**-12.5**	**34.4**	**100.2**	**1.6**	**101.8**
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		+0.0		0.8	-6.5	10.2	4.6	-1.0	3.5
Reclassification of subsidiary company to joint venture								-2.7	-2.7
Comprehensive income for the period total		+0.0		0.8	-6.5	10.2	4.6	-3.7	0.9
Contributions by and distributions to owners of the parent, recognised directly into equity									
Payment of dividend								-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 into equity						0.2	0.2	-0.8	-0.6
Equity 31 Dec. 2013	**14.6**	**3.6**	**60.1**	**0.0**	**-13.2**	**64.6**	**129.6**	**2.9**	**132.5**

Notes to the consolidated financial statements

1. 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) or from the parent company's head office, the address of which is Jaakonkatu 3, 01620 Vantaa, Finland.

In its meeting on February 3, 2015 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 2014. 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 2014 the following standards, their amendments and interpretations that have come into effect.

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.

Amendment to IAS 32 "Financial instruments: Presentation" on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have significant effect on the group financial statements.

Amendments to IAS 36 "Impairment of assets" on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which have been included in IAS 36 by the issue of IFRS 13. The amendment did not have significant effect on the group financial statements.

Amendment to IAS 39 "Financial instruments: Recognition and measurement" on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to 'over-the-counter' derivatives and the establishment of central counterparties. Under IAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. The amendment did not have significant effect on the group financial statements.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2014 are not material to the group.

Uses of estimates

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

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

Subsidiaries

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

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

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

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

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

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

Associates and joint ventures

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.

Investments in joint ventures in which the Group exercises a shared controlling interest with other parties are accounted for using the equity method.

The Group's investments in associates and joint ventures are initially recognised at cost after which the Group's share of their post-acquisition retained profits and losses is included as part of investments in associates and joint ventures in the consolidated balance sheets.

Under the equity method the share of profits and losses of associates and joint ventures is presented separately in the consolidated statement of income.

Joint operations

A joint operation is a joint arrangement whereby the parties having joint control of the arrangement have rights to the assets and obligations for liabilities relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions concerning the relevant activities require unanimous approval of all the parties sharing control.

Due to the nature of Pöyry's business, the group is engaged in several consortium arrangements which are joint operations based on definitions in IFRS 11. Consortiums are contractually established for the purpose of tendering and executing project work for a specific project and they are terminated once the project is completed. Individual consortiums are not material to the group.

The group accounts in relation to its interest for the assets, liabilities, revenues and expenses related to a joint operation in accordance with IFRS applicable for the particular item.

Foreign currency items

Foreign subsidiaries

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

Foreign exchange differences for the period arising from the application of the acquisition method, translation of the accumulated post-acquisition equity items and translation of the comprehensive income for the period at the average monthly rate in the statement of comprehensive income and at the closing rate in the balance sheet are recorded as separate item in other comprehensive income. The accumulated translation difference amounts are reported as separate item under equity.

Foreign currency transactions

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

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

Net sales and revenue recognition principles

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

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

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

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

   The revenue is recognised on the percentage-of-completion method, measured by reference to the stage of completion at the end of the reporting period. The stage of completion is defined as the proportion that project costs incurred for work performed both by the Group and subcontractors to date bear to the estimated total project costs.
2. Consulting and engineering projects with a cost plus contract which can be classified as pure reimbursable projects:

   The revenue is recognised in the period during which the corresponding services have been rendered. If a reimbursable project has any kind of maximum, cap or estimate type of characteristics, revenue is recognised by reference to the stage of completion.
3. Contracting/Turnkey/EPC projects: The revenue is recognised using the percentage-of-completion method, measured by reference to the percentage of total cost incurred to date to estimated total cost at the end of the reporting period. Due to the different risk profile separately defined procedures are followed when assessing the risks and the progress made as well as in monitoring and controlling throughout the project.

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

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

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

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

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

Employee benefits

Pension plans

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

Pension plans are classified as either defined contribution plans or defined benefit plans. The plans the Group has currently are mainly classified as defined contribution plans under which fixed contributions are paid into a separate entity and they are recognised as an expense in profit or loss in the year to which they relate. If the payee is not capable to pay the pension benefits in question, Pöyry Group will have no legal or constructive obligation to pay further contributions. All other plans not meeting the above criteria are classified as defined benefit plans. The Group has defined benefit plans in Switzerland, Germany, Austria 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 income.

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

Pöyry has share-based incentive plans for its key personnel.

The fair value of the reward is expensed until the target group is entitled to the reward and the shares are freely transferable. The fair value of the share is the share price on the date at which the target group has agreed to the conditions of the plan reduced by the estimated dividends. The fair value of the cash part is remeasured at the end of each reporting period based on the share price at the end of the reporting period. The expenses are recognised as personnel expenses and the component settled in shares credited the retained earnings and the cash part as an accrued liability until paid out. The share-based incentive plans are described in the note 7.

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 derivates are included in the operating profit if arisen from the items related to business, otherwise recorded I financial items.

Income taxes

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

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

Deferred tax assets and liabilities are provided in the consolidated financial statements generally for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The main temporary differences arise from tax losses carried forward and defined benefit plans. Deferred taxes are not provided for impairment of goodwill, which is not deductible for tax purposes, or for undistributed profits of subsidiaries to the extent that is it probable that the temporary difference will not reverse in the foreseeable future. Deferred tax liabilities are recognised at their full amounts in the balance sheet, and deferred tax assets are recognised at estimated realisable amounts, i.e. to the extent that it is probable that taxable profit will be available in the future, against which temporary differences can be utilized. The tax rate enacted or substantively enacted at the end of the reporting period is used as the tax rate.

Intangible assets

Goodwill

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

Acquisitions between 1 January 2004 and 31 December 2009 have been booked according to the previous IFRS standards (IFRS 3 (2004)), in which goodwill represents the difference between the cost of the acquisition and the fair value measured at the acquisition date of the net identifiable assets and liabilities and contingent liabilities acquired. Goodwill arisen from the business acquisitions occurred prior to 1 January 2004 is reported as it was recognised under FAS and taken as deemed cost under IFRS. Based on this exemption granted in IFRS 1 the classification and accounting treatment of the business combinations was not been reconsidered in preparing the Group's opening IFRS balance sheet.

Goodwill is stated in the balance sheet at cost less any impairment losses. Goodwill together with other intangible assets with indefinite useful lives is not amortised but is tested for impairment annually or when there is an indication that an asset may be impaired. For this purpose, goodwill is allocated to cash generating units, or in case of associated companies, goodwill is included in the acquisition cost of the associated company. The business groups of the Pöyry Group represent the independent cash generating unit levels where the 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 amortised on a straight-line basis over 5 years.

Order stock

The order stock recognised separately in the connection of a business combination is expensed during the related projects.

Research and development

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

Tangible assets

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

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

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

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

Non-current assets held for sale

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

Leases

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

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

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

Impairment of tangible and intangible assets

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

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

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

Financial instruments

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

Financial assets

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

Financial assets at fair value through profit or loss

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

Available-for-sale assets

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

Loans or receivables (assets)

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

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

Cash and cash equivalents

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

Financial liabilities

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

Financial liabilities at fair value through profit or loss

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

Financial liabilities measured at amortised cost

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

Derivative instruments and hedge accounting

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

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

Fair value hedges

The Group applies fair value hedge accounting to 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 differencial between the currencies is recognised in the fair value reserve in equity. The accrued interests and exchange rate differences are recognised in income statement in the same period in which the hedged item affects the income statement.

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

At the end of 2014 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

Currency exposure and hedging need related to share capital and other restricted equity in foreign subsidiaries is reviewed on annual basis. The main principle is that the currency exposure of investments in foreign subsidiaries is 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 Instruments" addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis for classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit of loss. IFRS 9 relaxes the requirements for hedge effectiveness tests. It requires economic relationship between the hedged item and hedging instrument and for the "hedged ratio" to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The group is yet to assess IFRS 9's full impact.

IFRS 15 "Revenue from contracts with customers" deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 "Revenue" and IAS 11 "Construction contracts" and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The group is assessing the impact of IFRS 15.

IFRIC 21 "Levies" sets out the accounting for an obligation to pay as levy if that liability is within the scope of IAS 37 "Provisions" The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognized. The interpretation is effective in EU for the annual periods starting on or after 17 June 2014.

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

2. Segment information

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 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 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 unallocated items consist 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 2014	Net sales 2013	Operating profit 2014	Operating profit 2013	Operating profit % 2014	Operating profit % 2013	Order stock 2014	Order stock 2013
Energy	**140.5**	144.3	**0.8**	4.4	**0.6**	3.0	**189.7**	196.7
Industry	**36.1**	39.6	**0.0**	2.0	**0.1**	5.2	**26.0**	16.0
Regional Operations	**327.3**	398.4	**-34.7**	1.7	**-10.6**	0.4	**241.7**	271.8
Management Consulting	**65.4**	66.0	**3.7**	2.3	**5.7**	3.6	**14.9**	15.2
Unallocated	**1.9**	2.5	**7.0**	3.5			**0.2**	0.0
	571.2	**650.8**	**-23.1**	**13.9**	**-4.0**	**2.1**	**472.5**	**499.7**

	Capital expenditure 2014	Capital expenditure 2013	Depreciation and impairment 2014	Depreciation and impairment 2013	Personnel average 2014	Personnel average 2013	Personnel year-end 2014	Personnel year-end 2013
Energy	**0.1**	0.3	**0.7**	1.1	**1,088**	1,158	**1,077**	1 ,133
Industry	**0.1**	0.1	**0.2**	0.3	**429**	458	**439**	449
Regional Operations	**0.6**	3.2	**2.8**	3.5	**3,298**	3,834	**3,065**	3,714
Management Consulting	**0.3**	0.1	**0.5**	0.7	**401**	439	**399**	413
Unallocated	**1.4**	2.2	**1.2**	8.7	**217**	250	**189**	234
	2.6	**5.9**	**5.3**	**14.3**	**5,433**	**6,139**	**5,170**	**5,943**

Net sales and personnel by area

EUR million	Net sales 2014	Net sales 2013	Personnel year-end 2014	Personnel year-end 2013
The Nordic countries[1]	**194.3**	230.3	**1,852**	2,376
Other Europe	**201.5**	229.1	**1,878**	1,999
Asia	**71.5**	57.1	**538**	546
North America	**22.1**	21.9	**160**	148
South America	**73.5**	100.3	**729**	857
Other	**8.3**	12.1	**13**	17
	571.2	**650.8**	**5,170**	**5,943**
[1] of which Finland	**127.4**	**158.4**		

3. Disposals

In June 2014 Pöyry divested significant parts of its real estate design and consulting business, and its construction management business for the real estate and infrastructure sectors in Finland, and its Russian affiliate, which mainly includes real estate-related construction management. The combined annual net sales of the sold units was approximately EUR 48 million.

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.

EUR million	2014	2013
Net assets and liabilities in divested units		
Tangible assets	**0.4**	0.0
Intangible assets	**0.1**	0.0
Real estate		44.5
Goodwill	**6.8**	
Shares	**0.1**	
Deferred tax receivables	**0.1**	
Work in progress	**2.3**	0.0
Accounts receivable	**5.4**	0.1
Other receivables	**0.3**	0.0
Cash and cash equivalents		0.1
Assets total	**15.5**	**44.8**

EUR million	2014	2013
Project advances received	**1.4**	
Accounts payable	**0.4**	0.0
Other current liabilities	**7.2**	0.1
Liabilities total	**9.0**	**0.1**
Net assets and liabilities in divested units, total	**6.5**	**44.7**
Gain on sale	**20.6**	13.8
Loss on sale		-0.1
Consideration received	**27.1**	**58.3**
Consideration received	**27.1**	58.3
Cash and cash equivalents in divested entities		-0.1
Net cash inflow	**27.1**	**58.2**

4. Net sales

EUR million	2014	2013
Net sales Net sales by operating segments are presented in note 2 Segment information	**571.2**	650.8
Net sales from project contracts recognised on the percentage-of-completion method	**433.4**	494.2
Net sales from reimbursable projects	**137.8**	156.6
Percentage-of-completion projects		
The aggregate amount of project contracts cost incurred and recognised profits less losses to date	**1 015.0**	984.1
Work in progress from percentage-of-completion projects included in current assets	**80.8**	84.8
Project advances recognised related to percentage-of-completion projects	**82.4**	71.8
Accrued expenses and deferred income from percentage-of-completion projects	**8.1**	7.7
Expenses included in provisions from percentage-of-completion projects	**6.3**	8.6

5. Other operating income

EUR million	2014	2013
Rent income	**1.0**	0.5
Gain on sales of shares and operations	**20.6**	
Gain on sales of fixed assets	**0.3**	14.6
Other	**0.7**	
Adjustment of unpaid purchase price [1]		9.0
	22.6	**24.1**

[1] The purchase price of Pöyry SwedPower AB, acquired in 2011, included a contingent consideration. The amount of the consideration was based on the development of sales of the company in the period until end of 2014. At the end of 2013 the management concluded based on the latest estimates, that the conditions of the contingent consideration will not be met. Thus the liability was reversed and recorded as income.

6. Personnel expenses

EUR million	2014	2013
Wages and salaries	**304.4**	329.9
Bonuses	**6.4**	3.7
Expenses from share-based incentive programmes	**0.3**	0.3
Pension expenses, contribution plans	**36.7**	41.5
Pension expenses, defined benefit plans	**3.8**	1.7
Other social expenses	**29.6**	31.5
	381.2	**408.5**

Fees paid to the members of the Board of Directors (EUR 1,000)		
Henrik Ehrnrooth, Chairman	**80**	80
Heikki Lehtonen, Vice Chairman	**85**	85
Pekka Ala-Pietilä	**60**	60
Georg Ehrnrooth	**60**	60
Alexis Fries	**60**	60
Michael Obermayer	**80**	80
Karen de Segundo	**80**	80
	505	505

Salaries and other short-term employee benefits to the President and CEO (EUR 1,000)		
Alexis Fries		
Salary and benefits		
Salary and bonus	**756**	989
Share-based bonuses[1]	**214**	183
Fringe benefits	**7**	21
	977	1 ,193
Pension expenses		
Statutory employee pension scheme	**25**	25
Voluntary employee pension scheme	**33**	32
	58	57

Salaries and other short-term employee benefits to the other members of the Group Executive Committee (EUR 1,000)		
Salaries and bonuses[2]	**4,081**	3,615
Fringe benefits	**124**	146
	4,205	3,761
Pension expenses		
Statutory employee pension scheme	**465**	310
Voluntary employee pension scheme	**129**	123
	594	433

[1] The President and CEO's service contract included a performance share plan, based on which Pöyry PLC's shares were granted to him in 2013 and 2014. The company does not have any obligations relating this plan anymore. The President and CEO is part of the performance share plan for key personnel described in note 7.

[2] Salaries and bonuses include termination benefits in 2014.

The salaries, bonuses and benefits are reported on accrual basis.

7. Performance share plans

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. For the years 2012–2014 and 2013–2015 no rewards were paid and the programme ended 2014.

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

Performance share plan 2014

The Board of Directors of Pöyry PLC approved on 4 February 2014 a new share-based incentive plan for the Pöyry Group key personnel. The aim of the plan is to combine the objectives of the shareholders and the key personnel in order to increase the value of the Company, to commit the key personnel to the Company, and to offer them a competitive reward plan based on earning the Company's shares.

The plan consists of three discretionary periods, calendar years 2014, 2015 and 2016. The Board of Directors of the company will decide on the performance criteria and their targets at the beginning of each discretionary period. 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 2014	Earning period 2013–2015	Earning period 2012–2014	Earning period 2011–2013
Grant dates	22 April 2014, 7 May 2014	31 May 2013	15 Nov. 2012	15 April 2011
Form of the reward	Shares and cash	Shares and cash	Shares and cash	Shares and cash
Target group	Key personnel	Key personnel	Key personnel	Key personnel
Maximum number of shares[1)]	800,000	600,000	975,000	975,000
Beginning of earning period	1 Jan. 2014	1 Jan. 2013	1 Jan. 2012	1 Jan. 2011
End of earning period	31 Dec. 2014	31 Dec. 2013	31 Dec. 2012	31 Dec. 2013
End of restriction period	30 April 2017	30 April 2016	30 April 2015	30 April 2014
Vesting conditions	EPS	EPS	Net sales and EPS	Net sales and EPS
	Working commitment	Working commitment	Working commitment	Working commitment
Maximum contractual life, years	3.0	2.9	2.5	3.0
Remaining contractual life, years	2.3	0.0	0.0	0.0
Number of persons 31 Dec.	40	0	0	0

1) The maximum amount of the share reward includes a component to be paid in cash.

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

Financial year 2014

Gross amounts 1 January 2014	Earning period 2014	Earning period 2013–2015	Total 2012–2014	Earning period 2011–2013	Total
Share rewards, outstanding at the beginning of the period	0	567,000	0	635,600	1,202,600
Changes during the financial year					
Granted	722,000	0	0	0	722,000
Forfeited	0	0	0	0	0
Exercised	0	0	0	139,650	139,650
Expired	0	567,000	0	495,950	1,062,950
Gross amounts 31 December 2014					
Share rewards, outstanding at the end of the period	722,000	0	0	0	722,000
Share rewards, exercisable at the end of the period	722,000	0	0	0	722,000
Remaining contractual life, weighted average, years	2.3	0	0	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 2014.

	Earning period			
Inputs to fair value measurement, EUR	2014	2013–2015	2012–2014	2011–2013
Share price at the grant date	4.35	4.21	2.99	10.74
Assumed annual dividend	0.08	0.08	0.13	0.38
Fair value per share accounted for as equity-settled reward	4.10	3.96	2.61	9.61
Fair value per share of the cash-settled reward at the settlement/at the end of the period	2.66			4.29

Effect on earnings during the period and financial position

EUR 1,000	2011 Total	Granted 2011
Expense recognised for the period from share-based payments	751	751
Expense accounted for as equity-settled share-based payment	482	482
Value of liability for cash-settled share-based payments at the end of period	269	269

	2012 Total	Granted 2012	Granted 2011
Expense recognised for the period from share-based payments	-175	1	-176
Expense accounted for as equity-settled share-based payment	-40	0	-40
Value of liability for cash-settled share-based payments at the end of period	134	0	133

	2013 Total	Granted 2013	Granted 2012	Granted 2011
Expense recognised for the period from share-based payments	288	0	5	283
Expense accounted for as equity-settled share-based payment	165	0	2	163
Value of liability for cash-settled share-based payments at the end of period	257	0	4	254

	2014 Total	Granted 2014	Granted 2013	Granted 2012	Granted 2011
Expense recognised for the period from share-based payments	96	0	0	0	96
Expense accounted for as equity-settled share-based payment	55	0	0	0	55
Value of liability for cash-settled share-based payments at the end of period	0	0	0	0	0

8. Other operating expenses

EUR million	2014	2013
Other project expenses[1)]	**39.0**	44.5
Impairment losses on accounts receivable and work in progress [2)]	**16.9**	0.8
Other operative expenses [3)]	**43.2**	44.3
Office facilities	**31.8**	27.2
Other fixed expenses [4)]	**36.6**	34.8
	167.5	**151.7**

[1)]Other project expenses include expenses directly attributable to projects, such as travel expenses, IT expenses and other expenses.
[2)] The impairment losses of accounts receivable in 2014 include EUR 15.9 million related to certain public sector infrastructure projects in Venezuela.
[3)] Other operative expenses include expenses attributable to business operations, such as travel expenses and other personnel related expenses, IT expenses and fees from external services.
[4)] Other fixed expenses include group and support functions' expenses, such as audit fees, insurance fees, IT-expenses and fees from external services.

Auditing fees, included in other fixed expenses		
Statutory auditing		
Group auditor	**0.7**	0.8
Other	**0.1**	0.1
Tax advisory		
Group auditor	**0.1**	0.3
Other	**0.2**	0.2
Other services		
Group auditor	**0.1**	0.0
Other	**-**	0.0

9. Financial income and expenses

EUR million	2014	2013
Dividend income	**0.5**	0.2
Interest income from other financial assets [1)]	**0.3**	0.7
Interest income from loans and other receivables	**0.4**	0.8
Financial income from derivatives	**0.1**	0.1
Financial income from financial assets at fair value through profit and loss	**0.0**	0.0
Other financial income	**0.0**	0.1
	0.9	1.7
Interest expenses from loans	**-1.8**	-3.0
Other interest expenses	**-0.2**	-0.1
Cash flow hedges, transfer from equity		-0.8
Financial expenses from derivatives	**-0.9**	-0.7
Defined benefit liability, interest expenses, net	**-0.6**	-0.7
Value decrease on investments and loans receivable	**-1.4**	
Other financial expenses [2)]	**-1.1**	-1.6
	-6.0	-6.8
Exchange rate gains	**5.6**	5.7
Exchange rate losses	**-6.0**	-6.0
	-0.4	-0.3
	-5.0	**-5.2**

[1)] Interest income from other financial assets consists mainly of interest earned on short term bank deposits.
[2)] Other financial expenses include mainly fees concerning restructuring of the Group's loan portfolio.

The Group hedges the project cash flows denominated in foreign currency by using foreign exchange derivative contracts. Exchange rate gains or losses arisen from these derivative 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 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.

10. Income taxes

EUR million	2014	2013
Taxes for the fiscal year	**3.3**	5.9
Taxes for previous years	**-0.2**	0.8
Deferred taxes	**-6.2**	-0.2
	-3.0	**6.5**

Reconciliation of current income taxes		
Profit before taxes	**-28.0**	9.1
Income tax at Finnish tax rate 20.0 (24.5) %	**-5.6**	2.2
Effect of different tax rates outside Finland	**-3.1**	-0.6
Non-deductible expenses and tax exempt income	**0.1**	0.5
Losses for which no deferred tax benefits are recognized, tax effect	**6.3**	3.9
Used confirmed tax losses from previous years, tax effect	**-0.5**	-1.2
Dissolved used confirmed tax losses from previous years	**0.2**	1.2
Taxes for previous years	**-0.2**	0.8
Other	**-0.2**	-0.4
	-3.0	**6.5**

EUR million	2014	2013
Deferred tax receivables		
Tax losses carry forward	**13.3**	10.4
Tax receivables from pension obligations	**6.3**	4.9
Other temporary differences	**4.6**	1.1
	24.1	**16.4**
Deferred tax liabilities		
Other temporary differences	**0.4**	0.2
	0.4	**0.2**

Deferred tax assets from losses of EUR 60.8 (42.1) million have not been recognised in the consolidated financial statements, because the realisation of the tax benefit included in these assets is uncertain. Of the losses EUR 8.1 million expire within the next ten years and EUR 52.7 million later.

11. Earnings per share

	2014	2013
Net profit for the period attributable to the equity holders of the parent company	**-23.7**	3.6
Weighted average number of outstanding shares, 1,000	**59,175**	59,076
Diluted amount, 1,000	**59,175**	59,193
Earnings per share, EUR [1]	**-0.40**	0.06
Diluted	**-0.40**	0.06

[1] Calculation rule is presented in Key figures section.

12. Intangible assets

EUR million	Goodwill	Intangible rights	Other intangible assets	Total
Acquisition value 1 Jan. 2014	127.4		17.0	17.0
Exchange differences	-1.4		+0.2	+0.2
Increase			1.0	1.0
Decrease	6.8 [1]		0.9	0.9
Acquisition value 31 Dec. 2014	119.2		17.3	17.3
Accumulated depreciation and value decrease 1 Jan. 2014			14.7	14.7
Exchange differences			+0.1	+0.1
Accumulated depreciation of decrease			0.7	0.7
Depreciation for the period			1.0	1.0
Accumulated depreciation and value decrease 31 Dec. 2014			15.1	15.1
Book value 31 Dec. 2014	**119.2**		**2.2**	**2.2**
Acquisition value 1 Jan. 2013	131.4	8.9	17.6	26.5
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	17.0	25.7
Accumulated depreciation and value decrease 1 Jan. 2013		2.8	14.4	17.2
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 [2]		5.8
Accumulated depreciation and value decrease 31 Dec. 2013		8.7	14.7	23.4
Book value 31 Dec. 2013	127.4	0.0	2.4	2.4

Increase and decrease in goodwill and intangible rights
[1] The decrease EUR 6.8 million in goodwill 2014 includes the proportion of divested companies' goodwill.

[2] In 2013 an impairment of EUR 5.8 million was recognised related to the value of client relationships as the value of the client relationships was considered to be remarkably lower due to the decrease of order stock from the clients in question.

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.

		2014		
Main assumptions	Energy	Industry	Regional Operations	Management Consulting
Beta	1.407	1.147	1.357	1.303
WACC, %, Pre-tax	13.15	11.97	16.75	13.19
WACC, %, Post-tax	8.64	7.66	10.40	8.24
Perpetuity growth rates, %	2.00	2.00	2.00	2.00
Average change in operating profit percentage	Improvement	Improvement	Improvement	Improvement
Goodwill 31 Dec. 2014	39.9	0.9	46.6	31.9
Book value 31 Dec. 2014	64.1	0.0	85.3	43.7
Value in use 31 Dec. 2014	132.9	58.9	151.5	69.0
Break even analysis, the book value and the value in use are the same				
Beta	3.24	n/a	2.82	2.16
WACC, %, Post-tax	15.59	n/a	15.95	11.51
Decrease in operating profit from 2015 >, %	-59.5	n/a	-44.3	-40.6

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

		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[1)]	76.8	13.8	63.8	56.8
Value in use 31 Dec. 2013	173.3	94.8	143.2	69.8
[1)] The book value 31 Dec. 2013 includes the cash and the interest bearing liabilities.				
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.

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 all operating segments exceeds significantly the book value. In 2013 the "value in use" for Energy, Industry and Regional Operations operating segments exceeded significantly the book value. In Management Consulting operating segment the "value in use" exceeded the book value.

[1)] Sensitivity analysis in a scenario in which 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 operating segment the "value in use" exceeds the book value. The "value in use" for Regional Operations and Management Consulting operating segments 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 Energy operating segment the "value in use" exceeds the book value. In Regional Operations operating segment the "value in use" corresponds to the book value. In Management Consulting operating segment the "value in use" is below the book value.

13. Tangible assets

EUR million	Land areas	Buildings and structures	Machinery and equipment	Other tangible assets	Total
Acquisition value 1 Jan. 2014	0.1	1.1	49.5	10.4	61.1
Exchange differences	-0.0	-0.0	+0.6	+0.2	+0.8
Increase		0.0	1.4	1.3	2.7
Decrease			3.9	2.7	6.6
Acquisition value 31 Dec. 2014	0.1	1.1	47.5	9.2	57.9
Accumulated depreciation 1 Jan. 2014		0.4	41.0	6.3	47.8
Exchange differences		-0.0	+0.5	+0.2	+0.7
Accumulated depreciation of decrease			3.2	2.1	5.3
Depreciation for the period		0.1	3.0	1.2	4.3
Accumulated depreciation 31 Dec. 2014		0.5	41.4	5.6	47.5
Book value 31 Dec. 2014	**0.1**	**0.6**	**6.1**	**3.6**	**10.4**
Acquisition value 1 Jan. 2013	6.5	42.4	48.2	9.7	107.0
Exchange differences	-0.0	-0.1	-1.9	-0.5	-2.5
Increase		0.1	3.5	1.7	5.3
Decrease	6.4	41.3	0.4	0.5	48.7
Acquisition value 31 Dec. 2013	0.1	1.1	49.5	10.4	61.1
Accumulated depreciation 1 Jan. 2013		3.4	37.5	5.4	46.4
Exchange differences		-0.0	-0.1	-0.3	-0.4
Accumulated depreciation of decrease		4.6	0.4	0.2	5.1
Depreciation for the period		1.6	4.0	1.4	6.9
Accumulated depreciation 31 Dec. 2013		0.4	41.0	6.3	47.8
Book value 31 Dec. 2013	**0.1**	**0.7**	**8.4**	**4.1**	**13.3**
The tangible assets include assets acquired through finance lease.					
2014			0.5		0.5
2013			0.7		0.7

14. Non-current investments

	Shares, associated companies and joint ventures	Shares, other companies [2]	Loans receivable, associated companies	Loans receivable, other	Total
Acquisition value 1 Jan. 2014	3.2	2.0	0.1	0.3	5.5
Exchange differences	+0.6	+0.0		+0.0	+0.6
Decrease	-1.6	-0.1		-0.0	-1.7
Accumulated influence on the earnings	5.0				5.0
Share of the profit for the period	0.1				0.1
Value decrease	-1.1				-1.1
Received dividends	-0.8				-0.8
Transfer to assets classified as held for sale[1]	-5.2				-5.2
Book value 31 Dec. 2014	**0.1**	**1.9**	**0.1**	**0.3**	**2.4**
Acquisition value 1 Jan. 2013	1.9	2.1	0.1	0.5	4.5
Exchange differences	-0.2	-0.0		-0.0	-0.2
Transfer from group company shares	1.3				1.3
Decrease		-0.1		-0.2	-0.3
Accumulated influence on the earnings	4.1				4.1
Transfer from group company shares	2.1				2.1
Share of the profit for the period	0.4				0.4
Received dividends	-1.5				-1.5
Book value 31 Dec. 2013	**8.1**	**2.0**	**0.1**	**0.3**	**10.5**

[1] EUR 5.2 million of the shares in associated companies and joint ventures has been transferred at the end of year 2014 to assets classified as held for sale.

[2] The other shares, EUR 1.9 (2.0) million are unlisted.
The shares are valued at book value, because the fair value cannot be reliably determined.

		Ownership %	Assets	Liabilities	Net sales	Profit
Associated companies						
Emerging Power Partners Oy, Finland	2014	45.9	0.3	0.1	0.2	0.0
	2013	45.9	0.2	0.1	0.2	0.0
Kiinteistö Oy Manuntori, Finland	2013	34.2	0.9	0.0	0.0	0.0
ERL Management S.A., Switzerland, sold in 2014	2013	49.0	489.0	486.1	2.9	-0.9

15. Assets classified as held for sale

EUR million		Ownership %	Assets	Liabilities	Net sales	Profit
Korea District Heating Engineering Company Ltd, Korea	2014	50.0	25.8	6.2	27.6	3.4
(Associated company)	2013	50.0	21.2	4.5	24.6	3.2
Heymo Ingenieria S.A.	2014	60.0	3.1	1.1	5.2	-1.6
(Joint venture)	2013	60.0	4.2	0.6	6.7	-1.5

The total balance sheet value for the assets classified as held for sale is EUR 5.2 million 31 Dec. 2014. At end of year 2013 the Group did not have any assets classified as held for sale.

16. Other non-current receivables

EUR million	2014	2013
Accounts receivable	**3.6**	3.5
Security deposits	**0.4**	0.5
Other receivables	**1.3**	1.5
Prepaid expenses and accrued income	**0.4**	0.1
	5.6	**5.6**

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.

17. Current assets

EUR million	2014	2013
Work in progress	**80.8**	84.8
Accounts receivable	**113.6**	124.6
Loans receivable	**0.0**	0.3
Other receivables	**6.5**	6.1
Prepaid expenses and accrued income	**10.6**	11.6
Current tax receivables	**4.8**	6.0
Receivables, external	**135.6**	148.6
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**	0.2
Cash in hand and at banks	**50.1**	72.2
Cash and cash equivalents	**50.1**	72.2
	266.7	**305.8**

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

18. Prepaid expenses and accrued income

EUR million	2014	2013
Non-current	**0.4**	0.2
Current	**10.6**	11.6
	11.0	**11.8**
Interest expenses	**0.0**	0.0
Social expenses	**0.8**	0.8
Rents	**1.5**	2.0
Insurance expenses	**1.4**	1.3
Fair value of derivative instruments	**2.7**	1.5
Other	**4.6**	6.1
	11.0	**11.8**

19. Accounts receivable

EUR million	2014	2013
Non-current	**3.6**	3.5
Current [1]	**113.6**	124.6
	117.2	**128.1**
Accounts receivable, gross	**127.4**	150.4
Allowance for impairment 1 Jan.	**-22.4**	-23.6
Exchange differences	**-0.4**	0.5
Change	**12.6**	0.8
Allowance for impairment 31 Dec.	**-10.2**	**-22.4**
Accounts receivable, net	**117.2**	**128.1**
Impairment losses +/reversals -		
Change in allowance for impairment	**1.0**	-0.8
Impairment loss recognized, direct recorded [1]	**15.8**	1.9
	16.9	**1.1**

2014	Accounts receivable gross	Allowance for impairment	Accounts receivable net
Not past due	72.6	0.0	72.6
Past due under 61 days	23.9	0.2	23.7
Past due 61–180 days	9.1	0.4	8.7
Past due 181–360 days	2.9	0.9	2.0
Past over 360 days	18.9	8.6	10.3
	127.4	**10.2**	**117.2**

2013	Accounts receivable gross	Allowance for impairment	Accounts receivable net
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	45.9 [1]	21.4	24.5
	150.4	**22.4**	**128.1**

[1] The impairment losses include EUR 15.9 million write off of a receivable, which relates to certain public sector's infrastructure projects in Venezuela. The receivable was included in the accounts receivable in 2013. Pöyry continues to pursue the collection process.

20. 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. 2014	59.8	14.6	3.6	60.1	78.2
Translation difference			+0.0		+0.0
31 Dec. 2014	**59.8**	**14.6**	**3.6**	**60.1**	**78.3**
1 Jan. 2013	59.8	14.6	3.5	60.1	78.2
Translation difference			+0.0		+0.0
31 Dec. 2013	59.8	14.6	3.6	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. 2014 519,055 (683,155) own shares.
The legal reserve includes transfer from retained earnings to legal reserve in foreign subsidiaries.
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.

21. Maturity profile

EUR million 31 Dec. 2014	Total	≤ 6 months 2015	7–12 months 2015	2016	2017	2018	2019
Loans from credit institutions including interest	54.6	3.5	16.8	6.8	21.4	6.1	
Commercial papers	31.5	19.5	12.0				
Pension loans including interest	6.1	1.0	1.0	2.0	2.0		
Finance lease liabilities including interest	0.5	0.1	0.1	0.1	0.1	0.1	0.1
Of which financial liabilities 1)	90.2	23.5	29.3	8.1	23.1	6.1	0.1
and interest 1)	2,6	0.6	0.6	0.8	0.4	0.1	
Accounts payable	21.2	21.2					
Forward contracts, cash out	79.4	77.7	1.3	0.3			
Forward contracts, cash in	-78,8	-77.2	-1.3	-0.3			
Currency options, net	0.1	-0.1	0.2				
Interest rate swaps, net	0.1	0.0	0.0	0.0	0.0		
Derivatives total	0.8	0.4	0.3	0.1	0.0		
Total	**114.6**	**45.7**	**30.2**	**9.0**	**23.6**	**6.2**	**0.1**

31 Dec. 2013	Total	≤ 6 months 2014	7–12 months 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	0.0
Of which financial liabilities 1)	106.9	33.5	16.9	34.3	8.1	8.1	6.0
and interest 1)	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					
Derivatives total	-0.9	-0.9					
Total	136.3	60.7	17.5	35.2	8.6	8.4	6.1

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

The Group had an outstanding client project and other guarantee liability amounting to EUR 54.5 (57.1) milion, which is due on demand provided that the Group company and/or the Group has neglected its contractual obligations.

22. Pension obligations

64.7 (54.8) 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	2014	2013
Amounts recognised in the Statement of income		
Current service expenses	**3.7**	3.3
Past service expenses	**-0.1**	-1.8
Administration expenses	**0.2**	0.2
Pension expenses	**3.8**	1.7
Net interest expenses	**0.6**	0.7
Total expenses	**4.3**	**2.4**

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.

EUR million	2014	2013
Amounts recognised in other comprehensive income		
Gains (-) / losses (+) due to changes in demographic assumptions	**-0.1**	5.5
Gains (-) / losses (+) due to changes in financial assumptions	**17.6**	-4.3
Experience gains (-)/ losses (+)	**-3.0**	-3.1
Return on plan assets, excluding amounts included in interest expense	**-5.0**	-6.2
Remeasurements recognised in other comprehensive income, gains (-) / losses (+)	**9.5**	-8.1
Cumulative amounts recognised in other comprehensive income	**2.8**	-6.6
Defined benefit obligation in the balance sheet, net		
Assets	**0.2**	0.2
Liabilties	**34.3**	23.9
Net pension liability	**34.1**	**23.7**
The amount the Group expects to contribute to its defined pension plans during year 2015/2014.	**3.9**	**3.8**

Reconciliation of the defined benefit obligation 2014

EUR million	Switzer-land	Other Europe	Total
Present value of funded obligations	172.4	13.8	186.2
Fair value of plan assets	-150.4	-9.2	-159.5
Deficit of funded plans	-22.0	-4.6	-26.7
Present value of unfunded obligations		7.4	7.4
Total deficit of defined benefit pension plans	-22.0	-12.0	-34.1
Net pension liability 31 Dec. 2014	**22.0**	**12.0**	**34.1**

Reconciliation of the defined benefit obligation 2013

EUR million	Switzer-land	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		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**

Movement in the defined benefit obligation 2014

EUR million	Liability	Assets	Total
Net pension liability 1 Jan. 2014	170.9	-147.2	23.7
Current service expenses	3.7		3.7
Past service expenses	-0.1		-0.1
Interest expenses	4.0	-3.4	0.6
	7.5	-3.4	4.2
EUR million	Liability	Assets	Total
Return on plan assets, excluding amounts included in interests (+/-)		-5.0	-5.0
Gain (-) /loss (+) from change in demographic assumptions	-0.1		-0.1
Gain (-)/loss (+) from change in financial assumptions	17.6		17.6
Experience gains (-)/ losses (+)	-3.0		-3.0
	14.5	-5.0	9.5
Exchange differences	3.7	-3.2	0.4
Contributions from employers		-3.9	-3.9
Contributions from plan participants	2.2	-2.2	0.0
Payments from plans	-5.2	5.2	0.0
Settlements	0.0	0.0	0.0
Administration expenses		0.2	0.2
Net pension liability 31 Dec. 2014	**193.6**	**-159.5**	**34.1**

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 net defined benefit obligation

	2014	2013
Net pension liability 1 Jan.	**23.7**	33.5
Contributions	**-3.9**	-3.7
Expenses included in Income statement	**4.3**	2.4
Remeasurements recognised in other comprehensive income, gains (-) / losses (+)	**9.5**	-8.1
Exchange differences	**0.4**	-0.4
Net pension liability 31 Dec.	**34.1**	**23.7**

Plan assets are comprised as follows 2014

EUR million	Switzer-land	Other Europe	Total
Equity instruments, quoted	45.1		45.1
Government bonds, quoted	82.7		82.7
Property	19.5		19.5
Insurance contracts, unquoted		9.2	9.2
Cash and cash equivalents	3.0		3.0
	150.4	**9.2**	**159.5**

Plan assets are comprised as follows 2013

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

The significant actuarial assumptions

2014	Switzer-land	Other Europe average
Discount rate, %	1.40	2.20
Average future salary increase, %	1.00	2.97
Cost of living adjustment for pensions in payment, %	0.25	1.60
Inflation, %	1.00	2.00

2013	Switzer-land	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

Sensitivity analysis

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

2014	Switzer-land	Other Europe	Total
Discount rate, 0.5% change	-6.8	-5.0	-6.6
Future salary increase, 0.5% change	0.7	0.8	0.7
Future pension increase, 0.25% change	2.6	2.2	2.6
Mortality, 5% change	-1.4	-1.1	-1.4
Discount rate, -0.5% change	7.6	5.5	7.4
Future salary increase, -0.5% change	-0.6	-0.7	-0.6
Future pension increase, -0.25% change	-2.5	-2.1	-2.5
Mortality, -5% change	1.4	1.3	1.4
Duration of the defined benefit obligations	17.8	10.5	17.0

2013	Switzer-land	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 practise, 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 signifcant 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 helds 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 contrib-utory 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

2014	Switzer-land	Other Europe	Total
2015	8.2	1.5	9.7
2016–2017	17.0	2.8	19.8
2018–2019	17.2	2.8	20.0
Later	42.8	6.7	49.5

2013	Switzer-land	Other Europe	Total
2014	8.0	1.6	9.6
2015-2016	16.8	2.8	19.6
2017-2018	16.7	2.8	19.5
Later	42.5	6.6	49.1

23. Provisions

EUR million	Project provisions	Restructuring provisions	Other	Total
Book value 1 Jan. 2014	8.6	4.8	2.3	15.7
Exchange rate differences	+0.1	-0.0	+0.0	+0.1
Increase	1.9	6.3	0.8	8.9
Used	3.3	2.4	0.2	5.9
Reversed	1.1	1.3	0.0	2.4
Book value 31 Dec. 2014	**6.3**	**7.5**	**2.8**	**16.5**
Non-current provisions				0.0
Current provisions				16.5
		1)		**16.5**

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	0.5	1.8	0.1	2.4
Book value 31 Dec. 2013	**8.6**	**4.8**	**2.3**	**15.7**
Non-current provisions				0.0
Current provisions				15.7
				15.7

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

The restructuring provisions 31 Dec. 2014 include personnel expenses EUR 5.8 million as a result of capacity adaption measures. EUR 1.5 million provision for excess office space and other provisions amounting to EUR 0.2 million. In 2014 the increase in resructuring provisions relates mainly to capacity adjustment measures in Northern and Central Europe.

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

24. Current liabilities

EUR million	2014	2013
Loans from credit institutions, amortisations	**21.3**	9.3
Commerical papers	**31.3**	40.6
Used credit facilities	**0.0**	0.2
Finance lease liabilities	**0.2**	0.4
Interest bearing liabilities	**52.8**	50.4
Provisions	**16.5**	15.7
Project advances	**82.4**	71.8
Accounts payable	**21.1**	27.3
Accounts payable. associated companies	**0.1**	0.1
Current tax payable	**5.5**	5.8
Other current liabilities	**22.6**	26.9
Accrued expenses and deferred income	**61.1**	68.3
Total current liabilities	**262.0**	**266.4**

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

25. Accrued expenses and deferred income

EUR million	2014	2013
Expenses from percentage-of-completion projects	**8.1**	7.7
Salaries and vacation accruals	**35.0**	42.2
Social expenses	**7.7**	7.8
Rents	**0.3**	0.5
Interest expenses	**0.3**	0.4
Fair value of derivative instruments	**3.1**	1.6
Other	**6.7**	8.1
	61.1	**68.3**

26. Financial assets and liabilities

	EUR million	2014	2013
14	Available-for-sale assets. shares	**1.9**	2.0
	Loans and other receivables		
16	Non-current accounts receivable	**3.6**	3.5
16	Other non-current receivables	**1.7**	2.0
17	Current accounts receivable	**113.6**	124.6
14	Non-current loans receivable	**0.4**	0.3
17	Current loans receivable	**0.0**	0.3
17	Cash and cash equivalents [1]	**50.1**	72.2
31	Derivatives under fair value hedge accounting	**0.0**	0.4
31	Derivatives outside of hedge accounting	**1.6**	1.0
17	Financial assets at fair value through profit and loss	**0.2**	0.2
	Financial assets	**173.1**	**206.5**
	Liabilities at amortised cost		
21	Interest bearing liabilities	**90.2**	106.9
24	Accounts payable	**21.2**	27.4
31	Derivatives under fair value hedge accounting	**0.3**	0.1
31	Derivatives outside hedge accounting	**2.0**	0.5
	Financial liabilities	**113.7**	**134.8**

The fair value of the financial assets and liabilities measured at amortised cost equals their carrying amount, as the impact of discounting is not significant. The fair values are within level 2 of the fair value hierarchy. Fair value calculation rules of the derivatives can be found in note 31 Derivative Instruments.

[1] 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 December 2014 EUR 20.9 (1.6) million of the cash balances and equivalent amount of the overdraft balances were offset.

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

EUR million	31 Dec. 2014	Level 1	Level 2	Level 3
Financial assets at fair value				
Derivatives under fair value hedge accounting	0.0		0.0	
Derivatives outside of hedge accounting	1.6		1.6	
Financial assets at fair value through profit and loss	0.2		0.2	
	1.8	-	1.8	-
Financial liabilities at fair value				
Derivatives under fair value hedge accounting	0.3		0.3	
Derivatives outside of hedge accounting	2.0		2.0	
	2.4	-	2.4	-

EUR million	31 Dec. 2013	Level 1	Level 2	Level 3
Financial assets at fair value				
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	
	1.6	-	1.6	-
Financial liabilities at fair value				
Derivatives under fair value hedge accounting	0.1		0.1	
Derivatives outside of hedge accounting	0.5		0.5	
	0.6	-	0.6	-

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 the reporting period there were no transfers between levels 1, 2 and 3.

28. Related party transactions

To the related parties of Pöyry Group belong subsidiaries, associated companies, joint ventures, the Board of Directors, the President and CEO and the members of the Group Executive Committee and their family members. Furthermore Corbis S.A. belongs to the related parties.

Board of Directors, President and CEO and the members of the Group Executive Committee

There have not been any material transactions between Pöyry and its members of the Board of Directors, the President and CEO and the members of the Group Executive Committee, close members of their families or organisations in which members of the Board of Directors, the President and CEO or the members of the Group Executive Committee have control or significant influence. There were no loans granted to any members of the Board of Directors, President and CEO or the members of the Group Executive Committee at 31 December 2014 and 2013. Remuneration to the members of the Board of Directors, President and CEO and the members of the Group Executive Committee is disclosed in Note 6.

The members of the Board of Directors, the President and CEO and the members of the Group Executive Committee owned on 31 December 2014 a total of 424,969 shares (at the end of 2013 a total of 344,014 shares).

Performance share plan 2011–2015

In 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. In March 2014 the Board of Directors of Pöyry PLC decided on a directed share issue for the reward payment from the earning period 2011–2013 of the Pöyry Performance Share Plan 2011-2015. In the share issue maximum of 72,700 Pöyry PLC shares held by the company were issued and conveyed without consideration to the key persons participating in the Pöyry Performance Share Plan according to the terms and conditions of the plan.

Performance share plan 2014–2016

On 4 February 2014 the Board of Directors of Pöyry PLC approved a new share-based incentive plan for key personnel. The incentive plan is directed to approximately 40 people and consists of three discretionary periods, calendar years 2014, 2015 and 2016. The Board of Directors of the company will decide on the performance criteria and their targets at the beginning of each discretionary period.

The performance share plans are described in the Note 7.

Own shares

Pöyry PLC held at the end of 2014 519,055 (683,155) own shares corresponding to 0.9 per cent of total number of the shares.

Related party transactions with associated companies and joint ventures

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

EUR million	2014	2013
Sales	**0.0**	0.1
Loans receivable	**0.1**	0.1
Accounts receivable	**0.0**	0.0
Accounts payable	**0.1**	0.1

29. Contingent liabilities

EUR million	2014	2013
Other own obligations		
Other obligations	**0.3**	0.4
Project and other guarantees	**54.5**	57.1
	54.8	**57.4**
For other parties		
Pledged assets	**0.1**	0.1
Other obligations	**0.0**	0.3
	0.1	**0.4**

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 arbirations 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 have been 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. Similarly, in the third reporting period of 2014, a proceeding in Singapore was served by the Litigation Trust against certain of Pöyry's subsidiary companies that had provided consulting services to SFC. While Pöyry's legal advisors in Canada and Singapore are of the view that these proceedings are without merit, it is premature to assess the outcome of these proceedings.

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.

Metro Lima Line No 1 – Contraloria litigations
The Office of the Comptroller General of the Republic of Peru ("Contraloria") has commenced several proceedings, together with a material value, against the Consortium CESEL-PÖYRY ("Consortium") and some of the employees of the participating companies concerning certain aspects of the site supervision services provided by the Consortium to its public sector client, Autonomous Authority of the Electric Mass Transportation System of Lima – Callao ("AATE"). Pöyry Switzerland Ltd. is a party to the Consortium. The services of the Consortium ended in 2013 and have been approved by the client AATE. While Pöyry's legal advisors in Peru are of the view that these proceedings are without merit, it is premature to assess the outcome of these proceedings.

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.

30. Other lease agreements

EUR million	2014	2013
Lease payments for non-cancellable other lease agreements, mostly office rents:		
Year 2014		25.8
Year 2015	**24.1**	20.1
Year 2016–2018	**40.2**	31.5
Later	**67.6**	61.7
	131.9	**139.0**
Rent expenses during the period	**30.7**	26.1

In 2013 Pöyry PLC sold its Vantaa office real estate in Finland. In the transaction Pöyry PLC signed a long-term lease agreement of 15 years for the property. The rent of the lease-agreement is market-based. Pöyry PLC is entitled to extend the term of the lease by a maximum of 15 years. The lease agreement of Vantaa office real estate is the largest lease agreement of the group and comprises most of the group's rental and lease obligations.

31. Derivative instruments

EUR million	2014	2013
Foreign exchange forward contracts, no hedge accounting		
Nominal values total	**67.4**	59.3
Fair value, gains	**1.2**	1.0
Fair value, losses	**-1.4**	-0.5
Fair value, net	**-0.2**	0.5
Foreign exchange forward contracts, fair value hedge accounting		
Nominal values total	**12.4**	33.8
Fair value, gains	**0.0**	0.4
Fair value, losses	**-0.3**	-0.1
Fair value, net	**-0.3**	0.3
Foreign exchange option contracts		
Bought, nominal values	**17.0**	-
Bought, gains	**+0.3**	-
Bought, losses	**-0.2**	-
Bought, net	**+0.1**	-
Sold, nominal values	**19.0**	-
Sold, gains	**+0.2**	-
Sold, losses	**-0.3**	-
Sold, net	**-0.1**	-
Foreign exchange option contracts, net	**-0.1**	-
Interest rate swaps, no hedge accounting		
Nominal values total	**15.0**	-
Fair value, gains	**+0.0**	-
Fair value, losses	**-0.1**	-
Fair value, net	**-0.1**	-

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

The fair value of the foreign exchange derivative contracts is specified by closing date fair values for the corresponding maturities of the agreements. Derivatives in hedge accounting are effective. The fair values of the interest rate swaps have been specified by the present values of the future cash flows which are based on the closing date's interest rates and other 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.

32. 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 and ensure that adequate funding is available at all circumstances.

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 in 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 five per cent of Pöyry's annual sales (Finland 22 per cent, Brazil 10 per cent, Sweden 10 per cent, Germany 9 per cent, Switzerland 7 per cent and Austria 6 per cent).

The Group's client profile and the spread of its sales between numerous clients reduce the exposure to credit risks. Credit rating procedures, internal follow-up of overdue receivables and a contract policy of balance between work performed and payments received further reduce the Group's credit risk exposure.

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

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

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. The Group minimises the total cash needed for operations by efficient cash management including 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 2014 in several banks amounting to EUR 97.8 million of which all were unused.

EUR million	2014	2013
Credit facilities	**97.8**	96.1
Used	**0.0**	0.2
Unused	**97.8**	95.9

The Group's liquidity at the end of December 2014 was EUR 148.1 million consisting of cash and cash equivalents EUR 50.3 million and unused credit facilities of EUR 97.8 million. According to Pöyry Treasury Policy the Group's required minimum liquidity should correspond to Group's one month's average expenses (EUR 50–60 million), i.e. Pöyry's liquidity at the end of 2014 was over two times higher than the minimum requirement.

The total amount of current loans includes EUR 31.3 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	2014	2013
Non-current	**37.4**	56.4
Current	**52.8**	50.5
Total loans	**90.2**	**106.9**

Contractual maturity of liabilities and derivatives has been presented in Table of Maturity Analysis in Note 21.

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 derivative 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 derivative 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. 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 2014 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. 2014 and as on 31 Dec. 2013:

EUR Million	AED	BRL	CHF	GBP	PHP	SAR	THB	USD
2014	3.6	16.6	15.9	5.6	1.2	6.9	2.9	4.7
2013	6.5	6.7	34.4	7.7	0.9	8.4	3.2	18.3

The parent company hedges the net transaction exposure centrally by external derivative 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 derivative contracts are stated at fair value and recognised in the income statement. Fair value hedge accounting can be applied to the derivative contracts when they are used for hedging order stock. External derivative instruments have not been netted 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 Dec. 2014 EUR million				Related amounts not set off in the balance sheet	
Financial assets	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
Derivative assets	1.6	0.0	1.6	0.6	1.0
Cash and cash equivalents	29.5	20.9	8.7	0.0	8.7
Financial liabilities	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
Derivative liabilities	2.4	0.0	2.4	0.6	1.8
Bank overdrafts	20.9	20.9	0.0	0.0	0.0

31 Dec. 2013 EUR million				Related amounts not set off in the balance sheet	
Financial assets	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
Derivative assets	1.4	0.0	1.4	0.3	1.1
Cash and cash equivalents	24.1	1.6	22.5	0.0	22.5
Financial liabilities	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
Derivative liabilities	0.6	0.0	0.6	0.3	0.3
Bank overdrafts	1.6	1.6	0.0	0.0	0.0

Changes in the exchange rates have an impact on the Group's profitability. Of the above presented total transaction risk exposure the most significant currencies are BRL, CHF and SAR (at the end of 2013 CHF, SAR and USD). The impact on profitability of a ten percent strengthening/weakening of euro is simulated in below table. All other variables held constant and compared with the closing rates of 31 Dec. 2014 and assumption that foreign currency risk is not hedged the impact on Group's profitability would be as follows:

2014, EUR million	BRL	CHF	SAR
EUR +10% impact on profitability	-1.5	+1.4	-0.6
EUR -10% impact on profitability	+2.8	-1.8	+0.8

2013, EUR million	BRL	CHF	SAR
EUR +10% impact on profitability	-0.6	+3.1	-0.8
EUR -10% impact on profitability	+0.7	-3.8	+0.9

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 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 2014 the Group had EUR 13,3 (26,1) million of loans denominated in Swiss Franc.
Due to translation risk, changes in the currency rates have influence on the amount of equity as well as on the profitability. If euro lost ten (10) per cent of its value, this would increase the total amount of Group equity and increase the amount of profit/loss. If euro appreciated ten per cent it would have an opposite impact on equity and profit/loss. 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. 2014 and all other variables held constant):.

Equity, most important currencies

2014				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	186.4		-9.8				
USD	20.9		2.6	-1.9	-0.2	+2.3	+0.3
CHF	15.9	13.3	-13.6	-0.2	+1.2	+0.3	-1.5
GBP	9.8		2.5	-0.9	-0.2	+1.1	+0.3

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	-0.2
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

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 use interest rate derivatives 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 2014 was EUR 90.2 million (106.9) of which EUR 55.9 (31.3) million have been withdrawn at fixed interest rate and EUR 34.3 (75.6) million at floating rate. At the end of 2014 the nominal amount of interest rate swaps were EUR 15.0 million. These interest rate swaps were stated at fair value and recognised in the income statement.

The following table presents a simulation of the effect of one (1) per cent change in the interest rates (compared to the closing rates of 31.12.2014 and all other variables held constant) to 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 and from the changes in the fair value of interest rate swaps outside of hedge accounting. The balance sheet effect results from the change in fair value of interest rate derivatives in hedge accounting. At the end of 2014 the Group did not have any outstanding interest rate derivatives in hedge accounting.

EUR million	2014 Net profit	2014 Equity	2013 Net profit	2013 Equity
Change in interest rates +1%	0.0	0.0	-0.3	0.0
Change in interest rates -1%	0.0	0.0	+0.3	0.0

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	2014	2013
Result before taxes	**-28.0**	9.1
Interest and other financial expenses	**6.4**	7.1
Total	**-21.6**	16.2
Balance sheet total	**436.0**	481.5
Non-interest bearing liabilities	**244.1**	242.2
Total capital	**192.0**	239.3
Return on investment, %	**-9.9**	5.8

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

EUR million	2014	2013
Interest bearing liabilities	**90.2**	106.9
Cash and cash equivalents	**50.3**	72.4
Net interest bearing liabilities	**39.8**	34.5
Equity	**101.8**	132.5
Net debt/equity ratio, %	**39.1**	26.0

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

32. Share ownership

		Ownership of voting rights Group, %	Parent company, %
Group companies			
Aquatis spol s.r.o.	Czech Republic, Brno	84.4	
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	
Jaakko Pöyry (Thailand) Co. Ltd.	Thailand, Bangkok	100.0	
JP-Invest (BVI) Ltd	British Virgin Islands, Tortola	100.0	
JP-Sijoitus Oy	Finland, Vantaa	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) Engineering and Consulting Company Limited	China, Beijing	100.0	100.0
Pöyry (Chile) Limitada	Chile, Santiago	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
Pöyry Capital Limited	United Kingdom, London	95.4	95.4
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 Consultoria em Gestão e Negócios Ltda	Brazil, Curitiba	100.0	
Pöyry Contracting, Inc.	Philippines, Makati	40.0	
Pöyry Deutschland GmbH	Germany, Mannheim	100.0	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 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, 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 Norway AS	Norway, Sarpsborg	100.0	100.0
Pöyry Panama S.A.	Panama, Panama City	100.0	
Poyry Poland Sp. z o.o.	Poland, Lódz	100.0	100.0
Poyry Rus LLC	Russia, St. Petersburg	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 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, 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	
Associated companies and joint ventures			
Emerging Power Partners	Finland, Helsinki	45.9	
Heymo Ingenieria S.A	Spain, Madrid	60.0	60.0
Kiinteistö Oy Manuntori	Finland, Joutseno	34.2	34.2
Korea District Heating Engineering Company Ltd	Korea, Seoul	50.0	

	Book value Parent company, EUR million	Other group company, EUR million
Other share ownership		
Amata Bien Hoa, Vietnam		1.3
Private Energy Market Fund Ky, Finland		0.1
Other shares	0.2	0.3
	0.2	**1.7**

Key figures

Statement of income

EUR million	2010	2011	2012	2013	2014
Consulting and engineering	678.8	758.5	735.7	642.5	**571.2**
EPC	2.8	37.6	39.3	8.4	**0.0**
Net sales total	**681.6**	**796.1**	**775.0**	**650.8**	**571.2**
Change in net sales, %	1.2	16.8	-2.7	-16.0	**-12.2**
Other operating income	1.0	0.8	2.4	24.1	**22.6**
Materials, supplies and subconsulting	112.4	154.0	149.0	86.5	**62.9**
Personnel expenses [1)]	404.5	440.1	438.4	408.5	**381.2**
Depreciation and impairment	8.1	9.2	11.8	14.3	**5.3**
Other operating expenses	152.5	174.2	197.0	151.7	**167.5**
Operating profit	**5.1**	**19.4**	**-18.8**	**13.9**	**-23.1**
Proportion of net sales, %	0.7	2.4	-2.3	2.1	**-4.0**
Financial income and expenses	-1.5	-2.9	-3.8	-5.2	**-5.0**
Share of net sales, %	-0.2	-0.4	-0.5	-0.8	**-0.9**
Share of associated companies' and joint ventures' results	+0.7	+0.6	+0.6	+0.4	**+0.1**
Profit before taxes	**4.3**	**17.1**	**-22.0**	**9.1**	**-28.0**
Proportion of net sales, %	0.6	2.1	-2.8	1.4	**-4.9**
Income taxes	-3.9	-8.4	-2.2	-6.5	**+3.0**
Net profit for the period	**0.4**	**8.7**	**-24.2**	**2.6**	**-24.9**
Attributable to:					
Equity holders of the parent company	0.1	7.8	-25.1	3.6	**-23.7**
Non-controlling interest	0.3	0.9	0.9	-1.0	**-1.2**

[1)] 2013 and 2014 figures include the number of independent self-employed specialists in Latin America.

Statement of financial position

EUR million	2010	2011	2012	2013	2014
Goodwill	116.7	131.4	131.4	127.4	**119.2**
Intangible and tangible assets	21.4	75.6	69.9	15.7	**12.6**
Non-current investments	9.9	9.0	8.6	10.5	**2.4**
Non-current receivables	20.5	21.3	25.2	22.2	**30.0**
Work in progress	81.6	115.5	92.6	84.8	**80.8**
Accounts receivable	161.4	182.1	145.1	124.6	**113.6**
Other current receivables	22.0	27.7	25.3	24.0	**21.9**
Cash and cash equivalents and other liquid assets	99.0	79.0	83.0	72.4	**50.3**
Assets classified as held for sale					**5.2**
Assets total	**532.5**	**641.6**	**581.1**	**481.5**	**436.0**
Equity attributable to the equity holders of the parent company	179.9	179.8	124.9	129.6	**100.2**
Non-controlling interest	7.2	7.2	7.4	2.9	**1.6**
Pension obligations	8.2	9.7	33.6	23.9	**34.3**
Provisions	16.6	19.6	16.9	15.7	**16.5**
Interest bearing liabilities	105.5	131.6	162.1	106.9	**90.2**
Project advances	66.2	100.9	90.8	71.8	**82.4**
Accounts payable	30.0	30.5	24.1	27.4	**21.2**
Other non-interest bearing liabilities	118.9	162.3	121.2	103.3	**89.7**
Liabilities total	**532.5**	**641.6**	**581.1**	**481.5**	**436.0**

Statement of cash flows

EUR million	2010	2011	2012	2013	2014
From operations	-13.1	+30.5	-7.5	-1.0	**-32.9**
Capital expenditure, net	-16.1	-64.4	-6.2	+52.3	**+24.5**
Financing	-25.4	+12.8	+17.4	-51.5	**-15.7**
Change in the fair value of financial assets	-0.1				
Reclassification of subsidiary company to joint venture from year 2013				-3.7	
Impact of translation differences in exchange rates	+11.7	+1.1	+0.2	-6.7	**+2.0**
Change in cash and cash equivalents and in other liquid assets	-43.0	-20.0	+4.0	-10.6	**-22.0**
Cash and cash equivalents and other liquid assets 31 December	**99.0**	**79.0**	**83.0**	**72.4**	**50.3**

Profitability and other key figures

	2010	2011	2012	2013	2014
Return on investment, %	2.6	7.4	-5.7	5.8	**-9.9**
Return on equity, %	0.2	4.6	-16.1	2.0	**-20.3**
Equity ratio, %	40.1	34.6	27.0	32.3	**28.8**
Net debt/equity ratio (gearing), %	3.5	28.2	59.9	26.0	**39.1**
Net debt, EUR million	6.5	52.6	79.1	34.5	**39.8**
Current ratio	1.5	1.3	1.1	1.1	**1.0**
Consulting and engineering, EUR million	521.1	636.8	542.9	499.7	**447.4**
EPC, EUR million	5.1	57.6	5.0	0.0	**25.0**
Order stock total, EUR million	526.2	694.4	547.9	499.7	**472.5**
Capital expenditure, operating, EUR million	6.8	8.4	7.2	5.9	**2.6**
Proportion of net sales, %	1.0	1.1	0.9	0.9	**0.5**
Capital expenditure, real estate		45.2			
Proportion of net sales, %		5.7			
Capital expenditure in shares, EUR million	11.8	28.4	0.1		
Proportion of net sales, %	1.8	3.6	0.0		
Personnel in group companies on average [1]	6,611	6,864	6,695	6,139	**5,433**
Personnel in group companies at year-end [1]	6,801	6,952	6,323	5,943	**5,170**

[1] 2013 and 2014 figures include the number of independent self-employed specialists in Latin America

Key figures for the shares

	2010	2011	2012	2013	2014
Earnings/share, EUR	0.00	0.13	-0.43	0.06	**-0.40**
Corrected with dilution effect	0.00	0.13	-0.43	0.06	**-0.40**
Equity attributable to the equity holders of the parent company/share, EUR	3.03	3.01	2.09	2.17	**1.68**
Dividend, EUR million	5.9	11.8	0.0	0.0	**0.0** [1]
Dividend/share, EUR	0.10	0.20	0.00	0.00	**0.00** [1]
Dividend/earnings, %	n/a	152.6	n/a	n/a	**n/a** [1]
Effective return on dividend, %	1.1	3.7	n/a	n/a	**n/a** [1]
Price/earnings multiple	n/a	41.3	-6.8	66.6	**-6.6**
Issue-adjusted trading prices, EUR					
Average trading price	9.99	8.79	4.41	3.81	**3.81**
Highest trading price	12.30	11.90	7.22	4.70	**4.80**
Lowest trading price	8.23	5.11	2.81	2.93	**2.60**
Closing price at year-end	9.15	5.42	2.93	4.07	**2.66**
Total market value					
Outstanding shares, EUR million	539.9	320.2	173.1	240.4	**157.6**
Own shares, EUR million	3.7	3.7	2.0	2.8	**1.4**
Trading volume of shares					
Shares, 1,000	22,696	17,275	12,513	12,733	**11,339**
Proportion of the total volume, %	38.3	29.0	20.9	21.3	**19.0**
Issue-adjusted number of shares, 1,000					
On average	59,221	59,655	59,760	59,760	**59,760**
At year-end	59,414	59,760	59,760	59,760	**59,760**

[1] Board of Directors' proposal

Calculation of key figures

Return on investment, ROI %	$\frac{\text{profit before taxes + interest and other financial expenses}}{\text{balance sheet total – non-interest bearing liabilities (quarterly average)}}$	x 100
Return on equity, ROE %	$\frac{\text{net profit}}{\text{equity (quarterly average)}}$	x 100
Equity ratio %	$\frac{\text{equity}}{\text{balance sheet total – advance payments received}}$	x 100
Net debt/equity ratio, gearing %	$\frac{\text{interest-bearing liabilities – cash and cash equivalents}}{\text{equity}}$	x 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 %	$\frac{\text{dividend for the fiscal year}}{\text{net profit attributable to the equity holders of the parent company}}$	x 100
Effective return on dividend %	$\frac{\text{dividend/share}}{\text{issue-adjusted trading price at the end of the fiscal year}}$	x 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 %	$\frac{\text{number of shares exchanged during the fiscal year}}{\text{average number of shares for the fiscal year}}$	x 100

Operating segments, quarterly figures

Net sales

EUR million	1–3/14	4–6/14	7–9/14	10–12/14	1–3/13	4–6/13	7–9/13	10–12/13	1–12/14	1–12/13
Energy	32.0	36.7	32.1	39,7	37.3	37.7	33.4	35.9	140.5	144.3
Industry	9.5	9.3	8.3	9,0	9.1	11.8	9.5	9.3	36.1	39.6
Regional Operations	91.3	88.3	74.8	72,9	102.2	106.0	94.9	95.3	327.3	398.4
Management Consulting	17.8	16.4	14.9	16,3	17.6	14.8	14.8	18.7	65.4	66.0
Unallocated	0.7	1.6	1.2	-1,5	0.1	-0.1	1.1	1.3	1.9	2.5
	151.3	**152.2**	**131.2**	**136,4**	**166.3**	**170.2**	**153.7**	**160.6**	**571.2**	**650.8**

Operating profit

EUR million	1–3/14	4–6/14	7–9/14	10–12/14	1–3/13	4–6/13	7–9/13	10–12/13	1–12/14	1–12/13
Energy	0.9	0.3	-0.4	0.0	0.6	0.5	2.6	0.6	0.8	4.4
Industry	0.3	0.3	0.2	-0.7	0.3	1.1	0.9	-0.2	0.0	2.0
Regional Operations	-1.6	-20.7	-5.1	-7.4	2.5	2.6	-0.4	-3.0	-34.7	1.7
Management Consulting	1.4	0.8	0.5	1.0	0.5	-0.9	0.9	1.9	3.7	2.3
Unallocated	-2.8	16.2	-1.4	-5.1	-0.8	-1.5	-3.4	9.1	7.0	3.5
Operating profit	**-1.8**	**-3.0**	**-6.2**	**-12.2**	**3.1**	**1.8**	**0.6**	**8.4**	**-23.1**	**13.9**
Financial items	-1.2	0.0	-1.1	-2.7	-0.8	-1.7	-1.3	-1.4	-5.0	-5.2
Share of associated companies' and joint ventures' results	0.0	0.0	0.2	0.0	-0.1	0.4	-0.1	0.3	0.1	0.4
Profit before taxes	**-3.0**	**-3.0**	**-7.1**	**-14.9**	**2.2**	**0.5**	**-0.9**	**7.3**	**-28.0**	**9.1**
Income taxes	-0.3	-0.7	1.9	2.1	-1.4	-1.1	0.8	-4.8	3.0	-6.5
Net profit for the period	**-3.2**	**-3.8**	**-5.2**	**-12.7**	**0.8**	**-0.7**	**-0.1**	**2.6**	**-24.9**	**2.6**
Profit attributable to:										
Equity holders of the parent company	-3.3	-3.6	-4.7	-12.2	0.7	-0.6	0.9	2.6	-23.7	3.6
Non-controlling interest	0.0	-0.1	-0.5	-0.6	0.1	0.0	-1.0	-0.1	-1.2	-1.0

Operating profit %	1–3/14	4–6/14	7–9/14	10–12/14	1–3/13	4–6/13	7–9/13	10–12/13	1–12/14	1–12/13
Energy	2.7	0.9	-1.3	0.1	1.7	1.4	7.9	1.7	0.6	3.0
Industry	3.0	3.4	1.9	-8.0	3.4	9.0	9.4	-2.4	0.1	5.2
Regional Operations	-1.7	-23.4	-6.8	-10.2	2.5	2.5	-0.4	-3.2	-10.6	0.4
Management Consulting	7.9	5.1	3.6	5.9	2.6	-6.0	5.8	10.1	5.7	3.6
	-1.2	**-1.9**	**-4.7**	**-8.9**	**1.9**	**1.1**	**0.4**	**5.2**	**-4.0**	**2.1**

Order stock

EUR million	1–3/14	4–6/14	7–9/14	10–12/14	1–3/13	4–6/13	7–9/13	10–12/13
Energy	202.6	192.2	189.8	189.7	186.3	192.5	216.7	196.7
Industry	13.4	23.0	20.1	26.0	21.3	20.1	20.2	16.0
Regional Operations	305.7	251.2	249.8	241.7	361.7	324.8	299.9	271.8
Management Consulting	18.1	15.8	15.2	14.9	16.2	18.1	20.6	15.2
Unallocated	0.6	0.2	0.4	0.2	0.2	0.0	0.0	0.0
	540.4	**482.4**	**475.3**	**472.5**	**585.7**	**555.5**	**557.4**	**499.7**
Consulting and engineering	539.2	481.3	474.7	447.4	580.7	553.6	554.6	499.7
EPC	1.2	1.1	0.6	25.0	5.0	1.9	2.8	0.0
	540.4	**482.4**	**475.3**	**472.5**	**585.7**	**555.5**	**557.4**	**499.7**

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.

Authorisation to issue shares

The Annual General Meeting (AGM) on 11 March 2014 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 2014 the Board of Directors of Pöyry PLC decided on a directed share issue for the reward payment from the earning period 2011-2013 of the Pöyry Performance Share Plan 2011-2015. In the share issue maximum of 72,700 Pöyry PLC shares held by the company were issued and conveyed without consideration to the key persons participating in the Pöyry Performance Share Plan according to the terms and conditions of the plan.

In April 2014 the Board of Directors of Pöyry PLC decided on a directed share issue without consideration in relation to the payment of a share based compensation. In the share issue, 95,000 Pöyry PLC shares held by the company were conveyed without consideration to the President and CEO Alexis Fries as a share based compensation for restructuring the company and forming a part of his remuneration according to the terms and conditions of his service contract concluded in September 2012.

The Board of Directors proposes that the AGM on 12 March 2015 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 agains payment or without consideration on terms to be determined by the Board of Directors and in relation to a share issue agains payment at a price to determined by the Board of Directors. A maximum of 11,800,000 new shares can be issued. A maximum of 5,900,000 own shares held by the company can be conveyed. The 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 11 March 2014 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 of the AGM. The authorisation granted by the previous AGM regarding acquisition of the company's own shares expired simultaneously.

The Board of Directors proposes that the AGM on 12 March 2015 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 6,584 registered shareholders at the end of 2014. The number of shareholders decreased by 315 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 2014 amounted to 6,279,307 shares, equalling 10.5 per cent of the share capital. On 20 May 2014, Pöyry PLC received a disclosure under Chapter 9, Section 5 of the Securities Market Act according to which, as a result of share transactions concluded on 19 May 2014, the holdings of RWC Asset Management LLP (UK, ID OC332015) exceeded 5 per cent of Pöyry PLC's total shares and votes. According to the disclosure, RWC Asset Management LLP held on 19 May 2014 a total of 3,008,148 shares which represented 5.03 per cent of Pöyry PLC's total shares and votes.

Management's shareholdings

The members of the Board of Directors and the Executive Committee owned on 31 December 2014 a total of 424,969 shares, which equals 0.7 per cent of the company's share capital and the number of votes. Information concerning the shareholdings of the members of Pöyry PLC's Board of Directors and Executive Committee is given on the company's website at www.poyry.com.

	Shares
Members of the Board of Directors	62,200
President and CEO	210,000
Group Executive Committee	152,769
Total	**424,969**

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 159.0 million. The share price decreased during the year by 34.6 per cent from EUR 4.07 to EUR 2.66. The highest share price was EUR 4.80 and the lowest EUR 2.60. A total of 11,339,462 shares where traded at a total of EUR 43.2 million. The number of shares traded during the year equals 19.0 per cent of the total number of issued shares.

Dividend

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

The Board of Directors of Pöyry PLC will propose to the Annual General Meeting on 12 March 2015 that no dividend will be paid for the year 2014.

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 1,000 pcs	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			60,084	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	34.50
2.	Procurator-Holding Oy	3,900,018	6.53	6.58
3.	Ilmarinen Mutual Pension Insurance Company	3,711,308	6,21	6,26
4.	Varma Mutual Pension Insurance Company	2,785,850	4.66	4.70
5.	Elo Mutual Pension Insurance Company	2,310,000	3.87	3.90
6.	Mandatum Life Insurance Company	2,075,287	3.47	3.50
7.	Nordea Nordic Small Cap Fund	975,502	1.63	1.65
8.	Wipunen varainhallinta oy	950,000	1.59	1.60
9.	Mariatorp Oy	950,000	1.59	1.60
10.	The State Pension Fund	900,000	1.51	1.52
Shares nominee registered		6,279,307	10.51	10.60
Other shareholders		13,963,283	23.37	23.57
Total		**59,240 555**		
Own shares		519 055	0.87	
Total		**59,759,610**	**100.00**	**100.00**

Ownership structure by type of shareholder

	Shares and voting rights	Per cent of shares	Per cent of voting rights
Non-financial corporations and housing corporations	8,817,054	14.8	14.9
Financial and insurance corporations	6,618,928	11.1	11.2
General Government	10,765,175	18.0	18.2
Households	5,003,289	8.4	8.4
Non-profit institutions serving households	850,561	1.4	1.4
Registered Foreign Owners	20,906,241	35.0	35.3
Nominee Registered	6,279,307	10.5	10.6
Total	**59,240,555**		**100.0**
Own shares	519,055	0.9	
Total	**59,759,610**	**100.0**	

Ownership structure by number of shares owned

	Number of shareholders	Per cent of shareholders	Shares and voting rights	Per cent of shares	Per cent of voting rights
1–100	1,595	24.2	103,081	0.2	0.2
101–500	2,755	41.8	800,182	1.3	1.4
501–1,000	1,033	15.7	842,259	1.4	1.4
1,001–5,000	955	14.5	2,130,810	3.6	3.6
5,001–	246	3.7	55,364,223	92.6	93.5
Total	**6,584**	**100.0**	**59,240,555**		**100.0**
Own shares			519,055	0.9	
Total			**59,759,610**	**100.0**	

Source: Euroclear Finland Ltd., 31 December 2014

Parent company

STATEMENT OF INCOME

EUR million		2014	2013
1	**Net sales**	**27.6**	22.1
2	Other operating income	**18.9**	19.4
3	Personnel expenses	**-5.5**	-6.2
8,9	Depreciation	**-0.7**	-0.7
	Other operating expenses	**-39.7**	-30.6
	Operating profit	**+0.7**	+4.0
5	Financial income and expenses	**-30.9**	-20.3
	Profit before extraordinary items	**-30.2**	-16.3
6	Extraordinary items	**16.2**	6.2
	Profit before taxes	**-14.0**	-10.1
7	Income taxes	**-0.7**	-1.7
	Net profit for the period	**-14.8**	**-11.9**

BALANCE SHEET

EUR million		2014	2013
Assets			
	Fixed assets		
8	Intangible assets	**0.9**	0.5
9	Tangible assets	**1.7**	2.0
10	Non-current investments	**266.8**	241.4
		269.4	243.8
	Current assets		
11,12	Current receivables	**39.2**	45.4
	Investments	**0.2**	0.2
	Cash in hand and at banks	**12.6**	27.7
		51.9	73.3
	Total	**321.3**	**317.1**
Shareholders' equity and liabilities			
13	**Shareholders' equity**		
	Share capital	**14.6**	14.6
	Invested free equity reserve	**60.1**	60.1
	Retained earnings	**51.1**	62.4
	Net profit for the period	**-14.8**	-11.9
		110.9	125.2
	Liabilities		
14–16	Non-current liabilities	**44.0**	82.9
17,18	Current liabilities	**166.4**	108.9
		210.4	191.8
	Total	**321.3**	**317.1**

STATEMENT OF CHANGES IN FINANCIAL POSITION

EUR million	2014	2013
From operations		
Operating profit	**+0.7**	+4.0
Gain on sale	**-12.7**	-13.6
Depreciation	**+0.7**	+0.7
Value decrease	**0.0**	+2.0
Change in net working capital	**-5.9**	-9.5
Financial income and expenses	**-1.1**	-2.1
Paid income taxes	**-1.7**	-0.2
Total from operations	**-20.2**	**-18.7**
Capital expenditure		
Investments in shares in subsidiaries	**-22.0**	-1.2
Investments in fixed assets	**-0.8**	-0.5
Shares in subsidiaries, return of equity	**0.0**	+0.2
Sale of shares in subsidiaries	**+19.4**	+29.6
Capital expenditure total	**-3.4**	**+28.1**
Cash flow before financing	**-23.5**	**+9.4**
Financing		
New loans	**+15.5**	+44.4
Paid loans	**-34.1**	-76.5
Repayments of loans	**-8.0**	-18.1
Change in current financing	**+29.1**	-15.4
Change in non-current investments	**-5.7**	+36.2
Distribution of own shares	**+0.3**	0.0
Dividends received	**+5.1**	+10.1
Group contribution	**+6.2**	+13.7
Financing total	**+8.4**	-5.6
Change in cash and cash equivalents	**-15.1**	**+3.7**
Cash and cash equivalents 1 January	**27.9**	24.2
Cash and cash equivalents 31 December	**12.8**	**27.9**
Investments	**0.2**	0.2
Cash on hand and at banks	**12.6**	27.7
Cash and cash equivalents 31 December	**12.8**	**27.9**

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-based incentive plans

The accounting treatment of Pöyry PLC's share-based incentive plan are described in the Pöyry Group's accounting principles. Pöyry PLC prepares its financial statements in accordance with FAS. 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

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. Gains and losses are accounted for based on the purpose of use of the derivative.

Pöyry PLC hedges the currency risk of the Group centrally by foreign exchange derivatives. Group companies hedge their cash flows denominated in foreign currency by using internal foreign exchange derivative contracts with Pöyry PLC which does all external derivative contracts. Hedging principles follow the Group's treasury policy which states that all committed cash flows in foreign currencies must be hedged and speculative derivative contracts without connection to a business operation are not allowed.

Pöyry PLC hedges interest rate risk by using interest rate derivatives from which most commonly interest rate swaps. Interest rate derivatives are used to adjust the average interest repricing period of external loan portfolio depending on market conditions and within the limits set in treasury policy.

1. Net sales

EUR million	2014	2013
Net sales	**27.6**	**22.1**

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

2. Other operating income

EUR million	2014	2013
Rent income	**6.2**	5.8
Gain on sales of fixed assets	**12.7**	13.6
	18.9	**19.4**

3. Personnel expenses

EUR million	2014	2013
Wages and salaries	**4.7**	5.1
Pension expenses	**0.6**	0.7
Other social expenses	**0.2**	0.4
	5.5	**6.2**

Salaries and bonuses of the President and CEO are presented in note 6 in the notes to the financial statements of the group.

4. Audit fees

EUR 1,000	2014	2013
The audit fees are included in other operating expenses		
Statutory auditing, group auditor	**132**	122
Tax advisory, group auditor	**36**	144
Other services, group auditor	**54**	86

5. Financial income and expenses

EUR million	2014	2013
Dividend income		
From group companies	**3.8**	10.2
From associated companies	**0.0**	0.9
	3.8	11.2
Interest income from non-current investments		
From group companies	**2.1**	1.7
From other	**0.0**	0.0
	2.1	1.7
Other interest and financial income		
From group companies	**0.8**	0.6
From other	**0.2**	0.8
	1.0	1.3
Interest expenses and other financial expenses		
To group companies	**-0.3**	-0.5
To other	**-3.4**	-5.2
	-3.7	-5.6
Differences in exchange rates		
Exchange rate gains	**5.9**	9.6
Exchange rate losses	**-7.1**	-9.2
	-1.2	0.4
Value decrease on investments and loans receivable	**-33.0**	-29.3
	-30.9	**-20.3**

6. Extraordinary items

EUR million	2014	2013
Group contribution received	**16.2**	6.2
	16.2	**6.2**

7. Income taxes

EUR million	2014	2013
Taxes for the fiscal year	**0.8**	1.7
Taxes for previous years	**0.0**	0.0
	0.7	**1.7**

8. Intangible assets

EUR million	2014	2013
Acquisition value 1 Jan.	**2.5**	2.2
Increase	**0.6**	0.3
Acquisition value 31 Dec.	**3.1**	2.5
Accumulated depreciation 1 Jan.	**2.0**	1.8
Depreciation for the period	**0.2**	0.2
Accumulated depreciation 31 Dec.	**2.2**	2.0
Book value 31 Dec.	**0.9**	**0.5**

9. Tangible assets

EUR million	2014	2013
Machinery and equipment		
Acquisition value 1 Jan.	**1.7**	1.7
Increase	**0.0**	0.0
Acquisition value 31 Dec.	**1.8**	1.7
Accumulated depreciation 1 Jan.	**0.9**	0.7
Depreciation for the period	**0.2**	0.2
Accumulated depreciation 31 Dec.	**1.1**	0.9
Book value 31 Dec.	**0.6**	0.8
Other tangible assets		
Acquisition value 1 Jan.	**2.6**	2.5
Increase	**0.2**	0.1
Acquisition value 31 Dec.	**2.8**	2.6
Accumulated depreciation 1 Jan.	**1.5**	1.2
Depreciation for the period	**0.3**	0.3
Accumulated depreciation 31 Dec.	**1.8**	1.5
Book value 31 Dec.	**1.0**	1.1
Total tangible assets		
Acquisition value 1 Jan.	**4.4**	4.2
Increase	**0.2**	0.2
Acquisition value 31 Dec.	**4.6**	4.4
Accumulated depreciation 1 Jan.	**2.4**	1.9
Depreciation for the period	**0.5**	0.5
Accumulated depreciation 31 Dec.	**2.9**	2.4
Book value 31 Dec.	**1.7**	**2.0**

10. Non-current investments

EUR million	2014	2013
Shares in group companies 1 Jan.	**206.1**	251.1
Transfer to joint ventures	**0.0**	1.3
Increase	**72.1**	7.2
Decrease	**6.7**	24.8
Value decrease	**30.3**	26.0
Shares in group companies 31 Dec.	**241.3**	206.1
Receivables from group companies 1 Jan.	**33.7**	72.4
Increase	**12.7**	11.7
Decrease	**20.1**	47.1
Value decrease	**1.2**	3.3
Receivables from group companies 31 Dec.	**25.1**	33.7
Shares in associated companies and joint ventures 1 Jan.	**1.4**	0.1
Transfer from group company shares	**0.0**	1.3
Value decrease	**1.3**	0.0
Shares in associated companies and joint ventures 31 Dec.	**0.1**	1.4
Other shares 1 Jan.	**0.2**	0.2
Other shares 31 Dec.	**0.2**	0.2
Loans receivable 1 Jan.	**0.0**	
Increase	**0.1**	
Loans receivable 31 Dec.	**0.1**	
Total non-current investments 1 Jan.	**241.4**	323.7
Increase	**85.0**	18.9
Decrease	**26.8**	71.9
Valur decrease	**32.8**	29.3
Total non-current investments 31 Dec.	**266.8**	**241.4**

11. Current receivables

EUR million	2014	2013
Accounts receivable	**8.3**	8.0
Loans receivable	**7.6**	25.3
Other receivables	**16.5**	7.4
Prepaid expenses and accrued income	**3.3**	1.7
Total from group companies	**35.6**	42.4
Loans receivable	**0.0**	0.2
Other receivables	**1.1**	0.1
Prepaid expenses and accrued income	**2.5**	2.6
	39.2	**45.4**

12. Prepaid expenses and accrued income

EUR million	2014	2013
Interest income	**1.8**	1.2
FX derivatives	**3.2**	1.6
Other	**0.8**	1.4
	5.8	**4.2**

13. Shareholders' equity

EUR million	2014	2013
Restricted equity		
Share capital 1 Jan./31 Dec.	**14.6**	14.6
Restricted equity 1 Jan./31 Dec.	**14.6**	14.6
Unrestricted equity		
Invested free equity reserve 1 Jan./31 Dec.	**60.1**	60.1
Retained earnings 1 Jan.	**50.6**	62.4
Distribution of own shares	**0.5**	0.0
Net profit for the period	**-14.8**	-11.9
Retained earnings 31 Dec.	**36.3**	50.5
Unrestricted equity 31 Dec.	**96.4**	110.6
Total shareholders' equity 31 Dec.	**110.9**	**125.2**

14. Non-current liabilities

EUR million	2014	2013
Loans from credit institutions	**33.0**	50.1
Pension loans	**4.0**	6.0
Loans from group companies	**7.0**	26.9
	44.0	**82.9**

15. Loans with due date after five years or later

EUR million	2014	2013
Loans from credit institutions		6.0
Loans from group companies	**7.0**	26.9
	7.0	**32.9**

16. Loans according to maturity

EUR million	2014	2013
Year 2014		93.8
Year 2015	**154.6**	34.1
Year 2016	**8.0**	8.0
Year 2017	**23.0**	8.0
Year 2018	**6.0**	6.0
Later	**7.0**	26.9
	198.7	**176.7**

17. Current liabilities

EUR million	2014	2013
Commercial papers	**31.3**	40.6
Loans from credit institutions	**36.2**	6.2
Pension loans	**2.0**	2.0
Current loans	**69.5**	48.8
Provisions	**0.6**	0.0
Accounts payable	**1.8**	2.3
Loans	**85.2**	45.0
Accounts payable	**3.0**	6.0
Other current liabilities	**0.0**	0.1
Accrued expenses and deferred income	**1.0**	0.9
Total to group companies	**89.2**	52.0
Other current liabilities	**0.1**	0.3
Accrued expenses and deferred income	**5.1**	5.6
	166.4	**108.9**

18. Accrued expenses and deferred income

EUR million	2014	2013
Salaries and vacation accruals	**0.7**	1.6
Social expenses	**0.2**	0.3
Interest expenses	**0.3**	0.4
FX derivatives	**3.4**	1.1
Income taxes	**0.6**	1.5
Other	**1.0**	1.7
	6.2	**6.5**

OTHER NOTES

19. Contingent liabilities

EUR million	2014	2013
For own obligations		
Rent and leasing obligations	**76.0**	**74.7**
For group companies		
Other obligations	**55.4**	**38.6**
For other parties		
Other obligations	**0.0**	**0.1**
Pledged assets, mortgages and obligations total		
Rent and leasing obligations	**76.0**	74.7
Other obligations	**55.4**	38.7
	131.5	**113.4**

20. Other lease agreements

EUR million	2014	2013
Lease payments for non-cancellable other lease agreements, mostly office rents		
Year 2014		5.4
Year 2015	**5.9**	5.3
Years 2016–2018	**15.6**	14.1
Later	**54.5**	49.9
	76.0	**74.7**

21. Derivative instruments

EUR million	2014	2013
Foreign exchange forward contracts, hedge accounting not applied:		
Nominal values	**85.6**	71.5
Fair values	**-0.0**	0.5
Foreign exchange forward contracts, fair value hedge accounting:		
Nominal values	**24.8**	67.6
Fair values	**0.0**	-0.0
Foreign exchange option contracts		
Bought, nominal values	**21.7**	
Sold, nominal values	**23.3**	
Bought, fair value	**0.3**	
Sold, fair value	**-0.4**	
Interest rate swaps, hedge accounting not applied:		
Nominal values	**15.0**	
Fair values	**-0.1**	

The fair values of the foreign exchange derivative 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 bank's 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	51,050,896.68
Profit (loss) for the period	EUR	-14,777,499.04
	EUR	36,273,397.64

The Board of Directors proposes to the Annual General Meeting on 12 March 2015 that no dividend will be paid for the year 2014.

Vantaa, Finland, 3 February 2015
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 2014. 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, 3 February 2015
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 to which the capital market participants have equal and simultaneous access. Under the periodic disclosure obligation, Pöyry publishes as stock exchange release information on its financial performance according to a time schedule that is published before the end of the previous financial year. Pöyry publishes financial information about the Pöyry Group as a whole and about its Business Lines (i.e. the operating segments).

Under the ongoing disclosure obligation, Pöyry discloses without undue delay a stock exchange release on any decision, issue or event that may, according to the Company's assessment, have a material effect on the value of its share. In addition, Pöyry publishes as press releases and as other news information that does not meet the requirements set for stock exchange releases but which are assessed to have news values or to otherwise be of general interest to Pöyry's stakeholders. Press releases are published either on global or on local level. 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 Pöyry's releases are available on Pöyry's website at www.poyry.com for at least five years.

Pöyry responds to routine inquiries from the representatives of the capital markets and the financial media as quickly as possible. Pöyry regularly meets with investors and analysts. Pöyry's Investor Relations function centrally handles and coordinates contacts and meetings with shareholders, investors and analysts. The meetings are based on information that has already been published or is otherwise generally available to the market. New information that might affect the value of Pöyry's share is not introduced at these meetings.

Silent period

Prior to each publication of financial information under periodic disclosure obligation Pöyry observes a silent period during which Pöyry's representatives will not comment on any issues related to the Company's results, financial position or future outlook of the Pöyry Group or its business lines. The silent period begins 21 days prior to the publication of annual or interim financial results and lasts until the respective announcement of financial results.

Investment analysis

To our knowledge, the following brokerages have analysed Pöyry in 2014 as an investment target on their own initiative. Pöyry takes no responsibility for their opinions or estimates.

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 (at) poyry.com

Financial information in 2015

Pöyry PLC will publish its interim reports in 2015 as follows:

Interim report January–March: Tuesday 5 May
Interim report January–June: Thursday 30 July
Interim report January–September: Wednesday 28 October

ANNUAL GENERAL MEETING

The shareholders of Pöyry PLC are invited to attend the Annual General Meeting to be held on Thursday, 12 March 2015 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.

A complete notice to convene the Meeting has been published in a company announcement on 4 February 2015.

Right to attend and vote at the Meeting

Each shareholder who on the record date of the Annual General Meeting 2 March 2015 is registered in the shareholder register of the Company held by Euroclear Finland Ltd., has the right to participate in the Annual General Meeting. Shareholders whose shares are registered on his/her personal book-entry account are registered in the shareholder register of the Company. Shareholders wanting to participate in the Annual General Meeting must register for the meeting no later than Monday 9 March 2015 at 10.00 a.m. Finnish time by giving a prior notice of participation. Such notice can be given:

a) by filling in the registration form on the Pöyry PLC website at www.poyry.com/agm2015;
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.

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 Annual General Meeting 2 March 2015, 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 Annual General Meeting at the latest on 9 March 2015 at 10.00 a.m Finnish time. A holder of nominee registered shares is considered to be registered for the Annual 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 Annual General Meeting from his/her custodian bank sufficiently in advance.

Dividend

The Board of Directors proposes to the Meeting convening on 12 March 2015 that no dividend will be paid for the year 2014.

Pöyry PLC
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