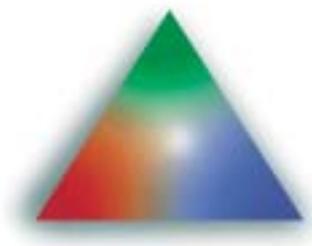


Jaakko Pöyry Group



○ Business Review 2003



**Jaakko Pöyry Group has three core areas of expertise:
forest industry, energy, and infrastructure & environment**

Jaakko Pöyry Group is a client- and technology -oriented, globally operating consulting and engineering firm. It has three core areas of expertise: forest industry, energy and infrastructure & environment. The Group employs 4800 experts in 38 countries.

The Group's business concept is based on early involvement in its clients' business development. The Group offers services related to consulting, project development and implementation, and operations management and maintenance planning in all of its business sectors.

Jaakko Pöyry Group Oyj is listed on the Helsinki Exchanges.

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This document contains a summary of Jaakko Pöyry Group Oyj's financial statements for 2003. The complete financial statements have been published separately. The financial statements are available in pdf format on the Group's website at www.poyry.com, where the printed version can be ordered.

Business groups in a nutshell



FOREST INDUSTRY

The Forest Industry business group provides consulting, investment planning and implementation, maintenance planning and operations improvement services in all phases of its client companies' development. Services are provided in three main practice areas:

- Management consulting
- New investment projects
- Rebuild projects and local services

The business group's office network covers all major forest products regions in the world. Clients include forest industry companies, international financing institutions and equipment suppliers.

The business group's brand name is **Jaakko Pöyry**.

Share of net sales



● Forest Industry 43%



ENERGY

The Energy business group's services cover the entire lifecycle of energy projects, from strategic planning, project development and implementation to power plant operations and maintenance services. The business group's main practice areas are:

- Management consulting
- Hydropower
- Renewable energy
- Power and heat
- Oil and gas

The office network covers Europe, the Middle East and Asia. Clients include privately or government owned utilities, industrial companies, equipment suppliers, and financing institutions and development banks.

The business group's brand name is **Electrowatt-Ekono**.

Share of net sales



● Energy 24%



INFRASTRUCTURE & ENVIRONMENT

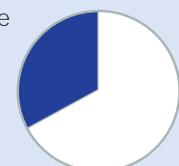
The Infrastructure & Environment business group offers consulting and engineering services, building and project management services, operation and maintenance expertise, and services related to technology transfer. Its main practice areas are:

- Transportation systems
- Water and environment
- Building services

The office network covers Europe and Asia. Clients include government and municipal organisations, international development institutions, and transport, water supply and telecommunications companies.

The business group's brand name is **Jaakko Pöyry Infra**.

Share of net sales



● Infrastructure & Environment 33%

President's review



"We expect our business to continue to develop favourably during 2004, with a clear increase in net sales and continued improvement of earnings."

Our key focus during 2003 was to improve the Jaakko Pöyry Group's profitability. In spite of the rather difficult market situation, we succeeded in this effort, even somewhat better than expected. The operating profit and earnings per share improved clearly. At the same time, our balance sheet and cash position continued to strengthen, both of them showing strong figures at the end of the year.

The business developed favourably in all of our three business groups. Internal development work and targeted acquisitions improved our market position in many areas. In forest industry we are the global market leader, in the energy sector one of the leading global players, and in infrastructure and environment one of the leading companies in Europe. The planned acquisition of Verbundplan GmbH in Austria will further strengthen our market position in energy and in infrastructure and environment. It also opens up new opportunities in Central Europe.

As we look into the future, we see sustainable growth in all our businesses. Clearly, most of the growth will come from emerging markets, particularly China, Latin America and Russia. We have been present in all of these markets for a long time, identifying interesting growth opportunities which will be pursued during coming years. In 2003 some 10 per cent of our net sales were derived from these markets. We expect this share to grow considerably during the next few years. The main driving forces will be significant growth in pulp, paper and board production, growing

demand for energy and the need for environmentally sustainable energy solutions, the need for efficient transportation systems, and the growing concern over the availability and management of water resources. Many of our long-term key clients are also expanding their operations into these markets. Making effective use of our increased local presence and Global Network Company concept, we will be able to offer them a complete range of Jaakko Pöyry Group services to support their expansion.

In recent months, we have at long last seen signs of improvement in the global economy, and the confidence in economic recovery has grown. Our order stock, balance sheet structure and market position improved throughout 2003. We expect our business to continue to develop favourably during 2004, with a clear increase in net sales and continued improvement of earnings.

Throughout 2003 it was again encouraging to feel the strong support and confidence of our clients, personnel and shareholders. For this I would like to express my sincerest thanks.

A handwritten signature in blue ink, which appears to be "Erkki Pehu-Lehtonen". The signature is fluid and cursive, written on a light-colored background.

Erkki Pehu-Lehtonen
President and CEO

Strategy

MISSION

The Jaakko Pöyry Group's mission is to anticipate and fulfil its clients' requirements in order to improve their competitiveness. This objective is pursued by providing clients with a full range of leading-edge solutions and services within consulting, project development and implementation, operations improvement and maintenance engineering.

The Jaakko Pöyry Group aims to recruit people who have the drive and ability to work towards the company's objectives. Employees are offered a challenging international working environment in an expert organisation emphasising quality and continuous development.

The Jaakko Pöyry Group aims to secure a competitive long-term return for its shareholders and a leading position in selected business areas by actively managing and integrating the Group's resources, know-how and operations. The target is to reach an average operating margin of 8% and to invest in continuous growth of the core business areas on a sustainable basis.

BUSINESS CONCEPT

The Jaakko Pöyry Group's business concept is based on early involvement in its clients' business development, the provision of innovative and value-added solutions, and a full range of services from individual consulting and engineering assignments to management and implementation of complex projects. Services are provided through the Group's own resources in key areas of consulting, technology, engineering and project management, supplemented by partnerships and alliances.

BUSINESS STRATEGY CHOICES

Three areas of expertise and global synergies

The Jaakko Pöyry Group has three core areas of expertise: forest industry, energy, and infrastructure and environment. The Jaakko Pöyry Group's three business groups are globally responsible for their operations. Synergies within the Group are realised through joint projects, complementary technological capabilities, joint marketing, common systems, tools and methods, and an integrated office network.

Project-oriented business approach and lifecycle engagement

The Jaakko Pöyry Group's business consists of project assignments. The business is based on a deep understanding of clients' core business processes. The Group's know-how covers the entire lifecycle of clients' investment projects. Its thorough business and technological expertise and its ability to apply this expertise into practice are a major competitive advantage.

Global office network

The Group has more than one hundred offices in 38 countries. The comprehensive office network is a unique and important key factor supporting the business, allowing the Jaakko Pöyry Group to offer its versatile expertise to locally as well as globally operating companies. Through its Global Network Company concept, the Group combines the know-how of its global network of experts with a strong knowledge of local conditions.

Information management a cornerstone

To support its project-oriented activities, the Jaakko Pöyry Group continuously develops product and service concepts based on integrated IT solutions. Effective information management is a cornerstone of the Group's project business. A key success factor is the ability to make the right information available, in the right format, to the right persons at the right time.

Stable business growth

In the same way as the clientele, the consulting and engineering business is also being consolidated. The Jaakko Pöyry Group is a growth-oriented company, which is continuously developing its core business operations. Growth is derived from organic growth, extensions of the local office network and acquisitions. While pursuing volume growth, the Group also aims to maintain its stable profitability and liquidity. The Group's good solvency offers a possibility for self-financed growth.

KEY CHANGE FORCES RESHAPING THE BUSINESS ENVIRONMENT

Key change forces influencing the Jaakko Pöyry Group's business operations are:

Consolidation. Client companies continue to consolidate. The consulting and engineering business is also being consolidated.

Networking. Networking will promote co-operation through partnership agreements and alliances. It will create new business opportunities and expand the Group's service mix.

Digital revolution. The digital revolution makes information management and utilisation increasingly important. Information is no longer seen as a production factor dependent on time and place.

Speed of change and volatility. The business environment is changing faster and becoming more volatile.

Scarcity of resources. The scarcity of natural resources, such as fibre, energy and water, increasingly guide investment decisions in several market areas.

Competition for talent. Talent is an important competitive advantage of any company.

Cost-effectiveness. Success in international competition requires continual improvement of operations and competitiveness.

Financial review 2003

CONSOLIDATED EARNINGS AND BALANCE SHEET

The recession in the world economy, which began in 2001, continued during 2003. However, in autumn 2003 signs of economic recovery were discernible, especially in North America. As the greatest political uncertainties have been removed, and with economic indicators strengthening, economic growth is expected to strengthen during 2004.

The recession had an impact on the Jaakko Pöyry Group's clients and their investment activity. Totalling 411.6 million, consolidated net sales were at the previous year's level (407.0 million). Consolidated earnings increased clearly during the financial year owing to the strengthening of the Group's market position and actions to streamline the cost structure during the period 2001-2003.

Profit before extraordinary items was EUR 35.8 (18.1) million, including a gain of EUR 11.0 million from the sale of Jaakko Pöyry Group Oyj's headquarter property. The profit for the year was EUR 24.7 (12.3) million and earnings per share EUR 1.80 (0.90). The return on investment was 27.7 (14.5) per cent.

The consolidated balance sheet is healthy. Actions were continued during the financial year to improve the balance sheet, including the divestment of Group properties. The equity ratio improved to 52.3 (51.0) per cent. The Group's liquidity remained good during the financial year. At the end of the year, the Group's cash in hand and at banks amounted to EUR 63.1 (26.0) million. Interest-bearing debts totalled EUR 13.4 (19.9) million. The net debt/equity ratio (gearing) was -40.7 (-5.6) per cent.

ORDER STOCK

The Group's order stock increased during the year under review. At the end of 2003, the order stock totalled EUR 335.7 million, compared with EUR 308.4 million at the end

of 2002. The order stock of the consulting and engineering businesses increased by EUR 17.7 million during the year. The order stock for turn-key projects increased by EUR 9.6 million.

The growth in consulting and engineering work reflects the Group's intention to increase the proportion of consolidated net sales generated by these businesses, which will improve the Group's profitability.

The share of consulting services and operation and maintenance services of the order stock has increased. Assignments in these areas are short-term and are partly booked under net sales without being recorded in the order stock.

FINANCING

The Group's liquidity remained good during the financial year. At the end of the year, the Group's cash in hand and at banks totalled EUR 63.1 (26.0) million and interest-bearing liabilities EUR 13.4 (19.9) million. At the end of the year, the Group had unutilised credit facilities amounting to EUR 27.5 million. The net debt/equity ratio (gearing) at the end of the year was -40.7 (-5.6) per cent. The cash flow was strong in 2003. The cash flow before financing was EUR 57.8 (12.5) million.

DIVIDEND POLICY

The dividend distributed by Jaakko Pöyry Group Oyj is dependent on the company's earnings and investment requirements. The objective is to increase the dividend per share from year to year, and to ensure that at least 40 per cent, or more, of earnings are distributed each year. Should the company need to expand its technology base by investing in acquisitions, or to expand its office network, the dividend-to-earnings ratio may be changed.

KEY FIGURES AND FINANCIAL TARGETS

| | 1999 | 2000 | 2001 | 2002 | 2003 | Target on average |
|----------------------------------|------|------|------|-------|--------------------|-------------------|
| Profitability | | | | | | |
| Operating profit, % | 6.9 | 6.7 | 6.5 | 4.5 | 8.6 | ≥ 8% |
| Return on investment, % | 22.6 | 25.1 | 21.2 | 14.5 | 27.7 | > 20% |
| Earnings | | | | | | |
| Earnings/share, EUR | 1.11 | 1.40 | 1.30 | 0.90 | 1.80 | |
| Earnings/share, annual growth, % | 24.7 | 26.1 | -7.1 | -30.8 | 100.0 | ≥ 15% |
| Balance sheet | | | | | | |
| Gearing, % | 13.5 | -2.5 | -3.0 | -5.6 | -40.7 | < 30% |
| Dividend | | | | | | |
| Dividend, EUR | 0.45 | 0.60 | 0.60 | 0.60 | 1.50 ¹⁾ | |
| Pay-out-ratio, % | 40.5 | 42.8 | 46.1 | 66.7 | 83.3 | ≥ 40% |

1) Board of Directors' proposal. The proposal includes the additional dividend of EUR 0.50.

BOARD OF DIRECTORS' PROPOSAL

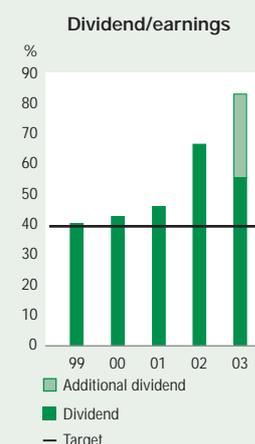
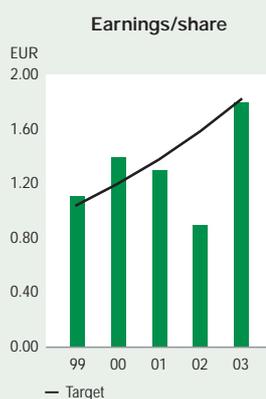
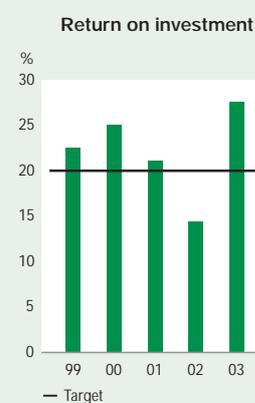
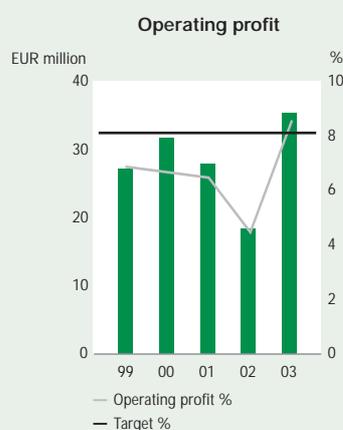
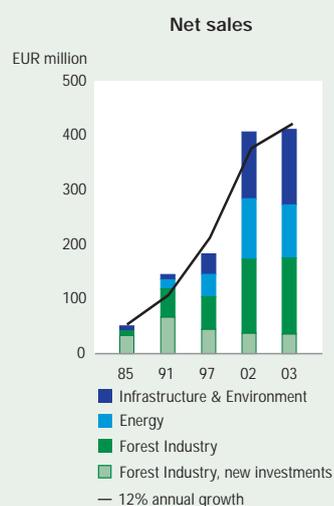
The Board of Directors proposes to the Annual General Meeting on March 3, 2004 that a dividend of EUR 1.00 (0.60) per share be paid for the year 2003, totalling EUR 13.8 million. The proposed dividend corresponds to 55.6 (66.7) per cent of the earnings per share for the financial year. The dividend will be payable on March 15, 2004. Due to the Group's good liquidity the Board proposes that an additional dividend of EUR 0.50 per share be paid, totalling EUR 6.9 million. This dividend corresponds to 27.7 per cent of earnings per share. The additional dividend will be payable on November 30, 2004.

PROSPECTS

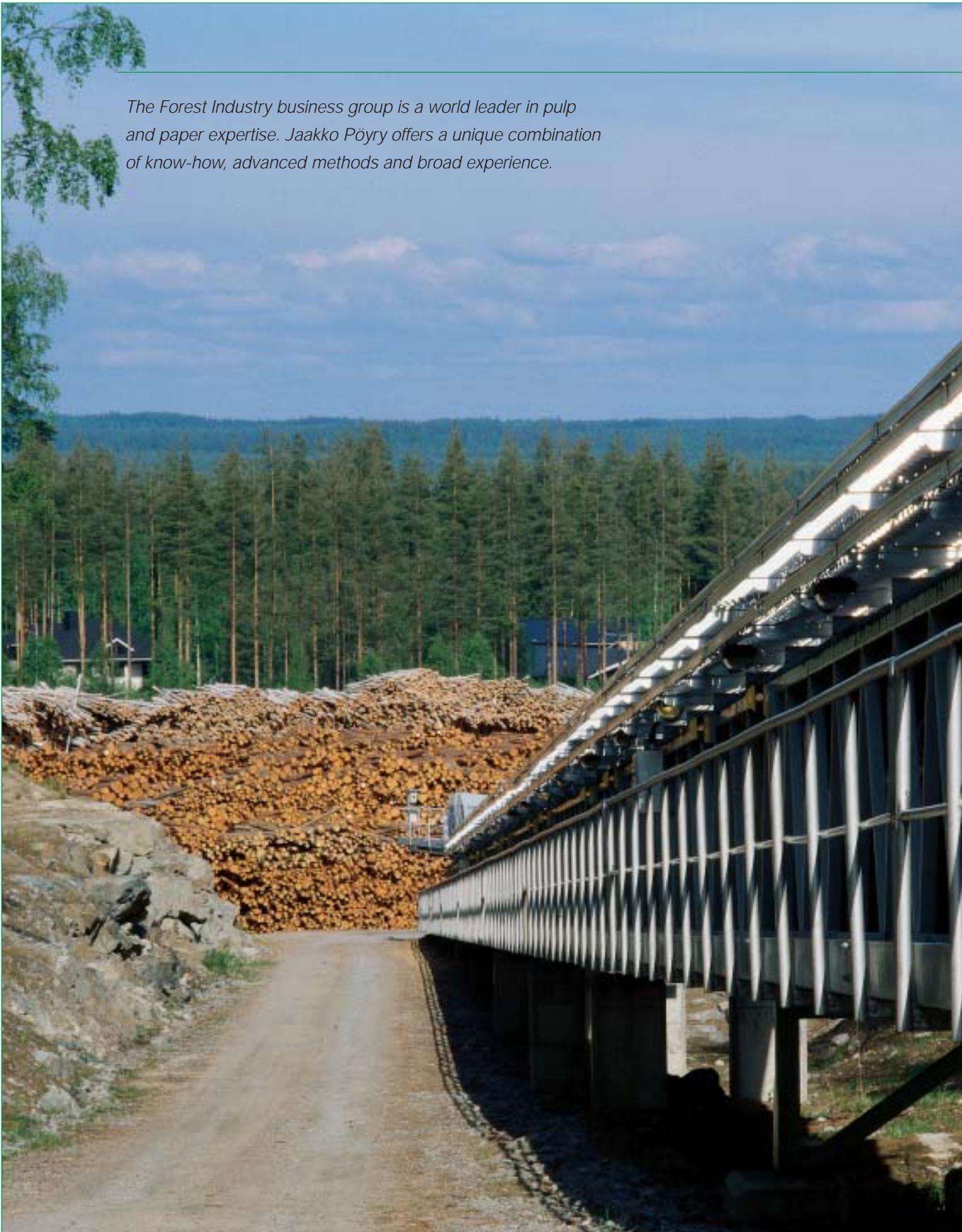
In the autumn of 2003 the world economy showed signs of recovery, especially in North America. Economic growth is expected to strengthen during 2004. This presumes that no new major political or other uncertainties emerge.

In this difficult market situation, the Jaakko Pöyry Group has strengthened its market position. The Group's order stock increased by EUR 27.3 million during the financial year and is EUR 335.7 million. The order stock represents a normal price level. The Group's balance sheet and liquidity also improved during 2003.

The general market situation and economic growth are recovering. Economic growth is expected to strengthen during 2004. The Jaakko Pöyry Group's order stock, balance sheet structure and market position improved during 2003. The Group carried out several acquisitions during 2003 and further acquisitions are foreseen in 2004. Consolidated net sales will increase clearly during 2004. Profit before extraordinary items is estimated to improve in 2004, if the capital gain of EUR 11 million from the sale of the head office property in 2003 is disregarded in the comparison.



The Forest Industry business group is a world leader in pulp and paper expertise. Jaakko Pöyry offers a unique combination of know-how, advanced methods and broad experience.



Forest Industry

The Forest Industry business group, operating under the brand name Jaakko Pöyry, is a global market leader in its sector. The business group provides engineering and project implementation services for pulp and paper industry projects worldwide, maintenance engineering and other local services to various mills, and advice on forest industry strategies, operations and investment banking. At the end of the year, the business group employed a total of 2126 people.

BUSINESS ENVIRONMENT TRENDS

The major trends in the Forest Industry business group's operating environment are:

Operations improvement. The industry is making a continuous effort to improve its operations and competitiveness. Jaakko Pöyry is actively participating in this development work by offering consulting and engineering services to improve production efficiency and operations.

Outsourcing of services. The outsourcing of non-core activities improves Jaakko Pöyry's possibilities of expanding its local services. Engineering and project management services related to mill modernisations and maintenance are becoming an increasingly important business, side by side with traditional new investment projects and major replacement investments.

Improving the use of capital. As a capital-intensive business, the forest industry is vitally dependent on correct allocation of capital and maximum returns on investment. This requires comprehensive examination of strategic alternatives, investment projects, acquisitions and mergers, and internal development projects, and effective implementation of these. This creates a good platform for Jaakko Pöyry to offer services combining global industry experience with strategic competences and a strong technical background.

SECTOR-SPECIFIC MARKET PROSPECTS

Long-term global demand for paper and paperboard will continue to grow in line with GNP growth. Business fluctuations influence demand growth and may cause considerable variations in capacity utilisation rates. Demand and investments are growing fastest in Asia, especially in China and in other emerging markets. In recent years, growth of demand has been exceptionally unsatisfactory in Europe and North America, retarded by the economic recession. In these markets, the industry has cut down on investments and instead improved the efficiency of its existing produc-

tion capacity. The globalisation of the forest industry and industry restructurings are expected to continue in the next few years.

BUSINESS AREAS

The Forest Industry business group's services are divided into three main business areas:

- Management consulting
- New investment projects
- Rebuild projects and local services

In **management consulting**, services are offered in matters related to the development of business strategies and operative functions. The expertise covers the entire supply chain from raw materials to technology, markets and financing. The cornerstones of the business group's operations are its extensive international experience, its in-depth industry expertise and its experience of implementing changes.

In **new investment projects**, the business group provides engineering and project implementation services for the pulp and paper industry worldwide. In project implementation, process know-how, advanced engineering and information management systems and the business group's extensive project implementation experience are playing a key role. The business group's experience covers engineering services, tasks related to project management and supervision, and erection and construction supervision services.

In **rebuild projects and local services**, the primary focus is on small mill rebuilds and on engineering and project services related to mill maintenance. Jaakko Pöyry's local services combine knowledge of local conditions with prompt service and special expertise based on information technology across the entire business group. The business group's local office networks in different countries allow clients to outsource services, while at the same time guaranteeing close local co-operation with Jaakko Pöyry.

Management consulting



New investment projects



FINANCIALS AND PERFORMANCE 2003

The forest industry's investment activity has been depressed for three years now. This is due to the general economic downturn and to weak demand for forest industry products. Although the demand for forest industry consulting and engineering services has declined, Jaakko Pöyry has been able to streamline its operations to this new market situation. Demand for engineering and project implementation services has grown in emerging markets, such as China and Brazil. The Forest Industry business group has strengthened its global market position in recent years. The order stock has increased to EUR 90.8 (85.2) million during the year under review. The most important new projects were the pulp mill project of Veracel Celulose S.A. in Brazil, the fine paper mill project of UPM-Kymmene Oyj at Changshu in China, and the linerboard machine of Papierfabrik Adolf Jass Schwarzza GmbH in Germany.

Net sales for the financial year were EUR 176.0 (173.7) million. Operating profit was EUR 16.1 (13.5) million, which

equals 9.2 (7.8) per cent of net sales. Taking into account the market situation, the profitability was good.

ACQUISITIONS 2003

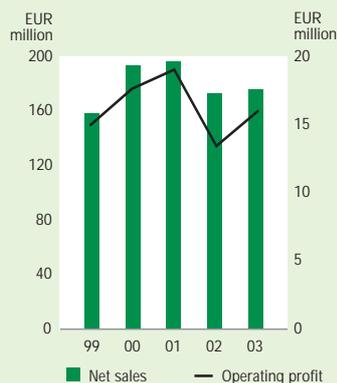
The Forest Industry business group acquired in March the business of Redbeard Consulting B.V. Redbeard Consulting's line of business included strategic and IT consulting services to the European paper industry. The company employed 4 people, who have taken up new positions within the Forest Industry business group.

The business group expanded its operations in North America by acquiring in November the operations of the Canadian forest industry engineering firm NLK Consultants Inc. Operations will continue in Vancouver under the name Jaakko Pöyry NLK Inc. A total of 43 people moved permanently to this new company. The company's primary market area is the western coast of Canada and the United States. The business of NLK Consultants Inc. in Montreal moved to Jaakko Pöyry ABGS Inc. in Montreal. NLK Con-

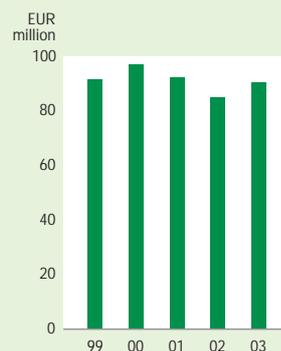
KEY FIGURES

| EUR million | 1999 | 2000 | 2001 | 2002 | 2003 | Share of Group,% |
|---------------------|-------|-------|-------|-------|-------|------------------|
| Net sales | 158.8 | 193.8 | 196.6 | 173.7 | 176.0 | 42.8 |
| Operating profit | 15.0 | 17.5 | 19.1 | 13.5 | 16.1 | 45.5 |
| Operating profit, % | 9.4 | 9.0 | 9.7 | 7.8 | 9.2 | |
| Order stock | 91.7 | 97.4 | 92.7 | 85.2 | 90.8 | 27.0 |
| Personnel | 1 964 | 2 061 | 2 153 | 2 163 | 2 126 | 44.6 |

Net sales and operating profit



Order stock



Rebuild projects and local services



< Forest Industry business group's main areas

sultants has been one of Canada's leading engineering firms since the 1970s. Its net sales for 2002 were about EUR 8 million.

In response to the continued globalisation of the forest products industry, the Forest Industry business group's local office network will be expanded further, especially in Western Europe.

PROSPECTS FOR 2004

Investment activity in the forest industry has been depressed during the period 2001-2003. Because of the difficult market situation, even several overdue investment projects have been postponed. As signs of economic recovery are now discernible, preparations for investments are likely to move ahead. New investments will primarily be made in emerging markets, such as China and Latin America. In Europe and North America the emphasis is on modernisations and expansions of existing facilities. As the industry continues to outsource, demand for local serv-

ices will remain stable during 2004. Demand for forest industry consulting and investment banking services is expected to improve slightly. The Forest Industry business group's order stock increased during 2003. The business group's operating profit will increase slightly in 2004 compared with 2003.

MAJOR PROJECTS IN 2003

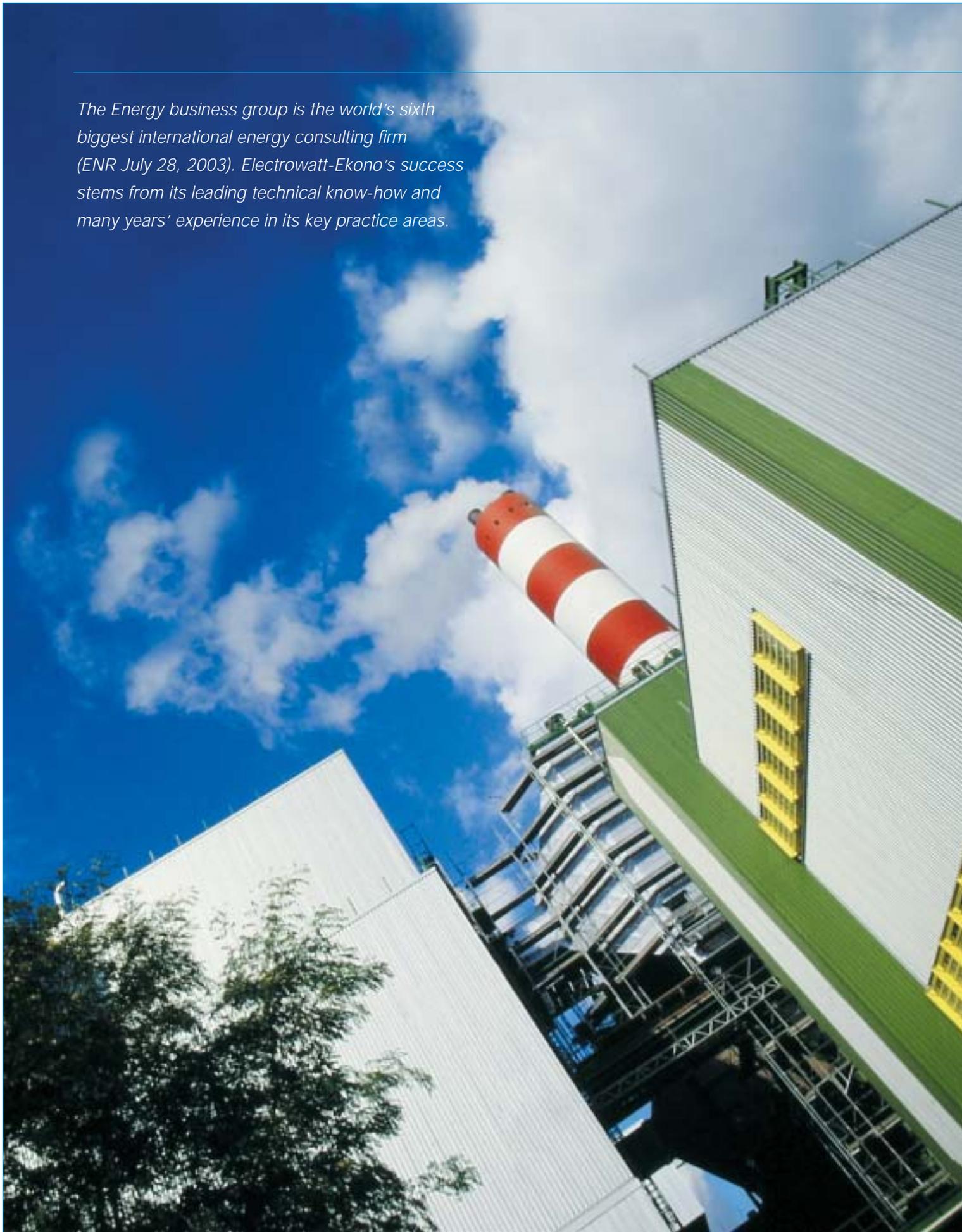
UPM-Kymmene Corporation; basic and implementation engineering for the company's fine paper machine at Changshu in China. The assignment includes plant engineering, structural engineering and coordination of the project. The value of the engineering service contract is about EUR 10 million.

Mondi Ltd.; expansion of the Richards Bay pulp mill in South Africa. The project management and engineering, procurement and construction management services included in the scope of work are carried out in co-operation with a local company. The value of Jaakko Pöyry's contract is about EUR 15 million.

Veracel Celulose S.A.; new pulp mill project in Brazil. Jaakko Pöyry has been commissioned to assist the owners in the pulp mill project implementation and to provide complete engineering, project and construction management services for the interconnections and complementary plants of the pulp mill. The contract value is about EUR 14 million.

Papierfabrik Adolf Jass Schwarza GmbH; engineering services for a new testliner machine in Germany. Jaakko Pöyry is responsible for the engineering and site services for a recycled paper based testliner/fluting machine to be built in the state of Thuringia. The contract value is about EUR 7 million.

The Energy business group is the world's sixth biggest international energy consulting firm (ENR July 28, 2003). Electrowatt-Ekono's success stems from its leading technical know-how and many years' experience in its key practice areas.



Energy

The Energy business group, operating under the brand name Electrowatt-Ekono, is a leading international energy consulting and engineering firm. Its services cover the entire lifecycle of the clients' business, from strategic consulting to project implementation, operation and maintenance, and modernisation projects. The business group focuses on five business areas: management consulting, hydropower, renewable energy, power and heat, and oil and gas. At the end of the year, the business group employed a total of 1109 people.

BUSINESS ENVIRONMENT TRENDS

The major trends in the Energy business group's operating environment are:

Changes in energy markets. The continued consolidation and restructuring in the energy market, in combination with increased profitability pressures, are generating increased demand for Electrowatt-Ekono's consulting services and its operations improvement expertise.

Environmental protection. International and national programmes are being implemented to reduce emissions and to promote clean energy technologies, such as renewable energy. Electrowatt-Ekono is actively involved in this development in many ways.

Power plant rebuilds. More and more power plants approach the end of their service life and are in need of modernisation. Electrowatt-Ekono has developed solutions that are technically and eco-nomically optimised for rebuilds.

SECTOR-SPECIFIC MARKET PROSPECTS

The liberalisation of the energy markets and the consolidation of the energy sector will continue in Europe, while in developing countries growth rates will slow down. The increased competition and economic downturn have depressed electricity prices and the general level of investment in the energy sector. This trend is about to change, though there will be regional variations. Environmentally driven investments in renewable energy and hydropower will increase, but these forms of energy will continue to represent a low proportion of total production. As power plants get older, environmental regulations continue to tighten and profitability requirements increase, the number of rebuilds of power plants and efficiency-improving projects will rise. In spite of short-term fluctuations, demand for electricity will continue to grow in pace with economic growth throughout the world, so long-term investments will be needed to meet this growth. In the short term, capacity increases will come from small and medium-size power plants to be built for the needs of local industry and communities.

BUSINESS AREAS

The Energy business group's main practice areas are:

- Management consulting
- Hydropower
- Renewable energy
- Power and heat
- Oil and gas

In **management consulting**, the business group focuses on providing services in strategy development, business operations development, mergers and acquisitions, and environmental consulting. Services are provided through an integrated business model, combining management consulting with technology consulting. The expertise of the business group's global office network is utilised in developing clients' business operations.

In **hydropower**, the business group provides a wide spectrum of services combined with international expertise. Examples include high- and low-head dams, pump storage and run-of river schemes, and integrated power and irrigation projects.

In **renewable energy**, the focus is on engineering and project implementation services for biomass and geothermal energy, wind and solar power, waste management and waste-to-energy projects. The expertise covers all project phases, from investment studies to project implementation and operations management. Electrowatt-Ekono's specialists have extensive experience of supporting clients in meeting the requirements of the Kyoto Protocol.

In **power and heat**, activities cover a wide range of project services, from project development and implementation to operations improvement and plant modernisation. Core areas of expertise are combined industry and community heat and power generation, district heating and cooling, and condensing power generation.

In **oil and gas**, the business group offers specialist engineering and safety management services. These include prestudies, preliminary engineering, implementation engineering and safety case reviews.



FINANCIALS AND PERFORMANCE 2003

The market for energy-related services remained sluggish in 2003. This was due to the overall economic weakness, low demand in the energy sector and major restructurings in this field. However, the energy sector is now recovering. The internationalisation of the energy sector and the liberalisation of the energy market continue. Environmental pressures result in greater investment needs. Traditional fields of operations are expanding with power companies moving into the gas sector, and the major oil and gas companies into the power sector. In spite of the changing market conditions, Electrowatt-Ekono has been able to strengthen its market position. The order stock remained good, amounting to EUR 129.2 (123.8) million at the end of the year. The most important new projects were the contracts for the Hwa-Seong combined cycle power plant in South Korea, the Cau Ma combined cycle power plant in Vietnam, the Siah Bishe pumped storage hydro power plant in Iran, the ZAST waste-to-energy project in Germany

and two new operation and maintenance contracts in the Philippines. Notice to proceed for the first A.T. Biopower biomass power plant in Thailand was also received.

Net sales for the financial year were EUR 97.6 (111.2) million. Operating profit was EUR 4.5 (-0.7) million, which equals 4.6 (-0.7) per cent of net sales. Earnings for the financial year improved significantly. Taking into account the market situation, profitability improvement was good.

ACQUISITIONS 2003

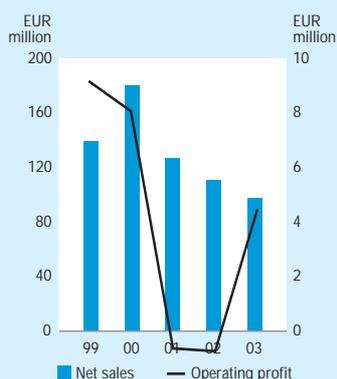
The Energy business group expanded its energy consulting operations in June by acquiring ILEX Energy Consulting Ltd, situated in Oxford, United Kingdom. The company's net sales for 2002 were EUR 3.7 million. With this acquisition Electrowatt-Ekono became the leading energy management consultant serving the European energy sector. ILEX Energy Consulting employs 30 people.

In June the business group acquired an additional 30 per cent stake in the French Beture-Environnement S.A.

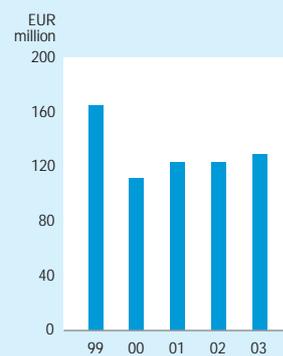
KEY FIGURES

| EUR million | 1999 | 2000 | 2001 | 2002 | 2003 | Share of Group, % |
|---------------------|-------|-------|-------|-------|-------|-------------------|
| Net sales | 139.7 | 180.9 | 127.0 | 111.2 | 97.6 | 23.7 |
| Operating profit | 9.2 | 8.1 | - 0.6 | - 0.7 | 4.5 | 12.7 |
| Operating profit, % | 6.6 | 4.5 | - 0.5 | - 0.7 | 4.6 | |
| Order stock | 165.4 | 111.6 | 123.5 | 123.8 | 129.2 | 38.5 |
| Personnel | 1 277 | 1 321 | 1 193 | 1 094 | 1 109 | 23.3 |

Net sales and operating profit



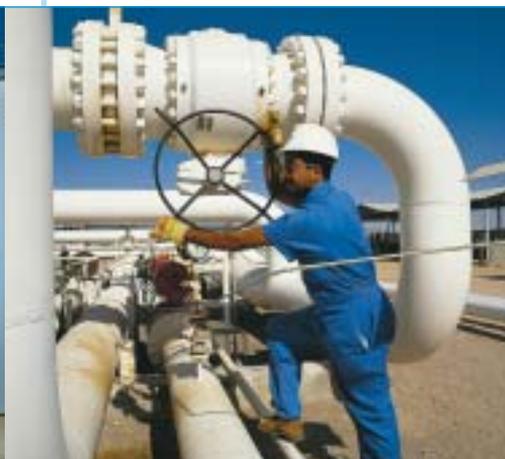
Order stock



Power and heat



Oil and gas



< Energy business group's main areas

Following the acquisition, the Group owns 100 per cent of the company. Beture-Environnement's net sales for 2003 amounted to EUR 6.2 million and it employs 60 people.

Efforts to improve the efficiency of operations and streamline the cost structure were continued by terminating the business group's Swedish operations, by divesting a company based in Poland and by reorganising operations in Thailand and the United Kingdom.

The business group aims to expand its local office network in Europe and Asia. Another aim is to broaden the business group's technological expertise, especially related to renewable energy resources and environmental protection.

PROSPECTS FOR 2004

The economic recovery in East Asia, China and to some degree in Europe, together with the expanding EU, creates good opportunities for growth in demand for energy-related services. This applies in particular to renewable

energy, plant refurbishments and management consulting services. The Energy business group fully implemented its new business area-based organisation model during 2003. The business area approach ensures that operations are focused on the most important markets and clients. The business group's cost structure was streamlined during 2001-2003. Its market position has improved and its net sales will increase during 2004. The business group's operating profit for 2004 will clearly improve compared with 2003.

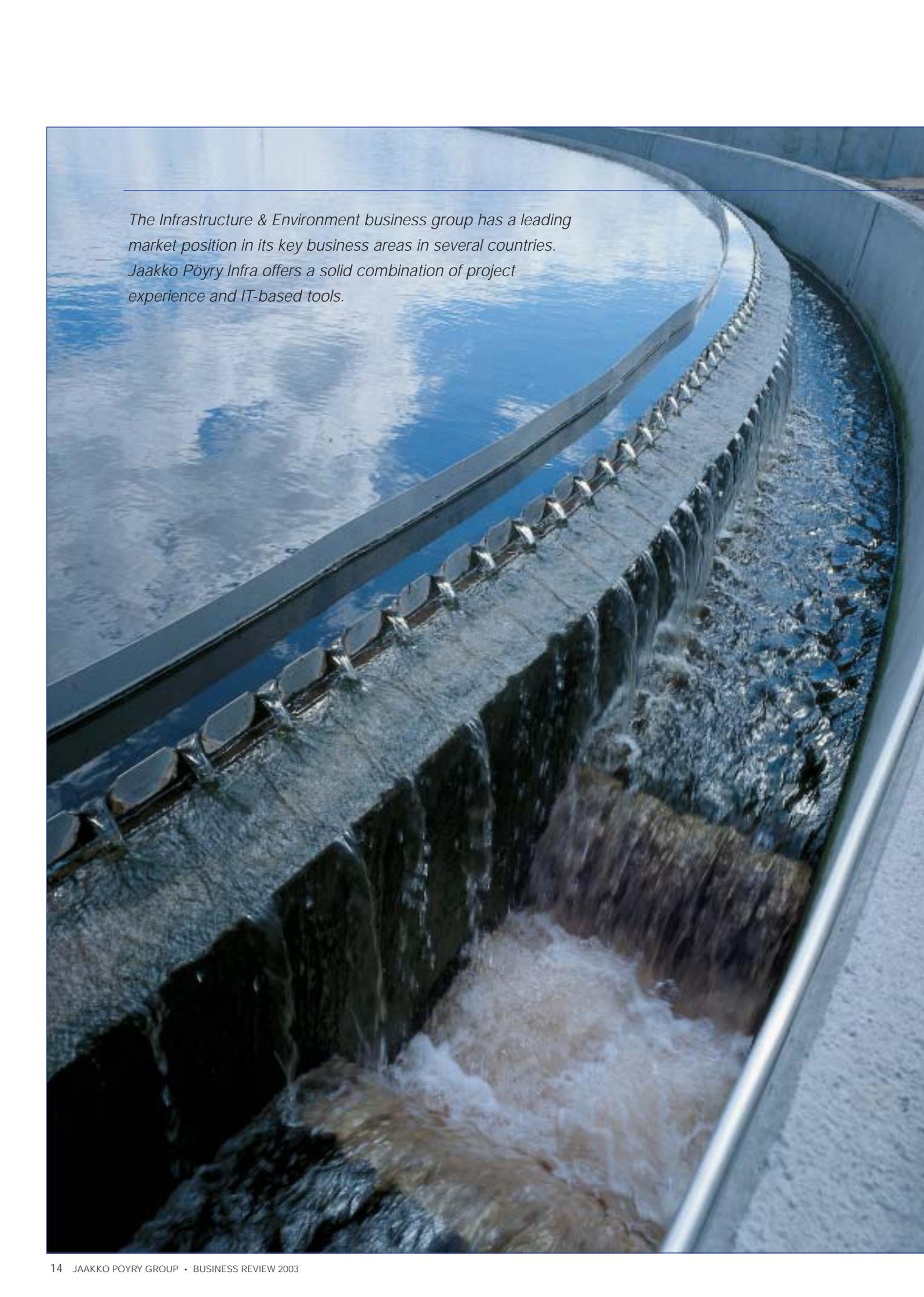
MAJOR PROJECTS IN 2003

Stadtwerke Münster GmbH; expansion and modernisation of a heat and power plant in Münster, Germany. Services include conceptual design, permitting, detail design, project management, site supervision and commissioning. The contract value is EUR 1.8 million.

Nestle Philippines Inc.; a three-year operation and maintenance contract for a factory in Cabuyao, Laguna in the Philippines. Electrowatt-Ekono has been commissioned to run the independent power plant and provide the Nestle milk and infant products factory with uninterrupted power. The contract value is EUR 1.1 million.

Kayson Construction Company; detail design of the Siah Bishe pumped-storage scheme in Iran. Services include detail, civil and structural engineering as well as site supervision. The contract value is EUR 2.4 million.

A.T. Biopower Company Ltd.; project management, engineering, procurement of equipment, construction, erection, commissioning and testing of the first of four rice husk-fuelled power plants in Thailand. The total contract value is about EUR 20 million.



The Infrastructure & Environment business group has a leading market position in its key business areas in several countries. Jaakko Pöyry Infra offers a solid combination of project experience and IT-based tools.

Infrastructure & Environment

The Infrastructure & Environment business group, operating under the brand name Jaakko Pöyry Infra, is among the largest companies in its sector in Europe. It is active in three business areas: transportation, water and environment, and building services. In all these areas, the business group offers consulting and engineering services, building and project management services, operation and maintenance expertise, and services related to technology transfer. At the end of the year, the business group employed a total of 1495 people.

BUSINESS ENVIRONMENT TRENDS

The major trends in the Infrastructure & Environment business group's operating environment are:

Shortage of clean water and need for sanitation. International aid in support of water reserves and water technology is growing because of the shortage of clean water. There are 1.2 billion people in the world without access to safe drinking water and 2.5 billion people without proper sanitation. The growing shortage of clean water also requires water supply solutions designed to conserve water reserves. The development in this sector is not driven by needs but by the availability of capital.

Rapid growth of urban population and urbanisation. Worsening congestion and environmental pollution create demand for rail traffic systems to replace road and street traffic, and for IT and telecommunications to replace physical movement. Jaakko Pöyry Infra is actively participating in the development work by offering a variety of project services.

E-infrastructure. The business group's ability to combine lifecycle expertise in different sectors with appropriate information technologies into a functional e-infrastructure opens up pioneering opportunities for Jaakko Pöyry Infra's product range.

SECTOR-SPECIFIC MARKET PROSPECTS

Population growth and increased economic activity will result in growing environmental pressures. Investments in resource-lean and cleaner technologies, better management of natural resources and environmentally sound infrastructure will be playing a key role in alleviating these environmental impacts. Local shortages of natural resources are getting more acute, so lean technologies and resource management will become more important. New solutions to eliminate shortages of pure drinking water, efficient rail-bound mass transit systems and more effective control of atmospheric emissions are examples of business opportunities in this sector. The greater incidence of climatic disturbances has also made flood control more important all

over the world. These trends will affect both developing countries and the rapidly growing urban areas in industrialised countries. Development projects involve national and local administrative organisations as decision-makers, with investors including both multinational financing institutions and private investors.

BUSINESS AREAS

The Infrastructure & Environment business group's main business areas are:

- Transportation systems
- Water and environment
- Building services

In **transportation systems**, the expertise covers diverse rail-bound systems, as well as tunnelling and bridge projects, and project services related to traffic and community planning. Services cover the entire lifecycle of the clients' projects, including initial consulting services, engineering and project management and construction supervision. In project implementation, a major strength is the business group's in-depth experience of transportation systems, combining local knowledge with global operating procedures.

In **water and environment**, the business group offers its clients a full range of services. Sustainable solutions in basic water treatment as well as in applications involving high technology are vitally important for international business. In these projects, the ability to combine technical, economic and environmental expertise offers a particular advantage.

In **building services**, the business group offers engineering and project management services for demanding office buildings, business centres, public buildings and industrial building projects. This business is local and mostly concentrated in Finland. In network planning and implementation of telecommunications projects and in telecommunications consulting, the business group also offers services globally.



FINANCIALS AND PERFORMANCE 2003

Driven by world population growth and urbanisation, the need for the business group's services is growing. Demand for consulting and engineering services in rail transportation has been greatest in Western Europe and Asia. The demand has focused on bullet trains, underground railways and light rail traffic systems. International aid in support of water reserves and water technology is growing because of the growing shortage of clean water. There is also a constant need for better sanitation. In solving water and sanitation problems, a key factor is the availability of funding. Jaakko Pöyry Infra has strengthened its market position in its own business sector, and its net sales and number of employees have grown. The order stock increased during the financial year to EUR 115.7 (99.4) million. The most important projects contributing to the increased order stock were several traffic system projects in Western Europe and Latin America.

The Infrastructure & Environment business group continued its steady performance. Net sales increased during

the financial year to EUR 138.6 (122.7) million, and operating profit was EUR 9.0 (8.5) million, which equals 6.5 (6.9) per cent of net sales. The profitability was good.

ACQUISITIONS 2003

JP-Terasto Oy, a member of the Infrastructure & Environment business group, acquired HT-Rakennuttajat Oy of Turku, Finland, in June, thereby expanding its operations in the southwestern parts of the country. The company specialises in project and construction management services. HT-Rakennuttajat employs 10 people.

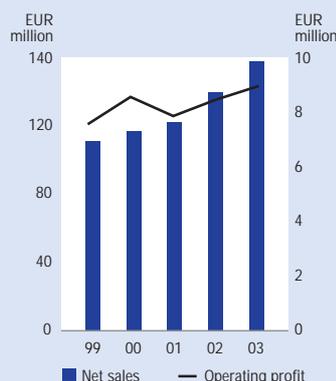
In April the business group acquired Fintact Oy of Finland, which specialises in soil, bedrock and ground-water studies. The company employs 10 people.

In June the business group acquired 74 per cent of the shares in TransTec Consult GmbH. Specialising in consulting services for light rail traffic systems, this company is active in Germany as well as internationally. The company's net sales for 2002 amounted to EUR 3.0 million and it employs 13 people.

KEY FIGURES

| EUR million | 1999 | 2000 | 2001 | 2002 | 2003 | Share of Group,% |
|---------------------|-------|-------|-------|-------|-------|------------------|
| Net sales | 97.3 | 102.7 | 107.5 | 122.7 | 138.6 | 33.7 |
| Operating profit | 7.6 | 8.6 | 7.9 | 8.5 | 9.0 | 25.4 |
| Operating profit, % | 7.8 | 8.4 | 7.3 | 6.9 | 6.5 | |
| Order stock | 91.8 | 96.5 | 103.7 | 99.4 | 115.7 | 34.5 |
| Personnel | 1 198 | 1 162 | 1 206 | 1 342 | 1 495 | 31.4 |

Net sales and operating profit



Order stock



Building services



< Infrastructure & Environment business group's main areas

The business group acquired an additional 30 per cent stake in the French Beture Cerec S.A. in June. Following the acquisition, the Group owns 90 per cent of the company. Beture Cerec's net sales for 2003 amounted to EUR 6.8 million and it employs 101 people.

The business group acquired an additional 50 per cent stake in EPStar Oy from Elisa Oyj in September. Following the acquisition, Jaakko Pöyry Group Oyj owns 80 per cent of the company, which focuses on consulting services and network planning for the telecommunications sector. The company's net sales for 2003 were EUR 2.2 million and it employs 22 people.

The business group aims to expand its local office network in Europe and Asia.

PROSPECTS FOR 2004

Demand prospects for the Infrastructure & Environment business group are variable. Demand for traffic system expertise will remain good in Latin America and Asia. In Western Europe, especially in Germany, investments in

traffic systems are declining, which will be reflected in the business group's activities. In the water and environment sector, demand is expected to remain unchanged. Demand for building services is still focused on building renovations. The business group's order stock is good, having grown by EUR 16.3 million during 2003. The operating profit will remain stable during 2004.

MAJOR PROJECTS IN 2003

Ministry for Foreign Affairs of Finland: a project to harmonise the national programmes of Egypt, Ethiopia and Sudan into a regionally accepted water resource management approach. A further aim is to facilitate the transboundary cooperation in the Nile catchment by developing the organisation of the regional cooperation unit and by providing advisory services. The contract value is about EUR 2 million.

Metro de Valencia C.A.: project management and supervision for a 6.5-kilometre light rail transport system in Valencia, Venezuela. The total contract value is EUR 4.6 million.

Taiwan High Speed Rail Corporation: continuation of contract for independent checking/site engineer and supervisor services for high-speed railway project with International Railway Engineering Group. The project comprises the high-speed rail connection between Taipei and Kaohsiung in Taiwan. The contract value is about EUR 7 million.

Finnish Rail Administration: maintenance management for rail tracks, auxiliary structures and equipment, land areas and buildings controlled by the Finnish Rail Administration in northern Finland. The management contract includes the arrangement of competitive tendering for maintenance work, and various control and supervisory tasks. The contract period is 5.5 years.

Human resources and expertise



MOTIVATION STEMS FROM INTERESTING ASSIGNMENTS

In the Jaakko Pöyry Group, employees' working motivation stems from interesting tasks and ever-changing project assignments. The opportunity to work in an international organisation alongside widely acknowledged experts and to learn new skills in everyday work supports employees' professional and personal growth. Working in client projects in different parts of the world is challenging and offers excellent opportunities for continuous learning and accumulation of expertise.

EXPERTISE IS THE KEY TO COMPETITIVENESS

Competent and skilled employees are the backbone of the Group's competitiveness. The most important matters in relation to the Group's strategic objectives are defined in the human resource strategy, which outlines how actions should be planned and executed. At business group level, the focus is on guiding the development of expertise and setting priorities for the most important areas of development within each group.

CORE AREAS OF EXPERTISE

The Jaakko Pöyry Group's business groups share the same operative strengths and sources of competitiveness, and developing them is in their common interest. Examples of core areas of expertise are:

- Business sector understanding
- Technology expertise
- Project management
- Project implementation

Business sector understanding

The Jaakko Pöyry Group focuses on three business sectors, having an in-depth understanding of all of them. Producing tailor-made solutions requires a good overall view,

combined with a thorough understanding of clients' business activities. In addition, recognising the factors influencing clients' competitiveness requires the ability to anticipate and identify their clients' needs and expectations. The Jaakko Pöyry Group's business sector understanding covers the entire lifecycle of its clients' business.

Technology expertise

The services produced by the Jaakko Pöyry Group are based on the solid professional skills of its employees. The competence and expertise of its project teams, combined with the experience accumulated in project work over many years, guarantee clients the best possible service. The Jaakko Pöyry Group's experts are familiar with the latest technologies, and they know how to apply them into practice and how to choose technological solutions that meet clients' demands in the best possible way.

Project management

The business understanding and project management expertise of Jaakko Pöyry consultants have a significant impact on the efficiency and profitability of operations. In project-type work, the ability to lead individuals and project teams has special significance. In the Jaakko Pöyry Group, the leadership skills needed in different tasks are being nurtured continuously. Systematic career and succession planning ensures that the company will have a steady supply of staff with the necessary leadership skills and expertise. As a part of this development, training programmes are supplemented with various forms of on-the-job learning.

Project implementation

A cornerstone of the Jaakko Pöyry Group's business is its solid project implementation expertise acquired through many years' experience of project work. Information man-



agement and the ability to apply the information into practice are of key importance in demanding projects. Efficient project implementation, on schedule and within budget, ensures a profitable result for all parties involved.

INTERNATIONAL NETWORKING EXPERTISE

The Jaakko Pöyry Group is systematically developing its operating procedures to meet the needs and expectations of its ever more international clientele. Client orientation in the Jaakko Pöyry Group means – apart from tailor-made solutions – that the client can order services and products from any Jaakko Pöyry Group office. The expertise of the Group's international network of experts, the services of its global office network and its knowledge of local conditions guarantee the best client-specific solutions.

The Global Network Company concept links up all Jaakko Pöyry Group offices into a functional entity. This operating model requires seamless co-operation, transcending borders between business groups and units, based on clearly defined joint objectives, strategies and values. Uniform operating procedures and systems create a common framework, but still make it possible to adapt

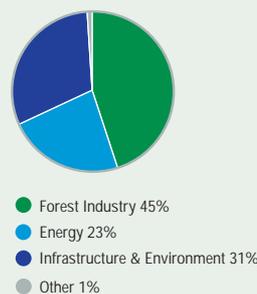
activities to the requirements of the local culture and business environment.

The Global Network Company concept is designed to make the widest possible use of the competence, expertise and experience available in the different units of this diversified international group of companies. Innovations, findings of development projects and best practices are made available to all units. By avoiding and eliminating overlapping functions the Group's internal efficiency is further improved.

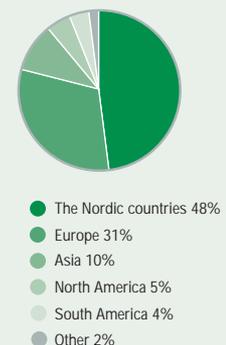
KEY FIGURES

| | 2002 | 2003 |
|-----------------------------|-------|-------|
| Operating personnel | 4 187 | 4 372 |
| Non-operating personnel | 445 | 394 |
| Total personnel | 4 632 | 4 766 |
| Activity | 82% | 82% |
| Average age | 42 | 42 |
| Average years of employment | 9 | 9 |

Personnel by business group



Personnel by market area



Board of Directors and Executive Committee

BOARD OF DIRECTORS

Chairman

Henrik Ehrnrooth, born 1954, M.Sc. (Forest Econ.), B.Sc. (Econ.)
Evox Rifa Group Oyj, Member of the Board of Directors 2002-,
Chairman of the Board of Directors 2003-; Oy Forcit Ab,
Member of the Board of Directors 2003-; Otava Books and
Magazines Group Ltd., Member of the Board of Directors 1988-
Member of the Jaakko Pöyry Group Board since 1997
Jaakko Pöyry Group shares: 500
Warrants entitling to subscribe 10 000 shares
Henrik Ehrnrooth, together with his brothers Georg Ehrnrooth
and Carl-Gustav Ehrnrooth, indirectly holds a controlling
interest in Corbis S.A.

Vice Chairman

Heikki Lehtonen, born 1959, M.Sc. (Eng.)
Componenta Corporation, President and CEO 1993-; Otava Books
and Magazines Group Ltd., Member of the Board of Directors
1991-; Raute Plc, Vice Chairman of the Board of Directors 1998-
Member of the Jaakko Pöyry Group Board since 1997
Jaakko Pöyry Group shares: 4150
Warrants entitling to subscribe 10 000 shares

Matti Lehti, born 1947, Ph.D. (Econ.)

TietoEnator Corporation, President and CEO 1999-; Employers'
Confederation of Service Industries, Vice Chairman of the Board
of Directors 1990-; Foundation for Economic Education,
Chairman of the Board of Directors 2000-; Helsinki School of
Economics, Vice Chairman of the Board of Directors 1996-
Member of the Jaakko Pöyry Group Board since 1997
Jaakko Pöyry Group shares: 130
Warrants entitling to subscribe 10 000 shares

Harri Piehl, born 1940, M.Sc. (Eng.)

JP Operations Management Ltd Oy, Chairman of the Board of
Directors 2000-; Kymmene Corporation, Chief Executive Officer
and Member of the Board of Directors 1991-1996
Member of the Jaakko Pöyry Group Board since 2002
Jaakko Pöyry Group shares: 1500
Warrants entitling to subscribe 30 000 shares

Franz Steinegger, born 1943, LL.Lic.

Steinegger & Wipfli, Attorney-at-law and notary 1970-; Member
of the Swiss Parliament 1980-2003; AG für die Neue Zürcher
Zeitung, Member of the Board of Directors 1998-; Dätwyler
Holding AG, Member of the Board of Directors 1994-; C.S.C
Impresa Costruzioni SA, Chairman of the Board of Directors
1996-; Siemens Schweiz AG, Member of the Board of Directors
1995-, Vice Chairman 2003-; Swiss National Accident Insurance
Fund, Chairman of the Board of Directors 1991-
Member of the Jaakko Pöyry Group Board since 2001
Jaakko Pöyry Group shares: 0
Warrants entitling to subscribe 10 000 shares

EXECUTIVE COMMITTEE

President and CEO

Erkki Pehu-Lehtonen, born 1950, M.Sc. (Mech. Eng.)
Confederation of Finnish Industry and Employers,
Member of the Board of Directors 1998-2003
Member of the Jaakko Pöyry Group Executive Committee since 1997
Jaakko Pöyry Group shares: 1500
Warrants entitling to subscribe 58 000 shares

Deputy to President and CEO

Teuvo Salminen, born 1954, M.Sc. (Econ.)
CapMan Plc, Member of the Board of Directors 2001-; Tapiola
Insurance Company, Member of the Supervisory Board 1999-;
YIT Corporation, Member of the Board of Directors 2001-
Member of the Jaakko Pöyry Group Executive Committee since 1997
Jaakko Pöyry Group shares: 4000
Warrants entitling to subscribe 42 500 shares

Executive Vice President,

President of Forest Industry Business Group
Jukka Nyörölä, born 1945, LL.Lic., LL.M., Columbia University
Member of the Jaakko Pöyry Group Executive Committee since 1997
Jaakko Pöyry Group shares: 2000

President of Energy Business Group

Richard Pinnock, born 1962, B.Sc. (Eng.), B.Comm. (Hons)
Member of the Jaakko Pöyry Group Executive Committee since 2003
Jaakko Pöyry Group shares: 0

President of Infrastructure & Environment Business Group

Risto Laukkanen, born 1951, Dr.Tech. (Environmental Eng.)
Member of the Jaakko Pöyry Group Executive Committee since 2000
Jaakko Pöyry Group shares: 0
Warrants entitling to subscribe 5000 shares

Chief Financial Officer

Lars Rautamo, born 1949, M.Sc. (Econ.)
Member of the Jaakko Pöyry Group Executive Committee since 1999
Jaakko Pöyry Group shares: 0
Warrants entitling to subscribe 10 000 shares

Group General Counsel

Anne Viitala, born 1959, LL.M., eMBA
Member of the Jaakko Pöyry Group Executive Committee since 2002
Jaakko Pöyry Group shares: 100

Ownership information about shares and warrants on this
page is as of December 31, 2003. Figures include direct and
indirect ownership.

Summary of governance

GENERAL

The statutory basis of the governance of Jaakko Pöyry Group is the Finnish Companies Act and the Articles of Association of the parent company Jaakko Pöyry Group Oyj. Accordingly, the control and management of the company is divided between the shareholders represented at the General Meeting of the Shareholders, the Board of Directors, and the President and CEO. The other administering bodies of the company have an assisting and supporting role.

GENERAL MEETING

The supreme decision-making powers in the company rest with the General Meeting. The Annual General Meeting of Jaakko Pöyry Group Oyj is held every year before the end of June and it decides, among other things, about the adoption of the financial statements, distribution of dividends, discharging from liability of the Board of Directors and the President and CEO and his Deputy, as well as about any changes to the Articles of Association.

The Annual General Meeting elects the members of the Board of Directors and the auditor of the company.

BOARD OF DIRECTORS

The duties of the Board of Directors are those specified in the Companies Act. The Articles of Association of Jaakko Pöyry Group Oyj do not define other duties for the Board of Directors. The statutory responsibilities of the Board of Directors are the management of the company and the proper organisation of its operations, and the proper supervision and control of accounting and financial matters. Moreover, the Board of Directors decides about matters which are of significant and extensive nature to the company such as strategy, annual budgets and action plans, major acquisitions and investments, organisational structure, and supervisory, control and corporate governance policies.

The Board of Directors elects the President and CEO and his Deputy, and monitors and evaluates their performance.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors has two committees: the Working Committee and the Compensation and Audit Committee. The purpose of the Working Committee is to assist the Board of Directors in developing the Group strategy and organisation, and in preparation of the Board meetings. The purpose of the Compensation and Audit Committee is to assist the Board of Directors in reviewing the management compensation and general compensation policies, and in the supervision of the Group's financial reporting processes including the monitoring and guidance of internal and external auditing.

PRESIDENT AND CEO

The President and CEO is in charge of the day-to-day management of the Group in accordance with the guidelines and instructions of the Board of Directors. The statutory duties of the President and CEO include ensuring that the company's accounting methods comply with law and other regulations, and that the financial matters are handled in a reliable manner. In addition, the President and CEO is in charge of the preparation of matters to be presented to the Board of Directors, and for the company's strategic planning, finance, financial planning and reporting, and risk management.

The President and CEO is assisted in his duties by his Deputy. The President and CEO and his Deputy are present in the meetings of the Board of Directors.

EXECUTIVE COMMITTEE

Jaakko Pöyry Group has an Executive Committee whose main responsibility is to assist the President and CEO and his Deputy in the operative management of the Group. The other tasks of the Executive Committee include, among other things, the review and control of financial matters, sales and operative decisions, investments and divestments, and development of internal cooperation within the Group.

The Executive Committee convenes regularly once a month.

BUSINESS ORGANISATION STRUCTURE

The business operations of Jaakko Pöyry Group are conducted through three business groups: Forest Industry, Energy, and Infrastructure & Environment.

Each business group has a Business Group Director appointed by the President and CEO. The appointments are approved by the Board of Directors. In addition, each business group has an executive committee chaired by the Business Group Director. The Business Group Directors report to the President and CEO of Jaakko Pöyry Group Oyj.

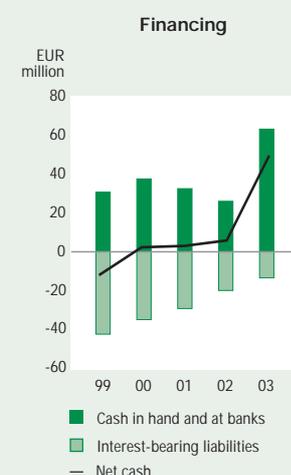
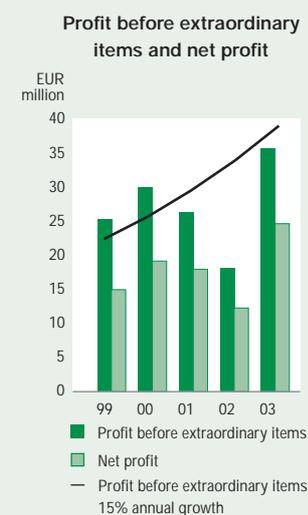
AUDITOR

Jaakko Pöyry Group Oyj has one (1) auditor. The auditor must be an authorised public accountant firm. The auditor is appointed until further notice. The present auditor of the company is KPMG Wideri Oy Ab, authorised public accounting firm.

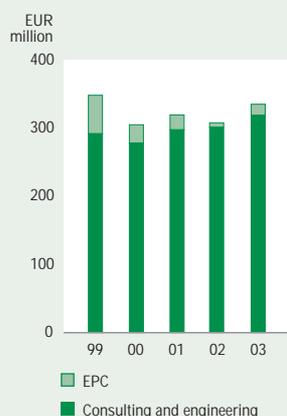
This text is a summary of Jaakko Pöyry Group Oyj's corporate governance principles. The complete text is available in the financial statements for 2003 and on the Group's website at www.poyry.com.

Key figures

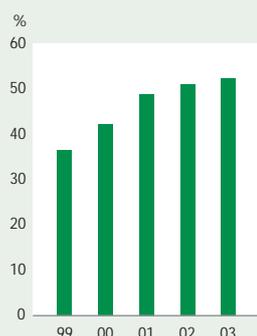
| EUR million | 1999 | 2000 | 2001 | 2002 | 2003 |
|---|--------------|--------------|--------------|--------------|--------------|
| STATEMENT OF INCOME | | | | | |
| Consulting and engineering | 363.8 | 408.2 | 405.0 | 386.0 | 405.0 |
| EPC | 31.6 | 66.3 | 26.8 | 21.0 | 6.6 |
| Net sales total | 395.4 | 474.5 | 431.8 | 407.0 | 411.6 |
| Change in net sales, % | 52.3 | 20.0 | -9.0 | -5.7 | 1.1 |
| Other operating income | 5.1 | 2.2 | 2.0 | 1.4 | 12.9 |
| Share of associated companies' results | 0.7 | -0.1 | 0.2 | -0.1 | 0.2 |
| Operating expenses | 360.8 | 431.7 | 392.8 | 376.6 | 375.1 |
| Depreciation of consolidation goodwill | 3.7 | 4.0 | 4.0 | 4.5 | 5.0 |
| Other depreciation and value decrease | 9.5 | 9.1 | 9.2 | 8.8 | 9.2 |
| Operating profit | 27.2 | 31.8 | 28.0 | 18.4 | 35.4 |
| Proportion of net sales, % | 6.9 | 6.7 | 6.5 | 4.5 | 8.6 |
| Financial income and expenses | -1.9 | -1.7 | -1.7 | -0.3 | +0.4 |
| Proportion of net sales, % | 0.5 | 0.4 | 0.4 | 0.1 | 0.1 |
| Profit before extraordinary items | 25.3 | 30.1 | 26.3 | 18.1 | 35.8 |
| Proportion of net sales, % | 6.4 | 6.4 | 6.1 | 4.5 | 8.7 |
| Extraordinary items | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Profit before taxes and minority interest | 25.3 | 30.1 | 26.3 | 18.1 | 35.8 |
| Proportion of net sales, % | 6.4 | 6.4 | 6.1 | 4.5 | 8.7 |
| Income taxes | -8.9 | -9.0 | -7.3 | -5.7 | -10.8 |
| Minority interest | -1.4 | -1.9 | -1.0 | -0.1 | -0.3 |
| Net profit for the period | 15.0 | 19.2 | 18.0 | 12.3 | 24.7 |
| BALANCE SHEET | | | | | |
| Intangible assets | 5.3 | 6.6 | 6.1 | 5.9 | 4.7 |
| Consolidation goodwill | 40.0 | 35.8 | 31.9 | 34.0 | 34.3 |
| Tangible assets | 33.3 | 32.7 | 31.4 | 26.8 | 16.2 |
| Non-current investments | 17.6 | 13.4 | 13.2 | 12.5 | 9.4 |
| Work in progress | 44.7 | 62.0 | 46.9 | 36.1 | 35.4 |
| Receivables | 126.9 | 122.3 | 105.5 | 110.0 | 107.8 |
| Current investments, cash in hand and at banks | 30.7 | 37.5 | 32.5 | 26.0 | 63.1 |
| Assets total | 298.5 | 310.3 | 267.5 | 251.3 | 270.9 |
| Shareholders' equity | 82.1 | 97.4 | 104.7 | 104.3 | 117.9 |
| Minority interest | 4.9 | 5.2 | 5.1 | 5.0 | 4.2 |
| Interest bearing liabilities | 42.4 | 34.9 | 29.2 | 19.9 | 13.4 |
| Project advances | 55.6 | 67.5 | 42.8 | 37.2 | 37.5 |
| Other non-interest bearing liabilities | 113.5 | 105.3 | 85.7 | 84.9 | 97.9 |
| Liabilities total | 298.5 | 310.3 | 267.5 | 251.3 | 270.9 |
| STATEMENT OF CHANGES IN FINANCIAL POSITION | | | | | |
| From operations | +18.4 | +25.7 | +19.3 | +21.3 | +51.9 |
| Capital expenditure, net | -9.7 | -9.1 | -6.9 | -8.8 | +5.9 |
| Financing | -7.4 | -9.8 | -17.4 | -19.0 | -20.7 |
| Change in liquid assets | +1.3 | +6.8 | -5.0 | -6.5 | +37.1 |
| Liquid assets December 31 | 30.7 | 37.5 | 32.5 | 26.0 | 63.1 |



Order stock



Equity ratio



Shareholders' equity/share



| EUR million | 1999 | 2000 | 2001 | 2002 | 2003 |
|---|--------|--------|--------|--------|--------------------|
| PROFITABILITY AND OTHER KEY FIGURES | | | | | |
| Return on investment, % | 22.6 | 25.1 | 21.2 | 14.5 | 27.7 |
| Return on equity, % | 20.7 | 22.3 | 17.8 | 11.3 | 21.7 |
| Equity ratio, % | 36.5 | 42.2 | 48.9 | 51.0 | 52.3 |
| Equity/assets ratio, % | 29.1 | 33.3 | 41.1 | 43.5 | 45.1 |
| Net debt/equity ratio (gearing), % | 13.5 | - 2.5 | - 3.0 | - 5.6 | - 40.7 |
| Current ratio | 1.1 | 1.2 | 1.3 | 1.4 | 1.6 |
| Consulting and engineering, EUR million | 292.3 | 278.7 | 298.1 | 301.6 | 319.3 |
| EPC, EUR million | 56.6 | 26.8 | 21.8 | 6.8 | 16.4 |
| Order stock total, EUR million | 348.9 | 305.5 | 319.9 | 308.4 | 335.7 |
| Capital expenditure, operating, EUR million | 11.1 | 9.9 | 7.9 | 9.1 | 9.0 |
| Proportion of net sales, % | 2.8 | 2.1 | 1.8 | 2.2 | 2.2 |
| Capital expenditure in shares, EUR million | 16.3 | 1.3 | 0.1 | 2.5 | 6.4 |
| Proportion of net sales, % | 4.1 | 0.3 | 0.0 | 0.6 | 1.5 |
| Personnel in group companies on average | 4 222 | 4 558 | 4 584 | 4 635 | 4 697 |
| Personnel in associated companies on average | 239 | 159 | 199 | 195 | 195 |
| Personnel in group companies at year-end | 4 472 | 4 572 | 4 584 | 4 632 | 4 766 |
| Personnel in associated companies at year-end | 146 | 174 | 197 | 194 | 191 |
| KEY FIGURES FOR THE SHARES | | | | | |
| Earnings/share, EUR | 1.11 | 1.40 | 1.30 | 0.90 | 1.80 |
| Corrected with dilution effect | 1.00 | 1.28 | 1.24 | 0.86 | 1.76 |
| Shareholders' equity/share, EUR | 6.00 | 7.10 | 7.69 | 7.57 | 8.54 |
| Dividend, EUR million | 6.2 | 8.2 | 8.2 | 8.3 | 20.7 ¹⁾ |
| Dividend/share, EUR | 0.45 | 0.60 | 0.60 | 0.60 | 1.50 ¹⁾ |
| Dividend/earnings, % | 40.5 | 42.8 | 46.1 | 66.7 | 83.3 |
| Effective return on dividend, % | 3.1 | 3.3 | 3.7 | 4.0 | 6.9 |
| Price/earnings multiple | 13.1 | 12.8 | 12.3 | 16.7 | 12.1 |
| Issue-adjusted trading prices, EUR | | | | | |
| Average trading price | 10.18 | 18.64 | 18.09 | 16.43 | 16.86 |
| Highest trading price | 16.80 | 24.00 | 21.00 | 19.00 | 22.50 |
| Lowest trading price | 7.70 | 15.00 | 15.00 | 11.40 | 13.00 |
| Closing price at year-end | 14.50 | 18.00 | 16.00 | 15.00 | 21.80 |
| Total market value of outstanding shares, EUR million | 198.2 | 247.0 | 218.0 | 206.7 | 301.0 |
| Total market value of own shares, EUR million | 8.7 | | 4.9 | 0.2 | 3.5 |
| Trading volume of shares | | | | | |
| Shares, 1000 | 11 747 | 2 385 | 2 280 | 1 615 | 3 288 |
| Proportion of total volume, % | 83.4 | 17.4 | 16.5 | 11.8 | 23.8 |
| Issue-adjusted number of outstanding shares, 1000 | | | | | |
| In average | 13 492 | 13 692 | 13 838 | 13 696 | 13 739 |
| At year-end | 13 670 | 13 724 | 13 624 | 13 782 | 13 804 |

1) Board of Directors' proposal. The proposal includes the additional dividend of EUR 0.50.

Information for investors

MAJOR SHAREHOLDERS

| | Per cent of shares and voting rights |
|--|--------------------------------------|
| Corbis S.A. | 27.1 |
| Procurator Oy | 4.0 |
| Mutual Pension Insurance Company Varma-Sampo | 4.0 |
| Odin Norden | 2.7 |
| Sampo Life Insurance Ltd | 2.0 |
| Suomi Mutual Life Assurance Company | 1.5 |
| Suomi Insurance Company Ltd | 1.3 |
| Nordea Life Assurance Ltd | 1.2 |
| Odin Finland | 0.9 |
| Placeringsfonden Aktia Capital | 0.9 |
| Nominee-registered | 39.8 |
| Others | 14.6 |
| | 100.0 |

Source: The Finnish Central Securities Depository Ltd., December 31, 2003.

MARKET CAPITALISATION

Jaakko Pöyry Group Oyj's market capitalisation at the end of 2003 was EUR 304.5 million. The share price increased during the year from EUR 15.00 to EUR 21.80, equalling 45.3 per cent.

3 288 016 shares (23.8 per cent) of Jaakko Pöyry Group Oyj were traded on the Helsinki Exchanges in 2003. The corresponding number in 2002 was 1 615 351 shares (11.8 per cent). The monthly average number of shares traded in 2003 was 274 001 compared to 134 613 in 2002.

QUOTATION AND TRADING CODES ON THE HELSINKI EXCHANGES

Shares JPG1V
Trading lot 100 shares

Warrants attached to the bond loan with warrants
JPG1VEW198
Trading lot 100 warrants

FINANCIAL INFORMATION

In 2004 Jaakko Pöyry Group Oyj will publish its interim reports as follows:

January–March April 29 at 8.30 a.m. Finnish time
January–June July 29 at 8.30 a.m. Finnish time
January–September October 29 at 8.30 a.m. Finnish time

TO ORDER ANNUAL REPORTS AND INTERIM REPORTS

Jaakko Pöyry Group Oyj's annual report and interim reports are available in Finnish and English. The annual report will be sent to all shareholders. The interim report is sent on request. For orders please contact Sari Mäkelä, tel. +358 9 8947 2828 or use our website www.poyry.com

INVESTMENT ANALYSES

According to currently available information, the following brokerage firms are regularly following the Jaakko Pöyry Group. Detailed contact information is available on the company's website. The Jaakko Pöyry Group takes no responsibility for the opinions of the brokerage firms' analysts.

Cazenove, London
Conventum Securities Ltd, Helsinki
D. Carnegie Ab Finland Branch, Helsinki
Enskilda Securities, Helsinki
FIM Securities Ltd, Helsinki
Impivaara Securities Limited, London
Mandatum Stockbrokers Ltd, Helsinki
Nordea Securities Oyj, Helsinki
Opstock Securities, Helsinki

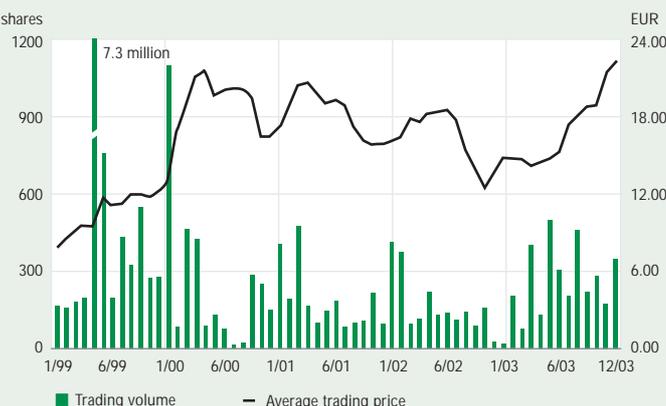
WEBSITE

Updated and more detailed information about the Jaakko Pöyry Group as an investment option is available on the company's website www.poyry.com.

Development of the share price on the Helsinki Exchanges



Trading volume of shares and average trading price



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JAAKKO PÖYRY GROUP OFFICE NETWORK



Forest Industry

Australia • Brazil • Canada • China
• Finland • France • Germany
• Great Britain • Indonesia • Japan
• Mexico • New Zealand • Norway
• Poland • Singapore • South Africa
• Sweden • USA

Energy

Argentina • China • Estonia • Finland
• France • Germany • Great Britain • India
• Iran • Italy • Oman • Peru • Philippines
• Qatar • Saudi Arabia • Singapore
• South Korea • Spain • Switzerland
• Thailand • United Arab Emirates
• Vietnam

Infrastructure & Environment

China • Estonia • Finland • France
• Germany • Lithuania • Poland
• Russia • Switzerland • Taiwan
• Thailand • Venezuela • Vietnam

Competence. Service. Solutions.

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JAAKKO PÖYRY
