

April 26, 2007

Interim Report I

January – March 2007

The Pöyry Group's net sales for the period under review were EUR 167.0 million (144.0 million in the same period 2006). Profit before taxes was EUR 16.5 (10.5) million.

The Group's consolidated balance sheet is healthy. The equity ratio was 46.0 (48.4) per cent and the net debt/equity ratio (gearing) -33.2 (-27.9) per cent.

Earnings per share were EUR 0.19 (0.12) and the return on investment 39.5 (28.3) per cent.

The order stock increased by EUR 60.0 million during the period under review to EUR 567.6 million. The number of personnel increased, amounting to 6483 at the end of the review period (6389 at the end of 2006).

Consolidated net sales will increase during 2007. Profit before taxes is expected to improve clearly in 2007.

This interim report has been prepared in accordance with the International Financial Reporting Standards (IFRS) with the exception of IAS 34, which is not completely followed. In the Financial Statements for 2007 the Group will adopt the new IFRS 7 standard Financial Instruments: Disclosures, and the amendment of IAS 1 Presentation of Financial Statements – Capital Disclosures.

The data in this interim report are unaudited.

BUSINESS GROUPS

Energy

Net sales for the period under review were EUR 51.4 (42.8) million. Operating profit was EUR 5.3 (3.2) million.

Demand for energy-related services has remained good especially in Europe and the business group has further strengthened its global market position. The acquisitions in the consulting business and in the oil and gas sector in 2006 have had a favourable impact on earnings during the period under review.

The order stock is good, amounting to EUR 214.8 million at the end of the review period (204.9 at the end of 2006). The most important new projects were the bioethanol plant for San Carlos Bioenergy Inc. in the Philippines (EUR 10 million), the Puttalam coal-fired power plant project in Sri Lanka (EUR 7 million), the combined heat and power plant project with Propower GmbH in Germany (EUR 6.2 million), the gas turbine combined cycle power plant for Isolux Ingeniería in Mexico (EUR 3.1 million) and the OGK-3 coal-fired power plant in Russia (EUR 2 million).

Forest Industry

Net sales for the period under review were EUR 64.6 (52.8) million. Operating profit amounted to EUR 7.8 (4.4) million.

Most of the forest industry's new investments have been directed to emerging markets. Several biofuel projects, especially in North America, have improved the business group's capacity utilisation. Demand for local engineering services and operations improvement services has remained stable, as has demand for consulting services.

The business group's order stock has increased, amounting to EUR 154.1 million (111.4 million at the end of 2006), which is a good figure. The most important new projects received during the review period were the implementation of the bleached hardwood kraft pulp mill of VCP – MS Celulose Sul Mato-Grossense Ltda (the new name of Chamflora – Três Lagoas Agroflorestal Ltda) in Mato Grosso do Sul, Brazil (EUR 54 million), Stora Enso's paper machine rebuild at Wisconsin Rapids in the United States, the rebuild of two paper machines for Billerud in Sweden, and Holmen Paper AB's TMP plant upgrade at the Braviken mill in Sweden (EUR 2 million).

Infrastructure & Environment

Net sales for the period under review were EUR 50.8 (48.3) million. Operating profit was EUR 3.7 (3.3) million.

Demand in the infrastructure and environment markets has remained stable. The business group has continued to strengthen its position in local and international markets.

The order stock amounted to EUR 198.4 million (191.0 at the end of 2006), which is a good level. The most important new projects were the contract with the German Railways (DB ProjektBau GmbH) for improvement of the railway network of Berlin (EUR 3 million), waste water management projects in Brno, Czech Republic and Paris, France (EUR 2.5 million) and the traffic control system project with ASFINAG (Autobahnen- und Schnellstrassen- Finanzierungs- Aktiengesellschaft) Verkehrstelematik GmbH in Linz, Austria (EUR 1.3 million).

GROUP STRUCTURE

Energy

Pöyry has divested its French subsidiary Pöyry Energy (Lyon) SAS and sold its 100 per cent ownership in the company. The reason for the sale was that the company's profile and product portfolio were not in line with the current strategy of the Energy business group. The income from the sale was EUR 0.7 million.

Forest Industry

In April, after the period under review, Pöyry will expand its business in Russia by acquiring 70 per cent of the shares of ZAO Giprobium Engineering, based in St. Petersburg. The company's net sales are about EUR 5 million and it has a staff of 260. The transaction includes an option to acquire the remaining 30 per cent of the shares during the first half of 2009. The closure of the transaction is subject to approval by the Russian competition authorities.

Giprobium Engineering has a leading position in its own business sector in Russia. Prior to its privatisation in 1990, Giprobium was for decades the leading government design institute developing the Russian forest industry. The company has designed and carried out most of the projects implemented in the Russian forest industry. In addition, the company has also developed and designed projects in the energy and infrastructure sectors. The services of Giprobium Engineering include investment studies, services related to permitting and agreements with authorities, various sectors of plant engineering, and construction management services. Giprobium Engineering has a wide clientele both in pulp and paper and mechanical wood industries in Russia, Ukraine, Belarus and several eastern European countries.

The special know-how and many years' experience of Pöyry and Giprobum will provide an excellent basis for Pöyry's business in the Russian forest industry. Apart from the forest industry, the acquisition will also strengthen Pöyry's foothold in the growing Russian energy and chemical industry. In future Pöyry can offer solid local expertise and comprehensive services to companies planning or implementing investments in Russia.

ORDER STOCK

The Group's order stock is good. It increased by EUR 60.0 million during the period under review, totalling EUR 567.6 million at the end of March. At the end of 2006 the order stock was EUR 507.6 million.

PERSONNEL

The number of personnel in the Group has increased, amounting to 6483 (6389 at the end of 2006).

BALANCE SHEET STRUCTURE AND FINANCIAL POSITION

The Group's consolidated balance sheet is healthy. The equity ratio was at the end of the review period 46.0 (49.2 at the end of 2006) per cent. The Group's liquidity is good. The net debt/equity ratio (gearing) was -33.2 (-37.6 at the end of 2006) per cent.

CAPITAL EXPENDITURE

The Group's capital expenditure for the period under review totalled EUR 2.0 (3.0) million, of which EUR 1.7 (1.4) million consisted of tangible assets, mainly IT related, and EUR 0.3 (0.3) million were IT software and systems. Capital expenditure due to share investments was EUR 0.0 (1.3) million.

RISKS AND UNCERTAINTIES

No such new major risks or uncertainties were identified in the reporting period which, if materialised, would be assessed to have a significant impact on the Group. A detailed report on the Group's risks and risk management is given in the Financial Statements of 2006.

SHARE CAPITAL AND SHARES

The total number of shares at the end of 2006 was 58 180 144. During the period under review there were no changes in the number of shares.

Pöyry Plc issued in 2004 stock options to the management of the Group as well as to a wholly-owned subsidiary of Pöyry Plc. The number of stock options is 550 000, entitling to subscription of four shares each, i.e. a total of 2 200 000 shares in Pöyry Plc.

The share subscription periods are the following: for 660 000 shares between March 1, 2007 and March 31, 2010, for 660 000 shares between March 1, 2008 and March 31, 2011, and for 880 000 shares between March 1, 2009 and March 31, 2012. All stock options have been issued and their receipt confirmed. During the period under review no subscriptions were made.

Authorisation to issue shares

The Annual General Meeting on March 5, 2007 authorised the Board of Directors to decide to issue new shares and to convey the company's own shares held by the company in one or more tranches. The share issue can be carried out as a share issue against payment or without consideration on terms to be determined by the Board of Directors and in relation to a share issue against payment at a price to be determined by the Board of Directors.

A maximum of 11 600 000 new shares can be issued. A maximum of 5 800 000 own shares held by the company can be conveyed.

The authorisation is in force until the next Annual General Meeting.

The decision made by the Annual General Meeting was published in its entirety as a stock exchange notice on March 5, 2007.

The Board has not exercised the authorisation during the period under review.

Authorisation to acquire the company's own shares

The Annual Meeting authorised the Board of Directors to decide to acquire the company's own shares with distributable funds on the terms given below. The acquisition of shares reduces the company's distributable non-restricted shareholders' equity.

A maximum of 5 800 000 shares can be acquired. The company's own shares can be acquired in accordance with the decision of the Board of Directors either through public trading or by public offer at their market price at the time of purchase.

The authorisation is in force until the next Annual General Meeting.

The decision made by the Annual General Meeting was published in its entirety as a stock exchange notice on March 5, 2007.

Pöyry Plc does not hold its own shares.

The Annual General Meeting decided that a dividend of EUR 0.50 be distributed per outstanding share for 2006 (EUR 0.325 for 2005), totalling EUR 29.1 million. The dividend was paid on March 15, 2007.

The company's shares are quoted on the Helsinki Stock Exchange. The average trading price during the period under review was EUR 12.92, with a high of EUR 14.80 and a low of EUR 11.37. A total of 3.6 million of the company's shares were traded, equalling 6.3 per cent of the total number of shares and corresponding to a turnover of EUR 47.1 million.

PROSPECTS

Energy

The good performance of Southeast Asian, Latin American and European economies, combined with the expansion of the EU, creates good opportunities for growth of demand for energy-related services. The EU's expanding energy legislation is driving demand for industry-specific management consulting services in the energy sector. Environmental legislation continues to boost demand for renewable energy and plant refurbishment services.

The high price of crude oil is creating new opportunities within the oil and gas sectors. In the thermal power sector, clients focus on diversifying their energy mix. The Energy business group's market position has improved further and its order stock is good. The business group's operating profit will improve clearly in 2007.

Forest Industry

Investment activity in the forest industry will remain relatively strong in emerging markets. Rising production costs continue to call for operational and productivity improvements in mature markets. Industry restructurings will increase demand for consulting and investment banking services. Demand for biofuel and chemical industry engineering services will remain good. The business group's order stock is good. The operating profit will improve during 2007.

Infrastructure & Environment

The infrastructure and environment markets have improved in the course of 2006. Demand prospects have improved especially in Central Europe, where the recovery of national economies has boosted investments in the public sector. Maintaining a local presence is becoming more important in emerging markets. The business group's order stock has remained good. The operating profit will improve in 2007.

Group

The Group has a strong market position in all of its business areas. The order stock is good and has increased by EUR 60.0 million during the period under review. Consolidated net sales will increase in 2007. Profit before taxes is expected to improve clearly in 2007.

Vantaa, Finland, April 25, 2007

Pöyry Plc
Board of Directors

Consolidated statement of income	1-3/2007	1-3/2006	1-12/2006
EUR million			
NET SALES	167,0	144,0	623,3
Other operating income	0,7	0,1	0,3
Share of associated companies' results	0,1	0,1	1,2
Materials, supplies and subconsulting	-22,5	-20,6	-97,2
Personnel expenses	-91,1	-78,3	-327,7
Depreciation	-2,1	-1,9	-7,8
Other operating expenses	-36,1	-33,2	-142,2
OPERATING PROFIT	16,0	10,2	49,9
Proportion of net sales, %	9,6	7,1	8,0
Financial income	0,8	0,6	2,3
Financial expenses	-0,3	-0,2	-1,2
Exchange rate differences	0,0	-0,1	-0,8
PROFIT BEFORE TAXES	16,5	10,5	50,2
Proportion of net sales, %	9,9	7,3	8,1
Income taxes	-5,3	-3,5	-15,4
NET PROFIT FOR THE PERIOD	11,2	7,0	34,8
Attributable to:			
Equity holders of the parent company	10,9	6,9	33,6
Minority interest	0,3	0,1	1,2
Earnings per share, EUR	0,19	0,12	0,58
Corrected with dilution effect	0,18	0,12	0,57

Consolidated balance sheet	March 31, 2007	March 31, 2006	December 31, 2006
EUR million			
ASSETS			
NON-CURRENT ASSETS			
Goodwill	61,0	43,3	61,4
Intangible assets	7,3	8,1	7,9
Tangible assets	17,1	15,2	17,0
Shares in associated companies	5,0	4,3	5,0
Other shares	6,7	6,8	6,7
Loans receivable	1,0	1,3	0,6
Deferred tax receivables	5,4	6,6	5,8
Pension receivables	2,8	4,7	3,1
Other	8,6	8,6	9,0
	114,9	98,9	116,5
CURRENT ASSETS			
Work in progress	68,4	69,4	52,7
Accounts receivable	120,1	99,7	134,2
Loans receivable	0,0	0,0	0,6
Other receivables	13,9	9,4	12,1
Prepaid expenses and accrued income	11,2	10,1	9,8
Cash and cash equivalents	67,7	47,7	74,9
	281,3	236,3	284,3
TOTAL	396,2	335,2	400,8
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to the equity holders of the parent company			
Share capital	14,5	14,5	14,5
Share premium reserve	31,5	31,5	31,5
Legal reserve	19,1	18,6	19,1
Translation difference	-11,0	-10,2	-10,9
Retained earnings	73,6	69,2	69,0
Net profit for the period	10,9	6,9	33,6
	138,6	130,5	156,8
Minority interest	6,2	4,7	6,1
	144,8	135,2	162,9
LIABILITIES			
Non-current liabilities			
Interest bearing non-current liabilities	3,9	6,4	4,2
Pension obligations	6,7	7,0	6,9
Deferred tax liability	3,4	2,8	3,3
Other non-current liabilities	2,9	7,8	3,4
	16,9	24,0	17,8
Current liabilities			
Amortisations of interest bearing non-current liabilities	2,6	2,6	2,7
Interest bearing current liabilities	13,1	0,9	6,6
Provisions	2,9	4,6	3,7
Project advances	81,3	55,5	70,0
Accounts payable	21,2	17,3	25,1
Other current liabilities	39,0	27,9	37,2
Current tax payable	1,5	1,0	8,2
Accrued expenses and deferred income	72,9	66,2	66,6
	234,5	176,0	220,1
TOTAL	396,2	335,2	400,8

Statement of changes in financial position	1-3/2007	1-3/2006	1-12/2006
EUR million			
FROM OPERATING ACTIVITIES			
Net profit for the period	11,2	7,0	34,8
Depreciation and value decrease	2,1	1,9	7,8
Gain on sale of fixed assets	-0,7	0,0	-0,1
Share of associated companies' results	-0,1	-0,1	-1,2
Financial items	-0,5	-0,3	-0,3
Income taxes	5,3	3,5	15,4
Change in work in progress	-15,7	-12,8	3,9
Change in accounts and other receivables	11,9	10,3	-25,5
Change in advances received	11,3	4,5	18,9
Change in payables and other liabilities	-3,7	-5,9	15,5
Received financial income	0,8	0,6	1,9
Paid financial expenses	-0,3	-0,3	-0,4
Paid taxes	-4,1	-3,5	-13,1
Total from operating activities	17,5	4,9	57,6
CAPITAL EXPENDITURE			
Investments in shares in subsidiaries	-1,7	-1,3	-22,4
Investments in other shares	0,0	0,0	0,0
Investments in fixed assets	-2,0	-1,7	-9,8
Sales of shares	0,6	0,5	0,5
Sales of fixed assets	0,3	0,1	0,5
Capital expenditure total, net	-2,8	-2,4	-31,2
Net cash before financing	14,7	2,5	26,4
FINANCING			
Repayments of loans	-0,5	-0,4	-2,5
Change in current financing	6,8	-0,4	5,4
Change in non-current investments	0,0	0,0	0,5
Dividends	-28,2	-18,5	-19,4
Share subscription	0,0	0,0	0,0
Net cash from financing	-21,9	-19,3	-16,0
Change in cash and cash equivalents	-7,2	-16,8	10,4
Cash and cash equivalents at the beginning of the period	74,9	64,5	64,5
Cash and cash equivalents at the end of period	67,7	47,7	74,9

Changes in equity	1-3/2007	1-3/2006	1-12/2006
EUR million			
Share capital beginning of period	14,5	14,5	14,5
Shares subscribed with warrants	0,0	0,0	0,0
Share capital end of period	14,5	14,5	14,5
Share premium reserve beginning of period	31,5	31,5	31,5
Shares subscribed with warrants	0,0	0,0	0,0
Share premium reserve end of period	31,5	31,5	31,5
Legal reserve beginning of period	19,1	18,6	18,6
Transfer, retained earnings	0,0	0,0	0,5
Legal reserve end of period	19,1	18,6	19,1
Translation differences beginning of period	-10,9	-8,6	-8,6
Change during the period	-0,1	-1,6	-2,4
Translation differences end of period	-11,0	-10,2	-10,9
Retained earnings beginning of period	102,6	88,1	88,1
Payment of dividend	-29,1	-18,9	-18,9
Minority change	0,0	0,0	-0,2
Transfer, retained earnings	0,0	0,0	-0,5
Other changes	0,1	0,0	0,8
Translation difference included in the result	0,0	0,0	-0,2
Net profit for the period	10,9	6,9	33,6
Retained earnings end of period	84,5	76,1	102,6
Minority interest beginning of period	6,1	4,7	4,7
Change during the period	-0,2	-0,1	0,2
Net profit for the period	0,3	0,1	1,2
Minority interest end of period	6,2	4,7	6,1
Total equity beginning of period	162,9	148,9	148,9
Payment of dividend	-29,1	-18,9	-18,9
Shares subscribed with warrants	0,0	0,0	0,0
Other changes	-0,1	-0,2	0,8
Translation differences	-0,1	-1,6	-2,4
Translation difference included in the result	0,0	0,0	-0,2
Net profit for the period	11,2	7,0	34,8
Total equity end of period	144,8	135,2	162,9

Contingent liabilities	March 31, 2007	March 31, 2006	December 31, 2006
EUR million			
For own debt	0,0	0,0	0,0
Other obligations			
Pledged assets	0,4	0,3	0,5
Other obligations	44,5	44,3	46,4
For others			
Pledged assets	0,1	0,1	0,1
Other obligations	0,0	0,0	0,0
Rent and leasing obligations	106,1	106,4	107,0
Derivative instruments			
Foreign exchange forward contracts, notional values	25,3	26,1	34,9
Foreign exchange forward contracts, fair values	0,3	0,2	0,5
	-0,2	-0,6	-0,1
Interest rate swaps, fair values	0,0	0,0	0,1

Pöyry Plc has made interest rate swaps for EUR 5.6 million external loans.

Key figures	1-3/2007	1-3/2006	1-12/2006
Earnings / share, EUR	0,19	0,12	0,58
Corrected with dilution effect	0,18	0,12	0,57
Equity attributable to equity holders of the parent company/share, EUR	2,38	2,24	2,70
Return on investment, % p.a.	39,5	28,3	31,1
Return on investment, % p.a. for the business groups			
Energy	29,5	22,7	23,3
Forest Industry	47,7	26,9	34,9
Infrastructure & Environment	27,8	26,0	25,9
Return on equity, % p.a.	29,1	19,8	22,3
Equity ratio, %	46,0	48,4	49,2
Equity / Assets ratio, %	36,6	40,3	40,7
Net debt / Equity ratio (gearing), %	-33,2	-27,9	-37,6
Net debt, EUR million	-48,1	-37,8	-61,3
Consulting and engineering, EUR million	553,1	496,9	500,8
EPC, EUR million	14,5	22,2	6,8
Order stock total, EUR million	567,6	519,1	507,6
Capital expenditure, operating, EUR million	2,0	1,7	9,8
Capital expenditure in shares, EUR million	0,0	1,3	27,9
Personnel in Group companies on average	6451	5652	6038
Personnel in Group companies at the end of the period	6483	5710	6389
Personnel in associated companies at the end of the period	257	252	236

Segment information	1-3/07	1-3/06	1-12/06	1-3/05	4-6/05	7-9/05	10-12/05	1-3/06	4-6/06	7-9/06	10-12/06
EUR million											
NET SALES											
Energy	51,4	42,8	197,4	37,8	39,3	37,4	45,5	42,8	45,6	49,1	59,9
Forest Industry	64,6	52,8	224,9	50,0	51,5	47,4	50,4	52,8	57,0	54,8	60,3
Infrastructure & Environment	50,8	48,3	201,8	35,7	39,2	39,7	50,3	48,3	50,7	48,7	54,1
Unallocated	0,2	0,1	-0,8	-0,2	-0,1	0,6	-0,9	0,1	0,6	0,4	-1,9
Total	167,0	144,0	623,3	123,3	129,9	125,1	145,3	144,0	153,9	153,0	172,4
OPERATING PROFIT AND NET PROFIT FOR THE PERIOD											
Energy	5,3	3,2	14,6	2,0	2,1	1,8	3,2	3,2	3,3	3,7	4,4
Forest Industry	7,8	4,4	22,9	4,1	4,7	5,9	5,0	4,4	4,6	6,4	7,5
Infrastructure & Environment	3,7	3,3	13,0	1,3	2,6	2,3	3,0	3,3	2,8	3,4	3,5
Unallocated	-0,8	-0,7	-0,6	-0,2	-0,5	-0,2	0,1	-0,7	-0,4	-0,3	0,8
Operating profit total	16,0	10,2	49,9	7,2	8,9	9,8	11,3	10,2	10,3	13,2	16,2
Financial items											
Profit before taxes	16,5	10,5	50,2	7,5	9,0	10,4	11,7	10,5	10,4	13,2	16,1
Income taxes	-5,3	-3,5	-15,4	-2,5	-2,8	-3,2	-3,8	-3,5	-3,2	-4,2	-4,5
Net profit for the period	11,2	7,0	34,8	5,0	6,2	7,2	7,9	7,0	7,2	9,0	11,6
Profit attributable to:											
Equity holders of the parent company	10,9	6,9	33,6	4,7	6,1	7,4	7,7	6,9	6,9	8,6	11,2
Minority interest	0,3	0,1	1,2	0,3	0,1	-0,2	0,2	0,1	0,3	0,4	0,4
OPERATING PROFIT %											
Energy	10,3	7,5	7,4	5,3	5,3	4,8	7,0	7,5	7,2	7,5	7,3
Forest Industry	12,1	8,3	10,2	8,2	9,1	12,4	9,9	8,3	8,1	11,7	12,4
Infrastructure & Environment	7,3	6,8	6,4	3,6	6,6	5,8	6,0	6,8	5,5	7,0	6,5
Total	9,6	7,1	8,0	5,8	6,9	7,8	7,8	7,1	6,7	8,6	9,4
ORDER STOCK											
Energy	214,8	220,0	204,9	167,1	203,4	197,6	195,2	220,0	237,1	222,6	204,9
Forest Industry	154,1	111,4	111,4	82,5	79,6	78,3	97,3	111,4	109,1	111,0	111,4
Infrastructure & Environment	198,4	187,6	191,0	127,0	121,1	144,2	159,5	187,6	185,3	183,7	191,0
Unallocated	0,3	0,1	0,3	0,3	0,2	0,2	0,1	0,1	0,0	0,0	0,3
Total	567,6	519,1	507,6	376,9	404,3	420,3	452,1	519,1	531,5	517,3	507,6
Consulting and engineering											
EPC	553,1	496,9	500,8	366,7	367,4	388,1	428,1	496,9	514,0	502,1	500,8
Total	14,5	22,2	6,8	10,2	36,9	32,2	24,0	22,2	17,5	15,2	6,8
Total	567,6	519,1	507,6	376,9	404,3	420,3	452,1	519,1	531,5	517,3	507,6
NET SALES BY AREA											
The Nordic countries	47,9	37,0	154,6								
Europe	70,9	66,6	277,3								
Asia	17,3	17,0	79,5								
North America	8,5	5,4	26,6								
South America	17,1	12,3	63,9								
Other	5,3	5,7	21,4								
Total	167,0	144,0	623,3								

The figures in the interim report are unaudited.

