

# JANUARY-SEPTEMBER 2011 INTERIM RESULT



**OCTOBER 27, 2011**

Heikki Malinen, President and CEO  
Jukka Pahta, CFO

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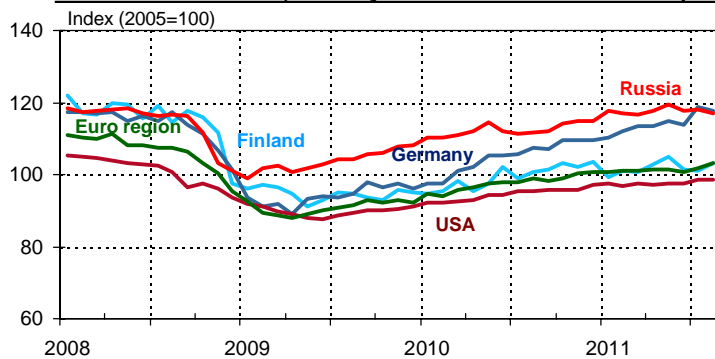
## PRESENTATION CONTENTS

- January-September 2011 overview
- Strategy implementation moving ahead
- January-September 2011 financials
- Outlook

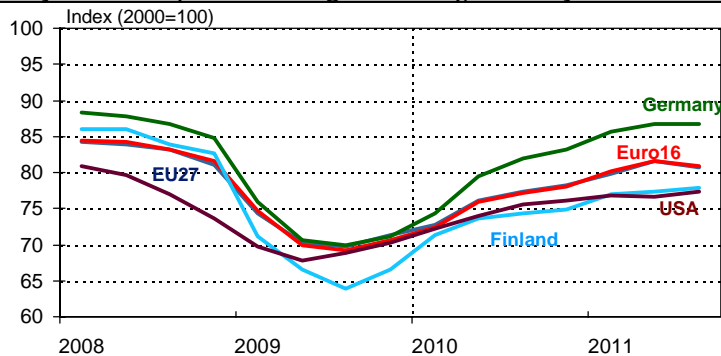
# JANUARY-SEPTEMBER 2011 OVERVIEW

## INDUSTRIAL ACTIVITY HAS IMPROVED BUT UNCERTAINTY IS INCREASING

**Industrial Production, Monthly Review from Jan2008 to Sep2011**



**Capacity Utilisation (manufacturing industries), Quarterly from Q1/2008 to Q3/2011**



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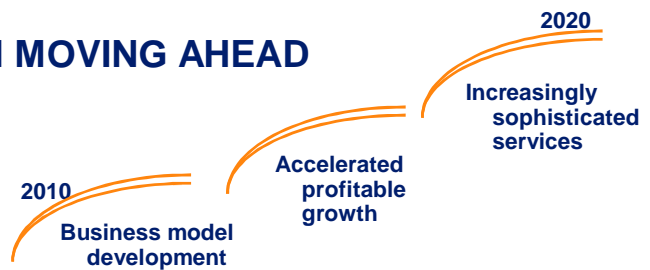
## STRONG ORDER STOCK SUPPORTED THE RESULT

- The Group's order stock totalled EUR 724.4 million (543.7) at the end of the third quarter of 2011
- January-September 2011 net sales increased by 14.9 per cent compared with the year before to EUR 569.2 million (495.6)
- Operating profit excluding restructuring costs was EUR 24.0 million (3.8) corresponding to 4.2 per cent (0.8) of sales
- Group's comparable operating profit in 2011 is expected to improve significantly compared with the year before



## STRATEGY IMPLEMENTATION MOVING AHEAD

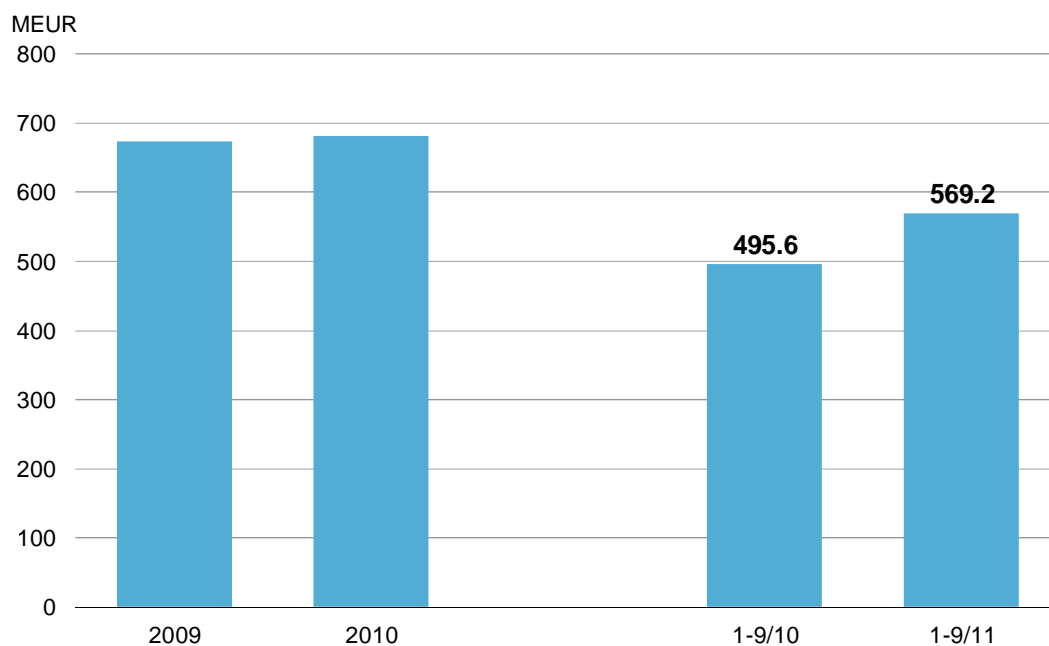
# STRATEGY IMPLEMENTATION MOVING AHEAD



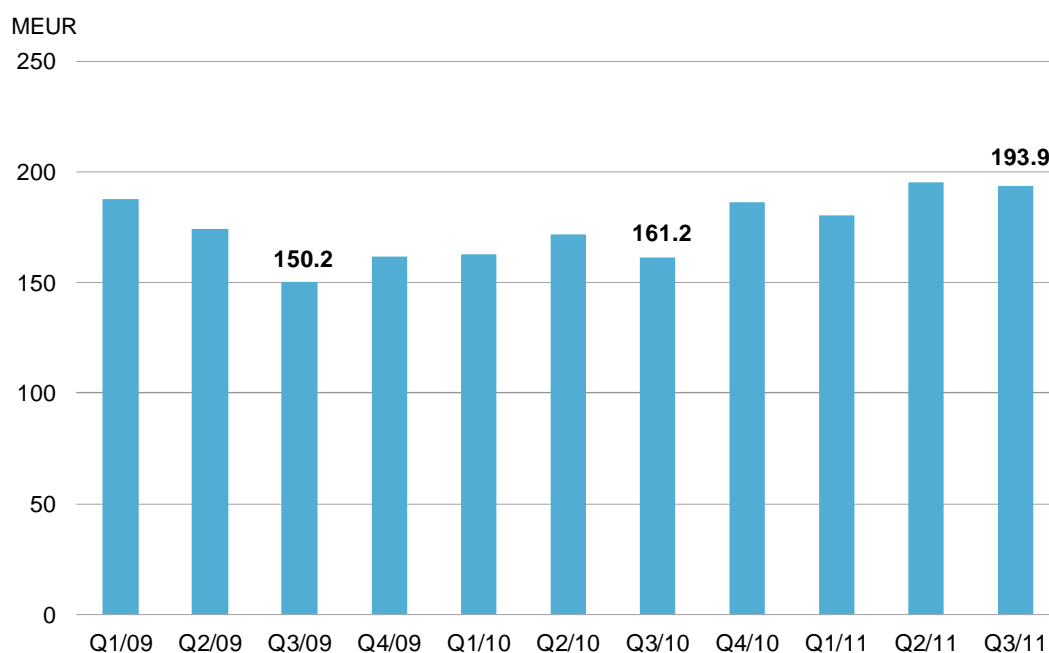
- Increased focus on Asia
  - under dedicated management – reporting directly to CEO
  - new unit to focus on sales growth and business development
- Decision on the new Urban business group
  - merging Water & Environment and Urban & Mobility business groups
  - improved competitiveness
  - synergies across engineering units serving mainly the public sector
- Sharpening focus in Energy business group
  - Acquisition of SwedPower AB
    - strengthens Pöyry's expert resources in wind power, networks, hydro power, thermal power and renewables
    - opens major opportunities for common projects globally
    - gives access to the Swedish market
  - Divestment of Oil and Gas business
- Operational excellence programme
  - moving ahead in Germany

## JANUARY-SEPTEMBER 2011 FINANCIALS

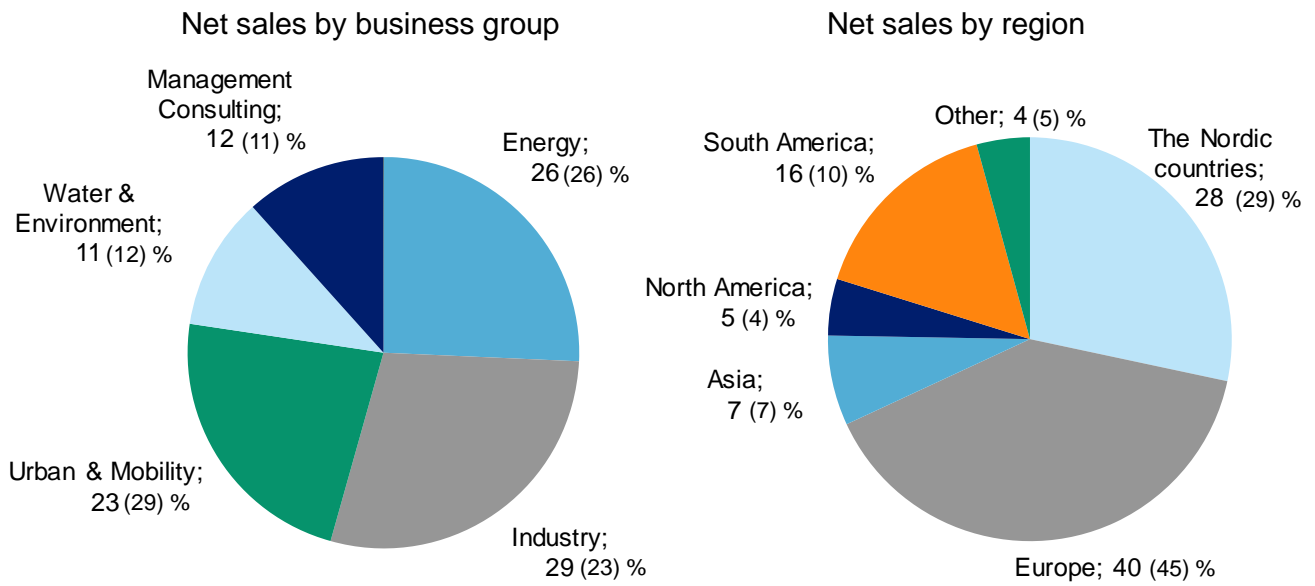
## GROUP'S NET SALES 1-9/2011 (1-9/2010)



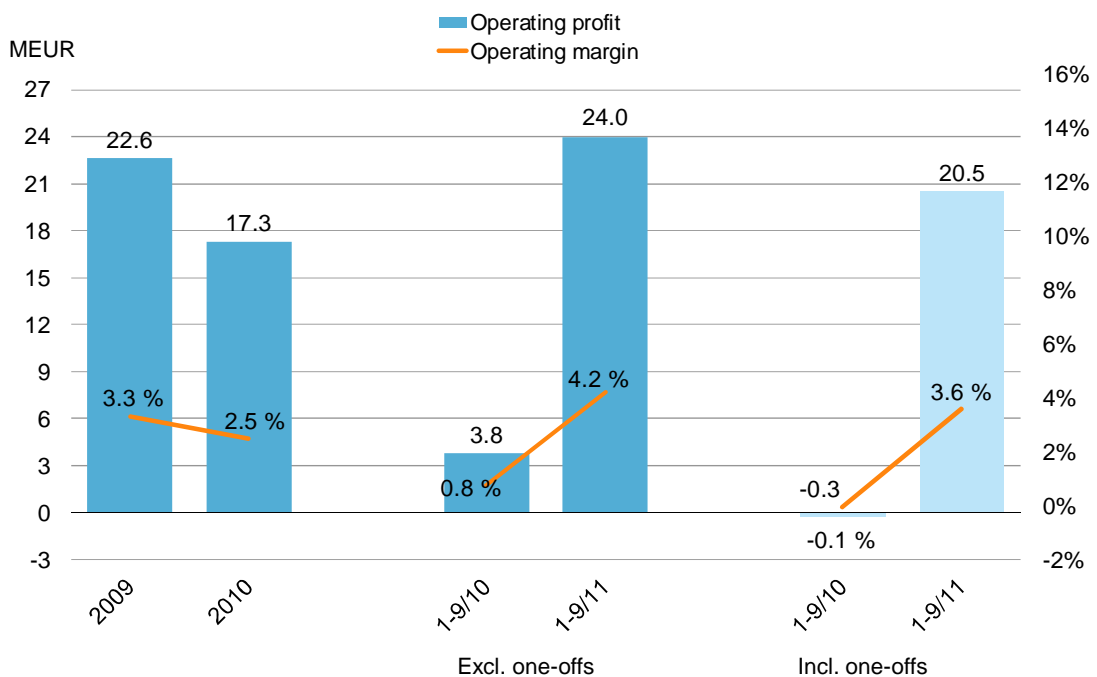
## GROUP'S NET SALES BY QUARTER



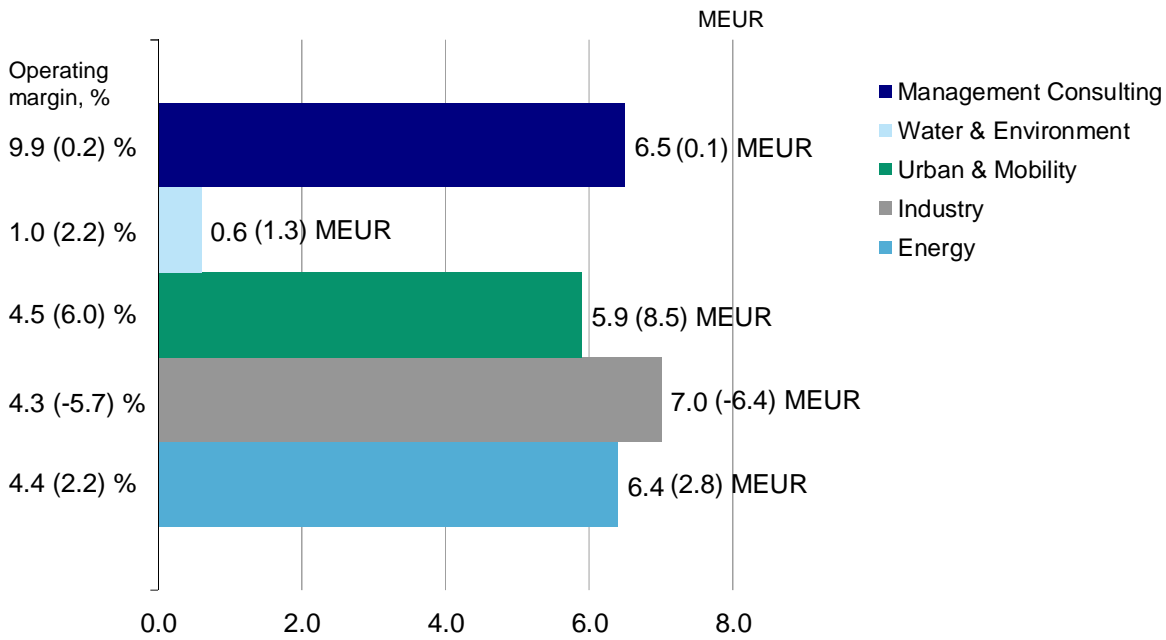
## GROUP'S NET SALES BY BUSINESS GROUP AND BY REGION 1-9/2011 (1-9/2010)



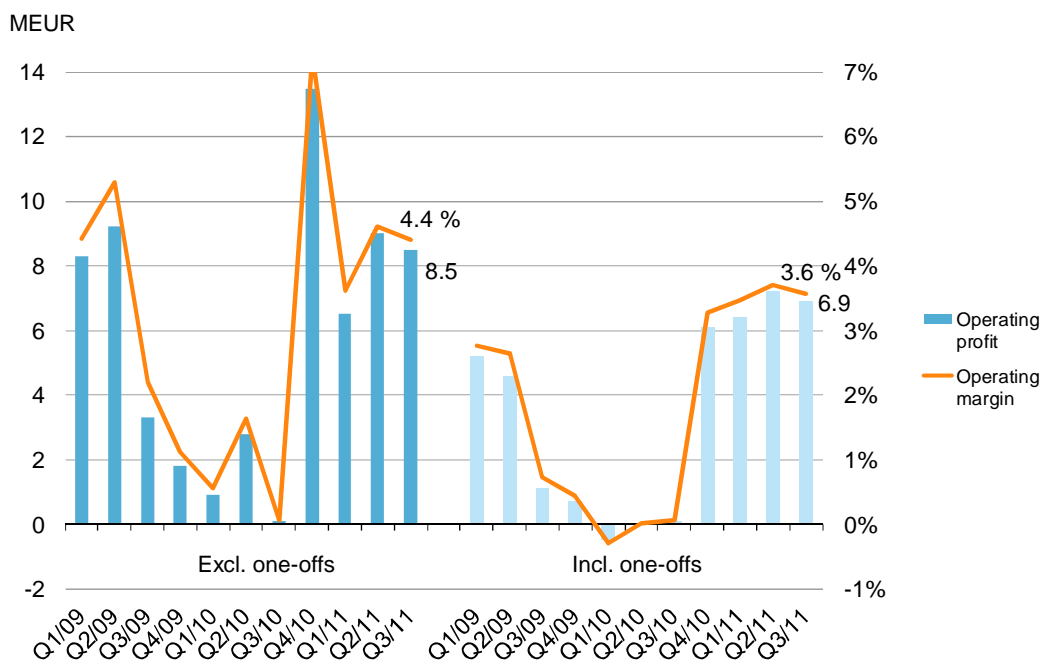
## GROUP'S OPERATING PROFIT AND MARGIN, 1-9/2011 (1-9/2010)



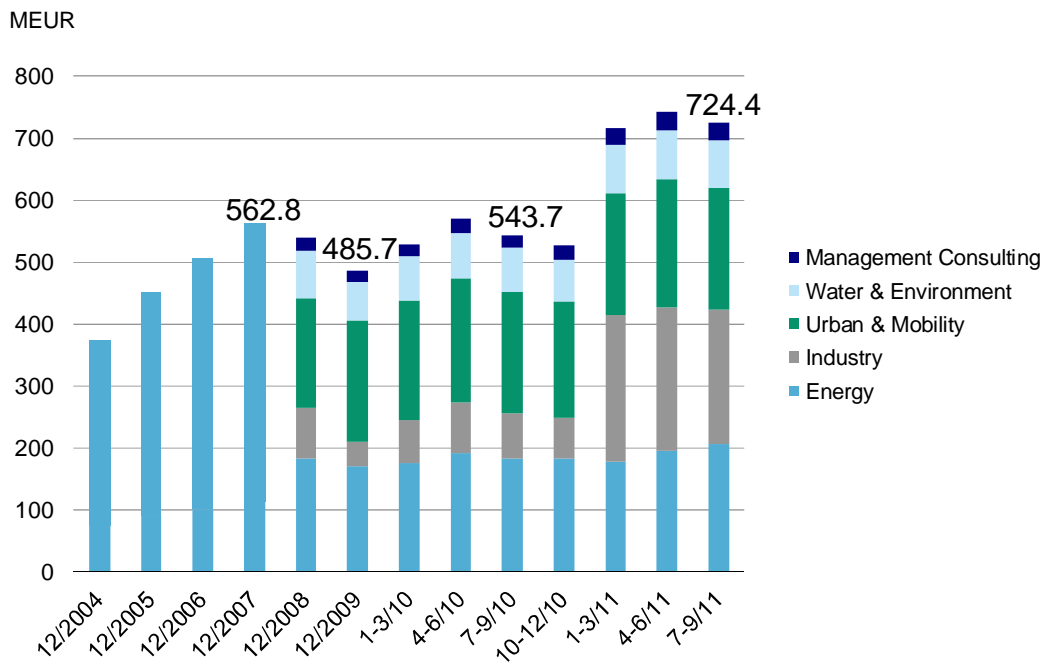
## OPERATING PROFIT AND MARGIN BY BUSINESS GROUP 1-9/2011 (1-9/2010), excluding one-time items



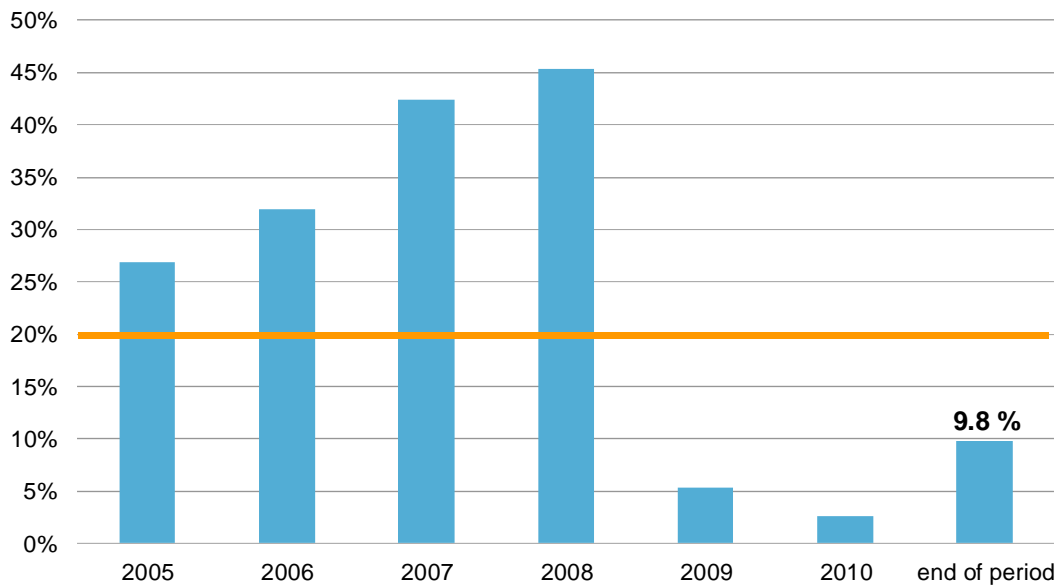
## GROUP'S OPERATING PROFIT AND MARGIN BY QUARTER



## GROUP'S ORDER STOCK BY BUSINESS GROUP

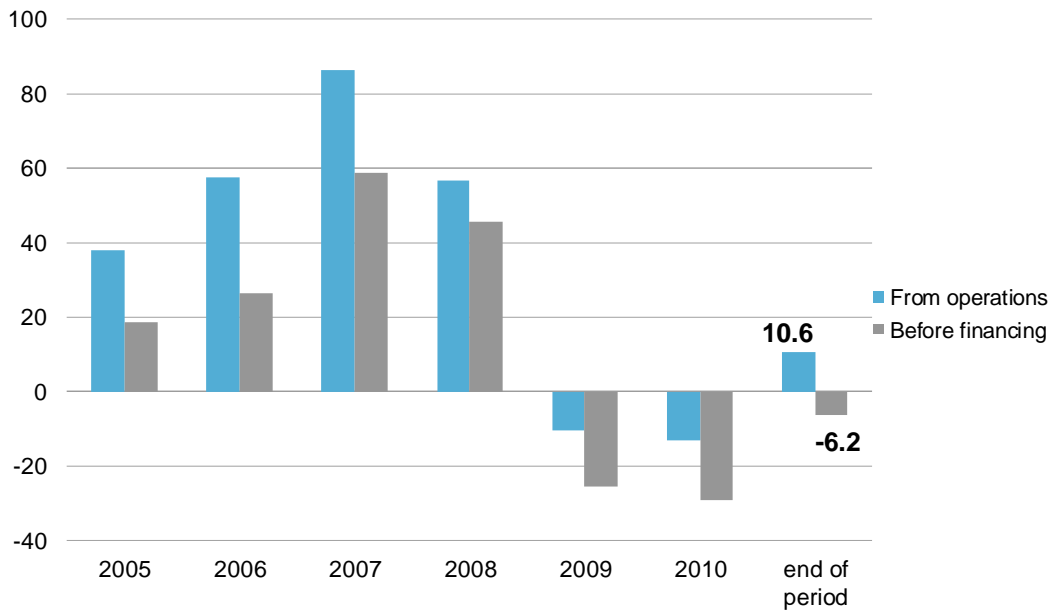


## RETURN ON INVESTMENT, %

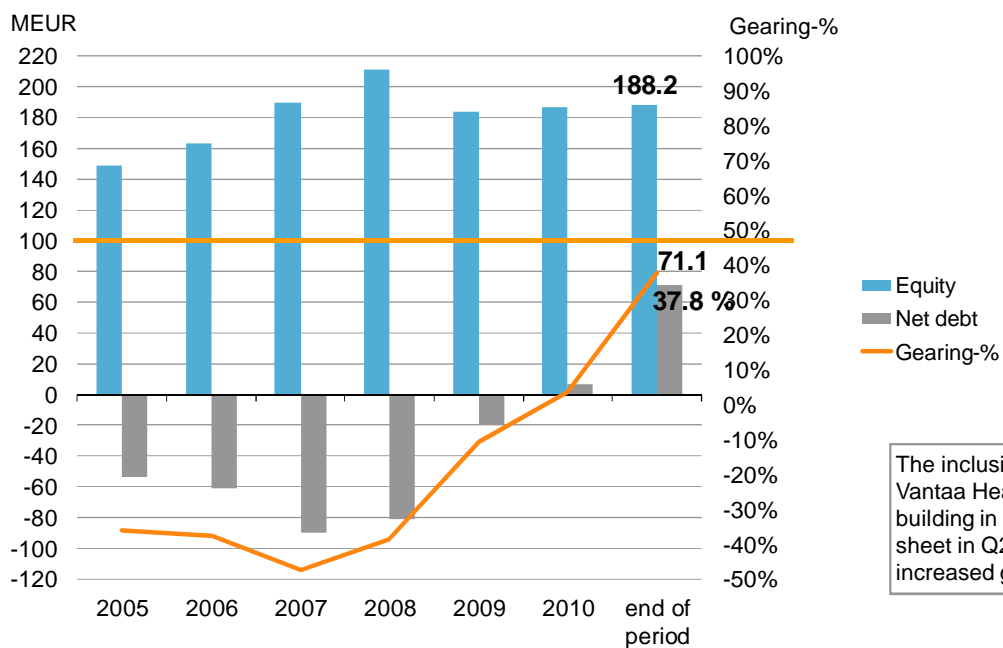




## CASH FLOW



## NET DEBT, EQUITY & GEARING



The inclusion of the Vantaa Head Office building in the balance sheet in Q2/2011 has increased gearing.

## OUTLOOK

## OUTLOOK FOR 2011

### GROUP:

- Pöyry's businesses are predominantly driven by clients' new capital investments and most of the businesses are also inherently late in the cycle. It is difficult to predict the timing of clients' new investment decisions and project start-ups. During the autumn the uncertainty around the general economic outlook has further increased, which may also impact investment activity in business segments that are relevant to Pöyry's operations.
- The current strong order stock and outlook for new orders support the net sales development. However, the outlook for the Group's net sales growth in 2011 has been revised downwards from improves clearly to improves. Outlook for the operating profit development remains unchanged and the comparable operating profit for 2011 is expected to improve significantly from the operating profit, excluding restructuring costs, in 2010, taking into consideration the small numbers in the reference period.

### BUSINESS GROUPS:

- The preconditions for net sales growth in 2011 remain good in the Industry business group but have slightly slowed in the Energy and Management Consulting business groups. In the Water & Environment business group the outlook has deteriorated and there as well as in the Urban & Mobility business group net sales are expected to remain stable or decline compared with 2010. In the Industry and Management Consulting business groups the operating profit outlook is unchanged and their comparable operating profit in 2011 is expected to improve significantly. Comparable operating profit outlook in the Energy business group has been revised from improves significantly to improves clearly, in the Urban & Mobility business group from declines clearly to declines significantly and in the Water & Environment business group from improves significantly to stable or improves.

THANK YOU!

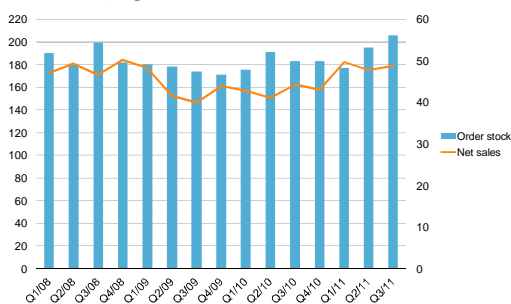


# APPENDICES

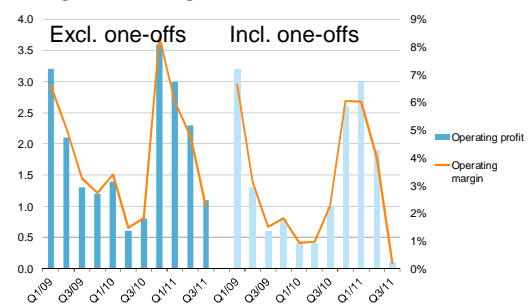
# REVIEW BY BUSINESS GROUP

## ENERGY

Order stock (left scale) and net sales (right scale), MEUR



Operating profit, MEUR (left scale) and margin % (right scale)



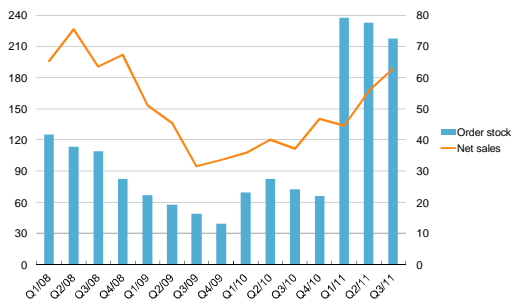
- + Order stock increased 12.2 per cent from the year before
- + Net sales supported by improved market conditions
  - Major new orders in 2011:
    - Rehabilitation of various emergency power supply systems in Austria
    - Two biofuel fired CHP plants for Fortum
    - Hydro electric power plant and dam in Turkey

- Q3 operating margin 2.3 % (1.8), excl. one-offs

Figures in brackets refer to previous year

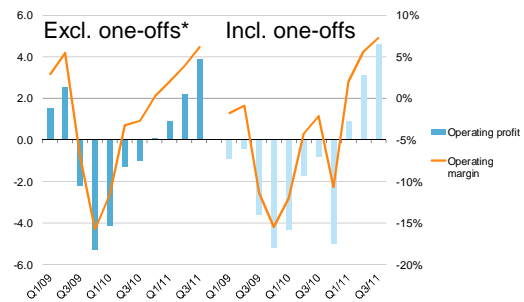
## INDUSTRY

Order stock (left scale) and net sales (right scale), MEUR



- + High order stock value is due to a major EPC contract and pulp mill orders from Lat Am
- + Net sales reflects the improving market environment as well as increased order stock
- Major new orders in 2011:
  - EPC OB for MWV Rigesa in Brazil
  - EPCM for Montes del Plata in Uruguay
  - Engineering and project management services for Eldorado in Brazil
  - BOP-EPCM and Owner's Engineering contracts for Suzano in Brazil

Operating profit, MEUR (left scale) and margin % (right scale)



- Q3 operating margin 6.2 % (-2.7), excl. one-offs
- + The year-on-year improvement reflects successful restructuring measures and increase in volumes

\* Q2 operating profit corrected according to reversal of the restructuring costs

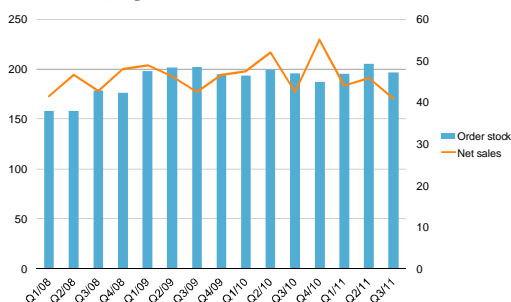
Figures in brackets refer to previous year



Q3 PRESENTATION 25  
27.10.2011

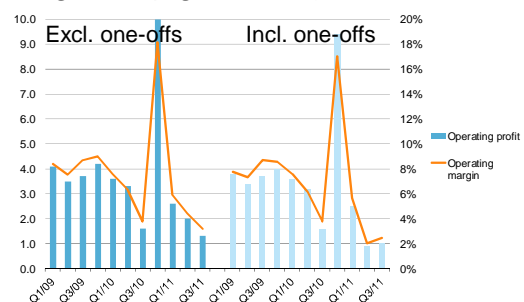
## URBAN & MOBILITY

Order stock (left scale) and net sales (right scale), MEUR



- + Order stock value on the same level as the year before
- Delays in public sector investments in Latin America and Eastern Europe had a negative impact on the sales volumes
- Major new orders in 2011:
  - Railway site supervision in Algeria
  - Design review and construction supervision for metro systems in Peru

Operating profit, MEUR (left scale) and margin % (right scale)



- Q3 operating margin 3.2 % (3.8), excl. one-offs
- Low volume resulted in lower profitability

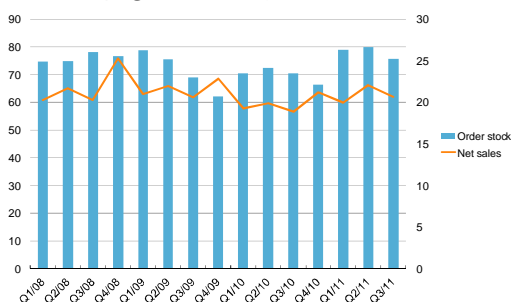
Figures in brackets refer to previous year



Q3 PRESENTATION 26  
27.10.2011

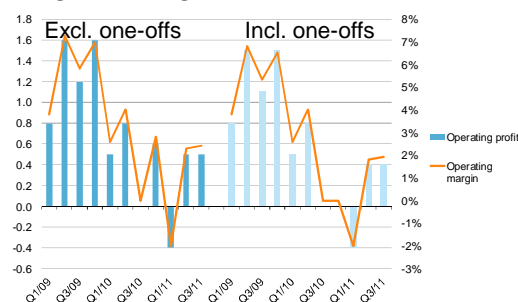
## WATER & ENVIRONMENT

Order stock (left scale) and net sales (right scale), MEUR



- + Order stock on a good level
- + Net sales supported by the solid order stock
- Major new orders in 2011:
  - Feasibility study for 2 major water utilities in the Philippines
  - Final disposal studies of spent nuclear fuel for Posiva in Finland
  - Feasibility study for brackish water desalination in Tunisia
  - improvement of wastewater disposal and solid waste management in Vietnam

Operating profit, MEUR (left scale) and margin % (right scale)



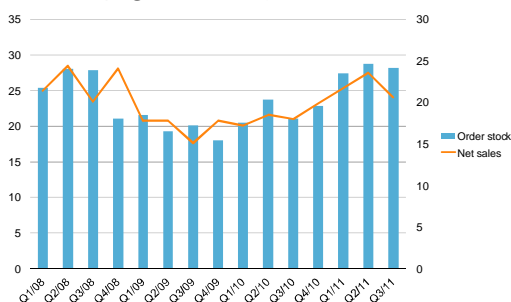
- Q3 operating margin 2.4 % (0.0), excl. one-offs
- Operating profit remained unsatisfactory and was further burdened by bad-debt provisions

Figures in brackets refer to previous year



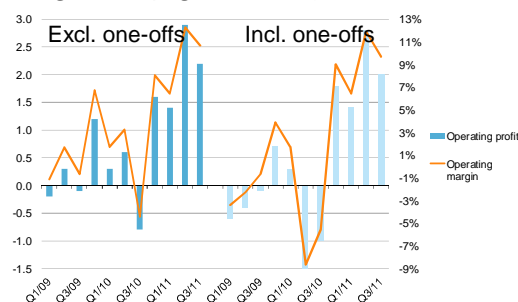
## MANAGEMENT CONSULTING

Order stock (left scale) and net sales (right scale), MEUR



- + Order stock value increased 33.6 per cent from the year before
- + Improved market environment and a healthy order stock were reflected in the volumes during the third quarter
- Towards the end of the quarter increasing macroeconomic uncertainty was also reflected in demand for consulting services

Operating profit, MEUR (left scale) and margin % (right scale)



- Q3 operating margin 10.7 % (-4.4) , excl. one-offs
- + The underlying profitability improved year-on-year due to successful restructuring measures and an increase in volumes
- Q3 operating profit includes one-off success fees of certain transactional services

Figures in brackets refer to previous year



## GROUP FINANCIALS

## STATEMENT OF INCOME

	1-9/2011	1-9/2010	CHANGE, %	1-12/2010
Net sales	569.2	495.6	12.2%	681.6
Other operating income	0.6	0.6	-	1.0
Share of associated companies' results	0.6	0.3	-	0.7
External charges, sub-consulting	-76.9	-70.7	8.8%	-101.8
Personnel expenses	-319.9	-296.3	8.0%	-404.5
Other operating expenses	-153.1	-129.8	18.0%	-171.2
Operating profit	20.5	-0.3	n.a.	5.8
Net financial items	-2.6	-1.8	n.a.	-1.5
Profit/loss before taxes	17.9	-2.1	n.a.	4.3
Income taxes	-7.5	-2.6	n.a.	-3.9
<b>Net profit for the period</b>	<b>10.4</b>	<b>-4.7</b>	<b>n.a.</b>	<b>0.4</b>

## BALANCE SHEET

ASSETS	30 Sep 2011	30 Sep 2010	EQUITY AND LIABILITIES	30 Sep 2011	30 Sep 2010
Goodwill	130.4	113.1	Equity	188.2	180.3
Other non-current assets	103.4	51.8	Interest bearing non-current liabilities	85.3	94.0
Work in progress	127.1	114.4	Other non-current	24.3	12.3
Other current assets	192.3	154.0	Project advances	101.2	59.5
Cash and cash equivalents	78.7	77.6	Other current liabilities	232.9	164.8
<b>TOTAL ASSETS</b>	<b>631.9</b>	<b>510.9</b>	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>631.9</b>	<b>510.9</b>

## CASH FLOW

	1-9/2011	1-9/2010	1-12/2010
Operating income before change in net working capital	17.8	1.9	10.0
Change in net working capital	-10.1	-40.6	-13.6
Financial items and taxes	2.9	-3.5	-9.6
<b>Total from operating activities</b>	<b>10.6</b>	<b>-42.2</b>	<b>-13.1</b>
Investments in shares in subsidiaries deducted with cash acquired	-27.3	-9.0	-9.7
Other capital expenditure	10.5	-4.6	-6.4
<b>Net cash before financing</b>	<b>-6.2</b>	<b>-55.8</b>	<b>-29.2</b>
<b>Net cash from financing</b>	<b>-12.0</b>	<b>-15.7</b>	<b>-25.4</b>
<b>Change in cash and cash equivalents and in other liquid assets</b>	<b>-18.2</b>	<b>-71.5</b>	<b>-54.6</b>
Cash and cash equivalents and other liquid assets at the beginning of the period	99.0	142.0	142.0
Impact of translation differences in exchange rates	-2.1	7.1	11.7
<b>Cash and cash equivalents and other liquid assets at the end of the period</b>	<b>78.7</b>	<b>77.6</b>	<b>99.0</b>



## KEY FIGURES

	1-9/2011	1-9/2010	1-12/2010
Earnings per share, EUR (diluted)	0.16	-0.08	0.00
Equity per share, EUR	3.03	2.92	3.03
ROI-%, p.a.	9.8	0.5	2.6
ROE-%	7.5	-3.5	0.2
Equity ratio-%, p.a.	35.5	39.9	40.1
Gearing-%	37.8	20.6	3.5
Net debt, EUR million	71.1	37.2	6.5
Capital expenditure in acquisitions, EUR million	28.3	11.1	11.8
Capital expenditure, operating, EUR million	5.6	4.8	6.8
Personnel on average	6,815	6,540	6,611
Personnel at the end of the period	7,035	6,667	6,801