PÖYRY PLC - 7 FEBRUARY 2019

Financial Statement Release January-December 2018

Pöyry PLC Financial Statement Release 1 January–31 December 2018

Full year adjusted operating result up by 67%

Key figures for July–December 2018

(Figures in brackets, unless otherwise stated, refer to the same period of the previous year.)

- The adjusted operating result increased to EUR 24.1 (16.0) million. Adjusted operating result has improved for ten consecutive quarters. It improved in Energy, Industry and Management Consulting business groups and remained stable in Infra, Water and Environment business group. Operating result was EUR 21.7 (11.4) million.
- Net sales were EUR 296.9 (255.1) million. They increased in all business groups.
- Order intake increased compared to the corresponding period in the previous year and resulted in a 19.6% increase in the Group's order stock, ending at EUR 536.3 (448.5) million.
- Net cash flow from operating activities amounted to EUR 76.8 (40.1) million, pushing gearing to -58.7%.

Key figures for January–December 2018

(Figures in brackets, unless otherwise stated, refer to the same period of the previous year.)

- Adjusted operating result increased to EUR 43.2 (26.0) million. It improved in all business groups. Operating result was EUR 54.7 (15.1) million.
- Net sales were EUR 579.5 (522.3) million. They increased in all business groups.
- Order intake increased and resulted in the Group's order stock of EUR 536.3 (448.5) million.

Pöyry Group	7-12/ 2018	7-12/ 2017	Change, %	1-12/ 2018	1-12/ 2017	Change, %
Order stock at the end of period, EUR million	**536.3**	448.5	19.6	**536.3**	448.5	19.6
Net sales total, EUR million	**296.9**	255.1	16.4	**579.5**	522.3	10.9
Operating result, EUR million	**21.7**	11.4	90.5	**54.7**	15.1	262.1
Operating margin, %	**7.3**	4.5		**9.4**	2.9	
Adjusted operating result, EUR million	**24.1**	16.0	50.2	**43.2**	26.0	66.5
Adjusted operating margin, %	**8.1**	6.3		**7.5**	5.0	
Result before taxes, EUR million	**20.2**	9.6	111.0	**58.1**	11.8	392.7
Net cash flow from operating activities, EUR million	**76.8**	40.1	91.7	**114.1**	38.2	198.9
Earnings per share, basic, EUR	**0.29**	0.08	274.9	**0.75**	0.07	n.a.
Earnings per share, diluted, EUR	**0.29**	0.08	274.9	**0.75**	0.07	n.a.
Earnings per share, adjusted, EUR	**0.33**	0.16	106.0	**0.56**	0.25	127.3
Gearing, %				**-58.7**	4.7	
Return on investment, %				**34.9**	8.8	
Average number of personnel, full time equivalents (FTE)				**4,700**	4,551	3.3

All figures and sums have been rounded off from the exact figures, which may lead to minor discrepancies upon addition or subtraction.

Financial outlook for 2019

In connection to the recommended public cash tender offer announced on 10 December 2018, Pöyry published information on its guidance for 2019. Pöyry reiterates the guidance given.

"The Group's adjusted operating result is expected to improve (2018: 43.2 MEUR)."

The guidance is based on current order stock level and market outlook in general.

The guidance has been prepared on a standalone basis, and it therefore does not take into account the effect that the completion of the planned combination of ÅF and Pöyry through the tender offer would have on Pöyry's financial outlook.

Martin à Porta, President and CEO:

All units continued to improve profitability during 2018 resulting in the 10th consecutive quarter with improved profitability comparing to previous year same quarter. With three out of four business groups having reached or exceeded our benchmarks, we are confident that our transformation program is providing the results we are aiming at. Strong cash collection and solid performance enabled a very favourable net debt position of negative 103.5 MEUR. While order intake did not reach our high ambitions, we have still been able to grow the order stock by 19% at comparable currencies vs previous year. In the outlook we are confident that our actions to increase client focus showing a solid pipeline will convert to new orders during the first half of 2019.

Demand for our Industry Business Group services continued to be strong especially in Northern Europe and we saw improvement in Latin America. Demand for our energy services continued to be strong especially in Middle-East and Asia while the European energy market continues to transform providing selected business opportunities for consulting. The Infra, Water and Environment Business Group has improved its performance and especially Northern Europe is steady.

Our transformation and empowerment programs continue to have strong momentum. The Intrapeneur DNA concept is widely spread and supported by our strong experts globally. We can see this from our employee engagement survey conducted in the 4th quarter which showed further increase in engagement and motivation of our staff.

Market outlook 2019

In general, market conditions are expected to continue with similar trends to the last 12 months. Growth in the Eurozone has continued, but current volatility in equity markets and political uncertainty may impact investment decisions. In Asia the markets relevant to our operations continue to be active and offer opportunities, especially to our energy offering. The Middle East shows continued high demand for desalination and new power capacity. Latin America is mixed, Brazil's economy may show recovery more quickly as investment activity is anticipated to increase. The North American market demand continues to be good but trade barriers set by the USA and potential counter measures to them create uncertainties in North American and global markets.

Our industry business sector has continued to be strong especially in Europe where activity is expected to remain strong. The outlook for other regions remains mixed. The energy market in Europe continues to provide a few selected opportunities and remains strong for our management consulting services for market design, modelling and due diligence work. Infra, water and environment markets are stable and we see steady flow of projects in our core markets.

Group financial performance

EUR million	7-12/ 2018	7-12/ 2017	Change, %	1-12/ 2018	1-12/ 2017	Change, %
Net sales						
Energy	**81.5**	57.8	41.0	**143.9**	122.1	17.8
Industry	**108.4**	97.8	10.9	**217.0**	199.9	8.6
Infra, Water and Environment	**71.3**	65.4	9.0	**148.9**	136.1	9.4
Management Consulting	**35.5**	35.1	1.2	**70.2**	65.7	7.0
Unallocated	**0.2**	-0.9		**-0.6**	-1.4	
Total	**296.9**	255.1	16.4	**579.5**	522.3	10.9
Operating result						
Energy	**7.5**	3.9	92.6	**11.6**	7.4	56.5
Industry	**12.7**	7.1	79.8	**23.4**	13.7	71.0
Infra, Water and Environment	**3.6**	-1.7	312.0	**22.6**	-3.0	857.2
Management Consulting	**6.2**	5.5	11.9	**10.3**	7.1	45.8
Unallocated	**-8.3**	-3.4		**-13.3**	-10.1	
Total	**21.7**	11.4	90.5	**54.7**	15.1	262.1

EUR million	7-12/ 2018	7-12/ 2017	Change, %	1-12/ 2018	1-12/ 2017	Change, %
Operating margin, %						
Energy	**9.2**	6.7		**8.1**	6.1	
Industry	**11.7**	7.2		**10.8**	6.9	
Infra, Water and Environment	**5.1**	-2.6		**15.2**	-2.2	
Management Consulting	**17.5**	15.8		**14.7**	10.8	
Total	**7.3**	4.5		**9.4**	2.9	
Adjusted operating result						
Energy	**7.5**	3.9	92.6	**11.6**	7.4	56.5
Industry	**13.0**	9.9	30.4	**25.1**	17.9	40.0
Infra, Water and Environment	**2.1**	2.2	-7.3	**5.9**	3.5	68.1
Management Consulting	**6.2**	5.7	8.4	**10.3**	7.3	42.2
Unallocated	**-4.7**	-5.8		**-9.7**	-10.1	
Total	**24.1**	16.0	50.2	**43.2**	26.0	66.5
Adjusted operating margin, %						
Energy	**9.2**	6.7		**8.1**	6.1	
Industry	**12.0**	10.2		**11.6**	9.0	
Infra, Water and Environment	**2.9**	3.4		**4.0**	2.6	
Management Consulting	**17.5**	16.3		**14.7**	11.1	
Total	**8.1**	6.3		**7.5**	5.0	

In order to increase transparency from one period to another Pöyry has been disclosing since 2016 an adjusted operating result. The adjusted items are not related to the business operations of the reporting period and include mainly restructuring and labour claim expenses, gains / losses related to divestments and profits / losses related to projects from the former Urban Business Group or projects which were finalised over two years ago.

Financial performance in July–December 2018

Order intake increased compared to the corresponding period in the previous year. It remained stable in the Management Consulting Business Group and increased in the other business groups.

The Group's order stock increased compared to the previous year and was EUR 536.3 (448.5) million. It decreased in the Management Consulting Business Group, remained stable in the Infra, Water and Environment Business Group and increased in the other business groups.

Net sales were EUR 296.9 (255.1) million. It increased in all business groups except in Management Consulting Business Group where it remained stable.

The adjusted operating result improved to EUR 24.1 (16.0) million. It improved in Energy, Industry and Management Consulting Business Groups and decreased in Infra, Water and Environment Business Group. The adjusted items of EUR 2.4 (4.6) million consist of restructuring expenses, labour claims customary in one of the Group's country operations, as well as profits and losses recognised on projects which were finalised over two years ago. In addition, the adjustment items include advisory fees related to the recommended public cash tender offer made by ÅF in December 2018. In 2017 the adjusted items mainly included restructuring expenses, labour claims customary in one of the Group's country operations and losses recognised on projects originating from the former Urban Business Group.

The operating result for the period was EUR 21.7 (11.4) million.

Financial performance in January–December 2018

The Group's order stock increased to EUR 536.3 (448.5) million while at comparable currencies it increased by 19%. It increased in all the business groups except Management Consulting where it decreased.

Order stock was EUR 219.7 million in the Energy Business Group (41% of the total order stock), EUR 137.5 million in the Industry Business Group (26%), EUR 162.6 million in Infra, Water and Environment Business Group (30%) and EUR 16.5 million in the Management Consulting Business Group (3%).

Net sales were EUR 579.5 (522.3) million. The figure increased in all Business Groups.

The adjusted operating result increased to EUR 43.2 (26.0) million. It improved in every business group. The adjusted items of EUR -11.4 (10.9) million consist of restructuring expenses, labour claims customary in one of the Group's country operations, as well as profits and losses recognised on projects which originate from the former Urban Business Group or were finalised over two years ago and advisory fees related to public tender offer announced by ÅF in December 2018. In 2017 the adjusted items mainly included restructuring expenses, labour claims customary in one of the Group's country operations and losses recognised on projects originating from the former Urban Business Group or were finalised over two years ago.

The operating result for the period was EUR 54.7 (15.1) million.

Key project and contract wins published during the reporting period

Customer	Assignment	Business group
PT. Indonesia Power, Indonesia	A three-year framework agreement contract for a number of different types of renewable power projects across Indonesia.	Energy
Phu Yen TTP Joint Stock Company, Vietnam	Owner's engineer services assignment for a 257 MWdc Hoa Hoi solar PV power plant project in Phu Yen province, Vietnam.	Energy
Swiss Federal Railway (SBB), Switzerland	Engineering services assignment for the design and execution of the railway infrastructure of Zurich Wipkingen in Switzerland, as part of the engineering consortium 'Wiki'.	Infra, Water and Environment
Panay Energy Development Corporation (PEDC), Philippines	Assignment to complete the Engineering, Procurement, and Construction assignment for the fuel handling system of PEDC's 150 MW circulating fluidized bed (CFB) technology power plant expansion project, located in Panay Island, Iloilo, Philippines.	Energy
Baltania OÜ, Estonia	Engineering, Procurement and Construction Management (EPCM) services for the new Torrefied Pellet Plant project in Vägari, Estonia.	Energy
Gulf Energy Development Co., LTD (GED) and Mitsui & Co. Ltd, Thailand	Technical advisory services assignment for a 2,500 MW project, consisting of four generating units with each having 625 MW generating capacity, in Sriracha District, Chonburi Province, Thailand.	Energy
Boliden Kevitsa Mining Oy, Finland	Project management and engineering services assignment for the production expansion of Boliden's mineral processing plant in Sodankylä, Finland.	Industry
The Saline Water Conversion Company (SWCC), Kingdom of Saudi Arabia	Owner's engineer services assignment for the Shuqaiq Phase 3 Water Transmission System in the Kingdom of Saudi Arabia.	Energy
Biozin Holding AS, Norway	Owner's Engineering Services assignment for the pre-engineering phase for the planned biozin® production plant in Norway.	Industry
Kabel Premium Pulp & Paper GmbH (KPPP), Germany	Detailed engineering services assignment for a new ATMP (Advanced Thermo Mechanical Pulp) plant at Hagen, Germany.	Industry
SunPine AB, Sweden	Engineering, procurement and construction management (EPCM) services assignment for SunPine biorefinery expansion project in Piteå, Sweden.	Industry
UITM Solar Power Dua Sdn Bhd, Malaysia	Owner's engineering (OE) services assignment for a 25 MWac large scale solar photovoltaic power plant project in Malaysia.	Energy
Vattenfall Eldistribution AB, Sweden	A two-year frame agreement covering technical consultancy services within all four required work packages which include local grid, distribution power lines, distribution stations and network operations.	Energy

Group financial result, financing and investments

The net financial items amounted to EUR 3.0 (-3.8) million.

The result before taxes totalled EUR 58.1 (11.8) million.

Income taxes were EUR -11.1 (-6.1) million.

The net result for the period amounted to EUR 47.0 (5.6) million, of which EUR 46.9 million was attributable to equity holders of the parent company and EUR 0.1 million to non-controlling interests.

Diluted earnings per share were EUR 0.75 (0.07).

The consolidated balance sheet amounted to EUR 421.8 (390.1) million. Total equity at the end of the reporting period amounted to EUR 176.4 (129.9) million. Total equity attributable to equity holders of the parent company was EUR 176.3 (129.8) million, or EUR 2.85 (2.09) per share. In November 2015, Pöyry issued EUR 30 million hybrid capital securities, which are treated as equity in the consolidated financial statements. The capital securities have no maturity date, but the company has the right to redeem them after four years from the issue date upon certain conditions.

Return on equity (ROE) amounted to 30.9 (4.5) per cent. Return on investment (ROI) was 34.9 (8.8) per cent.

Group cash and cash equivalents and other liquid assets amounted to EUR 103.5 (50.7) million at the end of the reporting period. In addition to these, the Group had available credit facilities amounting to EUR 75.6 million.

In Q3 2018 Pöyry renewed its financing package with its core banks. As a consequence of the new package Pöyry repaid its existing balance sheet loans and initiated a new revolving credit facility that is available until August 2021. The revolving credit facility is subject to customary covenants.

Net cash flow from operating activities in the reporting period amounted to EUR 114.1 (38.2) million, representing EUR 1.91 per share. In 2018 net cash flow from operating activities resulted mainly from EUR 63.1 (17.6) million cash inflow related to a change in working capital. Net cash flow before financing activities amounted to EUR 111.4 (33.2) million. Net debt at the end of the reporting period was EUR -103.5 (6.1) million. Gearing was -58.7 (4.7) per cent. The equity ratio was 54.0 (39.7) per cent.

During the reporting period, the Group's operating capital expenditures totalled EUR 3.1 (3.3) million. In 2018 there were no investments in shares in group companies (EUR 2.4 million in 2017).

Calculation principles and key figures are presented on the Key figures page of this financial statement release.

Personnel

Employee figures are reported in full time equivalents (FTEs).

Personnel (FTE) by Business Group, at the end of the period	1-12/ 2018	1-12/ 2017	Change, %
Energy	**1,120**	1,054	6.3
Industry	**2,058**	1,911	7.6
Infra, Water and Environment	**1,152**	1,157	-0.5
Management Consulting	**371**	373	-0.4
Unallocated	**145**	141	3.2
Personnel total	**4,846**	4,637	4.5

Personnel (FTE) by geographic area, at the end of the period	1-12/ 2018	1-12/ 2017	Change, %
Nordic countries	**2,032**	1,933	5.1
Other Europe	**1,566**	1,565	0.1
Asia	**698**	594	17.5
North America	**126**	162	-22.2
South America	**425**	382	11.2
Other areas	**0**	1	-100.0
Personnel total	**4,846**	4,637	4.5

Personnel structure

The Group had an average of 4,700 (4,551) employees (FTEs), which was 3.3 per cent more than in the previous year. The number of personnel (FTEs) at the end of the period was 4,846 (4,637). At the end of the reporting period, total number of employees was 5,653 (5,326).

Performance share plan 2017–2022

A separate Company Announcement was issued on 5 May 2017 regarding a share-based incentive plan for the Pöyry Group's key personnel. In order to implement the initial investment relating to the incentive plan, the Board of Directors of Pöyry PLC resolved on 3 August 2017 on two share issues. The first one resulted in 1,771,000 new shares issued to the company itself without payment, as per Stock Exchange Release published on 16 August 2017. The second share issue was directed to the persons entitled to participate in the plan and resulted in a total of 422,191 new shares subscribed and paid for by each participant. The new shares were registered on 14 Sep 2017 as announced in a Stock Exchange Release.

In September 2018, as per the Stock Exchange Release published on 6 September 2018, Pöyry PLC announced a directed share issue without payment relating to reward payment in accordance with a long-term share-based incentive plan. 147,272 treasury shares were subscribed in the share issue.

Subject to closing of the recommended public cash tender offer made by ÅF AB (publ) in December 2018, there will be changes in terms and conditions of the program as specifically decided by the Board of Directors of Pöyry PLC.

More information on the performance share plan is available on the company's website at www.poyry.com and in note 7 of the consolidated financial statements.

Personnel expenses

EUR million	1-12/ 2018	1-12/ 2017	Change, %
Wages and salaries	**262.2**	261.5	0.3
Bonuses	**16.6**	10.7	55.0
Share-based expenses	**2.0**	0.9	113.2
Social expenses	**58.5**	55.4	5.5
Personnel expenses total	**339.3**	328.6	3.2

Significant short-term risks and uncertainties

Economic and political uncertainty continues and the risk of recession persists, particularly in the European market. These circumstances may adversely influence Pöyry's clients' ability to arrange project financing and make investment decisions. More generally, this can slow down the overall business activity and hence impact Pöyry's net sales and profitability. The economic and political crisis in Brazil had a significant impact on the market, including the sectors where Pöyry operates. This had caused Pöyry to downsize its operations to correspond to the market situation in earlier years. If the Brazilian economic and political crisis re-emerges, Pöyry may be required to take further measures to adapt to this situation.

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

As part of the project business, there are occasionally projects facing particular challenges and risks in the context of their execution. In some of these projects, the respective subsidiary companies are involved in disputes and litigations where the outcome and timing of the resolutions are uncertain and could differ from the management's current assessment. There is a distinct management focus on resolving these issues and their evolution is regularly reviewed and assessed in line with the company's risk assessment processes.

In relation to a project contract, which expired in the fourth quarter of 2015, the respective Pöyry subsidiary company is in arbitration proceedings against the client. It is too early to assess the outcome of the proceedings. The project in question is from the former Urban Business Group.

On 10 July 2018, Pöyry published a release related to old legal cases having been settled.

In its Annual review 2016 Pöyry has disclosed the ongoing "Rigesa arbitration". During the first half of 2018 Pöyry reached a settlement with the client. The settlement had a minor negative impact on the first half year operating result and has been reported as an adjustment item in the Industry Business Group. The settlement had a positive cash flow impact on the first half of 2018.

Part of Pöyry's net sales originates from emerging and developing countries, some of which face political and economic challenges. There is a risk that corresponding payment of invoices may be delayed excessively or that the Pöyry Group may experience credit losses. To manage this risk, the company maintains systematic processes for the follow-up and active collection of receivables.

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

Recommended public cash tender offer launched by ÅF

On 10 December 2018 ÅF AB (publ) announced a recommended public cash tender offer for all Pöyry shares with intention to merge ÅF and Pöyry. The tender price is 10.20 EUR per share and is unanimously recommended by Board of Directors of Pöyry. The original tender period was intended to end on 31 January 2019 The completion of the Tender Offer is subject to certain conditions to be fulfilled or waived by ÅF on or by the date of ÅF's announcement of the final result of the Tender Offer, including, amongst others, all necessary regulatory approvals having been received by ÅF and ÅF having obtained more than 90 percent of the Shares and voting rights carried by the Shares. Further information on the recommended public cash tender offer can be found at www.drivinggrowthtogether.com

Events after the reporting period

On 31 January 2019 ÅF AB (publ) extended the tender period to last until 15 February 2019, as all the conditions to the completion had not yet been fulfilled. ÅF will announce the preliminary result of the Tender Offer on or about 18 February 2019 and the final result of the Tender Offer on or about 20 February 2019.

Business Groups

On 9 February 2018 Pöyry announced that it is strengthening its Industry Business Group by consolidating its process engineering know-how and technology competence in Norway and Sweden, renaming its reporting segment 'Regional Operations Business Group' as 'Infra, Water and Environment Business Group'. This change took effect as of 9 February 2018.

Pöyry's financial reporting is based on the following four reporting segments: Management Consulting Business Group; Industry Business Group; Energy Business Group; and Infra, Water and Environment Business Group. Restated figures were published on 12 June 2018.

Energy Business Group

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

	7-12/ 2018	7-12/ 2017	Change, %	1-12/ 2018	1-12/ 2017	Change, %
Order stock, EUR million, at the end of the period	**219.7**	164.9	33.2	**219.7**	164.9	33.2
Sales, EUR million	**81.5**	57.8	41.0	**143.9**	122.1	17.8
Operating result, EUR million	**7.5**	3.9	92.6	**11.6**	7.4	56.5
Operating margin, %	**9.2**	6.7		**8.1**	6.1	
Adjusted operating result, EUR million	**7.5**	3.9	92.6	**11.6**	7.4	56.5
Adjusted operating result, % of net sales	**9.2**	6.7		**8.1**	6.1	
Personnel at the end of period	**1,120**	1,054	6.3	**1,120**	1,054	6.3

July–December 2018

Order intake increased from the previous year mainly due to larger orders in Asia.

Order stock increased by 33.2 per cent and was EUR 219.7 (164.9) million. Order stock includes appr. EUR 21million of EPC-project deliveries.

Net sales increased significantly to EUR 81.5 (57.8) million.

The adjusted operating result increased to EUR 7.5 (3.9) million. There are no adjusted items in 2018 or 2017.

The operating result was EUR 7.5 (3.9) million.

January–December 2018

Order stock was EUR 219.7 (164.9) million.

Net sales increased by 17.8 per cent to EUR 143.9 (122.1) million. They were particularly supported by EPC-project in Philippines and growth in Asia.

The adjusted operating result increased to EUR 11.6 (7.4) million. There are no adjusted items in 2018 or 2017. The operating result was EUR 11.6 (7.4) million.

Industry Business Group

The Industry Business Group provides technical consulting, engineering, project management and implementation services to clients in the areas of process industries and across the entire investment life-cycle. Focus sectors extend from pulp & paper to chemicals & biorefining, metals & mining and food industries. We deliver solutions for complex new investment projects and rebuilds of existing plants.

	7-12/ 2018	7-12/ 2017	Change, %	1-12/ 2018	1-12/ 2017	Change, %
Order stock, EUR million, at the end of the period	**137.5**	105.7	30.0	**137.5**	105.7	30.0
Sales, EUR million	**108.4**	97.8	10.9	**217.0**	199.9	8.6
Operating result, EUR million	**12.7**	7.1	79.8	**23.4**	13.7	71.0
Operating margin, %	**11.7**	7.2		**10.8**	6.9	
Adjusted operating result, EUR million	**13.0**	9.9	30.4	**25.1**	17.9	40.0
Adjusted operating result, % of net sales	**12.0**	10.2		**11.6**	9.0	
Personnel at the end of period	**2,058**	1,911	7.6	**2,058**	1,911	7.6

July–December 2018

Order intake has increased compared to the same period last year.

Order stock increased significantly year-on-year and was EUR 137.5 (105.7) million.

Net sales increased by 10.9 per cent to EUR 108.4 (97.8) million supported by a positive development in especially in Northern Europe but also in other markets.

The adjusted operating result improved to EUR 13.0 (9.9) million. The adjusted items in 2018 included losses related to projects finalised over two years ago, labour claim expenses related to employment claims customary in one of the Group's operating countries as well as restructuring expenses in Latin America. Over the same period in 2017, adjusted items included mostly labour claim expenses related to employment claims customary in one of the Group's operating countries as well as restructuring expenses in Latin America. The operating result increased to EUR 12.7 (7.1) million.

January–December 2018

Order stock increased by 30.0 per cent and was EUR 137.5 (105.7) million.

Net sales increased by 8.6 per cent to EUR 217.0 (199.9) million due to several projects being in implementation phase especially in Northern Europe.

The adjusted operating result improved to EUR 25.1 (17.9) million. The adjusted items in 2018 and 2017 included labour claim expenses related to employment claims customary in one of the Group's operating countries as well as restructuring expenses in Latin America. In 2018 adjustment items included additionally losses related to projects finalised over two years ago. The operating result increased to EUR 23.4 (13.7) million.

Infra, Water and Environment Business Group

Infra, Water and Environment Business Group serves clients with a broad range of services covering engineering and technical advisory, delivered across the transportation, other public infrastructure and water sectors and supported by environmental services. Pöyry's experts have profound local market knowledge, underpinned by global competence. Our extensive local office network is located within easy reach of client's operations.

	7-12/ 2018	7-12/ 2017	Change, %	1-12/ 2018	1-12/ 2017	Change, %
Order stock, EUR million, at the end of the period	**162.6**	159.4	2.0	**162.6**	159.4	2.0
Sales, EUR million	**71.3**	65.4	9.0	**148.9**	136.1	9.4
Operating result, EUR million	**3.6**	-1.7	312.0	**22.6**	-3.0	857.2
Operating margin, %	**5.1**	-2.6		**15.2**	-2.2	
Adjusted operating result, EUR million	**2.1**	2.2	-7.3	**5.9**	3.5	68.1
Adjusted operating result, % of net sales	**2.9**	3.4		**4.0**	2.6	
Personnel at the end of period	**1,152**	1,157	-0.5	**1,152**	1,157	-0.5

July–December 2018

Order intake increased by 39.8 per cent compared to the previous year

Order stock remained stable and amounted to EUR 162.6 (159.4) million.

Net sales increased to EUR 71.3 (65.4) million.

The adjusted operating result remained stable and amounted to EUR 2.1 (2.2) million. The adjusted items in 2018 include mainly profits recognised on projects originating from the former Urban Business Group. Over the same period in 2017, the adjusted items included mostly losses recognised on projects originating from the fromer Urban Business Group as well as losses related to projects finalised over two years ago.

The operating result was EUR 3.6 (-1.7) million.

January–December 2018

Order stock remained stable at EUR 162.6 (159.4) million. It increased in Northern Europe and Central Europe and North America, but decreased in the other regions.

Net sales increased to EUR 148.9 (136.1) million. They declined in Central Europe and North America, but increased accross the other regions.

The adjusted operating result improved to EUR 5.9 (3.5) million. The figure improved in all regions. The adjusted items in 2018 include mainly profits recognised on projects originating from the former Urban Business Group as well as losses related to projects finalised over two years ago and restructuring expenses. Over the same period in 2017, adjusted items included mostly losses recognised on projects originating from the fromer Urban Business Group as well as losses related to projects finalised over two years ago.

The operating result was EUR 22.6 (-3.0) million.

Management Consulting Business Group

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

	7-12/ 2018	7-12/ 2017	Change, %	1-12/ 2018	1-12/ 2017	Change, %
Order stock, EUR million, at the end of the period	**16.5**	18.4	-10.4	**16.5**	18.4	-10.4
Sales, EUR million	**35.5**	35.1	1.2	**70.2**	65.7	7.0
Operating result, EUR million	**6.2**	5.5	11.9	**10.3**	7.1	45.8
Operating margin, %	**17.5**	15.8		**14.7**	10.8	
Adjusted operating result, EUR million	**6.2**	5.7	8.4	**10.3**	7.3	42.2
Adjusted operating result, % of net sales	**17.5**	16.3		**14.7**	11.1	
Personnel at the end of period	**371**	373	-0.4	**371**	373	-0.4

July–December 2018

Order intake remained stable compared to the previous year.

Order stock decreased to EUR 16.5 (18.4) million.

Net sales remained stable and amounted to EUR 35.5 (35.1) million.

The adjusted operating result was EUR 6.2 (5.7) million. The increase is supported by a solid project base across regions and favourable timing of success fees. There are no adjusted items in 2018. In 2017, the adjusted items included restructuring expenses.

The operating result was EUR 6.2 (5.5) million.

January–December 2018

Order stock declined and was EUR 16.5 (18.4) million.

Net sales increased by 7.0 per cent to EUR 70.2 (65.7) million.

The adjusted operating result was EUR 10.3 (7.3) million. There were no adjusted items in 2018. In 2017, the adjusted items included restructuring. The operating result was EUR 10.3 (7.1) million.

Unallocated items

The unallocated items consist of Group level activities as well as parent company expenses which are not charged to the business groups. The Group's parent company is responsible, among other things, for developing the Group's strategy and for supervising its implementation, financing, realising synergistic benefits and general co-ordination of the Group's operations. The parent company charges intra-group royalties and service fees.

During the period, unallocated items decreased the adjusted operating result by EUR -9.7 (-10.1) million and the operating result by EUR -13.3 (-10.1) million. The adjusted items include advisory fees related to the recommended public cash tender offer made by ÅF in December 2018.

Governance

Annual General Meeting 2018

The Annual General Meeting ("AGM") of Pöyry PLC was held on 8 March 2018. The AGM adopted Pöyry PLC's annual accounts and granted the members of the Board of Directors and the President and CEO of the company discharge from liability for the financial period 1 January to 31 December 2017.

The AGM decided that a dividend of EUR 0.05 per share be distributed for the financial year 2017. The dividend was paid on 19 March 2018.

The AGM decided that the Board of Directors consists of four (4) ordinary members. The AGM elected the following members to the Board of Directors: Helene Biström, Henrik Ehrnrooth, Michael Rosenlew and Teuvo Salminen.

The AGM decided that the annual fees of the members of the Board of Directors be EUR 45,000 for a member, EUR 55,000 for the Vice Chairman and EUR 65,000 for the Chairman of the Board, and the annual fee of the members of the committees of the Board of Directors be EUR 15,000. In addition, the AGM resolved on an additional fee of 15,000 euros per annum for each of the foreign residents of the Board of Directors as well as on an additional fee of 5,000 euros per annum for the foreign residents of the committees of the Board of Directors. Travel expenses will be compensated according to the Company's Travel Policy.

It was further resolved that the fees payable to the members of the Board of Directors, based on membership in the Board of Directors and in the committees of the Board of Directors, will be paid, as chosen by each member of the Board of Directors, either 1) partially in Pöyry PLC shares and partially in cash, or 2) fully in cash. In case of a share payment, the shares will be acquired from the stock exchange on the Board member's behalf within two weeks of the publication of the Business review January - March 2018. If the shares cannot be purchased during the above mentioned period due to the applicable insider regulations, the shares shall be purchased as soon as it is possible in accordance with the insider regulations. The fees payable in cash shall be paid no later than 31 May 2018. The company will pay any costs and transfer tax related to the acquisition of the company shares.

At its assembly meeting immediately following the AGM, the Board of Directors elected Henrik Ehrnrooth as Chairman and Teuvo Salminen as Vice Chairman. Teuvo Salminen (Chairman) and Helene Biström were elected as members of the Audit

Committee. Michael Rosenlew (Chairman) and Henrik Ehrnrooth were elected as members of the Nomination and Compensation Committee.

PricewaterhouseCoopers Oy continues as Pöyry PLC's auditor based on the resolution made in the AGM on 8 March 2012. PricewaterhouseCoopers Oy has appointed Merja Lindh, Authorised Public Accountant, as the auditor in charge.

The decisions made by the AGM of Pöyry PLC on 8 March 2018 are available in full on the company's website at www.poyry.com.

Authorisations of the Board of Directors

In the AGM on 8 March 2018, the Board of Directors was authorised to decide on the issuance of new shares and special rights entitling to shares, as well as to convey the company's own shares held by the company in one or more tranches. The share issue can be carried out as a share issue against payment or without consideration on terms to be determined by the Board of Directors and in relation to a share issue against payment at a price to be determined by the Board of Directors. A maximum of 6,100,000 new shares can be issued. A maximum of 6,100,000 own shares held by the company can be conveyed. The authorisation comprises a right to deviate from the shareholders' pre-emptive subscription right. Furthermore, the authorisation includes the right to decide on a share issue without consideration to the company itself so that the amount of own shares held by the company after the share issue is a maximum of one tenth (1/10) of all shares in the company. The Board of Directors is authorised to resolve on all other terms and conditions regarding the issuance of shares and special rights entitling to shares. The authorisation shall be in force for 18 months from the decision of the AGM. The authorisation granted by the previous AGM regarding issuing of shares expired simultaneously.

The Board of Directors was also authorised to decide on the acquisition of up to 6,100,000 own shares of the company in one or more tranches by using distributable funds. The shares may be acquired either through public trading, in which case the shares would be acquired in another proportion than that of the current shareholders, or by public offer at market prices at the time of purchase. The Board of Directors is authorised to resolve on all other terms and conditions regarding the acquisition of own shares. The authorisation shall be in force for 18 months from the decision of the AGM.

The decisions made by the AGM of Pöyry PLC on 8 March 2018 relating to the authorisations of the Board of Directors are available in full on the company's website at www.poyry.com.

Group Executive Committee

The Group Executive Committee of Pöyry PLC consists of five (5) members. Dorien Terpstra joined the Group Executive Committee as Executive Vice President, Head of Strategy and Transformation as of 8 January 2018.

The members of Pöyry PLC's Group Executive Committee are:

- **Martin à Porta**, President and CEO, President Management Consulting Business Group (acting)
- **Richard Pinnock**, Executive Vice President, President Energy Business Group
- **Nicholas Oksanen**, Executive Vice President, President Industry Business Group
- **Juuso Pajunen**, Executive Vice President, Chief Financial Officer
- **Dorien Terpstra**, Executive Vice President, Head of Strategy and Transformation (Digitalisation)

All the Group Executive Committee members and the Presidents of Infra, Water and Environment Business Group (Northern Europe, Germany, Switzerland, Austria and North America) report to the President and CEO, Martin à Porta.

Shares

The share capital of Pöyry PLC at 31 December 2018 totalled EUR 14,588,478 and the total number of shares including treasury shares was 61,952,801.

On 31 December 2018, Pöyry PLC held a total of 2,042,783 own shares, which corresponds to 3.3 per cent of the total number of shares.

The closing price of Pöyry's shares on 31 December 2018 was EUR 10.40 (4.84). The volume weighted average share price during the reporting period was EUR 8.91 (4.24), the highest quotation being EUR 10.40 (5.68) and the lowest EUR 4.79 (3.04). The share price increased by 114.70 per cent since the end of 2017. During the reporting period, approximately 15.2 million Pöyry shares were traded at Nasdaq Helsinki, corresponding to a turnover of approximately EUR 135.0 million. The average daily trading volume was 60.668 shares, or approximately EUR 0.5 million.

On 31 December 2018, the total market value of Pöyry's shares was EUR 623.1 (289.5) million excluding the treasury shares held by the company and EUR 644.3 (300.1) million including the treasury shares.

In May 2017, Pöyry's Board of Directors resolved on a new long-term share-based incentive plan targeted to the top management and key personnel of the company, as per Stock Exchange Release published on 5 May 2017. At this stage, the share-based incentive plan covers 9 participants. New participants may join the incentive plan if decided by the Board of Directors. The maximum amount of participants in the incentive plan is 15. In order to implement the initial investment relating to the incentive plan, Pöyry’s Board of Directors resolved on 3 August 2017 on a share issue directed to the persons entitled to participate in the plan. The share subscription price for the new shares to be paid by each of the participants was 90% of the trade volume weighted average quotation of the share on Nasdaq Helsinki Ltd on 8 August 2017, i.e. EUR 4.491 per share. The share subscription period ended on 14 August 2017. The total number of 422,191 new shares were subscribed and paid for in the share issue.

In addition, Pöyry’s Board of Directors resolved on 3 August 2017 on the issuance of 1,771,000 new shares to the company itself without payment. In the future, the company may use these shares, inter alia, in order to strengthen the company’s capital structure, to broaden the company’s ownership, to be used as payment in corporate acquisitions or when the company acquires assets relating to its business and as part of the company’s incentive programs.

In September 2018, as per the Stock Exchange Release published on 6 September 2018, Pöyry PLC announced a directed share issue without payment relating to reward payment in accordance with a long-term share-based incentive plan. 147,272 treasury shares were subscribed in the share issue.

The total number of the company’s shares after the directed share issue without payment in September 2018 is 61,952,801 and the total number of treasury shares is 2,042,783.

Ownership structure

The number of registered shareholders was 4,135 at the end of December 2018 compared to 4,908 shareholders at the end of 2017.

Corbis S.A. remained the largest shareholder with 33.0 per cent ownership of the total shares. The Chairman of the Board of Directors of Pöyry, Henrik Ehrnrooth, together with his brothers Georg Ehrnrooth and Carl-Gustaf Ehrnrooth, indirectly hold a controlling interest in Corbis S.A.

At the end of the reporting period, a total of 26.83 per cent of the shares were owned by nominee-registered shareholders. Total ownership outside Finland, including Corbis, together with nominee-registered shareholders represented 60.27 per cent of the total shares.

ÅF AB (publ) (the "Offeror") and Pöyry have on 10 December 2018 entered into a combination agreement pursuant to which the Offeror will make a voluntary recommended public cash tender offer to purchase all issued and outstanding shares in Pöyry (the "Tender Offer"). The Tender Offer was announced on 10 December 2018. Pursuant to such announcement, the Offeror reserved the right to buy shares in Pöyry before, during and/or after the offer period in public trading on Nasdaq Helsinki Ltd or otherwise. Pursuant to such share purchases, the Offeror's direct holding in Pöyry has increased to 10.07 percent. The disclosures under Chapter 9, Section 5 of the Securities Market Act were received by Pöyry on 11 December 2018 (threshold of 5 percent) and on 14 December 2018 (threshold of 10 percent). In its stock exchange release on 19 December 2018, ÅF AB (publ) has announced having received irrevocable undertakings from shareholders and members of the senior management of Pöyry representing 61.5 percent of the outstanding shares. The total ÅF’s ownership in Pöyry 6,271,527 shares (including unsettled shares) and the irrecovable undertakings to accept the Tender Offer represent a total of 72.0 percent of Pöyry’s outstanding shares.

On 12 December 2018 Pöyry received a disclosure under Chapter 9, Section 5 of the Securities Market Act, according to which the holdings of Sand Grove Capital Management LLP in Pöyry's shares had exceeded the threshold of 5 percent as a results of share purchases concluded on 11 December 2018. After the share purchases, Sand Grove Capital Management LLP (through Sand Grove Opportunities Master Fund Ltd and Sand Grove Tactical Fund LP) owns indirectly 4,253,728 Pöyry shares.

Financial calendar

Pöyry PLC will publish its financial information in 2019 as follows:

- Financial statement release 2018: Thursday 7 February 2019
- Annual Review 2018: Thursday 14 February 2019 at the latest
- Business review January - March 2019: Thursday 25 April 2019
- Half year financial report January - June 2019: Thursday 8 August 2019
- Business review January - September 2019: Thursday 24 October 2019

The Annual General Meeting is planned to be held on Thursday 7 March 2019. Pöyry's Board of Directors will summon the meeting separately.

Board of Directors' proposal for disposal of distributable funds

The Group's parent company Pöyry PLC's net result for 2018 amounted to EUR 13,260,757.70 and retained earnings were EUR 43,344,933.21. The total distributable earnings were EUR 56,605,690.91. The Board of Directors proposes to the Annual General Meeting that the Board of Directors be authorized to decide at its discretion on the distribution of dividends so that the total amount of the dividend distribution based on this authorization shall not exceed EUR 0.35 per share. The authorization would be valid until the opening of the next Annual General Meeting.

In case the Board of Directors will resolve to use the authorisation, the company shall publish a separate announcement on the amount as well as record date and payment date for the distribution. The Board of Directors have resolved not to use the authorisation should the pending tender offer for the shares of Pöyry PLC be carried out by ÅF AB (publ).

Financial outlook for 2019

In connection to the recommended public cash tender offer announced on 10 December 2018, Pöyry published information on its guidance for 2019. Pöyry reiterates the guidance given.

"The Group's adjusted operating result is expected to improve (2018: 43.2 MEUR)."

The guidance is based on current order stock level and market outlook in general.

The guidance has been prepared on a standalone basis, and it therefore does not take into account the effect that the completion of the planned combination of ÅF and Pöyry through the tender offer would have on Pöyry's financial outlook.

Vantaa, 6 February 2019

Pöyry PLC
Board of Directors

Basis of preparation and accounting policies

This half year financial report has been prepared in accordance with IAS 34 following the same accounting principles as in the annual financial statements for 2017.

All figures in the accounts have been rounded and consequently, the totals of individual figures can deviate from the presented total figure.

The annual figures in this financial statement release are audited.

New IFRS standards applied as of 1 January 2018

Since January 2018, Pöyry applies two new IFRS standards: IFRS 9, Financial instruments and IFRS 15, Revenue from contracts with customers.

IFRS 9, Financial instruments, has been applied as of 1 January 2018. The major part of group financial assets being classified at fair value through profit and loss, the application of IFRS 9 does not have significant impact on classification of financial assets. The group applies simplified provision matrix approach for impairment of trade receivables. The application of provision matrix does not have a significant impact on impairment of trade receivables. Comparative figures for 2017 have not been restated.

IFRS 15, Revenue from contracts with customers, has been applied as of 1 January 2018 and implemented using the full retrospective approach. The new standard is applied to contracts that are not completed as of the date of initial application. Due to the nature of Pöyry's engineering and consulting services, the new standard does not have significant influence on revenue recognition principles. Pöyry continues to recognize revenue over time in Energy, Industry and Infra, Water and Environment Business Groups. Management Consulting Business Group will continue to recognize part of its revenue at point-in-time. No adjustments to comparative figures in opening balances or income statement items of 2017 have been made since there are no changes in timing or amount of revenue recognition.

Statement of comprehensive income

EUR million	7-12/ 2018	7-12/ 2017	1-12/ 2018	1-12/ 2017
Net sales	**296.9**	255.1	**579.5**	522.3
Other operating income	**0.3**	0.4	**1.2**	0.6
Materials and supplies	**-12.1**	0.0	**-15.4**	-0.1
External charges, subconsulting	**-32.9**	-25.3	**-55.1**	-48.1
Personnel expenses	**-165.2**	-154.2	**-339.3**	-328.6
Depreciation and impairment	**-2.2**	-2.1	**-4.3**	-4.4
Other operating expenses	**-63.0**	-62.4	**-111.8**	-126.7
Operating expenses total	**-275.5**	-244.1	**-526.0**	-507.9
Operating result	**21.7**	11.4	**54.7**	15.1
Proportion of net sales, %	**7.3**	4.5	**9.4**	2.9
Financial income	**1.2**	0.8	**8.2**	1.7
Financial expenses	**-2.6**	-2.8	**-4.9**	-5.6
Exchange rate differences	**-0.3**	0.0	**-0.4**	0.1
Net financial items	**-1.8**	-2.0	**3.0**	-3.8
Share of associated companies' results	**0.2**	0.2	**0.4**	0.5
Result before taxes	**20.2**	9.6	**58.1**	11.8
Proportion of net sales, %	**6.8**	3.7	**10.0**	2.3
Income taxes	**-1.9**	-4.2	**-11.1**	-6.1
Net result for the period	**18.3**	5.4	**47.0**	5.6
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements of net defined benefit pension obligation	**2.3**	7.5	**3.1**	21.1
Income tax relating to these items	**-0.5**	-1.6	**-0.7**	-4.3
Items that may be reclassified to profit or loss				
Translation differences	**2.1**	-5.0	**-0.3**	-10.2
Total comprehensive income for the period	**22.2**	6.3	**49.1**	12.2
Net result attributable to:				
Owners of the parent company	**18.3**	5.5	**46.9**	5.7
Non-controlling interest	**0.0**	-0.1	**0.1**	0.0
Total comprehensive income attributable to:				
Owners of the parent company	**22.2**	6.4	**49.0**	12.3
Non-controlling interest	**0.0**	-0.1	**0.1**	0.0
Earnings/share, EUR	**0.29**	0.08	**0.75**	0.07
Corrected with dilution effect	**0.29**	0.08	**0.75**	0.07

The application of IFRS 9 and IFRS 15 do not have significant influence on comparative figures. No adjustments to comparative figures or opening balances have been made.

Statement of financial position

Assets, EUR million	31 Dec 2018	31 Dec 2017
Non-current assets		
Goodwill	**118.7**	118.9
Intangible assets	**5.6**	7.0
Tangible assets	**6.1**	6.0
Shares in associated companies and joint ventures	**2.2**	2.1
Other non-current investments	**0.8**	0.6
Deferred tax assets	**22.8**	27.1
Pension receivables	**0.0**	0.1
Other	**2.8**	3.4
	158.9	165.1
Current assets		
Work in progress	**33.7**	43.7
Accounts receivable	**103.0**	106.3
Other receivables	**10.7**	9.5
Prepaid expenses and accrued income	**9.0**	11.0
Current tax receivables	**3.0**	3.7
Cash and cash equivalents	**103.5**	50.7
	262.9	225.0
Total assets	**421.8**	390.1

Equity and liabilities, EUR million	31 Dec 2018	31 Dec 2017
Equity		
Equity attributable to the owners of the parent company		
Share capital	**14.6**	14.6
Invested free equity reserve	**62.0**	62.0
Hybrid bond	**30.0**	30.0
Translation differences	**-21.0**	-20.7
Retained earnings	**90.7**	43.9
	176.3	129.8
Non-controlling interest	**0.1**	0.1
Total equity	**176.4**	129.9
Non-current liabilities		
Interest bearing non-current liabilities		30.0
Pension obligations	**15.9**	18.8
Deferred tax liabilities	**0.4**	0.2
Other non-current liabilities	**0.0**	0.0
	16.3	49.0
Current liabilities		
Amortisations of interest bearing non-current liabilities		0.0
Commercial papers		26.8
Interest bearing current liabilities	**0.0**	0.0
Provisions	**10.8**	14.8
Project advances	**95.2**	62.9
Accounts payable	**15.1**	18.5
Other current liabilities	**25.9**	24.9
Current tax payables	**6.2**	5.3
Accrued expenses and deferred income	**75.8**	58.0
	229.1	211.3
Total equity and liabilities	**421.8**	390.1

The application of IFRS 9 and IFRS 15 do not have significant influence on comparative figures. No adjustments to comparative figures or opening balances have been made.

Statement of cash flows

EUR million	7-12/ 2018	7-12/ 2017	1-12/ 2018	1-12/ 2017
Operating activities				
Net result for the period	**18.3**	5.4	**47.0**	5.6
Adjustments:				
Share-based expenses	**0.7**	0.9	**2.0**	0.9
Depreciation and impairment	**2.2**	2.1	**4.3**	4.4
Impairment losses from accounts receivable and work in progress	**0.9**	2.6	**-4.6**	4.5
Gains (-) / losses (+) on sales of shares and fixed assets	**-0.3**	0.2	**-0.2**	0.2
Financial income and expenses	**1.8**	2.0	**-3.0**	3.8
Income taxes	**2.1**	4.2	**11.1**	6.1
Changes in working capital:				
Change in work in progress	**23.4**	13.2	**11.5**	9.8
Change in accounts receivable	**8.0**	-3.4	**5.7**	-6.6
Change in project advances received	**13.1**	9.6	**32.0**	7.6
Change in accounts payable	**2.7**	4.4	**-3.3**	-1.3
Change in other receivables and payables	**6.6**	1.6	**17.2**	8.1
Paid income taxes	**-2.7**	-2.8	**-5.6**	-5.0
Net cash flow from operating activities	**76.8**	40.1	**114.1**	38.2
Investing activities				
Investments in group companies	**0.0**	-2.4	**0.0**	-2.4
Investments in fixed assets	**-2.1**	-1.5	**-3.4**	-3.3
Sale of other fixed assets	**0.1**	0.2	**0.3**	0.3
Received dividends	**0.4**	0.0	**0.4**	0.5
Net cash flow from investing activities	**-1.7**	-3.8	**-2.6**	-5.0
Net cash before financing	**75.1**	36.3	**111.4**	33.2
Financing activities				
New loans		30.0		30.0
Repayments of loans	**-30.0**	-31.0	**-30.0**	-32.0
Change in current financing	**-10.5**	-14.8	**-27.2**	-22.2
Hybrid bond interest and expenses	**-2.3**	-2.3	**-2.3**	-2.3
Received financial income	**7.5**	0.8	**8.2**	1.5
Paid financial expenses	**-2.6**	-2.5	**-4.8**	-4.9
Paid dividends	**0.0**	0.0	**-3.0**	0.0
Directed share issue related to share-based incentive plan		1.9		1.9
Net cash flow from financing activities	**-37.8**	-17.9	**-59.0**	-28.0
Change in cash and cash equivalents and in other liquid assets	**37.3**	18.4	**52.5**	5.2
Cash and cash equivalents and other liquid assets at the beginning of the period	**64.7**	34.9	**50.7**	49.3
Effect of changes in exchange rates	**1.5**	-2.6	**0.3**	-3.7
Cash and cash equivalents and other liquid assets at the end of the period	**103.5**	50.7	**103.5**	50.7
Cash and cash equivalents	**103.5**	50.7	**103.5**	50.7
Cash and cash equivalents and other liquid assets	**103.5**	50.7	**103.5**	50.7

Statement of changes in equity

EUR million	Share capital	Invested free equity reserve	Hybrid bond	Trans-lation diffe-rences	Retained earnings	Equity attributable to the own-ers of the paren company	Non-controlling interest	Total equity
1-12/2018								
Equity 1 January 2018	14.6	62.0	30.0	-20.7	43.9	129.8	0.1	129.9
Net result for the period					46.9	46.9	0.1	47.0
Other comprehensive income for the period				-0.3	2.4	2.1	0.0	2.1
Total comprehensive income for the period				-0.3	49.4	49.0	0.1	49.1
Hybrid bond interest					-1.8	-1.8		-1.8
Dividend distribution					-3.0	-3.0	0.0	-3.0
Share-based payments					2.2	2.2		2.2
Total contributions by and distributions to owners of the parent, recognised directly into equity					-2.6	-2.6	0.0	-2.6
Equity 31 December 2018	**14.6**	**62.0**	**30.0**	**-21.0**	**90.7**	**176.3**	**0.1**	**176.4**
1-12/2017								
Equity 1 January 2017	14.6	60.1	30.0	-10.5	22.7	116.9	1.4	118.3
Net result for the period					5.7	5.7	0.0	5.6
Other comprehensive income for the period				-10.2	16.8	6.6	0.0	6.6
Total comprehensive income for the period				-10.2	22.4	12.3	0.0	12.2
Hybrid bond interest					-1.8	-1.8		-1.8
Dividend distribution					0.0	0.0	0.0	0.0
Purchase of minority shares							-1.2	-1.2
Directed share issue		1.9				1.9		1.9
Share-based payments					0.5	0.5		0.5
Total contributions by and distributions to owners of the parent, recognised directly into equity		1.9			-1.3	0.6	-1.2	-0.6
Equity 31 December 2017	14.6	62.0	30.0	-20.7	43.9	129.8	0.1	129.9

Key figures

	7-12/ 2018	7-12/ 2017	1-12/ 2018	1-12/ 2017
Earnings/share, EUR	**0.29**	0.08	**0.75**	0.07
Corrected with dilution effect	**0.29**	0.08	**0.75**	0.07
Earnings/share, adjusted, EUR	**0.33**	0.16	**0.56**	0.25
Shareholders' equity/share, EUR			**2.85**	2.09
Return on investment, %			**34.9**	8.8
Return on equity, %			**30.9**	4.5
Equity ratio, %			**54.0**	39.7
Net debt/equity ratio (gearing), %			**-58.7**	4.7
Net debt, EUR million			**-103.5**	6.1
Consulting and engineering, EUR million			**515.0**	448.3
EPC, EUR million			**21.3**	0.3
Order stock total, EUR million			**536.3**	448.5
Capital expenditure, operating, EUR million	**2.1**	1.5	**3.4**	3.3
Capital expenditure, shares, EUR million		2.4		2.4
Personnel in group companies on average			**4,700**	4,551
Personnel in group companies at end of period			**4,846**	4,637

Calculation of key figures

Return on investment, ROI %

$$\frac{\text{result before taxes + interest and other financial expenses}}{\text{balance sheet total - non-interest bearing liabilities (quarterly average)}} \times 100$$

Return on equity, ROE %

$$\frac{\text{net result}}{\text{equity (quarterly average)}} \times 100$$

Equity ratio %

$$\frac{\text{equity}}{\text{balance sheet total - advance payments received}} \times 100$$

Net debt/equity ratio, gearing %

$$\frac{\text{interest-bearing liabilities - cash and cash equivalents}}{\text{equity}} \times 100$$

Earnings/share, EPS

$$\frac{\text{net result attributable to the owners of the parent company - accrual basis interest of hybrid bonds adjusted with tax effect}}{\text{issue-adjusted average number of shares for the fiscal year}}$$

Earnings/share, adjusted

$$\frac{\text{net result attributable to the owners of the parent company - accrual basis interest of hybrid bonds adjusted with tax effect + adjustment items used in calculating the adjusted operating result}}{\text{issue-adjusted average number of outstanding shares for the fiscal year, corrected with dilution effect}}$$

Equity attributable to the equity holders of the parent company / share

$$\frac{\text{equity attributable to the equity holders of the parent company}}{\text{issue-adjusted number of shares at the end of the fiscal year}}$$

Contingent liabilities

EUR million	31 Dec 2018	31 Dec 2017
Other own obligations		
Other obligations	**0.4**	0.3
Accrued interest on hybrid bond	**0.2**	0.2
Project and other guarantees	**43.8**	39.1
Total	**44.4**	39.6
For others		
Pledged assets	**0.1**	0.1
Other obligations	**0.0**	
Total	**0.1**	0.1
Rent and lease obligations	**104.5**	112.1

Project and other guarantees
Project guarantees are normal undertakings related to project business, for example bid bonds or performance guarantees.

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

Claims and litigation
Given the nature of Pöyry's operations, claims are made against Group companies from time to time based on various grounds, which sometimes result in litigation or arbitration. Occasionally also Pöyry needs to initiate legal proceedings in order to collect receivables.

Litigations and arbitrations of material value

Sino-Forest Corporation related litigations
In 2011 three competing class proceedings of material value were commenced in Ontario, Canada against Pöyry's subsidiary companies along with other defendants concerning matters relating to Sino-Forest Corporation ("SFC"). Only one of these competing class proceedings was allowed to proceed by the Ontario court (the "Ontario Proceeding"), the others were stayed. The Ontario Proceeding only named one Pöyry subsidiary company as a defendant. A parallel proceeding was commenced in Quebec, Canada involving the same Pöyry subsidiary company (together with the Ontario Proceeding, the "Canadian SFC Litigation").
During the first reporting period of 2012, the Pöyry subsidiary company named as a defendant in the Ontario Proceeding concluded a settlement agreement with the plaintiffs concerning the Canadian SFC Litigation (the "Settlement Agreement"), which was subsequently approved by the Ontario and Quebec courts in the third and fourth reporting periods of 2012, respectively.
In the fourth reporting period of 2012, the Pöyry subsidiary company named as a defendant in the Ontario Proceeding was also added as a defendant to an existing class action previously commenced against SFC and others in the State of New York of the USA (the "US SFC Litigation"). The allegations pleaded are similar to those in the Canadian SFC Litigation. There have been no material developments in the US SFC Litigation since the above-referenced addition of the Pöyry subsidiary company as a defendant.
A 'Litigation Trust' was created by way of the SFC insolvency proceedings in December 2012 to pursue certain claims that SFC and/or its noteholders had at that time. Commencing in the last reporting period of 2013, proceedings in various jurisdictions were issued by the Litigation Trust against, inter alia, certain of Pöyry's subsidiary companies that had provided consulting services to SFC. While Pöyry's legal advisors in those jurisdictions are of the view that these proceedings are without merit, it is premature to assess the outcome of these proceedings.

Rigesa arbitration
In 2013 Pöyry Tecnologia Ltda. and Pöyry Soluções em Projectos Ltda., subsidiary companies of Pöyry, commenced arbitration proceedings against Rigesa Celulose, Papel e Embalagens Ltda. ("Rigesa") in Brazil regarding the payment of certain change orders and other claims in relation to project deliveries of the said subsidiary companies to Rigesa. Rigesa has since commenced counter proceedings against the said Pöyry subsidiary companies in relation to the same project. The two arbitration proceedings have been combined into one proceeding (together the "Rigesa arbitration"). During the first half year of 2018 Pöyry reached a settlement with the client. The settlement had a negative impact on the first half year operating result and has been reported as an adjustment item in the Industry Business Group. The settlement had a positive cash flow impact on the first half year of 2018.

Metro Lima Line No 1 – Contraloria litigations

The Office of the Comptroller General of the Republic of Peru ("Contraloria") has commenced several proceedings, together with a material value, against the Consortium CESEL-PÖYRY ("Consortium") and some of the employees of the participating companies concerning certain aspects of the site supervision services provided by the Consortium to its public sector client, Autonomous Authority of the Electric Mass Transportation System of Lima – Callao ("AATE"). Pöyry Switzerland Ltd. is a party to the Consortium. The services of the Consortium ended in 2013 and have been approved by the client AATE. While Pöyry's legal advisors in Peru are of the view that these proceedings are without merit, it is premature to assess the outcome of these proceedings.

Apart from the above referred legal proceedings, the risk related to the individual claims and litigations where Group companies are involved is, on balance, not considered material on the Group level, taking into consideration the value and basis of these claims and litigations, the contractual terms and conditions and expert opinions applicable to these claims and litigations, the extent of Pöyry's business operations and insurance cover of the Group companies. There are, however, always uncertainties related to the outcome of litigation and arbitration proceedings.

Labour legislation in one of the Pöyry's country operations

There are some uncertainties relating to the interpretation of labour legislation in one of the countries where Pöyry operates. Unexpected negative interpretations by authorities and court decisions could have a harmful impact on the local subsidiary companies' business, financial position and results. While Pöyry's labour law advisors in the country in question support Pöyry's views on the interpretation matter, it is not possible to assess at this time further risk associated with this.

Derivative instruments

EUR million	31 Dec 2018	31 Dec 2017
Foreign exchange forward contracts		
Nominal value	**76.4**	43.7
Fair value, gains	**0.8**	0.4
Fair value, losses	**-0.7**	-0.5
Fair value, net	**0.1**	-0.2
Fair value hedge accounting		
Nominal value	**42.4**	33.8
Fair value, gains	**0.8**	1.3
Fair value, losses	**-1.0**	-0.6
Fair value, net	**-0.2**	0.7
Foreign exchange option contracts		
Purchased, nominal value	**8.0**	8.6
Purchased, gains	**0.0**	0.0
Purchased, losses	**0.0**	0.0
Purchased, net	**0.0**	0.0
Sold, nominal value	**9.5**	14.1
Sold, gains	**0.0**	0.0
Sold, losses	**0.0**	0.0
Sold, net	**0.0**	0.0
Foreign exchange options, net	**0.0**	0.0

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

The fair value of the foreign exchange derivative contracts is specified by closing date fair values for the corresponding maturities of the agreements. Derivatives in hedge accounting are effective. The fair values of the interest rate swaps have been specified by the present values of the future cash flows which are based on the closing date's interest rates and other information, excluding the accrued interest and exchange rate difference. The fair values represent the prices which the Group should pay or receive if it terminated the derivative agreement, and the fair values are based on banks' confirmations as well as reports produced by the treasury management system. Derivative instruments have not been set off in the financial statements but all belong to master netting agreements agreed with external counterparties.

The impact of the hedging instruments (derivatives) and hedged items on the statement of financial position as at 31 December 2018 is as follows:

EUR million	2018	2017
Notional amount	**42.4**	33.8
Hedging instruments carrying amount asset	**0.8**	1.3
Hedging instruments carrying amount liability	**-1.0**	-0.6
Maturity date	**2019-20**	2018-20
Hedge ratio	**1:1**	1:1
Change in spot value of outstanding hedging instruments since 1 January	**-0.5**	0.8
Change in value of hedged item used to	**0.5**	-0.8

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

EUR million	2018			2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets at fair value						
Financial assets, shares			**0.5**			0.4
Derivatives in hedge accounting		**0.8**			1.3	
Derivatives no hedge accounting		**0.9**			0.4	
Total financial assets at fair value		**1.7**	**0.5**		1.7	
Financial liabilities at fair value						
Derivatives in hedge accounting		**1.0**			0.6	
Derivatives no hedge accounting		**0.8**			0.6	
Total financial liabilities at fair value		**1.7**			1.2	

EUR million	2018	2017
Carrying amount of unlisted shares 1 January	**0.4**	0.6
Sales of shares	**-0.1**	-0.2
Purchase of shares	**0.3**	0.0
Carrying amount of unlisted shares 31 December	**0.5**	0.4

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

Level 2 fair values of financial instruments that are not traded in an active market (for example OTC-derivatives) are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. The following techniques can be used to value financial instruments:
- Quoted market prices or dealer quotes for similar instruments
- Interest rate swaps: the present value of the estimated future cash flows based on observable yield curves
- Foreign exchange forward contracts: discounting back to present value based on forward rates at the balance sheet date
- Other financial instruments: for example discounted cash flow analysis

Level 3 fair values are measured using valuation techniques based on unquoted parameter inputs.
During the reporting period there were no transfers between levels 1, 2 and 3.

Financial assets and liabilities

2018 EUR Million	Amortized cost	FVPL	Fair value hedge accounting	Carrying amount of balance sheet items	Fair value
Non-current financial assets					
Financial assets, shares		**0.5**		**0.5**	**0.5**
Loan receivable	**0.3**			**0.3**	**0.3**
Trade receivable	**1.2**			**1.2**	**1.2**
Other receivable	**1.6**			**1.6**	**1.6**
Derivatives			**0.2**	**0.2**	**0.2**
Current financial assets					
Loan receivable	**0.3**			**0.3**	**0.3**
Trade receivable	**103.0**			**103.0**	**103.0**
Other receivable	**3.0**			**3.0**	**3.0**
Derivatives		**0.9**	**0.5**	**1.4**	**1.4**
Cash and cash equivalents	**103.5**			**103.5**	**103.5**
Carrying amount by measurement category	**212.9**	**1.4**	**0.8**	**215.1**	**215.1**
Non-current financial liabilities					
Derivatives			**0.4**	**0.4**	**0.4**
Current financial liabilities					
Accounts payable	**15.1**			**15.1**	**15.1**
Derivatives		**0.8**	**0.6**	**1.4**	**1.4**
Carrying amount by measurement category	**15.1**	**0.8**	**1.0**	**16.9**	**16.9**

2017 EUR Million	Amortized cost	FVPL	Fair value hedge accounting	Carrying amount of balance sheet items	Fair value
Non-current financial assets					
Financial assets, shares		0.4			
Loan receivable	0.3			0.3	0.3
Trade receivable	1.1			1.1	1.1
Other receivable	2.2			2.2	2.2
Derivatives			0.6	0.6	0.6
Current financial assets					
Trade receivable	106.3			106.3	106.3
Other receivable	2.6			2.6	2.6
Derivatives		0.4	0.7	1.1	1.1
Cash and cash equivalents [1)]	50.7			50.7	50.7
Carrying amount by measurement category	163.2	0.8	1.3	164.9	164.9
Non-current financial liabilities					
Derivatives			0.4	0.4	0.4
Current financial liabilities					
Interest bearing liabilities	56.8			56.8	56.8
Accounts payable	18.5			18.5	18.5
Derivatives		0.6	0.2	0.8	0.8
Carrying amount by measurement category	75.3	0.6	0.6	76.5	76.5

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

The shares include unquoted shares at fair value. Due to the lack of verifiable market prices, valuation based on amortized cost is the closest to fair value.

[1)] Cash and cash equivalents include current account balances which belong to a multi-currency notional cash pool operated by Pöyry PLC. For reporting purposes the account balances of this cash pool can be offset if the conditions of "IAS 32 Financial Instruments: Presentation" are met. The Group met these conditions and at 31 December 2018 EUR 35.9 (35.2) million of the cash balances and equivalent amount of the overdraft balances were offset. In addition, cash and cash equivalents include investments of EUR 1.0 (0.0) million in commercial papers.

Related party transactions

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

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

Salaries, bonuses and other short-term employee benefits to the Board of Directors, the President and CEO and the members of the Group Executive Committee in 2018 were EUR 4.4 million (EUR 3.5 million in 2017).

Shareholdings

The members of the Board of Directors, the President and CEO and the members of the Group Executive Committee owned on 31 December 2018 a total of 783,612 shares (on 31 December 2017 a total of 635,787 shares).

Performance share plan 2017-2022

A separate Company Announcement was issued on 5 May 2017 regarding a share-based incentive plan for the Pöyry Group's key personnel. In order to implement the initial investment relating to the incentive plan, the Board of Directors of Pöyry PLC resolved on 3 August 2017 on two share issues. The first one resulted in 1,771,000 new shares issued to the company itself without payment, as per Stock Exchange Release published on 16 August 2017. The second share issue was directed to the persons entitled to participate in the plan and resulted in a total of 422,191 new shares subscribed and paid for by each participant. The new shares were registered on 14 Sep 2017 as announced in a Stock Exchange Release.

In September 2018, as per the Stock Exchange Release published on 6 September 2018, Pöyry PLC announced a directed share issue without payment relating to reward payment in accordance with a long-term share-based incentive plan. 147,272 treasury shares were subscribed in the share issue.

Subject to closing of the recommended public cash tender offer made by ÅF AB (publ) in December 2018, there will be changes in terms and conditions of the program as specifically decided by the Board of Directors of Pöyry PLC.

More information on the performance share plans is available on the company's website at www.poyry.com.

Own shares

Pöyry PLC holds on 31 Dec 2018 2,042,783 (31 December 2017 2,190,055) own shares corresponding to 3.3 per cent of the total number of shares.

Transactions with associated companies

The transactions are determined on an arm's length basis. They are not material to the Group.

Changes in intangible and tangible assets

EUR million	1-12/ 2018	1-12/ 2017
Intangible assets		
Book value at the beginning of the period	**7.0**	7.2
Capital expenditure	**0.9**	2.0
Decrease	**0.0**	0.0
Depreciation	**-2.2**	-2.1
Exchange differences	**0.0**	0.0
Book value at the end of the period	**5.6**	7.0
Tangible assets		
Book value at the beginning of the period	**6.0**	7.5
Capital expenditure	**2.5**	1.2
Decrease	**-0.2**	-0.2
Depreciation	**-2.1**	-2.3
Exchange differences	**-0.1**	-0.3
Book value at the end of the period	**6.1**	6.0

Changes in goodwill

EUR million	1-12/ 2018	1-12/ 2017
Book value at the beginning of the period	**118.9**	122.4
Investment in group companies		1.2
Exchange differences	**-0.3**	-4.7
Book value at the end of the period	**118.7**	118.9

Operating segments

EUR million	1-6/ 2018	1-6/ 2017	7-12/ 2018	7-12/ 2017	1-12/ 2018	1-12/ 2017
Net sales						
Energy	62.4	64.3	**81.5**	57.8	**143.9**	122.1
Industry	108.6	102.1	**108.4**	97.8	**217.0**	199.9
Infra, Water and Environment	77.6	70.7	**71.3**	65.4	**148.9**	136.1
Management Consulting	34.7	30.6	**35.5**	35.1	**70.2**	65.7
Unallocated	-0.8	-0.5	**0.2**	-0.9	**-0.6**	-1.4
Total	282.5	267.3	**296.9**	255.1	**579.5**	522.3
Operating result						
Energy	4.1	3.5	**7.5**	3.9	**11.6**	7.4
Industry	10.7	6.6	**12.7**	7.1	**23.4**	13.7
Infra, Water and Environment	19.0	-1.3	**3.6**	-1.7	**22.6**	-3.0
Management Consulting	4.1	1.6	**6.2**	5.5	**10.3**	7.1
Unallocated	-5.0	-6.7	**-8.3**	-3.4	**-13.3**	-10.1
Total	32.9	3.7	**21.7**	11.4	**54.7**	15.1
Net financial items	4.7	-1.7	**-1.8**	-2.0	**3.0**	-3.8
Share of associated companies' results	0.2	0.3	**0.2**	0.2	**0.4**	0.5
Result before taxes	37.9	2.2	**20.2**	9.6	**58.1**	11.8
Income taxes	-9.2	-2.0	**-1.9**	-4.2	**-11.1**	-6.1
Net result for the period	28.7	0.2	**18.3**	5.4	**47.0**	5.6
Attributable to:						
Equity holders of the parent company	28.7	0.2	**18.3**	5.5	**46.9**	5.7
Non-controlling interest	0.0	0.1	**0.0**	-0.1	**0.1**	0.0

EUR million	1-6/ 2018	1-6/ 2017	7-12/ 2018	7-12/ 2017	1-12/ 2018	1-12/ 2017
Operating margin, %						
Energy	6.5	5.5	**9.2**	6.7	**8.1**	6.1
Industry	9.9	6.5	**11.7**	7.2	**10.8**	6.9
Infra, Water and Environment	24.5	-1.8	**5.1**	-2.6	**15.2**	-2.2
Management Consulting	11.9	5.1	**17.5**	15.8	**14.7**	10.8
Group	11.7	1.4	**7.3**	4.5	**9.4**	2.9
Adjusted operating result						
Energy	4.1	3.5	**7.5**	3.9	**11.6**	7.4
Industry	12.1	8.0	**13.0**	9.9	**25.1**	17.9
Infra, Water and Environment	3.8	1.3	**2.1**	2.2	**5.9**	3.5
Management Consulting	4.1	1.6	**6.2**	5.7	**10.3**	7.3
Unallocated	-5.0	-4.4	**-4.7**	-5.8	**-9.7**	-10.1
Total	19.2	10.0	**24.1**	16.0	**43.2**	26.0
Adjusted operating margin, %						
Energy	6.5	5.5	**9.2**	6.7	**8.1**	6.1
Industry	11.2	7.8	**12.0**	10.2	**11.6**	9.0
Infra, Water and Environment	4.9	1.8	**2.9**	3.4	**4.0**	2.6
Management Consulting	11.9	5.1	**17.5**	16.3	**14.7**	11.1
Group	6.8	3.7	**8.1**	6.3	**7.5**	5.0
Order stock						
Energy	233.3	174.0	**219.7**	164.9	**219.7**	164.9
Industry	153.7	101.0	**137.5**	105.7	**137.5**	105.7
Infra, Water and Environment	174.3	178.5	**162.6**	159.4	**162.6**	159.4
Management Consulting	17.0	21.0	**16.5**	18.4	**16.5**	18.4
Unallocated	0.0	0.0	**0.0**	0.0	**0.0**	0.0
Total	578.4	474.5	**536.3**	448.5	**536.3**	448.5
Consulting and engineering					**515.0**	448.3
EPC					**21.3**	0.3
Total					**536.3**	448.5
Net sales by area						
The Nordic countries	111.2	101.7	**107.3**	91.4	**218.5**	193.1
Other Europe	102.7	90.6	**107.6**	93.1	**210.3**	183.7
Asia	35.8	40.6	**50.1**	37.4	**85.9**	78.0
North America	11.5	10.4	**7.7**	12.1	**19.1**	22.5
South America	16.2	20.4	**20.0**	18.0	**36.2**	38.4
Other	5.1	3.4	**4.3**	3.2	**9.4**	6.6
Total	282.5	267.3	**296.9**	255.1	**579.5**	522.3
Personnel at the end of the period						
Energy					**1,120**	1,054
Industry					**2,058**	1,911
Infra, Water and Environment					**1,152**	1,157
Management Consulting					**371**	373
Unallocated					**145**	141
Total					**4,846**	4,637

Adjusted operating result

In order to increase transparency in comparing performance from one period to another Pöyry has been disclosing from 2016 onwards an adjusted operating result. The adjusted items are not related to the business operations of the reporting period and include restructuring and labour claim expenses, gains / losses related to divestments and profits / losses related to projects from the former Urban Business Group or projects which were finalised over two years ago.

Adjusted operating result 7-12/2018

EUR million	Energy	Industry	Infra, Water and Environm.	Management Consulting	Unallocated	Total
Operating result 7-12/2018	7.5	12.7	3.6	6.2	-8.3	**21.7**
Restructuring and labour claim[1] expenses		0.2	0.2			**0.4**
Profits / losses related to projects from former Urban Business Group [3]			-1.7			**-1.7**
Profits / losses related to projects finalised over two years ago		0.1				**0.1**
Other		0.0			3.6	**3.6**
Adjusted operating result 7-12/2018	**7.5**	**13.0**	**2.1**	**6.2**	**-4.7**	**24.1**

Adjusted operating result 7-12/2017

EUR million	Energy	Industry	Infra, Water and Environm.	Management Consulting	Unallocated	Total
Operating result 7-12/2017	3.9	7.1	-1.7	5.5	-3.4	11.4
Restructuring and labour claim[1] expenses		1.7	0.1	0.2		2.0
Profits / losses related to projects from former Urban Business Group			3.9			3.9
Profits / losses related to projects finalised over two years ago		0.1			-2.4	-2.3
Other[2]		1.1				1.1
Adjusted operating result 7-12/2017	3.9	9.9	2.2	5.7	-5.8	16.0

Adjusted operating result 1-12/2018

EUR million	Energy	Industry	Infra, Water and Environm.	Management Consulting	Unallocated	Total
Operating result 1-12/2018	11.6	23.4	22.6	10.3	-13.3	**54.7**
Restructuring and labour claim[1] expenses		0.6	0.2			**0.8**
Profits / losses related to projects from former Urban Business Group [3]			-16.9			**-16.9**
Profits / losses related to projects finalised over two years ago		1.1				**1.1**
Other		-0.1			3.6	**3.6**
Adjusted operating result 1-12/2018	**11.6**	**25.1**	**5.9**	**10.3**	**-9.7**	**43.2**

Adjusted operating result 1-12/2017

EUR million	Energy	Industry	Infra, Water and Environm.	Management Consulting	Unallocated	Total
Operating result 1-12/2017	7.4	13.7	-3.0	7.1	-10.1	15.1
Restructuring and labour claim[1] expenses		2.9	0.1	0.2		3.2
Profits / losses related to projects from former Urban Business Group			6.2			6.2
Profits / losses related to projects finalised over two years ago		0.2	0.2			0.5
Other[2]		1.1				1.1
Adjusted operating result 1-12/2017	7.4	17.9	3.5	7.3	-10.1	26.0

[1] Labour claim expenses are expenses related to employment claims customary in one of the Group's country operations and are based on local professional opinions.
[2] Profits related to projects on which losses were recorded in 2014 and reported as adjusted items.
[3] Includes profits and losses related to settlements on disputes and arbitrations.