PÖYRY PLC - 31 JULY 2014

Interim report January-June 2014

PÖYRY PLC **Interim Report 31 July 2014 at 10:45 a.m.**

NET SALES AND COMPARABLE OPERATING PROFIT DECLINED

KEY FIGURES

Pöyry Group	4-6/ 2014	4-6/ 2013	Change, %	1-6/ 2014	1-6/ 2013	Change, %	1-12/ 2013
Order stock at end of period, EUR million	482.4	555.7	-13.2	482.4	555.7	-13.2	500.0
Net sales total, EUR million	152.2	170.2	-10.6	303.5	336.5	-9.8	650.8
Operating profit, EUR million	-2.9	1.9	n.a.	-4.7	5.0	n.a.	13.9
Operating margin, %	-1.9	1.1		-1.6	1.5		2.1
Profit before taxes, EUR million	-3.0	0.5	n.a.	-6.0	2.7	n.a.	9.1
Earnings per share, basic, EUR	-0.06	-0.01	n.a.	-0.12	0.00	n.a.	0.06
Earnings per share, diluted, EUR	-0.06	-0.01	n.a.	-0.12	0.00	n.a.	0.06
Gearing, %				34.1	89.3		26.0
Return on investment, % (R12M)				-3.3	4.1		5.8
Average number of personnel during period, calculated as full time equivalents (FTE)				5,659	6,235	-9.2	6,128

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

JANUARY - JUNE 2014 HIGHLIGHTS

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

- On 2 June 2014, Pöyry closed the divestment in Finland that included significant parts of Pöyry's real estate design and consulting business as well as construction management business for real estate and infrastructure.
- The Group's order stock totalled EUR 482.4 (555.7) million. It increased in the Industry Business Group but contracted in all other Business Lines. Excluding the divestment in Finland in June, comparable order stock increased from EUR 461.4 at the end of the previous year. Comparable order stock on 30 June 2013 was EUR 512.5 million.
- Net sales declined to EUR 303.5 (336.5) million mostly due to the performance in the Regional Operations.
- Operating profit decreased to EUR -4.7 (5.0) million. Operating profit was burdened by lower than expected net sales as well as EUR -5.4 million of project losses and other one-time items recognised mainly in the Regional Operations. Operating profit includes a one-time gain of EUR 19 million from the divestment in Finland as well as EUR -14 million loss resulting from the write-off of the receivables from Venezuela. Operating profit increased in the Management Consulting Business Group, however it declined in all other Business Lines and mostly in the Regional Operations except for the Northern European region.
- In line with its strategic evolution introduced in February 2013, Pöyry integrated its local activities in Latin and North America as well as in Asia Pacific to Regional Operations in January 2014.
- Pöyry continues to implement its structural and administrative process improvement program announced at the end of 2012. As these measures are progressing, Pöyry will introduce further improvements in terms of sales focus, project management and capacity management.

OUTLOOK FOR 2014

Due to the write-off of the receivables in Venezuela, Pöyry has on 31 July 2014 lowered its guidance for the operating profit for 2014. According to the guidance announced on 5 February 2014, the Group operating profit in 2014 was expected to increase. According to the new guidance, the Group's operating profit in 2014 is expected to decline compared to the operating profit for 2013.

ALEXIS FRIES, PRESIDENT AND CEO:

"Pöyry's net sales declined in the first half of the year to EUR 303.5 (336.5) million. Sales weakened mostly in the Regional Operations which were impacted by clients' lower investment activity and project delays in Europe and Latin America. Operating profit declined to EUR -4.7 (5.0) million. The figure includes EUR -5.4 million of project losses and other one-time items as well as profit of EUR 19 million originating from the divestment in Finland. Operating profit was additionally impacted by the write-off of overdue receivables related to projects from the former Urban Business Group in Venezuela, amounting to EUR 14 million. Pöyry continues to pursue the collection process. Operating profit improved in the Management Consulting Business Group. While Northern Europe developed satisfactorily, the overall performance of the Regional Operations was disappointing and had a negative impact on the figure.

The Group's order prospects were solid, however the progression of larger project opportunities was taking clearly longer. The Group's overall order intake decreased in the Energy Business Group, Central Europe and Latin America. Nevertheless, orders increased in all other Business Lines. The Group's order stock improved in most Business Lines, amounting to EUR 482.4 million and improving from EUR 461.4 million at the end of 2013. However, the year-on-year figure decreased from EUR 555.7 million (or EUR 512.5 million excluding the divestment in Finland). The decrease affected all Business Lines with the exception of the Industry Business Group.

The Group's unallocated costs increased in line with expectations due to advancing centralisation of the global support functions, a process where considerable cost savings have been achieved.

As communicated earlier, Pöyry strengthened its regional focus in January 2014 by integrating its local activities in Latin and North America, as well as in Asia Pacific, into the Regional Operations. This is in line with Pöyry's strategy to grow its services in key domestic markets.

After a difficult start in a weakening market at the beginning of this year, the Regional Operations in Northern Europe recovered well and showed positive development. In other regions, however, where lower sales resulted in unsold engineering hours and losses were recorded in projects originating from the former Urban Business Group, performance was not satisfactory. Latin America was impacted by litigation costs related to an arbitration process and a delayed start-up of a major client project.

Improvements in terms of sales focus, project management and capacity management have been initiated across all units and are closely monitored as part of our regular management process.

We continue to progress with Pöyry's organisational evolution, introduced in February 2013. It is based on Management Consulting, Global Business Lines focusing on Energy and Industry as well as development of strong Regional Operations around key countries where we offer engineering services to industry and infrastructure clients locally through our office network. The related organisational adjustments have proceeded according to plan.

The divestment in Finland was closed on 2 June 2014, allowing us now to sharpen our focus on the industry and local infrastructure markets in Northern Europe."

This is a summary of the January-June 2014 Interim report. The complete report is published as an enclosure to this company announcement and is available in full on the company's website at www.poyry.com. Investors are advised to review the complete financial statement release with tables.

PÖYRY PLC

Additional information:
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INVITATION TO CONFERENCES TODAY 31 JULY 2014

Pöyry’s January-June 2014 result will be presented at the following news conferences:

- A conference for analysts, investors and press will be arranged at 12:00 p.m. Finnish time at Restaurant Savoy, Eteläesplanadi 14, Helsinki, Finland. The event will be hosted by Alexis Fries, President and CEO and Jukka Pahta, CFO.

- An international conference call and webcast in English will begin at 5:00 p.m. Finnish time (EEST). The event will be hosted by Jukka Pahta, CFO.

10:00 a.m. US EDT (New York)
3:00 p.m. BST (London)
4:00 p.m. CEST (Paris)

The webcast may be followed online on the company's website www.poyry.com. A recording will be made available on the next working day on the same website.

To attend the conference call, please dial:

FI: +358 (0)9 8171 0465
SE: +46 (0)8 5199 9355
UK: +44 (0)20 3194 0550
US: +1 855 269 2605
Other countries: +44 (0)20 3194 0550

Due to the nature of the live webcast, we kindly ask those attending the international conference call and webcast to dial in 5 minutes prior to the start of the event.

Pöyry is an international consulting and engineering company. We serve clients globally across the energy and industrial sectors and locally in our core markets. We deliver strategic advisory and engineering services, underpinned by strong project implementation capability and expertise. Our focus sectors are power generation, transmission & distribution, forest industry, chemicals & biorefining, mining & metals, transportation and water. Pöyry has an extensive local office network employing about 6,000 experts. Pöyry's net sales in 2013 were EUR 650 million and the company's shares are quoted on NASDAQ OMX Helsinki (Pöyry PLC: POY1V).

DISTRIBUTION:
NASDAQ OMX Helsinki
Major media
www.poyry.com

PÖYRY PLC INTERIM REPORT 1 JANUARY - 30 JUNE 2014

MARKET REVIEW

The global economy in the reporting period was characterised by slower than expected growth in both the developed and emerging economies. Political uncertainties in the European and Middle Eastern regions had an impact on the economies in these geographies, while North America was poised to benefit from improving consumer and corporate sentiment. Different monetary policies aimed at actively supporting European economic growth or addressing inflation in countries such as Brazil.

Demand in Pöyry's key domestic markets for energy-related services remained subdued. Despite the easing of the European monetary policy, growth in the Eurozone remained weak and unevenly distributed. The low economic activity reduced demand for energy and maintained low energy prices. This, combined with the regulatory uncertainties, dampened the investment activity in the sector. In Asia, and in Thailand in particular, the political situation was impacting the overall investment activity as customer decision making slowed down. The continued demand for energy in Saudi Arabia and the United Arab Emirates led to new investments in the infrastructure market and power generation in particular, albeit in a tightening competitive environment.

In spite of the economic environment during the period, recent announcements by several European pulp and paper producers introduced new business prospects. Planned investments are in greenfield pulp mills and production line conversions, mainly from paper to board grades. In Brazil, the investment pipeline into new pulp production capacity remained attractive.

High levels of sovereign debt and the financial standing of the public sector in several of Pöyry's domestic markets in Europe impacted the overall demand for infrastructure services.

Moreover, slow economic growth and reduced investment activity were equally affecting the demand for management consulting services, where clients' spending has declined. This development had an additional impact on demand for services amidst the traditionally slower summer period.

Notes:

(i) Reporting is based on the organisational structure announced in February 2014. Pöyry integrated its activities in Latin and North America as well as in Asia Pacific into the Regional Operations as of January 2014. The reported figures for 2013 have been restated (pro forma) accordingly.

(ii) Following the divestment in Finland of significant parts of Pöyry's real estate design and consulting as well as construction management business, the reported figures of Pöyry PLC and the Regional Operations in particular have been impacted as of 2 June 2014.

(iii) Employee numbers are reported in full time equivalents (FTE).

(iv) Figures in brackets refer to the corresponding year-on-year figures.

(v) Figures have been rounded up, which may lead to minor discrepancies upon addition or subtraction.

ORDER STOCK

The Group's order stock declined year-on-year. Order stock increased in the Industry Business Group but contracted in all other Business Lines and reached EUR 482.4 (555.7) million. Several mid-sized projects were recorded in Finland in particular.

Excluding the divestment in Finland, comparable order stock increased over the current year from EUR 461.4 million at the end of 2013. Comparable order stock on 30 June 2013 was EUR 512.5 million.

Order stock was EUR 190.0 million in the Energy Business Group (39% of the total order stock), EUR 25.6 million in the Industry Business Group (5%), EUR 250.8 million in the Regional Operations (52%) and EUR 15.8 million in the Management Consulting Business Group (3%).

ORDER INTAKE

Order intake increased in the Industry and Management Consulting Business Groups, albeit the Group's overall figure declined.

GROUP NET SALES

Net sales by business group, EUR million	4-6/ 2014	4-6/ 2013	Change, %	1-6/ 2014	1-6/ 2013	Change, %	Share of total sales 1-6/2014, %	1-12/ 2013
Energy	33.9	35.3	-4.0	63.7	70.6	-9.8	21	135.4
Industry	11.2	13.1	-14.5	22.3	22.9	-2.6	7	43.7
Regional Operations	89.9	107.6	-16.4	182.7	211.6	-13.7	60	405.4
Management Consulting	16.4	14.8	10.8	34.2	32.4	5.6	11	65.9
Unallocated	0.8	-0.6	n.a.	0.6	-1.0	n.a.	0	0.4
Total	152.2	170.2	-10.6	303.5	336.5	-9.8	100	650.8

Consolidated net sales declined to EUR 303.5 (336.5) million. The development was attributable to the performance in the Regional Operations and the Energy Business Group. Net sales increased in the Management Consulting Business Group and remained stable in the Industry Business Group.

GROUP OPERATING PROFIT

Operating profit by business line, EUR million	4-6/ 2014	4-6/ 2013	Change, %	1-6/ 2014	1-6/ 2013	Change, %	1-12/ 2013
Energy	0.6	0.8	-25.0	1.2	1.7	-29.4	4.9
Industry	0.7	1.2	-41.7	0.9	1.1	-18.2	1.3
Regional Operations	-20.9	2.2	n.a.	-22.1	4.6	n.a.	1.8
Management Consulting	0.8	-0.9	n.a.	2.2	-0.4	n.a.	2.4
Unallocated	15.9	-1.4	n.a.	13.1	-2.0	n.a.	3.5
Total	-2.9	1.9	n.a.	-4.7	5.0	n.a.	13.9

Consolidated operating profit decreased to EUR -4.7 (5.0) million. Operating profit was burdened by lower than expected net sales as well as EUR -5.4 million of project losses and other one-time items recognised in the Regional Operations. Operating profit includes a one-time gain of EUR 19 million from the divestment in Finland as well as EUR -14 million loss resulting from the write-off of the receivables from Venezuela.

Operating profit increased in the Management Consulting Business Group, however it declined in all other Business Lines and mostly in the Regional Operations except for the Northern European region.

BUSINESS LINES

Energy Business Group

	4-6/ 2014	4-6/ 2013	Change, %	1-6/ 2014	1-6/ 2013	Change, %	1-12/ 2013
Order stock, EUR million, end of period	190.0	196.5	-3.3	190.0	196.5	-3.3	189.0
Sales, EUR million	33.9	35.3	-4.0	63.7	70.6	-9.8	135.4
Operating profit, EUR million	0.6	0.8	-25.0	1.2	1.7	-29.4	4.9
Operating margin, %	1.8	2.3		1.9	2.4		3.6
Personnel at end of period	992	1,010	-1.8	992	1,010	-1.8	994

1-6/2014
Order stock was EUR 190.0 (196.5) million, decreasing slightly by 3.3 per cent year-on-year.

Net sales amounted to EUR 63.7 (70.6) million, decreasing by 9.8 per cent year-on-year. Lower investments by utilities in Western Europe are considered the main reason behind the decrease.

Operating profit declined accordingly to EUR 1.2 (1.7) million.

4-6/2014
Order intake decreased year-on-year. The political situation in Thailand led to some projects being delayed. Moreover, several prospects in Asia and the Middle East were lost to competition.

Net sales improved over the previous quarter and remained stable year-on-year, reaching EUR 33.9 (35.3) million.

Operating profit remained on the level of the previous quarter, however declined year-on-year to EUR 0.6 (0.8) million.

Industry Business Group

	4-6/ 2014	4-6/ 2013	Change, %	1-6/ 2014	1-6/ 2013	Change, %	1-12/ 2013
Order stock, EUR million, end of period	25.6	23.7	8.0	25.6	23.7	8.0	17.1
Sales, EUR million	11.2	13.1	-14.5	22.3	22.9	-2.6	43.7
Operating profit, EUR million	0.7	1.2	-41.7	0.9	1.1	-18.2	1.3
Operating margin, %	6.3	9.2		4.0	4.8		3.0
Personnel at end of period	476	508	-6.3	476	508	-6.3	494

1-6/2014
Order stock increased by 8 per cent year-on-year to EUR 25.6 (23.7) million. Several pulp and paper projects were recorded in Europe and Asia.

Net sales amounted to EUR 22.3 (22.9) million and were on the same level with the previous year.

Operating profit declined to EUR 0.9 (1.1) million.

4-6/2014
Order intake improved from the first quarter and increased year-on-year. Several pulp and paper projects were recorded in Europe and Asia.

Net sales remained on the level of the previous quarter, however decreasing by 14.5 per cent year-on-year to EUR 11.2 (13.1) million. The figure last year includes sales for a large pulp mill project which has since been completed.

Operating profit improved over the previous quarter, however decreased year-on-year to EUR 0.7 (1.2) million.

Regional Operations

	4-6/ 2014	4-6/ 2013	Change, %	1-6/ 2014	1-6/ 2013	Change, %	1-12/ 2013
Order stock, EUR million, end of period	250.8	317.2	-20.9	250.8	317.2	-20.9	278.7
Sales, EUR million	89.9	107.6	-16.4	182.7	211.6	-13.7	405.4
Operating profit, EUR million	-20.9	2.2	n.a.	-22.1	4.6	n.a.	1.8
Operating margin, %	-23.3	2.0		-12.1	2.2		0.4
Personnel at end of period	3,282	3,944	-16.8	3,282	3,944	-16.8	3,821

1-6/2014
Order stock declined by 20.9 per cent year-on-year to EUR 250.8 (317.2) million. The decrease accounts for the divestment in Finland and lower order intake in Latin America. The comparable year-on-year figure, excluding the divestment in Finland, was EUR 290.9 million and includes a large order recorded in Latin America in March 2013.

Net sales declined by 13.7 per cent year-on-year to EUR 182.7 (211.6) million. Net sales declined in all regions, however particularly in the units divested in Finland. Net sales were affected in Latin America by the delayed start-up of a large pulp mill project.

Comparable net sales excluding the divested business in Finland totalled EUR 164.9 (185.5) million.

Operating profit decreased to EUR -22.1 (4.6) million. Operating profit was burdened by lower than expected net sales as well as EUR -5.7 million of project losses and other one-time items. Operating profit includes EUR -14 million loss resulting from the write-off of the receivables from Venezuela.

Operating profit fell across most regions and in Europe in particular, mostly due to weaker sales and the resulting increase in unbillable hours. The figure was also burdened by several other projects originating from the former Urban Business Group, resulting in additional losses recognised in Austria and Switzerland. Moreover, the figure was affected by charges related to the on-going arbitration proceedings concerning a large project in Brazil that was completed last year. In Northern Europe, where the deployment of the Regional Operations business model is progressing well, operating profit developed in line with expectations.

4-6/2014
Order intake declined during the quarter and decreased year-on-year in most regions, particularly in Latin America.

Net sales declined by 16.4 per cent year-on-year to EUR 89.9 (107.6) million. The figure fell particularly in the divested units in Finland and was affected in Latin America by the delayed start-up of a large pulp mill project.

Operating profit decreased over the quarter and year-on-year to EUR -20.9 (2.2) million. Operating profit was burdened by lower than expected net sales as well as EUR -5.0 million of project losses and other one-time items. Operating profit includes EUR -14 million loss resulting from the write-off of the receivables from Venezuela.

Operating profit decreased across most regions and in Europe in particular mostly due to weaker sales and the resulting increase in unbillable hours. The figure was also burdened by several other projects originating from the former Urban Business Group, resulting in additional losses recognised in Austria and Switzerland. Moreover, the figure was affected by charges related to the on-going arbitration proceedings concerning a large project in Brazil that was completed last year.

Management Consulting Business Group

	4-6/ 2014	4-6/ 2013	Change, %	1-6/ 2014	1-6/ 2013	Change, %	1-12/ 2013
Order stock, EUR million, end of period	15.8	18.3	-13.7	15.8	18.3	-13.7	15.2
Sales, EUR million	16.4	14.8	10.8	34.2	32.4	5.6	65.9
Operating profit, EUR million	0.8	-0.9	n.a.	2.2	-0.4	n.a.	2.4
Operating margin, %	4.9	-6.1		6.4	-1.2		3.6
Personnel at end of period	408	436	-6.4	408	436	-6.4	413

1-6/2014
Order stock declined year-on-year by 13.7 per cent, reaching EUR 15.8 (18.3) million.

Net sales increased by 5.6 per cent year-on-year to EUR 34.2 (32.4) million, the growth originating mainly from Europe.

Operating profit increased to EUR 2.2 (-0.4) million mainly due to structural improvements implemented during the first half of 2013.

4-6/2014
Order intake decreased clearly over the previous quarter and declined year-on-year.

Net sales fell over the quarter, however increasing by 10.8 per cent year-on-year to EUR 16.4 (14.8) million.

Operating profit declined over the quarter, however it improved year-on-year to EUR 0.8 (-0.9) million mainly due to structural improvements implemented during 2013.

Unallocated items
Unallocated items during the period impacted the operating profit by EUR +13.1 (-2.0) million. The divestment in Finland increased the operating profit by EUR 19 million. Unallocated items increased in line with expectations caused by the progressing centralisation of the global support functions, related outsourcing costs and office rents following the sale of the head office building in Finland in 2013.

GROUP FINANCIAL RESULT

The net financial items amounted to EUR -1.3 (-2.5) million.

Profit before taxes totalled EUR -6.0 (2.7) million.

Income taxes were EUR -1.0 (-2.5) million.

Net profit for the period amounted to EUR -7.0 (0.2) million, of which EUR -6.9 million were attributable to equity holders of the parent company and EUR -0.1 to non-controlling interests.

Diluted earnings per share were EUR -0.12 (0.00).

BALANCE SHEET

The consolidated balance sheet amounted to EUR 442.1 (556.4) million, which is EUR 39.4 million lower than EUR 481.5 million at the end of 2013. Total equity at the end of the reporting period amounted to EUR 126.7 (125.3) million. Total equity attributable to equity holders of the parent company was EUR 123.9 (121.3) million, or EUR 2.08 (2.03) per share.

Return on equity (ROE) amounted to -11.0 (0.2) per cent. Return on investment (ROI) amounted to -3.3 (4.1) per cent.

CASH FLOW AND FINANCING

Group cash and cash equivalents and other liquid assets at the end of the reporting period amounted to EUR 48.3 (48.9) million. In addition to these, the Group had available credit facilities amounting to EUR 98.0 million. The amount of issued Commercial Papers was EUR 30.2 million.

Net cash from operating activities in the reporting period amounted to EUR -35.8 (-23.6) million, representing EUR -0.60 per share. Net cash before financing activities amounted to EUR -9.5 (-26.7) million, including net proceeds of EUR 27 million from the divestment in Finland. As a result, net debt at the end of the reporting period reduced and totalled EUR 43.2 (111.8) million. Gearing reduced and was 34.1 (89.3) per cent. The equity ratio was 33.6 (26.4) per cent.

Calculation principles and key figures are presented on the Key figures page of this interim report.

CAPITAL EXPENDITURE

During the reporting period, the Group's capital expenditures totalled EUR 1.1 (3.0) million.

Capital expenditure, EUR million	4-6/ 2014	4-6/ 2013	1-6/ 2014	1-6/ 2013	1-12/ 2013
Capital expenditure, operating	0.6	1.8	1.1	3.0	5.9
Capital expenditure, shares	0.0	0.0	0.0	0.0	0.0
Capital expenditure, total	0.6	1.8	1.1	3.0	5.9

PERSONNEL

Personnel (FTE) by business group, at the end of the period	1-6/ 2014	1-6/ 2013	Change, %
Energy	992	1,010	-1.8
Industry	476	508	-6.3
Regional operations	3,282	3,944	-16.8
Management Consulting	408	436	-6.4
Group staff and shared resources	175	213	-17.8
Personnel, total	5,333	6,111	-12.8

Personnel (FTE) by geographic area, at the end of the period	1-6/ 2014	1-6/ 2013	Change, %
Nordic countries	1,894	2,482	-23.7
Other Europe	1,925	2,019	-4.7

Asia	529	549	-3.6
North America	151	158	-4.4
South America	817	888	-8.0
Other areas	17	15	13.3
Personnel, total	5,333	6,111	-12.8

Personnel structure
The Group had an average of 5,659 (6,235) employees (FTEs), which was 9.2 per cent less than in the previous year. The number of personnel (FTEs) at the end of the period was 5,333 (6,111). The figure decreased by 435 people due to the divestment of the real estate business in Finland.

As of 1 January 2014, expenses related to contracts with independent self-employed specialists in Latin America have been included in the personnel expenses. Similarly, the number of independent self-employed specialists has been included in the employee figures. This measure has increased the amount of personnel by about 200 FTEs. The figures for the corresponding year have been restated accordingly.

Performance share plan
The Board of Directors of Pöyry decided on 29 April 2014 to amend the total reward amount of the share-based incentive plan that was announced on 5 February 2014. The rewards to be paid on the basis of the discretionary period 2014 will correspond to an approximate value of a maximum total of 400,000 Pöyry PLC shares (gross), if the earnings target set by the Board of Directors is met. Should the company's earnings exceed the target and reach maximum performance, as defined by the Board of Directors, the rewards to be paid on the basis of the discretionary period 2014 will correspond to an approximate value of a maximum total of 800,000 Pöyry PLC shares (gross).

SHARE CAPITAL AND SHARES

The share capital of Pöyry PLC at 30 June 2014 totalled EUR 14,588,478 and the total number of shares including treasury shares totalled 59,759,610.

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

On 30 June 2014, Pöyry PLC held a total of 518,530 own shares, which corresponds to 0.9 per cent of the total number of shares.

MARKET CAP AND TRADING

The closing price of Pöyry’s shares on 30 June 2014 was EUR 4.09 (3.75). The volume weighted average share price during the reporting period was EUR 4.15 (3.77), the highest quotation being EUR 4.80 (4.70) and the lowest EUR 3.91 (2.93). The share price increased approximately 0.5 per cent since the end of 2013. During the reporting period, approximately 6.2 million Pöyry shares were traded at NASDAQ OMX Helsinki, corresponding to a turnover of approximately EUR 26 million. The average daily trading volume was 50,873 shares, or approximately EUR 0.2 million.

On 30 June 2014, the total market value of Pöyry’s shares was EUR 242.3 (221.5) million excluding treasury shares held by the company, and EUR 244.4 (224.1) million including treasury shares.

OWNERSHIP STRUCTURE

During the reporting period, the number of registered shareholders increased from 6,899 at the end of 2013 to 6,981 at the end of June 2014, representing an increase of approximately 1 per cent.

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

At the end of the reporting period, a total of 10.85 per cent of the shares were owned by nominee-registered shareholders. Total ownership outside Finland, including Corbis, together with nominee-registered shareholders represented 45.80 per cent of the total shares.

FLAGGINGS IN 2014

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

EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period.

PÖYRY'S EVOLUTION

Pöyry's new organisational structure was introduced in February 2013 and is based on Management Consulting, Global Competence Lines and Regional Operations. In line with this evolution, Pöyry has integrated its local activities in Latin and North America and Asia Pacific to Regional Operations as of January 2014. Corresponding pro forma figures were published as a company announcement on 5 February 2014.

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

The establishing of Regional Operations provides the business with a more focused platform to deliver a large number of small to medium-sized domestic client projects across the full breadth of Pöyry's sectors. The development of comprehensive strategic advisory services continues under the Management Consulting Business Group.

Pöyry continues to implement its structural and administrative process improvement program announced at the end of 2012. As these measures are progressing, Pöyry will introduce further improvements in terms of sales focus, project management and capacity management. By the end of 2017, Pöyry aims to reach net sales amounting to EUR 1,000 million with a corresponding operating profit margin of 8-9%.

SIGNIFICANT RISKS AND BUSINESS UNCERTAINTIES

The economic and political uncertainties continue and the risk of recession, particularly in the European market, persists. This can impact clients' decision making and lead to delays. These circumstances may adversely influence Pöyry's clients' ability to arrange project financing and more generally, slow down overall business activity, hence impacting Pöyry's net sales and profitability.

Pöyry focuses equally on small, mid-size and large projects. Large projects, which also include Engineering, Procurement and Construction (EPC) projects, may require thorough and lengthy development work and therefore contain uncertainties related to financing, implementation concepts and the exact timing of project start-up, all of which are beyond Pöyry’s control. During the project execution phase, further risks may emerge. The company has stringent risk management processes in place by which such risks are identified and mitigated as much as possible at an early stage.

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

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

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

The most relevant risks related to Pöyry’s business are presented in more detail on the company’s website at http://www.poyry.com/about-poyry/corporate-governance/risk-management.

OUTLOOK FOR 2014

Due to the write-off of the receivables in Venezuela, Pöyry has on 31 July 2014 lowered its guidance for the operating profit for 2014. According to the guidance announced on 5 February 2014, the Group operating profit in 2014 was expected to increase. According to the new guidance, the Group’s operating profit in 2014 is expected to decline compared to the operating profit for 2013.

Vantaa, 30 July 2014

Pöyry PLC
Board of Directors

THE INTERIM REPORT 1 JANUARY - 30 JUNE 2014

This interim report has been prepared in accordance with IAS 34 following the same accounting principles as in the annual financial statement for 2013 apart from the following changes:

- IFRS 10 Consolidated financial statements
- IFRS 11 Joint arrangements
- IFRS 12 Disclosure of interest in other entities

The company had incorrectly stated in consolidated financial statements for 2013 that it had applied IFRS 10, IFRS 11 and IFRS 12 standards as of 1 January 2013.

All figures in the accounts have been rounded and consequently the totals of individual figures can deviate from the presented total figure. This interim report is unaudited.

PÖYRY GROUP

STATEMENT OF COMPREHENSIVE INCOME

EUR million	**4-6/2014**	4-6/2013	**1-6/2014**	1-6/2013	1-12/2013
NET SALES	**152.2**	170.2	**303.5**	336.5	650.8
Other operating income	**21.6**	0.2	**21.7**	0.9	24.1
Materials and supplies	**-0.1**	-4.4	**-0.1**	-5.9	-14.1
External charges, subconsulting	**-13.2**	-17.2	**-26.2**	-34.6	-72.4
Personnel expenses	**-101.9**	-108.2	**-204.8**	-217.2	-408.5
Depreciation and impairment	**-1.4**	-2.2	**-2.9**	-4.3	-14.3
Other operating expenses	**-60.2**	-36.5	**-96.0**	-70.4	-151.7
OPERATING PROFIT	**-2.9**	1.9	**-4.7**	5.0	13.9
Proportion of net sales, %	**-1.9**	1.1	**-1.6**	1.5	2.1
Financial income	**0.2**	0.7	**0.6**	1.1	1.9
Financial expenses	**-1.1**	-2.2	**-2.2**	-3.4	-6.8
Exchange rate differences	**0.8**	-0.2	**0.3**	-0.2	-0.3
Share of associated companies' and joint ventures' results	**0.0**	0.3	**0.0**	0.2	0.4
PROFIT BEFORE TAXES	**-3.0**	0.5	**-6.0**	2.7	9.1
Proportion of net sales, %	**-2.0**	0.3	**-2.0**	0.8	1.4
Income taxes	**-0.8**	-1.1	**-1.0**	-2.5	-6.5
NET PROFIT FOR THE PERIOD	**-3.8**	-0.6	**-7.0**	0.2	2.6
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to profit or loss					
Remeasurements of net defined benefit pension liability	**0.0**	0.0	**0.0**	0.0	8.1
Impact on deferred taxes	**0.0**	0.0	**0.0**	0.0	-1.5
Items that may be reclassified to profit or loss					
Cash flow hedging	**0.0**	0.3	**0.0**	0.5	1.1
Impact on deferred taxes	**0.0**	-0.1	**0.0**	-0.1	-0.3
Translation differences	**0.7**	-4.6	**0.2**	-4.4	-6.4
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-3.1**	-5.0	**-6.8**	-3.8	3.6
Net profit attributable to:					
Equity holders of the parent company	**-3.7**	-0.6	**-6.9**	0.1	3.6
Non-controlling interest	**-0.1**	0.0	**-0.1**	0.1	-1.0
Total comprehensive income attributable to:					
Equity holders of the parent company	**-3.0**	-5.0	**-6.7**	-3.9	4.6
Non-controlling interest	**-0.1**	0.0	**-0.1**	0.1	-1.0
Earnings/share, attributable to the equity holders of the parent company, EUR	**-0.06**	-0.01	**-0.12**	0.00	0.06
Corrected with dilution effect	**-0.06**	-0.01	**-0.12**	0.00	0.06

STATEMENT OF FINANCIAL POSITION

EUR million	**30 June 2014**	30 June 2013	31 Dec. 2013
ASSETS			
NON-CURRENT ASSETS			
Goodwill	**120.0**	129.0	127.4
Intangible assets	**2.2**	8.7	2.4
Tangible assets	**11.6**	59.1	13.3
Shares in associated companies and joint ventures	**5.7**	9.1	8.1
Other shares	**1.9**	2.0	2.0
Loans receivable	**0.3**	0.5	0.3
Deferred tax receivables	**17.9**	18.5	16.4
Pension receivables	**0.3**	0.2	0.2
Other	**5.6**	6.6	5.7
	165.5	233.7	175.8
CURRENT ASSETS			
Work in progress	**94.1**	107.5	84.8
Accounts receivable	**109.6**	136.3	124.6
Loans receivable	**0.3**	0.4	0.3
Other receivables	**11.0**	11.1	9.1
Prepaid expenses and accrued income	**13.3**	18.5	14.5
Financial assets at fair value trough profit and loss	**0.2**	0.1	0.2
Cash and cash equivalents	**48.1**	48.8	72.2
	276.6	322.7	305.7
TOTAL	**442.1**	556.4	481.5
EQUITY AND LIABILITIES			
EQUITY			
EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY			
Share capital	**14.6**	14.6	14.6
Legal reserve	**3.5**	3.5	3.5
Invested free equity reserve	**60.1**	60.1	60.1
Fair value reserve	**0.0**	-0.4	0.0
Translation difference	**-13.0**	-11.1	-13.2
Retained earnings	**58.7**	54.6	64.6
	123.9	121.3	129.6
Non-controlling interest	**2.8**	4.0	2.9
	126.7	125.3	132.5
LIABILITIES			
NON-CURRENT LIABILITIES			
Interest bearing non-current liabilities	**52.7**	98.6	56.4
Pension obligations	**24.8**	33.8	23.9
Deferred tax liability	**0.1**	0.9	0.2
Other non-current liabilities	**0.1**	11.7	2.1
	77.7	145.0	82.6
CURRENT LIABILITIES			
Amortisations of interest bearing non-current liabilities	**8.2**	21.9	9.3
Commercial papers	**30.2**	39.7	40.6
Interest bearing current liabilities	**0.4**	0.5	0.6
Provisions	**17.0**	11.8	15.7
Project advances	**64.7**	81.8	71.6
Accounts payable	**18.1**	23.2	27.4
Other current liabilities	**28.5**	28.7	27.9
Current tax payable	**1.9**	2.8	4.6
Accrued expenses and deferred income	**68.7**	75.7	68.7
	237.7	286.1	266.4
TOTAL	**442.1**	556.4	481.5

STATEMENT OF CASH FLOWS

EUR million	**4-6/2014**	4-6/2013	**1-6/2014**	1-6/2013	1-12/2013
FROM OPERATING ACTIVITIES					
Net profit for the period	**-3.8**	-0.6	**-7.0**	0.2	2.6
Expenses from share-based incentive programmes	**0.3**	0.1	**0.4**	0.2	0.3
Depreciation and impairment	**2.0**	2.2	**4.0**	4.3	16.3
Impairment losses from accounts receivable	**16.3**	0.2	**17.7**	0.8	1.1
Gain on sales of shares and fixed assets	**-20.8**	0.0	**-20.8**	0.0	-14.6
Adjustment to unpaid liability for acquired shares	**0.0**	0.0	**0.0**	0.0	-9.0
Loss on sale of shares and fixed assets	**0.0**	0.1	**0.0**	0.1	0.5
Financial income and expenses	**0.1**	1.7	**1.3**	2.5	5.2
Income taxes	**0.8**	1.1	**1.0**	2.5	6.5
Change in work in progress	**2.1**	1.0	**-10.6**	-15.9	6.8
Change in accounts and other receivables	**-17.3**	-0.8	**-9.0**	-0.2	16.2
Change in project advances received	**3.9**	-5.2	**-6.0**	-8.8	-19.1
Change in payables and other liabilities	**5.4**	-0.8	**-3.7**	-2.5	-4.5
Received financial income	**0.2**	0.7	**0.4**	1.1	1.6
Paid financial expenses	**-0.9**	-2.9	**-2.0**	-3.5	-7.1
Paid income taxes	**-1.8**	-2.0	**-1.5**	-4.4	-3.8
Total from operating activities	**-13.5**	-5.2	**-35.8**	-23.6	-1.0
CAPITAL EXPENDITURE					
Investments in fixed assets	**-0.6**	0.0	**-1.1**	-3.0	-5.9
Sales of business opearations and shares in subsidiaries deducted with cash included in the sales	**27.4**	-1.8	**27.4**	-0.1	-0.1
Sale of real estate	**0.0**	-0.1	**0.0**	0.0	58.3
Sales of other fixed assets	**0.0**	0.0	**0.0**	0.0	0.0
Capital expenditure total, net	**26.8**	-1.9	**26.3**	-3.1	52.3
Net cash before financing	**13.3**	-7.1	**-9.5**	-26.7	51.3
FINANCING					
New loans	**0.0**	43.7	**0.0**	43.7	46.6
Repayments of loans	**-4.5**	-37.1	**-5.1**	-45.8	-102.2
Change in current financing	**-4.8**	-1.4	**-10.6**	2.5	3.1
Received dividends	**0.9**	0.6	**1.1**	0.6	1.8
Paid dividends	**0.0**	0.0	**0.0**	-0.8	-0.8
Net cash from financing	**-8.4**	5.8	**-14.6**	0.2	-51.5
Change in cash and cash equivalents	**4.9**	-1.3	**-24.1**	-26.5	-0.2
Cash and cash equivalents and other liquid assets at the beginning of the period	**43.4**	54.5	**72.4**	83.0	83.0
Reclassification of subsidiary company to joint venture	**0.0**	0.0	**0.0**	-3.7	-3.7
Impact of translation differences in exchange rates	**0.0**	-4.3	**0.0**	-3.9	-6.7
Cash and cash equivalents and other liquid assets at the end of the period	**48.3**	48.9	**48.3**	48.9	72.4
Financial assets at fair value trough profit and loss	**0.2**	0.1	**0.2**	0.1	0.2
Cash and cash equivalents	**48.1**	48.8	**48.1**	48.8	72.2
Cash and cash equivalents and other liquid assets	**48.3**	48.9	**48.3**	48.9	72.4

CHANGES IN EQUITY

EUR million	Share capital	Legal reserve	Invested free equity reserve	Fair value reserve	Trans-lation diffe-rences	Retained earnings	Total	Non-controlling interest	Total equity
Equity 1 April 2014	14.6	3.5	60.1	0.0	-13.7	61.3	125.9	2.9	128.8
Comprehensive income									
Comprehensive income for the period					0.7	-3.7	-3.0	-0.1	-3.1
Contributions by and distributions to owners of the parent, recognised directly into equity									
Reversals from share-based incentive programmes						1.1	1.1		1.1
Total contributions by and distributions to owners of the parent, recognised directly into equity						1.1	1.1	0.0	1.1
Equity 30 June 2014	**14.6**	**3.5**	**60.1**	**0.0**	**-13.0**	**58.7**	**123.9**	**2.8**	**126.7**
Equity 1 January 2014	14.6	3.5	60.1	0.0	-13.2	64.6	129.6	2.9	132.5
Comprehensive income									
Comprehensive income for the period					0.2	-6.9	-6.7	-0.1	-6.8
Contributions by and distributions to owners of the parent, recognised directly into equity									
Reversals from share-based incentive programmes						1.1	1.1		1.1
Total contributions by and distributions to owners of the parent, recognised directly into equity						1.1	1.1	0.0	1.1
Equity 30 June 2014	**14.6**	**3.5**	**60.1**	**0.0**	**-13.0**	**58.7**	**123.9**	**2.8**	**126.7**
Equity 1 April 2013	14.6	3.5	60.1	-0.6	-6.5	54.9	126.0	4.0	130.0
Comprehensive income									
Comprehensive income for the period				0.2	-4.6	-0.6	-5.0	0.0	-5.0
Contributions by and distributions to owners of the parent, recognised directly into equity									
Payment of dividend							0.0		0.0
Expenses from share-based incentive programmes						0.1	0.1		0.1
Total contributions by and distributions to owners of the parent, recognised directly into equity						0.1	0.1	0.0	0.1
Equity 30 June 2013	14.6	3.5	60.1	-0.4	-11.1	54.6	121.3	4.0	125.3
Equity 1 January 2013	14.6	3.5	60.1	-0.8	-6.7	54.2	124.9	7.4	132.3
Comprehensive income									
Comprehensive income for the period				0.4	-4.4	0.1	-3.9	0.1	-3.8
Reclassification of subsidiary company to joint venture								-2.7	-2.7
Contributions by and distributions to owners of the parent, recognised directly into equity									
Payment of dividend							0.0	-0.8	-0.8
Expenses from share-based incentive programmes						0.2	0.2		0.2
Total contributions by and distributions to owners of the parent, recognised directly into equity						0.2	0.2	-0.8	-0.6
Equity 30 June 2013	14.6	3.5	60.1	-0.4	-11.1	54.6	121.3	4.0	125.3
Equity 1 January 2013	14.6	3.5	60.1	-0.8	-6.7	54.2	124.9	7.4	132.3
Comprehensive income									
Comprehensive income for the period				0.8	-6.4	10.2	4.6	-1.0	3.6
Reclassification of subsidiary company to joint venture								-2.7	-2.7
Contributions by and distributions to owners of the parent, recognised directly into equity									
Payment of dividend						0.0	0.0	-0.8	-0.8
Expenses from share-based incentive programmes						0.2	0.2		0.2
Total contributions by and distributions to owners of the parent, recognised directly into equity						0.2	0.2	-0.8	-0.6
Equity 31 December 2013	14.6	3.5	60.1	0.0	-13.2	64.6	129.6	2.9	132.5

KEY FIGURES	**4-6/2014**	4-6/2013	**1-6/2014**	1-6/2013	1-12/2013
Earnings/share, EUR	**-0.06**	-0.01	**-0.12**	0.00	0.06
Diluted	**-0.06**	-0.01	**-0.12**	0.00	0.06
Shareholders' equity/share, EUR			**2.08**	2.03	2.17
Return on investment, %			**-3.3**	4.1	5.8
Return on equity, %			**-11.0**	0.2	2.0
Equity ratio, %			**33.6**	26.4	32.3
Net debt/equity ratio (gearing), %			**34.1**	89.3	26.0
Net debt, EUR million			**43.2**	111.8	34.5
Consulting and engineering, EUR million			**481.3**	553.8	500.0
EPC, EUR million			**1.1**	1.9	0.0
Order stock total, EUR million			**482.4**	555.7	500.0
Capital expenditure, operating, EUR million	**0.6**	1.8	**1.1**	3.0	5.9
Capital expenditure in shares, EUR million	**0.0**	0.0	**0.0**	0.0	0.0
Personnel in group companies on average			**5659**	6235	6128
Personnel in group companies at end of period			**5333**	6111	5943
Personnel in associated companies and joint ventures at end of period			**240**	251	252

CALCULATION OF KEY FIGURES

Return on investment, ROI %

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

Return on equity, ROE %

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

Equity ratio %

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

Net debt/equity ratio, gearing %

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

Earnings/share, EPS

$$\frac{\text{net profit attributable to the equity holders of the parent company}}{\text{issue-adjusted average number of shares for the fiscal year}}$$

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

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

CONTINGENT LIABILITIES

EUR million	1-6/2014	1-6/2013	1-12/2013
Other own obligations			
Pledged securities	**0.0**	42.2	0.0
Other pledged assets	**0.3**	0.4	0.3
Project and other guarantees	**51.3**	61.7	57.1
Total	**51.6**	104.3	57.4
For others			
Pledged assets	**0.0**	0.1	0.1
Other obligations	**0.0**	0.1	0.3
Total	**0.0**	0.2	0.4
Rent and lease obligations	**131.8**	46.7	139.0

Pledged securities
At the end of June 2014 and December 2013 the Group did not have any pledged securities. As per 30 June 2013 all shares owned by Pöyry (100 per cent) in the mutual real estate company Kiinteistö Oy Vantaan Jaakonkatu 3 and all shares owned by Pöyry (50 per cent) in the mutual real estate company Martinparkki Oy were pledged against a Swedish Krona based bank loan with a book value of EUR 42.2 million.

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

Rent and lease obligations
The change compared to previous year end June is explained by Pöyry PLC and its subsidiaries entering into long term office rental agreements at the end of 2013.

Claims and litigation
Given the nature of Pöyry's operations, claims are made against Group companies from time to time based on various grounds, however, these claims seldom result in litigation or arbitration.

Litigations and 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. In the fourth reporting period of 2013, a proceeding in Ontario was served by the Litigation Trust against, *inter alia*, certain of Pöyry's subsidiary companies that had provided consulting services to SFC. Pöyry's legal advisors in Canada are of the view that this proceeding is without merit.

Rigesa arbitration
In 2013 Pöyry Tecnologia Ltda. and Pöyry Soluções em Projectos Ltda., subsidiary companies of Pöyry, commenced arbitration proceedings against Rigesa Celulose, Papel e Embalagens Ltda. ("Rigesa") in Brazil regarding the payment of certain change orders and other claims in relation to project deliveries of the said subsidiary companies to Rigesa. Rigesa has since commenced counter proceedings against the said Pöyry subsidiary companies in relation to the same project. The two arbitration proceedings have been combined into one proceeding (together the "Rigesa arbitration"). While Pöyry is convinced on the justification for its claims against Rigesa and does not see merit in Rigesa's counterclaims, it is premature to assess the outcome of the Rigesa arbitration.

The risk related to the individual claims and litigations where Group companies are involved is, on balance, considered immaterial on the Group level, taking into consideration the value and basis of these claims and litigations, the contractual terms and conditions and expert opinions applicable to these claims and litigations, the extent of Pöyry's business operations and insurance cover of the Group companies. There are, however, always uncertainties related to the outcome of litigation and arbitration proceedings.

DERIVATIVE INSTRUMENTS

EUR million	**1-6/2014**	1-6/2013	1-12/2013
Foreign exchange forward contracts			
Hedge accounting not applied			
Nominal value	**54.8**	45.3	59.3
Fair value, gains	**0.6**	0.9	1.0
Fair value, losses	**-0.3**	-0.3	-0.5
Fair value, net	**0.3**	0.7	0.5
Fair value hedge accounting			
Nominal value	**20.9**	11.5	33.8
Fair value, gains	**0.1**	0.1	0.4
Fair value, losses	**0.0**	-0.1	-0.1
Fair value, net	**0.1**	0.0	0.3
Foreign exchange option contracts			
Hedge accounting not applied			
Nominal value, purchased options	**10.3**	0.0	0.0
Fair value, gains	**0.0**	0.0	0.0
Fair value, losses	**-0.3**	0.0	0.0
Fair value, net	**-0.3**	0.0	0.0
Nominal value, sold options	**4.4**	0.0	0.0
Fair value, gains	**0.0**	0.0	0.0
Fair value, losses	**-0.2**	0.0	0.0
Fair value, net	**-0.2**	0.0	0.0
Interest rate swaps			
Hedge accounting not applied			
Nominal value	**0.0**	3.0	0.0
Fair value, gains	**0.0**	0.0	0.0
Fair value, losses	**0.0**	0.0	0.0
Fair value, net	**0.0**	0.0	0.0
Cash flow hedge accounting			
Nominal value	**0.0**	41.6	0.0
Fair value, gains	**0.0**	0.0	0.0
Fair value, losses	**0.0**	-0.6	0.0
Fair value, net	**0.0**	-0.6	0.0

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

The fair value of the foreign exchange forward contracts is specified by closing date fair values for the corresponding maturities of the agreements. The fair values of the interest rate swaps and cross currency swaps have been specified by the present values of the future cash flows which are based on the closing date's interest rates and other information, 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. At the end of June 2014 the Group did not have any outstanding interest rate or cross currency swaps.

FAIR VALUE HIERARCHY FOR FINANCIAL ASSETS AND LIABILITIES RECOGNISED AT FAIR VALUE

EUR million	**1-6/2014**	Level 1	Level 2	Level 3
Financial assets at fair value				
Available for sale assets, shares	**1.9**			1.9
Derivatives under fair value hedge accounting	**0.1**		0.1	
Derivatives outside of hedge accounting	**0.6**		0.6	
Financial assets at fair value through profit and loss	**0.2**		0.2	
	2.7	0.0	0.8	1.9
Financial liabilities at fair value				
Derivatives under fair value hedge accounting	**0.0**		0.0	
Derivatives under cash flow hedge accounting	**0.0**		0.0	
Derivatives outside of hedge accounting	**-0.8**		-0.8	
	-0.8	0.0	-0.8	0.0

EUR million	**1-6/2013**	Level 1	Level 2	Level 3
Financial assets at fair value				
Available for sale assets, shares	2.0			2.0
Derivatives under fair value hedge accounting	0.1		0.1	
Derivatives outside of hedge accounting	0.9		0.9	
Financial assets at fair value through profit and loss	0.1		0.1	
	3.1	0.0	1.1	2.0
Financial liabilities at fair value				
Derivatives under fair value hedge accounting	0.1		0.1	
Derivatives under cash flow hedge accounting	0.6		0.6	
Derivatives outside of hedge accounting	0.7		0.7	
	1.4	0.0	1.4	0.0

EUR million	1-12/2013	Level 1	Level 2	Level 3
Financial assets at fair value				
Available for sale assets, shares	2.0			2.0
Derivatives under fair value hedge accounting	0.4		0.4	
Derivatives outside of hedge accounting	1.0		1.0	
Financial assets at fair value through profit and loss	0.2		0.2	
	3.6	0.0	1.6	2.0
Financial liabilities at fair value				
Derivatives under fair value hedge accounting	0.1		0.1	
Derivatives under cash flow hedge accounting	0.0		0.0	
Derivatives outside of hedge accounting	0.5		0.5	
	0.6	0.0	0.6	0.0

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

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

Level 3 fair values are measured using valuation techniques based on unquoted parameter inputs.

During 2014 there were no transfers between levels 1, 2 and 3. The change in level 3 compared to previous year is explained by fair value changes of such shares owned by group companies which are not denominated in euros, and/or selling of these shares.

FINANCIAL ASSETS AND LIABILITIES

EUR million	**1-6/2014**	1-6/2013	1-12/2013
Available-for-sale assets, shares	**1.9**	2.0	2.0
Loans and other receivables			
Non-current accounts receivable	**3.4**	2.9	3.5
Other non-current receivables	**1.9**	0.5	2.0
Current accounts receivable	**109.6**	136.3	124.6
Non-current loans receivable	**0.3**	0.5	0.3
Current loans receivable	**0.3**	0.4	0.3
Cash and cash equivalents *)	**48.1**	48.8	72.2
Derivatives under fair value hedge accounting	**0.1**	0.1	0.4
Derivatives outside of hedge accounting	**0.6**	0.9	1.0
Financial assets at fair value through profit and loss	**0.2**	0.1	0.2
FINANCIAL ASSETS	**166.4**	192.5	206.4
Liabilities at amortised cost			
Interest bearing liabilities	**91.5**	160.7	106.9
Accounts payable	**18.1**	23.2	27.4
Derivatives under fair value hedge accounting	**0.0**	0.1	0.1
Derivatives under cash flow hedge accounting	**0.0**	0.6	0.0
Derivatives outside of hedge accounting	**-0.8**	0.0	0.5
FINANCIAL LIABILITIES	**108.8**	184.6	134.8

The book value of the financial assets and liabilities corresponds to their fair value. Fair value calculation rules of the derivatives can be found under Derivative Instruments.

*) 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 30 June 2014 EUR 7.5 million of the cash balances and equivalent amount of the overdraft balances were offset.

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.

Shareholding and option rights of related parties
The members of the Board of Directors, the President and CEO and the members of the Group Executive Committee owned on 30 June 2014 a total of 458 889 shares (on 31 December 2013 a total of 344 014 shares).

Performance share plan 2011-2015

In February 2011 the Board of Directors of Pöyry PLC approved a share-based incentive plan for key personnel. The plan includes three earning periods which are the calendar years 2011-2013. The Board of Directors has on 11 March 2014 decided on a directed share issue for the reward payment from the earning period 2011-2013. In the share issue maximum of 72,700 Pöyry PLC shares held by the Company will be issued and conveyed without consideration to the key persons according to the terms and conditions of the plan.

Performance share plan 2014-2016

The Board of Directors of Pöyry PLC approved on 4 February 2014 a new share-based incentive plan for the Pöyry Group key personnel. The incentive plan is directed to approximately 35 persons. The plan consists of three discretionary periods, calendar years 2014, 2015 and 2016. The Board of Directors of the company will decide on the performance criteria and their targets at the beginning of each discretionary period. For year 2014 the rewards to be paid will correspond to an approximate value of a maximum total of 400 000 Pöyry PLC shares (gross).

Own shares
Pöyry PLC holds on 30 June 2014 a total of 518 530 (31 December 2013 683 155) own shares corresponding to 1.1 per cent of the total number of shares.

	4-6/2014	4-6/2013	**1-6/2014**	1-6/2013	1-12/2013
Transaction with associated companies					
Sales	**0.0**	0.0	**0.0**	0.0	0.1
Loans receivable			**0.1**	0.1	0.1
Accounts receivable			**0.0**	0.0	0.0

The transactions are determined on an arm's length basis.

CHANGES IN INTANGIBLE ASSETS AND TANGIBLE ASSETS

EUR million	**4-6/2014**	4-6/2013	**1-6/2014**	1-6/2013	1-12/2013
Intangible assets					
Book value at beginning of period	**2.3**	9.4	**2.4**	9.3	9.3
Capital expenditure	**0.0**	0.0	**0.2**	0.5	0.6
Decreases	**0.0**	-0.1	**0.0**	-0.1	0.1
Depreciation	**-0.2**	-0.4	**-0.5**	-0.8	-7.3
Translation difference	**0.1**	-0.2	**0.1**	-0.2	-0.3
Book value at end of period	**2.2**	8.7	**2.2**	8.7	2.4
Tangible assets					
Book value at beginning of period	**12.1**	59.3	**13.3**	60.6	60.6
Capital expenditure	**0.6**	1.8	**0.9**	2.5	5.3
Decreases	**0.0**	0.0	**-0.4**	-0.3	-45.0
Depreciation	**-1.2**	-1.7	**-2.4**	-3.4	-6.9
Translation difference	**0.1**	-0.3	**0.2**	-0.3	-0.7
Book value at end of period	**11.6**	59.1	**11.6**	59.1	13.3

CHANGES IN GOODWILL AND INTANGIBLE RIGHTS

EUR million	**4-6/2014**	4-6/2013	**1-6/2014**	1-6/2013	1-12/2013
Book value at beginning of period, goodwill	**120.2**	131.2	127.4	131.4	131.4
Book value at beginning of period, intangible rights	**0.0**	6.2	0.0	6.1	6.1
Decrease in goodwill	**0.0**	0.0	-6.8	0.0	0.0
Decrease in intangible rights	**0.0**	0.0	0.0	0.0	-0.3
Depreciation and impairment of intangible rights	**0.0**	-0.1	0.0	-0.1	-5.9
Exchange differences, goodwill	**-0.2**	-2.2	-0.6	-2.4	-4.0
Exchange differences, intangible rights	**0.0**	-0.2	0.0	-0.1	0.1
Book value at end of period	**120.0**	134.9	120.0	134.9	127.4
Goodwill	**120.0**	129.0	120.0	129.0	127.4
Intangible rights 1)	**0.0**	5.9	0.0	5.9	0.0

1) Purchase price from business acquisitions allocated to intangible rights.

ACQUISITIONS

During the reporting periods there have been no acquisitions.

OPERATING SEGMENTS

EUR million	**1-6/2014**	1-6/2013	1-12/2013
NET SALES			
Energy	**63.7**	70.6	135.4
Industry	**22.3**	22.9	43.7
Regional Operations	**182.7**	211.6	405.4
Management Consulting	**34.2**	32.4	65.9
Unallocated	**0.6**	-1.0	0.4
Total	**303.5**	336.5	650.8
OPERATING PROFIT AND NET PROFIT FOR THE PERIOD			
Energy	**1.2**	1.7	4.9
Industry	**0.9**	1.1	1.3
Regional Operations	**-22.1**	4.6	1.8
Management Consulting	**2.2**	-0.4	2.4
Unallocated	**13.1**	-2.0	3.5
OPERATING PROFIT TOTAL	**-4.7**	5.0	13.9
Financial income and expenses	**-1.3**	-2.5	-5.2
Share of associated companies' and joint ventures' results	**0.0**	0.2	0.4
PROFIT BEFORE TAXES	**-6.0**	2.7	9.1
Income taxes	**-1.0**	-2.5	-6.5
NET PROFIT FOR THE PERIOD	**-7.0**	0.2	2.6
Attributable to:			
Equity holders of the parent company	**-6.9**	0.1	3.6
Non-controlling interest	**-0.1**	0.1	-1.0
OPERATING PROFIT %			
Energy	**1.9**	2.4	3.6
Industry	**4.0**	4.8	3.0
Regional Operations	**-12.1**	2.2	0.4
Management Consulting	**6.4**	-1.2	3.6
Operating profit % total	**-1.6**	1.5	2.1
ORDER STOCK			
Energy	**190.0**	196.5	189.0
Industry	**25.6**	23.7	17.1
Regional Operations	**250.8**	317.2	278.7
Management Consulting	**15.8**	18.3	15.2
Unallocated	**0.2**	0.0	0.0
Total	**482.4**	555.7	500.0
Consulting and engineering	**481.3**	553.8	500.0
EPC	**1.1**	1.9	0.0
Total	**482.4**	555.7	500.0
NET SALES BY AREA			
The Nordic countries	**109.3**	123.8	230.3
Other Europe	**106.9**	115.5	229.2
Asia	**35.0**	29.9	57.0
North America	**10.9**	11.9	21.9
South America	**37.3**	49.7	100.3
Other	**4.1**	5.7	12.1
Total	**303.5**	336.5	650.8
PERSONNEL AT END OF PERIOD			
Energy	**992**	1 010	994
Industry	**476**	508	494
Regional Operations	**3282**	3 944	3 821
Management Consulting	**408**	436	413
Unallocated	**175**	213	221
Total	**5 333**	6 111	5 943

OPERATING SEGMENTS

EUR million	7-9/13	10-12/13	1-3/2014	4-6/2014
NET SALES				
Energy	31.2	33.6	29.8	33.9
Industry	10.0	10.8	11.1	11.2
Regional Operations	97.0	96.8	92.8	89.9
Management Consulting	14.8	18.7	17.8	16.4
Unallocated	0.7	0.7	-0.2	0.8
Total	153.7	160.6	151.3	152.2
OPERATING PROFIT				
Energy	2.6	0.6	0.6	0.6
Industry	0.3	-0.1	0.2	0.7
Regional Operations	0.3	-3.1	-1.2	-20.9
Management Consulting	0.8	2.0	1.4	0.8
Unallocated	-3.4	8.9	-2.8	15.9
OPERATING PROFIT TOTAL	0.6	8.3	-1.8	-2.9
Financial income and expenses	-1.4	-1.3	-1.2	-0.1
Share of associated companies' and joint ventures' results	-0.1	0.3	0.0	0.0
PROFIT BEFORE TAXES	-0.9	7.3	-3.0	-3.0
Income taxes	0.8	-4.8	-0.2	-0.8
NET PROFIT FOR THE PERIOD	-0.1	2.5	-3.2	-3.8
Attributable to:				
Equity holders of the parent company	0.9	2.6	-3.2	-3.7
Non-controlling interest	-1.0	-0.1	0.0	-0.1
OPERATING PROFIT %				
Energy	8.3	1.8	2.0	1.8
Industry	3.0	-0.9	1.8	6.3
Regional Operations	0.3	-3.2	-1.3	-23.3
Management Consulting	5.4	10.7	7.9	4.9
Group	0.4	5.2	-1.2	-1.9
ORDER STOCK				
Energy	199.8	189.0	198.1	190.0
Industry	24.0	17.1	16.6	25.6
Regional Operations	313.0	278.7	305.4	250.8
Management Consulting	20.8	15.2	19.8	15.8
Unallocated	0.0	0.0	0.5	0.2
Total	557.6	500.0	540.4	482.4
Consulting and engineering	554.8	500.0	539.2	481.3
EPC	2.8	0.0	1.2	1.1
Total	557.6	500.0	540.4	482.4

OPERATING SEGMENTS

EUR million	7-9/2012	10-12/2012	1-3/2013	4-6/2013
NET SALES				
Energy	36.6	43.9	35.3	35.3
Industry	9.5	8.7	9.8	13.1
Regional Operations	113.0	116.1	104.0	107.6
Management Consulting	16.7	20.7	17.6	14.8
Unallocated	0.2	1.3	-0.4	-0.6
Total	176.0	190.7	166.3	170.2
OPERATING PROFIT				
Energy	0.0	1.8	0.9	0.8
Industry	0.6	0.7	-0.1	1.2
Regional Operations	1.1	-7.4	2.4	2.2
Management Consulting	0.0	-1.0	0.5	-0.9
Unallocated	-3.0	-9.3	-0.6	-1.4
OPERATING PROFIT TOTAL	-1.3	-15.2	3.1	1.9
Financial income and expenses	-1.6	-1.5	-0.8	-1.7
Share of associated companies' and joint ventures' results	0.2	0.1	-0.1	0.3
PROFIT BEFORE TAXES	-2.7	-16.6	2.2	0.5
Income taxes	0.2	1.3	-1.4	-1.1
NET PROFIT FOR THE PERIOD	-2.5	-15.3	0.8	-0.6
Attributable to:				
Equity holders of the parent company	-3.0	-15.4	0.7	-0.6
Non-controlling interest	0.5	0.1	0.1	0.0
OPERATING PROFIT %				
Energy	0.0	4.1	2.5	2.3
Industry	6.3	8.0	-1.0	9.2
Regional Operations	1.0	-6.4	2.3	2.0
Management Consulting	0.0	-4.8	2.8	-6.1
Operating profit % total	-0.7	-8.0	1.9	1.1
ORDER STOCK				
Energy	172.2	178.2	171.6	196.5
Industry	26.4	21.3	25.9	23.7
Regional Operations	376.0	332.6	372.0	317.2
Management Consulting	20.5	15.6	16.4	18.3
Unallocated	0.0	0.0	0.0	0.0
Total	595.1	547.7	585.9	555.7
Consulting and engineering	586.5	542.7	580.9	553.8
EPC	8.6	5.0	5.0	1.9
Total	595.1	547.7	585.9	555.7