

JANUARY- SEPTEMBER 2013 INTERIM REPORT



PÖYRY

OCTOBER 29, 2013

Alexis Fries, President and CEO

Jukka Pahta, CFO

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Alexis Fries
President and CEO

2013 – Q1-Q3 OVERVIEW

MEUR	1-9/2013	1-9/2012	Change-%
Order stock	557.6	568.5	-2
Net sales	490.2	565.7	-13
Operating profit	5.6	-2.7	n.a.
Net result	0.1	-7.9	n.a.

2012 comparable numbers after divestments

2013 – Q1-Q3 OVERVIEW

PÖYRY AWARDED MAJOR THERMAL POWER PROJECT IN SAUDI ARABIA

Project is an important milestone in meeting the country's fast growing energy demand

- **Client:** Saudi Electricity Company
- **Output:** 2640 MW
- **Value:** EUR 40 million



Shuqaiq

2013 – Q1-Q3 OVERVIEW

RECOGNISED PROJECT LOSSES

- Approximately EUR 7 million project losses mainly originating from a project in Austria
 - Order received in January 2012
 - Water treatment plant in connection for an oil refinery in Austria
 - Implementation difficulties resulting in cost-overruns
 - Project to be completed during 2014
 - Mitigation actions initiated

2013 – Q1-Q3 OVERVIEW

ORGANISATIONAL EVOLUTION CONTINUES

	Strategic Advisory	Global Competence Lines		Regional Business Lines
	World's capital and resource intensive industries	Competence-driven global business in sectors with attractive opportunities		Generic offering in selected key countries
Business Lines	Management Consulting	Energy	Industry	Regional Operations
	Strategic advice and transaction support for selected sectors	Engineering for complex processes, feasibility studies and process based technology		Generic engineering services covering engineering and technical advisory

2013 – Q1-Q3 OVERVIEW

STRATEGIC ELEMENTS: MULTIDOMESTIC FOUNDATION

6 Key Regions

1. Northern Europe
2. Central Europe
3. Alpine Arc
4. Latin America
5. North America
6. Asia Pacific

7 Key Countries for Enhanced Local Services

1. Finland
2. Sweden
3. Germany
4. Switzerland
5. Austria
6. Brazil
7. Thailand

Global Competence Lines

Pulp & Paper, Mining & Metals, Chemicals & Biorefining

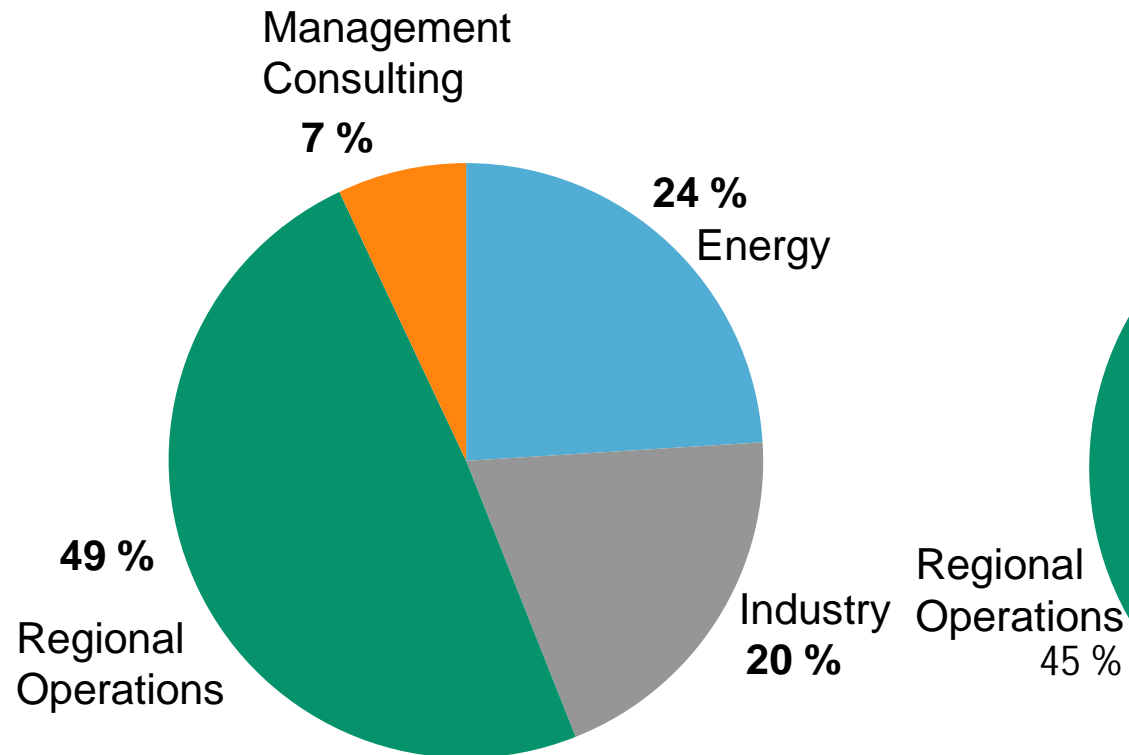
Hydro Power, Thermal Power, Nuclear Power, Renewables, Transmission & Distribution

2013 – Q1-Q3 OVERVIEW

PERSONNEL AND NET SALES BY BUSINESS LINE

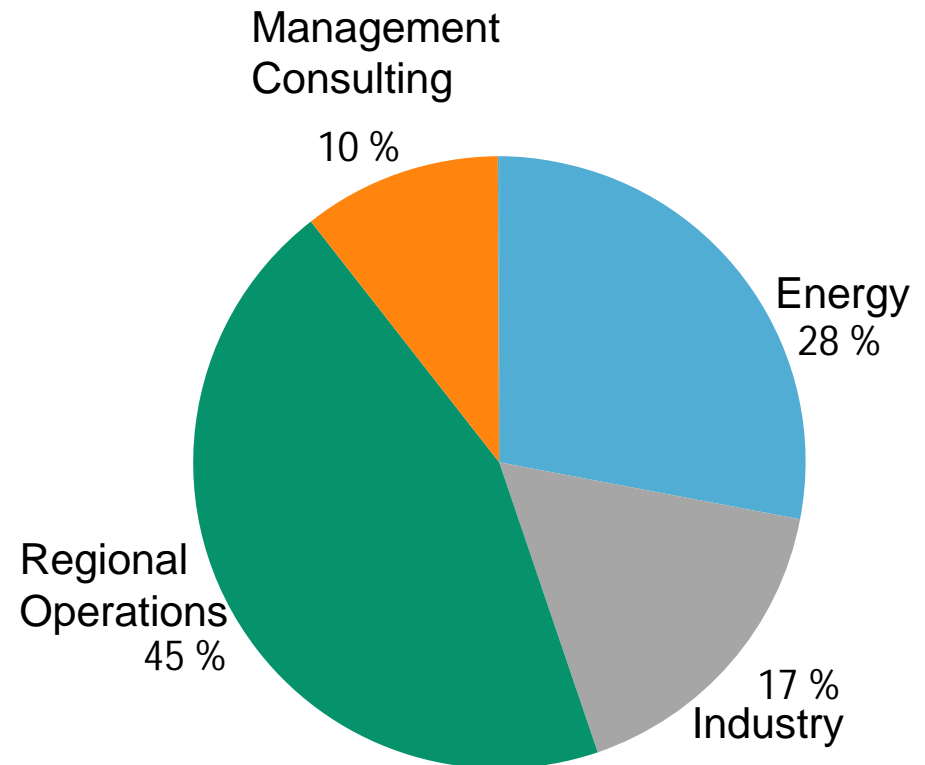
Personnel by business line

Total number of personnel: 6,516*



Net sales by business line

Net sales: EUR 490.2 million

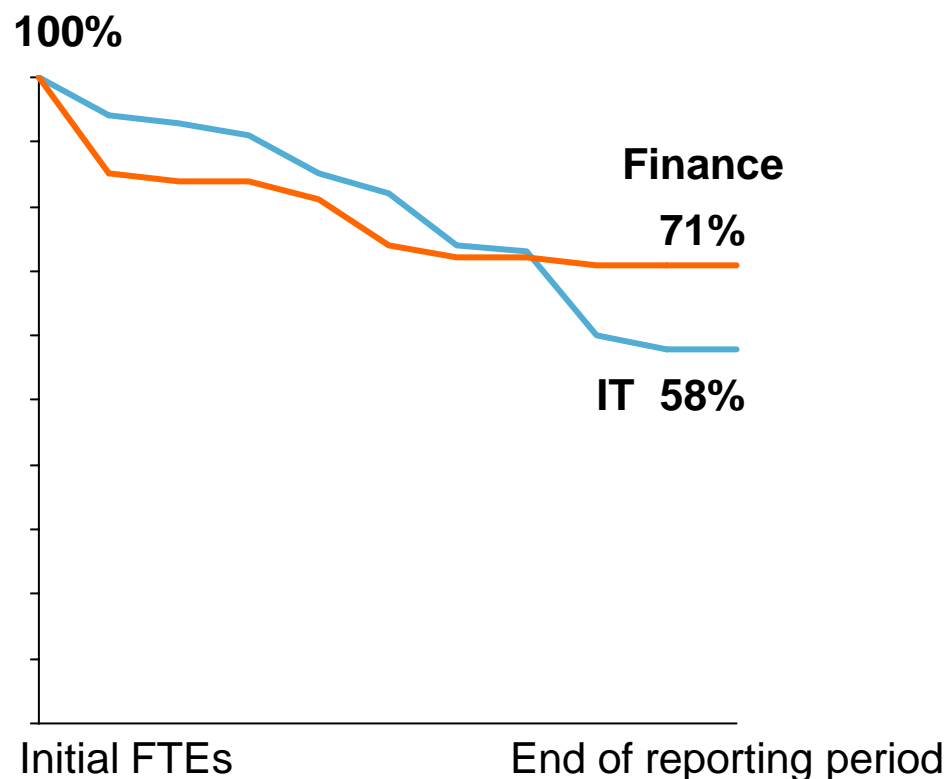


* (FTRs), at the end of the period

2013 – Q1-Q3 OVERVIEW

COST SAVINGS PROCEEDING TO PLAN

Organizational development



Cost savings

Achieved savings	% of achievement, project to date	% of achievement, plan end of 2014
Facilities	207 %	138 %
Human resources	125 %	91 %
Admin	140 %	127 %
Finance	71 %	34 %
IT	133 %	21 %
Travel	163 %	100 %
Line management	100 %	100 %

Cost savings potential: 25-30 MEUR*

* by the end of 2014

IMPORTANT EVENTS AFTER THE END OF THE REPORTING PERIOD

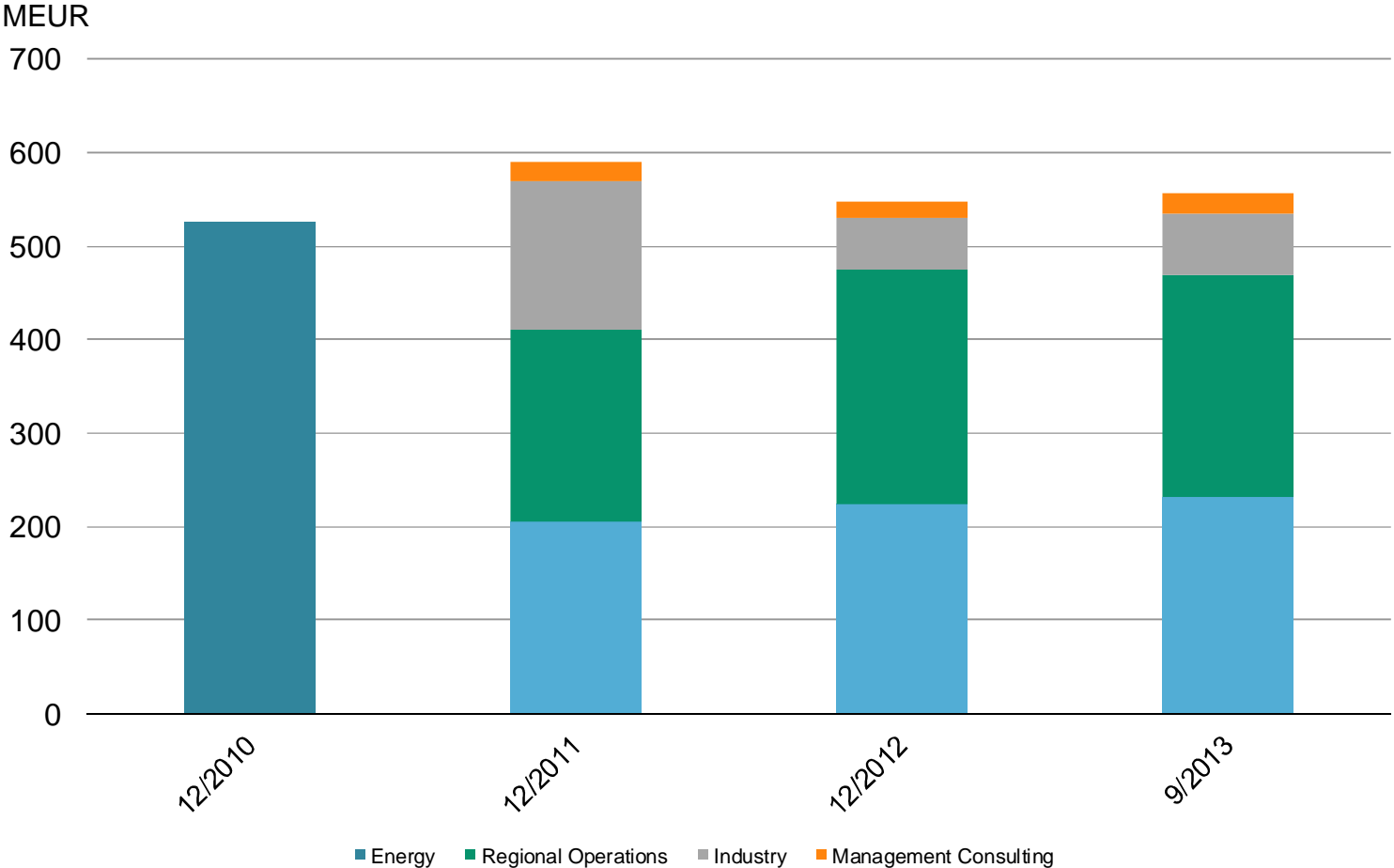
- Statutory negotiations started
 - Initiated in connection with low activity levels in certain Finnish Business Units
 - Concern mainly energy and real estate businesses, in total approximately 160 people

JANUARY- SEPTEMBER 2013



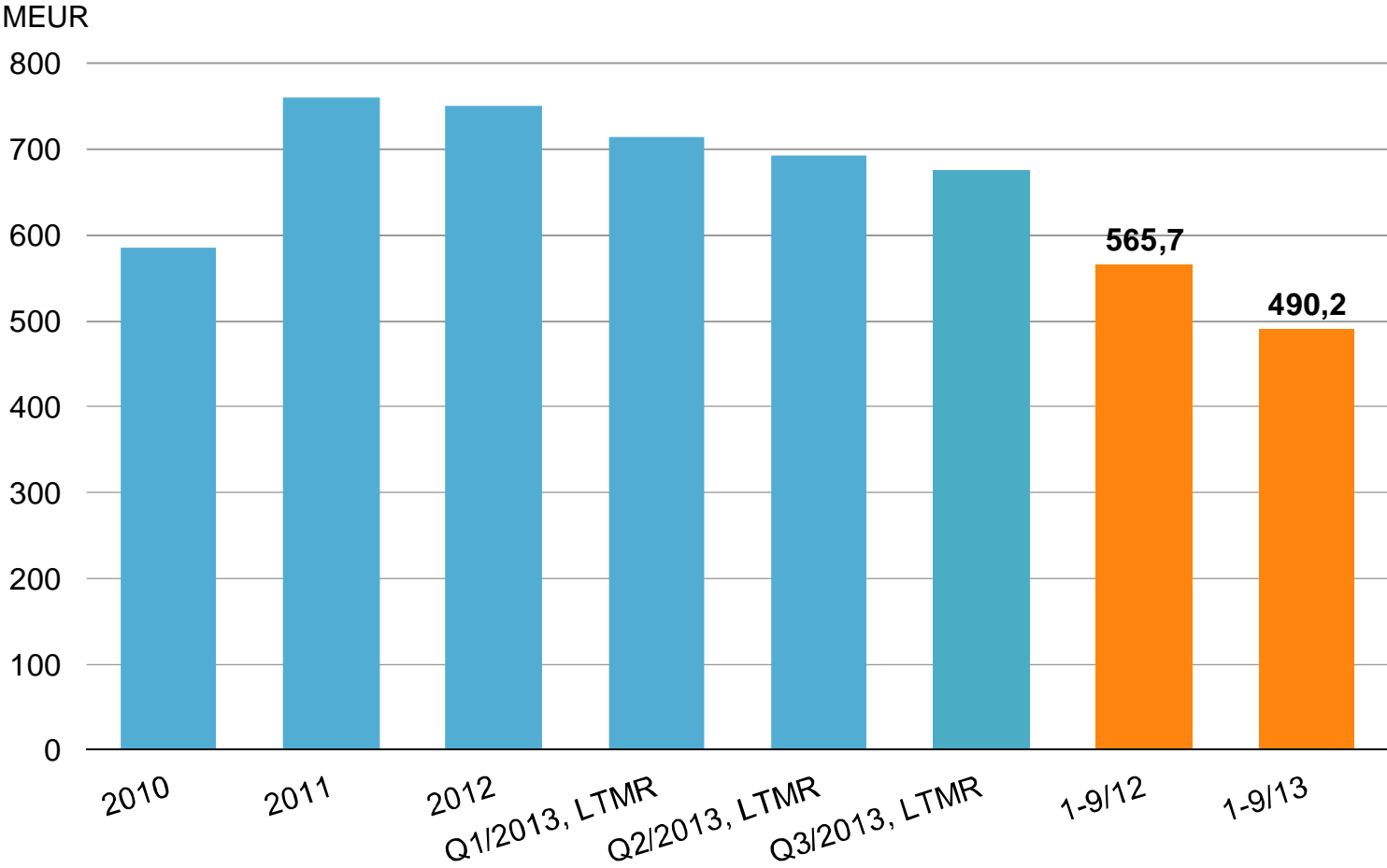
Jukka Pahta
CFO

JANUARY – SEPTEMBER 2013 ORDER STOCK



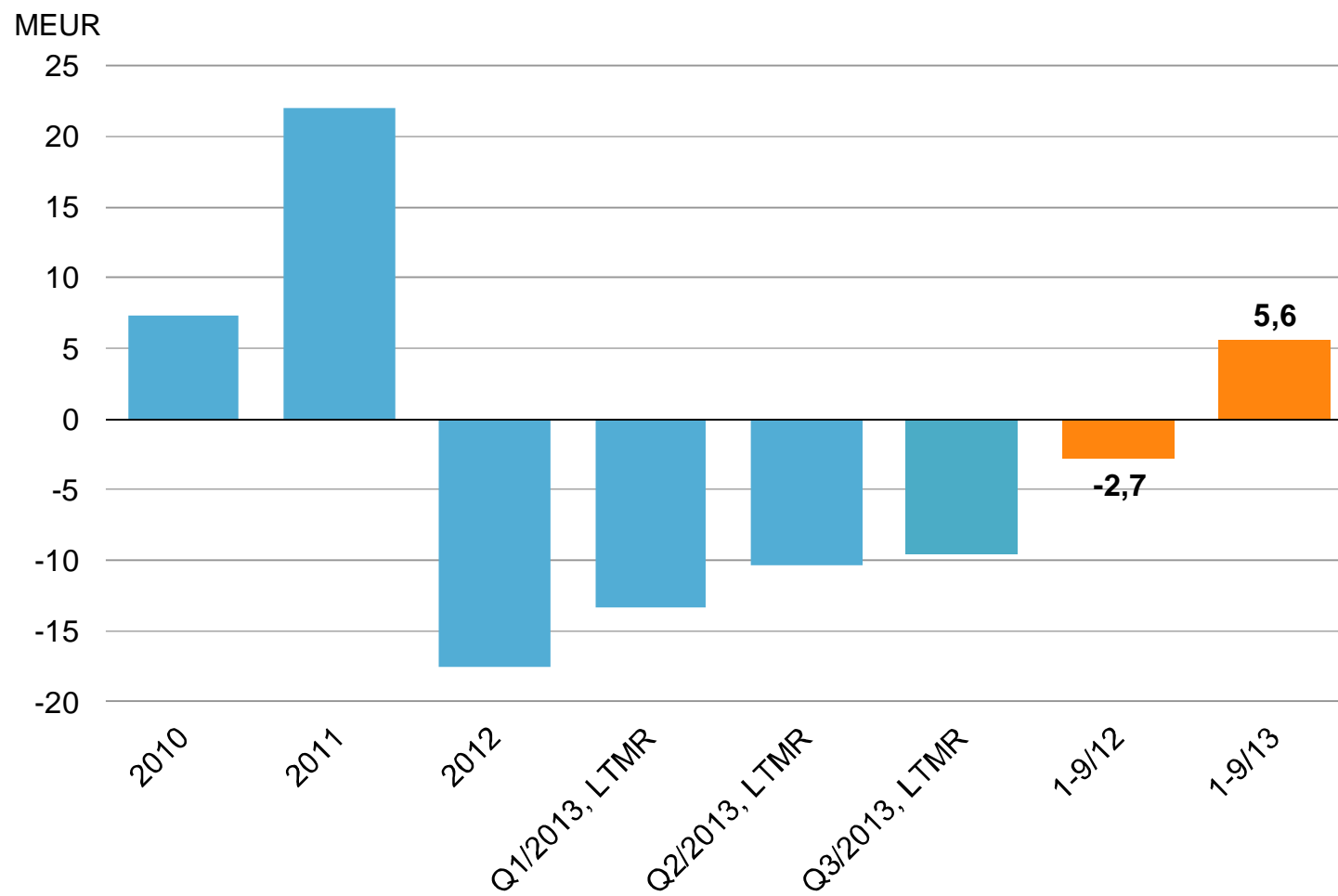
2012 comparable numbers after divestments

JANUARY – SEPTEMBER 2013 NET SALES



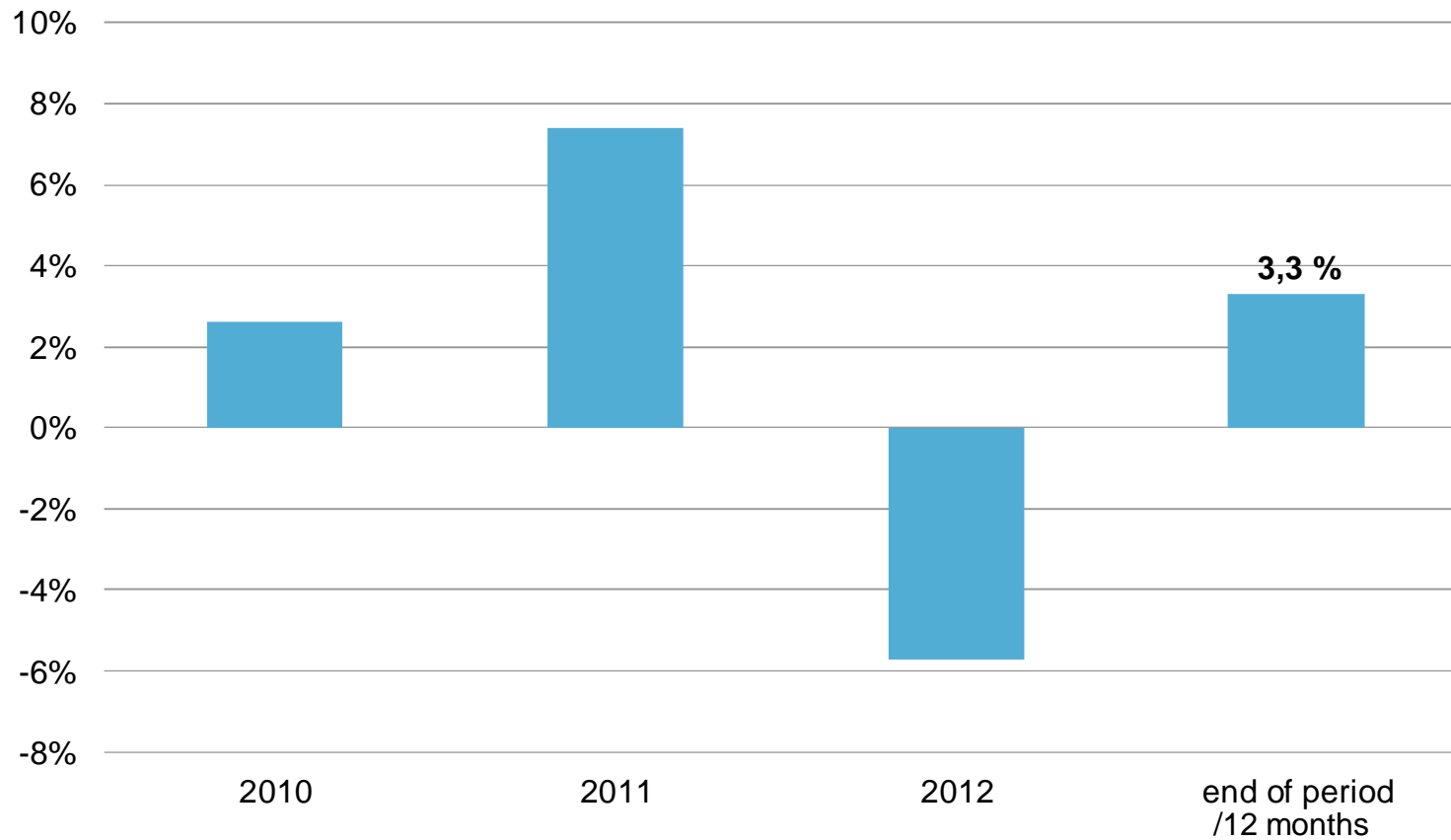
2012 comparable numbers after divestments

JANUARY – SEPTEMBER 2013 OPERATING PROFIT



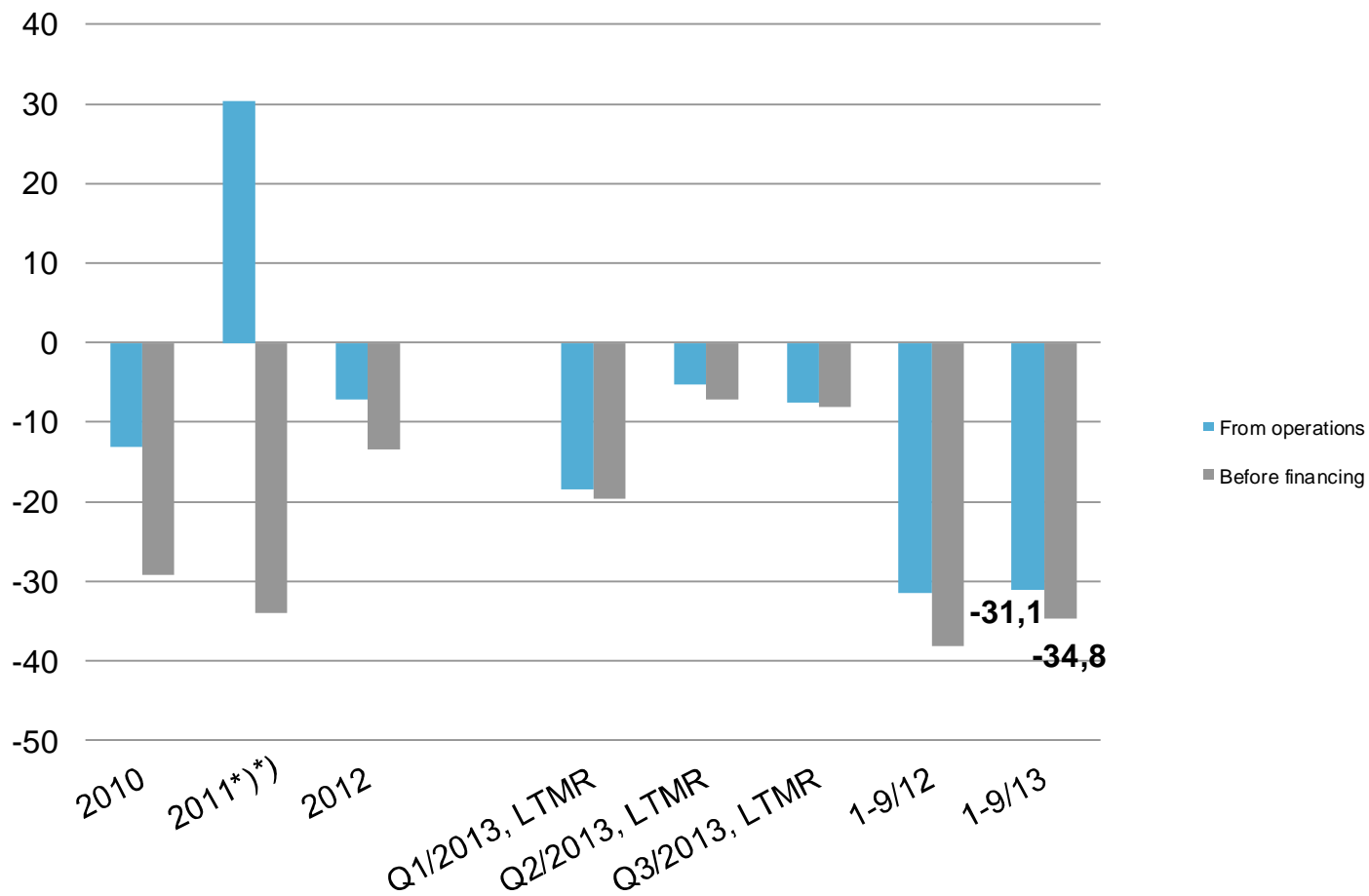
2012 comparable numbers after divestments

JANUARY – SEPTEMBER 2013 RETURN ON INVESTMENT, %



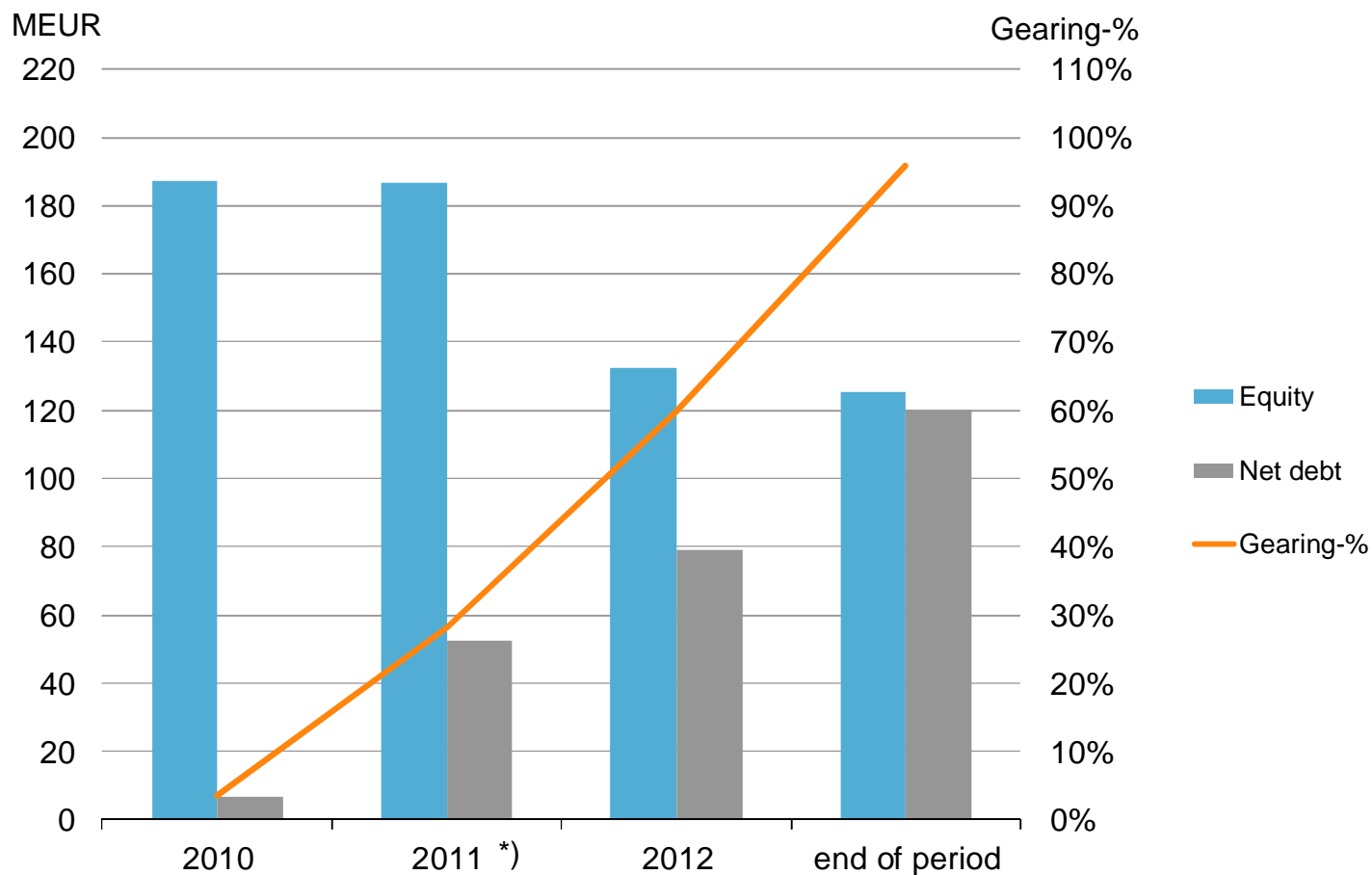
JANUARY – SEPTEMBER 2013

CASH FLOW FROM OPERATIONS AND AFTER CAPEX



*) 2011 includes the acquisition of the Vantaa Head Office building

JANUARY – SEPTEMBER 2013 NET DEBT, EQUITY & GEARING



*) The Vantaa Head Office building was included in the balance sheet in 2011.

OUTLOOK FOR 2013

- Net sales are likely to fall short of 2012.
- Outlook for operating profit unchanged.
 - Operating profit expected to increase.

THANK YOU!

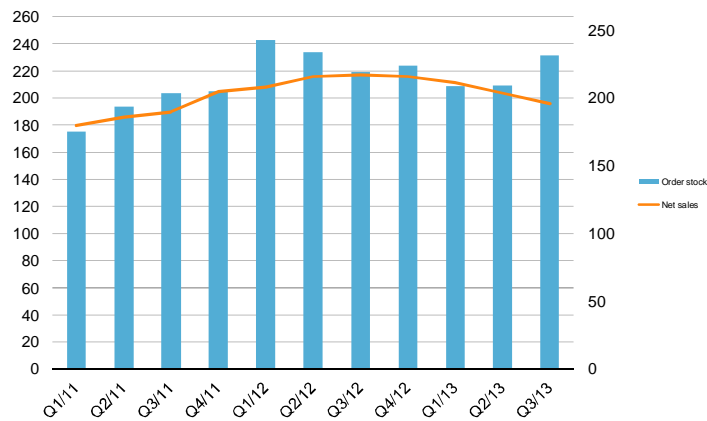


APPENDICES

JANUARY – SEPTEMBER 2013

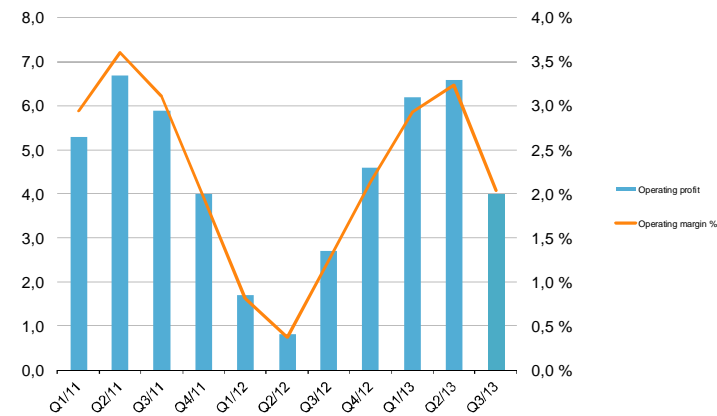
ENERGY BUSINESS GROUP

Order stock (left scale), MEUR
 Net sales (right scale), MEUR, LTMR



- + Order stock at good level
- + Significant order received in the Kingdom of Saudi Arabia

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

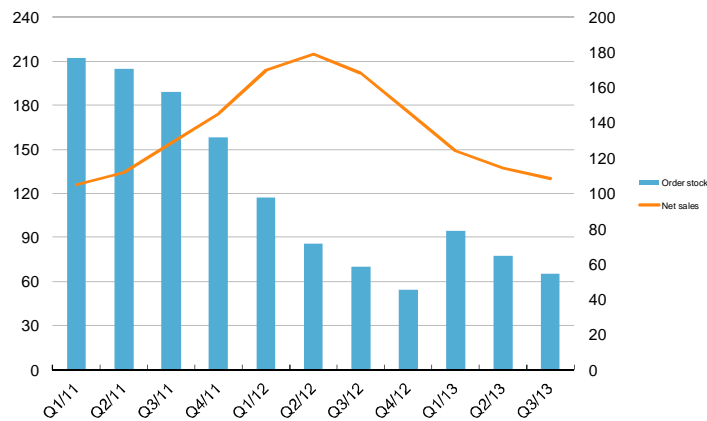


- Operating profit burdened by project losses for a project in Austria

Pro forma/comparable after divestments

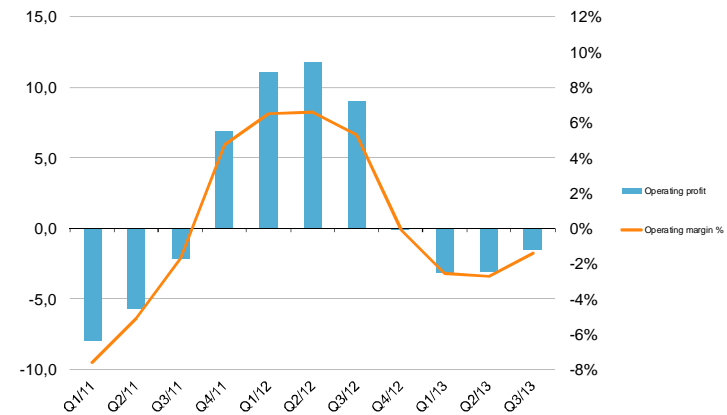
JANUARY – SEPTEMBER 2013 INDUSTRY BUSINESS GROUP

Order stock (left scale), MEUR
Net sales (right scale), MEUR, LTMR



- Order stock lower than in previous year and in the beginning of year
- Unexpected delays in project awards have unfavourably impacted revenues

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

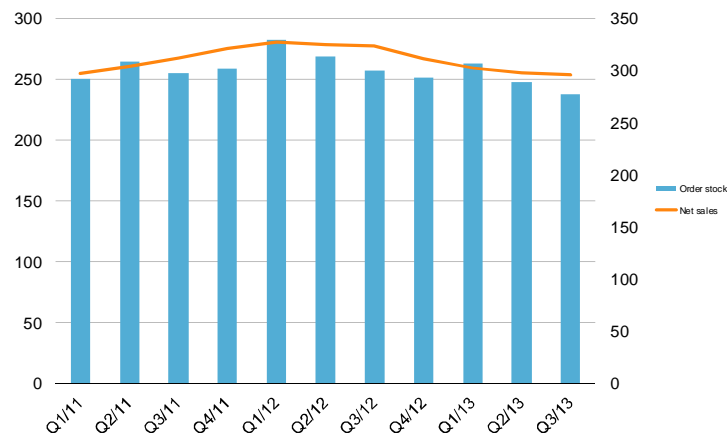


- Operating profit still burdened by the decreasing net sales and delayed start-up of new projects

Pro forma/comparable after divestments

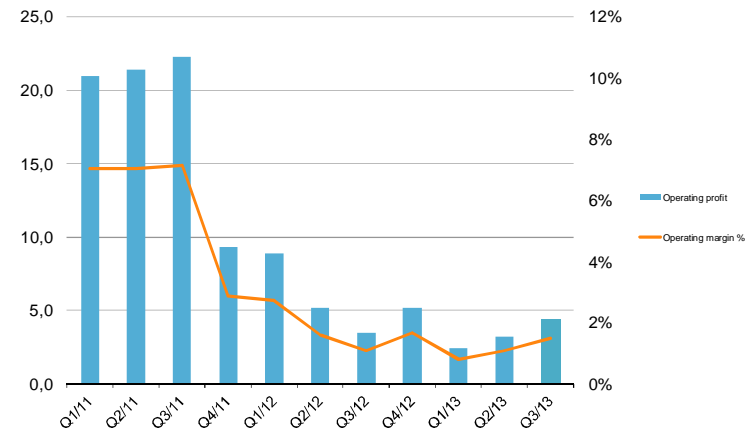
JANUARY – SEPTEMBER 2013 REGIONAL OPERATIONS

Order stock (left scale), MEUR
Net sales (right scale), MEUR, LTMR



- + Declining impact from earlier transportation business
- + Focusing on the regional operations

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

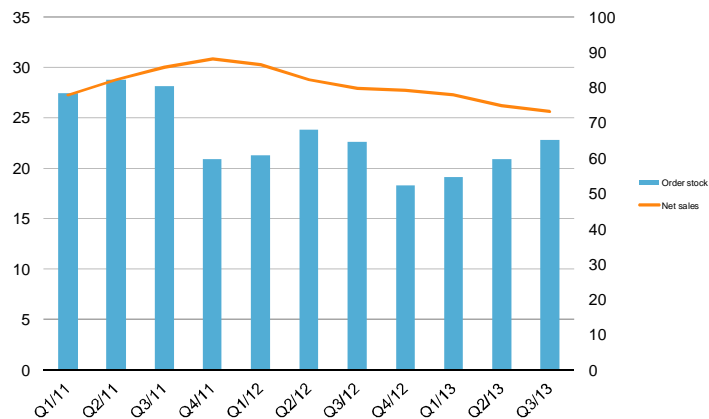


- + Declining impact from earlier transportation business

Pro forma/comparable after divestments

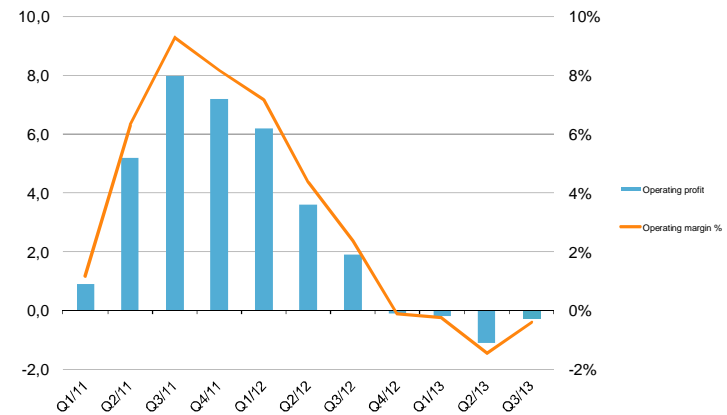
JANUARY – SEPTEMBER 2013 MANAGEMENT CONSULTING

Order stock (left scale), MEUR
Net sales (right scale), MEUR, LTMR



+ Improving order stock

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



+ Addressing low performing units leads to performance recovery

Pro forma/comparable after divestments

RESTATED STATEMENT OF COMPREHENSIVE INCOME

LINE ITEM	Adjustment	1-9/ 2012	Adjustment	1-12/ 2012
OPERATING PROFIT, reported		-2.8		-17.9
Share of associated companies result transferred to financial items	-0.5		-0.6	
Other operating income transferred to financial items	-0.7		-0.7	
Pension expenses due to change in IAS 19	-0.9		-1.2	
Interest part transferred to Financial expenses	1.2		1.6	
OPERATING PROFIT, restated		-3.7		-18.8
PROFIT BEFORE TAXES, reported		-4.5		-20.8
Adjusted pension expenses due to change in IAS 19	-0.9		-1.2	
PROFIT BEFORE TAXES, restated		-5.4		-22.0
NET PROFIT, reported		-8.0		-23.0
Adjusted pension expenses due to change in IAS 19	-0.9		-1.2	
NET PROFIT, restated		-8.9		-24.2
TOTAL COMPREHENSIVE INCOME, reported		-6.1		-20.4
Adjusted pension expenses due to change in IAS 19		-0.9	-1.2	
Recognised actuarial loss		-1.3	-1.7	
TOTAL COMPREHENSIVE INCOME, restated		-8.3		-23.3

RESTATED FINANCIAL POSITION

LINE ITEM	Adjustment	1-9/ 2012	Adjustment	1-12/ 2012
Deferred tax receivables, reported		13.0		13.5
Increase based on pension obligations, IAS 19	5.4		5.5	
Deferred tax receivables, restated		18.4		19.0
Pension receivables, non-current and current, reported		1.7		3.1
Decrease based on pension obligations, IAS 19	-1.6		-2.9	
Pension receivables, non-current and current, restated		0.1		0.2
Total assets, reported		612.1		578.6
Total adjustments due to changes in IAS 19	3.8		2.6	
Total assets, restated		615.9		581.2
Retained earnings, reported		96.2		76.2
Decrease based on pension obligations, IAS 19	-20.5		-22.0	
Retained earnings, restated		75.7		54.2
Pension obligations, reported		10.2		9.1
Increase based on pension obligations, IAS 19	10.1		24.5	
Pension obligations, restated		20.3		33.6
Total equity and liabilities, reported		612.1		578.6
Total adjustments due to changes in IAS 19	3.8		2.6	
Total equity and liabilities, restated		615.9		581.2

STATEMENT OF INCOME

	1-9/2013	1-9/2012	CHANGE, %
Net sales	490.2	584.3	-16.1
Other operating income	0.9	0.5	80.0
External charges, sub-consulting and material and supplies	-71.8	-116.0	-38.1
Personnel expenses	-294.8	-327.8	-10.1
Other operating expenses	-118.9	-144.7	-17.9
Operating profit	5.6	-3.7	n.a.
Net financial items	-3.9	-2.2	77.3
Share of associated companies' results	0.1	0.5	-80.0
Profit/loss before taxes	1.8	-5.4	n.a.
Income taxes	-1.7	-3.5	-51.4
Net profit for the period	0.1	-8.9	n.a.

BALANCE SHEET

ASSETS	30 Sep 2013	30 Sep 2012	EQUITY AND LIABILITIES	30 Sep 2013	30 Sep 2012
Goodwill	128.7	132.3	Equity	125.1	150.5
Other non-current assets	103.5	110.4	Interest bearing liabilities	162.9	166.9
Work in progress	110.7	116.0	Other non-current	46.8	49.9
Other current assets	154.4	194.9	Project advances	74.0	89.4
Cash and cash equivalents	43.0	62.3	Other current liabilities	131.5	159.2
TOTAL ASSETS	540.3	615.9	TOTAL EQUITY AND LIABILITIES	540.3	615.9

CASH FLOW

	1-9/2013	1-9/2012
Operating cash flow before change in net working capital	12.8	11.5
Change in net working capital	-35.3	-34.9
Financial items and taxes	-8.6	-8.1
Total from operating activities	-31.1	-31.5
Investments in shares in subsidiaries deducted with cash acquired	0.0	0.0
Other capital expenditure	-3.7	-6.6
Net cash flow before financing	-34.8	-38.1
Net cash from financing	2.9	20.2
Change in cash and cash equivalents and in other liquid assets	-31.9	-17.9
Cash and cash equivalents and other liquid assets at the beginning of the period	83.0	79.0
Reclassification of subsidiary company to associated company	-3.7	0.0
Impact of translation differences in exchange rates	-4.4	1.2
Cash and cash equivalents and other liquid assets at the end of the period	43.0	62.3

KEY FIGURES

	1-9/2013	1-9/2012
Earnings per share, EUR (diluted)	0.02	-0.16
Equity per share, EUR	2.04	2.38
ROI-%, p.a.	3.3	-0.7
ROE-% p.a.	0.1	-7.3
Equity ratio-%	26.8	28.5
Gearing-%	95.9	69.9
Net debt, EUR million	119.9	103.4
Capital expenditure in acquisitions, EUR million	0.0	0.0
Capital expenditure, operating, EUR million	4.1	6.1
Personnel on average	5,933	6,762
Personnel at the end of the period	5,805	6,630