

JANUARY-SEPTEMBER 2012 INTERIM REPORT



OCTOBER 26, 2012

Alexis Fries, CEO
Jukka Pahta, CFO

ALEXIS FRIES

President & CEO, as of September 1st, 2012
Member of the Board of Directors since 2008

- Born 1955, Swiss citizen
- Diploma in Physics, Swiss Federal Institute of Technology, 1981



Professional experience

- CEO, EOS Holding SA, 2009-2012
- Management Consulting to EOS Holding SA, 2004-2009
- President Alstom Power and member of the Alstom Group executive committee, 2001-2003
- ABB Alstom Power, member of the Group central committee, 1999 – 2001
- President ABB Asia Pacific and member of the ABB Group executive committee 1993 – 1999
- ABB, Country Manager in Japan and the Philippines 1988 – 1993
- Motor Columbus Consulting Engineers, Country Manager Indonesia 1985 – 1988
- BBC Brown Boveri Ltd, Project Manager, Gas Turbine Division 1981 – 1985

PRESENTATION CONTENTS

- Q3 - Result overview
- Strategy - Baseline refocused
- January-September 2012 financials
- Outlook 2012
- Appendices

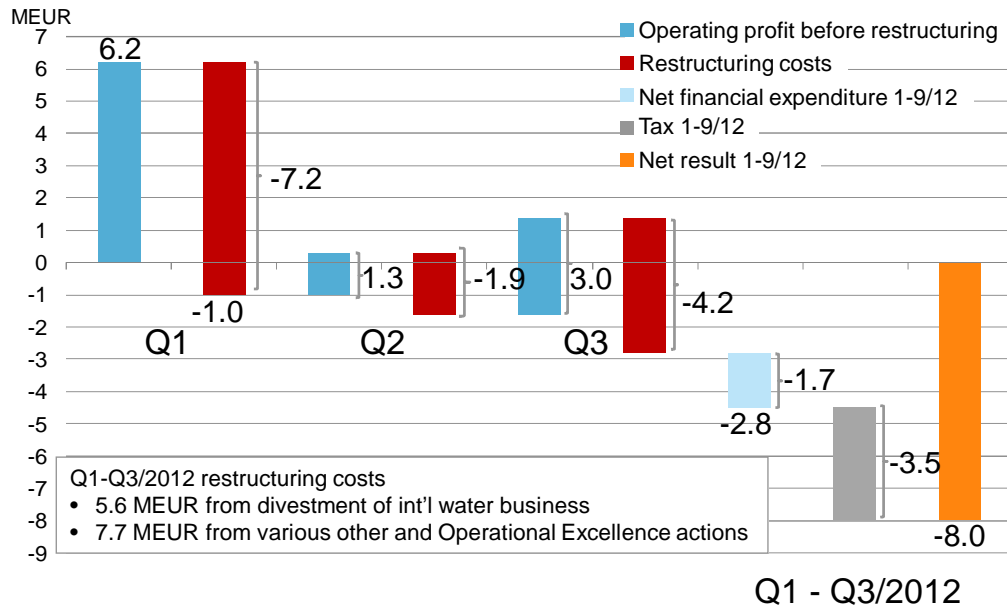
Q3 – Result overview

NET SALES REMAINED STABLE – OPERATING PROFIT AT AN UNSATISFACTORY LEVEL

MEUR	1-9/2012	1-9/2011	Change-%
Order stock	595.1	724.4	-17.8
Net sales	584.3	569.2	2.7
Operating profit (excl. restructuring costs)	10.5	24.0	-56.3
Restructuring costs	13.3	3.5	n.a.
Operating profit (incl . restructuring costs)	-2.8	20.5	n.a.

Q3 – Result overview

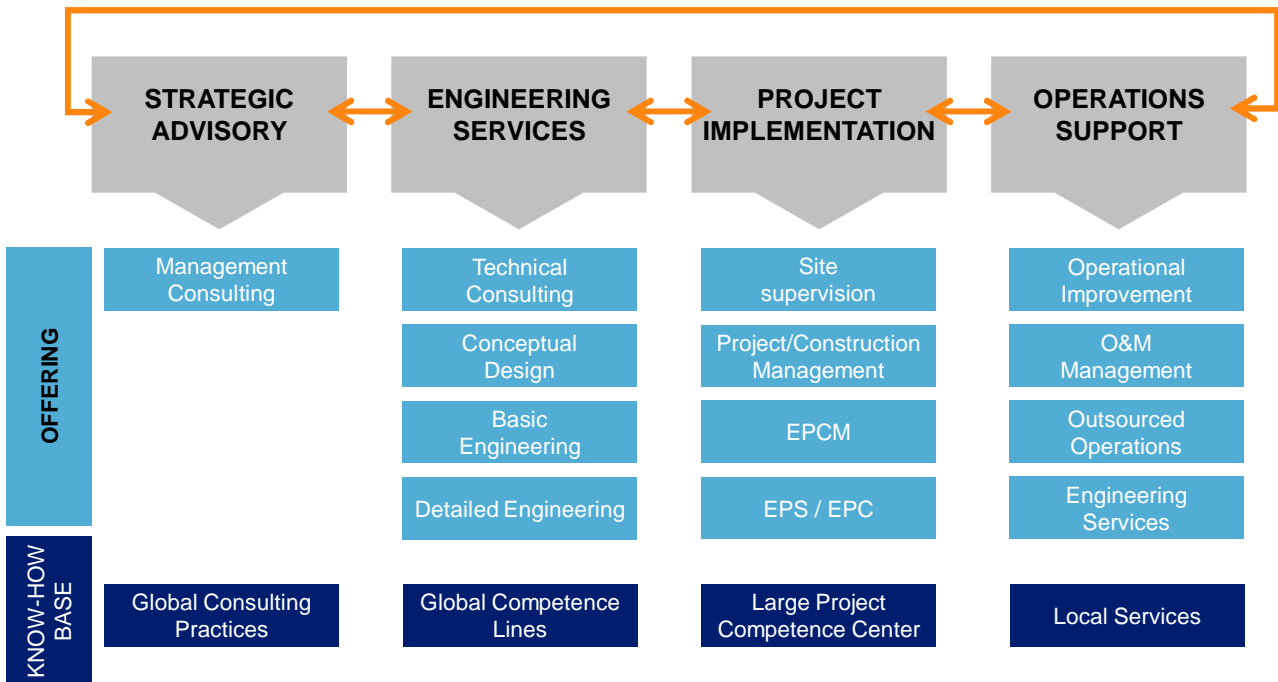
RESTRUCTURING COSTS BURDEN NET RESULT



STRATEGY - BASELINE REFOCUSSED

Strategy – Baseline refocused

PÖYRY'S KEY DIFFERENTIATOR: CONSULTING AND ENGINEERING SERVICES FOR THE CLIENT'S ENTIRE BUSINESS LIFE CYCLE



Strategy – Baseline refocused

TOPICAL ISSUES ON MANAGEMENT AGENDA



JANUARY-SEPTEMBER 2012 FINANCIALS

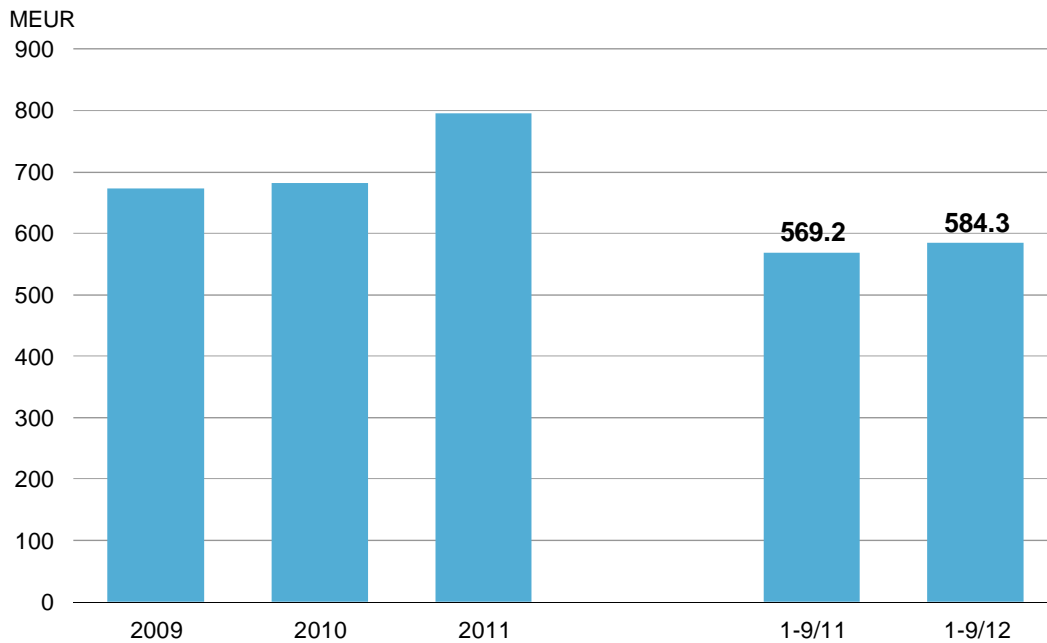


Jukka Pahta
CFO

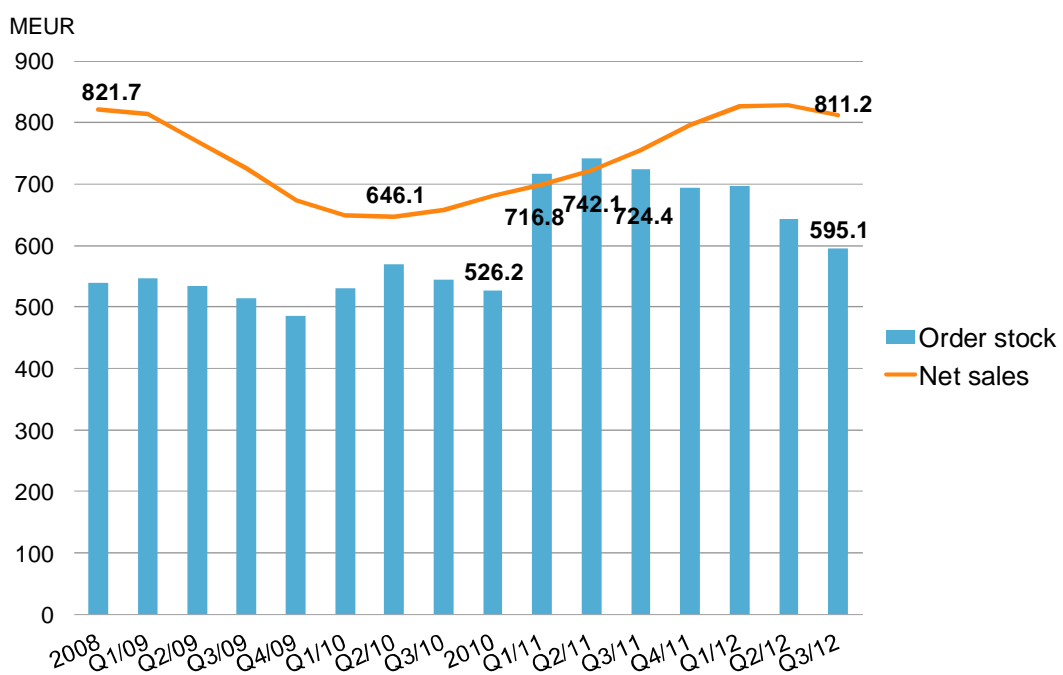
January – September 2012 financials UNSATISFACTORY RESULT

- Order stock totalled EUR 595.1 million (724.4)
- Net sales increased by 2.7 per cent to EUR 584.3 million (569.2).
- Operating profit excluding restructuring costs was EUR 10.5 million (24.0)

January – September 2012 financials NET SALES DEVELOPMENT



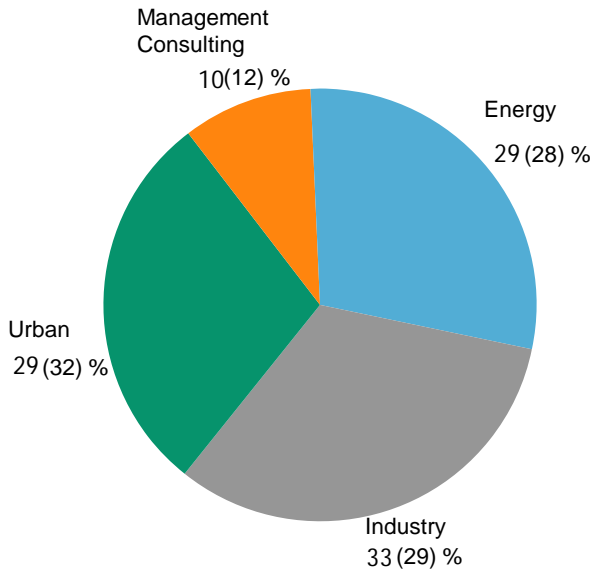
January – September 2012 financials ORDER STOCK AND NET SALES DEVELOPMENT, LTMR



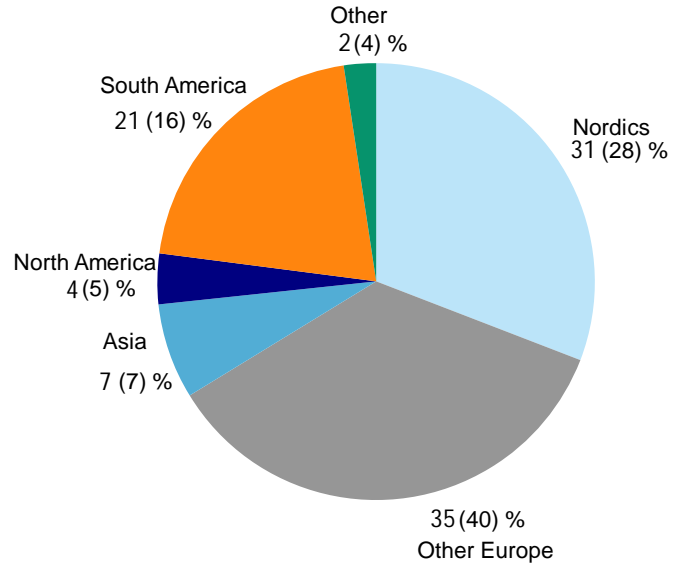
January – September 2012 financials

NET SALES BY BUSINESS GROUP AND REGION

Net sales by business group

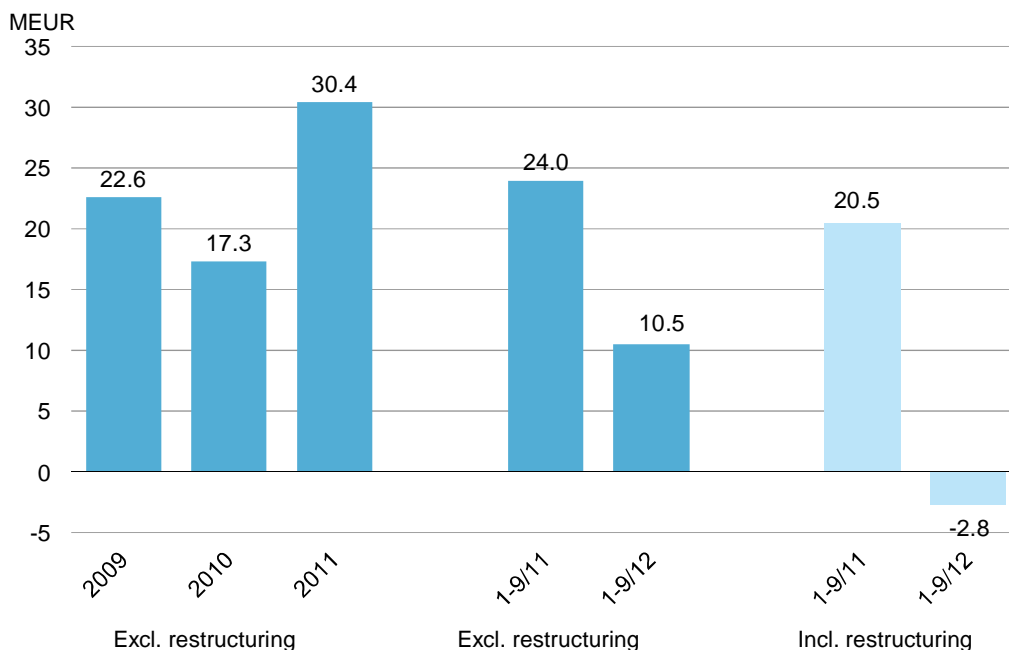


Net sales by region

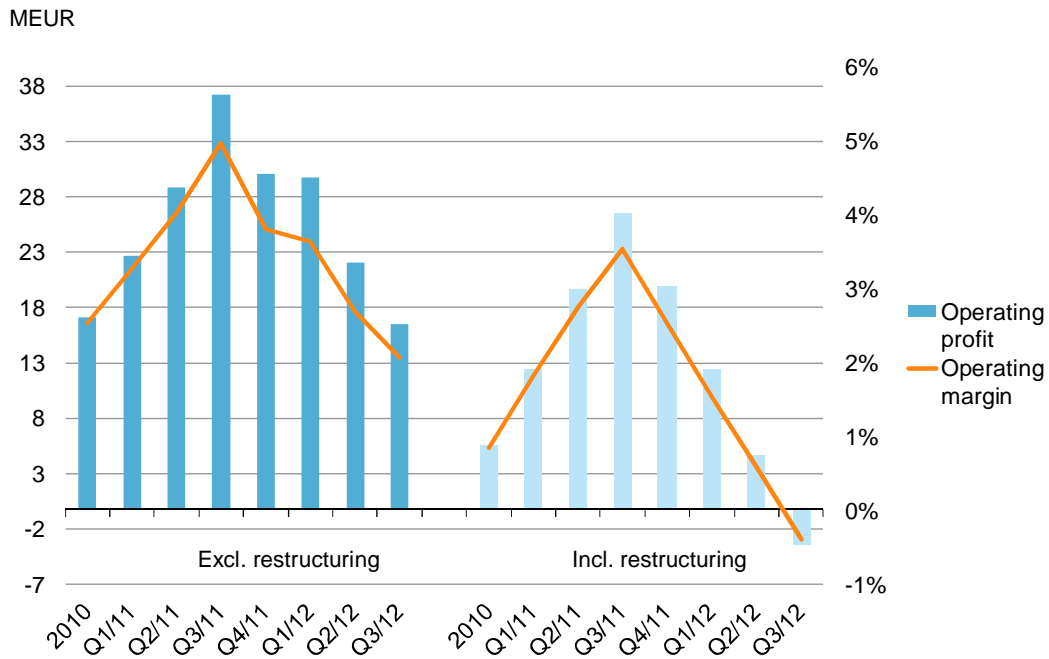


January – September 2012 financials

OPERATING PROFIT DEVELOPMENT

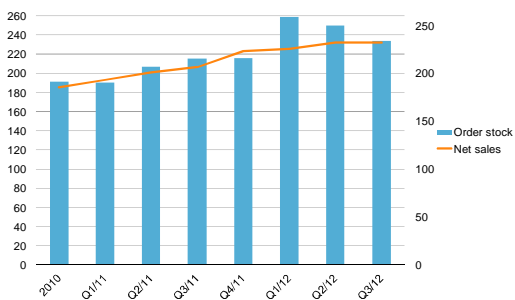


January – September 2012 financials OPERATING PROFIT DEVELOPMENT, LTMR



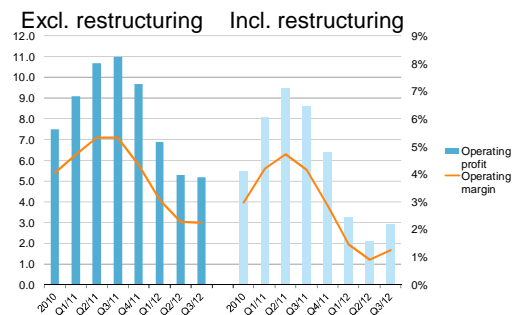
January – September 2012 financials ENERGY BUSINESS GROUP

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



- + Order stock remaining at good level
- + Net sales stable

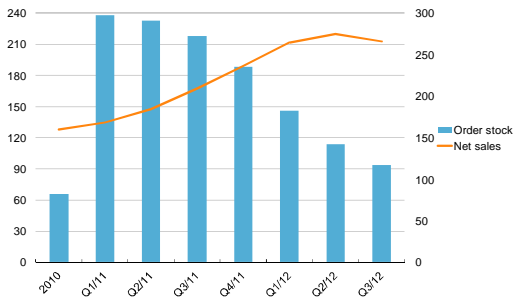
Operating profit (left scale), MEUR, LTMR
Operating margin % (right scale)



- Operating profit burdened by low activity in a number of units due to project delays and lower client investments
- + Capacity adjustments have positive impact

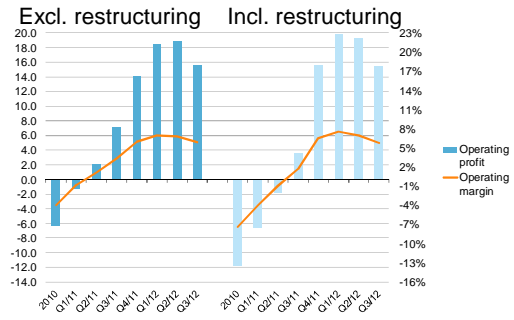
January – September 2012 financials INDUSTRY BUSINESS GROUP

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



- Order stock decreased due to large project deliveries
 - Base order intake in Local Project Services continued reasonably steady

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

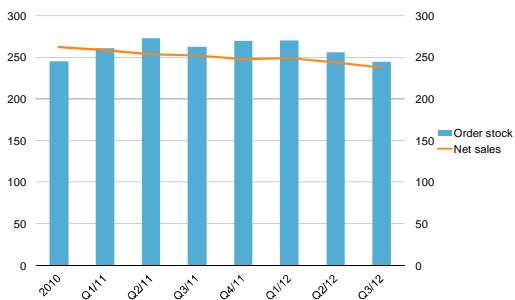


- Operating profit declined due to lower volumes as well as some recognised project losses



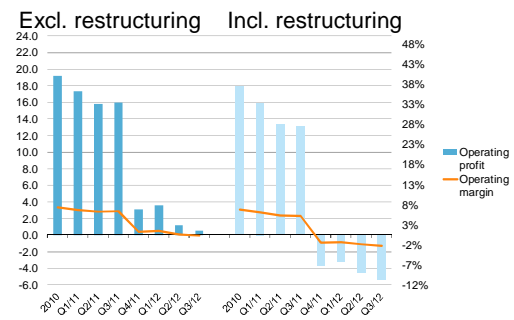
January – September 2012 financials URBAN BUSINESS GROUP

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



- + Order stock remained at a good level
 - Divestments and reduced activity in non-core markets
- Net sales declined due to project delays, mainly outside the core markets

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

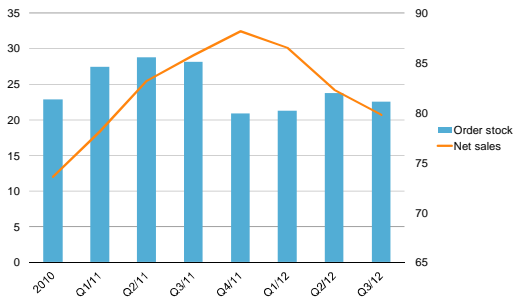


- Operating profit declined due to one-off project and credit losses, mainly from outside the core markets



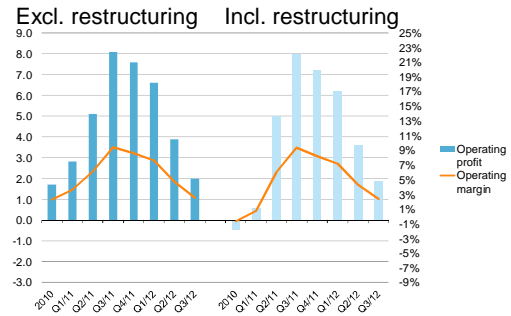
January – September 2012 financials MANAGEMENT CONSULTING

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



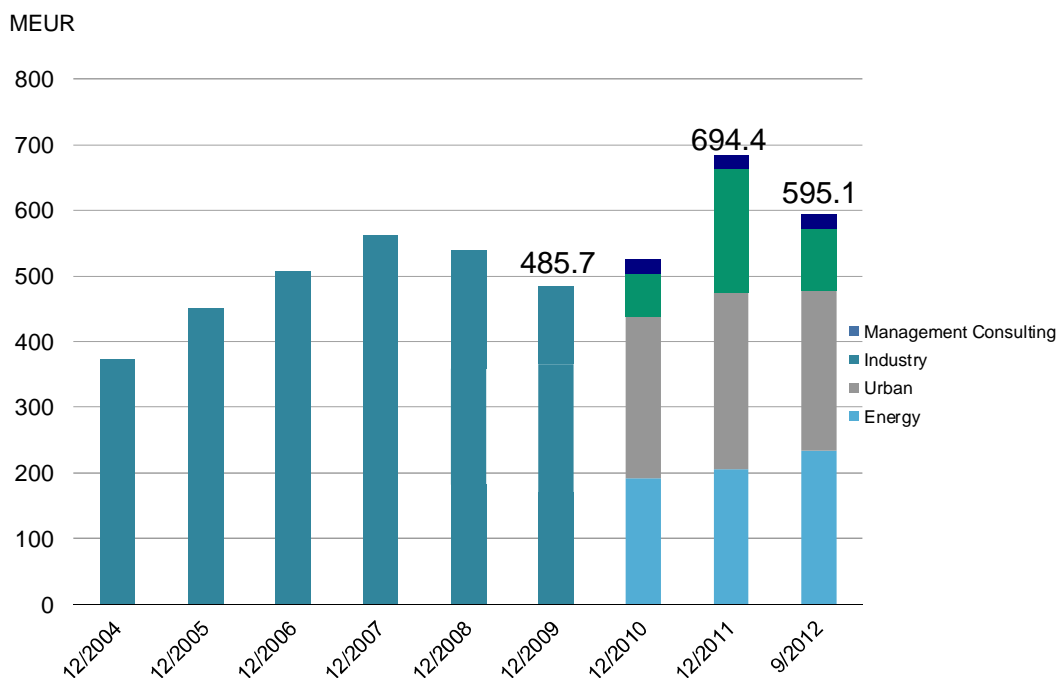
- + Order stock stable
- Net sales declined mainly due to developments in North America and Asia-Pacific
- The economic uncertainty impacted short-term client behaviour in the European markets

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



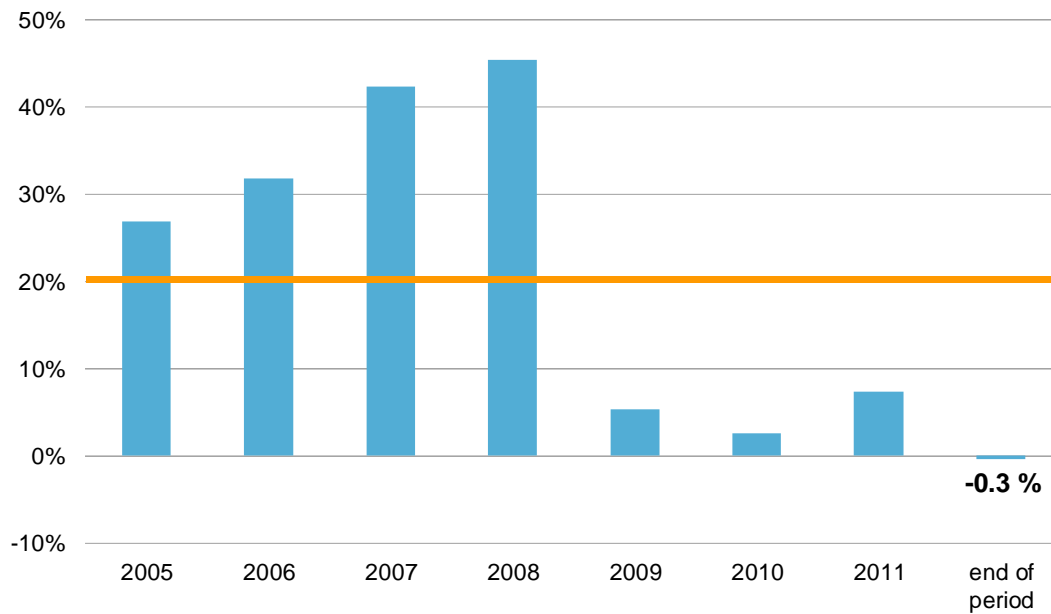
- Lower sales and growth investments have burdened the operating profit

January – September 2012 financials DEVELOPMENT OF ORDER STOCK BY BUSINESS GROUP



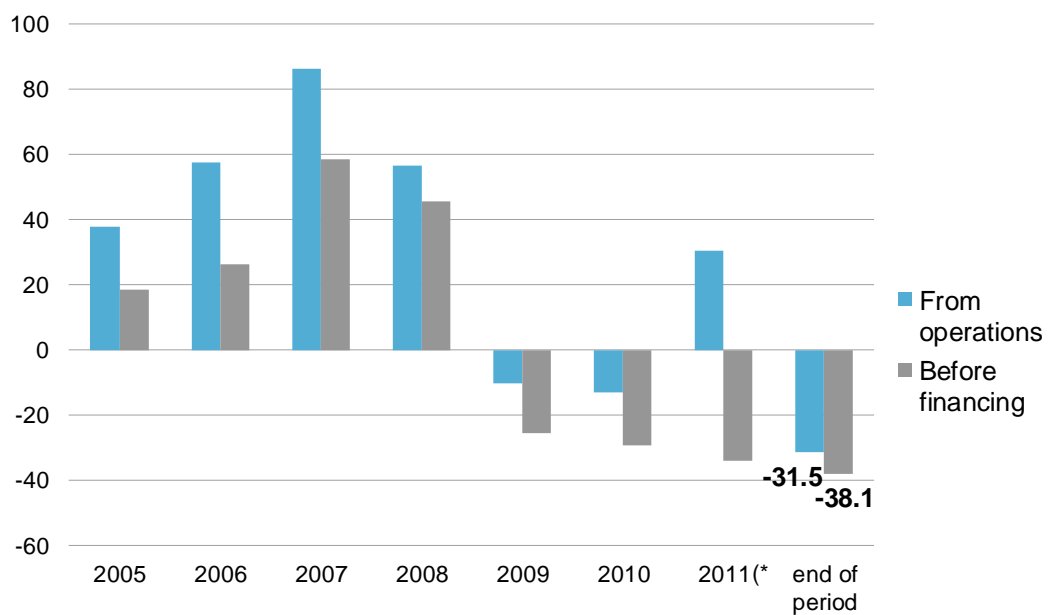
January – September 2012 financials

RETURN ON INVESTMENT, %



January – September 2012 financials

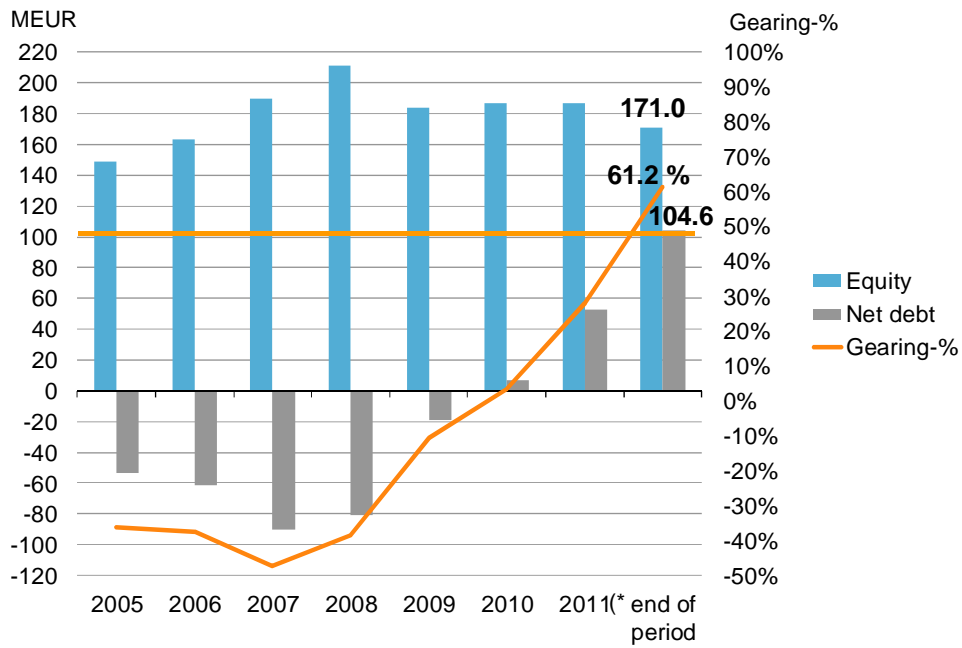
CASH FLOW FROM OPERATIONS AND AFTER CAPEX



*) Cash flow before financing in 2011 includes the acquisition of the Vantaa Head Office building

January – September 2012 financials

NET DEBT, EQUITY & GEARING



*)The Vantaa Head Office building was included in the balance sheet in Q2/2011.

OUTLOOK FOR 2012

OUTLOOK 2012

GROUP:

- Net sales expected to remain stable.
- Operating profit, excluding restructuring costs, expected to decline significantly.
- Actions to improve profitability will result in restructuring costs in 2012. More detailed information on estimated financial impacts will be available later this year.

BUSINESS GROUPS:

- Net sales expected to remain stable in all business groups.
 - Operating profit in the Energy and Management Consulting business groups expected to decline significantly.
 - Operating profit in the Industry business group expected to decline.
 - Operating profit in the Urban business group expected to improve significantly considering the low comparison figure.
-
- The operating profit outlook and comparison to 2011 both refer to figures excluding restructuring costs.

THANK YOU!



APPENDICES

STATEMENT OF INCOME

	1-9/2012	1-9/2011	CHANGE, %
Net sales	584.3	569.2	2.7
Other operating income	1.2	0.6	100.0
Share of associated companies' results	0.5	0.6	-16.7
External charges, sub-consulting	-76.8	-76.9	-0.1
Personnel expenses	-328.1	-319.9	2.6
Other operating expenses	-183.9	-153.1	18.8
Operating profit	-2.8	20.5	n.a.
Net financial items	-1.7	-2.6	-34.6
Profit/loss before taxes	-4.5	17.9	n.a.
Income taxes	-3.5	-7.5	-53.3
Net profit for the period	-8.0	10.4	n.a.

BALANCE SHEET

ASSETS	30 Sep 2012	30 Sep 2011	EQUITY AND LIABILITIES	30 Sep 2012	30 Sep 2011
Goodwill	132.3	130.4	Equity	171.0	188.2
Other non-current assets	105.0	103.4	Interest bearing non-current liabilities	104.6	85.3
Work in progress	116.0	127.1	Other non-current	25.6	24.3
Other current assets	196.6	192.4	Project advances	89.4	101.2
Cash and cash equivalents	62.2	78.6	Other current liabilities	221.5	232.9
TOTAL ASSETS	612.1	631.9	TOTAL EQUITY AND LIABILITIES	612.1	631.9

CASH FLOW

	1-9/2012	1-9/2011
Operating income before change in net working capital	11.9	27.9
Change in net working capital	-35.3	-10.1
Financial items and taxes	-8.1	-7.2
Total from operating activities	-31.5	10.6
Investments in shares in subsidiaries deducted with cash acquired	0.0	-27.3
Other capital expenditure	-6.6	10.5
Net cash before financing	-38.1	-6.2
Net cash from financing	20.2	-12.0
Change in cash and cash equivalents and in other liquid assets	-17.9	-18.2
Cash and cash equivalents and other liquid assets at the beginning of the period	79.0	99.0
Impact of translation differences in exchange rates	1.2	-2.1
Cash and cash equivalents and other liquid assets at the end of the period	62.3	78.7

KEY FIGURES

	1-9/2012	1-9/2011
Earnings per share, EUR (diluted)	-0.15	0.16
Equity per share, EUR	2.74	3.03
ROI-%, p.a.	-0.3	9.8
ROE-%	-6.0	7.5
Equity ratio-%, p.a.	32.7	35.5
Gearing-%	61.2	37.8
Net debt, EUR million	104.6	71.1
Capital expenditure in acquisitions, EUR million	0.0	28.3
Capital expenditure, operating, EUR million	6.1	5.6
Capital expenditure, land and buildings, EUR million	0.0	47.8
Personnel on average	6,762	6,815
Personnel at the end of the period	6,630	7,035