PÖYRY PLC - 4 FEBRUARY 2015

# Financial Statement release January-December 2014

**PÖYRY PLC** **Financial Statement Release 4 February 2015 at 8:30 a.m. EET**

## NET SALES AND OPERATING PROFIT DECLINED

## KEY FIGURES

| Pöyry Group | 10-12/ 2014 | 10-12/ 2013 | Change, % | 1-12/ 2014 | 1-12/ 2013 | Change, % |
|---|---|---|---|---|---|---|
| Order stock at end of period, EUR million | 472.5 | 499.7 | -5.5 | 472.5 | 499.7 | -5.5 |
| Net sales total, EUR million | 136.4 | 160.6 | -15.1 | 571.2 | 650.8 | -12.2 |
| Operating profit, EUR million | -12.2 | 8.4 | n.a. | -23.1 | 13.9 | n.a. |
| Operating margin, % | -8.9 | 5.2 | | -4.0 | 2.1 | |
| Profit before taxes, EUR million | -14.9 | 7.3 | n.a. | -28.0 | 9.1 | n.a. |
| Earnings per share, basic, EUR | -0.21 | 0.04 | n.a. | -0.40 | 0.06 | n.a. |
| Earnings per share, diluted, EUR | -0.21 | 0.04 | n.a. | -0.40 | 0.06 | n.a. |
| Gearing, % | | | | 39.1 | 26.0 | |
| Return on investment, % (R12M) | | | | -9.9 | 5.8 | |
| Average number of personnel during period, calculated as full time equivalents (FTE) | | | | 5,433 | 6,139 | -11.5 |

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

## JANUARY - DECEMBER 2014 HIGHLIGHTS

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

- The Group’s comparable order stock improved slightly from EUR 461.9 million at the end of 2013 to EUR 472.5 million on 31 December 2014, excluding the divestment in Finland, which was executed in June 2014. On 31 December 2013, reported order stock was EUR 499.7 million. Order stock increased in the Industry Business Group and remained stable in other Business Lines.
- Comparable net sales were EUR 552.4 (601.8) million. Reported net sales declined to EUR 571.2 (650.8) million, which was mainly attributable to developments in the Regional Operations.
- Consolidated operating profit decreased to EUR -23.1 (13.9) million. The figure includes a write-off of the receivables from Venezuela amounting to EUR -14 million and a gain of EUR +19 million from the divestment in Finland. Both items were recognised in June 2014. Comparable figure includes a gain of EUR +14 million from the divestment of the office real estate in Vantaa in December 2013.
- Operating profit was burdened by lower net sales, as well as several one-time items totalling EUR -23 (-15) million, most of which were project losses recorded in the Regional Operations. Operating profit was positive and increased in the Management Consulting Business Group. Operating profit was also positive in the Energy Business Group, the Industry Business Group and Northern Europe, but negative in all other Regional Operations Business Lines.
- In line with its strategic evolution introduced in February 2013, Pöyry further streamlined its operations in global sales and project management, the Regional Operations and the Industry and Energy Business Groups on 19 August 2014. In addition, the Group Executive Committee structure was adjusted with a view to improving efficiency.

- Pöyry concluded the implementation of its structural and administrative process improvement programme announced at the end of 2012. As these measures have been progressing, Pöyry has introduced further improvements in terms of sales focus, project management and capacity management.

**DIVIDEND PROPOSAL**

The Group's parent company Pöyry PLC's net profit for 2014 amounted to EUR -14,777,499.04 and retained earnings were EUR 51,050,896.68. The total distributable earnings were EUR 36,273,397.64. Considering the challenging market situation the Board of Directors of Pöyry PLC will propose to the Annual General Meeting on 12 March 2015 that no dividend will be paid for the year 2014.

**OUTLOOK FOR 2015**

A significant part of Pöyry's businesses is driven by clients' new capital investments, which are mostly late in their respective economic cycles. Consequently, it is difficult to predict the exact timing of clients' investment decisions and project start-ups. Uncertainty around the general economic outlook prevails, which may impact upon investment activity in business segments that are relevant to Pöyry's operations.

Through its enhanced regional focus, Pöyry is establishing a solid foundation in key domestic markets from which it expects to generate a steady flow of projects and growth in line with prevailing market developments. In parallel, Pöyry is accessing global growth potential in conjunction with its global competences and special opportunities arising from selected large projects.

The Group's operating profit is expected to increase and be positive.

**CORPORATE GOVERNANCE STATEMENT**

Pöyry will publish its Corporate Governance Statement 2014 and its Financial Statements 2014 including the Board of Directors' report on 19 February 2015 at the latest. The Corporate Governance Statement will be published separately from the Board of Directors' report and financial statements, and will be published on the company's website at www.poyry.com.

**MATERIALS TO THE AGM**

The financial statements, the Board of Directors' report, the Corporate Governance Statement, as well as other documents presented to the Annual General Meeting will be published on the company's website at www.poyry.com on 19 February 2015 at the latest.

**ALEXIS FRIES, PRESIDENT AND CEO:**

"In 2014, Pöyry's comparable net sales excluding the divested business in Finland was EUR 552.4 (601.8) million and reported net sales EUR 571.2 (650.8) million. The figure declined mainly due to developments in the Regional Operations. However, it remained stable in Northern Europe. It contracted in all other regions, especially in Latin America, which was impacted by economic slowdown and delayed project awards. In addition, the figure decreased in Central Europe mostly due to project revenue adjustments.

Consolidated operating profit decreased to EUR -23.1 (13.9) million. The figure includes a write-off of the receivables from Venezuela amounting to EUR -14 million and a gain of EUR +19 million from the divestment in Finland. Both items were recognised in June 2014. The comparable figure includes a gain of EUR +14 million from the divestment of the office real estate in Vantaa in December 2013.

Operating profit was burdened by lower net sales, as well as several one-time items totalling EUR -23 (-15) million. Most one-time items were recorded in the Regional Operations and were related to project losses originating from the former Urban Business Group, as well as restructuring expenses. Operating profit was positive and increased in the Management Consulting Business Group. The figure was also positive in the

Energy Business Group, the Industry Business Group and in Northern Europe, but negative in all other Regional Operations Business Lines.

The Group's order prospects were solid. However, the number of identified larger project opportunities was stagnating. The comparable order intake remained stable. The figure decreased year-on-year in the Energy Business Group, but increased from the previous quarter and the fourth quarter last year. It increased in the Management Consulting Business Group both from the previous quarter and comparable quarter last year, in the Industry Business Group on both a yearly and a quarterly basis and was stable in the Regional Operations. Several mid-sized projects were secured during the year. The comparable order stock at year-end improved slightly from EUR 461.9 million to EUR 472.5 million. The figure increased in the Industry Business Group and remained stable in other Business Lines. The reported order stock at the end of 2013 was EUR 499.7 million.

The Group's unallocated costs increased in line with expectations due to the progressing centralisation of the global support functions, related outsourcing costs, restructuring of the Group Executive Committee in August, as well as office rent following the sale of the head office building in Finland in 2013.

During the last two years, the majority of our internal and external challenges have been identified and addressed. We have streamlined the company structure, strengthened project management and administrative processes, outsourced parts of IT and finance functions, adjusted our capacity and divested real-estate related businesses in Finland. In addition, we have contained the loss-making projects originating from the former Urban Business Group. Their execution continues to comply with contractual schedules and, accordingly, will require some time to complete.

There are currently challenges in the global economy and consequently, in several Pöyry's key markets. However, the healthy foundation that we have created enables us to focus on improving our sales efforts: processes, resources, structure and activity rate. We have established an organisation dedicated to driving global sales and project management processes with a strong focus on improving performance.

As our sales pick up and the projects from the former Urban Business Group are being addressed, we expect the result to improve accordingly. Investing in the future takes time and I firmly believe we are on the right track."

This is a summary of the January-December 2014 financial statement release. The complete report is enclosed with 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 4 FEBRUARY 2015**

Pöyry's January-December 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 (EET). The event will be hosted by Jukka Pahta, CFO.

10:00 a.m. EST (New York)

3:00 p.m. GMT (London)
4:00 p.m. CET (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 2313 9201
SE: +46 (0)8 5052 0110
UK: +44 (0)20 7162 0077
US: +1 334 323 6201
Other countries: +44 (0)20 7162 0077

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 2014 were EUR 571 million and the company's shares are quoted on NASDAQ OMX Helsinki (Pöyry PLC: POY1V).

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

## MARKET REVIEW

The underlying drivers to economic development and the pace of recovery differed across the main economies. The continued weakening of commodity prices, especially the drop in the oil price, impacted economies dependent on raw material exports, whereas net importers of commodities are gradually gaining. The strong domestic demand in the US, benefitting from decreasing oil prices, continued to fuel US GDP growth. At the same time, Russia suffered severely from reduced oil and gas exports, the weakening of its currency and the imposed economic sanctions. This also had a ripple through effect into the European economy.

The continued disparity between the US economic recovery and the weak development, including deflation threat, in the Eurozone has led to the weakening of the Euro against the US dollar. The Brazilian economy continued to struggle due to the lack of structural reforms, prevailing low commodity prices and delayed investment decisions in several industrial sectors.

Demand in Pöyry’s key domestic markets for energy related services remained subdued. In Europe, low economic activity reduced the demand for energy and maintained energy prices at a low. This, combined with regulatory uncertainties, dampened investment activity in the sector. In Asia and in Thailand in particular, political uncertainties earlier this year caused delays in customer decision making, something that was apparent in the overall investment activity for utilities. Continued growth in the demand for energy in the Middle East, Saudi Arabia and the United Arab Emirates in particular, reinforced the need for investments into new power generation capacity, albeit in a tight competitive environment.

The low demand for products and services in Europe and in Finland in particular, continued to depress demand in industry related services. However, announced investments into greenfield pulp mills, as well as decisions on production line conversions introduced new business prospects in Europe in particular. Despite the continued weakening of the Brazilian economic situation and outlook, the investment pipeline into new pulp production capacity remained appealing. Low global commodity prices, especially for iron ore and copper, but for other minerals as well and more recently, for oil and gas, continued to burden the prospects in these segments in all regions.

The continued high level of sovereign debt, the weakening financial standing of the public sector, as well as newly initiated austerity measures in many of Pöyry’s domestic markets, especially Europe, reduced the overall demand for infrastructure design and project management services. This development was partially offset by public sector decision making aimed at initiating infrastructure investments in order to stimulate and support the otherwise depressed economic growth.

Slower than expected growth across our key markets, along with tighter cost scrutiny among clients, had a direct impact on demand for management consulting services. On the other hand, increased margin pressure in many of our clients’ industries continued to offer opportunities for Pöyry’s strategic advisory and operational excellence services in particular.

*Notes:*

(i) Reporting is based on the organisational structure announced in February 2014. Pöyry further streamlined its business operations, as announced on 19 August 2014. The reported figures have been restated accordingly for the period under review and the comparable period in 2013 in the following Business Lines: the Mining and Metals Business Unit, previously reported under the Industry Business Group, is reported under Regional Operations; and the Regional Operations Asia Pacific, previously reported under Regional Operations, are reported under the Energy Business Group.

(ii) Following the divestment in Finland of significant parts of Pöyry's real estate design and consulting business, as well as its 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 figures are reported in full time equivalents (FTE).

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

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

(vi) The annual figures in this financial statement release are audited.

**ORDER STOCK**

The Group's order stock improved slightly from EUR 461.9 million at the end of 2013 to EUR 472.5 million on 31 December 2014 on a comparable basis, excluding the divestment in Finland which was executed in June 2014. On 31 December 2013, reported order stock was EUR 499.7 million. Order stock increased in the Industry Business Group and remained stable in other Business Lines.

Order stock was EUR 189.7 million in the Energy Business Group (40% of the total order stock), EUR 26.0 million in the Industry Business Group (5%), EUR 241.7 million in the Regional Operations (51%) and EUR 14.9 million in the Management Consulting Business Group (3%).

**ORDER INTAKE**

The Group's comparable order intake remained stable. The figure decreased year-on-year in the Energy Business Group, increased in the Industry Business Group and was stable in all other Business Lines. Several mid-sized projects were secured during the year.

**GROUP NET SALES**

| Net sales by business line, EUR million | 10-12/ 2014 | 10-12/ 2013 | Change, % | 1-12/ 2014 | 1-12/ 2013 | Change, % | Share of total sales 1-12/2014, % |
|---|---|---|---|---|---|---|---|
| Energy | 39.7 | 35.9 | 10.5 | 140.5 | 144.3 | -2.7 | 25 |
| Industry | 9.0 | 9.3 | -3.3 | 36.1 | 39.6 | -9.0 | 6 |
| Regional Operations | 72.9 | 95.3 | -23.5 | 327.3 | 398.4 | -17.8 | 57 |
| Management Consulting | 16.3 | 18.7 | -12.9 | 65.4 | 66.0 | -0.8 | 11 |
| Unallocated | -1.5 | 1.3 | n.a. | 1.9 | 2.5 | n.a. | 0 |
| Total | 136.4 | 160.6 | -15.1 | 571.2 | 650.8 | -12.2 | 100 |

Comparable net sales excluding the divested business in Finland was EUR 552.4 (601.8) million. Reported net sales declined to EUR 571.2 (650.8) million, which was mainly attributable to developments in the Regional Operations.

## GROUP OPERATING PROFIT

| Operating profit by business line, EUR million | 10-12/ 2014 | 10-12/ 2013 | Change, % | 1-12/ 2014 | 1-12/ 2013 | Change, % |
|---|---|---|---|---|---|---|
| Energy | 0.0 | 0.6 | n.a. | 0.8 | 4.4 | -80.9 |
| Industry | -0.7 | -0.2 | n.a. | 0.0 | 2.0 | n.a. |
| Regional Operations | -7.4 | -3.0 | n.a. | -34.7 | 1.7 | n.a. |
| Management Consulting | 1.0 | 1.9 | -49.3 | 3.7 | 2.3 | 59.7 |
| Unallocated | -5.1 | 9.1 | n.a. | 7.0 | 3.5 | n.a. |
| Total | -12.2 | 8.4 | n.a. | -23.1 | 13.9 | n.a. |

Consolidated operating profit decreased to EUR -23.1 (13.9) million.

The figure includes a write-off of the receivables from Venezuela amounting to EUR -14 million and a gain of EUR +19 million from the divestment in Finland. Both items were recognised in June 2014. The comparable figure includes a gain of EUR +14 million from the divestment of the office real estate in Vantaa in December 2013.

Operating profit was burdened by lower net sales as well as several one-time items totalling EUR -23 (-15) million. Most one-time items were recorded in the Regional Operations and were related to project losses originating from the former Urban Business Group, as well as restructuring expenses.

Operating profit was positive and increased in the Management Consulting Business Group. The figure was also positive in the Energy Business Group, the Industry Business Group and in Northern Europe, but negative in all other Regional Operations.

## BUSINESS LINES

### Energy Business Group

| | 10-12/ 2014 | 10-12/ 2013 | Change, % | 1-12/ 2014 | 1-12/ 2013 | Change, % |
|---|---|---|---|---|---|---|
| Order stock, EUR million, end of period | 189.7 | 196.7 | -3.6 | 189.7 | 196.7 | -3.6 |
| Sales, EUR million | 39.7 | 35.9 | 10.5 | 140.5 | 144.3 | -2.7 |
| Operating profit, EUR million | 0.0 | 0.6 | n.a. | 0.8 | 4.4 | -80.9 |
| Operating margin, % | 0.1 | 1.7 | | 0.6 | 3.0 | |
| Personnel at end of period | 1,077 | 1,133 | -4.9 | 1,077 | 1,133 | -4.9 |

**1-12/2014**
Order stock remained stable and was EUR 189.7 (196.7) million. Several mid-size orders were secured in 2014.

Net sales remained stable and amounted to EUR 140.5 (144.3) million.

Operating profit declined to EUR 0.8 (4.4) million. The decline was mainly related to impairment losses on accounts receivable.

**10-12/2014**
Order intake increased from the previous quarter and from the fourth quarter last year. A large order was recorded in the Philippines.

Net sales increased over the previous quarter and compared to the fourth quarter last year, reaching EUR 39.7 (35.9) million. The figure increased due to positive developments mainly in Asia and the Middle East.

Operating profit increased from the previous quarter but decreased from the fourth quarter last year to EUR 0.0 (0.6) million. The profit was burdened by impairment losses on accounts receivable.

**Industry Business Group**

| | 10-12/ 2014 | 10-12/ 2013 | Change, % | 1-12/ 2014 | 1-12/ 2013 | Change, % |
|---|---|---|---|---|---|---|
| Order stock, EUR million, end of period | 26.0 | 16.0 | 62.6 | 26.0 | 16.0 | 62.6 |
| Sales, EUR million | 9.0 | 9.3 | -3.3 | 36.1 | 39.6 | -9.0 |
| Operating profit, EUR million | -0.7 | -0.2 | n.a. | 0.0 | 2.0 | n.a. |
| Operating margin, % | -8.0 | -2.4 | | 0.1 | 5.2 | |
| Personnel at end of period | 439 | 449 | -2.0 | 439 | 449 | -2.0 |

**1-12/2014**
Order stock increased year-on-year and was EUR 26.0 (16.0) million due to positive developments in Asia and Europe.

Net sales decreased by 9.0 per cent to EUR 36.1 (39.6) million, reflecting the completion of a large pulp mill project earlier in the year.

Operating profit declined to EUR 0.0 (2.0) million and was burdened by higher business development costs, as well as a project loss recognised in Northern Europe.

**10-12/2014**
Order intake increased from the previous quarter and from the fourth quarter last year.

Net sales were EUR 9.0 (9.3) million, increasing from the previous quarter and remaining at the level of the fourth quarter last year.

Operating profit decreased over the previous quarter and from the fourth quarter last year to EUR -0.7 (-0.2) million, mostly due to a project loss recognised in Northern Europe.

**Regional Operations**

| | 10-12/ 2014 | 10-12/ 2013 | Change, % | 1-12/ 2014 | 1-12/ 2013 | Change, % |
|---|---|---|---|---|---|---|
| Order stock, EUR million, end of period | 241.7 | 271.8 | -11.1 | 241.7 | 271.8 | -11.1 |
| Sales, EUR million | 72.9 | 95.3 | -23.5 | 327.3 | 398.4 | -17.8 |
| Operating profit, EUR million | -7.4 | -3.0 | n.a. | -34.7 | 1.7 | n.a. |
| Operating margin, % | -10.2 | -3.2 | | -10.6 | 0.4 | |
| Personnel at end of period | 3,065 | 3,714 | -17.5 | 3,065 | 3,714 | -17.5 |

**1-12/2014**
Comparable order stock, excluding the divestment in Finland in June 2014, remained stable and was EUR 241.7 (234.0) million. Reported order stock declined by 11.1 per cent from EUR 271.8 million in 2013.

Comparable net sales totalled EUR 309.4 (350.5) million. The figure remained stable in Northern Europe. It declined in all other regions, especially in Latin America, which was impacted by the economic slowdown and delayed project awards. In addition, it decreased in Central Europe, mostly due to project revenue adjustments. Reported net sales declined by 17.8 per cent year-on-year to EUR 327.3 (398.4) million.

Operating profit decreased to EUR -34.7 (1.7) million. Operating profit was positive in Northern Europe, but negative in most other Regional Operations. The figure decreased across all regions and was affected by weaker sales.

Operating profit includes the write-off of the receivables from Venezuela amounting to EUR -14 million, recognised in June 2014. The figure was also burdened by several one-time items amounting to EUR -22 (-13) million, which mainly related to project losses originating from the former Urban Business Group in Austria, Switzerland and Romania. Moreover, the one-time items include restructuring expenses in Central Europe, as well as charges related to the on-going arbitration proceedings concerning a large project in Brazil that was completed last year.

**10-12/2014**
Comparable order intake remained stable during the quarter. The figure grew in Northern Europe in particular, but decreased in most other regions and especially in Central Europe. Order intake also remained stable compared to the corresponding quarter the year before. It increased in Northern Europe and the Americas, but declined in Central Europe.

Comparable net sales, excluding the divested units in Finland, were EUR 72.9 (83.6) million. While net sales increased in Northern Europe, they fell across most regions and particularly in Latin America and Central Europe. Reported net sales remained stable compared to the previous quarter, but declined compared to the EUR 95.3 million in the fourth quarter last year.

Operating profit decreased compared to the previous quarter and the comparable quarter last year to EUR -7.4 (-3.0) million. The figure remained stable in Northern Europe, however, it decreased across all other regions and was affected by weaker sales.

The figure was burdened by one-time items amounting to EUR -10 (-8) million, including further project losses originating from the former Urban Business Group that were recognised in Austria, Switzerland and Romania. Moreover, the one-time items include restructuring expenses in Central Europe, as well as charges related to the on-going arbitration proceedings concerning a large project in Brazil that was completed last year.

**Management Consulting Business Group**

| | 10-12/ 2014 | 10-12/ 2013 | Change, % | 1-12/ 2014 | 1-12/ 2013 | Change, % |
|---|---|---|---|---|---|---|
| Order stock, EUR million, end of period | 14.9 | 15.2 | -2.0 | 14.9 | 15.2 | -2.0 |
| Sales, EUR million | 16.3 | 18.7 | -12.9 | 65.4 | 66.0 | -0.8 |
| Operating profit, EUR million | 1.0 | 1.9 | -49.3 | 3.7 | 2.3 | 59.7 |
| Operating margin, % | 5.9 | 10.1 | | 5.7 | 3.6 | |
| Personnel at end of period | 399 | 413 | -3.5 | 399 | 413 | -3.5 |

**1-12/2014**
Order stock remained stable over the review period and was EUR 14.9 (15.2) million.

Net sales remained stable at EUR 65.4 (66.0) million.

Operating profit increased to EUR 3.7 (2.3) million mainly due to structural improvements implemented during the first half of 2013.

**10-12/2014**
Order intake increased compared to the previous quarter and the fourth quarter last year.

Net sales increased over the quarter but decreased compared to the fourth quarter last year to EUR 16.3 (18.7) million. Sales declined mainly in Northern Europe and Asia Pacific.

Operating profit increased over the quarter, but declined from the comparable quarter last year to EUR 1.0 (1.9) million. The figure was mostly impacted by restructuring costs in Asia Pacific.

**Unallocated items**
During the period, unallocated items increased the operating profit by EUR +7.0 (+3.5) million. The divestment in Finland increased the operating profit by EUR +19 million. In 2013, a profit of EUR +14 million resulting from the divestment of the office real estate in Vantaa was included in unallocated items.

Unallocated expenses increased in line with expectations, caused by the progressing centralisation of the global support functions, related outsourcing costs, restructuring of the Group Executive Committee in August, as well as office rent following the sale of the head office building in Finland in 2013.

## GROUP FINANCIAL RESULT

The net financial items amounted to EUR -5.0 (-5.2) million. The items in 2014 included a write-down of share value in joint ventures, amounting to EUR 1.1 million. On the other hand, interest expenses declined compared to 2013.

Profit before taxes totalled EUR -28.0 (9.1) million.

Income taxes were EUR 3.0 (-6.5) million.

Net profit for the period amounted to EUR -24.9 (2.6) million, of which EUR -23.7 million were attributable to equity holders of the parent company and EUR -1.2 to non-controlling interests.

Diluted earnings per share were EUR -0.40 (0.06).

## BALANCE SHEET

The consolidated balance sheet amounted to EUR 436.0 million, which is EUR 45.5 million lower than EUR 481.5 million at the end of 2013. Total equity at the end of the reporting period amounted to EUR 101.8 (132.5) million. The actuarial gains and losses related to defined benefit pension plans decreased the equity by EUR 7.9 million net of tax. Total equity attributable to equity holders of the parent company was EUR 100.2 (129.6) million, or EUR 1.68 (2.17) per share.

Return on equity (ROE) amounted to -20.3 (2.0) per cent. Return on investment (ROI) amounted to -9.9 (5.8) 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 50.3 (72.4) million. In addition to these, the Group had available credit facilities amounting to EUR 97.8 million. The amount of issued Commercial Papers was EUR 31.3 million.

Net cash flow from operating activities in the reporting period amounted to EUR -32.9 (-1.0) million, representing EUR -0.56 per share. Net cash flow before financing activities amounted to EUR -8.4 (51.3) million including net proceeds of EUR 27 million from the divestment in Finland. Net debt at the end of the reporting period was EUR 39.8 (34.5) million. Gearing was 39.1 (26.0) per cent. The equity ratio was 28.8 (32.3) per cent.

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

## CAPITAL EXPENDITURE

During the reporting period, the Group's capital expenditures totalled EUR 2.6 (5.9) million.

| Capital expenditure, EUR million | 10-12/ 2014 | 10-12/ 2013 | 1-12/ 2014 | 1-12/ 2013 |
|---|---|---|---|---|
| Capital expenditure, operating | 0.6 | 1.8 | 2.6 | 5.9 |
| Capital expenditure, total | 0.6 | 1.8 | 2.6 | 5.9 |

## PERSONNEL

| Personnel (FTE) by business group, at the end of the period | 1-12/ 2014 | 1-12/ 2013 | Change, % |
|---|---|---|---|
| Energy | 1,077 | 1,133 | -4.9 |
| Industry | 439 | 449 | -2.0 |
| Regional operations | 3,065 | 3,714 | -17.5 |
| Management Consulting | 399 | 413 | -3.5 |
| Group staff and shared resources | 189 | 234 | -19.3 |
| Personnel, total | 5,170 | 5,943 | -13.0 |

| Personnel (FTE) by geographic area, at the end of the period | 1-12/ 2014 | 1-12/ 2013 | Change, % |
|---|---|---|---|
| Nordic countries | 1,852 | 2,376 | -22.0 |
| Other Europe | 1,878 | 1,999 | -6.1 |
| Asia | 538 | 546 | -1.5 |
| North America | 160 | 148 | 8.1 |
| South America | 729 | 857 | -14.9 |
| Other areas | 13 | 17 | -23.5 |
| Personnel, total | 5,170 | 5,943 | -13.0 |

**Personnel structure**

The Group had an average of 5,433 (6,139) employees (FTEs), which was 11.5 per cent less than in the previous year. The number of personnel (FTEs) at the end of the period was 5,170 (5,943). 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 and, accordingly, the number of independent self-employed specialists has been included in the employee figures. This measure has increased the amount of personnel by about 250 FTEs. The figures for the corresponding year have been restated accordingly.

**Personnel expenses**

| Personnel expenses, EUR million | 1-12/ 2014 | 1-12/ 2013 | Change, % |
|---|---|---|---|
| Wages and salaries | 304.4 | 329.9 | -7.7 |
| Bonuses | 6.4 | 3.7* | 73.0 |
| Expenses from share-based incentives | 0.3 | 0.3 | 7.6 |
| Social expenses | 70.1 | 74.7 | -6.2 |
| Personnel expenses, total | 381.2 | 408.5 | -6.7 |

*In 2013, the bonus expenses were reduced by reversal of bonus accruals made in 2012.

**Performance share plan**
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 40 people. 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. The rewards to be paid on the basis of the discretionary period 2014 will correspond to an approximate value of a maximum total of 300,000 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 600,000 Pöyry PLC shares (gross).

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 approved on 4 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).

## GOVERNANCE

Pöyry publishes its corporate Governance Statement separately from the Report of the Board of Directors and the financial statements. The Corporate Governance Statement will be available on the company’s website at www.poyry.com on Thursday 19 February 2015 at the latest.

**Annual General Meeting 2014**
The Annual General Meeting ("AGM") of Pöyry PLC was held on 11 March 2014. 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 2013.

The AGM decided that no dividend be distributed for 2013.

The AGM decided that the Board of Directors consists of seven (7) ordinary members. The AGM elected the following members to the Board of Directors: Mr. Pekka Ala-Pietilä, Mr. Georg Ehrnrooth, Mr. Henrik Ehrnrooth, Mr. Alexis Fries, Mr. Heikki Lehtonen, Mr. Michael Obermayer and Ms. Karen de Segundo.

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 authorised the Board of Directors to decide about an additional fee of not more than EUR 15,000 per annum for each of the foreign residents of the Board of Directors and an additional fee of not more than EUR 5,000 per annum for each of the foreign residents of the committees of the Board of Directors. The authorisation shall be in force until the next AGM.

At its assembly meeting immediately following the AGM, the Board of Directors elected Henrik Ehrnrooth as Chairman and Heikki Lehtonen as Vice Chairman. Heikki Lehtonen (Chairman), Georg Ehrnrooth and Karen de Segundo were elected as members of the Audit Committee. Pekka Ala-Pietilä (Chairman), Henrik Ehrnrooth, Heikki Lehtonen and Michael Obermayer were elected as members of the Nomination and Compensation Committee. In accordance with the authorisation by the AGM the Board decided to pay an additional fee of EUR 15,000 per annum to the foreign residents of the Board of Directors and an additional fee of EUR 5,000 per annum to the foreign residents of the committees of the Board of Directors.

PricewaterhouseCoopers Oy continues as Pöyry PLC's auditors 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 11 March 2014 are available in full on the company’s website at www.poyry.com.

**Authorisations**
In the AGM on 11 March 2014, the Board of Directors was authorised to decide on the acquisition of up to 5,900,000 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 authorisation granted by the previous AGM regarding acquisition of the company's own shares expired simultaneously.

The Board of Directors was also 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 11,800,000 new shares can be issued. A maximum of 5,900,000 own shares held by the company can be conveyed. The authorisation comprises a right to deviate from the shareholders' pre-emptive subscription right, as well as a right for the Board of Directors to resolve on all other terms and conditions regarding the issuance or conveyance of shares and special rights entitling to shares. 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 authorisation shall be in force for 18 months from the decision of the AGM. The authorisation granted by the previous AGM regarding issuing shares expired simultaneously.

The decisions made by the AGM of Pöyry PLC on 11 March 2014 relating to the authorisations of the Board of Directors are available in full on the company’s website at www.poyry.com.

**Group executive management**
On 19 August 2014, Pöyry announced changes in the management structure of the Group Executive Committee with a view to improving efficiency.

Alexis Fries, President and CEO assumed the tasks of Chairman of Pöyry's Regional Operations.

Marcelo Cordaro, previously President of Pöyry's operations in Brazil, was additionally appointed President Regional Operations Latin America.

Nicholas Oksanen, previously President of Pöyry's Pulp and Paper Business Unit in the Industry Business Group, was additionally appointed President Industry Business Group.

Richard Pinnock, previously Executive Vice President Group Strategic Growth, was appointed Executive Vice President Global Sales and Project Management with the responsibility for strengthening the Group's global sales and project management. He will also continue to develop the Group's Large Projects Competence Centre.

Pasi Tolppanen, President Regional Operations Northern Europe and President of Pöyry's operations in Finland, and Marcelo Cordaro were both appointed as Vice Chairmen Regional Operations.

Martin Bachmann, Chairman Regional Operations and President Regional Operations Alpine Arc and AsiaPacific, and Martin Kuzaj, President Regional Operations Central Europe, President Regional Operations Latin America and President Industry Business Group left the Pöyry Group.

After the changes, the Group Executive Committee consisted of Alexis Fries, Sergio Guimaraes, Marcelo Cordaro, Nicholas Oksanen, Jukka Pahta, Richard Pinnock, Jarkko Sairanen, Pasi Tolppanen, Anne Viitala and Jaana Rinne. All the Group Executive Committee members report to the President and CEO, Alexis Fries.

The Group Executive Committee consisted of ten (10) members at the end of 2014:
- Alexis Fries, President and CEO, Chairman of Pöyry's Regional Operations and President Regional Operations Central Europe
- Sergio Guimaraes, Executive Vice President (EVP) and President, Energy Business Group
- Nicholas Oksanen, EVP, President Industry Business Group and President of Pöyry's Pulp and Paper Business Unit in the Industry Business Group
- Marcelo Cordaro, EVP, President Regional Operations Latin America and President of Pöyry's operations in Brazil, Vice Chairman Regional Operations
- Jarkko Sairanen, EVP and President, Management Consulting Business Group
- Jukka Pahta, EVP, Chief Financial Officer
- Richard Pinnock, EVP, Global Sales and Project Management
- Pasi Tolppanen, EVP, President Regional Operations Northern Europe, Vice Chairman Regional Operations
- Anne Viitala, EVP, Legal and Communications
- Jaana Rinne, Senior Vice President, Human Resources

Martin Kuzaj was EVP, President Regional Operations Central Europe, President Regional Operations Latin America and President Industry Business Group until 19 August, 2014. Martin Bachmann was EVP and Chairman Regional Operations and President Regional Operations Alpine Arc and Asia Pacific until 19 August, 2014.

## SHARE CAPITAL AND SHARES

The share capital of Pöyry PLC at 31 December 2014 totalled EUR 14,588,478 and the total number of shares including treasury shares was 59,759,610.

On 11 March 2014, the Board of Directors of Pöyry PLC decided on a directed share issue for the reward payment from the earning period 2011-2013 of the Pöyry Performance Share Plan 2011-2015. In the share issue, maximum of 72,700 Pöyry PLC shares held by the company were issued and conveyed without consideration to the key persons participating in the Pöyry Performance Share Plan according to the terms and conditions of the plan. More detailed information about the plan has been announced on 8 February 2011. The decision on the directed share issue is based on the authorisation granted to the Board of Directors by the Annual General Meeting of shareholders, held on 11 March 2014.

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 31 December 2014, Pöyry PLC held a total of 519,055 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 31 December 2014 was EUR 2.66 (4.07). The volume weighted average share price during the reporting period was EUR 3.81 (3.81), the highest quotation being EUR 4.80 (4.70) and the lowest EUR 2.60 (2.93). The share price decreased by 34.6 per cent since the end of 2013. During the reporting period, approximately 11.3 million Pöyry shares were traded at NASDAQ OMX Helsinki, corresponding to a turnover of approximately EUR 43 million. The average daily trading volume was 45,358 shares, or approximately EUR 0.2 million.

On 31 December 2014, the total market value of Pöyry's shares was EUR 157.6 (240.4) million excluding the treasury shares held by the company and EUR 159.0 (243.2) million including the treasury shares.

**OWNERSHIP STRUCTURE**

The number of registered shareholders was 6,584 at the end of December 2014 compared to 6,899 shareholders at the end of 2013.

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 (member of the Board of Directors of Pöyry) and Carl-Gustaf Ehrnrooth, indirectly holds a controlling interest in Corbis S.A.

At the end of the reporting period, a total of 10.51 per cent of the shares were owned by nominee-registered shareholders. Total ownership outside Finland, including Corbis, together with nominee-registered shareholders represented 45.49 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**

On 12 January 2015, Anja Silvennoinen was appointed Executive Vice President of Pöyry PLC and President of the Energy Business Group as well as member of the Group Executive Committee of Pöyry PLC. She will assume these tasks on 1 March 2015 and report to President and CEO. The previous position holder, Sergio Guimaraes, will assume a Senior Vice President, Business Development role at Pöyry and leave his position at the Group Executive Committee.

**PÖYRY'S EVOLUTION**

Pöyry's current 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 integrated its local activities in Latin and North America and Asia Pacific to Regional Operations in January 2014.

On 19 August 2014, Pöyry further streamlined its business operations and adjusted its management structure to improve efficiency. The Project Management Services Business Unit, previously part of the Industry

Business Group, and the Group's Large Projects Competence Centre were integrated under the Global Sales and Project Management Function.

In addition, the Regional Operations Alpine Arc and Central Europe were combined into one region, Central Europe, which includes three of Pöyry's Key Countries: Germany, Switzerland and Austria. The Mining and Metals Business Unit, previously part of the Industry Business Group, was integrated into the Regional Operations Northern Europe. In addition, the Regional Operations Asia Pacific, comprising of local operations in China and Thailand, were integrated into the Energy Business Group.

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 concluded the implementation of its structural and administrative process improvement programme announced at the end of 2012. As these measures have been progressing, Pöyry has introduced further improvements in terms of sales focus, project management and capacity management.

**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.

**MARKET OUTLOOK 2015**

The economic and market outlook for 2015 has softened and global growth prospects remain weak. There are, however, some expectations for lower oil and other energy prices to stimulate private demand and investments globally. In addition, the threat of deflation and stagnation triggered the European Central Bank to launch a quantitative easing programme of bond purchases as of March 2015. This is expected to create conditions for regional and global recovery during the second half of 2015 and into 2016. In the US and the UK, economic growth is projected to remain robust.

For the businesses relevant to Pöyry, the sector specific outlook remains mixed. In the graphic paper industry, the decline in structural consumption is set to continue. However, in other forest product industry sectors, the outlook is improving. For energy, and other industrial sectors relevant to Pöyry's businesses, the prospects remain unchanged and investment activity is expected to gradually improve. In Europe the growth remains fragile, delaying economic recovery and investment decisions.

**FINANCIAL OUTLOOK FOR 2015**

The Group's operating profit is expected to increase and be positive.

**BOARD OF DIRECTORS' PROPOSAL FOR DISPOSAL OF DISTRIBUTABLE FUNDS**

The Group's parent company Pöyry PLC's net profit for 2014 amounted to EUR -14,777,499.04 and retained earnings were EUR 51,050,896.68. The total distributable earnings were EUR 36,273,397.64. Considering the challenging market situation the Board of Directors of Pöyry PLC will propose to the Annual General Meeting on 12 March 2015 that no dividend will be paid for the year 2014.

The Auditor's report is dated 3 February 2015.

Vantaa, 3 February 2015

Pöyry PLC
Board of Directors

**THE FINANCIAL STATEMENT RELEASE 2014**

This financial statement release 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.

The annual figures in this financial statement release are audited.

**PÖYRY GROUP**

**STATEMENT OF COMPREHENSIVE INCOME**

| EUR million | **10-12/2014** | 10-12/2013 | **1-12/2014** | 1-12/2013 |
|---|---|---|---|---|
| NET SALES | **136.4** | 160.6 | **571.2** | 650.8 |
| Other operating income | **0.3** | 23.3 | **22.6** | 24.1 |
| Materials and supplies | **-2.9** | -4.5 | **-3.4** | -14.1 |
| External charges, subconsulting | **-18.7** | -20.8 | **-59.5** | -72.4 |
| Personnel expenses | **-92.0** | -100.3 | **-381.2** | -408.5 |
| Depreciation and impairment | **-1.2** | -7.9 | **-5.3** | -14.3 |
| Other operating expenses | **-34.0** | -41.9 | **-167.5** | -151.7 |
| OPERATING PROFIT | **-12.2** | 8.4 | **-23.1** | 13.9 |
| Proportion of net sales, % | **-8.9** | 5.2 | **-4.0** | 2.1 |
| Financial income | **0.5** | 0.2 | **1.3** | 1.9 |
| Financial expenses | **-2.8** | -1.9 | **-6.0** | -6.8 |
| Exchange rate differences | **-0.4** | 0.3 | **-0.4** | -0.3 |
| Share of associated companies' and joint ventures' results | **0.0** | 0.3 | **0.1** | 0.4 |
| PROFIT BEFORE TAXES | **-14.9** | 7.3 | **-28.0** | 9.1 |
| Proportion of net sales, % | **-10.9** | 4.6 | **-4.9** | 1.4 |
| Income taxes | **2.1** | -4.8 | **3.0** | -6.5 |
| NET PROFIT FOR THE PERIOD | **-12.7** | 2.6 | **-24.9** | 2.6 |
| OTHER COMPREHENSIVE INCOME | | | | |
| Items that will not be reclassified to profit or loss | | | | |
| Remeasurements of net defined benefit pension liability | **-9.3** | 8.1 | **-9.3** | 8.1 |
| Impact on deferred taxes | **1.4** | -1.5 | **1.4** | -1.5 |
| Items that may be reclassified to profit or loss | | | | |
| Cash flow hedging | | 0.6 | | 1.1 |
| Impact on deferred taxes | | -0.2 | | -0.3 |
| Translation differences | **-1.7** | -1.9 | **0.7** | -6.4 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | **-22.3** | 7.6 | **-32.1** | 3.6 |
| Net profit attributable to: | | | | |
| Equity holders of the parent company | **-12.2** | 2.6 | **-23.7** | 3.6 |
| Non-controlling interest | **-0.6** | -0.1 | **-1.2** | -1.0 |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the parent company | **-21.7** | 7.7 | **-30.9** | 4.6 |
| Non-controlling interest | **-0.6** | -0.1 | **-1.2** | -1.0 |
| Earnings/share, attributable to the equity holders of the parent company, EUR | **-0.21** | 0.04 | **-0.40** | 0.06 |
| Corrected with dilution effect | **-0.21** | 0.04 | **-0.40** | 0.06 |

**STATEMENT OF FINANCIAL POSITION**

| EUR million | **31 December 2014** | 31 December 2013 |
|---|---|---|
| ASSETS | | |
| | | |
| NON-CURRENT ASSETS | | |
| Goodwill | **119.2** | 127.4 |
| Intangible assets | **2.2** | 2.4 |
| Tangible assets | **10.4** | 13.3 |
| Shares in associated companies and joint ventures | **0.1** | 8.1 |
| Other shares | **1.9** | 2.0 |
| Loans receivable | **0.4** | 0.3 |
| Deferred tax receivables | **24.1** | 16.4 |
| Pension receivables | **0.2** | 0.2 |
| Other | **5.6** | 5.6 |
| | **164.2** | 175.8 |
| | | |
| CURRENT ASSETS | | |
| Work in progress | **80.8** | 84.8 |
| Accounts receivable | **113.6** | 124.6 |
| Loans receivable | **0.0** | 0.3 |
| Other receivables | **6.5** | 6.1 |
| Prepaid expenses and accrued income | **10.6** | 11.6 |
| Current tax receivables | **4.8** | 6.0 |
| Financial assets at fair value through profit and loss | **0.2** | 0.2 |
| Cash and cash equivalents | **50.1** | 72.2 |
| | **266.7** | 305.8 |
| | | |
| Assets classified as held for sale | **5.2** | |
| | | |
| TOTAL | **436.0** | 481.5 |
| | | |
| EQUITY AND LIABILITIES | | |
| | | |
| EQUITY | | |
| | | |
| EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY | | |
| Share capital | **14.6** | 14.6 |
| Legal reserve | **3.6** | 3.6 |
| Invested free equity reserve | **60.1** | 60.1 |
| Translation difference | **-12.5** | -13.2 |
| Retained earnings | **34.4** | 64.6 |
| | **100.2** | 129.6 |
| Non-controlling interest | **1.6** | 2.9 |
| | **101.8** | 132.5 |
| | | |
| LIABILITIES | | |
| | | |
| NON-CURRENT LIABILITIES | | |
| Interest bearing non-current liabilities | **37.4** | 56.4 |
| Pension obligations | **34.3** | 23.9 |
| Deferred tax liability | **0.4** | 0.2 |
| Other non-current liabilities | **0.1** | 2.0 |
| | **72.2** | 82.6 |
| | | |
| CURRENT LIABILITIES | | |
| Amortisations of interest bearing non-current liabilities | **21.3** | 9.3 |
| Commercial papers | **31.3** | 40.6 |
| Interest bearing current liabilities | **0.2** | 0.6 |
| Provisions | **16.5** | 15.7 |
| Project advances | **82.4** | 71.8 |
| Accounts payable | **21.2** | 27.4 |
| Other current liabilities | **22.6** | 26.9 |
| Current tax payable | **5.5** | 5.8 |
| Accrued expenses and deferred income | **61.1** | 68.3 |
| | **262.0** | 266.4 |
| | | |
| TOTAL | **436.0** | 481.5 |

**STATEMENT OF CASH FLOWS**

| EUR million | **10-12/2014** | 10-12/2013 | **1-12/2014** | 1-12/2013 |
|---|---|---|---|---|
| FROM OPERATING ACTIVITIES | | | | |
| Net profit for the period | **-12.7** | 2.6 | **-24.9** | 2.6 |
| Expenses from share-based incentive programmes | **-0.1** | -0.1 | **0.3** | 0.3 |
| Depreciation and impairment losses | **1.2** | 9.9 | **5.3** | 16.2 |
| Impairment losses from accounts receivable and work in progress | **-1.9** | -0.1 | **16.9** | 1.1 |
| Gain on sales of shares and fixed assets | **0.0** | -14.6 | **-20.8** | -14.6 |
| Adjustment to unpaid liability for acquired shares | **0.0** | -9.0 | | -9.0 |
| Loss on sale of shares and fixed assets | **0.0** | 0.0 | **0.1** | 0.5 |
| Financial income and expenses | **2.2** | 1.4 | **4.6** | 5.2 |
| Income taxes | **-2.1** | 4.8 | **-3.0** | 6.5 |
| Change in work in progress | **16.2** | 26.3 | **3.0** | 6.8 |
| Change in accounts and other receivables | **-6.3** | 5.5 | **-10.1** | 16.2 |
| Change in project advances received | **17.4** | -2.5 | **10.2** | -18.9 |
| Change in payables and other liabilities | **8.2** | 6.8 | **-6.2** | -4.7 |
| Received financial income | **0.8** | 0.1 | **1.2** | 1.7 |
| Paid financial expenses | **-3.7** | -1.7 | **-6.5** | -7.1 |
| Paid income taxes | **-0.4** | 0.9 | **-2.9** | -3.8 |
| Total from operating activities | **18.9** | 30.1 | **-32.9** | -1.0 |
| CAPITAL EXPENDITURE | | | | |
| Investments in fixed assets | **-0.6** | -1.8 | **-2.6** | -5.9 |
| Sales of business operations and shares in subsidiaries deducted with cash included in the sales | **-0.3** | | **27.1** | -0.1 |
| Sale of real estate | | 58.3 | | 58.3 |
| Sales of other fixed assets | **-0.3** | -0.5 | **0.0** | 0.0 |
| Capital expenditure total, net | **-1.2** | 56.0 | **24.5** | 52.3 |
| Net cash before financing | **17.6** | 86.1 | **-8.4** | 51.3 |
| FINANCING | | | | |
| New loans | | 2.9 | **15.0** | 46.6 |
| Repayments of loans | **-2.9** | -55.6 | **-21.2** | -102.2 |
| Change in current financing | **0.0** | -1.8 | **-10.9** | 3.1 |
| Received dividends | **0.0** | 0.1 | **1.3** | 1.8 |
| Paid dividends | | | | -0.8 |
| Net cash from financing | **-2.9** | -54.4 | **-15.7** | -51.5 |
| Change in cash and cash equivalents | **14.8** | 31.7 | **-24.1** | -0.2 |
| Cash and cash equivalents and other liquid assets at the beginning of the period | **35.4** | 43.0 | **72.4** | 83.0 |
| Reclassification of subsidiary company to joint venture | | | | -3.7 |
| Impact of translation differences in exchange rates | **0.2** | -2.3 | **2.0** | -6.7 |
| Cash and cash equivalents and other liquid assets at the end of the period | **50.3** | 72.4 | **50.3** | 72.4 |
| Financial assets at fair value trough profit and loss | **0.2** | 0.2 | **0.2** | 0.2 |
| Cash and cash equivalents | **50.1** | 72.2 | **50.1** | 72.2 |
| Cash and cash equivalents and other liquid assets | **50.3** | 72.4 | **50.3** | 72.4 |

**CHANGES IN EQUITY**

| EUR million | Share capital | Legal reserve | Invested free equity reserve | Fair value reserve | Translation differences | Retained earnings | Total | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| Equity 1 October 2014 | 14.6 | 3.6 | 60.1 | - | -10.9 | 54.5 | 121.9 | 2.2 | 124.1 |
| Comprehensive income | | | | | | | | | |
| Comprehensive income for the period | | 0.0 | | | -1.6 | -20.1 | -21.7 | -0.6 | -22.3 |
| Contributions by and distributions to owners of the parent, recognised directly into equity | | | | | | | | | |
| Expenses from share-based incentive programmes | | | | | | | | | |
| Reversals from share-based incentive programmes | | | | | | | | | |
| Total contributions by and distributions to owners of the parent, recognised directly into equity | | | | | | 0.0 | 0.0 | | 0.0 |
| Equity 31 December 2014 | **14.6** | **3.6** | **60.1** | **-** | **-12.5** | **34.4** | **100.2** | **1.6** | **101.8** |
| Equity 1 January 2014 | 14.6 | 3.6 | 60.1 | - | -13.2 | 64.6 | 129.6 | 2.9 | 132.5 |
| Comprehensive income | | | | | | | | | |
| Comprehensive income for the period | | 0.0 | | | 0.7 | -31.6 | -30.9 | -1.2 | -32.1 |
| Contributions by and distributions to owners of the parent, recognised directly into equity | | | | | | | | | |
| Expenses from share-based incentive programmes | | | | | | 0.2 | 0.2 | | 0.2 |
| Reversals from share-based incentive programmes | | | | | | 1.2 | 1.2 | | 1.2 |
| Total contributions by and distributions to owners of the parent, recognised directly into equity | | | | | | 1.4 | 1.4 | | 1.4 |
| Equity 31 December 2014 | **14.6** | **3.6** | **60.1** | **-** | **-12.5** | **34.4** | **100.2** | **1.6** | **101.8** |
| Equity 1 October 2013 | 14.6 | 3.6 | 60.1 | -0.4 | -11.2 | 55.4 | 122.1 | 3.0 | 125.1 |
| Comprehensive income | | | | | | | | | |
| Comprehensive income for the period | | -0.1 | | 0.4 | -2.0 | 9.2 | 7.5 | -0.1 | 7.4 |
| Total contributions by and distributions to owners of the parent, recognised directly into equity | | | | | | | 0.0 | | 0.0 |
| Equity 31 December 2013 | 14.6 | 3.6 | 60.1 | - | -13.2 | 64.6 | 129.6 | 2.9 | 132.5 |
| 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 | | 0.0 | | 0.8 | -6.5 | 10.2 | 4.6 | -1.0 | 3.5 |
| 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 | | | | | | | | -0.8 | -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 | 3.6 | 60.1 | - | -13.2 | 64.6 | 129.6 | 2.9 | 132.5 |

| KEY FIGURES | **10-12/2014** | 10-12/2013 | **1-12/2014** | 1-12/2013 |
|---|---|---|---|---|
| Earnings/share, EUR | **-0.21** | 0.04 | **-0.40** | 0.06 |
| Diluted | **-0.21** | 0.04 | **-0.40** | 0.06 |
| Shareholders' equity/share, EUR | | | **1.68** | 2.17 |
| Return on investment, % | | | **-9.9** | 5.8 |
| Return on equity, % | | | **-20.3** | 2.0 |
| Equity ratio, % | | | **28.8** | 32.3 |
| Net debt/equity ratio (gearing), % | | | **39.1** | 26.0 |
| Net debt, EUR million | | | **39.8** | 34.5 |
| Consulting and engineering, EUR million | | | **447.4** | 499.7 |
| EPC, EUR million | | | **25.0** | 0.0 |
| Order stock total, EUR million | | | **472.5** | 499.7 |
| Capital expenditure, operating, EUR million | **0.6** | 1.8 | **2.6** | 5.9 |
| Personnel in group companies on average | | | **5,433** | 6,139 |
| Personnel in group companies at end of period | | | **5,170** | 5,943 |

**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 | 1-12/2014 | 1-12/2013 |
|---|---|---|
| Other own obligations | | |
| Other obligations | **0.3** | 0.3 |
| Project and other guarantees | **54.5** | 57.1 |
| Total | **54.8** | 57.4 |
| | | |
| For others | | |
| Pledged assets | **0.1** | 0.1 |
| Other obligations | **0.0** | 0.3 |
| Total | **0.1** | 0.4 |
| | | |
| Rent and lease obligations | **131.9** | 139.0 |

**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, 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. Similarly, in the third reporting period of 2014, a proceeding in Singapore was served by the Litigation Trust against certain of Pöyry's subsidiary companies that had provided consulting services to SFC. While Pöyry's legal advisors in Canada and Singapore 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"). 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.

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.

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 | **1-12/2014** | 1-12/2013 |
|---|---|---|
| Foreign exchange forward contracts | | |
| Nominal value | **67.4** | 59.3 |
| Fair value, gains | **1.2** | 1.0 |
| Fair value, losses | **-1.4** | -0.5 |
| Fair value, net | **-0.2** | 0.5 |
| | | |
| Fair value hedge accounting | | |
| Nominal value | **12.4** | 33.8 |
| Fair value, gains | **0.0** | 0.4 |
| Fair value, losses | **-0.3** | -0.1 |
| Fair value, net | **-0.3** | 0.3 |
| | | |
| Foreign exchange option contracts | | |
| Purchased, nominal value | **17.0** | - |
| Purchased, gains | **0.3** | - |
| Purchased, losses | **-0.2** | - |
| Purchased, net | **0.1** | - |
| Sold, nominal value | **19.0** | - |
| Sold, gains | **0.2** | - |
| Sold, losses | **-0.3** | - |
| Sold, net | **-0.1** | - |
| Foreign exchange options, net | **-0.1** | - |
| | | |
| Interest rate swaps | | |
| | | |
| Nominal value | **15.0** | - |
| Fair value, losses | **-0.1** | - |
| Fair value, net | **-0.1** | - |

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.

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

| EUR million | **1-12/2014** | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| Financial assets at fair value | | | | |
| Derivatives under fair value hedge accounting | **0.0** | | 0.0 | |
| Derivatives outside of hedge accounting | **1.6** | | 1.6 | |
| Financial assets at fair value through profit and loss | **0.2** | | 0.2 | |
| | **1.8** | - | 1.8 | - |
| Financial liabilities at fair value | | | | |
| Derivatives under fair value hedge accounting | **0.3** | | 0.3 | |
| Derivatives outside of hedge accounting | **2.0** | | 2.0 | |
| | **2.4** | - | 2.4 | - |

| EUR million | 1-12/2013 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| Financial assets at fair value | | | | |
| 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 | |
| | 1.6 | - | 1.6 | - |
| Financial liabilities at fair value | | | | |
| Derivatives under fair value hedge accounting | 0.1 | | 0.1 | |
| Derivatives outside of hedge accounting | 0.5 | | 0.5 | |
| | 0.6 | - | 0.6 | - |

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 the reporting period there were no transfers between levels 1, 2 and 3.

**FINANCIAL ASSETS AND LIABILITIES**

| EUR million | **1-12/2014** | **1-12/2013** |
|---|---|---|
| Available-for-sale assets, shares | **1.9** | 2.0 |
| Loans and other receivables | | |
| Non-current accounts receivable | **3.6** | 3.5 |
| Other non-current receivables | **1.7** | 2.0 |
| Current accounts receivable | **113.6** | 124.6 |
| Non-current loans receivable | **0.4** | 0.3 |
| Current loans receivable | **0.0** | 0.3 |
| Cash and cash equivalents *) | **50.1** | 72.2 |
| Derivatives under fair value hedge accounting | **0.0** | 0.4 |
| Derivatives outside of hedge accounting | **1.6** | 1.0 |
| Financial assets at fair value through profit and loss | **0.2** | 0.2 |
| FINANCIAL ASSETS | **173.1** | 206.5 |
| | | |
| Liabilities at amortised cost | | |
| Interest bearing liabilities | **90.2** | 106.9 |
| Accounts payable | **21.2** | 27.4 |
| Derivatives under fair value hedge accounting | **0.3** | 0.1 |
| Derivatives outside of hedge accounting | **2.0** | 0.5 |
| FINANCIAL LIABILITIES | **113.7** | 134.8 |

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 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 31 December 2014 EUR 20.9 (1.6) 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.

| **Employee benefits for the Board of Directors, the President and CEO and the members of the Group Executive Committee** | | |
|---|---|---|
| Salaries, bonuses and other short-term employee benefits | **5.7** | 5.5 |

**Shareholdings**

The members of the Board of Directors, the President and CEO and the members of the Group Executive Committee owned on 31 December 2014 a total of 424 969 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 40 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.

**Own shares**

Pöyry PLC holds on 31 December 2014 a total of 519,055 own shares (31 December 2013 683,155) corresponding to 0.9 per cent of the total number of shares.

| | **10-12/2014** | 10-12/2013 | **1-12/2014** | 1-12/2013 |
|---|---|---|---|---|
| **Transaction with associated companies and joint ventures** | | | | |
| Sales | **0.0** | 0.0 | **0.0** | 0.1 |
| Loans receivable | | | **0.1** | 0.1 |
| Accounts receivable | | | **0.0** | 0.0 |
| Accounts payable | | | **0.1** | 0.1 |

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

**CHANGES IN INTANGIBLE ASSETS AND TANGIBLE ASSETS**

| EUR million | **10-12/2014** | 10-12/2013 | **1-12/2014** | 1-12/2013 |
|---|---|---|---|---|
| Intangible assets | | | | |
| Book value at beginning of period | **2.0** | 8.6 | **2.4** | 9.3 |
| Capital expenditure | **0.7** | -0.2 | **1.0** | 0.6 |
| Decreases | **0.0** | 0.2 | **-0.1** | 0.1 |
| Depreciation | **-0.2** | -6.1 | **-1.0** | -7.3 |
| Translation difference | **-0.3** | -0.1 | **-0.1** | -0.3 |
| Book value at end of period | **2.2** | 2.4 | **2.2** | 2.4 |
| | | | | |
| Tangible assets | | | | |
| Book value at beginning of period | **11.2** | 58.0 | **13.3** | 60.6 |
| Capital expenditure | **1.1** | 2.0 | **2.7** | 5.3 |
| Decreases | **-0.7** | -44.4 | **-1.3** | -45.0 |
| Depreciation | **-1.0** | -1.8 | **-4.3** | -6.9 |
| Translation difference | **-0.2** | -0.5 | **0.0** | -0.7 |
| Book value at end of period | **10.4** | 13.3 | **10.4** | 13.3 |

**CHANGES IN GOODWILL AND INTANGIBLE RIGHTS**

| EUR million | **10-12/2014** | 10-12/2013 | **1-12/2014** | 1-12/2013 |
|---|---|---|---|---|
| Book value at beginning of period, goodwill | **121.2** | 128.7 | **127.4** | 131.4 |
| Book value at beginning of period, intangible rights | | 6.0 | | 6.1 |
| Decrease in goodwill | | | **-6.8** | |
| Decrease in intangible rights | | -0.3 | | -0.3 |
| Depreciation and impairment of intangible rights | | -5.8 | | -5.9 |
| Exchange differences, goodwill | **-2.0** | -1.3 | **-1.4** | -4.0 |
| Exchange differences, intangible rights | | 0.1 | | 0.1 |
| Book value at end of period | **119.2** | 127.4 | **119.2** | 127.4 |

**OPERATING SEGMENTS**

| EUR million | **10-12/2014** | 10-12/2013 | **1-12/2014** | 1-12/2013 |
|---|---|---|---|---|
| NET SALES | | | | |
| Energy | **39.7** | 35.9 | **140.5** | 144.3 |
| Industry | **9.0** | 9.3 | **36.1** | 39.6 |
| Regional Operations | **72.9** | 95.3 | **327.3** | 398.4 |
| Management Consulting | **16.3** | 18.7 | **65.4** | 66.0 |
| Unallocated | **-1.5** | 1.3 | **1.9** | 2.5 |
| Total | **136.4** | 160.6 | **571.2** | 650.8 |
| | | | | |
| OPERATING PROFIT AND NET PROFIT FOR THE PERIOD | | | | |
| Energy | **0.0** | 0.6 | **0.8** | 4.4 |
| Industry | **-0.7** | -0.2 | **0.0** | 2.0 |
| Regional Operations | **-7.4** | -3.0 | **-34.7** | 1.7 |
| Management Consulting | **1.0** | 1.9 | **3.7** | 2.3 |
| Unallocated | **-5.1** | 9.1 | **7.0** | 3.5 |
| OPERATING PROFIT TOTAL | **-12.2** | 8.4 | **-23.1** | 13.9 |
| Financial income and expenses | **-2.7** | -1.4 | **-5.0** | -5.2 |
| Share of associated companies' and joint ventures' results | **0.0** | 0.3 | **0.1** | 0.4 |
| PROFIT BEFORE TAXES | **-14.9** | 7.3 | **-28.0** | 9.1 |
| Income taxes | **2.1** | -4.8 | **3.0** | -6.5 |
| NET PROFIT FOR THE PERIOD | **-12.7** | 2.6 | **-24.9** | 2.6 |
| Attributable to: | | | | |
| Equity holders of the parent company | **-12.2** | 2.6 | **-23.7** | 3.6 |
| Non-controlling interest | **-0.6** | -0.1 | **-1.2** | -1.0 |
| | | | | |
| OPERATING PROFIT % | | | | |
| Energy | **0.1** | 1.7 | **0.6** | 3.0 |
| Industry | **-8.0** | -2.4 | **0.1** | 5.2 |
| Regional Operations | **-10.2** | -3.2 | **-10.6** | 0.4 |
| Management Consulting | **5.9** | 10.1 | **5.7** | 3.6 |
| Operating profit % total | **-8.9** | 5.2 | **-4.0** | 2.1 |
| | | | | |
| ORDER STOCK | | | | |
| Energy | **189.7** | 196.7 | **189.7** | 196.7 |
| Industry | **26.0** | 16.0 | **26.0** | 16.0 |
| Regional Operations | **241.7** | 271.8 | **241.7** | 271.8 |
| Management Consulting | **14.9** | 15.2 | **14.9** | 15.2 |
| Unallocated | **0.2** | 0.0 | **0.2** | 0.0 |
| Total | **472.5** | 499.7 | **472.5** | 499.7 |
| | | | | |
| Consulting and engineering | **447.4** | 499.7 | **447.4** | 499.7 |
| EPC | **25.0** | 0.0 | **25.0** | 0.0 |
| Total | **472.5** | 499.7 | **472.5** | 499.7 |
| | | | | |
| NET SALES BY AREA | | | | |
| The Nordic countries | **47.3** | 57.8 | **194.3** | 230.3 |
| Other Europe | **46.1** | 55.7 | **201.5** | 229.1 |
| Asia | **18.0** | 15.1 | **71.5** | 57.1 |
| North America | **5.6** | 4.1 | **22.1** | 21.9 |
| South America | **17.5** | 25.1 | **73.5** | 100.3 |
| Other | **1.9** | 2.8 | **8.3** | 12.1 |
| Total | **136.4** | 160.6 | **571.2** | 650.8 |
| | | | | |
| PERSONNEL AT END OF PERIOD | | | | |
| Energy | | | **1,077** | 1,133 |
| Industry | | | **439** | 449 |
| Regional Operations | | | **3,065** | 3,714 |
| Management Consulting | | | **399** | 413 |
| Unallocated | | | **189** | 234 |
| Total | | | **5,170** | 5,943 |

**OPERATING SEGMENTS**

| EUR million | 1-3/2014 | 4-6/2014 | 7-9/2014 | 10-12/2014 |
|---|---|---|---|---|
| NET SALES | | | | |
| Energy | 32.0 | 36.7 | 32.1 | 39.7 |
| Industry | 9.5 | 9.3 | 8.3 | 9.0 |
| Regional Operations | 91.3 | 88.3 | 74.8 | 72.9 |
| Management Consulting | 17.8 | 16.4 | 14.9 | 16.3 |
| Unallocated | 0.7 | 1.6 | 1.2 | -1.5 |
| Total | 151.3 | 152.2 | 131.2 | 136.4 |
| | | | | |
| OPERATING PROFIT | | | | |
| Energy | 0.9 | 0.3 | -0.4 | 0.0 |
| Industry | 0.3 | 0.3 | 0.2 | -0.7 |
| Regional Operations | -1.6 | -20.7 | -5.1 | -7.4 |
| Management Consulting | 1.4 | 0.8 | 0.5 | 1.0 |
| Unallocated | -2.8 | 16.2 | -1.4 | -5.1 |
| OPERATING PROFIT TOTAL | -1.8 | -3.0 | -6.2 | -12.2 |
| Financial income and expenses | -1.2 | 0.0 | -1.1 | -2.7 |
| Share of associated companies' and joint ventures' results | 0.0 | 0.0 | 0.2 | 0.0 |
| PROFIT BEFORE TAXES | -3.0 | -3.0 | -7.1 | -14.9 |
| Income taxes | -0.3 | -0.7 | 1.9 | 2.1 |
| NET PROFIT FOR THE PERIOD | -3.2 | -3.8 | -5.2 | -12.7 |
| Attributable to: | | | | |
| Equity holders of the parent company | -3.3 | -3.6 | -4.7 | -12.2 |
| Non-controlling interest | 0.0 | -0.1 | -0.5 | -0.6 |
| | | | | |
| OPERATING PROFIT % | | | | |
| Energy | 2.7 | 0.9 | -1.3 | 0.1 |
| Industry | 3.0 | 3.4 | 1.9 | -8.0 |
| Regional Operations | -1.7 | -23.4 | -6.8 | -10.2 |
| Management Consulting | 7.9 | 5.1 | 3.6 | 5.9 |
| Group | -1.2 | -1.9 | -4.7 | -8.9 |
| | | | | |
| ORDER STOCK | | | | |
| Energy | 202.6 | 192.2 | 189.8 | 189.7 |
| Industry | 13.4 | 23.0 | 20.1 | 26.0 |
| Regional Operations | 305.7 | 251.2 | 249.8 | 241.7 |
| Management Consulting | 18.1 | 15.8 | 15.2 | 14.9 |
| Unallocated | 0.6 | 0.2 | 0.4 | 0.2 |
| Total | 540.4 | 482.4 | 475.3 | 472.5 |
| | | | | |
| Consulting and engineering | 539.2 | 481.3 | 474.7 | 447.4 |
| EPC | 1.2 | 1.1 | 0.6 | 25.0 |
| Total | 540.4 | 482.4 | 475.3 | 472.5 |

**OPERATING SEGMENTS**

| EUR million | 1-3/2013 | 4-6/2013 | 7-9/2013 | 10-12/13 |
|---|---|---|---|---|
| NET SALES | | | | |
| Energy | 37.3 | 37.7 | 33.4 | 35.9 |
| Industry | 9.1 | 11.8 | 9.5 | 9.3 |
| Regional Operations | 102.2 | 106.0 | 94.9 | 95.3 |
| Management Consulting | 17.6 | 14.8 | 14.8 | 18.7 |
| Unallocated | 0.1 | -0.1 | 1.1 | 1.3 |
| Total | 166.3 | 170.2 | 153.7 | 160.6 |
| | | | | |
| OPERATING PROFIT | | | | |
| Energy | 0.6 | 0.5 | 2.6 | 0.6 |
| Industry | 0.3 | 1.1 | 0.9 | -0.2 |
| Regional Operations | 2.5 | 2.6 | -0.4 | -3.0 |
| Management Consulting | 0.5 | -0.9 | 0.9 | 1.9 |
| Unallocated | -0.8 | -1.5 | -3.4 | 9.1 |
| OPERATING PROFIT TOTAL | 3.1 | 1.8 | 0.6 | 8.4 |
| Financial income and expenses | -0.8 | -1.7 | -1.3 | -1.4 |
| Share of associated companies' and joint ventures' results | -0.1 | 0.4 | -0.1 | 0.3 |
| PROFIT BEFORE TAXES | 2.2 | 0.5 | -0.9 | 7.3 |
| Income taxes | -1.4 | -1.1 | 0.8 | -4.8 |
| NET PROFIT FOR THE PERIOD | 0.8 | -0.7 | -0.1 | 2.6 |
| Attributable to: | | | | |
| Equity holders of the parent company | 0.7 | -0.6 | 0.9 | 2.6 |
| Non-controlling interest | 0.1 | 0.0 | -1.0 | -0.1 |
| | | | | |
| OPERATING PROFIT % | | | | |
| Energy | 1.7 | 1.4 | 7.9 | 1.7 |
| Industry | 3.4 | 9.0 | 9.4 | -2.4 |
| Regional Operations | 2.5 | 2.5 | -0.4 | -3.2 |
| Management Consulting | 2.6 | -6.0 | 5.8 | 10.1 |
| Operating profit % total | 1.9 | 1.1 | 0.4 | 5.2 |
| | | | | |
| ORDER STOCK | | | | |
| Energy | 186.3 | 192.5 | 216.7 | 196.7 |
| Industry | 21.3 | 20.1 | 20.2 | 16.0 |
| Regional Operations | 361.7 | 324.8 | 299.9 | 271.8 |
| Management Consulting | 16.2 | 18.1 | 20.6 | 15.2 |
| Unallocated | 0.2 | 0.0 | 0.0 | 0.0 |
| Total | 585.7 | 555.5 | 557.4 | 499.7 |
| | | | | |
| Consulting and engineering | 580.7 | 553.6 | 554.6 | 499.7 |
| EPC | 5.0 | 1.9 | 2.8 | 0.0 |
| Total | 585.7 | 555.5 | 557.4 | 499.7 |