

INTERIM REPORT JANUARY 1 - SEPTEMBER 30, 2000

JAAKKO PÖYRY GROUP'S NET SALES AND PROFIT INCREASED

Net Sales and Earnings

The Jaakko Pöyry Group's net sales for the period January - September 2000 amounted to EUR 357.5 million (EUR 277.7 million in the same period 1999). The Group's operating profit was EUR 23.0 (18.4) million and profit after financial items EUR 21.3 (17.3) million. The Group's profit for the period under review was EUR 12.3 (10.3) million and earnings per share EUR 0.90 (0.76).

Net sales increased in all business groups during the period under review. The operating profit improved in the Forest Industry Consulting, Energy and Infrastructure & Environment business groups. The Forest Industry business group's earnings were affected by certain previously foreseen lower-margin projects, especially in the second and partly in the third quarter. The Forest Industry Consulting business group's earnings were boosted by its activities as an adviser in M & A transactions. The earnings of the Energy business group were affected by cost overruns related to turn-key projects undertaken by the Process Contracting business group, which was integrated with the Energy business group at the beginning of the year 2000, and by costs due to this integration. The Infrastructure & Environment business group's earnings were depressed by investments of about EUR 0.6 million in expanding the Group's telecommunications business.

The Group intensified its efforts to develop new business activities during the period under review. Investments were focused on commercialisation of various computer applications and product innovations related to the Group's IT-based products. Such special investments amounted to about EUR 0.5 million during the period under review. The Group's financial items include EUR 0.6 million of foreign exchange forward contracts for hedging the Group's long-term USD-based order stock and USD-based fixed assets. The Group's operating profit includes EUR 1.3 million refunded by the Pension Funds of Swedish Salaried Employees (SPP). Following the refund for the period under review, the Jaakko Pöyry Group's remaining share of the SPP surplus amounts to EUR 5.2 million.

Order Stock

The Group's order stock remained good. At the end of September, the order stock totalled EUR 325.9 million, compared with EUR 348.9 million at the end of 1999. The order stock of the consulting and engineering businesses remained stable, and the decline in the total order stock was caused by a decrease of EUR 14.6 million in the order

stock related to turn-key projects. The Group's strategic objective is to improve its relative profitability to the extent that the operating profit exceeds eight per cent of net sales. Because of the nature of the turn-key projects business, its profitability is generally lower than that of the consulting and engineering businesses. For this reason, the Group does not intend to expand the volume of turn-key projects, while striving to improve their profitability.

Financing

The Group's liquidity remained good during the period under review. At the end of September, the Group's cash in hand and at banks totalled EUR 45.4 million and interest-bearing liabilities EUR 50.3 million, so interest-bearing net debts amounted to EUR 4.9 million. At the end of 1999 interest-bearing net debts amounted to EUR 11.7 million. The net debt/equity ratio, gearing, decreased from 13.5 per cent at the end of the year to 5.2 per cent.

The agreement made in 1999 for insuring the Jaakko Pöyry Group's pension fund's liabilities in an outside insurance company became effective as of the beginning of 2000.

Capital Expenditure

The Group's capital expenditure for the period under review totalled EUR 8.9 (18.9) million. The capital expenditure consisted mostly of costs related to computer software, systems and hardware.

Jaakko Pöyry Group has sold its 50.0 per cent share of an office building in Le Pecq, France. The sales price was about EUR 5.3 million. The sale has no effect on the Group's result.

The figures in the interim report are unaudited.

Group Structure

Following a reorganisation effective from the beginning of the year 2000, the Process Industry business group has been merged with the Energy business group.

The activities of the French engineering companies Beture-Environnement S.A. and Beture-Cerec S.A. have been integrated into the Energy and Infrastructure & Environment business groups. Acquired in December last year, these two companies have about 150 employees.

In June 2000, Jaakko Pöyry Group Oyj subscribed, in a targeted share issue, thirty per cent of the shares in EPStar Oy (earlier Star Communications Oy), a company specialising in consulting services and network planning for the telecommunication sector. At the same time, Jaakko Pöyry Group Oyj redirected the strategy of its Infrastructure & Environment business group, selecting the telecommunications sector as one of the business group's main growth areas. EPStar Oy is intended to supplement Jaakko Pöyry Group Oyj's service package in the areas of network planning and network integration. Jaakko Pöyry Group Oyj aims to expand its telecommunications business within the next few years and to be able to offer turn-key deliveries of telecommunications networks to operators and equipment suppliers. For project implementation services Jaakko Pöyry Group Oyj will rely on the resources of its global network of offices in 34 countries and the Group's experience of project implementation in more than 100 countries. The net sales in 2000 for the telecommunication sector in Jaakko Pöyry Group is about EUR 10 million. The Group's aim is to double the volume of this business during 2001 and 2002.

In October, after the end of the review period, the Jaakko Pöyry Group acquired the Asian bridge and construction management business of VCE - Vienna Consulting Engineers, Austria. The acquired bridge business employs about 20 international and local experts with know-how in design, monitoring and construction management related to bridges and viaducts, including special expertise in cable-stayed bridges. The company's office is situated in Taipei, Taiwan. Its net sales amounted to about EUR 2 million in 1999.

Efforts to develop the Group's structure and organisation will continue. In response to the continued globalisation of the forest products industry, the Forest Industry business group's local office network will be expanded further in North America and Central Europe. There are also plans to expand the operations of the Energy and Infrastructure & Environment business groups.

Share Capital and Shares

Jaakko Pöyry Group Oyj's Annual General Meeting on March 8, 2000 authorised the Board of Directors to cancel 597 200 of the company's own shares and to reduce the company's share capital from EUR 12.0 million to EUR 11.5 million. The Annual General Meeting approved the Board of Directors' proposal to convert the company's share capital into euros and to raise it to EUR 13 670 286 through a bonus issue by transferring EUR 2.2 million from the legal reserve to the share capital. After the increase, the accounting par value of the company's shares is EUR 1.00, with the number of shares totalling 13 670 286.

The Annual General Meeting approved the Board of Directors' proposal that a dividend of EUR 0.45 be paid per share for 1999 (0.34 for

1998), totalling EUR 6.2 million. The dividend was paid on March 20, 2000.

The Annual General Meeting authorised the Board of Directors to raise the share capital by a new issue or by taking a convertible loan or by issuing option rights, so that based on the new issue, the convertible bonds and option rights, the share capital can be raised by a maximum of EUR 1.0 million by issuing for subscription a maximum of 1.0 million new shares. The authorisation is in force until March 8, 2001.

In 1998, Jaakko Pöyry Group Oyj issued a bond loan with warrants to all employees in the Group, with a total value of EUR 2.2 million. The bonds with warrants were wholly subscribed. The warrants carry subscription rights for a maximum of 1.3 million of the company's shares, with the subscription period beginning partly (390 000 shares) on April 1, 2000 and ending for all warrants on April 30, 2005. In July 53 850 shares had been subscribed. Following these subscriptions, the total number of shares amounts to 13 724 136.

The Annual General Meeting authorised the Board of Directors to acquire and convey the company's own shares to a maximum of 5.0 per cent of the company's share capital. The Board of Directors decided on May 3, 2000 to exercise the authorisations. The authorisations are in force until March 8, 2001.

The company's shares are quoted on the Helsinki Exchanges. The average trading price during the report period was EUR 19.64, with a high of EUR 24.00 and a low of EUR 15.00. A total of 1.6 million of the company's shares (equalling 11.5 per cent of the total number of shares) were traded, corresponding to a turnover of EUR 31.1 million. The company's share was delisted from the Stockholm Exchanges. The last trading date was May 31, 2000. The amount of shares traded on the Stockholm Exchanges during year 2000 was 27 466.

Prospects

The favourable economic development in the forest products industry has continued, keeping investment activity at a good level. The consolidation of the industry is also expected to continue. The Forest Industry business group's order stock is good. The business group's relative profitability will increase during the rest of the year. The Forest Industry Consulting business group's market position has improved and its order stock is good. The business group's earnings will improve significantly compared with last year. The Energy business group's order stock and market position have remained good and will create a firm basis for stable development of the business group's earnings. The order stock and market position of the

Infrastructure & Environment business group have remained good. The business group's earnings will remain at last year's level.

The Jaakko Pöyry Group aims to improve earnings per share at an average rate of 15.0 per cent a year and to achieve a return on investment (ROI) of 20.0 per cent or more. In view of the earnings development during the first nine months of the year and the Group's order stock and market position, the above-mentioned objectives will be reached.

Vantaa, November 1, 2000

JAAKKO PÖYRY GROUP OYJ
Board of Directors

JAAKKO PÖYRY GROUP OYJ

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DISTRIBUTION:
Helsinki Exchanges
Major Media

Consolidated Statement of Income (EUR Million)	1-9/2000	1-9/1999	1-12/1999
NET SALES	357.5	277.7	395.4
Other operating income	1.3	3.2	5.1
Share of associated companies' results	-0.3	0.5	0.7
Operating expenses	-325.7	-254.9	-360.8
Depreciation and value decrease	-9.8	-8.1	-13.2
OPERATING PROFIT	23.0	18.4	27.2
Proportion of net sales, %	6.4	6.6	6.9
Financial income and expenses	-1.7	-1.1	-1.9
PROFIT AFTER FINANCIAL ITEMS	21.3	17.3	25.3
Proportion of net sales, %	6.0	6.2	6.4
Extraordinary items	0.0	0.0	0.0
PROFIT BEFORE APPROPRIATIONS, TAXES AND MINORITY INTEREST	21.3	17.3	25.3
Income taxes	-7.2	-5.8	-8.9
Minority interest	-1.8	-1.2	-1.4
NET PROFIT FOR THE PERIOD	12.3	10.3	15.0

Consolidated Balance Sheet
(EUR Million)

September 30, 2000 September 30, 1999 December 31, 1999

ASSETS

FIXED ASSETS

Consolidation goodwill	36.5	39.6	40.0
Intangible and tangible assets	39.5	37.0	38.6
Non-current investments	13.3	21.2	17.6

CURRENT ASSETS

Receivables	184.6	158.4	171.6
Own shares	0.0	5.5	5.5
Investments, cash in hand and at banks	45.4	40.8	30.7
	319.3	302.5	304.0

SHAREHOLDERS' EQUITY AND LIABILITIES

SHAREHOLDERS' EQUITY	88.8	83.1	87.6
MINORITY INTEREST	6.2	4.1	4.9

LIABILITIES *)

Non-current liabilities	31.2	43.4	32.6
Current liabilities	193.1	171.9	178.9
	319.3	302.5	304.0

*) Interest bearing liabilities	50.3	54.8	42.4
Non-interest bearing liabilities	174.0	160.5	169.1

	September 30, 2000	September 30, 1999	December 31, 1999
Contingent Liabilities (EUR Million)			
Pledged assets and mortgages for own debt			
Pledged assets	2.3	2.3	2.3
Mortgages, real estate	1.2	1.1	1.2
Mortgages on company assets	6.1	6.1	6.3
Other obligations			
Pledged assets	2.5	2.7	2.6
Mortgages, real estate	1.4	2.2	2.2
Rent and leasing obligations	65.9	62.2	61.7
Pension obligations	0.4	0.4	0.4
Other obligations	32.0	35.3	35.8
For others			
Pledged assets	2.5	3.4	3.4
Mortgages, real estate	3.8	3.8	3.8
Derivative Instruments, notional values			
Foreign exchange forward contracts	18.0	20.1	18.2
Currency options, bought		10.4	
Currency options, sold		10.0	

Key Figures	1-9/2000	1-9/1999	1-12/1999
Earnings / share, EUR	0.90	0.76	1.11
Shareholders' equity / share, EUR	6.47	5.67	6.00
Return on investment, % p.a.	23.1	19.9	22.6
Return on equity, % p.a.	20.7	19.9	20.7
Equity ratio, %	37.7	34.7	36.5
Equity / Assets ratio, %	29.7	27.5	29.1
Net debt / Equity ratio (gearing), %	5.2	17.2	13.5
Order Stock, EUR million	325.9	364.2	348.9
Capital expenditure, operating, EUR million	7.9	6.9	11.1
Capital expenditure in shares, EUR million	1.0	12.0	16.3
Personnel in group companies in average	4 543	4 127	4 222
Personnel in group companies at the end of the period	4 582	4 180	4 472
Personnel in associated companies at the end of the period	187	280	146

Key Figures for the Business Groups (EUR Million)	1-9/00	1-9/99	1-12/99
NET SALES			
Forest Industry	109.1	85.5	119.6
Forest Industry Consulting	39.7	28.9	39.2
Energy	133.9	94.3	139.7
Infrastructure & Environment	73.8	68.8	97.3
Other	1.0	0.2	-0.4
Total	357.5	277.7	395.4
OPERATING PROFIT			
Forest Industry	8.5	9.6	13.5
Forest Industry Consulting	4.6	0.5	1.5
Energy	5.7	4.9	9.2
Infrastructure & Environment	5.9	5.8	7.6
Associated companies			
Other	-1.7	-2.4	-4.6
Total	23.0	18.4	27.2
ORDER STOCK			
Forest Industry	66.0	76.4	70.5
Forest Industry Consulting	25.1	19.8	21.2
Energy	137.0	176.1	165.4
Infrastructure & Environment	97.8	91.9	91.8
Total	325.9	364.2	348.9
ORDER STOCK			
Consulting and Engineering	283.9	297.4	292.3
EPC	42.0	66.8	56.6
Total	325.9	364.2	348.9
NET SALES BY AREA			
The Nordic countries	111.0	64.4	92.8
Other Europe	117.5	134.3	178.9
Asia	63.6	34.8	69.7
North America	26.8	15.4	22.8
Other	38.6	28.8	31.2
Total	357.5	277.7	395.4

Key Figures for the Business Groups (EUR Million)	10-12/98	1-3/99	4-6/99	7-9/99
NET SALES				
Forest Industry	33.1	30.6	30.0	24.9
Forest Industry Consulting	10.0	9.6	10.0	9.3
Energy	22.6	30.9	33.7	29.7
Infrastructure & Environment	12.5	22.8	23.6	22.4
Other	-0.6	0.4	-0.1	-0.1
Total	77.6	94.3	97.2	86.2
OPERATING PROFIT				
Forest Industry	4.6	3.6	3.1	2.9
Forest Industry Consulting	0.3	0.2	0.0	0.3
Energy	1.7	1.3	2.1	1.5
Infrastructure & Environment	1.0	1.6	2.1	2.1
Associated companies	0.3			
Other	-0.2	-1.0	-0.8	-0.6
Total	7.7	5.7	6.5	6.2
ORDER STOCK				
Forest Industry	41.3	55.3	54.2	76.4
Forest Industry Consulting	25.8	23.1	22.4	19.8
Energy	73.7	173.5	178.6	176.1
Infrastructure & Environment	26.3	94.2	95.1	91.9
Total	167.1	346.1	350.3	364.2

Key Figures for the Business Groups 10-12/99 (EUR Million)	1-3/00	4-6/00	7-9/00	
NET SALES				
Forest Industry	34.1	36.2	37.2	35.7
Forest Industry Consulting	10.3	11.8	15.3	12.6
Energy	45.4	40.4	48.3	45.2
Infrastructure & Environment	28.5	25.9	23.0	24.9
Other	-0.6	0.4	0.4	0.2
Total	117.7	114.7	124.2	118.6
OPERATING PROFIT				
Forest Industry	3.9	3.7	1.9	2.9
Forest Industry Consulting	1.0	0.5	2.9	1.2
Energy	4.3	2.4	2.3	1.0
Infrastructure & Environment	1.8	2.1	1.0	2.8
Associated companies				
Other	-2.2	-1.6	-0.5	0.4
Total	8.8	7.1	7.6	8.3
ORDER STOCK				
Forest Industry	70.5	76.7	70.7	66.0
Forest Industry Consulting	21.2	23.2	22.2	25.1
Energy	165.4	167.8	163.7	137.0
Infrastructure & Environment	91.8	89.9	94.2	97.8
Total	348.9	357.6	350.8	325.9