PÖYRY PLC Stock Exchange Notice
1 February 2008 at 8.30 a.m.

PÖYRY PLC’S NOTICE CONCERNING ANNUAL ACCOUNTS FOR 2007

Earnings per share for the financial year were EUR 0.88. The return on investment exceeded the strategic target, amounting to 41.7 per cent. The consolidated balance sheet is healthy; the net debt/equity ratio (gearing) was -47.4 per cent. The order stock increased, amounting to EUR 562.8 million at the end of the year. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.65 per share be paid.

Consolidated earnings and balance sheet

As a result of good demand, the Pöyry Group’s strong market position and the streamlining of its operations, consolidated net sales increased to EUR 718.2 (623.3 in the previous year) million and profit before taxes improved significantly during the year under review. Profit before taxes was EUR 76.5 (50.2 in the previous year) million. The net profit for the period was EUR 52.8 (34.8) million. Earnings per share improved by 51.7 per cent during the year to EUR 0.88 (0.58).

The target for the Group’s return on investment is 20 per cent or more on average; in 2007 the return on investment was 41.7 (31.1) per cent.

The consolidated balance sheet is healthy. The equity ratio is 50.7 (49.2) per cent. The Group’s liquidity is good. The net debt/equity ratio (gearing) was -47.4 (-37.6) per cent.

The Group’s order stock increased during the financial year. At the end of the year it amounted to EUR 562.8 (507.6) million.

Prospects

The Pöyry Group has a strong market position in all of its business areas. The order stock is good, having increased by EUR 55 million during 2007. Consolidated net sales will grow during 2008. Consolidated profit before taxes is expected to improve in 2008. The repercussions in other national economies of the uncertainty in the US economy may have a negative impact on investment demand during 2008.

The Auditors’ Report is dated 31 January 2008.

Dividend

The parent company of Pöyry Group, Pöyry Plc’s net profit for 2007 was EUR 32 050 336.92 and retained earnings was EUR 19 008 344.17 thus the total amount of distributable earnings was EUR 51 058 681.09. The Board of Directors of Pöyry Plc proposes to the Annual General Meeting on 10 March 2008 that a dividend of EUR 0.65 (0.50) per share be paid for the year 2007. The number of shares is 58 652 614 and the total amount of dividends thus EUR 38 124 199.10. The Board of Directors proposes that the dividend be paid on 20 March 2008.

Annual General Meeting

Pöyry Plc’s Annual General Meeting will be held on March 10, 2008 at the Pöyry House, Vantaa, Finland. The invitation to the Annual General Meeting will be published in its entirety as a separate notice on 1 February 2008 at 9.00 a.m.

Enclosures
Board of Directors’ Report, 1 January – 31 December 2007
Consolidated statement of income, balance sheet, statement of changes in financial position, changes in equity and liabilities, related party transactions, key figures and acquisitions

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PÖYRY GROUP

BOARD OF DIRECTORS' REPORT, 1 JANUARY – 31 DECEMBER 2007

Consolidated earnings and balance sheet

As a result of good demand, the Pöyry Group's strong market position and the streamlining of its operations, consolidated net sales increased to EUR 718.2 million and profit before taxes improved significantly during the year under review. Profit before taxes was EUR 76.5 (50.2 in the previous year) million, which equals 10.7 per cent of net sales. The strike in the consulting engineering sector in Finland in November reduced consolidated earnings by an estimated EUR 2-3 million. The net profit for the period was EUR 52.8 (34.8) million. Earnings per share improved by 51.7 per cent during the year to EUR 0.88 (0.58). The Group's financial target is to achieve an improvement in earnings per share averaging 15 per cent a year.

The target for the Group's return on investment is 20 per cent or more on average. In 2007 the return on investment was 41.7 (31.1) per cent.

The consolidated balance sheet is healthy. The equity ratio is 50.7 (49.2) per cent. The Group's liquidity is good. At the end of the year, the Group's cash and cash equivalents amounted to EUR 98.7 (74.9) million. Interest-bearing debts totalled EUR 8.9 (13.6) million. The net debt/equity ratio (gearing) was –47.4 (-37.6) per cent.

At the beginning of 2007, the Pöyry Group expected profit before taxes for the year under review to improve compared with 2006. In the interim report for the first quarter the earnings estimate was raised and earnings were forecast to improve clearly. In the interim report for the third quarter, the earnings estimate was raised and earnings were forecast to improve significantly. The improvement in earnings in 2007 was primarily due to better demand, successful integration and favourable earnings development of mergers and acquisitions, and improved internal efficiency mostly in the use of Group resources and in project implementation.

Key figures, EUR million	2007	2006	2005
Net sales	718.2	623.3	523.6
Profit before taxes	76.5	50.2	38.6
Profit for the year, of which attributable to equity holders of the parent company	52.8 51.3	34.8 33.6	26.3 25.9
Earnings/share, EUR	0.88	0.58	0.45
Return on investment, %	41.7	31.1	25.8
Equity ratio	50.7	49.2	49.8
Cash and cash equivalents	98.7	74.9	64.5
Interest-bearing debts	8.9	13.6	10.7
Gearing, %	-47.4	-37.6	-36.1

Business groups

The parent company of the Pöyry Group is Pöyry Plc. The parent company is responsible, among other things, for developing the Group's strategy and for supervising its implementation, for financing, for exploiting synergistic benefits and for general co-ordination of the Group's operations. The parent company has charged service fees for general administration and parent company costs to the business groups. The relative share charged is derived from the business groups' payroll costs.

The Pöyry Group's business operations are conducted through three business groups: Energy, Forest Industry, and Infrastructure & Environment. The business groups are globally responsible for their operations. All three business groups offer a full range of consulting, investment planning and implementation, maintenance planning and operations improvement services to their clients, covering the entire lifecycle of their business.

Energy

Supported by the continued economic growth in 2007, the brisk activity in the world’s energy markets continued. The desire to mitigate the impacts of climate change and to diversify the production based on crude oil promoted interest in renewable sources of energy.

To be able to meet the strongly increased demand for its services and to optimise the use of its resources, the business group focused on utilising its international network effectively across business unit and national borders. This business concept proved successful in several projects and there was major progress in its application.

The Energy business group’s net sales in 2007 were EUR 217.5 (197.4) million. Operating profit was EUR 21.0 (14.6) million. Demand for energy-related services remained good and the business group further strengthened its global market position. The successful integration of the management consulting and oil and gas businesses acquired in 2006 and 2007 had a favourable impact on earnings during the year under review.

The order stock remained good, amounting to EUR 212.7 (204.9) million at the end of the year. The most important new projects were the bioethanol plant for San Carlos Bioenergy Inc. in the Philippines (EUR 10 million), the Puttalam coal-fired power plant project in Sri Lanka (EUR 7 million), the combined heat and power plant project with Propower GmbH in Germany (EUR 6.2 million), Fortum Power and Heat Oy’s combined heat and power plant project in Finland (EUR 5 million), the Rudbar-e-Lorestan hydropower project in Iran (EUR 7 million), the diesel oil storage EPC contract with Esergui s.a. in Spain (EUR 9.5 million), the Vung Ang coal-fired power plant in Vietnam (EUR 11 million) and the Winterthur waste to energy plant rehabilitation project in Switzerland (EUR 5.5 million).

Energy, EUR million	2007	2006	2005
Net sales	217.5	197,4	160,0
Operating profit	21.0	14,6	9,1
Operating profit, %	9.7	7,4	5,7
Order stock	212.7	204,9	195,2
Personnel at year-end	1838	1692	1463

Forest Industry

The focus of new investment projects was in the emerging markets of South America and Asia. In North America the business group carried out a few paper mill rebuilds, and in Europe a number of new paper mill engineering projects were completed. In Russia, preparations for new investments gained momentum. Project activity in the chemical sector continued briskly, as did the development and implementation of biofuel projects. The business group continued to expand and diversify its range of integrated engineering, procurement and construction management (EPCM) services. Local services were extended to cover also other sectors of industry outside the forest industry. Demand for management consulting services was boosted by competitiveness enhancement projects, industry restructuring, operations improvement projects and the challenges and opportunities related to bioenergy currently facing the forest industry.

The Forest Industry business group’s net sales for 2007 were 276.9 (224.9) million and operating profit was EUR 39.0 (22.9) million. The favourable development was due to global networking, major inputs in emerging markets, a more diversified range of services and successfully implemented projects.

The order stock is good, amounting to EUR 123.8 (111.4) million at the end of the year. The most important new projects during the review period were the implementation of the new bleached hardwood kraft pulp mill of VCP – MS Celulose Sul Mato-Grossense Ltda in Brazil (EUR 54 million), Stora Enso's board machine rebuild at Wisconsin Rapids in the United States, the rebuilds of two paper machines for Billerud AB in Sweden, Holmen Paper AB's TMP plant upgrade at the Braviken mill in Sweden (EUR 2 million), the new containerboard production line project with Mondi Packaging Paper GmbH (EUR 12 million) and Portucel's new fine paper line in Portugal (EUR 10 million).

Forest Industry, EUR million	2007	2006	2005
Net sales	276.9	224.9	199.3
Operating profit	39.0	22.9	19.7
Operating profit, %	14.1	10.2	9.9
Order stock	123.8	111.4	97.3
Personnel at year-end	2961	2418	2123

Infrastructure & Environment

Demand for infrastructure- and environment related services remained stable in 2007. The business group continued to strengthen its position in local and international markets. Pöyry's ability to react quickly to changes in the business environment represents a significant competitive advantage. Also, combining the company's global network of experts with a local presence in key markets is becoming increasingly important.

In Europe, new growth markets in 2007 were Romania and Bulgaria, who have received major funding from the European Union. In Asia, India and Vietnam became more important, in addition to the previously established markets. The private sector accounted for a more diversified proportion of the clientele. The business group participated in an increasing number of Public Partnership Projects. Operated by private stakeholders, these projects get their financing from both public and private sources. There was also major progress in top-level management consulting work. For example, Pöyry was appointed engineering consultant for the water supply development project of the City of Paris.

Boosted by the good demand situation and increased productivity achieved through streamlining of operations, the Infrastructure & Environment business group's net sales and operating profit increased during the year. Net sales for 2007 amounted to EUR 222.5 (201.8) million and operating profit was EUR 16.8 (13.0) million. By systematically combining its expertise in different business units and across national borders the business group successfully expanded its service capabilities to provide clients with a more comprehensive package of services. This has also boosted net sales.

The order stock was good, amounting to EUR 226.3 (191.0) million at the end of the year. The most important new projects were the contract with the German Railways (DB ProjektBau GmbH) for improvement of the railway network of Berlin (EUR 3 million), waste water management projects in Brno, Czech Republic and Paris, France (totally EUR 2.5 million), the traffic control system project with ASFINAG (Autobahnen- und Schnellstrassen- Finanzierungs- Aktiengesellschaft) Verkehrstelematik GmbH in Linz, Austria (EUR 1.3 million), railway line projects in Algeria and Finland (totally EUR 3.5 million), the contract with the Latvian real estate company SIA Vertikala Pasaule for construction management and site inspection services in Latvia (EUR 3 million), the contract with the Finnish Rail Administration to improve the service standard on the Lahti - Luumäki railway track (EUR 3 million), the urban mass transit project in Munich, Germany, a road engineering assignment in Romania (EUR 7 million) and a railway engineering assignment, also in Romania (EUR 14 million).

Infrastructure & Environment, EUR million	2007	2006	2005
Net sales	222.5	201.8	164.9
Operating profit	16.8	13.0	9.2
Operating profit, %	7.5	6.4	5.6
Order stock	226.3	191.0	159.5
Personnel at year-end	2378	2207	1979

Development of Group structure

The Pöyry Group’s clients are globalising and consolidating their operations. Through its comprehensive global network of offices the Group serves its clients as an adviser and project implementation specialist, globally and locally. The Pöyry Group’s local network of offices offers clients a good alternative for outsourcing their engineering and project implementation services. The Group is actively expanding its office network. The Group also intends to expand its technology and know-how base by acquiring technology leaders within its main business sectors. These companies’ expertise can also be efficiently marketed via the Group’s global network of offices.

Turnkey project activity has decreased in recent years, accounting for 1.4 per cent of consolidated net sales in 2007. Turnkey projects are only undertaken by the Energy business group and the objective is to keep their volume below 30 per cent of the business group’s net sales. This equals about 10–15 per cent of the Group’s consolidated net sales.

Acquisitions and divestments

Energy

Pöyry expanded its management consulting services portfolio and market presence in the energy sector by acquiring in August ECON Analyse AS of Norway, renamed Econ Pöyry AS. The company's main operational bases are in Oslo and Stavanger, Norway, Stockholm, Sweden and Copenhagen, Denmark, and it is well-established in all of its markets. The company’s net sales for 2006 amounted to EUR 13 million and it employs 85 experts. Following the transaction, Pöyry further strengthened its position as the leading energy management consultant in Europe, employing 250 experts. Econ Pöyry AS was consolidated into Pöyry on 1 September 2007.

Pöyry divested its French subsidiary Pöyry Energy (Lyon) SAS and sold its 100 per cent ownership in the company. The reason for the sale was that the company’s profile and product portfolio were not in line with the current strategy of the Energy business group. The income from the sale was EUR 0.7 million. Pöyry divested its French subsidiary Pöyry Energy (Strasbourg) SAS and sold its 100 per cent ownership in the company. The reason for the sale was that the company’s profile and product portfolio were not in line with the current strategy of the Energy business group. The income from the sale was EUR 0.2 million.

The business group aims to expand its network of local offices in Europe, Asia, Russia and Latin America. In addition, the business group intends to expand its technological expertise, especially in the areas of renewable energy, management consulting, deep water, oil sands, oil and gas reserves, nuclear energy and environmental protection.

Forest Industry

Pöyry expanded its business in Russia by acquiring in June 70 per cent of the shares of ZAO Giprobum Engineering, renamed ZAO Giprobum-Pöyry, based in St. Petersburg, Russia. The transaction includes an option to acquire the remaining 30 per cent of the shares during the first half of 2009. The company’s services include investment studies, services related to permitting and agreements with authorities, plant engineering, and construction management services. ZAO-Giprobum Pöyry has a wide clientele both in pulp and paper and mechanical wood industries in Russia, Ukraine, Belarus and several Eastern European countries. The company’s net sales are about EUR 5 million and it has a staff of 260. ZAO Giprobum-Pöyry was consolidated into the Pöyry Group on 1 July 2007.

In September Pöyry acquired 100 per cent of the share capital and votes of Insinööritoimisto Pöysälä & Sandberg Oy, a Finnish company specialising in structural engineering. Pöyry Civil Oy and Pöysälä & Sandberg together constitute the largest structural engineering company in the industrial investment building sector in Finland. Pöysälä & Sandberg specialises in industrial building construction and structural engineering of office and commercial buildings. Its net sales amounted to EUR 7.5 million in 2006. The company employs about 100 experts in offices in Helsinki, Kuopio and Oulu in Finland. Insinööritoimisto Pöysälä & Sandberg Oy was consolidated into the Pöyry Group as of 1 September 2007.

Pöyry expanded its management consulting services portfolio in North America by acquiring Perforex Inc., Canada. The company’s main operational bases are in Toronto, Canada, and Atlanta and Portland (Oregon), USA. The transaction strengthened Pöyry’s position as the leading forest industry management consultant in the world, employing more than 300 experts globally. The company’s net sales in 2006 amounted to EUR 4.5 million and it employs 35 experts. Perforex Inc. was consolidated into Pöyry as of 1 December 2007.

The business group’s office network will be expanded in the next few years in line with market developments. The expansion is likely to take place primarily in emerging markets, where investment activity is expected to grow, and partly in Europe and North America, where demand for Pöyry’s services is expected to increase in the areas of biofuels, chemical industry, maintenance engineering and other local services.

Infrastructure & Environment

Pöyry strengthened its quantity and cost calculation know-how by acquiring in May 100 per cent of the shares of Insinööritoimisto Rakennuslaskenta NHL Oy, Finland. Rakennuslaskenta NHL had net sales of more than EUR 2 million in 2006. The company was consolidated into the Pöyry Group as of 1 June 2007 and was merged to Pöyry Building Services Oy as of 31 December 2007.

In June Pöyry acquired 70 per cent of the shares of Evata Worldwide Oy, a Finnish architectural design and real estate consulting firm. The deal includes an option to acquire the remaining 30 per cent of the company’s shares in 2010, at the earliest. Evata employs about 100 experts in its headquarters in Helsinki, and in offices in Tallinn, Estonia, and Beijing, China. It also has a representative office in St. Petersburg, Russia. Evata offers architectural and interior design, workplace design, office property consulting and services related to real estate development. The company’s annual net sales are about EUR 10 million. Following this acquisition, Pöyry’s real estate expertise covers all major sectors of the business: project management, design, real estate consulting and architecture. Evata Worldwide Oy was consolidated into the Pöyry Group as of 1 July 2007.

In October Pöyry expanded its waste management services portfolio and market presence in the environmental business by acquiring Ingenieurgemeinschaft Witzenhausen Fricke & Turk GmbH, Germany. The acquisition strengthens Pöyry’s position in Germany as a leading consultant in environmental consulting and engineering, employing more than 300 experts. The company's net sales in 2006 amounted to EUR 2 million and it employs 20 experts. Ingenieurgemeinschaft Witzenhausen Fricke & Turk GmbH was consolidated into the Pöyry Group as of 1 October 2007.

In November Pöyry strengthened the operations of its real estate and telecommunications business by acquiring 100 per cent of the shares of Quatrocon Oy, a company specialising in HVAC design. Its office is situated in Espoo, Finland, and it also has experience of the Russian market. The company’s net sales amounted to EUR 1.1 million in 2006 and it employs 14 experts. The company was consolidated into the Pöyry Group as of 1 December 2007.

In December Pöyry expanded its presence in the water and environment market in Asia by acquiring 67 per cent of the shares of IDP Consult Incorporated. IDP is a consulting company based in Manila, Philippines serving mainly international donors such as the Asian Development Bank and World Bank in technical assistance projects in the water sector. The company's net sales amounted to EUR 0.8 million in 2006 and it employs about 30 experts. IDP Consult Incorporated will be consolidated into the Pöyry Group as of 1 January 2008.

The business group aims to expand its network of local offices in Europe and Asia.

Order stock

The Group's order stock increased during the financial year. At the end of 2007, the order stock totalled EUR 562.8 million, compared with EUR 507.6 million at the end of 2006. The order stock of the consulting and engineering business increased by 50.6 million during the year.

The share of consulting services and operation and maintenance services of the order stock has increased. Assignments in these areas are short-term and are partly booked under net sales without being recorded in the order stock.

Order stock, EUR million	2007	2006	2005
Consulting and engineering	551.4	500.8	428.1
EPC	11.4	6.8	24.0
Order stock, total	562.8	507.6	452.1

Human resources

Personnel structure

The total number of personnel in the Group increased during 2007. The Group had an average of 6852 employees during the year, which is 13.5 per cent more than in 2006. The number of personnel at the end of the year was 7269. Mergers and acquisitions added 637 people to the total. Of the total personnel, 91 per cent were employed in operative project work.

Personnel, average	2007	2006	2005
Operative personnel	6270	5514	4936
Administrative personnel	582	524	487
Personnel, total	6852	6038	5423

Salaries and bonuses

Salaries and bonuses in the Pöyry Group are determined on the basis of collective and individual agreements, the employee's performance and the required qualification level. Supplementing the basic salary, the Group has implemented bonus schemes which are primarily aimed at Group companies' line management. In addition, separately agreed incentive schemes were implemented in selected projects. In 2007, salaries paid totalled EUR 313.4 million, of which bonuses accounted for EUR 15.6 million.

Salaries and bonuses, EUR million	2007	2006	2005
Salaries and remunerations	297.8	262.3	223.6
Bonuses	15.6	11.1	9.3
Salaries and bonuses, total	313.4	273.4	232.9

Human resources management

The year under review was a year of strong growth for Pöyry. To make the best possible use of its resources for project work, the company utilised its global office network more effectively than ever before. To ensure that the Pöyry Group’s capabilities will develop in accordance with business needs, the principles and actions for competence development are defined as a part of the annual strategy process.

Pöyry’s Human Resources function supported the company’s growth by focusing on development of management and leadership skills and on promoting internal staff mobility. Uniform operating principles were promoted in 2007 by intensifying the co-operation within the Group’s HR network and by developing joint operating models. Incentive systems were reviewed and benchmarked during the year. As a result, e.g. a new performance share plan was approved at the end of the year. The agreed changes in common incentive systems is an important part of Pöyry’s overall reward programme, which will be developed further during 2008. The benefits of adopting aligned operating practices are already clearly visible.

Research and development

The Pöyry Group’s research and development co-operation committee consists of representatives of the business groups, IT staff and the company’s management. Its main objectives are to promote internal research and development, to assist in obtaining supplementary financing and engaging clients in development processes, and to keep the research and development focus on the Group’s strategic objectives.

The Pöyry Group is engaged in hundreds of research and development projects each year, relying on the expertise, experience and innovativeness of its employees. Research and development efforts are conducted in partnership with clients and research institutions, often in an interdisciplinary manner, making use of the Group’s technical and technological expertise to improve the competitiveness of the Group and its clients.

The income and expenses attributable to research and development are mostly part of the Group’s client work and cannot therefore be defined in exact monetary terms. The income and expenses have been taken into account in the statement of income for the financial year.

Capital expenditure and depreciation

The Group’s capital expenditure totalled EUR 53.3 million, of which EUR 9.1 million consisted of computer software, systems and hardware and EUR 44.2 was due to business acquisitions.

Capital expenditure and depreciation, EUR million	2007	2006	2005
Capital expenditure, operative	9.1	9.8	8.0
Capital expenditure, shares	44.2	27.9	17.8
Capital expenditure, total	53.3	37.7	25.8
Depreciation	8.4	7.8	7.9

Financing

The Group’s liquidity remained good during the financial year. At the end of the year, the Group’s cash and cash equivalents totalled EUR 98.7 (74.9) million. Interest-bearing debts amounted to EUR 8.9 (13.6) million. The net debt/equity ratio (gearing) was –47.4 (-37.6) per cent, which was clearly better than the target of keeping gearing below 30 per cent.

Financing, EUR million	2007	2006	2005
Cash and cash equivalents	98.7	74.9	64.5
Interest-bearing debts	8.9	13.6	10.7
Unutilised credit facilities	37.9	25.3	31.1
Gearing, %	-47.4	-37.6	-36.1
Cash flow before financing	58.6	26.4	18.6

Assessment of operational risks and uncertainties

In the Pöyry Group risks are managed in accordance with the Group’s risk management policy and instructions. The various risks related to the Group’s business operations are being monitored in line with a risk classification of external and internal risks. Internal risks include strategic and operational risks, and financing risks. If realised, identified risks could have a material negative impact on Pöyry’s business operations, earnings, financial position or reputation. All identified major risks have been quantified and qualified and measures defined for managing them. The effectiveness of risk management actions is being regularly monitored in the Group. The most significant group-level risks identified in the group-wide risk management process of 2006 are described in the following.

External risks

With the exception of the risk related to the general economic development, no major external risks were identified in the risk management process of 2007.

Strategic risks

Pöyry’s most significant strategic risks are related to business development and to the adoption of the one-brand strategy.

The most significant strategic risks related to business development consist of risks concerned with company acquisitions, and the establishment of operations in new markets. Risks related to acquisitions are managed by complying with Pöyry’s acquisition policy, and the operating procedures and models prepared on the basis of it. To manage the risks related to establishment in new markets, market-specific strategies have been prepared for new market areas. In addition to acquisitions, organic growth is an important part of Pöyry’s growth strategy. In order to reach the growth targets plans have been made to ensure the availability of required resources.

The Group adopted a one-brand strategy during 2006. The risks related to the Group’s reputation and international recognition arising from the one-brand strategy are addressed by introducing brand management procedures, which are currently under preparation, and by adhering to strict business practices, as stipulated in the Group’s operating guidelines.

Operational risks

Pöyry’s most significant operational risks are related to its assignments and staff.

Pöyry’s assignments involve a risk that the service or work performed contains a professional error, oversight or some other undesirable effect, which causes a significant economic or other liability. The following procedures are designed to manage these risks:

- adhering to quality systems, operating procedures and approval procedures
- appointing a supervisory body for major projects
- training project managers and staff for project management and project administration tasks
- complying with instructions for the processing of proposals and contracts, especially with a view to limiting contractual liabilities. However, the instructions for limiting contractual liabilities cannot always be taken into account particularly in dealing with public-sector clients
- maintaining a group-wide liability insurance programme to cover liability risks related to project work. Insurances do not, however, cover all liability risks

Pöyry’s business success depends on its professional staff. The availability of qualified professionals is an important factor for the growth and profitability of the business. Group-wide HR processes are being developed and implemented, including recruitment of additional HR personnel.

Financial risks

The financial risks have been described in the Notes to the Financial Statements.

Realisation of risks, court processes

No such risks, court processes, other legal proceedings or actions by authorities were realised in the risk management process during 2007 which would have had a material impact for the Group.

Share capital and shares

The share capital of Pöyry Plc was on 31 December 2006 EUR 14 545 036 and the total number of shares was 58 180 144. During 2007 Pöyry Plc issued 298 702 new shares as compensation in an acquisition of a company. As a result, the number of shares increased by 298 702, the share capital remaining unchanged. During 2007 173 768 new shares were subscribed with stock options 2004A and accordingly the share capital increased by EUR 43 442. On 31 December 2007 the share capital of Pöyry Plc was EUR 14 588 478 and the total number of shares was 58 652 614.

Authorisation to issue shares

The Annual General Meeting on 5 March 2007 authorised the Board of Directors to decide to issue new shares and 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 11 600 000 new shares can be issued. A maximum of 5 800 000 own shares held by the company can be conveyed. The authorisation is in force until 10 March 2008.

During the period under review Pöyry Plc issued new shares as compensation in the acquisition of Insinööritoimisto Pöysälä & Sandberg Oy. The acquisition was realised as an exchange of shares where the sellers were granted 298 702 new shares in Pöyry Plc. After this issue the number of new shares which can be issued is not more than 11 301 298 new shares.

Authorisation to acquire the company’s own shares

The Annual General Meeting on 5 March 2007 authorised the Board of Directors to decide to acquire the company's own shares with distributable funds on the terms given below. The acquisition of shares reduces the company’s distributable non-restricted shareholders’ equity.

A maximum of 5 800 000 shares can be acquired. The company’s own shares can be acquired in accordance with the decision of the Board of Directors either through public trading or by public offer at their market price at the time of purchase.

The authorisation is in force until 10 March 2008.

For the implementation of the performance share plan 2008-2010, the Board of Directors has further resolved to exercise the authorisation by the Annual General Meeting on 5 March 2007 to acquire the company’s own shares. According to the resolution of the Board of Directors, a maximum of 400 000 shares may be acquired. The Board of Directors authorised the President and CEO to decide on the details and implementation of the acquisition of own shares.

The Board has not exercised the authorisation during the period under review.

Shares can be acquired with funds distributable as profit. The shares will be acquired in order to strengthen the company’s capital structure and also to be used as compensation in business acquisitions or in acquisition of assets related to the company’s business.

Pöyry Plc does not hold its own shares. A subsidiary of Pöyry Plc owns 8914 Pöyry Plc shares with a nominal value of EUR 2 228.50, which equals 0.02 per cent of the total number of shares and voting rights.

The afore mentioned decisions made by the Annual General Meeting was published in its entirety as a stock exchange notice on 5 March 2007.

Stock options

Pöyry Plc issued in 2004 stock options to the management of the Group as well as to a wholly-owned subsidiary of Pöyry Plc. The number of stock options is 550 000, entitling to subscription of four shares each, i.e. a total of 2 200 000 shares in Pöyry Plc.

The share subscription periods are for stock options 2004A (660 000 shares) between 1 March 2007 and 31 March 2010, for 2004B (660 000 shares) between 1 March 2008 and 31 March 2011, and for 2004C (880 000 shares) between 1 March 2009 and 31 March 2012. All stock options have been issued and their receipt confirmed.

During the financial year 173 768 new shares were subscribed with stock options 2004A.

Performance share plan 2008-2010

In December the Board of Directors of Pöyry Plc approved a new share-based incentive plan for key personnel.

The plan includes three earning periods which are the calendar years 2008, 2009 and 2010. The rewards will be paid partly in the company’s shares and partly in cash in 2009, 2010 and 2011. Shares must be held for a period of two years from the transfer date.

In the first earning period 2008, the incentive plan will include approximately 300 persons. The value of the plan will correspond to 270 000 shares, if the performance of the company is in line with the earnings criteria for target performance set by the Board of Directors. If the company’s performance exceeds the target and reaches maximum performance, as defined by the Board, the value of the plan can reach up to the value of 540 000 shares.

Board of Directors’ proposal

The parent company of Pöyry Group, Pöyry Plc’s net profit for 2007 was EUR 32 050 336.92 euros and retained earnings was EUR 19 008 344.17 thus the total amount of distributable earnings was EUR 51 058 681.09. The Board of Directors of Pöyry Plc proposes to the Annual General Meeting on 10 March 2008 that a dividend of EUR 0.65 (0.50) per share be paid for the year 2007. The number of shares is 58 652 614 and the total amount of dividends thus EUR 38 124 199.10. The proposed dividend corresponds to 73.9 (86.2) per cent of the earnings per share for the financial year. The Board of Directors proposes that the dividend be paid on 20 March 2008.

Board of Directors and President

Members of the Board of Directors of Pöyry Plc elected in the Annual General Meeting are Henrik Ehrnrooth (Chairman), Heikki Lehtonen (Vice Chairman), Pekka Ala-Pietilä, Matti Lehti, Harri Piehl, Karen de Segundo and Franz Steinegger.

President and CEO of the company is Mr Erkki Pehu-Lehtonen, M.Sc. (Eng.) and Deputy to the President and CEO is Mr Teuvo Salminen, M.Sc. (Econ.).

On 22 January 2008 the Board of Directors appointed Heikki Malinen new President and CEO of Pöyry Plc. Heikki Malinen (45) holds an MBA from Harvard and a Master of Science degree in Economics. Mr Malinen will take up the position of President and CEO of Pöyry as of 1 June 2008. Erkki Pehu-Lehtonen, current President and CEO of Pöyry, will continue with advisory assignments from the Board.

Auditors

Auditors have been KPMG Oy Ab, Authorised Public Accountants, with Mr Sixten Nyman, Authorised Public Accountant, as responsible auditor.

Prospects

Energy

The good economic development in China, Russia and Latin America, combined with the expansion of the EU, create favourable conditions for growth in demand for energy-related services. The EU's expanding energy legislation will continue to boost demand for management consulting services in the energy sector. In addition, environmental legislation, focused in particular on combating climate change, will boost demand for services related to renewable energy and power plant modernisation. The price of crude oil is not expected to decline much, which creates new business opportunities in the oil and gas sectors. In the thermal power sector, clients' actions will focus on diversifying the structure of their energy supply to secure the continued availability of energy. Nuclear power will acquire greater importance in diversifying the energy supply. The Energy business group has a strong position and a good order stock. The business group's operating profit will improve in 2008.

Forest Industry

Overall demand for engineering services is not expected to change much during 2008. Chemical pulp mill investments will mostly take place in South America, Asia and Russia. The focus of paper machine investments will be in the emerging markets of Asia and in some economies in transition. Because of overcapacity and cost pressures the challenging situation in the European and North American forest industry will continue. Demand for project implementation and local services will be promoted by new investments in biofuels and chemical industry. To improve the competitiveness of the forest industry, new solutions and actions will be needed to improve the efficiency of operations and overall productivity. Possible forest industry restructuring measures may result in increased demand for management consulting and investment banking services. The Forest Industry business group's operating profit will remain stable in 2008, provided that the world economic situation will not deteriorate materially from its current level.

Infrastructure & Environment

Transportation system investments will increase in Eastern Europe, Asia and Latin America. The investment growth is supported by inputs in this sector by various financial institutions. Transportation system investments in Western Europe will remain stable. Climate change and environmental problems create a need for services in the water and environment sector. The strong growth of construction will continue in Russia. The volume growth of construction in the Finnish market is expected to level off during 2008. The business group's comprehensive service packages and its focus on specific competence areas will improve its competitiveness. The strongly increased order stock and the good market situation create opportunities for increasing the business group's operating profit in 2008.

Group

The Group has a strong market position in all of its business areas. The order stock is good and has increased by EUR 55 million during 2007. Consolidated net sales will increase in 2008. Profit before taxes is expected to improve in 2008. The repercussions in other national economies of the uncertainty in the US economy may have a negative impact on investment demand during 2008.

PÖYRY GROUP

STATEMENT OF INCOME

EUR million	10-12/2007	10-12/2006	1-12/2007	1-12/2006
NET SALES	205.5	172.4	718.2	623.3
Other operating income	0.6	0.1	2.5	0.3
Share of associated companies' results	+0.0	+0.3	+0.4	+1.2
Materials and supplies	-5.4	-7.8	-14.3	-24.0
External charges, subconsulting	-25.7	-23.1	-89.5	-73.2
Personnel expenses	-103.9	-87.0	-375.9	-327.7
Depreciation	-2.2	-2.0	-8.4	-7.8
Other operating expenses	-46.7	-36.7	-159.2	-142.2
OPERATING PROFIT	22.2	16.2	73.8	49.9
Proportion of net sales, %	10.8	9.4	10.3	8.0
Financial income	+1.4	+0.5	+4.3	+2.3
Financial expenses	-0.1	-0.2	-1.3	-1.2
Exchange rate differences	-0.1	-0.4	-0.2	-0.8
Value decrease	-0.1	-0.0	-0.1	-0.0
PROFIT BEFORE TAXES	23.3	16.1	76.5	50.2
Proportion of net sales, %	11.3	9.3	10.7	8.1
Income taxes	-6.7	-4.5	-23.7	-15.4
NET PROFIT FOR THE PERIOD	16.6	11.6	52.8	34.8
Attributable to:				
Equity holders of the parent company	15.9	11.2	51.3	33.6
Minority interest	0.7	0.4	1.5	1.2
Earnings/share, attributable to the equity holders of the parent company, EUR	0.27	0.20	0.88	0.58
Corrected with dilution effect	0.27	0.18	0.86	0.57

BALANCE SHEET

EUR million	31 Dec. 2007	31 Dec. 2006
ASSETS		
NON-CURRENT ASSETS		
Goodwill	95.6	61.4
Intangible assets	6.6	7.9
Tangible assets	17.8	17.0
Shares in associated companies	5.2	5.0
Other shares	2.4	6.7
Loans receivable	0.1	0.6
Deferred tax receivables	5.7	5.8
Pension receivables	0.6	3.1
Other	4.9	9.0
Total	138.9	116.5
CURRENT ASSETS		
Work in progress	64.5	52.7
Accounts receivable	141.9	134.2
Loans receivable	0.6	0.6
Other receivables	15.6	12.1
Prepaid expenses and accrued income	10.9	9.8
Cash and cash equivalents	98.7	74.9
Total	332.2	284.3
TOTAL	471.1	400.8
EQUITY AND LIABILITIES		
EQUITY		
EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY		
Share capital	14.6	14.5
Share premium reserve	32.4	31.5
Legal reserve	19.5	19.1
Invested free equity reserve	4.6	0.0
Translation difference	-13.9	-10.9
Retained earnings	125.4	102.6
Total	182.6	156.8
Minority interest	6.9	6.1
Total	189.5	162.9
LIABILITIES		
NON-CURRENT LIABILITIES		
Interest bearing non-current liabilities	1.9	4.2
Pension obligations	6.6	6.9
Deferred tax liability	3.3	3.3
Other non-current liabilities	9.4	3.4
Total	21.2	17.8

CURRENT LIABILITIES		
Amortisations of interest bearing non-current liabilities	2.6	2.7
Interest bearing current liabilities	4.4	6.6
Provisions	5.0	3.7
Project advances	97.3	70.0
Accounts payable	22.9	25.1
Other current liabilities	38.3	37.2
Current tax payable	13.7	8.2
Accrued expenses and deferred income	76.2	66.6
Total	260.4	220.1
TOTAL	471.1	400.8

STATEMENT OF CHANGES IN FINANCIAL POSITION

EUR million	10-12/2007	10-12/2006	1-12/2007	1-12/2006
FROM OPERATING ACTIVITIES				
Net profit for the period	16.6	11.6	52.8	34.8
Depreciation and value decrease	+2.2	+2.0	+8.4	+7.8
Gain on sale of fixed assets	-1.6	-0.0	-2.3	-0.1
Share of associated companies' results	-0.0	-0.3	-0.4	-1.2
Financial items	-1.1	+0.1	-2.7	-0.3
Income taxes	+6.7	+4.5	+23.7	+15.4
Change in work in progress	+9.1	+15.3	-11.7	+3.9
Change in accounts and other receivables	-11.0	-7.5	-5.6	-25.5
Change in advances received	+8.3	+6.4	+27.4	+18.9
Change in payables and other liabilities	+7.1	+10.2	+13.1	+15.5
Received financial income	+1.4	+0.0	+4.3	+1.9
Paid financial expenses	-0.3	+0.3	-1.5	-0.4
Paid income taxes	-4.7	-4.0	-19.1	-13.1
Total from operating activities	+32.7	+38.6	+86.4	+57.6
CAPITAL EXPENDITURE				
Investments in shares in subsidiaries deducted with cash acquired	-3.0	-9.3	-23.4	-22.4
Sales of shares in subsidiaries	+0.3	+0.0	+0.3	+0.0
Investments in other shares	-0.0	-0.0	-0.0	-0.0
Investments in fixed assets	-4.0	-3.0	-9.9	-9.8
Sales of shares in associated companies	+1.8	+0.0	+1.8	+0.0
Sales of other shares	+1.6	+0.0	+2.2	+0.5
Sales of fixed assets	+0.5	+0.4	+1.2	+0.5
Capital expenditure total, net	-2.8	-11.9	-27.8	-31.2
Net cash before financing	+29.9	+26.7	+58.6	+26.4
FINANCING				
Repayments of loans	-0.8	-0.8	-2.6	-2.5
Change in current financing	-19.0	-10.9	-2.2	+5.4
Change in non-current investments	+0.5	+0.8	+0.5	+0.5
Dividends	-0.5	-0.0	-30.0	-19.4
Share subscription	+0.2	+0.0	+0.9	+0.0
Net cash from financing	-19.6	-10.9	-33.4	-16.0
Change in cash and cash equivalents	+10.3	+15.8	+25.2	+10.4
Cash and cash equivalents 1 January	89.8	59.1	74.9	64.5
Impact of translation differences in exchange rates	-1.4	0.0	-1.4	0.0
Cash and cash equivalents 31 December	98.7	74.9	98.7	74.9

CHANGES IN EQUITY EUR million	10-12/2007	10-12/2006	1-12/2007	1-12/2006
Share capital beginning of period	14.6	14.5	14.5	14.5
Shares subscribed with stock options	0.0	0.0	0.1	0.0
Share capital end of period	14.6	14.5	14.6	14.5
Share premium reserve beginning of period	32.1	31.5	31.5	31.5
Shares subscribed with stock options	0.3	0.0	0.9	0.0
Share premium reserve end of period	32.4	31.5	32.4	31.5
Legal reserve beginning of period	19.3	18.6	19.1	18.6
Transfer, retained earnings	0.2	0.5	0.4	0.5
Legal reserve beginning of period	19.5	19.1	19.5	19.1
Invested free equity reserve beginning of period	4.6	0.0	0.0	0.0
Share issue	0.0	0.0	4.6	0.0
Invested free equity reserve end of period	4.6	0.0	4.6	0.0
Translation differences beginning of period	-12.2	-10.4	-11.0	-8.6
Change during the period	-1.7	-0.5	-2.9	-2.3
Translation differences end of period	-13.9	-11.0	-13.9	-11.0
Retained earnings beginning of period	109.5	91.6	102.7	88.1
Share issue	+0.0	+0.0	+0.4	+0.0
Payment of dividend	-0.0	-0.0	-29.1	-18.9
Minority change	-0.0	-0.2	-0.0	-0.2
Transfer, retained earnings	-0.2	-0.5	-0.4	-0.5
Other changes	+0.2	+0.8	+0.5	+0.8
Translation differences included in the result	-0.0	-0.2	-0.0	-0.2
Income direct to equity	-0.0	0.0	-0.0	0.0
Net profit for the period	15.9	11.2	51.3	33.6
Retained earnings end of period	125.4	102.7	125.4	102.7
Minority interest beginning of period	6.1	5.7	6.1	4.7
Payment of dividend	-0.0	0.0	-0.7	0.0
Change during the period	0.1	+0.0	0.0	+0.2
Net profit for the period	0.7	0.4	1.5	1.2
Minority interest end of period	6.9	6.1	6.9	6.1
Total equity beginning of period	174.0	151.5	162.9	148.9
Payment of dividend	-0.0	-0.0	-29.8	-18.9
Shares subscribed with stock options	0.2	0.0	1.0	0.0
Share issue	0.0	0.0	5.0	0.0
Other changes	0.3	0.7	0.5	0.8
Translation differences	-1.6	-0.8	-2.9	-2.6
Income direct to equity	-0.0	-0.0	-0.0	-0.0
Net profit for the period	16.6	11.6	52.8	34.8
Total equity end of period	189.5	162.9	189.5	162.9

PROFITABILITY AND OTHER KEY FIGURES	10-12/07	10-12/06	1-12/2007	1-12/2006
Return on investment, %			41.7	31.1
Return on equity, %			30.0	22.3
Equity ratio, %			50.7	49.2
Equity/assets ratio, %			40.2	40.7
Net debt/equity ratio (gearing), %			-47.4	-37.6
Net debt, EUR million			-89.9	-61.3
Current ratio			1.3	1.3
Consulting and engineering, EUR million			551.4	500.8
EPC, EUR million			11.4	6.8
Order stock total, EUR million			562.8	507.6
Capital expenditure, operating				
EUR million	3.1	3.0	9.1	9.8
Proportion of net sales, %	1.5	1.7	1.3	1.6
Capital expenditure in shares, EUR million	7.9	14.4	44.2	27.9
Proportion of net sales, %	3.8	8.4	6.2	4.5
Personnel in group companies on average			6852	6038
Personnel in associated companies on average			271	251
Personnel in group companies at year-end			7269	6389
Personnel in associated companies at year-end			277	236

KEY FIGURES FOR THE SHARES	10-12/07	10-12/06	1-12/2007	1-12/2006
Earnings/share, EUR	0.27	0.20	0.88	0.58
Diluted	0.27	0.18	0.86	0.57
Shareholders' equity/share, EUR			3.11	2.70
Dividend, EUR million			38.1 1)	29.1
Dividend/share, EUR			0.65 1)	0.50
Dividend/earnings, %			73.9	86.2
Effective return on dividend, %			3.8	4.2
Price/earnings multiple			19.7	20.3

Issue-adjusted trading prices, EUR		
Average trading price	16.08	9.15
Highest trading price	20.14	12.61
Lowest trading price	11.37	7.65
Closing price at year-end	17.31	11.80
Total market value of shares, outstanding shares, EUR million	1015.3	686.5
Trading volume of shares		
Shares, 1000	17 326	23 581
Proportion of total volume, %	29.7	40.5
Issue-adjusted number of outstanding shares, 1000		
On average	58 323	58 180
At year-end	58 653	58 180

1) Board of Directors' proposal.

Change in intangible assets

EUR million	10-12/2007	10-12/2006	1-12/2007	1-12/2006
Book value at beginning of period	7.1	7.2	7.9	8.5
Acquired companies	0.2	0.4	0.9	0.6
Capital expenditure	0.6	2.3	1.4	3.1
Decreases	0.0	-0.9	0.0	-0.9
Depreciation and expensed	-1.2	-1.1	-3.5	-3.4
Translation difference	-0.1	0.0	-0.1	0.0
Book value at end of period	6.6	7.9	6.6	7.9

Change in tangible assets

Book value at beginning of period	17.6	16.0	17.0	15.2
Acquired companies	0	0.8	0.6	1.4
Capital expenditure	1.9	2.2	7.1	6.7
Decreases	-0.1	-0.4	-0.8	-0.5
Depreciation	-1.5	-1.5	-6.0	-5.7
Translation difference	-0.1	-0.1	-0.1	-0.1
Book value at end of period	17.8	17.0	17.8	17.0

CONTINGENT LIABILITIES

EUR million	1-12/2007	1-12/2006
Other obligations		
Pledged assets	0.3	0.5
Other obligations	40.4	46.4
Total	40.7	46.9
For others		
Pledged assets	0.1	0.1
Other obligations	0.1	0.0
Total	0.2	0.1
Rent and lease obligations	113.6	107.0

RELATED PARTY TRANSACTIONS

EUR million	1-12/2007	1-12/2006
Employee benefits for the Board of Directors, the President and CEO, the Deputy to the President and CEO and the members of the Group Executive Committee		
Salaries, bonuses and other short-term employee benefits	3.2	2.8

Shareholding and option rights of related parties, option programme 2004

The members of the Board of Directors, the President and CEO, the Deputy to the President and CEO and the members of the Group Executive Committee owned on 31 December 2007 a total of 207 107 shares and 236 975 stock options (on 31 December 2006 a total of 209 120 shares, and 295 000 stock options 2004). With the stock options the shareholding can be increased by 947 900 shares equalling 1.6 per cent of the total number of shares and votes.

In December the Board of Directors of Pöyry Plc has approved a new share-based incentive plan for key personnel. The plan includes three earning periods which are the calendar years 2008, 2009 and 2010.

The option programme 2004 and the performance share plan 2008-2010 is described in the Board of Directors' report.

A subsidiary of Pöyry Plc owns 8914 shares.

The transactions with the associated companies are determined on an arm's length basis.

Sales to associated companies	0.1	0.7
Loans receivable from associated companies	0.1	0.6
Accounts receivable from associated companies	0.0	0.1

BUSINESS SEGMENTS

EUR million	1-12/2007	1-12/2006
NET SALES		
Energy	217.5	197.4
Forest Industry	276.9	224.9
Infrastructure & Environment	222.5	201.8
Unallocated	1.3	-0.8
Total	718.2	623.3

OPERATING PROFIT AND NET PROFIT FOR THE PERIOD

EUR million, proportion of net sales, %		%		%
Energy	21.0	9.7	14.6	7.4
Forest Industry	39.0	14.1	22.9	10.2
Infrastructure & Environment	16.8	7.5	13.0	6.4
Unallocated	-3.0		-0.6	
OPERATING PROFIT TOTAL	73.8	10.3	49.9	8.0
Financial items	2.7		0.3	
PROFIT BEFORE TAXES	76.5		50.2	
Income taxes	-23.7		-15.4	
NET PROFIT FOR THE PERIOD	52.8		34.8	
Attributable to:				
Equity holders of the parent company	51.3		33.6	
Minority interest	1.5		1.2	

ORDER STOCK		
Energy	212.7	204.9
Forest Industry	123.8	111.4
Infrastructure & Environment	226.3	191.0
Unallocated	0.0	0.3
Total	562.8	507.6
Consulting and engineering	551.4	500.8
EPC	11.4	6.8
Total	562.8	507.6

GEOGRAPHICAL SEGMENTS		
The Nordic countries	201.1	154.6
Europe	307.8	277.3
Asia	67.3	79.5
North America	34.2	26.6
South America	82.2	63.9
Other	25.6	21.4
Total	718.2	623.3

PERSONNEL		
Energy	1838	1692
Forest Industry	2961	2418
Infrastructure & Environment	2378	2207
Unallocated	92	72
Total 31 December	7269	6389

BUSINESS SEGMENTS

EUR million	1-3/07	4-6/07	7-9/07	10-12/07
NET SALES				
Energy	51.4	51.8	51.6	62.7
Forest Industry	64.6	67.4	65.2	79.7
Infrastructure & Environment	50.8	53.4	55.6	62.7
Unallocated	0.2	0.4	0.3	0.4
Total	167.0	173.0	172.7	205.5
OPERATING PROFIT AND NET PROFIT FOR THE PERIOD				
Energy	5.3	4.6	5.7	5.4
Forest Industry	7.8	8.6	9.9	12.7
Infrastructure & Environment	3.7	3.5	4.4	5.2
Unallocated	-0.8	-0.4	-0.7	-1.1
OPERATING PROFIT TOTAL	16.0	16.3	19.3	22.2
Financial items	0.5	0.5	0.6	1.1
PROFIT BEFORE TAXES	16.5	16.8	19.9	23.3
Income taxes	-5.3	-5.4	-6.3	-6.7
NET PROFIT FOR THE PERIOD	11.2	11.4	13.6	16.6
Attributable to:				
Equity holders of the parent company	10.9	11.0	13.5	15.9
Minority interest	0.3	0.4	0.1	0.7
OPERATING PROFIT %				
Energy	10.3	8.9	11.0	8.6
Forest Industry	12.1	12.8	15.2	15.9
Infrastructure & Environment	7.3	6.6	7.9	8.3
OPERATING PROFIT TOTAL	9.6	9.4	11.2	10.8
ORDER STOCK				
Energy	214.8	233.8	223.7	212.7
Forest Industry	154.1	140.2	143.3	123.8
Infrastructure & Environment	198.4	204.6	216.7	226.3
Unallocated	0.3	0.3	0.0	0.0
Total	567.6	578.9	583.7	562.8
Consulting and engineering	553.1	558.1	566.2	551.4
EPC	14.5	20.8	17.5	11.4
Total	567.6	578.9	583.7	562.8

BUSINESS SEGMENTS

EUR million	1-3/06	4-6/06	7-9/06	10-12/06
NET SALES				
Energy	42.8	45.6	49.1	59.9
Forest Industry	52.8	57.0	54.8	60.3
Infrastructure & Environment	48.3	50.7	48.7	54.1
Unallocated	0.1	0.6	0.4	-1.9
Total	144.0	153.9	153.0	172.4
OPERATING PROFIT AND NET PROFIT FOR THE PERIOD				
Energy	3.2	3.3	3.7	4.4
Forest Industry	4.4	4.6	6.4	7.5
Infrastructure & Environment	3.3	2.8	3.4	3.5
Unallocated	-0.7	-0.4	-0.3	0.8
OPERATING PROFIT TOTAL	10.2	10.3	13.2	16.2
Financial items	0.3	0.1	0.0	-0.1
PROFIT BEFORE TAXES	10.5	10.4	13.2	16.1
Income taxes	-3.5	-3.2	-4.2	-4.5
NET PROFIT FOR THE PERIOD	7.0	7.2	9.0	11.6
Attributable to:				
Equity holders of the parent company	6.9	6.9	8.6	11.2
Minority interest	0.1	0.3	0.4	0.4
OPERATING PROFIT %				
Energy	7.5	7.2	7.5	7.3
Forest Industry	8.3	8.1	11.7	12.4
Infrastructure & Environment	6.8	5.5	7.0	6.5
OPERATING PROFIT TOTAL	7.1	6.7	8.6	9.4
ORDER STOCK				
Energy	220.0	237.1	222.6	204.9
Forest Industry	111.4	109.1	111.0	111.4
Infrastructure & Environment	187.6	185.3	183.7	191.0
Unallocated	0.1	0.0	0.0	0.3
Total	519.1	531.5	517.3	507.6
Consulting and engineering	496.9	514.0	502.1	500.8
EPC	22.2	17.5	15.2	6.8
Total	519.1	531.5	517.3	507.6

ACQUISITIONS DURING 2007

Name and business	Acquisition date	Acquired interest %
Rakennuslaskenta NHL Oy The company specialises in quantity and cost calculations, building consulting and condition assessment services. The company is based in Turku, Finland and has a staff of 23.	25 May 2007	100
ZAO Giprobum Engineering, now ZAO Giprobum-Pöyry The company specialises in investment studies, services related to permitting and agreements with authorities, various sectors of plant engineering, and construction management in the forest industry. The company is based in St. Petersburg, Russia and has a staff of 260.	15 June 2007	70
Evata Worldwide Oy The company specialises in architectural and interior design, workplace design, office property consulting and services workplace design, office property consulting and services related to real estate development. The company is based in Helsinki, Finland and has a staff of 100.	27 June 2007	70
ECON Analyse AS, now Econ Analyse Pöyry AS The company provides research, analysis and strategic advice relating to the interaction of markets and policies. In addition to consulting assignments, the company offers a set of subscription services related to energy and carbon markets as well as manages multi-client and scenario studies. The company is based in Oslo and Stavanger, Norway and Stockholm, Sweden and Copenhagen, Denmark, and has a staff of 85.	27 Aug. 2007	100
Insinööritoimisto Pöysälä & Sandberg Oy The company specialises in industrial building construction and structural engineering of office and and commercial buildings. The company is based in Helsinki, Kuopio and Oulu in Finland and has a staff of 100.	5 Sept. 2007	100
Ingenieurgemeinschaft Wirzenhausen Fricke & Türk GmbH (IGW) The company specialises in waste management, especially in mechanical and biological waste treatment. The company is based in Germany and has a staff of 20.	5 Oct. 2007	100
Perforex Inc. The company specialises in management consulting services in forest industry. The company's main operational bases are in Toronto, Canada and in Atlanta and Portland (Oregon), USA. The company has a staff of 35.	21 Nov. 2007	100

Quatrocon Oy The company specialises in HVAC design. The company is based in Espoo, Finland and has a staff of 14.	30 Nov. 2007	100
IDP Consult Incorporated The company is serving international donors in technical assistance projects in the water sector. The company is based in Manila, Philippines and has a staff of 30. The company will be consolidated into Pöyry Group as of the beginning of 2008 and therefore not included in the figures above. The company's net sales in 2006 amounted to EUR 0.8 million.	18 Dec. 2007	67

Aggregate figures for the above acquisitions, EUR million	2007	2006
Fixed price, paid	30.2	25.9
Fixed price, unpaid	0.3	0.0
Additional 30%, estimate	3.0	0.0
Earnout estimate	5.4	1.6
Share issue	5.0	0.0
Order intake estimate	0.0	0.0
Fees	0.2	0.4
Total	44.1	27.9
Price allocation		
Equity	10.5	5.2
Fair value adjustments:		
Client relationship	0.0	0.0
Order stock	0.3	0.4
Other	0.0	0.0
Total	10.8	5.6
Remaining = goodwill	33.3	22.3

Market leadership, experienced management and staff, and earnings expectations are factors contributing to the amount booked as goodwill.

Impact on the Pöyry Group's income statement, EUR million	2007	2006
Operating profit from acquisition date to 31 December 2007	2.0	2.5
Sales volume on a 12-month calendar year basis 2007	50.1	28.8
Operating profit on 12-month calendar year basis 2007	5.3	4.1
Impact on the Pöyry Group's number of personnel	637	243

Impact on the Pöyry Group's assets and liabilities, EUR million	2007		
	Book values at acqui-sition date	Fair value adjustments	Adjusted IFRS values
Goodwill	0.0	-0.1	-0.1
Intangible assets	0.7	0.3	1.0
Tangible assets	0.5	0.0	0.5
Shares	0.1	0.1	0.2
Deferred tax receivables	0.0		0.0
Work in progress	1.6		1.6
Accounts receivable	6.5		6.5
Other receivables	1.7		1.7
Cash and cash equivalents	8.9	-0.2	8.7
Assets total	20.0	0.1	20.1
Deferred tax liability	0.0		0.0
Provisions	0.0		0.0
Interest bearing liabilities	0.4		0.4
Project advances	0.6		0.6
Accounts payable	1.1		1.1
Other current liabilities	7.4	-0.2	7.2
Liabilities total	9.5	-0.2	9.3
Net identifiable assets and liabilities	10.5	0.3	10.8
Total cost of business combinations			44.1
Goodwill			33.3
Consideration paid, satisfied in cash			30.4
Cash acquired			8.7
Net cash outflow			21.7