PÖYRY PLC - 27 JULY 2012

# Interim Report January-June 2012

**PÖYRY PLC** **Interim Report 27 July 2012 at 8:30 a.m.**

## DISAPPOINTING SECOND QUARTER - 2012 OPERATING PROFIT ESTIMATE REDUCED FURTHER

### KEY FIGURES

| Pöyry Group | 4-6/ 2012 | 4-6/ 2011 | Change, % | 1-6/ 2012 | 1-6/ 2011 | Change, % | 1-12/ 2011 |
|---|---|---|---|---|---|---|---|
| Order stock at end of period, EUR million | 644.1 | 742.1 | -13.2 | 644.1 | 742.1 | -13.2 | 694.4 |
| Net sales total, EUR million | 198.8 | 195.3 | 1.8 | 408.3 | 375.3 | 8.8 | 796.1 |
| Operating profit excl. restructuring costs, EUR million | 1.3 | 9.0 | -85.6 | 7.5 | 15.5 | -51.6 | 30.4 |
| Operating margin excluding restructuring costs, % | 0.7 | 4.6 | | 1.8 | 4.1 | | 3.8 |
| Operating profit, EUR million | -0.6 | 7.2 | n.a. | -1.6 | 13.6 | n.a. | 20.0 |
| Operating margin, % | -0.3 | 3.7 | | -0.4 | 3.6 | | 2.5 |
| Profit before taxes, EUR million | -0.8 | 7.0 | n.a. | -2.2 | 11.8 | n.a. | 17.1 |
| Earnings per share, basic, EUR | -0.04 | 0.07 | n.a. | -0.11 | 0.11 | n.a. | 0.13 |
| Earnings per share, diluted, EUR | -0.04 | 0.07 | n.a. | -0.11 | 0.11 | n.a. | 0.13 |
| Gearing, % | | | | 60.4 | 29.0 | | 28.2 |
| Return on investment, % (R12M) | | | | 0.0 | 10.0 | | 7.4 |
| Average number of personnel during period, calculated as full time equivalents (FTE) | 6,816 | 6,712 | 1.5 | 6,816 | 6,712 | 1.5 | 6,864 |

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

### JANUARY-JUNE 2012 HIGHLIGHTS

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

- Due to disappointing result in the second quarter Pöyry Group's operating profit for 2012, excluding restructuring costs, is expected to decline compared with 2011. On 29 June 2012, based on preliminary information, the comparable group operating profit estimate was reduced to “stable” from “improves clearly”.
- The Group's order stock totalled EUR 644.1 million (742.1) at the end of the first half 2012.
- Consolidated net sales increased by 8.8 per cent compared with the year before to EUR 408.3 million (375.3).
- Operating profit excluding restructuring costs was EUR 7.5 million (15.5) corresponding to 1.8 per cent (4.1) of net sales.
- Operating profit improved significantly in the Industry business group but was lower than the year before in all other business groups.
- In the first half of 2012 restructuring costs totalled EUR 9.1 million of which EUR 7.2 million were recognised in the first quarter of 2012.

- Unallocated costs in the first half of 2012 were EUR 13.1 million which includes EUR 8.5 million restructuring costs.
- The accounts receivable include receivables, which relate to certain public sector infrastructure projects in Venezuela, where the client is a public authority. The receivables have been described in the report of the Board of Directors for 2011 and there have not been material changes during the first half of 2012. The current net value of the receivable is EUR 24.8 million.
- In June 2012 Alexis Fries was appointed President and CEO. He will take up the position during the autumn 2012. At the same time Henrik Ehrnrooth, Chairman of Pöyry PLC's Board of Directors, was appointed interim President and CEO until Alexis Fries takes over the position.

**UPDATED OUTLOOK FOR 2012:**
The Group's net sales in 2012 are expected to remain stable compared with 2011. The Group's operating profit for 2012, excluding restructuring costs, is expected to decline compared with 2011.

Based on preliminary information on the second quarter result Pöyry reduced its estimate for the full year 2012 operating profit on 29 June 2012 and the Group's operating profit for 2012, excluding restructuring costs, was expected to remain stable compared with 2011. The outlook for the Group's net sales for the full year 2012 remained unchanged.

**Updated outlook concerning business groups:**
Net sales are expected to remain stable in all business groups. The outlook for the Industry business group was changed from "improves clearly" to "stable". The outlook for other business groups remained unchanged.

Operating profit in the Energy business group is expected to decline and in the Management Consulting business group to decline clearly. The previous outlook for both business groups was "stable". Operating profit in the Industry business group is expected to improve. The previous outlook was "improves clearly". Operating profit in the Urban business group is expected to improve significantly considering the low comparison figure. The outlook remained unchanged.

The operating profit outlook and comparison to 2011 both refer to figures excluding restructuring costs.

**Group outlook from the January-March Interim Report on 25 April 2012:**
The Group's net sales in 2012 are expected to remain stable compared with 2011. The comparable operating profit for 2012 is expected to improve clearly from the operating profit, excluding restructuring costs, in 2011.

**Outlook concerning business groups as on 25 April 2012:**
The net sales in the Energy, Urban, and Management Consulting business groups are expected to remain stable compared with 2011. Net sales in the Industry business group are expected to improve clearly

The operating profit in the Urban business group is expected to improve significantly and in the Industry business group to improve clearly. The operating profit in the Management Consulting and Energy business groups is expected to remain stable.

**COMMENTS FROM HENRIK EHRNROOTH, CHAIRMAN OF THE BOARD OF DIRECTORS AND PRESIDENT AND CEO:**
"Group's second quarter operating profit of EUR 7.5 million or 1.8 per cent of net sales before restructuring costs did not meet our expectations. Group's order stock has reduced but remained on a satisfactory level of EUR 644 million and the prospect pipeline is stable. Net sales for the first half increased by approximately 9 per cent from the previous year and totalled EUR 408 million.

We have continued the strategic review of our business portfolio which has led to closures and divestments of some low performing and non-core offices and business units. These actions burden the comparable operating profit in the short term. Especially in the Urban business group we have also recognised one time project and credit losses mainly outside of our core markets. Lower than anticipated activity levels in certain markets, especially in the Energy business group, and weaker than expected top line development, especially in the Management Consulting business group, have negative impact on the business groups' profitability. Restructuring costs in the first half remained high at EUR 9.1 million.

During the summer we revisited our strategy. In the strategy period 2013-2015 we will continue implementing our key strategic priorities. In the short term the emphasis will be on improving our profitability by further increasing the focus both in the business portfolio and geographically. Group's financial targets remain unchanged. The operating model and internal processes for business operations and support functions will be radically improved and simplified. These plans are expected to result in significant improvements. More detailed information on estimated financial impacts will be available later this year."

This is a summary of the January-June 2012 interim report. The complete report is published as an enclosure to this company announcement and is available in full on the company's web site at www.poyry.com. Investors are advised to review the complete financial statement release with tables.

PÖYRY PLC

Additional information from:
Jukka Pahta, CFO
tel. +358 10 33 26088
Sanna Päiväniemi, Director, Investor Relations
tel. +358 10 33 23002

**INVITATION TO CONFERENCES TODAY 27 JULY 2012**
The January-June 2012 result will be presented by CFO Jukka Pahta at the news conferences today as follows:

- A conference for analysts, investors and press in Finnish will be arranged at 12 p.m. Finnish time at Restaurant Savoy, Eteläesplanadi 14, Helsinki, Finland.

- An international conference call and webcast in English will begin at 5:00 p.m. Finnish time (EEST).

10:00 a.m. US EDT (New York)
3:00 p.m. BST (London)
4:00 p.m. CEST (Paris)
5:00 p.m. EEST (Helsinki)

The webcast may be followed online on the company's website www.poyry.com. A replay can be viewed on the same site the next working day.

To attend the conference call, please dial

Finland: 0800 914672
UK: 0808 109 0700
USA: 1 866 966 5335
Other countries: +44 (0)20 3003 2666
Conference id: Pöyry

Due to 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 a global consulting and engineering company dedicated to balanced sustainability and responsible business. With quality and integrity at our core, we deliver best-in-class management consulting, total solutions, and design and supervision. Our in-depth expertise extends to the fields of energy, industry, transportation, water, environment and real estate. Pöyry has about 7,000 experts and a local office network in about 50 countries. Pöyry's net sales in 2011 were EUR 796 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 positive momentum shown by the OECD composite leading indicators (CLIs) in early 2012 changed during the second quarter and the CLIs now point to an easing of economic activity in most major OECD economies and a more marked slowdown in most major non-OECD economies. For example CLIs for France, Germany, the United Kingdom and the Euro Area as a whole continue to point towards economic activity below the long-term trend. In Brazil, CLIs continue to point to economic activity returning towards the long-term trend but with a weaker intensity than had earlier been assessed.

The long-term fundamentals behind demand in the energy and industrial sectors relevant to Pöyry's businesses remain solid. In the shorter term the prevailing economic uncertainty has, however, been visible in clients' cautious investment decisions. In Europe energy sector investments in large assets have started to slow down, whereas interest in renewable energy solutions is continuously increasing. In the industrial sectors, investments in larger projects in Latin America have started to slow down due to some reduced demand in Asia, especially in China.

Public sector infrastructure investments have remained fairly stable in most of Pöyry's main markets. In Europe, for example in Spain, the market environment has clearly deteriorated. The economic uncertainty has also caused project delays especially in Eastern Europe and Latin America. Within the water supply and sanitation segment, public sector investment activity has continued modestly in Europe.

Due to the current macroeconomic uncertainty clients have been postponing decisions on using external advisory services. This has been clearly visible within the energy sector in Europe and to a certain extent in the forest industry globally. Further the energy market dynamics and decreasing profit levels in general have impacted short-term client behaviour.

Note: Figures in brackets, unless otherwise stated, refer to the same period the previous year. All figures and totals have been rounded, which may lead to minor discrepancies upon addition or subtraction. This interim report is unaudited.

## ORDER STOCK

| Order stock, EUR million, end of period | 6/2012 | 6/2011 | Change, % | 12/2011 |
|---|---|---|---|---|
| Consulting and engineering | 631.9 | 648.5 | -2.6 | 636.8 |
| EPC | 12.2 | 93.6 | -87.0 | 57.6 |
| Total | 644.1 | 742.1 | -13.2 | 694.4 |

The Group's order stock value totalled EUR 644.1 million at the end of the reporting period. Order stock value increased in the Energy business group and remained stable in the Urban business group. Order stock value declined in the Industry business group as the large projects received in 2011 are now in the implementation phase. Order stock value also decreased in the Management Consulting business group. The order stock value breakdown by business group at the end of the reporting period was as follows: Energy EUR 250.0 million (39 per cent of the total order stock), Industry EUR 113.9 million (18 per cent), Urban EUR 256.4 million (40 per cent), and Management Consulting EUR 23.8 million (4 per cent).

## ORDER INTAKE

The Group's order intake in the first half of 2012 was lower than the year before. In the Energy business group, the order intake continued well but declined in all other business groups. The Industry business group did not book any larger orders whereas the comparison figure includes major projects received in 2011. Order intake declined in the Urban business group due to reduced activity in the non-core markets. Order intake in the Management Consulting business group declined reflecting the challenging market environment.

**GROUP SALES**

| Net sales by business group, EUR million | 4-6/ 2012 | 4-6/ 2011 | Change, % | 1-6/ 2012 | 1-6/ 2011 | Change, % | Share of total sales 1-6/2012, % | 1-12/ 2011 |
|---|---|---|---|---|---|---|---|---|
| Energy | 59.0 | 52.3 | 12.8 | 114.8 | 105.9 | 8.4 | 28 | 223.2 |
| Industry | 66.1 | 55.7 | 18.7 | 138.7 | 100.3 | 38.3 | 34 | 236.5 |
| Urban | 58.2 | 63.5 | -8.3 | 119.7 | 123.7 | -3.2 | 29 | 248.0 |
| Management Consulting | 19.4 | 23.6 | -17.8 | 39.4 | 45.3 | -13.0 | 10 | 88.2 |
| Unallocated | -3.8 | 0.1 | n.a. | -4.3 | 0.1 | n.a. | -1 | 0.2 |
| Total | 198.8 | 195.3 | 1.8 | 408.3 | 375.3 | 8.8 | 100 | 796.1 |

Consolidated net sales in the reporting period were EUR 408.3 million, which is 8.8 per cent higher than the year before. The main contributor was the Industry business group, where a number of large projects are in their implementation phase.

**BUSINESS GROUPS (OPERATING SEGMENTS)**
The business group split is based on the structure, which has been effective since 1 January 2012.
All figures for Energy and Urban business groups for 2011 have been restated (pro forma) accordingly.
All personnel numbers are calculated as full time equivalents (FTE).

**Energy**

| | 4-6/ 2012 | 4-6/ 2011 | Change, % | 1-6/ 2012 | 1-6/ 2011 | Change, % | 1-12/ 2011 |
|---|---|---|---|---|---|---|---|
| Order stock, EUR million, end of period | 250.0 | 207.4 | 20.5 | 250.0 | 207.4 | 20.5 | 216.0 |
| Sales, EUR million | 59.0 | 52.3 | 12.8 | 114.8 | 105.9 | 8.4 | 223.2 |
| Operating profit excl. restructuring costs, EUR million | 0.9 | 2.5 | -64.0 | 1.4 | 5.8 | -75.9 | 9.7 |
| Operating margin excl. restructuring costs, % | 1.5 | 4.8 | | 1.2 | 5.5 | | 4.3 |
| Operating profit, EUR million | 0.9 | 2.1 | -57.1 | 1.1 | 5.4 | -79.6 | 6.4 |
| Operating margin, % | 1.5 | 4.0 | | 0.9 | 5.1 | | 2.9 |
| Personnel at end of period | 1,906 | 1,731 | 10.1 | 1,906 | 1,731 | 10.1 | 2,003 |

**1-6/2012**
The order stock value at the end of the period increased to EUR 250.0 million.

Net sales were EUR 114.8 million, which is 8.4 per cent higher than the year before.

Operating profit excluding restructuring costs was EUR 1.4 million, and the operating margin was 1.2 per cent of sales. Operating profit was burdened by low activity in several business units as well as actions taken to adapt capacity to workload and market conditions. EUR 0.3 million of restructuring costs relate to the integration of Pöyry SwedPower. Operating profit for the reporting period was EUR 1.1 million, or 0.9 per cent of net sales.

**4-6/2012**
Order intake continued well in all regions during the quarter but the order inflow was unevenly distributed between offices.

Net sales were EUR 59.0 million, which is 12.8 per cent higher than the year before.

Operating profit was EUR 0.9 million and the operating margin was 1.5 per cent of sales. During the quarter, operating profit was still burdened by low activity in a number of European offices as a consequence of project delays and low investments. However, efforts towards business development and actions to adapt capacity to the workload and market conditions also started to show positive signs compared with the first quarter 2012.

**Industry**

| | 4-6/ 2012 | 4-6/ 2011 | Change, % | 1-6/ 2012 | 1-6/ 2011 | Change, % | 1-12/ 2011 |
|---|---|---|---|---|---|---|---|
| Order stock, EUR million, end of period | 113.9 | 232.9 | -51.1 | 113.9 | 232.9 | -51.1 | 187.9 |
| Sales, EUR million | 66.1 | 55.7 | 18.7 | 138.7 | 100.3 | 38.3 | 236.5 |
| Operating profit excl. restructuring costs, EUR million | 2.5 | 2.2 | 13.6 | 7.8 | 3.1 | n.a. | 14.1 |
| Operating margin excl. restructuring costs, % | 3.8 | 3.9 | | 5.6 | 3.1 | | 6.0 |
| Operating profit, EUR million | 2.5 | 3.1 | -19.4 | 7.7 | 4.0 | 92.5 | 15.6 |
| Operating margin, % | 3.8 | 5.6 | | 5.5 | 4.0 | | 6.6 |
| Personnel at end of period | 2,048 | 2,003 | 2.2 | 2,048 | 2,003 | 2.2 | 1,985 |

**1-6/2012**

Order stock value at the end of the period was EUR 113.9 million. Order stock value was clearly lower than the year before as the comparison figure includes a significant EPC order as well as other major orders received in early 2011.

Net sales were EUR 138.7 million. This is 38.3 per cent higher than the year before. The increase in net sales reflects the implementation of the major projects received in 2011.

Operating profit was EUR 7.7 million and the operating margin was 5.5 per cent of sales. Operating profit improvement was supported by increased net sales and higher activity levels.

**4-6/2012**

Order intake in Local Project Services has continued steadily, but overall order intake was lower than the year before.

Net sales were EUR 66.1 million. This is 18.7 per cent higher than the year before. The increase in net sales reflects the implementation of the major projects received in 2011.

Operating profit was EUR 2.5 million and the operating margin was 3.8 per cent of sales. Operating profit declined from the year before due to some recognised project and credit losses during the quarter and efforts towards business development.

**Urban**

| | 4-6/ 2012 | 4-6/ 2011 | Change, % | 1-6/ 2012 | 1-6/ 2011 | Change, % | 1-12/ 2011 |
|---|---|---|---|---|---|---|---|
| Order stock, EUR million, end of period | 256.4 | 273.0 | -6.1 | 256.4 | 273.0 | -6.1 | 269.6 |
| Sales, EUR million | 58.2 | 63.5 | -8.3 | 119.7 | 123.7 | -3.2 | 248.0 |
| Operating profit excl. restructuring costs, EUR million | -0.1 | 2.3 | n.a. | 2.3 | 4.2 | -45.2 | 3.1 |
| Operating margin excl. restructuring costs, % | -0.2 | 3.6 | | 1.9 | 3.4 | | 1.3 |
| Operating profit, EUR million | -0.2 | 1.1 | n.a. | 2.1 | 2.9 | -27.6 | -3.7 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Operating margin, % | -0.3 | 1.7 | | 1.8 | 2.3 | | -1.5 |
| Personnel at end of period | 2,192 | 2,421 | -9.5 | 2,192 | 2,421 | -9.5 | 2,333 |

**1-6/2012**
Order stock value at the end of the period was EUR 256.4 million and remained at a good level.

Net sales were EUR 119.7 million and remained at the same level as the year before.

Operating profit before restructuring costs was EUR 2.3 million and the operating margin was 1.9 per cent of sales. After a positive start to the year the operating profit declined from the year before due to recognised one-off project and credit losses from mainly outside the core markets during the second quarter. Actions were continued to streamline the business operations. Operating profit for the reporting period was EUR 2.1 million, or 1.8 per cent of net sales.

In March 2012, Pöyry agreed to sell parts of its operations that carried out water and environment engineering services primarily financed by Official Development Assistance (ODA) throughout the developing world. The combined annual net sales of Pöyry Environment GmbH (Germany) and Pöyry Tanzania Ltd (Tanzania) were approximately EUR 12 million in 2011 and they employed approximately 70 people. The closing of the German transaction took place on 1 March 2012. The closing of the Tanzanian transaction is still subject to local competition authority approval. The divested business was excluded from Pöyry's financial reporting as from 1 January 2012.

**4-6/2012**
Order intake continued well in the core markets in Europe. However, order intake was lower than the year before due to reduced activity in the non-core markets.

Net sales were EUR 58.2, which is 8.3 per cent lower than the year before. Net sales were burdened by project delays, mainly outside the core markets.

Operating profit before restructuring costs was EUR -0.1 million and the operating margin was -0.2 per cent of sales. Operating profit declined from the year before due to recognised one-off project and credit losses, mainly from outside the core markets. Actions to increase focus in the business group included the continued review of the international business and the divestment of a smaller unit in Romania. Operating profit for the quarter was EUR -0.2 million or -0.3 per cent of net sales.

**Management Consulting**

| | 4-6/ 2012 | 4-6/ 2011 | Change, % | 1-6/ 2012 | 1-6/ 2011 | Change, % | 1-12/ 2011 |
|---|---|---|---|---|---|---|---|
| Order stock, EUR million, end of period | 23.8 | 28.8 | -17.4 | 23.8 | 28.8 | -17.4 | 20.9 |
| Sales, EUR million | 19.4 | 23.6 | -17.8 | 39.4 | 45.3 | -13.0 | 88.2 |
| Operating profit excl. restructuring costs, EUR million | 0.2 | 2.9 | -93.1 | 0.6 | 4.3 | -86.0 | 7.6 |
| Operating margin excl. restructuring costs, % | 1.0 | 12.3 | | 1.5 | 9.5 | | 8.6 |
| Operating profit, EUR million | 0.2 | 2.8 | -92.9 | 0.6 | 4.2 | -85.7 | 7.2 |
| Operating margin, % | 1.0 | 11.9 | | 1.6 | 9.3 | | 8.2 |
| Personnel at end of period | 506 | 496 | 2.0 | 506 | 496 | 2.0 | 494 |

**1-6/2012**
Order stock value at the end of the period was EUR 23.8 million, and remained at a normal level. The high comparison figure reflected the improved economic environment and the consulting market recovery in early 2011 as well as a few larger projects.

Net sales were EUR 39.4 million, which is 13.0 per cent lower than the year before. The decline in the net sales mainly reflects challenges in Central Europe due to the macroeconomic uncertainty as well as weak performance in North America and Asia-Pacific.

Operating profit was EUR 0.6 million and the operating margin was 1.6 per cent of sales. The decline in the operating profit mainly relates to low sales in North America and Asia-Pacific, where actions have been taken to broaden the scope of the consulting offering. Performance in the main European markets continued in general to be relatively stable, although increasing economic uncertainty started to have an impact, especially in the Central European markets towards the end of the reporting period.

**4-6/2012**
The increasing macroeconomic uncertainty was reflected in the order intake, which was lower than in the year before.

Net sales were EUR 19.4 million, which is 17.8 per cent lower than the year before. The decline in the net sales mainly reflects challenges in North America and Asia-Pacific. The economic uncertainty and consequently decreasing industry profit levels in general in energy markets had an impact on short-term client behaviour in the European markets during the quarter.

Operating profit was EUR 0.2 million and the operating margin was 1.0 per cent of sales. Low sales in North America and Asia-Pacific as well as the impact of the European market environment were reflected in the operating profit for the quarter. Actions taken to broaden the consulting offering are on-going but have not had an impact yet.

**Group Overhead and unallocated**
Unallocated costs in the first half of 2012 were EUR 13.1 million (2.9), representing 3.2 per cent of sales (0.8). Unallocated costs include EUR 8.5 million restructuring costs, of which the majority relates to the divestment of parts of the international water and environment operations during the first quarter of 2012. Of the remaining unallocated costs of EUR 4.6 million, EUR 1.1 million relates to unrealised exchange rate losses of the receivable in Venezuela.

**GROUP FINANCIAL RESULT**
The consolidated operating profit excluding restructuring costs was EUR 7.5 million (15.5), which is 1.8 per cent of net sales (4.1). Operating profit improved significantly in the Industry business group but was lower than the year before in all other business groups.

The consolidated operating profit for the reporting period was EUR -1.6 million (13.6). The consolidated operating margin for the report period was -0.4 per cent (3.6).

The net of financial items was EUR -0.6 million (-1.8).

Profit before taxes totalled EUR -2.2 (11.8).

Income taxes were EUR -3.7 million (-4.7).

Net profit for the period was EUR -5.9 million (7.1), of which EUR -6.2 million was attributable to equity holders of the parent company and EUR 0.3 million to non-controlling interests.

Diluted earnings per share were EUR -0.11 (0.11).

**BALANCE SHEET**
The consolidated balance sheet is strong. The consolidated balance sheet amounted to EUR 624.5 million at the end of reporting period which is EUR 17.1 million lower than at year-end 2011 (641.6) and EUR 18.3 million higher than at the end of June 2011 (606.2).

Total equity at the end of the report period was EUR 171.3 million (187.4). Total equity attributable to equity holders of the parent company was EUR 164.3 million (180.3) or EUR 2.75 per share (3.02).

The accounts receivable include receivables, which relate to certain public sector infrastructure projects in Venezuela, where the client is a public authority. The receivables have been described in the report of the Board of Directors for 2011 and there have not been material changes during the first half of 2012. The current net value of the receivable is EUR 24.8 million.

Return on equity (ROE) was -6.5 per cent (7.7). Return on investment (ROI) was 0.0 per cent (10.0).

**CASH FLOW AND FINANCING**

The Group's liquidity is good. At the end of the reporting period, the Group's cash and cash equivalents and other liquid assets amounted to EUR 58.4 (89.1) million. In addition to these, the Group had unused long-term overdraft facilities amounting to EUR 70.0 million.

Net cash from operating activities in the reporting period was EUR -33.5 million (4.8), representing EUR -0.57 per share. Net cash before financing activities was EUR -38.5 million (7.7).

Net debt at the end of the reporting period totalled EUR 103.4 million (54.4). Gearing was 60.4 per cent (29.0). The equity ratio was 32.3 per cent (36.7).

Pöyry paid its shareholders dividends amounting to EUR 11.8 million or EUR 0.20 per share in March 2012.

The calculation of key figures is presented on the Calculation of Key Figures page of this Interim Report.

**CAPITAL EXPENDITURE AND ACQUISITIONS**

During the reporting period, the Group's capital expenditure totalled EUR 4.6 million.

| Capital expenditure, EUR million | 4-6/ 2012 | 4-6/ 2011 | 1-6/ 2012 | 1-6/ 2011 | 1-12/ 2011 |
|---|---|---|---|---|---|
| Capital expenditure, operating | 2.2 | 1.7 | 4.6 | 3.6 | 8.4 |
| Capital expenditure, land and buildings | 0.0 | 47.8 | 0.0 | 47.8 | 45.2 |
| Capital expenditure, shares | 0.0 | 10.0 | 0.0 | 10.0 | 28.4 |
| Capital expenditure, total | 2.2 | 59.5 | 4.6 | 61.4 | 82.0 |

**HUMAN RESOURCES**

| Personnel (FTE) by business group, at the end of the period | 1-6/ 2012 | 1-6/ 2011 | Change, % | 1-12/ 2011 |
|---|---|---|---|---|
| Energy | 1,906 | 1,731 | 10.1 | 2,003 |
| Industry | 2,048 | 2,003 | 2.2 | 1,985 |
| Urban | 2,192 | 2,421 | -9.5 | 2,333 |
| Management Consulting | 506 | 496 | 2.0 | 494 |
| Group staff and shared resources | 131 | 141 | -7.1 | 137 |
| Personnel, total | 6,783 | 6,792 | -0.1 | 6,952 |

| Personnel (FTE) by geographic area, at the end of the period | 1-6/ 2012 | 1-6/ 2011 | Change, % | 1-12/ 2011 |
|---|---|---|---|---|
| Nordic countries | 2,657 | 2,386 | 11.4 | 2,569 |
| Other Europe | 2,535 | 2,781 | -8.9 | 2,728 |
| Asia | 614 | 618 | -0.7 | 655 |
| North America | 244 | 238 | 2.5 | 244 |
| South America | 707 | 733 | -3.6 | 712 |
| Other areas | 27 | 36 | -25.0 | 44 |
| Personnel, total | 6,783 | 6,792 | -0.1 | 6,952 |

**Personnel structure**
The Group had an average of 6,816 (6,712) employees (FTEs) during the reporting period, which is 1.5 per cent more than the year before. The number of personnel at the end of the period was 6,783 (6,792).

**Performance share plan 2011-2015**
In February 2011, the Board of Directors of Pöyry PLC approved a new share-based incentive plan for Pöyry Group's key personnel. The incentive plan is directed at approximately 300 people. The plan includes earning periods that commence at the beginning of the years 2011, 2012 and 2013.

The parameters for the earning period which commenced in 2011 have been approved by the Board of Directors (see Company Announcement of 8 February 2011 and Financial Statements Release of 9 February 2012).

The parameters for the earning period commencing in 2012 were approved by the Board of Directors on 24 April 2012 (see Company Announcement of 25 April 2012).

**GOVERNANCE**
**Changes in executive management during the second quarter 2012**
In June 2012 the Board of Directors of Pöyry PLC appointed Alexis Fries as new President and CEO of Pöyry. He will take up the position during the autumn 2012. Heikki Malinen left his position as President and CEO on 13 June 2012. The Chairman of Pöyry PLC's Board of Directors, Henrik Ehrnrooth acts as interim President and CEO until Alexis Fries takes over the position.

Pasi Tolppanen (Ph.D., Technology) was appointed Senior Vice President, Operations, and Member of Pöyry's Group Executive Committee effective from 1 June 2012. In this new role Tolppanen is responsible for performance improvement programmes, strategic resourcing and capacity management, engineering processes and tools as well as Group-wide HSEQ.

In May 2012, it was announced that the member of Pöyry's Group Executive Committee and Executive Vice President, Human Resources, Camilla Grönholm will leave Pöyry to join another company.

**Changes in Pöyry PLC's Board Committees**
In June 2012, Pöyry PLC's Board of Directors appointed Ms Karen de Segundo as member of its Audit Committee. She will replace Mr Alexis Fries, who was appointed Pöyry PLC's President and CEO. The Board of Directors also appointed Mr Michael Obermayer to the Nomination and Compensation Committee, where he will replace Ms Karen de Segundo. The changes will take place when Mr Alexis Fries takes up his position as President and CEO.

**SHARE CAPITAL AND SHARES**
The share capital of Pöyry PLC at 30 June 2012 totalled EUR 14,588,478 and the total number of shares including treasury shares totalled 59,759,610. At the end of the reporting period Pöyry PLC held a total of 694,335 own shares, which corresponds to 1.2 per cent of the total number of shares and had a market value of EUR 2.9 million.

**MARKET CAP AND TRADING**
The closing price of Pöyry's shares on 29 June 2012 was EUR 4.15 (9.87). The volume weighted average share price during the report period was EUR 6.17 (10.23), the highest quotation being EUR 7.22 (11.90) and the lowest EUR 4.06 (8.74). The share price decreased by approximately 23 per cent from the end of 2011. During the report period, approximately 5 million Pöyry shares were traded on the NASDAQ OMX Helsinki, corresponding to a turnover of approximately EUR 32 million. The average daily trading volume was 41,254 shares or approximately EUR 0.3 million.

At the end of the reporting period, the total market value of Pöyry's shares was EUR 245.1 (583.4) million excluding treasury shares held by the company, and EUR 248.0 (589.8) million including treasury shares.

**OWNERSHIP STRUCTURE**
During the report period, the number of registered shareholders increased from 7,400 at the end of 2011 to 7,743 at the end of the reporting period, representing an increase of about 5 per cent.

Corbis S.A. continued to be the largest shareholder with 30.96 per cent of the shares. The Chairman of the Board of Directors of Pöyry, Henrik Ehrnrooth, indirectly holds, with his brothers Georg Ehrnrooth and Carl-Gustaf Ehrnrooth, a controlling interest in Corbis S.A.

At the end of the reporting period a total of 8.01 per cent of the shares were owned by nominee-registered shareholders. Total ownership outside Finland, including Corbis, together with nominee-registered shareholders was in total 40.15 per cent of the shares.

**FLAGGINGS**

No flagging notifications were received during January - June 2012.

**STRATEGY UPDATE**

During the summer, Pöyry concluded its annual strategy review. In the strategy period 2013-2015 Pöyry will continue to implement the key strategic priorities set:

- Improving the company's execution capabilities including a simplified, more agile operative platform and globally managed support functions
- Increasing focus in the business portfolio and geographical areas
- Developing value-added services and innovative capabilities along the entire investment life-cycle from strategic advisory to operations support
- Investing in growth in the mining and metals as well as biorefining sectors

The Group's financial targets remain unchanged.

In the short term, the emphasis will be on improving profitability by further increasing the focus both in the business portfolio and in geographical dimensions through on-going initiatives and programmes. The operating model and internal processes for business operations and support functions will also be improved and simplified. These plans are expected to result in significant improvements. More detailed information on estimated financial impacts will be available later this year.

**MOST SIGNIFICANT RISKS AND BUSINESS UNCERTAINTIES**

The uncertainties in the financial markets continue and there is an increased risk of an economic recession particularly in the European market. This can create uncertainty and delays in clients' decision-making. Should the risk materialise, it could create serious problems for Pöyry's clients in arranging financing for investments, and more generally slow down the overall investment activity. This would be likely to have an adverse impact on Pöyry's net sales and profitability.

Apart from smaller and mid-sized projects, Pöyry focuses on larger and EPC-type projects. The size and complexity of large projects typically require thorough and lengthy development work. There are uncertainties about the availability of financing, the selected implementation concept as well as the timing of investment decisions and project start-ups, which all are beyond Pöyry's control.

An important part of Pöyry's business comes from municipal and other public sector clients. The increased indebtedness of various economies has led the EU and an increasing number of governments to decide on austerity and cost-reduction measures. This is impacting infrastructure investments negatively. The magnitude and timing, and particularly the impact on the type of services provided by Pöyry, is however, unclear. With respect to municipal clients, the reduced tax revenues of local governments may impact negatively on the funding of infrastructure projects or delay them.

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 in projects in these countries payment of invoices may be delayed excessively or 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 notable risk in this area is the accounts receivable in the Venezuelan infrastructure projects as described under the section 'Balance Sheet'. Intensive activities to collect these receivables are on-going. However, there are considerable political uncertainties in Venezuela and there continues to be uncertainty about the timing of the payments, which has been reflected in the valuation of the receivables.

## UPDATED OUTLOOK FOR 2012

The Group's net sales in 2012 are expected to remain stable compared with 2011. The Group's operating profit for 2012, excluding restructuring costs, is expected to decline compared with 2011.

Based on preliminary information on the second quarter result Pöyry reduced its estimate for the full year 2012 operating profit on 29 June 2012 and the Group's operating profit for 2012, excluding restructuring costs, was expected to remain stable compared with 2011. The outlook for the Group's net sales for the full year 2012 remained unchanged.

Due to disappointing result in the second quarter, the operating profit excluding restructuring costs for the first half of 2012 was clearly lower than expected. Closures and divestments of low performing and non-core offices and business units in connection with the on-going strategic review of the business portfolio have a negative short-term impact on comparable operating profit. In the Urban business group also one-off project and credit losses, mainly outside the core markets, burden profitability. Lower than anticipated activity levels in certain markets, especially in the Energy business group, and weak sales, especially in the Management Consulting business group, have a negative impact on the business groups' operating profit. Consequently the full year 2012 operating profit estimate has been reduced further.

**Updated outlook concerning business groups:**

Net sales are expected to remain stable in all business groups. The outlook for the Industry business group was changed from "improves clearly" to "stable". The outlook for other business groups remained unchanged.

Operating profit in the Energy business group is expected to decline and in the Management Consulting business group to decline clearly. The previous outlook for both business groups was "stable". Operating profit in the Industry business group is expected to improve. The previous outlook was "improves clearly". Operating profit in the Urban business group is expected to improve significantly considering the low comparison figure. The outlook remained unchanged.

The operating profit outlook and comparison to 2011 both refer to figures excluding restructuring costs.

**Group outlook from the January-March Interim Report on 25 April 2012:**

The Group's net sales in 2012 are expected to remain stable compared with 2011. The comparable operating profit for 2012 is expected to improve clearly from the operating profit, excluding restructuring costs, in 2011.

**Outlook concerning business groups as of 25 April 2012:**

The net sales in the Energy, Urban, and Management Consulting business groups are expected to remain stable compared with 2011. Net sales in the Industry business group are expected to improve clearly.

The operating profit in the Urban business group is expected to improve significantly and in the Industry business group to improve clearly. The operating profit in the Management Consulting and Energy business groups is expected to remain stable.

Vantaa, 26 July 2012
Pöyry PLC
Board of Directors

## THE INTERIM REPORT 1 JANUARY - 30 JUNE 2012

This interim report has been prepared in accordance with IAS 34 following the same accounting principles as in the annual financial statement for 2011. All figures in the accounts have been rounded and consequently the totals of individual figures can deviate from the presented total figure. This interim report is unaudited.

**PÖYRY GROUP**

**STATEMENT OF COMPREHENSIVE INCOME**

| EUR million | **4-6/2012** | 4-6/2011 | **1-6/2012** | 1-6/2011 | 1-12/2011 |
|---|---|---|---|---|---|
| NET SALES | **198.8** | 195.3 | **408.3** | 375.3 | 796.1 |
| Other operating income | **0.2** | 0.3 | **0.4** | 0.5 | 0.8 |
| Share of associated companies' results | **0.1** | 0.2 | **0.3** | 0.3 | 0.6 |
| Materials and supplies | **-14.0** | -7.5 | **-31.1** | -9.8 | -42.2 |
| External charges, subconsulting | **-27.1** | -27.3 | **-54.1** | -51.5 | -111.8 |
| Personnel expenses | **-113.2** | -110.4 | **-227.6** | -217.5 | -440.1 |
| Depreciation | **-2.3** | -2.3 | **-4.5** | -4.2 | -9.2 |
| Other operating expenses | **-43.1** | -41.1 | **-93.3** | -79.5 | -174.2 |
| OPERATING PROFIT | **-0.6** | 7.2 | **-1.6** | 13.6 | 20.0 |
| Proportion of net sales, % | **-0.3** | 3.7 | **-0.4** | 3.6 | 2.5 |
| Financial income | **0.6** | 1.0 | **1.6** | 1.4 | 3.1 |
| Financial expenses | **-1.4** | -1.5 | **-2.8** | -2.5 | -6.1 |
| Exchange rate differences | **0.6** | 0.3 | **0.6** | -0.7 | 0.1 |
| PROFIT BEFORE TAXES | **-0.8** | 7.0 | **-2.2** | 11.8 | 17.1 |
| Proportion of net sales, % | **-0.4** | 3.6 | **-0.5** | 3.1 | 2.1 |
| Income taxes | **-1.5** | -2.6 | **-3.7** | -4.7 | -8.4 |
| NET PROFIT FOR THE PERIOD | **-2.3** | 4.4 | **-5.9** | 7.1 | 8.7 |
| OTHER COMPREHENSIVE INCOME | | | | | |
| Cash flow hedging | **0.1** | -0.5 | **0.5** | -0.5 | -1.2 |
| Impact on deferred taxes | **0.0** | 0.1 | **-0.1** | 0.1 | 0.3 |
| Reclassification of translation differences to profit and loss | | 2.0 | | 2.0 | 2.0 |
| Translation differences | **0.1** | 1.8 | **1.7** | 0.2 | -1.5 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | **-2.1** | 7.8 | **-3.8** | 8.9 | 8.3 |
| Net profit attributable to: | | | | | |
| Equity holders of the parent company | **-2.3** | 4.1 | **-6.2** | 6.4 | 7.8 |
| Non-controlling interest | **0.0** | 0.3 | **0.3** | 0.7 | 0.9 |
| Total comprehensive income attributable to: | | | | | |
| Equity holders of the parent company | **-2.1** | 7.5 | **-4.1** | 8.2 | 7.4 |
| Non-controlling interest | **0.0** | 0.3 | **0.3** | 0.7 | 0.9 |
| Earnings/share, attributable to the equity holders of the parent company, EUR | **-0.04** | 0.07 | **-0.11** | 0.11 | 0.13 |
| Corrected with dilution effect | **-0.04** | 0.07 | **-0.11** | 0.11 | 0.13 |

**STATEMENT OF FINANCIAL POSITION**

| EUR million | **30 June 2012** | 30 June 2011 | 31 Dec. 2011 |
|---|---|---|---|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Goodwill | **131.4** | 115.0 | 131.4 |
| Intangible assets | **12.8** | 4.8 | 12.4 |
| Tangible assets | **62.6** | 63.2 | 63.2 |
| Shares in associated companies | **5.8** | 5.3 | 6.0 |
| Other shares | **2.1** | 2.1 | 2.1 |
| Loans receivable | **0.9** | 1.0 | 0.9 |
| Deferred tax receivables | **13.5** | 9.8 | 12.3 |
| Pension receivables | **0.3** | 1.2 | 0.8 |
| Other | **5.8** | 8.7 | 8.2 |
| Total | **235.2** | 211.1 | 237.3 |
| CURRENT ASSETS | | | |
| Work in progress | **123.4** | 117.7 | 115.5 |
| Accounts receivable | **176.1** | 160.0 | 182.1 |
| Loans receivable | **0.1** | 0.1 | 0.1 |
| Other receivables | **12.5** | 9.2 | 11.2 |
| Prepaid expenses and accrued income | **18.8** | 19.0 | 16.4 |
| Financial assets at fair value trough profit and loss | **0.1** | 0.2 | 0.2 |
| Cash and cash equivalents | **58.3** | 88.9 | 78.8 |
| Total | **389.3** | 395.1 | 404.3 |
| TOTAL | **624.5** | 606.2 | 641.6 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY | | | |
| Share capital | **14.6** | 14.6 | 14.6 |
| Legal reserve | **3.5** | 3.5 | 3.4 |
| Invested free equity reserve | **60.1** | 60.1 | 60.1 |
| Fair value reserve | **-0.6** | -0.4 | -0.9 |
| Translation difference | **-7.5** | -9.4 | -9.1 |
| Retained earnings | **94.2** | 111.9 | 111.7 |
| Total | **164.3** | 180.3 | 179.8 |
| Non-controlling interest | **7.0** | 7.1 | 7.2 |
| Total | **171.3** | 187.4 | 187.0 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Interest bearing non-current liabilities | **103.2** | 121.2 | 109.2 |
| Pension obligations | **10.2** | 10.3 | 9.7 |
| Deferred tax liability | **3.3** | 2.9 | 3.4 |
| Other non-current liabilities | **11.9** | 2.8 | 12.0 |
| Total | **128.6** | 137.2 | 134.3 |
| CURRENT LIABILITIES | | | |
| Amortisations of interest bearing non-current liabilities | **21.9** | 21.3 | 21.8 |
| Interest bearing current liabilities | **36.7** | 1.1 | 0.6 |
| Provisions | **15.3** | 11.8 | 19.6 |
| Project advances | **95.1** | 95.6 | 100.9 |
| Accounts payable | **25.5** | 26.8 | 30.5 |
| Other current liabilities | **41.8** | 34.6 | 43.5 |
| Current tax payable | **5.6** | 1.5 | 8.2 |
| Accrued expenses and deferred income | **82.7** | 88.9 | 95.2 |
| Total | **324.6** | 281.6 | 320.3 |
| TOTAL | **624.5** | 606.2 | 641.6 |

**STATEMENT OF CASH FLOWS**

| EUR million | **4-6/2012** | 4-6/2011 | **1-6/2012** | 1-6/2011 | 1-12/2011 |
|---|---|---|---|---|---|
| FROM OPERATING ACTIVITIES | | | | | |
| Net profit for the period | **-2.3** | 4.4 | **-5.9** | 7.1 | 8.7 |
| Expenses from share-based incentive programmes | **0.2** | 0.4 | **0.7** | 0.7 | 1.7 |
| Depreciation and value decrease | **2.3** | 2.3 | **4.5** | 4.2 | 9.2 |
| Loss on sales of shares | **0.0** | 0.0 | **5.6** | 0.0 | 1.2 |
| Share of associated companies' results | **0.4** | -0.2 | **0.2** | -0.3 | 0.2 |
| Financial income and expenses | **0.2** | 0.2 | **0.6** | 1.8 | -2.9 |
| Income taxes | **1.5** | 2.6 | **3.7** | 4.7 | 8.4 |
| Change in work in progress | **1.3** | -22.1 | **-12.1** | -36.1 | -33.8 |
| Change in accounts and other receivables | **-10.1** | -9.4 | **1.0** | -4.2 | -25.8 |
| Change in project advances received | **-1.3** | 3.5 | **-2.5** | 29.4 | 34.7 |
| Change in payables and other liabilities | **-15.6** | 8.2 | **-22.1** | 0.9 | 39.8 |
| Received financial income | **0.6** | 1.0 | **1.6** | 1.4 | 3.0 |
| Paid financial expenses | **-2.2** | -1.6 | **-3.3** | -2.6 | -5.5 |
| Paid income taxes | **-2.8** | -0.5 | **-5.5** | -2.2 | -8.4 |
| Total from operating activities | **-27.8** | -11.2 | **-33.5** | 4.8 | 30.5 |
| CAPITAL EXPENDITURE | | | | | |
| Investments in shares in subsidiaries deducted with cash acquired | **0.0** | -9.6 | **0.0** | -9.6 | -26.9 |
| Investments in real estates | **0.0** | 0.0 | **0.0** | 0.0 | -45.2 |
| Investments in fixed assets | **-2.1** | -1.7 | **-5.2** | -3.6 | -8.4 |
| Sales of shares in subsidiaries deducted with cash included in the sale | **0.0** | 16.1 | **0.1** | 16.1 | 15.8 |
| Sales of fixed assets | **0.1** | 0.0 | **0.1** | 0.0 | 0.3 |
| Capital expenditure total, net | **-2.0** | 4.8 | **-5.0** | 2.9 | -64.4 |
| Net cash before financing | **-29.8** | -6.4 | **-38.5** | 7.7 | -33.9 |
| FINANCING | | | | | |
| New loans | **34.8** | 0.0 | **53.8** | 0.0 | 93.2 |
| Repayments of loans | **-25.9** | -9.1 | **-25.9** | -9.1 | -67.7 |
| Finance lease payments | **0.0** | 0.0 | **0.0** | 0.0 | -2.5 |
| Change in current financing | **1.2** | 0.2 | **1.2** | 0.3 | -0.2 |
| Investments in shares in subsidiaries with non-controlling interest | **0.0** | 0.0 | **0.0** | 0.0 | -0.3 |
| Paid dividends | **-0.3** | -0.2 | **-12.4** | -6.6 | -6.9 |
| Acquisitions of own shares | **0.0** | -4.0 | **0.0** | -4.0 | -4.4 |
| Share subscription | **0.0** | 0.0 | **0.0** | 1.6 | 1.6 |
| Net cash from financing | **9.8** | -13.1 | **16.7** | -17.8 | 12.8 |
| Change in cash and cash equivalents | **-20.0** | -19.5 | **-21.8** | -10.1 | -21.1 |
| Cash and cash equivalents and other liquid assets at the beginning of the period | **78.1** | 105.1 | **79.0** | 99.0 | 99.0 |
| Impact of translation differences in exchange rates | **0.3** | 3.5 | **1.2** | 0.2 | 1.1 |
| Cash and cash equivalents and other liquid assets at the end of the period | **58.4** | 89.1 | **58.4** | 89.1 | 79.0 |
| Financial assets at fair value through profit and loss | **0.1** | 0.2 | **0.1** | 0.2 | 0.2 |
| Cash and cash equivalents | **58.3** | 88.9 | **58.3** | 88.9 | 78.8 |
| Cash and cash equivalents and other liquid assets at the end of the period | **58.4** | 89.1 | **58.4** | 89.1 | 79.0 |

**CHANGES IN EQUITY**

| EUR million | Share capital | Legal reserve | Invested free equity reserve | Fair value reserve | Trans-lation diffe-rences | Retained earnings | Total | Non-controlling inte-rest | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| Equity 1 April 2012 | 14.6 | 3.5 | 60.1 | -0.6 | -7.6 | 96.2 | 166.2 | 7.0 | 173.2 |
| Expenses from share-based incentive programmes | | | | | | 0.1 | 0.1 | | 0.1 |
| Comprehensive income for the period | | | | 0.1 | 0.1 | -2.3 | -2.1 | 0.0 | -2.1 |
| Changes for the period | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | -2.0 | -2.0 | 0.0 | -2.0 |
| Equity 30 June 2012 | 14.6 | 3.5 | 60.1 | -0.6 | -7.5 | 94.2 | 164.3 | 7.0 | 171.3 |
| Equity 1 January 2012 | 14.6 | 3.4 | 60.1 | -0.9 | -9.1 | 111.7 | 179.8 | 7.2 | 187.0 |
| Payment of dividend | | | | | | -11.8 | -11.8 | -0.6 | -12.4 |
| Expenses from share-based incentive programmes | | | | | | 0.3 | 0.3 | | 0.3 |
| Comprehensive income for the period | | 0.1 | | 0.4 | 1.6 | -6.2 | -4.1 | 0.3 | -3.8 |
| Changes for the period | 0.0 | 0.1 | 0.0 | 0.4 | 1.6 | -17.5 | -15.6 | -0.2 | -15.9 |
| Equity 30 June 2012 | 14.6 | 3.5 | 60.1 | -0.6 | -7.5 | 94.2 | 164.3 | 7.0 | 171.3 |
| Equity 1 April 2011 | 14.6 | 3.3 | 60.1 | 0.0 | -13.1 | 111.6 | 176.5 | 7.0 | 183.5 |
| Acquisition of own shares | | | | | | -4.0 | -4.0 | | -4.0 |
| Expenses from share-based incentive programmes | | | | | | 0.1 | 0.1 | | 0.1 |
| Change in non-controlling interest | | | | | | 0.2 | 0.2 | -0.2 | 0.0 |
| Comprehensive income for the period | | 0.2 | | -0.4 | 1.7 | 6.0 | 7.5 | 0.3 | 7.8 |
| Reclassification of translation differences to profit and loss | | | | | 2.0 | -2.0 | 0.0 | | 0.0 |
| Changes for the period | 0.0 | 0.2 | 0.0 | -0.4 | 3.7 | 0.3 | 3.8 | 0.1 | 3.9 |
| Equity 30 June 2011 | 14.6 | 3.5 | 60.1 | -0.4 | -9.4 | 111.9 | 180.3 | 7.1 | 187.4 |
| Equity 1 Jan 2011 | 14.6 | 3.4 | 58.5 | 0.0 | -11.6 | 115.0 | 179.9 | 7.2 | 187.1 |
| Shares subscribed with stock options | | | 1.6 | | | | 1.6 | | 1.6 |
| Payment of dividend | | | | | | -5.9 | -5.9 | -0.6 | -6.5 |
| Acquisition of own shares | | | | | | -4.0 | -4.0 | | -4.0 |
| Expenses from share-based incentive programmes | | | | | | 0.3 | 0.3 | | 0.3 |
| Change in non-controlling interest | | | | | | 0.2 | 0.2 | -0.2 | 0.0 |
| Comprehensive income for the period | | 0.1 | | -0.4 | 0.2 | 8.3 | 8.2 | 0.7 | 8.9 |
| Reclassification of translation differences to profit and loss | | | | | 2.0 | -2.0 | 0.0 | | 0.0 |
| Changes for the period | 0.0 | 0.1 | 1.6 | -0.4 | 2.2 | -3.1 | 0.4 | -0.1 | 0.3 |
| Equity 30 June 2011 | 14.6 | 3.5 | 60.1 | -0.4 | -9.4 | 111.9 | 180.3 | 7.1 | 187.4 |
| Equity 1 January 2011 | 14.6 | 3.4 | 58.5 | 0.0 | -11.6 | 115.0 | 179.9 | 7.2 | 187.1 |
| Shares subscribed with stock options | | | 1.6 | | | | 1.6 | | 1.6 |
| Payment of dividend | | | | | | -5.9 | -5.9 | -0.6 | -6.5 |
| Acquisition of own shares | | | | | | -4.4 | -4.4 | | -4.4 |
| Expenses from share-based incentive programmes | | | | | | 0.9 | 0.9 | | 0.9 |
| Change in non-controlling interest | | | | | | 0.2 | 0.2 | -0.2 | 0.0 |
| Comprehensive income for the period | | | | -0.9 | 0.5 | 7.8 | 7.4 | 0.9 | 8.3 |
| Reclassification of translation differences to profit and loss | | | | | 2.0 | -2.0 | 0.0 | | 0.0 |
| Changes for the period | 0.0 | 0.0 | 1.6 | -0.9 | 2.5 | -3.3 | -0.1 | 0.0 | -0.1 |
| Equity 31 December 2011 | 14.6 | 3.4 | 60.1 | -0.9 | -9.1 | 111.7 | 179.8 | 7.2 | 187.0 |

| KEY FIGURES | **4-6/2012** | 4-6/2011 | **1-6/2012** | 1-6/2011 | 1-12/2011 |
|---|---|---|---|---|---|
| Earnings/share, EUR | **-0.04** | 0.07 | **-0.11** | 0.11 | 0.13 |
| Diluted | **-0.04** | 0.07 | **-0.11** | 0.11 | 0.13 |
| Shareholders' equity/share, EUR | | | **2.75** | 3.02 | 3.01 |
| Return on investment, % | | | **0.0** | 10.0 | 7.4 |
| Return on equity, % | | | **-6.5** | 7.7 | 4.6 |
| Equity ratio, % | | | **32.3** | 36.7 | 34.6 |
| Net debt/equity ratio (gearing), % | | | **60.4** | 29.0 | 28.2 |
| Net debt, EUR million | | | **103.4** | 54.4 | 52.6 |
| Consulting and engineering, EUR million | | | **631.9** | 648.5 | 636.8 |
| EPC, EUR million | | | **12.2** | 93.6 | 57.6 |
| Order stock total, EUR million | | | **644.1** | 742.1 | 694.4 |
| Capital expenditure, operating, EUR million | **2.2** | 1.7 | **4.6** | 3.6 | 8.4 |
| Capital expenditure, land and buildings, EUR million | **0.0** | 47.8 | **0.0** | 47.8 | 45.2 |
| Capital expenditure in shares, EUR million | **0.0** | 10.0 | **0.0** | 10.0 | 28.4 |
| Personnel in group companies on average | | | **6816** | 6712 | 6864 |
| Personnel in group companies at end of period | | | **6783** | 6792 | 6952 |
| Personnel in associated companies at end of period | | | **139** | 143 | 137 |

| **CONTINGENT LIABILITIES**<br>EUR million | **30 June 2012** | 30 June 2011 | 31 December 2011 |
|---|---|---|---|
| Other own obligations | | | |
| Pledged assets | **1.1** | 1.2 | 1.2 |
| Project and other guarantees | **100.9** | 102.4 | 99.2 |
| Total | **102.0** | 103.6 | 100.4 |
| For others | | | |
| Pledged assets | **0.3** | 0.2 | 0.2 |
| Other obligations | **0.0** | 0.0 | 0.0 |
| Total | **0.3** | 0.2 | 0.2 |
| Rent and lease obligations | **57.1** | 49.2 | 57.4 |

**Project and other guarantees**

Project guarantees are normal undertakings related to project business, for example bid bonds or performance guarantees.

**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.

In 2011 three competing class proceedings of material value were commenced in Canada against Pöyry's subsidiary companies along with other defendants concerning matters relating to Sino-Forest Corporation, only one of which was allowed to proceed by the local court in the first reporting period of 2012 (the "SFC Litigation"). The affected Pöyry subsidiary company has concluded, during the first reporting period of 2012, a settlement agreement with the plaintiffs of the SFC Litigation concerning the said proceeding. The effectiveness of the settlement agreement is, however, subject to approval by local courts. Subsequently Sino-Forest Corporation (”SFC”) has sought court protection against its creditors under the relevant laws, and the court has issued a temporary stay period until 1 June 2012 (extended currently until 28 September 2012) for all litigation relating to SFC in order to allow for the restructuring of SFC’s assets and operations which, unless lifted by the local court, also suspends the process for approval of the settlement by the affected Pöyry subsidiary. The local court has since then lifted the stay as concerns the affected Pöyry subsidiary and has set the date for the settlement hearing for September 2012. At this stage, it remains premature to assess accurately the level of risk to the Pöyry entity affected by the SFC Litigation.

Other than in connection with the SFC Litigation allegations, the risk related to the claims and litigation against Group companies is, on balance, considered immaterial on the Group level.

## DERIVATIVE INSTRUMENTS

| EUR million | 30 June 2012 | 30 June 2011 | 31 December 2011 |
|---|---|---|---|
| Foreign exchange forward contracts | | | |
| Fair value hedge accounting | | | |
| Nominal value | **22.6** | 77.4 | 38.6 |
| Fair value, gains | **6.1** | 4.0 | 0.2 |
| Fair value, losses | **-0.7** | -0.2 | -1.5 |
| Interest rate swaps | | | |
| Cash flow hedge accounting | | | |
| Nominal value | **43.9** | 45.0 | 45.0 |
| of which basis swaps | **0.0** | 45.0 | 45.0 |
| Fair value | **-0.8** | -0.5 | -1.3 |
| Hedge accounting not applied | | | |
| Nominal value | **22.2** | 13.3 | 25.0 |
| Fair value | **-0.4** | -0.6 | -0.6 |

## RELATED PARTY TRANSACTIONS

**Shareholding and option rights of related parties, option programme 2004**

The members of the Board of Directors, the President and CEO and the members of the Group Executive Committee owned on 30 June 2012 a total of 248 041 shares and 0 stock options (on 31 December 2011 a total of 303 747 shares, and 22 000 stock options 2004). The share subscription period expired on 31 March 2012 concluding concurrently the whole programme. No shares were subscribed in 2012.

**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, 2012-2014 and 2013-2015.

**Performance share plan 2008-2010**

In December 2007 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 2008, 2009 and 2010.

The option programme 2004 and the performance share plan 2008-2010 are described in the Board of Directors' report 2011. The performance share plan 2011-2015 is described in the verbal part of this interim report.

**Own shares**

Pöyry PLC holds on 26 July 2012 a total of 694 335 (31 December 2011 682 815) own shares corresponding to 1.2 per cent of the total number of shares.

**Transactions with the associated companies**

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

| | 1-6/2012 | 1-6/2011 | 1-12/2011 |
|---|---|---|---|
| Sales to associated companies | **0.0** | 0.1 | 0.2 |
| Loans receivable from associated companies | **0.1** | 0.1 | 0.1 |
| Accounts receivable from associated companies | **0.1** | 0.2 | 0.3 |

**CHANGES IN INTANGIBLE ASSETS AND TANGIBLE ASSETS**

| EUR million | **4-6/2012** | 4-6/2011 | **1-6/2012** | 1-6/2011 | 1-12/2011 |
|---|---|---|---|---|---|
| Intangible assets | | | | | |
| Book value at beginning of period | **12.5** | 5.1 | **12.4** | 5.2 | 5.2 |
| Acquired companies | **0.0** | 0.1 | **0.0** | 0.1 | 0.1 |
| Capital expenditure | **0.7** | 0.1 | **1.2** | 0.4 | 8.8 |
| Decreases | **0.0** | 0.0 | **0.0** | 0.0 | 0.0 |
| Depreciation | **-0.5** | -0.5 | **-0.9** | -0.9 | -1.9 |
| Translation difference | **0.1** | 0.0 | **0.1** | 0.0 | 0.2 |
| Book value at end of period | **12.8** | 4.8 | **12.8** | 4.8 | 12.4 |
| | | | | | |
| Tangible assets | | | | | |
| Book value at beginning of period | **63.3** | 16.0 | **63.2** | 16.2 | 16.2 |
| Acquired companies | **0.0** | 0.1 | **0.0** | 0.1 | 0.1 |
| Capital expenditure, operating | **1.5** | 1.4 | **3.4** | 3.0 | 6.8 |
| Capital expenditure, land and buildings | **0.0** | 47.8 | **0.0** | 47.8 | 47.7 |
| Decreases | **0.0** | -0.6 | **-0.1** | -0.6 | -0.4 |
| Depreciation | **-1.8** | -1.7 | **-3.6** | -3.2 | -7.3 |
| Translation difference | **-0.4** | 0.2 | **-0.3** | -0.1 | 0.1 |
| Book value at end of period | **62.6** | 63.2 | **62.6** | 63.2 | 63.2 |

**OPERATING SEGMENTS**

| EUR million | 1-6/2012 | 1-6/2011 | 1-12/2011 |
|---|---|---|---|
| NET SALES | | | |
| Energy | **114.8** | 105.9 | 223.2 |
| Industry | **138.7** | 100.3 | 236.5 |
| Urban | **119.7** | 123.7 | 248.0 |
| Management Consulting | **39.4** | 45.3 | 88.2 |
| Unallocated | **-4.3** | 0.1 | 0.2 |
| Total | **408.3** | 375.3 | 796.1 |
| | | | |
| OPERATING PROFIT AND NET PROFIT FOR THE PERIOD | | | |
| Energy | **1.1** | 5.4 | 6.4 |
| Industry | **7.7** | 4.0 | 15.6 |
| Urban | **2.1** | 2.9 | -3.7 |
| Management Consulting | **0.6** | 4.2 | 7.2 |
| Unallocated | **-13.1** | -2.9 | -5.5 |
| OPERATING PROFIT TOTAL | **-1.6** | 13.6 | 20.0 |
| Financial income and expenses | **-0.6** | -1.8 | -2.9 |
| PROFIT BEFORE TAXES | **-2.2** | 11.8 | 17.1 |
| Income taxes | **-3.7** | -4.7 | -8.4 |
| NET PROFIT FOR THE PERIOD | **-5.9** | 7.1 | 8.7 |
| Attributable to: | | | |
| Equity holders of the parent company | **-6.2** | 6.4 | 7.8 |
| Non-controlling interest | **0.3** | 0.7 | 0.9 |
| | | | |
| OPERATING PROFIT % | | | |
| Energy | **0.9** | 5.1 | 2.9 |
| Industry | **5.5** | 4.0 | 6.6 |
| Urban | **1.8** | 2.3 | -1.5 |
| Management Consulting | **1.6** | 9.3 | 8.2 |
| Operating profit % total | **-0.4** | 3.6 | 2.5 |
| | | | |
| OPERATING PROFIT, EXCLUDING RESTRUCTURING COSTS | | | |
| Energy | **1.4** | 5.8 | 9.7 |
| Industry | **7.8** | 3.1 | 14.1 |
| Urban | **2.3** | 4.2 | 3.1 |
| Management Consulting | **0.6** | 4.3 | 7.6 |
| Unallocated | **-4.6** | -1.9 | -4.2 |
| Operating profit total | **7.5** | 15.5 | 30.4 |
| | | | |
| OPERATING PROFIT, EXCLUDING RESTRUCTURING COSTS, % | | | |
| Energy | **1.2** | 5.5 | 4.3 |
| Industry | **5.6** | 3.1 | 6.0 |
| Urban | **1.9** | 3.4 | 1.3 |
| Management Consulting | **1.5** | 9.5 | 8.6 |
| Operating profit % total | **1.8** | 4.1 | 3.8 |
| | | | |
| ORDER STOCK | | | |
| Energy | **250.0** | 207.4 | 216.0 |
| Industry | **113.9** | 232.9 | 187.9 |
| Urban | **256.4** | 273.0 | 269.6 |
| Management Consulting | **23.8** | 28.8 | 20.9 |
| Unallocated | **0.0** | 0.0 | 0.0 |
| Total | **644.1** | 742.1 | 694.4 |
| | | | |
| Consulting and engineering | **631.9** | 648.5 | 636.8 |
| EPC | **12.2** | 93.6 | 57.6 |
| Total | **644.1** | 742.1 | 694.4 |

| | 1-6/2012 | 1-6/2011 | 1-12/2011 |
|---|---|---|---|
| NET SALES BY AREA | | | |
| The Nordic countries | **128.1** | 110.0 | 228.1 |
| Other Europe | **141.3** | 152.2 | 305.3 |
| Asia | **28.7** | 27.5 | 56.4 |
| North America | **14.4** | 18.1 | 33.3 |
| South America | **86.5** | 48.1 | 142.0 |
| Other | **9.3** | 19.4 | 31.0 |
| Total | **408.3** | 375.3 | 796.1 |
| | | | |
| PERSONNEL AT END OF PERIOD | | | |
| Energy | **1 906** | 1 731 | 2 003 |
| Industry | **2 048** | 2 003 | 1 985 |
| Urban | **2 192** | 2 421 | 2 333 |
| Management Consulting | **506** | 496 | 494 |
| Unallocated | **131** | 141 | 137 |
| Total | **6 783** | 6 792 | 6 952 |

**OPERATING SEGMENTS**

| EUR million | 7-9/11 | 10-12/11 | 1-3/12 | 4-6/12 |
|---|---|---|---|---|
| NET SALES | | | | |
| Energy | 53.1 | 64.2 | 55.8 | 59.0 |
| Industry | 62.8 | 73.4 | 72.6 | 66.1 |
| Urban | 57.3 | 67.0 | 61.5 | 58.2 |
| Management Consulting | 20.6 | 22.3 | 20.0 | 19.4 |
| Unallocated | 0.1 | 0.0 | -0.5 | -3.8 |
| Total | 193.9 | 226.9 | 209.5 | 198.8 |
| | | | | |
| OPERATING PROFIT | | | | |
| Energy | 0.4 | 0.6 | 0.2 | 0.9 |
| Industry | 4.6 | 7.0 | 5.2 | 2.5 |
| Urban | 1.1 | -7.7 | 2.3 | -0.2 |
| Management Consulting | 2.0 | 1.0 | 0.4 | 0.2 |
| Unallocated | -1.2 | -1.3 | -9.1 | -4.0 |
| OPERATING PROFIT TOTAL | 6.9 | -0.5 | -1.0 | -0.6 |
| Financial income and expenses | -0.8 | -0.3 | -0.4 | -0.2 |
| PROFIT BEFORE TAXES | 6.1 | -0.8 | -1.4 | -0.8 |
| Income taxes | -2.8 | -0.9 | -2.2 | -1.5 |
| NET PROFIT FOR THE PERIOD | 3.3 | -1.7 | -3.6 | -2.3 |
| Attributable to: | | | | |
| Equity holders of the parent company | 3.1 | -1.7 | -3.9 | -2.3 |
| Non-controlling interest | 0.2 | 0.0 | 0.3 | 0.0 |
| | | | | |
| OPERATING PROFIT % | | | | |
| Energy | 0.8 | 0.9 | 0.4 | 1.5 |
| Industry | 7.3 | 9.5 | 7.2 | 3.8 |
| Urban | 1.9 | -11.5 | 3.7 | -0.3 |
| Management Consulting | 9.7 | 4.5 | 2.0 | 1.0 |
| Group | 3.6 | -0.2 | -0.6 | -0.3 |
| | | | | |
| OPERATING PROFIT, EXCLUDING RESTRUCTURING COSTS | | | | |
| Energy | 1.4 | 2.5 | 0.5 | 0.9 |
| Industry | 3.9 | 7.1 | 5.3 | 2.5 |
| Urban | 1.5 | -2.6 | 2.4 | -0.1 |
| Management Consulting | 2.2 | 1.1 | 0.4 | 0.2 |
| Unallocated | -0.5 | -1.8 | -2.5 | -2.1 |
| Operating profit, excluding restructuring costs, total | 8.5 | 6.3 | 6.2 | 1.3 |
| | | | | |
| OPERATING PROFIT, EXCLUDING RESTRUCTURING COSTS % | | | | |
| Energy | 2.6 | 3.9 | 0.9 | 1.5 |
| Industry | 6.2 | 9.7 | 7.3 | 3.8 |
| Urban | 2.6 | -3.9 | 3.9 | -0.2 |
| Management Consulting | 10.7 | 4.9 | 2.0 | 1.0 |
| Group | 4.4 | 2.8 | 3.0 | 0.7 |
| | | | | |
| ORDER STOCK | | | | |
| Energy | 215.7 | 216.0 | 259.1 | 250.0 |
| Industry | 217.7 | 187.9 | 146.0 | 113.9 |
| Urban | 262.8 | 269.6 | 270.2 | 256.4 |
| Management Consulting | 28.2 | 20.9 | 21.3 | 23.8 |
| Unallocated | 0.0 | 0.0 | 0.3 | 0.0 |
| Total | 724.4 | 694.4 | 696.9 | 644.1 |
| | | | | |
| Consulting and engineering | 655.2 | 636.8 | 671.1 | 631.9 |
| EPC | 69.2 | 57.6 | 25.8 | 12.2 |
| Total | 724.4 | 694.4 | 696.9 | 644.1 |

**OPERATING SEGMENTS**

| EUR million | 7-9/10 | 10-12/10 | 1-3/11 | 4-6/11 |
|---|---|---|---|---|
| NET SALES | | | | |
| Energy | 47.6 | 47.5 | 53.6 | 52.3 |
| Industry | 37.2 | 46.7 | 44.6 | 55.7 |
| Urban | 58.2 | 71.8 | 60.2 | 63.5 |
| Management Consulting | 18.0 | 19.9 | 21.7 | 23.6 |
| Unallocated | 0.2 | 0.1 | 0.0 | 0.1 |
| Total | 161.2 | 186.0 | 180.0 | 195.3 |
| | | | | |
| OPERATING PROFIT | | | | |
| Energy | 1.3 | 2.8 | 3.3 | 2.1 |
| Industry | -0.8 | -5.0 | 0.9 | 3.1 |
| Urban | 1.3 | 9.1 | 1.8 | 1.1 |
| Management Consulting | -1.0 | 1.8 | 1.4 | 2.8 |
| Unallocated | -0.6 | -2.8 | -1.0 | -1.9 |
| OPERATING PROFIT TOTAL | 0.1 | 6.1 | 6.4 | 7.2 |
| Financial income and expenses | -0.9 | 0.3 | -1.6 | -0.2 |
| PROFIT BEFORE TAXES | -0.8 | 6.4 | 4.8 | 7.0 |
| Income taxes | -1.3 | -1.3 | -2.1 | -2.6 |
| NET PROFIT FOR THE PERIOD | -2.1 | 5.1 | 2.7 | 4.4 |
| Attributable to: | | | | |
| Equity holders of the parent company | -2.3 | 5.0 | 2.3 | 4.1 |
| Non-controlling interest | 0.2 | 0.1 | 0.4 | 0.3 |
| | | | | |
| OPERATING PROFIT % | | | | |
| Energy | 2.7 | 6.0 | 6.2 | 4.0 |
| Industry | -2.2 | -10.7 | 2.0 | 5.6 |
| Urban | 2.2 | 12.7 | 3.0 | 1.7 |
| Management Consulting | -5.6 | 9.2 | 6.5 | 11.9 |
| Operating profit % total | 0.1 | 3.3 | 3.5 | 3.7 |
| | | | | |
| OPERATING PROFIT, EXCLUDING RESTRUCTURING COSTS | | | | |
| Energy | 1.1 | 3.8 | 3.3 | 2.5 |
| Industry | -1.0 | 0.1 | 0.9 | 2.2 |
| Urban | 1.3 | 10.3 | 1.9 | 2.3 |
| Management Consulting | -0.8 | 1.6 | 1.4 | 2.9 |
| Unallocated | -0.6 | -2.3 | -1.0 | -0.9 |
| Operating profit, excluding restructuring costs, total | 0.1 | 13.5 | 6.5 | 9.0 |
| | | | | |
| OPERATING PROFIT, EXCLUDING RESTRUCTURING COSTS % | | | | |
| Energy | 2.3 | 8.0 | 6.2 | 4.8 |
| Industry | -2.7 | 0.2 | 2.0 | 3.9 |
| Urban | 2.2 | 14.3 | 3.2 | 3.6 |
| Management Consulting | -4.4 | 8.0 | 6.5 | 12.3 |
| Group | 0.1 | 7.3 | 3.6 | 4.6 |
| | | | | |
| ORDER STOCK | | | | |
| Energy | 194.2 | 191.6 | 190.2 | 207.4 |
| Industry | 72.5 | 66.0 | 237.8 | 232.9 |
| Urban | 255.9 | 245.7 | 261.2 | 273.0 |
| Management Consulting | 21.1 | 22.9 | 27.4 | 28.8 |
| Unallocated | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 543.7 | 526.2 | 716.7 | 742.1 |
| | | | | |
| Consulting and engineering | 538.5 | 521.1 | 618.0 | 648.5 |
| EPC | 5.2 | 5.1 | 98.7 | 93.6 |
| Total | 543.7 | 526.2 | 716.7 | 742.1 |

## 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**

$$\frac{\text{equity attributable to the equity holders of the parent company}}{\text{issue-adjusted number of shares at the end of the fiscal year}}$$

**ACQUISITIONS**

**During the reporting period 1 January - 30 June 2012 there were no acquisitions.**

| **Acquisitions 2011**<br>**Name and business** | **Acquisition date** | **Acquired interest %** |
|---|---|---|
| **Pöyry SwedPower AB**<br>Acquisition of parts of the engineering consulting business of the Swedish company Vattenfall Power Consultant AB. The business, focusing on hydro power, wind power and power networks as well as thermal power, has been incorporated into a newly established company, Pöyry SwedPower AB. The company is based in Sweden, employing 245 persons. | 15 July 2011 | 100 |
| **Paul Keller Ingenieure AG**<br>The company is a highly specialized engineering consultancy company active in the provision of electrical engineering and consultancy services, particularly for rail, metro, tunnels and other complex traffic systems. The company is based close to Zürich, Switzerland, employing 42 persons. | 10 May 2011 | 100 |
| **Pöyry Telecom Oy**<br>The shareownership in the company has been increased from 80.0 per cent to 100 per cent.<br>The company has been merged with Pöyry Finland 30 April 2012. | 17 June 2011<br>30 September 2011 | 17.5<br>2.5 |

**Aggregate figures for the above acquisitions**

| EUR million | **1-6/2011** | 1-12/2011 |
|---|---|---|
| **Purchase price** | | |
| Fixed price, paid | 4.1 | 21.6 |
| Earnout estimate | 0.0 | 8.7 |
| Total | **4.1** | **30.3** |
| **Price allocation** | | |
| Equity | -0.3 | 1.7 |
| Non-controlling interest | 0.0 | 0.2 |
| Total | **-0.3** | **1.9** |
| **Remaining** | **4.4** | **28.3** |
| Intangible rights | 0.0 | 7.2 |
| Goodwill | 4.4 | 21.1 |
| **Total** | **4.4** | **28.3** |

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

**Non-controlling interest**

The non-controlling interest is measured at the proportionate interest of the net asset of the acquired company.

| | | |
|---|---|---|
| **Acquisition related costs** | | |
| The costs are included in other operating expenses | **0.0** | **0.8** |
| **Impact on the Pöyry Group's number of personnel** | **42** | **289** |

**Impact on the Pöyry Group's assets and liabilities**
EUR million

| | 30 June 2011 | 31 Dec. 2011 |
|---|---|---|
| Intangible assets | 0.1 | 0.1 |
| Tangible assets | 0.1 | 0.2 |
| Deferred tax receivables | 0.2 | 0.2 |
| Work in progress | 0.0 | 1.2 |
| Accounts receivable | 1.5 | 1.7 |
| Other receivables | 0.0 | 7.0 |
| Cash and cash equivalents | 0.5 | 1.1 |
| **Assets total** | **2.4** | **11.5** |
| | | |
| Interest bearing liabilities | 0.2 | 0.2 |
| Pension obligations | 1.2 | 1.2 |
| Project advances | 0.0 | 0.2 |
| Accounts payable | 0.7 | 1.2 |
| Other current liabilities | 0.8 | 7.0 |
| **Liabilities total** | **2.9** | **9.8** |
| | | |
| Net identifiable assets and liabilities | -0.5 | 1.7 |
| Non-controlling interest | -0.2 | 0.2 |
| | | |
| Total cost of business combinations | **4.1** | **30.3** |
| | | |
| Intangible rights | 0.0 | 7.2 |
| **Goodwill** | **4.4** | **21.2** |
| | | |
| Consideration paid, satisfied in cash | 4.1 | 30.3 |
| Unpaid share | 0.0 | 8.7 |
| Acquisition related costs | 0.0 | 0.8 |
| Cash acquired | 0.5 | 1.1 |
| **Net cash outflow** | **3.6** | **21.3** |

Based on the purchase agreements the companies acquired during the year are consolidated 100% into the Pöyry Group as of the end of the month when acquired.

As the acquisitions are individually immaterial, the above information is disclosed in aggregate.

**CHANGES IN GOODWILL AND INTANGIBLE RIGHTS**

| EUR million | **4-6/2012** | 4-6/2011 | **1-6/2012** | 1-6/2011 | 1-12/2011 |
|---|---|---|---|---|---|
| Book value at beginning of period, goodwill | **130.5** | 115.6 | **131.4** | 116.7 | 116.7 |
| Book value at beginning of period, intangible rights | **8.5** | 1.2 | **8.5** | 1.2 | 1.2 |
| Increase in goodwill | **0.0** | 9.7 | **0.0** | 9.7 | 26.5 |
| Increase in intangible rights | **0.0** | 0.0 | **0.0** | 0.0 | 7.2 |
| Decrease in goodwill | **0.0** | -11.8 | **-1.9** | -11.9 | -12.1 |
| Depreciation of intangible rights | **0.0** | -0.1 | **-0.1** | -0.1 | -0.1 |
| Exchange differences, goodwill | **0.9** | 1.5 | **1.9** | 0.5 | 0.3 |
| Exchange differences, intangible rights | **0.0** | 0.0 | **0.1** | 0.0 | 0.2 |
| Book value at end of period | **139.9** | 116.1 | **139.9** | 116.1 | 139.9 |
| | | | | | |
| Goodwill | **131.4** | 115.0 | **131.4** | 115.0 | 131.4 |
| Intangible rights | **8.5** | 1.1 | **8.5** | 1.1 | 8.5 |

Purchase price from business acquisitions allocated to intangible rights, which are subject to annual impairment test.