

Jaakko Pöyry Group Annual Report 2000





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We operate globally.

We have interdisciplinary expertise.

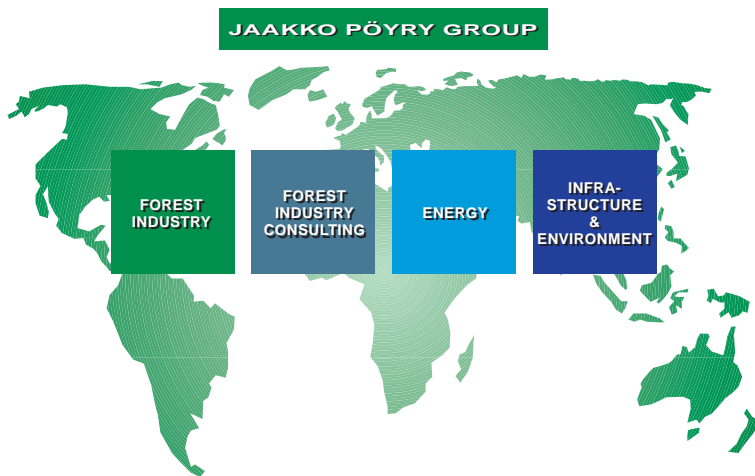
We are pioneers in utilising new technology.

We believe in our capacity for development.

Jaakko Pöyry Group

The Jaakko Pöyry Group is a client- and technology-oriented globally operating consulting and engineering firm. The Group offers services related to consulting, project development and implementation, and operations management and maintenance planning in all of its business sectors.

The Group's business concept is based on early involvement in its clients' business development. The Group offers innovative and value-added solutions and a full range of consulting and engineering services representing the most modern technology and expertise. The Jaakko Pöyry Group consists of four business groups, which are globally responsible for their operations.



Forest Industry

The Forest Industry business group is a world leading supplier of EPCM (Engineering, Procurement, Construction Management) services for forest industry investment projects. Services are divided into three practice areas: new projects, rebuilds and maintenance services. The business group's services cover all phases of a forest industry project, from preliminary engineering to project implementation, including operations improvement and maintenance. The business group uses the name **Jaakko Pöyry**.

Forest Industry Consulting

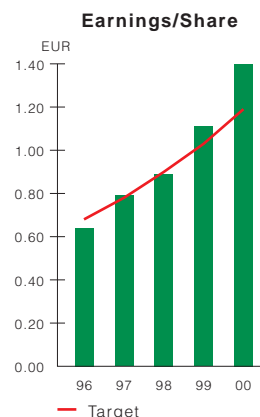
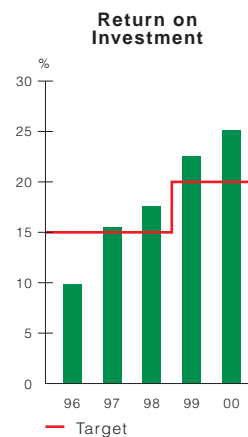
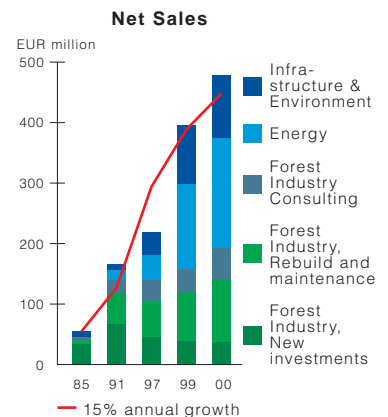
The Forest Industry Consulting business group is a world market leader for forest industry consulting services and a forerunner in developing new solutions. The business group offers leading-edge consulting services with the aim of improving client companies' profitability. It has special expertise related to strategic advice, mergers and acquisitions and the forest industry's raw material supply questions. The business group uses the name **Jaakko Pöyry Consulting**.

Energy

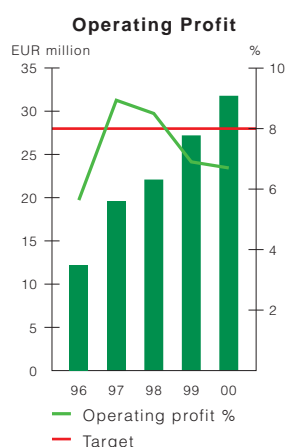
Combining technical, economic and environmental know-how, the Energy business group is an international provider of energy services. Its services cover the whole value chain, from strategic planning and project development to engineering services and project implementation. Its special expertise includes hydropower, bioenergy, combined heat and power generation, district heat and waste management. The business group uses the name **Electrowatt-Ekono**.

Infrastructure & Environment

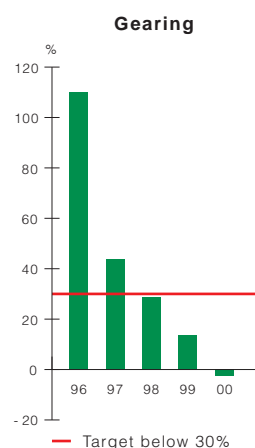
The Infrastructure & Environment business group offers its clients solid technological expertise related to traffic systems, water and environmental projects, and implementation of telecommunication and construction projects. Services consist of consulting and development services, engineering and project management, and operating and maintenance expertise. The business group uses the name **Jaakko Pöyry Infra**.



Highlights 2000



Key Figures	1999	2000	Change, %	Financial targets
Net sales, EUR million	395.4	474.5	20.0	
Operating profit, EUR million	27.2	31.8	17.2	
Operating profit, %	6.9	6.7		8 %
Profit after financial items, EUR million	25.3	30.1	19.3	
Profit after financial items, %	6.4	6.4		
Earnings/share, EUR	1.11	1.40	26.1	15 %
Return on investment, %	22.6	25.1		> 20 %
Gearing, %	13.5	- 2.5		< 30 %
Dividend/earnings ratio, %	40.5	42.8		40 %
Order stock, EUR million	348.9	305.5		
Personnel in group companies	4 472	4 572		
Personnel in associated companies	146	174		



Jaakko Pöyry Group clearly exceeded its financial targets for 2000. Earnings per share increased by 26.1 per cent and were EUR 1.40. The Board of Directors proposes a dividend of EUR 0.60, an increase of 33.3 per cent. The return on investment improved by 2.5 percentage points to 25.1 per cent.

The share price developed favourably. Jaakko Pöyry Group market capitalisation at the end of the year 2000 was EUR 247.0 million. The share price rose 24.1 per cent during the year from EUR 14.50 to EUR 18.00. The HEX portfolio index of Helsinki Exchanges decreased during the same period by 24.9 per cent.

The Forest Industry business group strengthened its market position in North and South America. Several important assignments were received in both regions including expansions for Aracruz Celulose S.A., Madison Paper Co. and Madison Paper Industries Inc.

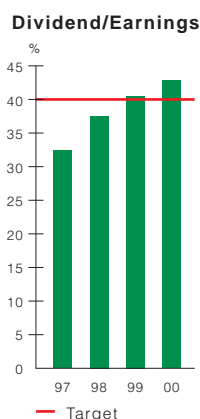
JP Capital International exceeded set targets. Jaakko Pöyry Consulting's investment banking arm received a total of 14 mandates, primarily from European-based clients, and completed four acquisitions. The forest industry's consolidation and globalisation are continuing. This creates new business opportunities.

Energy business group launched several new products, such as benchmarking methods, Rehabilitate-Operate-Transfer (ROT) services and operating and maintenance services, on the market. Electrowatt-Ekono and Private Energy Market Fund established Inesco, a company specialising in implementation of energy-saving investment projects.

Jaakko Pöyry selected telecommunications as a growth area and redirected the strategy of the Infrastructure & Environment business group. In June, Jaakko Pöyry Group Oyj subscribed thirty per cent of the shares in EPStar Oy, a company specialising in consulting services and network planning for the telecommunications sector. EPStar supplements the Group's service package in the areas of network planning and network integration. The net sales to clients in the telecommunications sector amounted to about EUR 10 million in the year 2000. The Group aims to double the volume of this business during 2001 and 2002.

Efforts to develop new business activities were intensified. Investments were fo-cused on commercialisation of various computer applications and product innovations related to the Group's IT-based products. In January 2001, Jaakko Pöyry Group and Elisa Communications Oyj jointly established Inforbis Oy, a company that offers sector-specific web-based service concepts.

Jaakko Pöyry Group has a solid platform for 2001. Taking into account the market situation, the prospects of the business groups, and the order stock, the Group is in a good position to reach the financial targets defined in its strategy.



Strategy

Mission

The Jaakko Pöyry Group's mission is to anticipate and fulfil the clients' requirements in order to improve their competitiveness. This objective is pursued by providing clients with a full range of leading-edge solutions and services within consulting, project development and implementation, operations improvement and maintenance planning. Focus of operations is within the areas Forest Industry, Energy, Infrastructure and Environment.

Jaakko Pöyry Group aims at attracting people with drive and ability to work towards the company's objectives. The Group offers a challenging and motivating international working environment in an expert organisation emphasising quality and continuous development.

Jaakko Pöyry Group aims at securing a competitive long-term return for the shareholders by ensuring a leading position in chosen business areas and by actively managing and integrating the Group's resources, know-how and operations. The target is to achieve an average annual increase of earnings per share of 15 per cent.

Business Concept

The Group's business concept is based on early involvement in clients' business development, provision of innovative and value-added solutions and a full range of services, from individual consulting and engineering assignments to management and implementation of complex projects. Services are provided through the Group's own resources in key areas of consulting, technology, engineering and management, complemented through partnerships and alliances.

Market Position

Jaakko Pöyry Group is regarded the preferred supplier by the leading companies within its business areas. The position within the core areas is:

Forest Industry

Jaakko Pöyry Group is the global market leader in providing EPCM (Engineering, Procurement, Construction Management), services for the pulp and paper industry's new projects and rebuilds. The local office network covers all major pulp and paper producing areas in the world. The Group is the premiere global management consulting network serving the forestry and forestry industry cluster.

Energy

Jaakko Pöyry Group is the leading international energy consulting and engineering company specialising in hydropower, CHP (Combined Heat and Power), waste to energy and biofuels. The local office network covers Europe, Asia and Middle East.

Infrastructure & Environment

Jaakko Pöyry Group has an international business approach and position within transportation, water and environment. The Group is the market leader in construction services in selected countries. The local office network covers Europe and Asia.

Global Synergies

Jaakko Pöyry Group's organisation is based on business areas that have global responsibility. Synergies within the Group are realised through joint projects, complementary services and technological capabilities, joint marketing, common systems, tools and methods, and a common office network. The Group also takes responsibility for corporate services, such as financing, legal matters, investor relations, human resources development and IT.

President's Review



Erkki Pehu-Lehtonen
President and CEO
Jaakko Pöyry Group Oyj

Jaakko Pöyry Group Oyj's business operations continued to develop favourably during the year 2000. The Group exceeded clearly its main financial objectives. Earnings per share rose by 26.1 per cent and the return on investment was 25.1 per cent (22.6 per cent in 1999), which is the highest figure since the Jaakko Pöyry Group was listed. We are also financially strong; the net debt/equity ratio (gearing) was - 2.5 (13.5) per cent at the end of the year. Net sales increased to EUR 474.5 (395.4) million and earnings after financial items amounted to EUR 30.1 (25.3) million.

Our objective is to become a technology and market leader in all of our main business sectors and to be viewed as the preferred supplier of our leading client companies. In a changing and globalising business environment, this means that we must have the ability to remodel business concepts and foresee clients' needs. Also, we must continuously develop our employees' competences and the quality and efficiency of our operations. We have successfully responded to these challenges and they will continue to be at the core of the Group's future development. We will also continue to strengthen and expand our local office networks and to develop value-added solutions for our clients' individual needs in all of our business sectors.

The Jaakko Pöyry Group's success has always rested on solid expertise in each of its business sectors. We have pioneered the development and application of new information technology and information management applications. During the year under review we also made a concerted effort to commercialise the services related to these applications. New product and service concepts, combining business sector expertise, information technology and a lifecycle approach to business operations, will represent one of the Jaakko Pöyry Group's most important growth areas. Other major growth areas are IT-based local services, mergers and acquisitions advice related to industry consolidation, environmentally friendly technologies, and services related to development of telecommunications infrastructure.

In spite of economic uncertainties, especially in North America, the prospects for 2001 are favourable in all of our business groups and our order stock is good, totalling EUR 305.5 (348.9) million. The Group's strong market position and comprehensive product and service mix provide a good platform for achieving our main financial objectives also in 2001.

I would like to thank our clients, employees, shareholders and partners for their trust and good co-operation during the past year.

A handwritten signature in blue ink, consisting of a stylized first name and a horizontal line for a surname.

Erkki Pehu-Lehtonen

Shareholders and Shares

Major Shareholders

	Per cent of shares and voting rights
Corbis S.A.	25.2
Odin Norden	6.0
Procurator Oy	4.1
Mutual Pension Insurance Company Varma-Sampo	3.1
Sampo Life Insurance Company Ltd	2.5
Mutual Life Assurance Company Suomi	1.5
Pohjola Life Assurance Company Ltd	1.5
Odin Finland	1.4
Merita Life Assurance Ltd	1.2
Mutual Insurance Company Pension Fennia	0.8
Others	52.7
Total	100.0

5 876 199 of the shares were nominee-registered, representing 42.8 per cent of the shares.

Management's Shareholding

The members of the Board of Directors, the President and CEO and the Executive Vice President own 24 510 shares through direct ownership, and 593 900 through controlled ownership, corresponding to 4.5 per cent of the shares. In addition, they own warrants entitling them to subscribe 206 000 shares, representing 1.4 per cent of the shares after subscription. Henrik Ehrnrooth, member of the Board of Directors, together with his brothers Georg Ehrnrooth and Carl-Gustaf Ehrnrooth, indirectly holds a controlling interest in Corbis S.A.

Ownership Structure by Type of Shareholder

	Owners, pcs	Per cent of owners	Per cent of shares and voting rights
Companies	70	7.7	5.9
Financial and insurance institutions	20	2.2	10.7
Households	784	85.7	2.8
Outside Finland and nominee registered	22	2.4	75.5
General government and non-profit associations	18	2.0	5.1
Total	914	100.0	100.0

Ownership Structure by Number of Shares Owned

Number of shares, pcs	Owners, pcs	Per cent of owners	Per cent of shares and voting rights
1 – 100	307	33.6	0.2
101 – 200	205	22.4	0.3
201 – 300	90	9.8	0.2
301 – 500	90	9.8	0.3
501 – 1 000	90	9.8	0.6
1 001 – 2 000	46	5.0	0.6
2 001 – 5 000	29	3.2	0.7
5 001 –	57	6.4	97.1
Total	914	100.0	100.0

Source: The Finnish Central Securities Depository Ltd, December 31, 2000.

Share Capital and Shares

Date of share issues	Share capital EUR 1000	Share premium reserve EUR 1000	Legal reserve EUR 1000	Shares 1000 pcs	Nominal value EUR/share
December 23, 1994	3		0	15	0.17
March 7, 1995	8 409		0	50 000	0.17
December 21, 1995	8 578		1 682	51 000	0.17
December 31, 1996	8 578		1 682	51 000	0.17
May 12, 1997	10 259		20 183	61 000	0.17
September 29, 1997	10 259		20 183	12 200	0.84
December 2, 1997	11 521	15 058	20 183	13 700	0.84
June 11, 1999	11 998	20 117	20 183	14 267	0.84
March 20, 2000, cancellation of shares	11 496	20 619	20 183	13 670	0.84
March 20, 2000	13 670	20 619	18 008	13 670	1.00
August 7, 2000, subscription with warrants	13 724	21 149	18 008	13 724	1.00
April 30, 2005 if subscription with all the warrants	14 970			14 970	1.00

The share capital was converted into euros on March 20, 2000.

According to the company's Articles of Association, the issued share capital must not be less than EUR 10 000 000 nor more than EUR 40 000 000.

The book value of the share is EUR 1.00. The company has one series of shares. The shares carry one vote per share and all shares carry equal rights to dividends.

The Company's Own Shares

The Board of Directors is authorised until March 8, 2001 to acquire and convey the company's own shares to a maximum of 5.0 per cent of the company's share capital.

The Board of Directors proposes to the Annual General Meeting on March 8, 2001 that the Board be authorised to acquire and convey the company's own shares to a maximum of 5.0 per cent of the company's share capital.

Authorisation to Issue New Shares

The Board of Directors has until March 8, 2001 been authorised to raise the share capital by a maximum of EUR 1 000 000 by issuing for subscription a maximum of 1 000 000 new shares.

The Board of Directors proposes to the Annual General Meeting on March 8, 2001 that the Board be authorised to raise the share capital by a total of EUR 1 000 000 by issuing a maximum of 1 000 000 new shares.

Bond Loan with Warrants

Jaakko Pöyry Group Oyj issued in 1998 a bond loan with warrants for subscription by the Jaakko Pöyry Group's personnel and by the members of the parent company's Board of Directors and by the group company JP-Sijotus Oy. The bond loan with warrants is part of the group's employee incentive scheme.

The amount of the loan is EUR 2 186 443, the loan is dated May 15, 1998 and repayable on May 15, 2001 and the interest rate is 3.0 per cent p.a. The bond loan has been fully subscribed.

The 1 300 000 warrants connected to the loan allow subscription of 1 300 000 new shares in the company. After the subscriptions, the new shares equal 8.7 per cent of the total number of shares. The share capital can be increased by a maximum of EUR 1 300 000. The subscription period for 390 000 warrants started on April 1, 2000 and starts for 390 000 warrants on April 1, 2001 and for 520 000 warrants on April 1, 2002. The subscription period for all warrants ends on April 30, 2005. With warrants were 54 000 shares subscribed in year 2000 and 20 100 shares in year 2001.

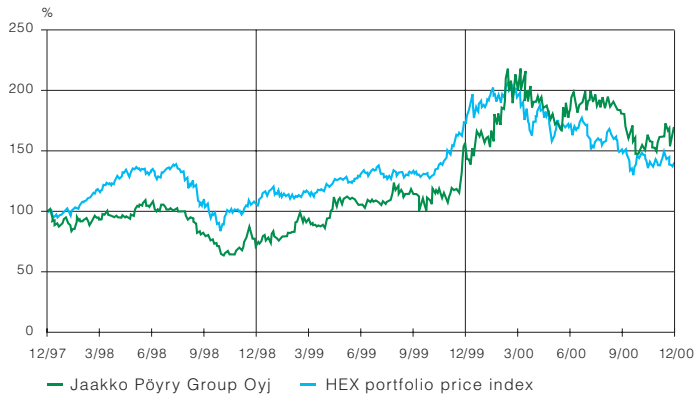
The subscription price of one new share is EUR 11.60. The subscription price shall be reduced by the amount of dividends to be paid after March 30, 1998 and before the share subscription on the relevant record date of each dividend distribution.

Dividend Policy

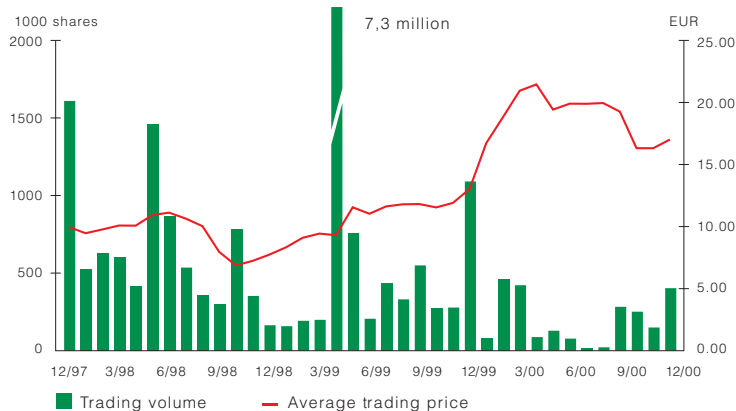
The dividend distributed by Jaakko Pöyry Group Oyj is dependent on the company's earnings and investment requirements. The objective is to increase the dividend per share from year to year, and to ensure that at least 40.0 per cent, or more, of earnings are distributed each year. Should the company have a need to expand its technology base by investing in acquisitions, or to expand its office network, the dividend-to-earnings ratio may be changed.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.60 per share, i.e. 42.8 per cent of earnings, be paid for 2000. This is EUR 0.15 (33.3 per cent) more per share than in 1999.

Development of the Share Price on Helsinki Exchanges



Trading Volume of Shares and Average Trading Price



Market Capitalisation

Jaakko Pöyry Group Oyj's market capitalisation at the end of year 2000 was EUR 247.0 million. The share price developed favourably, the share price rose during the year from EUR 14.50 to EUR 18.00 equalling 24.1 per cent. The HEX portfolio index of Helsinki Exchanges decreased during the same period by 24.9 per cent. In 2000 the highest share price was EUR 24.00 and the lowest share price was EUR 15.00.

In 2000 2 385 424 shares (17.4 per cent) of Jaakko Pöyry Group Oyj were traded in Helsinki Exchanges. The corresponding numbers in 1999 were 11 747 044 shares (83.4 per cent). The monthly average number of shares traded in 2000 was 198 785 (978 920).

Quotation and Trading Code

The shares of Jaakko Pöyry Group Oyj have been quoted on the Helsinki Exchanges since December 1997. Trading code and trading lot are:

Helsinki Exchanges JPG1V

Trading lot 100 shares

Investor Relations

The primary and ultimate objective of the investor relations function is to make Jaakko Pöyry Group Oyj's share into an attractive investment and to raise the value of the company's share to a level which reflects the company's financial performance and growth prospects. The Jaakko Pöyry Group aims at keeping the investment community well informed about events that affect the Group's future success, including management actions and strategic decisions. This is achieved by keeping regular contact with analysts, investors, current and future shareholders, and the media.

The Jaakko Pöyry Group aims to secure a competitive long-term return for its shareholders by actively managing the Group's financial resources, know-how and business operations, and by safeguarding the company's leading position in selected business sectors. The target is to provide the shareholders with a competitive return on capital invested. Major targets are to achieve an average annual increase in earnings per share of more than 15 per cent and a return on investment of more than 20 per cent.

Jaakko Pöyry Group's Leading Principles in Handling Investor Relations

- consistent and adequate information at all times
- equal and simultaneous information for all investors
- the commitment and availability of top management
- honesty, openness and service-mindedness

Contacts with Shareholders, Investors and Analysts

The main tools in handling investor relations are tailor-made road shows, regular investor days, stock exchange notices and press releases, articles in trade magazines, the annual report and interim reports.

During the year 2000 the Jaakko Pöyry Group arranged road shows in London and Paris. In the spring, the company participated in a road show aimed at private investors, organised by the Finnish Foundation for Share Promotion, presenting its business operations to more than 340 investors in Helsinki, Oulu and Tampere. In addition, the Jaakko Pöyry Group attended seminars arranged by investment banks and banking firms and participated in the Investors' Fair 2000 in Helsinki. A Capital Market Day was arranged in Zurich to provide investors with more detailed information on the operations of the Energy and the Infrastructure & Environment business groups, and to give analysts, investors and the press an opportunity to meet the business groups' management and the company's top management. A total of 33 stock exchange notices were published during the year, supplemented with press conferences when publishing financial figures.

Updated and more detailed information about the Jaakko Pöyry Group as an investment is available on the website www.poyry.com.



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Key Figures

Key Figures for the Group

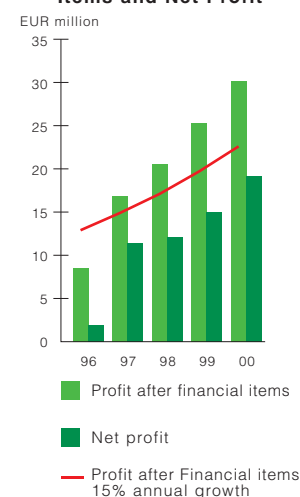
EUR million

Statement of Income	1996	1997	1998	1999	2000
Consulting and engineering	201.1	206.6	230.3	363.8	408.2
EPC	8.8	12.7	29.4	31.6	66.3
Net sales total	209.9	219.3	259.7	395.4	474.5
Change in net sales, %	- 18.4	4.5	18.4	52.3	20.0
Other operating income	4.0	2.3	2.0	5.1	2.2
Share of associated companies' results	0.1	0.3	1.5	0.7	- 0.1
Operating expenses	191.6	191.7	231.5	360.8	431.7
Depreciation of consolidation goodwill	2.7	2.7	2.9	3.7	4.0
Other depreciation and value decrease	7.5	7.9	6.7	9.5	9.1
Operating profit	12.2	19.6	22.1	27.2	31.8
Proportion of net sales, %	5.8	9.0	8.5	6.9	6.7
Financial income and expenses	- 3.7	- 2.7	- 1.5	- 1.9	- 1.7
Proportion of net sales, %	1.8	1.2	0.6	0.5	0.4
Profit after financial items	8.5	16.9	20.6	25.3	30.1
Proportion of net sales, %	4.0	7.7	7.9	6.4	6.4
Extraordinary items	- 6.3	- 0.1	0.0	0.0	0.0
Profit before appropriations, taxes and minority interest	2.2	16.8	20.6	25.3	30.1
Proportion of net sales, %	1.0	7.7	7.9	6.4	6.4
Appropriations	2.4	2.4			
Taxes	- 1.9	- 6.5	- 8.0	- 8.9	- 9.0
Minority interest	- 0.8	- 1.3	- 0.5	- 1.4	- 1.9
Net profit for the period	1.9	11.4	12.1	15.0	19.2

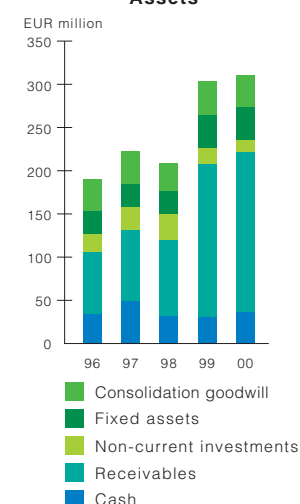
Balance Sheet

Intangible assets	1.6	2.7	2.7	5.3	6.6
Consolidation goodwill	36.2	34.8	32.6	40.0	35.8
Tangible assets	25.6	26.7	24.8	33.3	32.7
Non-current investments	22.0	28.7	29.1	17.6	13.4
Work in progress	2.6	8.4	10.2	44.7	62.0
Receivables	68.3	73.7	72.8	126.9	122.3
Own shares	0.0	0.0	5.5	5.5	0.0
Current investments, cash in hand and at banks	34.4	49.2	29.4	30.7	37.5
Assets total	190.7	224.2	207.1	304.0	310.3
Shareholders' equity	16.9	63.2	71.4	87.6	97.4
Preferred capital notes	20.2	0.0	0.0	0.0	0.0
Minority interest	4.7	5.8	5.3	4.9	5.2
Interest bearing liabilities	80.6	79.5	49.8	42.4	34.9
Advances received	9.2	16.3	21.3	55.6	67.5
Other non-interest bearing liabilities	59.1	59.4	59.3	113.5	105.3
Liabilities total	190.7	224.2	207.1	304.0	310.3

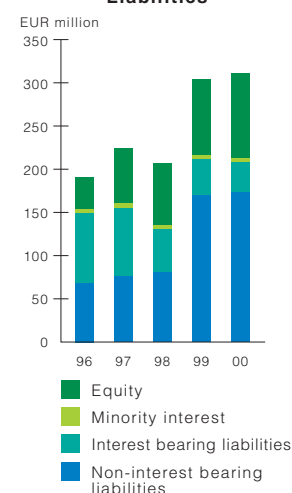
Profit after Financial Items and Net Profit



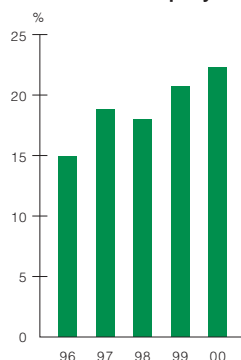
Assets



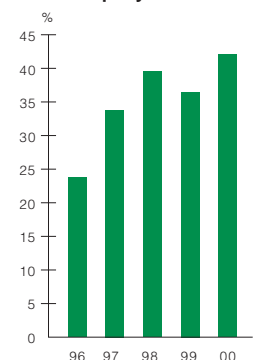
Liabilities



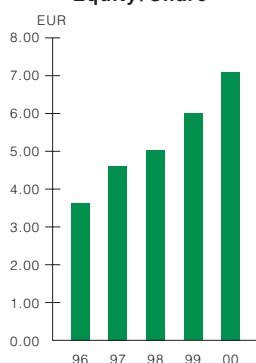
Return on Equity



Equity Ratio



Shareholders' Equity/Share



Profitability and other Key Figures	1996	1997	1998	1999	2000
Return on investment, %	9.9	15.5	17.6	22.6	25.1
Return on equity, %	14.9	18.8	18.0	20.7	22.3
Equity ratio, %	23.8	33.8	39.5	36.5	42.2
Equity/Assets ratio, %	21.9	30.8	35.3	29.1	33.3
Net debt/Equity ratio (gearing), %	110.6	44.0	28.8	13.5	- 2.5
Current ratio	1.4	1.8	1.4	1.1	1.2
Consulting and engineering, EUR million	91.0	95.5	108.4	292.3	278.7
EPC, EUR million	23.4	45.3	58.7	56.6	26.8
Order stock total, EUR million	114.4	140.8	167.1	348.9	305.5
Capital expenditure, operating, EUR million	5.0	7.3	4.9	11.1	9.9
Proportion of net sales, %	2.4	3.3	1.9	2.8	2.5
Capital expenditure in shares, EUR million	0.0	8.7	2.2	16.3	1.3
Proportion of net sales, %	0.0	4.0	0.8	4.1	0.3
Personnel in group companies in average	2 772	2 690	2 919	4 222	4 558
Personnel in associated companies in average	2 056	2 250	2 710	239	159
Personnel in group companies at year-end	2 646	2 775	2 977	4 472	4 572
Personnel in associated companies at year-end	2 001	3 024	2 577	146	174

Key Figures for the Shares

Earnings/share, EUR	0.64	0.79	0.89	1.11	1.40
Corrected with dilution effect			0.81	1.00	1.28
Shareholders' equity/share, EUR	3.64	4.61	5.03	6.00	7.10
Dividend, EUR million	0.0	3.0	4.4	6.2	8.2 ¹⁾
Dividend/share, EUR	0.0	0.22	0.34	0.45	0.60 ¹⁾
Dividend/earnings, %	0.0	32.4	37.6	40.5	42.8
Effective return on dividend, %	0.0	2.2	4.1	3.1	3.3
Price/earnings multiple		12.3	9.2	13.1	12.8
Issue-adjusted trading prices, EUR					
Average trading price		9.97	9.71	10.18	18.64
Highest trading price		10.93	11.60	16.80	24.00
Lowest trading price		9.08	6.56	7.70	15.00
Closing price at year-end		9.75	8.22	14.50	18.00
Total market value of shares, outstanding shares, EUR million		133.6	107.8	198.2	247.0
Total market value of shares, own shares, EUR million			4.9	8.7	
Trading volume of shares					
Shares, 1 000 pcs		1 610	6 996	11 747	2 385
Proportion of the total volume, %		13.8	51.1	83.4	17.4
Issue-adjusted number of outstanding shares, 1 000 pcs ²⁾					
In average	10 200	11 658	13 480	13 492	13 692
At year-end	10 200	13 700	13 103	13 670	13 724

1) Board of Directors' proposal. 2) Total number of shares, see page 7.

Business Groups

EUR million	1-3/99	4-6/99	7-9/99	10-12/99	1-3/00	4-6/00	7-9/00	10-12/00	1-12/99	1-12/00
Net Sales										
Forest Industry	30.6	30.0	24.9	34.1	36.2	37.2	35.7	31.7	119.6	140.8
Forest Industry Consulting	9.6	10.0	9.3	10.3	11.8	15.3	12.6	13.3	39.2	53.0
Energy	30.9	33.7	29.7	45.4	40.4	48.3	45.2	47.0	139.7	180.9
Infrastructure & Environment	22.8	23.6	22.4	28.5	25.9	23.0	24.9	28.9	97.3	102.7
Other	0.4	- 0.1	- 0.1	- 0.6	0.4	0.4	0.2	- 3.9	- 0.4	- 2.9
Total	94.3	97.2	86.2	117.7	114.7	124.2	118.6	117.0	395.4	474.5

Operating Profit and Profit after Financial Items

Forest Industry	3.6	3.1	2.9	3.9	3.7	1.9	2.9	4.2	13.5	12.7
Forest Industry Consulting	0.2	0.0	0.3	1.0	0.5	2.9	1.2	0.2	1.5	4.8
Energy	1.3	2.1	1.5	4.3	2.4	2.3	1.0	2.4	9.2	8.1
Infrastructure & Environment	1.6	2.1	2.1	1.8	2.1	1.0	2.8	2.7	7.6	8.6
Other	- 1.0	- 0.8	- 0.6	- 2.2	- 1.6	- 0.5	0.4	- 0.7	- 4.6	- 2.4
Operating profit total	5.7	6.5	6.2	8.8	7.1	7.6	8.3	8.8	27.2	31.8
Financial items	- 0.4	- 0.4	- 0.3	- 0.8	- 0.7	- 0.7	- 0.3	0.0	- 1.9	- 1.7
Profit after financial items	5.3	6.1	5.9	8.0	6.4	6.9	8.0	8.8	25.3	30.1

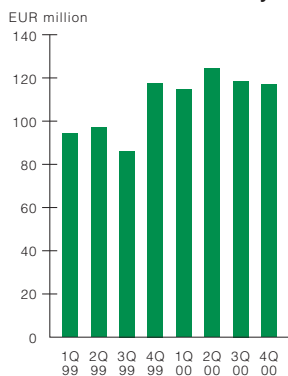
Order Stock

Forest Industry	55.3	54.2	76.4	70.5	76.7	70.7	66.0	71.8	70.5	71.8
Forest Industry Consulting	23.1	22.4	19.8	21.2	23.2	22.2	25.1	25.6	21.2	25.6
Energy	173.5	178.6	176.1	165.4	167.8	163.7	137.0	111.6	165.4	111.6
Infrastructure & Environment	94.2	95.1	91.9	91.8	89.9	94.2	97.8	96.5	91.8	96.5
Total	346.1	350.3	364.2	348.9	357.6	350.8	325.9	305.5	348.9	305.5
Consulting and engineering	289.5	291.4	297.4	292.3	295.7	284.6	283.9	278.7	292.3	278.7
EPC	56.6	58.9	66.8	56.6	61.9	66.2	42.0	26.8	56.6	26.8
Total	346.1	350.3	364.2	348.9	357.6	350.8	325.9	305.5	348.9	305.5

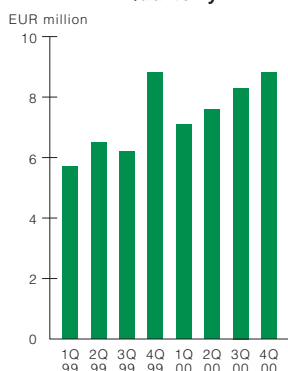
Area	Net Sales		Personnel	
	1999	2000	1999	2000
The Nordic countries	92.8	149.0	2 304	2 337
Other Europe	178.9	177.7	1 329	1 322
Asia	69.7	86.8	452	546
North America	22.8	26.9	135	158
South America	19.4	20.0	147	135
Other	11.8	14.1	105	74
Total	395.4	474.5	4 472	4 572

Business Group	Personnel	
	1999	2000
Forest Industry	1 665	1 745
Forest Industry Consulting	299	316
Energy	1 277	1 321
Infrastructure & Environment	1 198	1 162
Other	33	28
Total	4 472	4 572

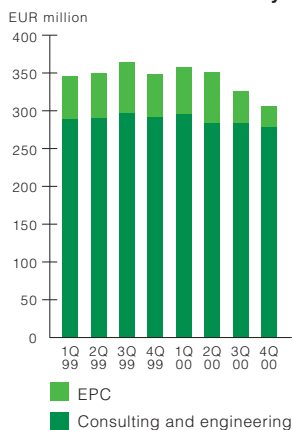
Net Sales Quarterly



Operating Profit Quarterly



Order Stock Quarterly



Calculation of Key Figures

Return on investment, ROI %	$\frac{\text{profit after financial items} + \text{interest and other financial expenses}}{\text{balance sheet total} - \text{non-interest bearing liabilities (average)}} \times 100$
Return on equity, ROE %	$\frac{\text{profit after financial items} - \text{taxes}}{\text{shareholders' equity} + \text{minority interest} + \text{preferred capital notes (average)}} \times 100$
Equity ratio %	$\frac{\text{shareholders' equity} + \text{minority interest} + \text{preferred capital notes}}{\text{balance sheet total} - \text{advance payments received}} \times 100$
Equity/assets ratio %	$\frac{\text{shareholders' equity} + \text{minority interest} + \text{preferred capital notes}}{\text{balance sheet total}}$
Net debt/equity ratio, gearing %	$\frac{\text{interest-bearing liabilities} - \text{current investments} - \text{cash in hand and at banks}}{\text{shareholders' equity} + \text{minority interest} + \text{preferred capital notes}} \times 100$
Current ratio	$\frac{\text{current assets}}{\text{current liabilities}}$
Earnings/share, EPS	$\frac{\text{profit after financial items} - \text{taxes including taxes from appropriations} - \text{minority interest}}{\text{issue-adjusted average number of shares for the fiscal year}}$
Shareholders' equity/share	$\frac{\text{shareholders' equity} + \text{preferred capital notes}}{\text{issue-adjusted number of shares at the end of the fiscal year}}$
Dividend/share	$\frac{\text{dividend}}{\text{issue-adjusted number of shares at the end of the fiscal year}}$
Dividend/earnings %	$\frac{\text{dividend for the fiscal year}}{\text{profit after financial items} - \text{taxes including taxes from appropriations} - \text{minority interest}} \times 100$
Effective return on dividend %	$\frac{\text{dividend/share}}{\text{issue-adjusted trading price at the end of the fiscal year}} \times 100$
Price/earnings multiple, P/E	$\frac{\text{quoted share price at the end of the fiscal year}}{\text{earnings per share}}$
Market value of share capital	$\text{number of shares at the end of the fiscal year} \times \text{last trading price at the end of the fiscal year}$
Exchange of shares %	$\frac{\text{number of shares exchanged during the fiscal year}}{\text{average number of shares for the fiscal year}}$

For purposes of calculating key figures, own shares have been eliminated from shareholders' equity and the number of shares.

Business Environment

Serving as a Link Between the Old and the New Economy

The globalisation and strong development of information technology have created a new economy in which the rules governing business and competition are changing. Success in the new economy requires strategic innovations and an ability to combine business skills with new technology. The most successful companies have the skills and courage to question and develop prevailing beliefs in their own sector. The most significant factors for business growth are the company's vision, creative innovativeness and its employees' competence.

An interdisciplinary expert organisation, the Jaakko Pöyry Group is well equipped to develop and further strengthen its position in the business environment of the new economy. Business success requires a capacity for co-operation across corporate, language and cultural barriers, in which the Group has many years' experience. Its in-depth business expertise, systematic development of information technology and its extensive client base, have provided the Jaakko Pöyry Group with a solid platform for launching new products and service concepts. Responding to clients' individual needs, the Group has successfully developed know-how and high-tech expertise to serve a number of different business sectors in the global market. Besides its traditional know-how, the Jaakko Pöyry Group has the capacity for developing new service concepts and for generating added value also with the aid of information technology. By developing new strategic business procedures and solutions, by questioning prevailing practices and by creating added value for its clients, the Jaakko Pöyry Group will retain its pioneering position as a link to the new economy.

Global Office Network Is a Competitive Advantage

The Jaakko Pöyry Group is one of the world's biggest consulting and engineering firms. With its unique office network covering 34 countries, the Jaakko Pöyry Group can offer local services to clients through 107 offices, combining knowledge of local conditions with global resources and expertise.

There are several regionally or locally operating competitors in all of the Jaakko Pöyry Group's core business areas. In the forest industry, competitors are often small or medium-sized locally operating engineering firms. In forest industry consulting, Jaakko Pöyry Consulting is competing with leading management consultancies. In the markets for energy, infrastructure and environmental expertise, there are numerous locally operating competitors. Some European and North American competitors have established office networks outside their home country.

Jaakko Pöyry Group Has a Strong Client Base

The target clients of the Forest Industry and Forest Industry Consulting business groups include all leading forest products companies in the Nordic countries and several major forest products companies in Western and Southern Europe, Asia and South and North America, as well as several international financial institutions. Machine suppliers are important clients for the local offices.

The Energy business group's clients include private power companies and publicly owned utilities, industrial companies, machine suppliers, financial institutions and international development banks.

The Infrastructure & Environment business group's most important clients are governmental and municipal organisations, international development banks, mass transit companies, telecommunications operators, telecommunications equipment suppliers, financiers, and industrial and other companies.

Favourable Market Prospects

Forest Industry

Investment activity has been low in the forest industry almost throughout the 1990s, with a growing share of investments related to rebuilds. Continued consolidation in the industry is likely to increase the number of new investment projects, while outdated capacity will be shut down. In this way, the industry's long-term cost- and quality-competitiveness will be secured.

World paper consumption will continue to grow in line with GNP growth, equalling an average volume growth of 10 million tons a year. Part of the required increase in production capacity will be achieved by improving the operating efficiency of existing mills. However, a large part of the capacity increase will still come from new investment projects.





The consolidation of the industry is continuing. Mergers, acquisitions and alliances are being implemented globally. These trends will result in new refinancing and restructuring assignments for financing and strategy consultants.

Energy

The liberalisation of energy markets is continuing in different parts of the world. This has led to increased competition, lower electricity prices and in many countries also to a surplus of power generation capacity.

The current trend is towards decentralised energy production based on small or medium-sized new investments and modernisations developed on commercial grounds. Outsourcing of the industry's energy production and restrictions on emissions are favouring combined heat and power generation, hydropower and renewable energy. Environmentally sustainable and economically feasible new solutions are being sought for waste handling and utilisation.

Infrastructure & Environment

Problems related to the rapid population growth, the shortage of pure drinking water and the implementation of environmentally friendly industrial projects urgently call for new solutions. Developing countries and economies in transition are unable to finance these projects on their own. For this reason, increased financing from various institutional sources, such as the World Bank and the EU, will be vital.

Part of the money is directed to improving and expanding the transport and telecommunications infrastructure, part to solving environmental problems in fast-growing urban areas. To reduce environmental impacts, natural resources must be more efficiently utilised and cleaner technologies taken into use.

Growth Trends

Continued growth of its core businesses is an integral part of the Jaakko Pöyry Group's strategy. This growth is derived from organic growth, expansion of the local office network and acquisitions. The growth prospects of the Jaakko Pöyry Group are influenced by the following major trends in the business groups' operating environment:

Forest Industry

Effective capital allocation. A forest industry priority is to allocate its capital resources more effectively. Investment planning procedures are being streamlined and capital utilisation monitored, which offers growth potential for the Jaakko Pöyry Group's local offices. The industry continues to improve its operating efficiency, which means growing demand for the Jaakko Pöyry Group's services.

Globalisation. As a leading forest industry expert, the Jaakko Pöyry Group is involved in the globalisation process, advising clients in all forest industry market areas.

Consolidation. The consolidation of the forest industry continues. The Jaakko Pöyry Group is actively engaged in the consolidation process both as an advisor and as a provider of investment banking services.

Energy

Liberalisation of the energy market. The liberalisation of the energy market opens up new opportunities for the Jaakko Pöyry Group to serve utility companies in remodelling their strategies and improving their competitiveness.

Environmental protection. International agreements and national norms impose ever-tightening requirements on the energy sector, demanding more widespread use of renewable energy resources. This has a favourable impact on growth in demand for the Jaakko Pöyry Group's special expertise.

Energy consumption growth. The consumption of electricity and other types of energy is closely linked to overall economic growth. The Jaakko Pöyry Group's experience of industrial projects and its local office network in developing markets provide a solid basis for further expansion of consulting and project implementation services.

Infrastructure & Environment

Fast population growth and urbanisation. Worsening traffic jams, increased pollution and the growing shortage of clean water create demand for rail-bound mass transit systems, water resource protection, and telecommunications.

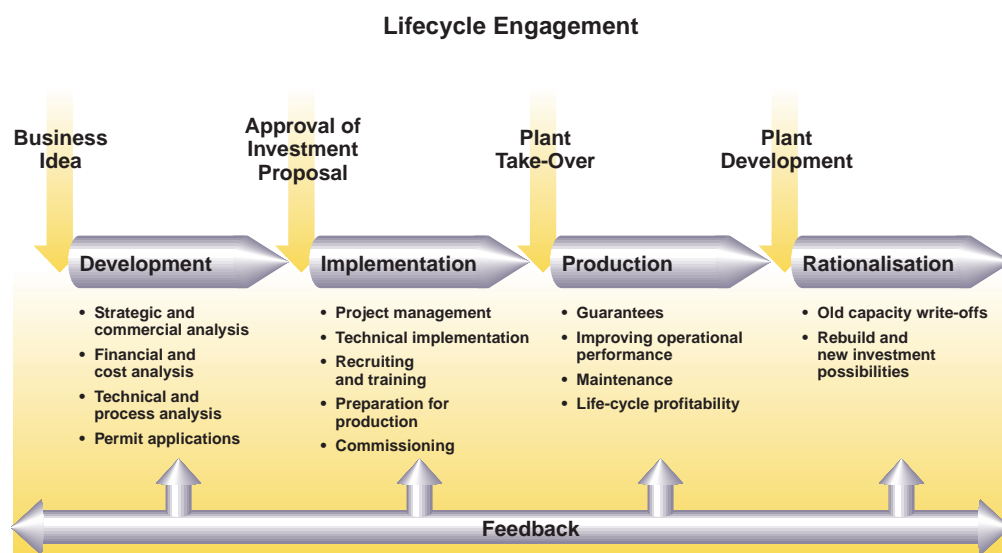
E-infrastructure. The need to build information technology systems and e-infrastructure generates major growth potential for the Jaakko Pöyry Group's services. Telecommunications networks, GIS technology, e-commerce and automation systems represent the Group's core expertise.

Enlargement of the EU. The EU is providing financing for infrastructure and environmental projects in countries aspiring to join the EU. The ISPA (Instrument for Structural Policies for Pre-Accession) programme creates major new demand for the Jaakko Pöyry Group's services.

Tailor-Made Services with a Project-Oriented Business Approach

The Jaakko Pöyry Group's business is based on a deep understanding of its clients' business processes. Mastering the entire lifecycle of an investment project, we can adapt our services to meet each client's individual needs, including business development and financial and cost analyses, selection of appropriate technology, and implementation of investment projects.

We make sure that information generated in the course of an investment project is efficiently transferred to the client's operations and maintenance systems, and we provide clients with maintenance planning and other after-sales services. Relying on its project-oriented business approach, the Jaakko Pöyry Group can offer its clients a comprehensive range of services – locally and globally.



Jaakko Pöyry Group has strengthened its technological expertise and participated in development projects in order to ensure more effective use of new technology. The Group's local office network opens up new possibilities for networking and adaptation of global working practices in a multicultural business environment.

Major Projects in 2000

Aracruz Celulose S.A.; 700 000 t/a expansion of chemical pulp mill in Brazil. Detail engineering services related to Andritz-Ahlstrom Oy's equipment delivery for the Aracruz mill. Contract value EUR 15.0 million. Scheduled start-up in 2002.

Oyj Hartwall Abp; complete engineering services for transfer of bottling plant to Lahti, Finland. Total value of engineering and project services EUR 6.5 million. Scheduled start-up in early 2002.

Madison Paper Company; main engineering services for deinking plant and paper machine rebuild project at the Alsip mill in Illinois, USA. Contract value EUR 8.0 million. Scheduled start-up in 2001.

Jämsänkosken Voima Oy; basic and detail engineering for biofuel-fired power plant at UPM-Kymmene's mill at Jämsänkoski, Finland. Contract value EUR 2.0 million. Scheduled start-up in 2002.

ABB Alstom Power Ltd; engineering services for gas-fired combined heat and power plant in Nakorn industrial park in Thailand. Contract value EUR 8.9 million. Scheduled start-up in 2001.

VA TECH Peebles Transformers Ltd; special apparatus for testing of transformers to be delivered to the client's plant in Scotland. Contract value EUR 7.3 million. Scheduled start-up in 2001.





Helsinki City Mass Transit Committee and Espoo City Technical Committee, Finland; preliminary engineering, feasibility study and project co-ordination for extension of Helsinki Metro system. Contract value EUR 1.5 million. Preliminary engineering will be completed by the end of 2001.

Danang Water Company, Vietnam; construction management and supervision of contractors' works in water supply project. Contract value EUR 3.0 million. Scheduled completion in 2004.

NOKIA (Switzerland) Ltd; design and construction management services for the construction of a GSM 900/1800 cellular telephone network, comprising over one thousand BTS sites, for the Swiss operator diAx. A major part of the project will be completed in 2001.

Environment

Environmental focus is a guiding principle in all of the Jaakko Pöyry Group's activities and it also forms an important part of the Group's services. The Group is striving to provide solutions which make use of raw materials in a sustainable manner, both ecologically and economically, utilising the entire lifecycle of renewable raw materials, and using methods and technologies with minimal environmental impacts, minimising generation of pollution and waste.

The Group is continuously working to integrate environmental aspects into all of its consulting assignments, whether they are concerned with forest management, energy production, development of industrial production plants or community planning projects. In practice, this means that the Group takes environmental requirements and local and regional impacts into account and strives to develop environmentally acceptable solutions and working methods.

Environmental protection is becoming increasingly important in the **forest industry**. In global terms, the Jaakko Pöyry Group is a pioneer in developing forest plantations, carbon sinks, re-use of wood wastes, and closed-loop and resource-lean technology for pulp and paper mills.

In the **energy** sector, environmental competitiveness is becoming a more and more important feature of products and services. Mastering the climate change is a major challenge for the energy sector and for energy-intensive companies. Apart from securing the profitability of an investment project, its environmental acceptability must be guaranteed as well. Today, an increasing number of projects are financed on environmental grounds. The Jaakko Pöyry Group has international experience of planning locally tailored energy supply solutions. Energy savings, biofuels and waste to energy are examples of environmentally sound energy supply solutions, which require world-leading know-how. The Jaakko Pöyry Group combines its technical and economic expertise with extensive experience of evaluating the environmental impacts of energy projects and a profound knowledge of environmental matters to promote sustainable development and the business success of its clients.

Taking environmental impacts into account is important in urban development, in road construction and in waste handling, especially in rapidly growing cities in developing countries. The Jaakko Pöyry Group understands all aspects of urban **infrastructure**, from traffic planning and waste water and solid waste management to remediation of contaminated soil. The Group has a clear approach to urban development projects. Appropriately planned solutions which are easy to implement and which promote sustainable development also improve the quality of life of people living in urban areas.

Research and Development

Research and Development Play a Key Role

The Jaakko 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 R&D, to assist in obtaining supplementary financing and in engaging clients in development processes, to keep the Group's focus on its strategic objectives and to secure a favourable working atmosphere for creative activities. The immediate goals are to provide a joint forum for discussing the ideas of the entire group staff, to offer opportunities for participating in new R&D projects and to make interdisciplinary use of innovations. The new technology will eliminate organisational and time barriers, so the sole driving force will be innovativeness.

The Jaakko Pöyry Group's research and development activities are characterised by the rapid application of research findings into practice. Many important improvements originate from a single person's vision, and the technological revolution has shortened the time lag from idea to product. In future, more and more people in the Jaakko Pöyry Group will generate added value by contributing to research and development.

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

IT Solutions Independent of Business Sector

Forest industry investment projects implemented by the Forest Industry business group involve an enormous amount of information technology. The Jaakko Pöyry Group's strong input into information technology over many years, in combination with its multitude of client contacts, has created an excellent platform for developing new solutions. R&D efforts in this area have resulted in several new systems for data management in operating pulp and paper mills. The idea is to allow efficient and easy use of mill engineering data as a part of the mills' operations management. Another key feature is the use of Internet technologies to ensure compatibility with any operating environment across different data networks.

The core of the MoDE (Model Driven Engineering) product range is a mill model composed of a relational database. The first new module is WebPub, a system for automatic publication of engineering documents in a format readable by a standard web browser. The product range has been supplemented by a Java-based data input module and new wireless operator stations. In addition, the products have been integrated into industrial automation and operations management systems. The system resides in a network environment, so it can be installed locally in the mill or provided as an ASP service (Application Service Provisioning) over the Internet.

The product development work to improve mill operations management and the publication and management of mill data continues to produce new versions and modules. The use of these innovations is business sector-independent and therefore available to all of the Jaakko Pöyry Group's clients.

Development of E-commerce Consulting Services

Specialising in business management consulting, the Forest Industry Consulting business group aims to develop new tools for clients' strategic planning needs. In developing new products, Jaakko Pöyry Consulting's aim is to utilise its strong know-how in information and Internet technologies. A good example of the efforts in this area is the STENDAHL project financed by TEKES, the National Technology Agency in Finland, in which new strategic concepts and procedures for implementing them are being developed into an Internet application.

The STENDAHL project, comprising a financing and an environmental component and a layer combining the two, is largely concerned with integration. Special emphasis is given to the visual and conceptual part of the project, in which financing and environmental concepts are seamlessly integrated. The new Internet application can be used for networking with clients across an Intranet, or as an e-commerce application in Jaakko Pöyry Consulting. The product can also be used as a regularly maintained service, in which the most important events illustrate the continuously changing business environment in the form of strategic moves and figures.

The pilot application was developed for the forest industry sector, but the concept and its implementation are applicable to any sector of industry. Interpreting economic and environmental phenomena in the form of key figures and a visual language is important in all business sectors. The aim of the STENDAHL project





is to maintain and improve Jaakko Pöyry Consulting's position as a thought leader and secure a frontline role in consulting services related to e-commerce.

Climate Change Strategy Supports Clients' Business

The Energy business group has been developing its services related to climate change issues for several years. The objective is to develop services that support clients' climate change strategies as a part of their business. The process incorporates emission inventories and preparation of strategies for optimal emission control through technical and economic measures. It also involves a search for new business oppor-

Climate Change Strategy Services



tunities in the area of climate change. During the past year, Electrowatt-Ekono has been actively involved in the Jaakko Pöyry Group's extensive in-house work related to climate change issues.

As a result of its intensive development efforts, Electrowatt-Ekono can offer a wide range of services related to climate change. A special strength is its technical and economic expertise in the area of low-emission and no-emission energy production and industrial energy saving technologies.

The service mix also includes measures to support corporate, sectoral and national strategies. Another key competence area is the development and implementation of projects to reduce emissions of greenhouse gases, including services for validating and verifying reductions of emissions. Electrowatt-Ekono is also equipped to serve as a broker in emission trading, once the conditions are ripe for trading. By combining its strengths with its solid expertise in environmental and climate change issues, Electrowatt-Ekono will continue to promote clients' business operations.

Laser Scanning Adds High-Tech Know-How

During the past two years, the Infrastructure & Environment business group has been exploring various methods for 3D modelling of industrial plants. Close-range photogrammetry has proven a feasible method in project work, but because of its many stages and the fact that it is primarily suited for large projects, alternative methods have been sought. The tremendous development of information technology has resulted in the development of a 3D data collection method based on laser scanning. In this new method, data collection is completely digital, with a high degree of automation. As a result of the continued development of character recognition tools, the performance of the new method will improve further.

Laser scanning technology and the possibilities for its interdisciplinary use were intensively examined within the Jaakko Pöyry Group during the year under review. During the spring, a new laser scanning apparatus was purchased, and laser scanning was developed into a functional tool for 3D as-built modelling of industrial plants as a part of the Group's engineering services. Three-dimensional mill models are needed as input for 3D design, especially in rebuild projects. In addition, mill models are being used in industrial maintenance systems as a three-dimensional operator interface depicting the virtual reality. Major potential applications for the new technology can also be found in the infrastructure sector.

Laser scanning is a part of GIS (Geographical Information System) technology. The importance of geographical information is growing rapidly and an increasing number of business areas covered by the Jaakko Pöyry Group are adopting GIS technology. Remote mapping, web-based GIS applications and personal navigation systems will be playing a key role in future R&D projects.



Human Resources Development



The New Economy Means New Challenges

In the new economy, globalisation, networking and rapidly developing infrastructures represent a challenge to traditional operating procedures. At the same time, personnel development will be increasingly focused on identifying and building up vital competences. As the pace of change accelerates and changes become even more difficult to anticipate, critical success factors now include not only information and knowledge but also the organisation's ability to learn fast. To this end, more effective learning processes and methods need to be developed.

In response to the changing business environment of the new economy, companies must be prepared to adopt new working practices. Conventional operating models and structures will be increasingly replaced by dynamic networking between companies. Virtualisation will generate changes in the way work is organised, putting more emphasis on transparency, flexibility and speed. The nature of work and the traditional planning process will also change radically. Companies must be able to distribute work and resources rapidly and easily. Consecutive working phases will be replaced by parallel functions, making the availability and management of timely information vitally important.

Experience and Synergies as a Basis for Development

The Jaakko Pöyry Group's business groups are very well placed to operate in the business environment of the new economy. Successful project work has traditionally been characterised by multilateral co-operation across corporate, language and cultural barriers. This is an area where the Jaakko Pöyry Group has many years of experience.

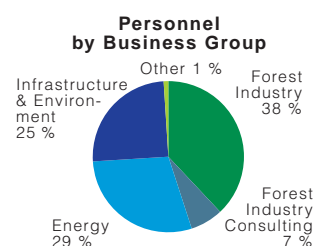
The trend towards networking will also affect project parties outside the Jaakko Pöyry Group, and co-operation even between competitors will become more common in future. A solution must be found to arranging knowledge management and learning in a shared environment. As borderlines between companies and organisations gradually become more diffuse, the company's internal viewpoint will no longer be enough; the complete value network must be considered.

New and sophisticated IT-based project work methods will make it possible to utilise synergies between business groups more effectively. Continuously expanding computer networks will be created, paving the way for further development of personnel resources and skills. Experts will be able to understand and examine ever-growing entities, also from the client's viewpoint.

Ideas Will Be More Extensively Utilised

The high education and solid experience of the company's staff working with clients create excellent opportunities for innovations, which are a regular feature of the Jaakko Pöyry Group's work. A challenge is how to make more extensive use of new ideas by refining them into solutions that are applicable across several business groups. For this reason, the company encourages its staff to intensify its co-operation and to establish communities of practice transcending business group borders.

This work, and especially development tasks, offer abundant opportunities for personal development within the Jaakko Pöyry Group. Awareness, an active interest in finding new information, and in understanding it and applying it in practice are part of the everyday routine. Responsibility for personal development increasingly lies with the individual. The Jaakko Pöyry Group's task in this context is to set up and maintain structures that support learning on the job and to promote the distribution of skills and experience between business groups.





The Dynamics of Management Are Changing

Globalisation and new technologies require a new approach to business planning and management. In response to the rapid changes in the business environment, strategic plans need to be continuously questioned and re-evaluated. Networking, decentralised work and increased co-operation between companies require a new leadership style. Managers must also be able to lead multicultural networks.

During the past year, the *Jaakko Pöyry Group Business Academy Leadership Programme* has been developed to address ongoing changes in the working environment. The programme was originally designed for Group staff in Finland, and the first international programme was launched during the year under review. The participants represent all business groups and several countries.

In addition to promoting leadership skills, the one-year programme is designed to increase participants' knowledge of the different business groups' operations and products. Personal contacts will also lead to increased co-operation between business groups. Successful solutions and operating models will be taken into use more widely, as participants get a chance to exchange views and to share knowledge and information.

Business Groups Are Developing their Staff

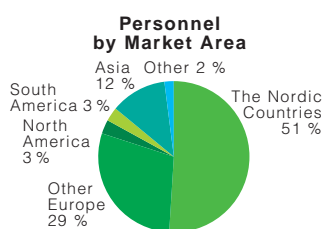
The skills related to leading the Jaakko Pöyry Group's business, projects and people are a major part of personnel development. In addition, the business groups are developing their staff in areas which are significant for their own needs.

In the **Forest Industry** business group, the development of engineering tools has been aimed at integration of project data flows and managing decentralised work between different offices. Applications incorporate state-of-the-art IT technologies and methods, requiring new skills and competences. Standardised implementation ensures widespread applicability, so end-user training has been concentrated on project working skills and processes.

In the **Forest Industry Consulting** business group, the main emphasis has been on processes related to recruitment, development, competence analysis and compensation, and on developing the quality of client projects. In addition, preparations have been made to facilitate international personnel exchange between offices.

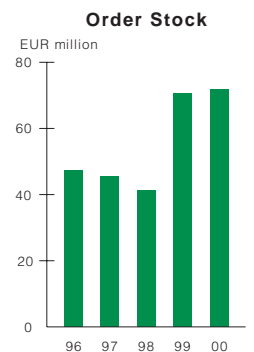
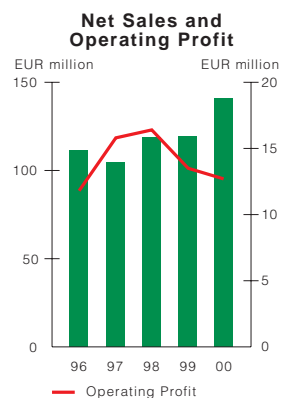
In the **Energy** business group, the focus has been on developing project management, information technology and international competences. Electrowatt-Ekono's European companies are about to launch a joint international project management training programme. Based on the IT strategy, personnel development will be aimed at introducing new technologies and promoting computer skills.

In the **Infrastructure & Environment** business group, the emphasis has been on developing competences within the main business sectors. Further opportunities for competence development were offered by the Jaakko Pöyry Business Academy Leadership Programme, junior programmes, staff exchange programmes, and internal networking.





Key data	1996	1997	1998	1999	2000	Share of group, %
EUR million						
Net sales	111.2	104.6	118.9	119.6	140.8	29.6
Operating profit	11.8	15.8	16.4	13.5	12.7	39.8
Operating profit, %	10.6	15.1	13.8	11.3	9.0	
Order stock	47.2	45.5	41.3	70.5	71.8	23.5
Personnel	1 354	1 383	1 440	1 665	1 745	38.2





Forest Industry

Process Know-How and Information Management in Key Role

The Forest Industry business group, which operates under the name Jaakko Pöyry, is a world leader in pulp and paper industry process know-how, with more than 350 major forest industry projects to its credit. The business group has three main practice areas: new projects, rebuilds and maintenance-related engineering. It offers a complete range of project development and implementation services, including document and information management to support mill operation. The Forest Industry business group operates globally through its local office network, which covers all major market areas.

In project implementation, the Forest Industry business group is a leading provider of EPCM (Engineering, Procurement and Construction Management) services, with special expertise in process know-how and document management. New projects and large entities (EPCM) are primarily carried out by Jaakko Pöyry Oy, which is responsible for the business group's process expertise and for developing its working methods and tools. The local offices focus on rebuild projects and maintenance engineering services.

Order Stock up at Year End

The business group's net sales for 2000 amounted to EUR 140.8 million, and the operating profit was EUR 12.7 million. The operating profit was depressed by the poor results of some projects, the shortage of work in parts of the local office network and financial inputs into developing and streamlining engineering methods. Exceptionally good results were achieved in North and South America; major growth figures were recorded in both regions.

The order stock remained stable, amounting to EUR 71.8 million at the end of the year. The combined share of rebuilds and local services based on long-term customer relationships and annual agreements has continued to increase. The number of new orders increased especially towards the end of the year. The biggest new orders were Holmen Paper AB's PM11 at Hallstavik in Sweden, the expansion of Aracruz Celulose S.A.'s pulp mill in Brazil, paper machine rebuilds for Madison Paper Company and Madison Papers Industries Inc. in the United States, and the rebuild of UPM-Kymmene Corporation's PM8 at Kuusanniemi in Finland.

Outsourcing of Engineering Functions Boosts Demand

In developing the office network during the year under review the emphasis has been on developing and streamlining working methods and systems. This will further strengthen the business group's competitive position and allow efficient utilisation of the expertise and capacity available within the network.

The business group's clients have seen their business operations develop favourably during the year 2000. The globalisation and consolidation of the industry have continued at a strong pace. The outsourcing of engineering functions is expected to continue, which will have a favourable impact on the business group's prospects. The emphasis in the business group's future development will be on expanding and strengthening the local office network in Western Europe and North America, on continued development of engineering methods and tools, and development of new web-based products and service concepts related to document and information management.

Favourable Prospects for 2001

Paper and paperboard demand has continued to grow according to forecasts. Though the Forest Industry business group will continue to focus on rebuilds and maintenance engineering services in the near term, moderate growth is also foreseen in new projects.

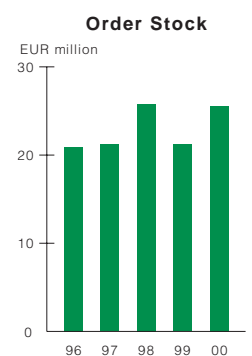
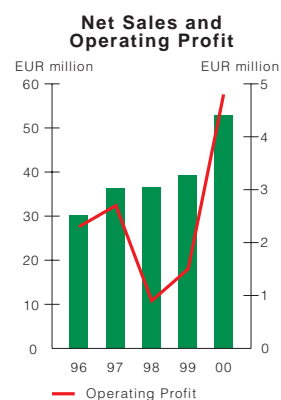
The business group's strong global market position, favourably developing demand, expanding order stock and innovative products create a firm basis for continued favourable growth in 2001.

Offices

- Brazil
- Chile
- China
- Finland
- France
- Germany
- Indonesia
- Norway
- Poland
- Singapore
- South Africa
- Sweden
- Thailand
- United States



Key data	1996	1997	1998	1999	2000	Share of group, %
EUR million						
Net sales	30.3	36.4	36.6	39.2	53.0	11.1
Operating profit	2.3	2.7	0.9	1.5	4.8	15.1
Operating profit, %	7.6	7.4	2.5	3.8	9.1	
Order stock	20.9	21.2	25.8	21.2	25.6	8.4
Personnel	266	268	291	299	316	6.9





Forest Industry Consulting

Global Expertise Generates Value Added

The Forest Industry Consulting business group, operating under the name Jaakko Pöyry Consulting, is one of the world's leading advisers to the forest industry cluster. The business group offers its clients solutions for developing strategy and operations and for increasing share value. The cornerstones of its operations are its strong business understanding, industry expertise and global network of expert advisors and offices.

A Growing Role as an M&A Adviser

The net sales for 2000 were EUR 53.0 million and the operating profit was EUR 4.8 million. The order stock expanded and was 25.6 EUR million at the end of the year. Sales of consulting services to North American forest industry companies increased notably, and the business group's position remained strong in Europe and Asia.

The consolidation and globalisation of the forest industry is continuing at a rapid pace. The business group has participated actively in this process, both as a strategic adviser and as a provider of investment banking services. JP Management Consulting carried out several strategic assignments commissioned by clients looking for acquisition targets including due diligence analyses, assessments of company value and evaluations of strategic alternatives. JP Capital International, Jaakko Pöyry Consulting's investment banking arm, received a total of 14 mandates, primarily from European-based clients, and completed four acquisitions, which clearly exceeded set targets.

Growing Demand for E-Commerce and Operations Improvement Services

Like other sectors of industry, the forest industry cluster has viewed the advent of the Internet both as an opportunity and a threat. Clients have actively explored the potential for e-commerce in this sector. JP Management Consulting has served as a consultant, studying the value chain and efficiency of corporate and mill-level functions in order to determine the impact of e-commerce and its potential for development.

The forest industry has been paying particular attention to improving its productivity, aiming for the best possible capital utilisation. Experts at JP Management Consulting and JP Operations Management have developed new solutions to improve production efficiency and capital utilisation. Several assignments were successfully completed during the year 2000, and demand for services in this area are expected to continue to grow in 2001.

Favourable Prospects for 2001

In spite of the turmoil experienced at the end of the 1990s, economic growth has continued in the Pacific Rim region. The region now accounts for about 30 per cent of world demand for forest products, and the local industry's production capacity has been growing rapidly. The continued favourable growth prospects for forest industry in Southeast Asia mean good opportunities for developing Jaakko Pöyry Consulting's business operations.

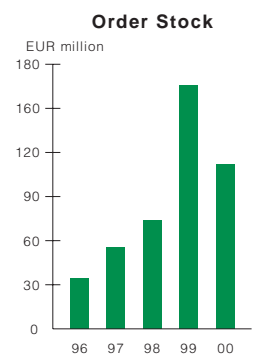
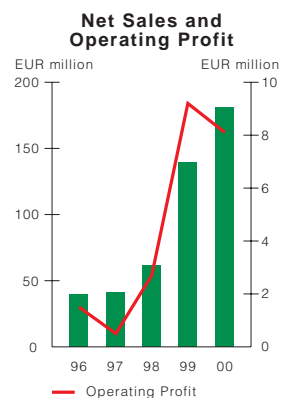
The Forest Industry Consulting business group has intensified its presence in Asia by establishing a new office in Shanghai. The objective of the Shanghai office is to expand the business group's activities in the rapidly growing Chinese market. Jaakko Pöyry Consulting also strengthened its position in North America during the year under review. The business group was awarded major strategic assignments, securing a healthy order stock for the first half of 2001. In the European market, demand for consulting and investment banking services related to mergers and acquisitions are expected to continue to develop well. Corporate structures will continue to change and Jaakko Pöyry Consulting's extensive expertise related to forest industry restructuring will ensure favourable growth prospects for 2001.

Offices

- Argentina
- Australia
- Brazil
- Canada
- China
- Finland
- Germany
- Great Britain
- Indonesia
- Mexico
- New Zealand
- Singapore
- Sweden
- United States



Key data	1996	1997	1998	1999	2000	Share of group, %
EUR million						
Net sales	39.8	41.2	61.6	139.7	180.9	38.1
Operating profit	1.5	0.5	2.7	9.2	8.1	25.5
Operating profit, %	3.8	1.2	4.4	6.6	4.5	
Order stock	34.1	55.5	73.7	165.4	111.6	36.5
Personnel	429	474	512	1 277	1 321	28.9





Energy



Wide Geographical Coverage and International Market Position

The Energy business group, operating under the name Electrowatt-Ekono, comprises an extensive network of local offices in 20 countries. The business group is one of the most international in this sector in the world. Electrowatt-Ekono's office network covers most European countries, the Middle East, Asia and South America.

Electrowatt-Ekono is a world-leading expert in hydropower, bioenergy, combined heat and power generation, district heat and waste to energy. The Energy business group offers innovative solutions for strategic planning, for energy saving and for planning and implementing energy projects. Key objectives are economic optimisation, technical efficiency and environmental protection.

Business Volume Growth

The business volume grew by 29.5 per cent compared with the previous year. Net sales for 2000 amounted to EUR 180.9 million and operating profit was EUR 8.1 million. The order stock amounted to EUR 111.6 million at the end of the year. The former Process Contracting business group, which was merged with the Energy business group at the beginning of 2000, did not achieve budgeted targets because of cost overruns in certain turn-key projects and non-recurrent expenses related to the merger.

Management consulting and strategic planning services were provided to several utilities and industrial companies during the year under review. Climate change issues and the objectives of the Kyoto Protocol were reflected as growth in demand for environmental consulting. Special emphasis was given to development of web-based applications. Several power plant turn-key deliveries were successfully completed during the year in co-operation with international suppliers of main equipment.

New Service Products in Response to Market Demand

Several new service products were launched during the review year in response to the changing needs of the energy markets. Examples include benchmarking methods, Rehabilitate-Operate-Transfer (ROT) services and operating and maintenance services. To serve the capital needs of the changing energy markets, Electrowatt-Ekono established a Private Energy Market Fund with Finnfund. Also, in co-operation with the new fund, Electrowatt-Ekono established a company named InEsco Oy, specialising in energy saving. To strengthen its position in the growing markets of Poland and Eastern Europe, Electrowatt-Ekono acquired a 60 per cent interest in the Polish company JES Energy Electrowatt Ekono Sp. z o.o. at the end of the year.

The business group's internal co-operation in marketing and product development was developed systematically during the year. Efficiency improvements were achieved, for example by streamlining working procedures in offer preparation and project work. These improvements are intended to allow more effective utilisation of Electrowatt-Ekono's extensive international network.

Favourable Prospects for 2001

Growth and earnings prospects for 2001 are favourable, though the overcapacity in the electricity market is depressing investment activity in Europe. The Asian market has entered a new growth phase. The higher price of oil has boosted investment activity in the Middle East. Demand for hydropower as a clean and renewable source of energy is growing.

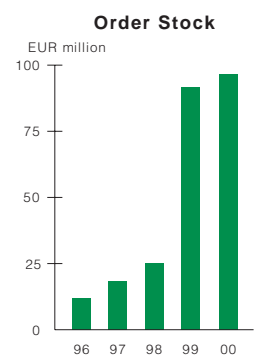
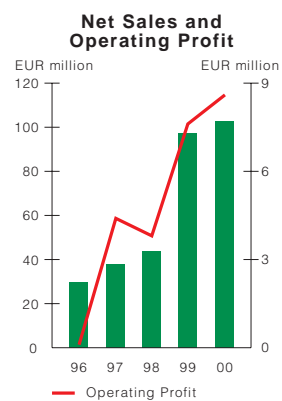
Because of the tightening competition in the energy market and stricter environmental regulations, energy producers, distributors and users will all need to improve their efficiency and competitiveness. This will promote demand for Electrowatt-Ekono's new service products, allowing clients to gain added value and savings through these services.

Offices

- Argentina
- China
- Estonia
- Finland
- France
- Germany
- Great Britain
- Korea
- Oman
- Peru
- Philippines
- Poland
- Qatar
- Saudi Arabia
- Spain
- Sweden
- Switzerland
- Thailand
- United Arab Emirates
- Vietnam



Key data	1996	1997	1998	1999	2000	Share of group, %
EUR million						
Net sales	29.6	37.7	43.9	97.3	102.7	21.6
Operating profit	0.1	4.4	3.8	7.6	8.6	27.0
Operating profit, %	0.3	11.7	8.7	7.8	8.4	
Order stock	12.2	18.5	26.3	91.8	96.5	31.6
Personnel	573	633	716	1 198	1 162	25.4





Infrastructure & Environment

Focus on Four Main Business Areas

The companies in the Infrastructure & Environment business group, operating under the name Jaakko Pöyry Infra, increasingly focused their operations on four business areas during 2000: traffic systems, water and environment, telecommunications and project implementation services. In its main business areas the business group offers consulting and engineering services, construction and project management services, operating and maintenance expertise, and services related to transfer of technology.

A Year of Good Progress

The business group's net sales for 2000 were EUR 102.7 million and the operating profit increased to EUR 8.6 million. The order stock increased compared with the previous year, amounting to EUR 96.5 million.

The year 2000 was characterised by successful commercialisation of new products, and by significant profits in several infrastructure and telecommunications projects in Europe and in a number of environmental projects in Asia. Encouraged by these favourable developments, the business group further increased its investments for the future. The application of research and development findings to practical project work produced better results than ever. The new laser scanning services quickly created new business, and web-based project activities strengthened Jaakko Pöyry Infra's competitiveness in several major projects.

Expansions Bring New Expertise

At the beginning of the year, the Jaakko Pöyry Group and Skanska Oy established a jointly owned company, JP Skanska Water Oy, specialising in Build-Operate-Own-Transfer (BOOT) operations in water and waste management. At the end of the year, the business group strengthened its traffic systems expertise by acquiring part of the Taiwanese business operations of VCE – Vienna Consulting Engineers, a company specialising in demanding bridge engineering projects. The business group will also strengthen its resources in the Polish market for traffic systems engineering.

Strong growth in the telecommunications sector, especially in Europe, has turned this sector into Jaakko Pöyry Infra's fourth main business area. GSM is becoming the leading global standard and the implementation of UMTS networks will get into full swing in Europe during 2001. In view of this growth, Jaakko Pöyry Infra aims to double its client invoicing in the telecommunications sector both in 2001 and 2002. These ambitious growth targets will be achieved by making use of the Group's extensive office network and telecommunications expertise, and the combined experience of more than one hundred telecommunications projects completed so far. EPStar Oy, a joint venture company established by the Jaakko Pöyry Group and the Finnish telecommunications operator Elisa Communications Oyj during the year under review, supplements Jaakko Pöyry Infra's expertise in network planning and telecommunications consulting services.

Towards 2001 with Confidence

Because of the more prominent role of the EU and international financial institutions in financing water and environmental projects and a number of long-term mass transit projects in Asia, Jaakko Pöyry Infra is now less vulnerable to rapid swings in export demand. The business group's multi-domestic presence in Finland, Switzerland, Germany and France is also a powerful advantage in international competition.

The clear focus on selected business areas, comprehensive expertise within each area and the continued development of the IT sector create a solid basis for securing a strong market position in the business group's four domestic markets and for strengthening its international position. Experts and clients, respecting the environment, appreciating information technology development and viewing globalisation as an opportunity, are jointly building sustainable solutions for tomorrow's world.

Offices

- Argentina
- China
- Estonia
- Finland
- France
- Germany
- Poland
- Russia
- Switzerland
- Taiwan
- Thailand
- Venezuela
- Vietnam

Group Management

Board of Directors



Chairman

Heikki Lehtonen, 41, M.Sc. (Eng.)

Componenta Corporation, President and CEO 1993-; Otava Books and Magazines Group Ltd., Member of the Board of Directors 1991-; Raute Plc., Member of the Board of Directors 1997-; Sampo Insurance Company Plc., Member of the Supervisory Board 1998-2000

Vice Chairman

Henrik Ehrnrooth, 46, M.Sc. (Forest Econ.), BBA

eQ Online Oyj, Chairman of the Board of Directors 2000-; eQ Holding Oyj, Chairman of the Board of Directors 2000-; Otava Books and Magazines Group Ltd., Member of the Board of Directors 1988-

Vice Chairman

Jaakko Pöyry, 76, M.Sc. (Mech. Eng.)

Jaakko Pöyry Consulting Oy, Honorary Chairman of the Board of Directors 1999-; Finvest Plc, Member of the Board of Directors 2000-

Olle Alsholm, 63, M.Sc. (Chem. Eng.)

Swedish Pulp and Paper Research Institute, President 1990-; Swedish Institute of Standards, Vice Chairman of the Board of Directors 1995-; Swedish Pulp and Paper Research Institute, Associate Board Member 1990-

Matti Lehti, 53, M.Sc. (Econ.), Ph.D. (Econ.)

TietoEnator Corporation, President and CEO 1995-; Helsinki School of Economics, Vice Chairman of the Board of Directors 1996-; Employers' Confederation of Service Industries, Vice Chairman of the Board of Directors, 1990-; Foundation for Economic Education, Member of the Board of Directors 1994-

Niilo Pellonmaa, 60, M.Sc. (Commercial)

Kemira Oyj, Vice Chairman of the Board of Directors 2000-; PMJ-Automec Oyj, Chairman of the Board of Directors 1999-; Menire Oyj, Member of the Board of Directors 1999-; Rocla Oyj, Chairman of the Board of Directors 1998-; Uponor Oyj, Member of the Board of Directors 1983-

David de Pury, * 1943 - † 2000, LL.M. Attorney-at-Law

de Pury Pictet Turrettini & Co. Ltd., Chairman of the Board of Directors 1996-; "Le Temps" S.A., Chairman of the Board of Directors 1998-; EIC Electricity Investment Company Ltd., Chairman of the Board of Directors 1997-; Electrowatt Engineering Ltd., Chairman of the Board of Directors 1998-; Zurich Financial Services Group, Member of the Board of Directors 1991-; Nestlé Group, Member of the Board of Directors 1993-; Schneider Electric Group, Member of the Board of Directors 1997-

Board of Directors from left:

Matti Lehti

Jaakko Pöyry

Olle Alsholm

Niilo Pellonmaa

Henrik Ehrnrooth

Heikki Lehtonen

Group Executive Committee

President and CEO, Director Forest Industry business group

Erkki Pehu-Lehtonen, 50, M.Sc. (Mech. Eng.)

Jaakko Pöyry Group Oyj, President and CEO 1999-; Finnish Foreign Trade Association (Finpro), Member of the Supervisory Board 1999-; Confederation of Finnish Industry and Employers, Member of the Board of Directors 1998-; Sampo Insurance Company, Member of the Supervisory Board 1999-2000

Executive Vice President and Deputy CEO

Teuvo Salminen, 46, M.Sc. (Econ.)

Jaakko Pöyry Group Oyj, Executive Vice President and Deputy CEO 1999-; Tapiola Insurance Company, Member of the Supervisory Board 1999-; CapMan Plc, Member of the Board of Directors, 2001-

Director Forest Industry Consulting business group

Rainer Häggblom, 45, M.Sc. (For.), M.Sc. (Econ.)

Jaakko Pöyry Consulting Oy, Chairman and CEO 1999-

Director Energy business group

Jukka Nyrölä, 55, LL.Lic., LL.M., Columbia University

Electrowatt Engineering Ltd., President and CEO 1999-

Director Infrastructure & Environment business group

Risto Laukkanen, 49, Dr.Tech. (Environmental Eng.)

Jaakko Pöyry Group Oyj, Director of Business Group 2000-

Harri Piehl, 60, M.Sc. (Eng.), Harvard Business School

JP Operations Management Oy, Chairman 2000-; Thomesto Trading yhtiöt Oy, Member of the Board of Directors 1997; The Finnish Academy of Technology (TTA), Member of the Board of Directors, 1997-2000; Merita Bank Plc, Member of Supervisory Board 1994-

Lars Rautamo, 51, M.Sc. (Econ.)

Jaakko Pöyry Group Oyj, Chief Financial Officer 1999-

Secretary of Group Executive Committee

Anne Viitala, 41, LL.M.

Jaakko Pöyry Group Oyj, General Counsel 2001-

Corporate Governance

Jaakko Pöyry Group Oyj's governing bodies are ultimately responsible for all matters related to corporate governance. The company's governing bodies are the general meeting of shareholders, the Board of Directors, the President and CEO, and the Executive Vice President.

Tasks of the General Meeting of Shareholders

Pursuant to the provisions of the Companies Act the general meeting of shareholders shall be ultimately responsible for decision-making. In accordance with the Companies Act, the general meeting of shareholders shall approve any amendments to the Articles of Association, decide on the distribution of profits and appoint members of the Board of Directors and the Auditors of the company.

Tasks and Responsibilities of the Board of Directors

The Board of Directors shall have general decision-making authority in all matters of corporate governance, with the exception of specific matters to be decided or implemented by other governing bodies pursuant to the Companies Act or the Articles of Association. The Board of Directors shall be generally responsible for corporate governance and for making appropriate arrangements related thereto. The Board of Directors shall appoint the President and CEO and the Executive Vice President. The Board of Directors has set as its objective to govern the company in a way that maximises the return on capital invested.

Appointment of Board Members

The general meeting of shareholders shall appoint the members of the Board of Directors for the period of office extending until the next annual general meeting. The Board of Directors shall appoint among its members a Chairman and Vice Chairman. Any member of the Board can be removed from office following a majority decision by the meeting of shareholders.

Should the Board of Directors, prior to the meeting of shareholders, be notified of any proposals for Board members which are to be presented for consideration by the general meeting, the proposal shall be published if at least 20 per cent of all the votes in the company are in favour of the proposal and if the person in question has given his or her consent.

Current Composition of the Board of Directors

Pursuant to the Articles of Association, the Board of Directors shall be composed of a minimum of four and a maximum of ten members. The Board of Directors has now six members.

Tasks and Responsibilities of the President and CEO and the Executive Vice President

The tasks of the President and CEO include managing and supervising the company's business in accordance with the Board of Directors' guidelines and instructions. The task of arranging accounting and supervision in practice is the responsibility of the President and CEO. The President and CEO is assisted by the Executive Vice President.

The Group's Executive Committee assists the President and CEO and the Executive Vice President. The members of the Group Executive Committee shall be appointed by the President and CEO and approved by the Board of Directors.

In each appointment, the superior shall approve the appointments made by his or her own subordinates and the appointed persons' employment conditions.

Current Composition of the Group Executive Committee

The Group Executive Committee at present has seven members. The Group Executive Committee is generally convened once or twice a month.

Jaakko Pöyry Group Oyj's Organisation Structure

The Group's business operations are conducted through four business groups: Forest Industry, Forest Industry Consulting, Energy, and Infrastructure & Environment. Each business group has its own executive committee, chaired by the director of the business group in question. The Group's parent company Jaakko Pöyry Group Oyj is responsible for the Group's administration, strategic planning, economic matters, financing and investor relations. It also provides the business groups with services related to common Group functions.

Insider Control

The Board of Directors of Jaakko Pöyry Group Oyj has decided to follow the recommendation for Insider Guidelines of the Helsinki Exchanges. The Jaakko Pöyry Group's Insider Guidelines are even more strict than general recommendation.

Supervisory Procedures

In order to ensure the achievement of the Group mission and financial targets and to minimise the risk exposure, the Board of Directors has approved general rules and principles governing:

- Management Organisation
- Management Principles
- Operational Authorities and Approval Matrix
- Group Policies for various disciplines such as Financial planning and reporting, Internal and external auditing, Profit-bonus principles etc.

Group Administration

President and CEO

Erkki Pehu-Lehtonen

Executive Vice President

Teuvo Salminen

Chief Financial Officer

Lars Rautamo

Corporate Controller

Harriet Lindholm

Manager, Group Treasury

Nina Alaharju

Legal Matters

Anne Viitala

Manager, Real Estate

Juha Pöntinen

Manager, Personnel

Ritva Minkkinen

Manager,
Information Technology

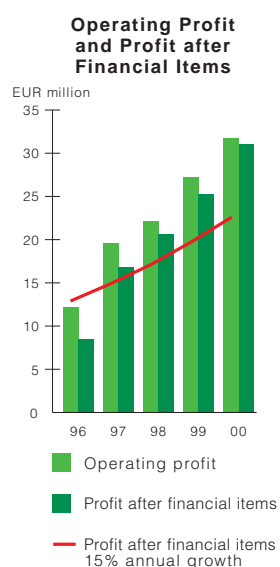
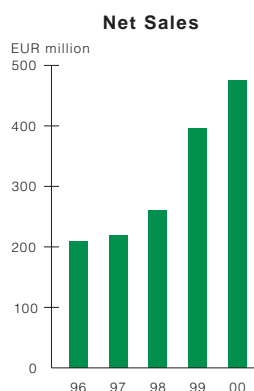
Jukka-Pekka Numminen

Investor Relations

Satu Lyytinen

Board of Directors' Report

January 1 - December 31, 2000



Consolidated Earnings and Balance Sheet

The operations and earnings of the Jaakko Pöyry Group developed favourably during the year under review and budgeted targets were clearly exceeded. Consolidated net sales increased by 20.0 per cent to EUR 474.5 (the previous year's figure 395.4) million. Operating profit amounted to EUR 31.8 (27.2) million, which equals 6.7 (6.9) per cent of net sales. The operating profit includes EUR 4.0 (3.7) million depreciation on consolidation goodwill. Profit after financial items was EUR 30.1 (25.3) million. The Group's profit for the year was EUR 19.2 (15.0) million and earnings per share EUR 1.40 (1.11).

The consolidated balance sheet total was EUR 310.3 (304.0) million. Shareholders' equity was EUR 97.4 (87.6) million. The equity ratio was 42.2 (36.5) per cent. The Group's liquidity remained good. At the end of the year, the Group's cash in hand and at banks amounted to EUR 37.5 (30.7) million. The interest-bearing debts totalled EUR 34.9 (42.4) million. The net debt/equity ratio (gearing) was -2.5 (13.5) per cent.

The Jaakko Pöyry Group clearly exceeded its financial targets for 2000. Earnings per share increased by 26.1 (24.7) per cent, the target being 15.0 per cent growth. The target for the Group's return on investment is 20.0 per cent; in 2000 the return on investment was 25.1 (22.6) per cent.

Business Groups

Forest Industry

The Forest Industry business group is a world leading provider of EPCM (Engineering, Procurement, Construction Management) services for forest industry investment projects. Services are divided into three main areas of expertise: new projects, rebuilds and maintenance engineering services. The business group's services cover all phases of a forest industry project, from preliminary engineering to implementation, including also operations management and maintenance services.

Net sales for the financial year were EUR 140.8 (119.6) million, and operating profit EUR 12.7 (13.5) million, which equals 9.0 (11.3) per cent of net sales. The profitability was satisfactory. The order stock at the end of the year was EUR 71.8 (70.5) million.

The business group's earnings were affected by the predicted poor results of some engineering projects, especially in the second and third quarters of the financial year.

Forest Industry Consulting

The Forest Industry Consulting business group is one of the world's leading advisers to the forest industry cluster and a pioneer in developing new solutions. The business group offers world-class consulting services designed to enhance client companies' profitability. It has special expertise in strategic consulting and in mergers and acquisitions.

Net sales for the financial year were EUR 53.0 (39.2) million, and operating profit EUR 4.8 (1.5) million, which equals 9.1 (3.8) per cent of net sales. The profitability was clearly better than in the previous year. The order stock at the end of the year was EUR 25.6 (21.2) million.

Assignments related to mergers and acquisitions boosted the business group's earnings, especially in the second quarter of the financial year. No lump-sum consulting fees related to mergers and acquisitions were booked in the final quarter. The business group's earnings were depressed by cost overruns in long-term developing-country projects incurred in the final quarter of the year.

Energy

The Energy business group is an international expert in the energy sector, combining technology, economy and environmental protection to offer clients a comprehensive range of services. The business group's services include all phases of energy projects, from strategic planning and project development to project planning and implementation. Its special expertise covers hydropower, bioenergy, combined heat and power generation, district heat and waste to energy.

Net sales for the financial year were EUR 180.9 (139.7) million, and operating profit EUR 8.1 (9.2) million, which equals 4.5 (6.6) per cent of net sales. The profitability was satisfactory. The order stock at the end of the year was EUR 111.6 (165.4) million.

The business group's earnings were affected by cost overruns in the former Process Industry business group, which was merged with the Energy business group at the beginning of 2000, and by costs of integrating the two groups' business operations.

Infrastructure & Environment

The Infrastructure & Environment business group offers technological expertise related to traffic systems, water and environmental projects, telecommunications and project implementation services. Services consist of consulting and development work, engineering and project management services, and operating and maintenance services.

Net sales for the financial year were EUR 102.7 (97.3) million, and operating profit EUR 8.6 (7.6) million, which equals 8.4 (7.8) per cent of net sales. The profitability was good. The order stock at the end of the year was EUR 96.5 (91.8) million.

The business groups' results include general and administrative parent company expenses in proportion to personnel expenses in the business groups.

Group Structure

The parent company of the Jaakko Pöyry Group is Jaakko Pöyry Group Oyj.

The Jaakko Pöyry Group has three core areas of business expertise: forest industry, energy, and infrastructure and environment.

The Group's operations are conducted through four business groups: Forest Industry, Forest Industry Consulting, Energy, and Infrastructure & Environment.

The Jaakko Pöyry Group's clients are globalising and consolidating their operations in many areas of the world. The Group assists its clients in this consolidation process through its global network of offices by serving as an adviser and project implementation specialist. The Jaakko Pöyry Group's local network of offices offers clients a good alternative for outsourcing their internal engineering services. The Jaakko Pöyry Group is actively striving to expand its office network with the aim of serving its clients locally. 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.

The Group intensified its efforts to develop new business activities during the year 2000. Investments were focused on commercialisation of various computer applications and product innovations related to the Group's IT-based products. Such special investments amounted to about EUR 0.8 million during the period under review.

In January 2001, Jaakko Pöyry Group Oyj and Elisa Communications Oyj jointly established Inforbis Oy, holding 70 per cent and 30 per cent, respectively, of the new company's shares. The company offers sector-specific web-based service concepts, which incorporate tools for storing, distributing, processing and managing information. Inforbis Oy aims to achieve net sales of EUR 3.5 million in Finland by 2003 and is planning to expand its operations to the other Nordic countries and Europe.

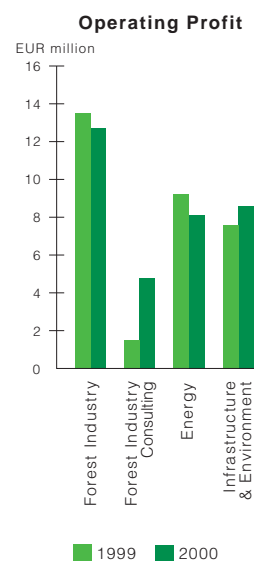
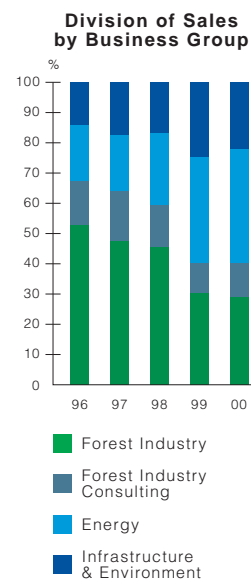
Forest Industry

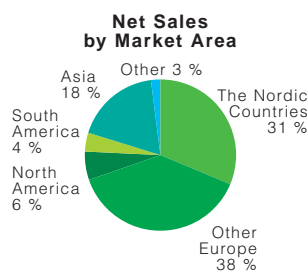
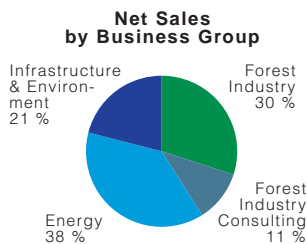
In response to the continued globalisation of the forest products industry, the Forest Industry business group's local office network will be expanded further in North America and Continental Western Europe.

Forest Industry Consulting

At the beginning of the financial year, Jaakko Pöyry Consulting Oy incorporated its management consulting unit in Finland into a separate company named JP Management Consulting (Europe) Oy. The development consulting business is conducted by JP Development Oy.

There are plans to reinforce the business group's market position in North America and the Far East.





Energy

Through a reorganisation effective from the beginning of the year 2000, the former Process Industry business group was merged with the Energy business group. And the activities of the French engineering company Beture-Environnement S.A., acquired in December 1999, have been integrated into the Energy business group.

Electrowatt-Ekono Oy has acquired a 60.0 per cent interest in the Polish company JES Energy Electrowatt Ekono Sp. z o.o. The purpose of the acquisition is to expand the business group's local expertise in Eastern Europe.

The business group is also planning to expand its operations in Europe and Asia.

Infrastructure & Environment

The activities of the French engineering company Beture-Cerec S.A., acquired in December 1999, have been integrated into the Infrastructure & Environment business group.

In June 2000, Jaakko Pöyry Group Oyj subscribed, in a targeted share issue, 30.0 per cent of the shares in EPStar Oy (earlier Star Communications Oy), a company specialising in consulting services and network planning for the telecommunications sector. At the same time, Jaakko Pöyry Group Oyj redirected the strategy of its Infrastructure & Environment business group, selecting the telecommunications sector as one of the business group's main growth areas. EPStar Oy is intended to supplement Jaakko Pöyry Group's service package in the areas of network planning and network integration. Jaakko Pöyry Group aims to expand its telecommunications business within the next few years and to offer turn-key deliveries of telecommunications networks to operators and equipment suppliers. For project implementation services Jaakko Pöyry Group will rely on the resources of its global network of offices in 34 countries and the Group's experience of project implementation in more than 100 countries. The Jaakko Pöyry Group's net sales to clients in the telecommunications sector amounted to about EUR 10 million in the year 2000. The Group's aim is to double the volume of this business during 2001 and 2002.

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

The Jaakko Pöyry Group has divested its 60.0 per cent shareholding in Jaakko Pöyry Argentina S.A. The company employed 30 people.

There are plans to expand the business group's office network, especially in Eastern Europe and the Far East.

Order Stock

The Group's order stock has remained good. The order stock totalled EUR 305.5 million at the end of the year, compared with EUR 348.9 million in 1999. The order stocks of the consulting and engineering businesses remained stable and the order stock in hours for the following twelve months was about ten per cent higher than at the end of September 2000. The decline was primarily caused by a decrease in the order stock for turn-key projects. One of the Group's strategic objectives is to improve its relative profitability and to raise its operating profit to more than 8.0 per cent. Because of the nature of the turn-key project business, its profitability is generally lower than that of the consulting and engineering businesses. For this reason, the Group does not intend to increase the share of turn-key projects of net sales, the aim being to boost the average profitability of projects.

A growing share of the Group's order stock is derived from consulting services and from repeat orders related to operating management and maintenance engineering. These short-term assignments are partly booked as net sales without being recorded in the order stock.

Research and Development

The Jaakko 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 R&D, to assist in obtaining supplementary financing and in engaging clients in development processes, and to keep the Group's focus on its strategic objectives.

The Jaakko Pöyry Group's research and development activities are characterised by the rapid application of research findings into practice. Many important improvements originate from a single person's vision, and the technological revolution has shortened the time lag from idea to product.

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

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

Capital Expenditure

The Group's capital expenditure totalled EUR 11.2 (27.4) million. Of the capital expenditure EUR 9.9 (7.9) million consisted mostly of computer software, systems and hardware.

The associated company (50 %) SCI Le Pecq sold its office building in France and the company has been liquidated. The Group's share of the sales price was EUR 5.3 million. The sale had no effect on the Group's result.

Financing

The Group's liquidity remained good during the financial year. At the end of the year, the Group's cash in hand and at banks totalled EUR 37.5 (30.7) million and interest-bearing liabilities EUR 34.9 (42.4) million, so cash in hand and at banks exceeded interest-bearing debts by EUR 2.6 million (in 1999 net debts were EUR -11.7) million. At the end of the year the Group had unutilised credit facilities of EUR 30.0 million. The net debt/equity ratio (gearing) at the end of the year was -2.5 (13.5) per cent.

Taxes

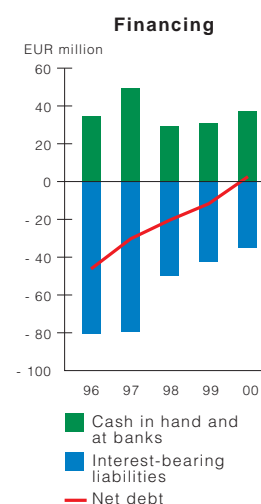
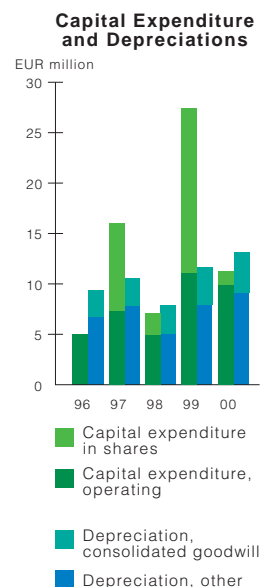
In its decision dated November 23, 2000, the Tax Office for Major Corporations concluded that the Jaakko Pöyry Group's Swiss subsidiary Electrowatt Engineering AG is not subject to the Controlled Foreign Company -legislation (CFC-legislation). As a result of this decision, the Group's taxation will be reduced by about EUR 1.5 million annually during the period 2000-2002. The tax agent in the Tax Office for Major Corporations has filed a complaint concerning the decision. The final verdict in this matter is expected in 2002.

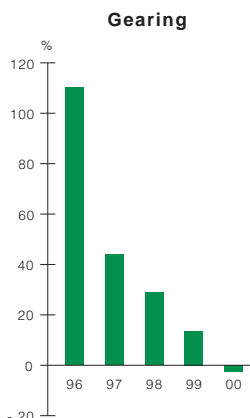
Swedish Staff Pension Society (SPP) Surplus

The consolidated operating profit includes the in 2000 refunded surplus, EUR 1.3 million, by the Swedish Staff Pension Society, SPP. The remaining amount, not yet refunded, is EUR 5.0 million. The net present value of this EUR 5.0 million is EUR 3.1 million.

Share Capital and Shares

Jaakko Pöyry Group Oyj's Annual General Meeting on March 8, 2000 approved the Board of Directors' proposal to cancel 597 200 of the company's own shares and to reduce the company's share capital from EUR 11 998 094.43 to EUR 11 495 885.28. The Annual General Meeting approved the Board of Directors' proposal to convert the company's share capital into euros and to raise it to EUR 13 670 286 through a bonus issue by transferring EUR 2 174 400.72 from the legal reserve to the share capital. After the





increase, the accounting par value of the company's shares is EUR 1.00, with the number of shares totalling 13 670 286. In July 53 850 shares have been subscribed. Following these subscriptions, the total number of shares amounts to 13 724 136. In addition 150 shares, which are not yet registered, were subscribed in October.

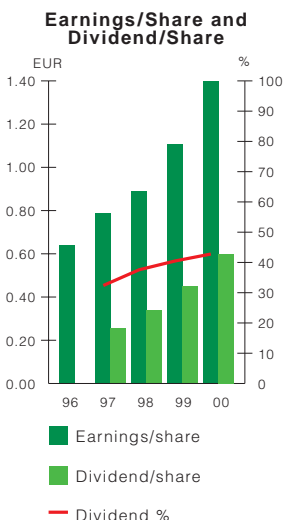
The company's shares are quoted on the Helsinki Exchanges. The company's share was delisted from the Stockholm Exchanges. The last trading date was May 31, 2000.

Authorisation to Issue New Shares

The Annual General Meeting on March 8, 2000 authorised the Board of Directors to raise the share capital by a new issue or by taking a convertible loan or by issuing option rights, so that based on the new issue, the convertible bonds and option rights, the share capital can be raised by a maximum of EUR 1.0 million by issuing for subscription a maximum of 1.0 million new shares. The authorisation is in force until March 8, 2001.

The Company's Own Shares

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



Bond Loan with Warrants

In 1998, Jaakko Pöyry Group Oyj issued a bond loan with warrants to all employees in the Group, with a total value of EUR 2 186 443. The bonds with warrants were wholly subscribed. The warrants carry subscription rights for a maximum of 1.3 million of the company's shares, with the subscription period beginning partly (390 000 shares) on April 1, 2000 and ending for all warrants on April 30, 2005. 54 000 shares were subscribed in 2000.

Dividend Policy

The dividend distributed by Jaakko Pöyry Group Oyj is dependent on the company's earnings and investment requirements. The objective is to increase the dividend per share from year to year, and to ensure that at least 40.0 per cent, or more, of earnings are distributed each year. Should the company have a need to expand its technology base by investing in acquisitions, or to expand its office network, the dividend-to-earnings ratio may be changed.

Board of Directors' Proposal

The Board of Directors proposes to the Annual General Meeting on March 8, 2001 that a dividend of EUR 0.60 per share be paid, totalling EUR 8.2 million. The proposed dividend corresponds to 42.8 per cent of the earnings per share for the financial year. The dividend paid per share increases by EUR 0.15 (33.3 per cent).

Board of Directors, President and Auditors

Members of the Board of Directors of Jaakko Pöyry Group Oyj elected in the annual general meeting on March 8, 2000 are Mr Heikki Lehtonen (Chairman), Mr Henrik Ehrnrooth, (Vice Chairman), Mr Jaakko Pöyry, (Vice Chairman), Mr Olle Alsholm, Mr Matti Lehti, Mr Niilo Pellonmaa and Mr David de Pury († December 2000).

Mr Erkki Pehu-Lehtonen, M.Sc.(Eng.) is President and CEO of Jaakko Pöyry Group Oyj and Mr Teuvo Salminen, M.Sc. (Econ.), Executive Vice President and Deputy of the President and CEO.

Auditors have been KPMG Wideri Oy Ab, Authorised Public Accountants, with Mr Albrecht Hagert, Authorised Public Accountant, as responsible auditor.

Future Prospects

Economic growth weakened notably in North America towards the end of the year 2000. The region's economy is being revitalised by means of interest rate cuts and probably also tax relief measures. Projections of world economic growth have also been revised downwards. About 5-6 per cent of the Jaakko Pöyry Group's net sales is derived from its North American operations, so the economic downturn in this region will not have a direct impact on the Group's earnings in 2001. Group companies operating in the region also have solid order stocks. Market prospects have remained good in Europe, the Jaakko Pöyry Group's main market area. The Group's order stock is also good in Europe.

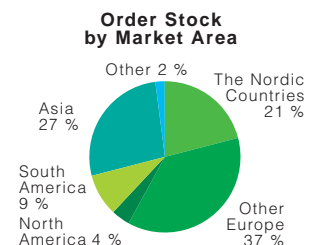
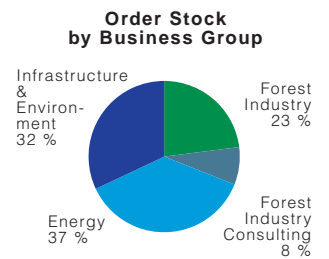
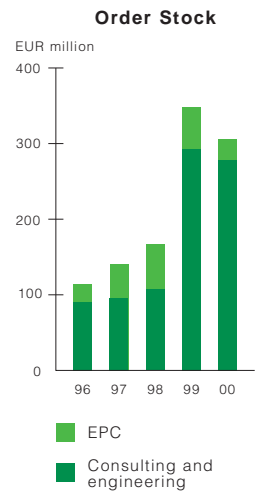
General prospects in the forest products industry are favourable. Pulp and paper prices have remained healthy and forest products companies' liquidity is excellent. The order stock of the Jaakko Pöyry Group's **Forest Industry** business group has grown in the final quarter of the year 2000 and numerous rebuilds and new projects are under development. Taking into account the investment activity and the Jaakko Pöyry Group's strong position in maintenance engineering, there are good prospects for further improving the business group's relative profitability and earnings in 2001.

The forest industry's consolidation and globalisation are continuing. This creates new business opportunities for the management consultants in the Jaakko Pöyry Group's **Forest Industry Consulting** business group and for JP Capital International Ltd, the business group's investment banking arm.

The energy market is being liberalised and internationalised. Because of the growing competition in the energy market and ever-tightening environmental regulations, power companies must improve their efficiency and competitiveness. This will boost demand for the technologies mastered by the Jaakko Pöyry Group's **Energy** business group. In Europe, a surplus of electricity is putting a brake on investment activity, shifting the emphasis in investments to Asia and the Middle East. The relative profitability of turn-key projects is weaker than that of consulting and engineering projects. For this reason, the Energy business group does not intend to expand the share of turn-key projects of its total net sales.

Growth prospects in the Jaakko Pöyry Group's **Infrastructure & Environment** business group's international business sectors – traffic systems, water and environment, and telecommunications – are promising. The business group's services in all of these sectors are aimed at improving the state of the environment and preventing further pollution. The telecommunications sector is enjoying particularly good growth throughout the world. The business group has invested in developing its telecommunications business during the year 2000, and is now well equipped to improve its position in this field of activity.

Taking into account the market situation described in the foregoing, the prospects of the business groups, and the order stock, the Jaakko Pöyry Group has a solid platform for year 2001. The Group is in a good position to reach the financial targets defined in its strategy.



Statement of Income

EUR million	Group		Parent company	
	2000	1999	2000	1999
1 Net sales	474.5	395.4		
2 Other operating income	2.2	5.1	4.9	5.3
Share of associated companies' results	- 0.1	+ 0.7		
3 Materials and supplies	- 104.6	- 78.5		
4 Personnel expenses	- 225.8	- 194.0	- 2.1	- 2.6
5 Depreciation and value decrease	- 13.1	- 13.2	- 0.2	- 0.1
Other operating expenses	- 101.3	- 88.3	- 6.5	- 7.5
Operating profit	31.8	27.2	- 3.9	- 4.9
6 Financial income and expenses	- 1.7	- 1.9	- 1.0	- 0.7
Profit after financial items	30.1	25.3	- 4.9	- 5.6
7 Extraordinary items	0.0	0.0	+ 10.0	+ 20.5
Profit before appropriations, taxes and minority interest	30.1	25.3	5.1	14.9
8 Income taxes	- 9.0	- 8.9	- 1.4	- 4.4
Minority interest	- 1.9	- 1.4		
Net profit for the period	19.2	15.0	3.7	10.5

Balance Sheet

Assets EUR million	Group		Parent company	
	2000	1999	2000	1999
Fixed assets				
1 Intangible assets	6.6	5.3	0.4	0.6
2 Consolidation goodwill	35.8	40.0		
3-4 Tangible assets	32.7	33.3	4.1	4.1
5-6 Non-current investments	13.4	17.6	101.5	106.7
	88.5	96.2	106.0	111.4
Current assets				
7 Non-current receivables	3.9	10.6		
8-9 Current receivables	180.4	161.0	21.1	26.2
Own shares		5.5		5.5
Investments	10.0	9.8	5.4	3.8
Cash in hand and at banks	27.5	20.9	1.3	1.5
	221.8	207.8	27.8	37.0
	310.3	304.0	133.8	148.4

Shareholders' equity and liabilities EUR million	Group		Parent company	
	2000	1999	2000	1999
10 Shareholders' equity				
Share capital	13.7	12.0	13.7	12.0
Share premium reserve	21.1	20.1	21.1	20.1
Own shares' reserve		5.5		5.5
Legal reserve	18.1	20.6	18.0	20.2
Retained earnings	25.3	14.4	18.9	14.5
Net profit for the period	19.2	15.0	3.7	10.5
	97.4	87.6	75.4	82.8
Minority interest	5.2	4.9		
Liabilities				
11-14 Non-current liabilities	22.4	32.6	19.5	24.4
15-16 Current liabilities	185.3	178.9	38.9	41.2
	207.7	211.5	58.4	65.6
	310.3	304.0	133.8	148.4

Statement of Changes in Financial Position

EUR million	Group		Parent company	
	2000	1999	2000	1999
From operations				
Operating profit	31.8	27.2	- 3.9	- 4.9
Depreciation and value decrease	+ 13.1	+ 13.2	+ 0.2	+ 0.1
Gain on sale of fixed assets	- 0.5	- 1.7	- 0.1	- 0.4
Share of associated companies' results	+ 0.1	- 0.7		
Change in net working capital	- 4.2	- 8.4	- 1.2	+2.1
Financial income and expenses	- 2.7	- 1.9	- 2.2	+ 1.7
Extraordinary items			+ 20.4	+ 19.1
Taxes	- 11.8	- 9.3	- 5.5	- 5.8
Total from operations	+ 25.8	+ 18.4	+ 7.7	+ 11.9
Capital expenditure				
Investments in shares in subsidiaries	0.9	12.6	- 4.6	12.2
Investments in shares in associated companies	0.8	0.2	0.3	
Investments in other shares	0.4	3.5		0.1
Investments in fixed assets	10.3	11.1	0.1	0.4
Sales of shares in associated companies	2.2	0.7		
Sales of other shares	0.7	2.3	0.1	1.1
Sales of fixed assets	0.4	1.7	0.1	0.2
Capital expenditure total	- 9.1	- 22.7	+ 4.4	- 11.4
Cash flow before financing	+ 16.7	- 4.3	+ 12.1	+ 0.5
Financing				
New loans	+ 10.0	+ 0.3	+ 10.0	+ 1.3
Repayments of loans	- 17.0	- 8.2	- 12.7	- 8.0
Change in current financing	- 0.5	- 1.5	- 3.2	- 8.8
Change in non-current investments	+ 2.9	+ 1.5	+ 0.8	+ 3.5
Dividends	- 7.0	- 4.9	- 6.2	- 4.4
Share issue		+ 5.5		+ 5.5
Share subscription	+ 0.6		+ 0.6	
Other	+ 1.2			
Financing total	- 9.8	- 7.3	- 10.7	- 10.9
Change in liquid assets	+ 6.9	- 11.6	+ 1.4	- 10.4
From acquired subsidiaries	- 0.1	+ 12.9		
Liquid assets January 1	30.7	29.4	5.3	15.7
Liquid assets December 31	37.5	30.7	6.7	5.3

Notes to the Financial Statements

Accounting Principles

Basis of Presentation

The consolidated financial statements of the Jaakko Pöyry Group have been prepared in accordance with the Finnish Accounting Standards (FAS). The financial statements are presented in euros and prepared under the historical cost convention.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from these estimates.

Group Financial Statements

The consolidated financial statements include the parent company and the subsidiaries in which the Group owns more than fifty per cent of the voting rights at the end of the fiscal year. The companies in which the Group owns between twenty and fifty per cent have been accounted for as associated companies. Companies acquired during the fiscal year are included in the consolidated financial statements from the date of acquisition. Closed or sold companies have been included until the closing or sales date.

Consolidation Principles

Group companies are consolidated and the inter-company share ownership is eliminated in accordance with the acquisition method.

Internal transactions between Group companies are eliminated.

Minority interest is presented as separate items in the consolidated statement of income and in the consolidated balance sheet.

The difference between the acquisition cost and shareholders' equity on the acquisition date, consolidated goodwill, is depreciated over 10 or 20 years. The consolidation goodwill related to the acquisition of the Jaakko Pöyry Group companies in 1995 is depreciated over 20 years. The value of this goodwill was EUR 24.7 million at the end of 2000. The remainder of the consolidated goodwill, EUR 11.1 million, is depreciated in 10 years. The total amount of depreciation of consolidated goodwill in 2000 was EUR 4.0 million.

Associated companies are consolidated into the consolidated statement of income and the consolidated balance sheet in accordance with the equity method.

Foreign Group Companies

The statement of income figures of non-Finnish subsidiaries are translated into euros at the European Central Bank's average rates during the fiscal year. The balance sheet figures of non-Finnish subsidiaries are translated into euros at the European Central Bank's middle rates prevailing at the balance sheet date. The difference between the translation of statement of income and balance sheet figures at different exchange rates, as well as the translation adjustment on the non-Finnish subsidiaries' equity between the balance sheet date and the date of acquisition, are included as a separate item in shareholders' equity.

Foreign Currency Translation

Receivables and liabilities in foreign currencies are valued at the exchange rates prevailing at the balance sheet date. Balance sheet items in foreign currency, which have been protected by binding agreements, are valued at agreed exchange rates. The results for the forward exchange transactions and currency options have been booked on the basis of realisation. Open forward contracts are translated at the exchange rates prevailing at the balance sheet date, except for forward contracts related to order stock. The parent company values all open derivative instruments.

Exchange gains and losses from realisation and from valuation are taken into account in the statement of income. The interest rate differential of the forward contracts is included in the exchange gains or losses. Exchange gains and losses related to business operations are included in net sales or operating expenses. Exchange gains and losses related to financing operations are included in financial income and expenses.

Income from Long-Term Projects

The Jaakko Pöyry Group's long-term projects are recognized as income in proportion to the degree of completion of each project. The degree of completion is calculated based on the ratio between the project cost and the total estimated cost of the project. In the beginning of a project special prudence is exercised.

Foreign currency cash flows in long-term projects have been mainly hedged for changes in exchange rates.

An ethanol fuel plant project has affected the earnings in year 2000. At the year-end there is a dispute with the client. The management has made appropriate provisions for the project in the Financial Statements for year 2000.

Depreciation Principles

A predetermined schedule has been used in depreciation according to plan on depreciable fixed assets. Depreciation according to plan has been calculated on a straight-line basis.

Goodwill will be depreciated over five years. The difference between the acquisition cost and shareholders' equity on the acquisition date, consolidated goodwill, is depreciated over 10 or 20 years. Capitalised expenditure is depreciated over three to five years. For buildings the depreciation period is 20 to 40 years. Machinery and equipment are depreciated over four to eight years. Land areas are not depreciated.

Leasing

Lease payments are treated as rent expenses.

Property Values

Properties, land areas, buildings and equipment are valued at their original acquisition cost less accumulated depreciation.

Gains on sales of fixed assets are included in other operating income. Losses on sales of fixed assets are included in other operating expenses.

Capitalised Expenditure

Capitalised expenditure includes mainly purchases of computer software. Research and development expenses are booked as they arise.

Deferred Tax Liabilities

Accumulated depreciation in excess of plan is presented as appropriations in the financial statements of separate group companies. On group level, the appropriations are divided into shareholders' equity, EUR 2.4 million, and deferred tax liability, EUR 1.0 million. On group level there is a deferred tax receivable, EUR 2.4 million, due to booked items on group level. The net value of the deferred tax receivable EUR 1.4 million is deducted from the current tax liabilities.

Pension Arrangements

For Finnish companies, the statutory pension liabilities are generally satisfied through contracts with insurance companies. Voluntary pensions are organised through pension insurances.

The Jaakko Pöyry Group's pension fund's liabilities are insured in an outside insurance company since the beginning of year 2000.

Soil and Water Ltd has an own pension fund. The employees who are members of this pension fund have the right to retire at the age of 62. The pension fund is closed.

Subsidiaries outside Finland organise their pension arrangements in accordance with the practice of each country.

The Swedish Staff Pension Society Consolidation Surplus

The total amount of the consolidated surplus from the Swedish Staff Pension Society (SPP) which was allocated to companies within the Jaakko Pöyry Group was EUR 6.3 million. EUR 1.3 million is included in the operating profit. The remaining EUR 5.0 million is taken into account at net present value in the companies. This 3.1 is not taken into account in the business group's results nor in the Group's consolidated statement of income.

Notes to the Statement of Income

EUR million	Group		Parent company	
	2000	1999	2000	1999
1. Net sales	474.5	395.4		
Net sales by business group and by area are on the page 12.				
2. Other operating income				
Rent income	1.7	1.1	4.8	4.8
Gain on sales of fixed assets	0.5	1.7	0.0	0.4
Other	0.0	2.3	0.1	0.1
Total	2.2	5.1	4.9	5.3
3. Materials and supplies				
Materials and supplies	60.8	25.7		
External charges, subconsulting	43.8	52.8		
Total	104.6	78.5		
4. Personnel expenses				
Wages and salaries	180.2	157.9	1.3	1.7
Remunerations	5.9	3.5	0.3	0.3
Pension expenses	18.9	14.2	0.4	0.4
Other personnel expenses	20.8	18.4	0.1	0.2
Total	225.8	194.0	2.1	2.6
To members of Board of Directors and Presidents				
Wages and salaries	7.4	6.6	0.5	0.5
Remunerations	1.0	1.1	0.3	0.2
Pension expenses	1.4	0.8	0.2	0.2
Other personnel expenses	0.8	0.7	0.0	0.0
Total	10.6	9.2	1.0	0.9
Salaries paid to the President of the parent company were EUR 186 000 in 2000. The President of the parent company has the right to retire at the age of 60.				
5. Depreciation and value decrease				
Depreciation according to plan				
Goodwill	0.2	0.2		
Consolidation goodwill	4.0	3.7		
Other capitalized expenditure	1.8	1.1	0.1	
Buildings and structures	0.4	0.4		
Machinery and equipment	6.7	6.2	0.1	0.1
	13.1	11.6	0.2	0.1
Value decrease		1.6		
Total	13.1	13.2	0.2	0.1

EUR million	Group		Parent company	
	2000	1999	2000	1999
6. Financial income and expenses				
Dividend income				
From group companies			0.9	0.4
From associated companies				
From other	0.1			
	0.1	0.0	0.9	0.4
Interest income from non-current investments				
From group companies			0.7	0.7
From associated companies	0.1	0.2	0.1	0.1
From other				
	0.1	0.2	0.8	0.8
Other interest and financial income				
From group companies			0.4	0.2
From associated companies				
From other	1.5	1.0	0.3	0.3
	1.5	1.0	0.7	0.5
Interest expenses and other financial expenses				
To group companies			- 0.5	- 0.5
To associated companies				
To other	- 3.0	- 2.7	- 2.3	- 1.8
	- 3.0	- 2.7	- 2.8	- 2.3
Differences in exchange rates				
Exchange rate gains	3.9	4.0	4.0	3.4
Exchange rate losses	- 4.3	- 4.4	- 4.6	- 3.5
	- 0.4	- 0.4	- 0.6	- 0.1
Total	- 1.7	- 1.9	- 1.0	- 0.7
The parent company has hedged the Group's long-term order stock and future sales against possible depreciation of the US dollar. Exchange rate losses due to appreciation of the dollar has been booked under financial items.				
7. Extraordinary items				
Extraordinary income				
Group contribution			10.0	20.5
Total			10.0	20.5
8. Income taxes				
Taxes for the fiscal year	9.5	8.6	1.4	4.3
Taxes for previous years	0.4	0.4		0.1
Change in deferred tax liabilities	- 0.9	- 0.1		
Total	9.0	8.9	1.4	4.4

Notes to the Balance Sheet

EUR million	Group		Parent company	
	2000	1999	2000	1999
1. Intangible assets				
Goodwill				
Acquisition value Jan. 1	1.0	0.8		
Increase	+ 0.6	+ 0.2		
Decrease	- 0.0	- 0.0		
Acquisition value Dec. 31	1.6	1.0		
Accumulated depreciation Jan. 1	0.6	0.4		
Accumulated depreciation of decrease	- 0.0	- 0.0		
Depreciation for the period	0.2	0.2		
Accumulated depreciation Dec. 31	0.8	0.6		
Book value Dec. 31	0.8	0.4		
Other capitalized expenditure				
Acquisition value Jan. 1	8.3	4.6	1.0	0.9
Increase	+ 2.7	+ 3.9	+ 0.0	+ 0.2
Decrease	- 0.0	- 0.2	- 0.1	- 0.1
Acquisition value Dec. 31	11.0	8.3	0.9	1.0
Accumulated depreciation Jan. 1	3.4	2.3	0.4	0.4
Accumulated depreciation of decrease	- 0.0	- 0.0	- 0.0	- 0.0
Depreciation for the period	1.8	1.1	0.1	0.0
Accumulated depreciation Dec. 31	5.2	3.4	0.5	0.4
Book value Dec. 31	5.8	4.9	0.4	0.6
Intangible assets, total				
Acquisition value Jan. 1	9.3	5.4	1.0	0.9
Increase	+ 3.3	+ 4.1	+ 0.0	+ 0.2
Decrease	- 0.0	- 0.2	- 0.1	- 0.1
Acquisition value Dec. 31	12.6	9.3	0.9	1.0
Accumulated depreciation Jan. 1	4.0	2.7	0.4	0.4
Accumulated depreciation of decrease	- 0.0	- 0.0	- 0.0	- 0.0
Depreciation for the period	2.0	1.3	0.1	0.0
Accumulated depreciation Dec. 31	6.0	4.0	0.5	0.4
Book value Dec. 31	6.6	5.3	0.4	0.6

EUR million	Group		Parent company	
	2000	1999	2000	1999
2. Consolidation goodwill				
Acquisition value Jan. 1	54.9	43.8		
Increase	+ 0.6	+ 11.1		
Decrease	- 0.8	- 0.0		
Acquisition value Dec. 31	54.7	54.9		
Accumulated depreciation Jan. 1	14.9	11.2		
Depreciation for the period	4.0	3.7		
Accumulated depreciation Dec. 31	18.9	14.9		
Book value Dec. 31	35.8	40.0		
3. Tangible assets				
Land areas				
Acquisition value Jan. 1	5.1	4.7	3.8	3.7
Increase	+ 0.0	+ 0.4	+ 0.0	+ 0.1
Decrease	- 0.0	- 0.0	- 0.0	- 0.0
Acquisition value Dec. 31	5.1	5.1	3.8	3.8
Book value Dec. 31	5.1	5.1	3.8	3.8
Buildings and structures				
Acquisition value Jan. 1	14.2	11.5		
Increase	+ 0.2	+ 3.1		
Decrease	- 0.0	- 0.4		
Acquisition value Dec. 31	14.4	14.2		
Accumulated depreciation Jan. 1	1.5	1.1		
Accumulated depreciation of decrease	- 0.0	- 0.0		
Depreciation for the period	0.4	0.4		
Accumulated depreciation Dec. 31	1.9	1.5		
Value decrease	0.8	0.8		
Book value Dec. 31	11.7	11.9		
Machinery and equipment				
Acquisition value Jan. 1	38.3	25.9	0.5	0.4
Increase	+ 6.7	+ 13.5	+ 0.1	+ 0.1
Decrease	- 1.1	- 1.1	- 0.1	- 0.0
Acquisition value Dec. 31	43.9	38.3	0.5	0.5
Accumulated depreciation Jan. 1	22.3	16.4	0.3	0.2
Accumulated depreciation of decrease	- 0.6	- 0.2	- 0.1	- 0.0
Depreciation for the period	6.7	6.1	0.1	0.1
Accumulated depreciation Dec. 31	28.4	22.3	0.3	0.3
Book value Dec. 31	15.5	16.0	0.2	0.2

EUR million	Group		Parent company	
	2000	1999	2000	1999
Other tangible assets				
Acquisition value Jan. 1	0.4	0.3	0.1	0.1
Increase	+ 0.1	+ 0.2		
Decrease	- 0.0	- 0.1		
Acquisition value Dec. 31	0.5	0.4	0.1	0.1
Accumulated depreciation Jan. 1	0.1	0.1		
Accumulated depreciation of decrease				
Depreciation for the period				
Accumulated depreciation Dec. 31	0.1	0.1		
Book value Dec. 31	0.4	0.3	0.1	0.1
Tangible assets, total				
Acquisition value Jan. 1	58.0	42.4	4.4	4.2
Increase	+ 7.0	+ 17.2	+ 0.1	+ 0.2
Decrease	- 1.1	- 1.6	- 0.1	- 0.0
Acquisition value Dec. 31	63.9	58.0	4.4	4.4
Accumulated depreciation Jan. 1	23.9	17.6	0.3	0.2
Accumulated depreciation of decrease	- 0.6	- 0.2	- 0.1	- 0.0
Depreciation for the period	7.1	6.5	0.1	0.1
Accumulated depreciation Dec. 31	30.4	23.9	0.3	0.3
Value decrease	0.8	0.8		
Book value Dec. 31	32.7	33.3	4.1	4.1

4. Land and buildings

		Book-value	Rental income	Tenant
Jaakko Pöyry Group Oyj (Land area)	Finland	3.8	0.2	Kiinteistö Oy Vantaan Jaakonkatu 3
JP Fastighets AB	Sweden	2.4	0.3	Jaakko Pöyry AB
Dølasletta Eiendom A.S.	Norway	1.4	0.2	External
SCI J.P.R.	France	0.8	0.2	Retma S.A.
JP Representacoes e Participacoes Ltda	Brazil	5.5	0.7	External
Jaakko Pöyry Tecnologia Ltda	Brazil	2.1	0.1	External
Arvest Properties (N.Z.) Ltd	New Zealand	0.8	0.1	JP Management Consulting (Asia-Pacific) Ltd
Other		0.1		
Total		16.9		

EUR million	Group		Parent company	
	2000	1999	2000	1999
5. Non-current investments				
Shares in group companies Jan. 1			82.5	61.5
Increase			+ 1.2	+ 12.2
Decrease			- 5.8	- 0.0
From associated companies				+ 8.8
Shares in group companies Dec. 31			77.9	82.5
Receivables from group companies Jan. 1			15.0	19.9
Increase			+ 4.5	+ 2.6
Decrease			- 2.5	- 7.5
Receivables from group companies Dec. 31			17.0	15.0
Shares in associated companies				
Acquisition value Jan. 1	7.2	21.8	3.2	12.1
Increase	+ 0.8	+ 0.1	+ 0.3	+ 0.0
Decrease	- 2.2	- 0.7	- 0.0	- 0.0
Transfer	- 1.2	- 14.0		- 8.8
Acquisition value Dec. 31	4.6	7.2	3.5	3.3
Accumulated influence on the earnings Jan. 1	+ 0.3	- 2.3		
Transfer	+ 1.2	+ 1.9		
Share of the profit for the period	+ 0.2	+ 0.7		
Share of the loss for the period	- 0.3			
Accumulated influence on the earnings Dec. 31	+ 1.4	+ 0.3		
Shares in associated companies Dec. 31	6.0	7.5	3.5	3.3
Receivables from associated companies Jan. 1	3.2	4.2	3.3	3.8
Increase	+ 0.5	+ 0.0	+ 0.5	+ 0.0
Decrease	- 3.3	- 1.0	- 3.3	- 0.5
Receivables from associated companies Dec. 31	0.4	3.2	0.5	3.3
Other shares Jan. 1	6.8	4.8	2.5	3.1
Increase	+ 0.4	+ 3.5		+ 0.1
Decrease	- 0.2	- 0.7	- 0.1	- 0.7
Value decrease		- 0.8		
Other shares Dec. 31	7.0	6.8	2.4	2.5
Other receivables Jan. 1	0.1	0.6	0.1	0.2
Increase				+ 0.1
Decrease	- 0.1	- 0.5		- 0.2
Other receivables Dec. 31	0.0	0.1	0.1	0.1
Non-current investments Jan. 1, total	17.6	29.1	106.7	100.6
Increase	+ 1.9	+ 4.3	+ 6.5	+ 15.0
Decrease	- 6.1	- 2.9	- 11.7	- 8.9
Value decrease		- 0.8		
To group companies		- 12.1		
Non-current investments Dec. 31, total	13.4	17.6	101.5	106.7

	Group ownership of voting rights, %	Parent company ownership of voting rights, %	Book value		Net sales	Personnel
			Parent company EUR million	Other group company EUR million	EUR million	
6. Share ownership						
Group companies						
Forest Industry						
Jaakko Pöyry Oy, Vantaa, Finland	100.0	100.0	40.7		46.4	415
JP-Suunnittelu Oy, Vantaa, Finland	100.0			3.6	40.2	561
Papes Oy, Tampere, Finland	100.0			0.2	1.1	14
JP-Kakko Oy, Vantaa, Finland	100.0	100.0	1.4		7.9	115
Jaakko Pöyry Förvaltning AB, Sweden	100.0			7.2		
Jaakko Pöyry AB, Sweden	100.0			0.2	16.2	160
Rigel Konsult i Gävle AB, Sweden	51.0			0.3	3.4	46
Jaakko Pöyry Norge AS, Norway	100.0			0.9	3.5	46
Jaakko Pöyry Deutschland GmbH, Germany	100.0			1.0	3.6	55
JP Engineering S.N.C., France	100.0			0.1	3.4	28
Jaakko Pöyry Polska Sp. z o.o., Poland	55.0			0.6	2.2	42
Jaakko Pöyry Southern Africa (Pty) Ltd, Southern Africa	100.0			0.5	1.6	27
Marathon Engineers/Architects/Planners LLC, USA	94.2			6.7	29.6	128
P.T. Jaakko Pöyry Engineering, Indonesia	100.0	1.0	0.0	0.3	2.1	10
Jaakko Pöyry (Thailand) Co. Ltd, Thailand	100.0			0.2	0.0	
Jaakko Pöyry Tecnologia Ltda, Brazil	100.0			5.0	8.9	79
Jaakko Pöyry Electrowatt (Chile) S.A., Chile	100.0			0.0	1.1	19
Forest Industry Consulting						
Jaakko Pöyry Consulting Oy, Vantaa, Finland	77.0	77.0	3.3			3
JP Management Consulting Oy, Vantaa, Finland	63.9			3.2		
JP Management Consulting (Europe) Oy, Vantaa, Finland	63.9			2.9	15.8	120
Jaakko Pöyry Consulting AB, Sweden	63.9			0.4	1.9	13
JP Management Consulting (Europe) Ltd, United Kingdom	63.9			0.1	7.1	29
Jaakko Pöyry Consulting GmbH, Germany	63.9			0.0	0.9	7
Jaakko Pöyry Consulting (North America) Inc., USA	63.9			0.4	6.6	30
JP Management Consulting (Asia-Pacific) Pte Ltd, Singapore	63.9			0.9	7.0	36
JP Management Consulting (Asia-Pacific) Pty Ltd, Australia	63.9			0.3	2.7	19
JP Management Consulting (Asia-Pacific) Ltd, New Zealand	63.9			0.6	2.3	17
JP Operations Management Ltd Oy, Vantaa, Finland	66.9			0.2	0.9	6
JP Capital International Ltd, United Kingdom	77.0			0.6	6.3	11
JP Development Oy, Vantaa, Finland	69.3			0.5	8.1	18
JP Development Ltd, New Zealand	69.3			0.0	0.0	
Anzdec Ltd, New Zealand	69.3			0.0	3.1	7
Agrico Ltd, New Zealand	69.3			0.0	0.0	

	Group ownership of voting rights, %	Parent company ownership of voting rights, %	Book value Parent company EUR million	Other group company EUR million	Net sales EUR million	Personnel
Energy						
Electrowatt-Ekono Oy, Espoo, Finland	100.0	100.0	2.4		14.8	162
Electrowatt-Ekono AB, Sweden	100.0			0.0	1.3	15
Electrowatt Engineering Ltd, Switzerland	100.0	100.0	12.3		65.1	317
Electrowatt Engineering Ltd, Branch Office, Oman					15.4	252
Electrowatt-Ekono GmbH, Germany	100.0			2.3	4.1	58
Electrowatt Engineering Mannheim GmbH, Germany	100.0			0.7	1.4	15
Beture-Environnement S.A., France	70.0			0.4	5.8	52
RETMA S.A., France	100.0			1.0	6.7	53
SEEI S.A., France	100.0			0.6	2.9	33
Heymo Ingenieria S.A., Spain	60.8	60.8	1.3		13.9	186
Electrowatt-Ekono (UK) Ltd, United Kingdom	100.0			4.7	13.0	73
Electrowatt-Ekono (UK) Ltd, Branch Office, Saudi Arabia					2.7	5
Electrowatt-Ekono Sp. z o.o., Poland	57.0			0.0	0.1	8
JES Energy Electrowatt Ekono Sp. z o.o., Poland	60.0			0.1		13
Electrowatt-Ekono (S) Pte Ltd, Singapore	100.0			0.0		
Electrowatt-Ekono (Thailand) Ltd, Thailand	100.0			0.3	19.2	105
Electrowatt-Ekono (Philippines) Inc., Philippines	100.0			0.1	1.1	71
Electrowatt Engineering (Peru) S.A., Peru	100.0			0.0	2.4	19
Electrowatt Engineering (Argentina) S.A., Argentina	100.0			0.0	1.2	3
JPI Process Contracting Oy, Vantaa, Finland	100.0	100.0	3.9		34.0	28
Jaakko Pöyry S.A., France	100.0	100.0	5.1		14.4	14
Jaakko Pöyry BCEL Engineering Ltd, China	51.0			0.2		
Infrastructure & Environment						
Soil and Water Ltd, Helsinki, Finland	100.0	100.0	0.7		21.6	263
PSV-Soil and Water Ltd, Oulu, Finland	100.0			0.5	3.3	55
Geokeskus Oy, Helsinki, Finland	100.0			0.1	1.6	24
JP-Transplan Oy, Oulu, Finland	100.0			0.8	3.9	61
JP-Suoraplan Oy, Helsinki, Finland	100.0			0.3	0.3	
Electrowatt Engineering Ltd, Switzerland						
Rätia Ingenieure AG, Switzerland	100.0			0.1	1.4	14
BPI-Consult GmbH, Germany	100.0			1.2	20.8	215
BPI-Consult Sp. z o.o. Polska, Poland	100.0			0.0	0.9	
Beture-Cerec S.A., France	60.0	60.0	0.3		5.3	93
JP Building Engineering Ltd, Espoo, Finland	100.0			1.1	11.2	182
JP-Projektipalvelu Oy, Vantaa, Finland	100.0	100.0	0.0		0.3	4
JP-Terasto Oy, Vantaa, Finland	100.0	100.0	0.8		6.5	65
Jaakko Pöyry Group Projects Ltd Oy, Vantaa, Finland	100.0			0.0	0.3	
East Engineering Ltd Oy, Vantaa, Finland	100.0			0.0	0.0	
East Services Ltd Oy, Vantaa, Finland	100.0			0.0	0.0	
JP-Terasto Eesti Oü, Estonia	80.0			0.0	0.2	5
SIA JP-Terasto, Latvia	100.0			0.0	0.0	
ZAO JP-Terasto, Russia	100.0			0.0	0.3	8
Electrowatt Infra (Thailand) Ltd, Thailand	100.0			0.3	0.6	11
Electrowatt Engineering (S) Pte Ltd, Singapore	100.0			0.0		
Electrowatt Engineering (Venezuela) S.A., Venezuela	100.0			0.0	0.1	1

	Group ownership of voting rights, %	Parent company ownership of voting rights, %	Book value Parent company EUR million	Other group company EUR million	Net sales EUR million	Personnel
Real Estates						
Jaakko Pöyry Holding AB, Sweden	100.0	100.0	2.5			
Jaakko Pöyry Fastighets AB, Sweden	100.0			3.3		
Dølasletta Eiendom A.S., Norway	100.0	100.0	0.0			
SCI J.P.R., France	100.0			0.2		
JP-Finanz AG, Switzerland	100.0	100.0	1.9			
JP Representacoes e Participacoes Ltda, Brazil	100.0			5.1		
Alcora Trading S.A., Uruguay	100.0	100.0	0.0			
Arvest Properties (N.Z.) Ltd, New Zealand	100.0	100.0	0.4			
Other						
Inforbis Oy, Vantaa, Finland	100.0	100.0	0.3			1
JP-Sijoitus Oy, Helsinki, Finland	100.0	100.0	0.5			
Electrowatt Engineering (Deutschland) GmbH, Germany	100.0			2.8		
Intelligent Buildings Systems & Services, IBS+S Zürich, Switzerland	100.0			0.0		
BfÖ Bürogemeinschaft für angewandte Oekologie AG, Switzerland	100.0			0.0		
Electrowatt Engineering Altdorf AG, Switzerland	100.0			0.1		
GEO Büro für Geotechnik GmbH, Germany	100.0			0.0	0.1	
Addendum GmbH, Germany	100.0			0.0		
Ekono Energy (UK) Ltd, United Kingdom	100.0			0.1		
Soil and Water International Oy, Helsinki, Finland	100.0			0.0		
Soil & Water Portugal-Consultores Lda, Portugal	100.0			0.0		
Jaakko Pöyry Espanola S.A., Spain	100.0	100.0	0.0			
Jaakko Pöyry (USA) Inc., USA	100.0			7.7		
Jaakko Pöyry Canada Ltd, Canada	100.0			0.0		
Jaakko Pöyry Chilena Ltda, Chile	100.0			0.0		
Jaakko Pöyry Engineering (South America) S.A., Uruguay	100.0	100.0	0,1			
Jaakko Pöyry Consulting (South America) S.A., Uruguay	100.0	100.0	0,0			
Jaakko Pöyry Pty Ltd, Australia	100.0			0.0		
J.P. New Zealand Ltd, New Zealand	100.0			0.0		
Proratio Engineering GmbH, Austria	100.0	100.0	0.0			
Jaakko Pöyry spol s.r.o., Czech Republic	100.0	100.0	0.0			
JP Projectos Industriais Lda, Portugal	100.0	100.0	0.0			
ZAO Konsofin, Russia	70.0			0.0		

	Group ownership of voting rights, %	Parent company ownership of voting rights, %	Parent company Book value EUR million	Other group company EUR million
Associated companies:				
Forest Industry Consulting				
Oy FEG-Forest and Environment Group Ltd, Joensuu, Finland	20.8			0.0
Energy				
Polartest Oy, Helsinki, Finland	30.5			0.2
Inesco Oy, Espoo, Finland	50.0			0.5
Korea District Heating Engineering Company Ltd, Korea	50.0			0.2
Advance Ekono Co. Ltd, Thailand	49.0			0.0
Emerging Power Partners Oy, Helsinki, Finland	50.0			0.0
Infrastructure & Environment				
JP-Skanska Water Oy, Vantaa, Finland	50.0		0.1	
EPStar Oy, Helsinki, Finland	30.0		0.2	
Entec A/S, Estonia	42.0			0.0
Soil and Water Mesar Inc., Canada	50.0			0.0
Associated companies, real estate				
Martinparkki Oy, Vantaa, Finland	50.0	50.0	2.9	
Kiinteistö Oy Manuntori, Joutseno, Finland	34.2	34.2	0.3	
Pembroke S.A., Uruguay	50.0	50.0	0.0	
Accumulated influence on the earnings and the balance sheet				1.4
Total			3.5	2.4
Other share ownership:				
B. Grimm Bayernwerk Electrowatt Ltd (Amata Power), Thailand				3.1
Peak Pacific Investment Company Ltd				0.9
Conox Oy	15.8			0.0
Devecon Oy	19.0			0.0
Industry Council for Development Services B.V.			0.0	
GT-Geotieto Oy	18.6			0.0
Private Energy Market Fund Ky				0.0
PaperX.com Ltd				0.0
Shares in condominiums and in real estate companies			2.3	1.0
Other shares			0.2	0.2
Value decrease				- 0.8
Total			2.5	4.4

EUR million	Group		Parent company	
	2000	1999	2000	1999
7. Non-current receivables				
Other receivables	3.9	10.6		
Total	3.9	10.6		
8. Current receivables				
Accounts receivable	96.3	95.2		
Accounts receivable			0.5	0.3
Loans receivable			4.6	3.6
Other receivables			10.0	20.4
Prepaid expenses and accrued income			0.7	0.8
Total from group companies			15.8	25.1
Accounts receivable	0.1	0.1		
Total from associated companies	0.1	0.1		
Loans receivable	0.7	0.6		
Other receivables	9.8	13.6	0.7	0.5
Prepaid expenses and accrued income	73.5	51.5	4.6	0.6
Total	180.4	161.0	21.1	26.2
9. Prepaid expenses and accrued income				
Income from percentage-of-completion method	62.1	44.7		
Interest income	0.1	0.2	0.8	0.7
Social expenses	1.2	1.2		
Rents	0.7	0.8		
Taxes	4.6	0.4	3.8	
Other	4.8	4.2	0.7	0.7
Total	73.5	51.5	5.3	1.4

EUR million	Group		Parent company	
	2000	1999	2000	1999
10. Shareholders' equity				
Share capital Jan. 1	12.0	11.5	12.0	11.5
Share issue		0.5		0.5
Bonus issue	2.1		2.1	
Own shares cancelled	- 0.5		- 0.5	
Shares subscribed with warrants	0.1		0.1	
Share capital Dec. 31	13.7	12.0	13.7	12.0
Share premium reserve Jan. 1	20.1	15.1	20.1	15.1
Share issue		5.0		5.0
Own shares cancelled	0.5		0.5	
Shares subscribed with warrants	0.5		0.5	
Share premium reserve Dec. 31	21.1	20.1	21.1	20.1
Own shares' reserve Jan. 1	5.5	5.5	5.5	5.5
Own shares cancelled	- 5.5		- 5.5	
Own shares' reserve Dec. 31	0.0	5.5	0.0	5.5
Legal reserve Jan. 1	20.6	20.5	20.2	20.2
Bonus issue	- 2.2		- 2.2	
Transfer	- 0.3	+ 0.1		
Legal reserve Dec. 31	18.1	20.6	18.0	20.2
Retained earnings Jan. 1	29.3	18.8	25.0	18.9
Payment of dividend	- 7.0	- 4.4	- 6.2	- 4.4
Transfer	+ 0.3	- 0.1		
Translation adjustments	+ 2.7			
Net profit for the period	+ 19.2	+ 15.0	+ 3.7	+ 10.5
Retained earnings Dec. 31	44.5	29.3	22.5	25.0
Shareholders' equity Dec. 31	97.4	87.6	75.4	82.8
Distributable earnings				
Retained earnings	44.5	29.3		
From accumulated depreciation in excess of plan	- 2.4	- 0.8		
Distributable earnings Dec. 31	42.1	28.5		

EUR million	Group		Parent company	
	2000	1999	2000	1999
11. Non-current liabilities				
Bonds with warrants		1.9		2.2
Loans from credit institutions	17.7	15.3	17.7	15.3
Pension loans		9.3		5.0
Liabilities to group companies			1.8	1.8
Other	4.7	6.1		0.1
Total	22.4	32.6	19.5	24.4
12. Bond loan with warrants				
Bond loan with warrants 1998		1.9		2.2
<p>The amount of the loan is EUR 2.2 million. The loan is dated May 15, 1998 and the loan is repaid on May 15, 2001. The interest rate is 3.0 per cent p.a.</p> <p>The loan includes 1 300 000 warrants with which a total of 1 300 000 new shares of Jaakko Pöyry Group Oyj can be subscribed.</p> <p>The share capital can increase by a maximum of EUR 1.3 million.</p> <p>The subscription period of 390 000 warrants starts on April 1, 2000 and of 390 000 warrants on April 1, 2001 and of 520 000 warrants on April 1, 2002.</p> <p>The subscription period for all warrants ends on April 30, 2005.</p> <p>The subscription price per share is EUR 11.60. The subscription price shall be reduced by the dividend distributed after March 30, 1998 but before the date of the subscription.</p> <p>The bond loan with warrants is issued to the personnel and a subsidiary of the Jaakko Pöyry Group. The personnel has subscribed EUR 2.0 million and the subsidiary EUR 0.2 million.</p>				
13. Loans with due date after five years or later				
Loans from credit institutions	6.7		6.7	
Pension loans		4.3		
Other non-current loans			1.8	1.8
Total	6.7	4.3	8.5	1.8
14. Loans according to maturity				
Year 2000		14.5		15.5
Year 2001	17.1	15.9	36.0	14.9
Year 2002	7.7	7.7	7.7	7.7
Year 2003	1.7		1.7	
Year 2004	1.7		1.7	
Later	6.7	4.3	8.5	1.8
Total	34.9	42.4	55.6	39.9

EUR million	Group		Parent company	
	2000	1999	2000	1999
15. Current liabilities				
Bonds with warrants ¹⁾	2.0		2.2	
Loans from credit institutions	10.0	10.7	7.7	7.7
Pension loans	5.0	5.0	5.0	5.0
Advances received	67.5	60.4		
Accounts payable	27.5	27.3	0.2	0.2
Loans			21.2	24.0
Accounts payable			0.3	0.1
Other current liabilities			0.1	0.0
Accrued expenses and deferred income			0.6	0.4
Total to group companies			22.2	24.5
Total to associated companies	0.0	0.0	0.0	0.0
Other current liabilities	20.0	18.9	0.2	0.2
Accrued expenses and deferred income	53.3	56.6	1.4	3.6
Total	185.3	178.9	38.9	41.2
16. Accrued expenses and deferred income				
Expenses from percentage-of-completion projects	4.4	12.8		
Salaries and vacation accruals	26.7	23.2	0.6	0.6
Social expenses	5.5	3.7	0.3	0.5
Interest expenses	0.6	0.7	0.5	1.8
Rents	1.2	0.2		
Taxes	6.1	4.6		0.5
Other	8.8	11.4	0.6	0.6
Total	53.3	56.6	2.0	4.0

¹⁾ See item 12

Other Notes

EUR million	Group		Parent company	
	2000	1999	2000	1999
1. Contingent liabilities				
For own debt				
Pledged assets and corresponding loans				
Pension loans	1.4	2.7	3.2	6.5
Pledged assets	2.3	2.3	1.5	1.5
Mortgages and corresponding loans				
Loans from credit institutions	1.1	1.2		
Mortgages, real estate	1.1	1.2		
Pension loans	3.7	7.4	1.8	3.6
Mortgages, real estate				
Mortgages on company assets	6.1	6.3	0.8	0.8
Pledged assets and mortgages and corresponding loans total	6.2	11.3	5.0	10.1
Pledged assets and mortgages for own debts				
Pledged assets	2.3	2.3	1.5	1.5
Mortgages, real estate	1.1	1.2		
Mortgages on company assets	6.1	6.3	0.8	0.8
Total	9.5	9.8	2.3	2.3
Other obligations				
Pledged assets	2.6	2.6	2.5	2.5
Mortgages, real estate	1.4	2.2		
Rent and leasing obligations	63.5	61.7	29.1	26.7
Pension obligations	0.4	0.4	0.4	0.4
Other obligations	28.7	35.8		
Total	96.6	102.7	32.0	29.6
For group companies				
Other obligations			24.1	25.8
Total			24.1	25.8
For associated companies				
Total	0.0	0.0	0.0	0.0
For others				
Pledged assets	2.5	3.4	2.5	3.4
Mortgages, real estate	3.8	3.8	3.8	3.8
Total	6.3	7.2	6.3	7.2
Total				
Pledged assets	7.4	8.3	6.5	7.4
Mortgages, real estate	6.3	7.2	3.8	3.8
Mortgages on company assets	6.1	6.3	0.8	0.8
Rent and leasing obligations	63.5	61.7	29.1	26.7
Pension obligations	0.4	0.4	0.4	0.4
Other obligations	28.7	35.8	24.1	25.8

EUR million	Group		Parent company	
	2000	1999	2000	1999
2. Rent and leasing obligations				
Leasing contracts with due date after one year or later will be due according to the following:				
Year 2000		12.2		2.8
Year 2001	14.0	10.8	3.2	2.6
Year 2002 - 2004	26.5	20.9	8.6	7.0
Later	23.0	17.8	17.3	14.3
Total	63.5	61.7	29.1	26.7

3. Derivative instruments

Foreign exchange forward contracts, notional values	15.3	18.2	15.3	16.2
Currency options, bought	10.0		10.0	
Currency options, sold	15.0		15.0	

The notional amounts are not a measure of the foreign rate risk of the exposure outstanding.

4. Management of financial risks

The financial risks of the Group are customer, counterpart, country, interest, currency, liquidity and refinancing risks. The Group's objective is to protect itself against any major risk. The realisation of any risk shall not overburden the economic result or the cash flow of the Group. The Board of Directors of Jaakko Pöyry Group Oyj has issued its Operational Authorities and Financing Policies which are intended to limit and minimise the risk impact on the Group's net income, shareholders' equity and liquidity.

Foreign exchange risk

Group subsidiaries hedge their foreign currency positions fully. Group Financing is responsible for managing the maximum currency exposure within the limits defined in the Financing Policy. Hedging subsidiary equity is decided separately. All derivative instruments are used for hedging purposes.

Interest risk

The Group's interest rate risk arises through interest-bearing liabilities and money market investments. The net amount of these items on December 31, 2000 was EUR 24.8 million. Thus an interest rate change of one percentage points means a change of EUR 0.2 million per year.

Liquidity, refinancing and counterpart risks

In order to minimise the liquidity and refinance risk, the Group has defined minimum liquidity levels, maximum short-term loan restrictions and minimum average maturity of long-term loans. According to the Group Financing Policy investments and derivative instruments are allowed only with financial institutions with good credit standing and within a defined limit of each counterpart.

Proposal of the Board of Directors for the Distribution of Profit

The Consolidated Balance Sheet as at December 31, 2000

shows the distributable retained earnings to stand at EUR 42 073 000.00

The parent company's distributable earnings are

Retained earnings EUR 18 869 809.91

Net profit for the period EUR 3 680 751.58

EUR 22 550 561.49

The Board of Directors proposes that a dividend of EUR 0.60 per share be paid on the outstanding shares as at the record date. On the proposal date the amount of the outstanding shares was 13 724 286.

Accordingly EUR 0.60 per outstanding share would be EUR 8 234 571.60

The remainder will be transferred to retained earnings, thus EUR 14 315 989.89

EUR 22 550 561.49

Vantaa, February 12, 2001

Jaakko Pöyry Group Oyj

Board of Directors



Heikki Lehtonen



Henrik Ehrnrooth



Jaakko Pöyry



Olle Alsholm



Matti Lehti



Niilo Pellonmaa



Erkki Pehu-Lehtonen
President and CEO

Auditors' Report

To the Shareholders of Jaakko Pöyry Group Oyj

We have audited the accounting records, the financial statements and the administration of Jaakko Pöyry Group Oyj for the period January 1 – December 31, 2000. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on the parent company's administration.

We have conducted the audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. The purpose of our audit of administration of the parent company is to see that the members of the Board of Directors, the Managing Director and the Deputy Managing Director have legally complied with the rules of the Finnish Companies Act.

In our opinion, the financial statements showing a profit of EUR 3 680 751.58 for the parent company and EUR 19 215 000 for the Group have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements in Finland. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company's result of operations as well as of the financial position. The financial statements can be adopted and the members of the Board of Directors, Managing Director and the Deputy Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the distributable earnings is in compliance with the Finnish Companies Act.

Vantaa, February 12, 2001

KPMG WIDERI OY AB



Albrecht Hagert
Authorized Public Accountant



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The complete listing of all contacts
and locations is available at
www.poyry.com

Information to Shareholders

Annual General Meeting

The shareholders of Jaakko Pöyry Group Oyj are invited to attend the Annual General Meeting to be held on Thursday, March 8, 2001 at 4.00 p.m. at the Pöyry House, Jaakonkatu 3, 01620 Vantaa, Finland.

Shareholders wishing to attend the Annual General Meeting are requested to confirm their attendance by Tuesday, March 6, 2001, 12.00 a.m. This can be done by telephone +358 9 8947 2224, by telefax +358 9 878 1816 or by letter to Jaakko Pöyry Group Oyj, Legal Matters, Jaakonkatu 3, FIN-01620 Vantaa, Finland.

Any proxies shall be delivered when confirming the attendance to the Annual General Meeting.

A complete notice to convene the Annual General Meeting has been mailed to all shareholders at their registered addresses.

Dividend

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.60 per share be paid for the fiscal year 2000.

To qualify for dividends, shareholders must be entered in the shareholder register on the record date March 13, 2001. The dividend will be payable starting on March 20, 2001.

Interim Reports

The interim reports are available in Finnish and English for reading and printing on the web site www.poyry.com directly after the release.

In 2001 Jaakko Pöyry Group Oyj will publish its interim reports as follows:

January – March	May 3
January – June	August 3
January – September	November 2

Silent Time

Jaakko Pöyry Group Oyj will observe silent time prior to announcing its results. The silent time periods for 2001 are as follows:

January 30 – February 13
April 20 – May 3
July 20 – August 3
October 19 – November 2

To Subscribe Annual and Interim Reports

Jaakko Pöyry Group Oyj's annual report is available in Finnish and English. The interim report (Finnish, English) is sent to subscribers at request. The contact information for subscription is: telephone +358 9 8947 2828, fax +358 9 878 5855 and Internet www.poyry.com.

Additional Information

If you have any questions regarding investment or share ownership in Jaakko Pöyry Group Oyj, please contact Satu Lyytinen, Investor Relations, telephone +358 9 8947 3002.

You can also send enquiries by e-mail to satu.lyytinen@poyry.fi or by post to: Jaakko Pöyry Group Oyj, Satu Lyytinen, P.O. Box 4, FIN-01621 Vantaa, FINLAND.

This Annual Report has been printed on Galerie Art Silk papers, supplied by Metsä-Seria's Äänekoski Mills, whose development Jaakko Pöyry has been involved in since 1958.

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