BUSINESS REVIEW 2007

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This document contains a summary of Pöyry Plc's financial figures. The complete financial statements have been published separately. The financial statements are available in pdf format on the company's website at www.poyry.com, where the printed version can be ordered.

PÖYRY IN BRIEF

Pöyry is a global consulting and engineering services firm focusing on the energy, forest industry and infrastructure and environment sectors.

Pöyry's business idea is to offer expertise, solutions and local services covering the entire lifecycle of the clients' business and investment projects. Pöyry has in-depth business-sector and strategic know-how, project development and project management expertise, and local project implementation and operations management know-how.

Pöyry's network of experts works in close co-operation with its clients, aiming for development of all phases of their business. Pöyry operates globally in 45 countries and employs a total of 7 300 experts.

Pöyry Plc is listed on the OMX Nordic Exchange in Helsinki.

Energy

The Energy business group's main practice areas are:

- Management consulting
- Hydropower
- Renewable energy
- Power and heat
- Oil and gas

The office network covers Europe, the Middle East, Asia and Australia. Clients include privately or government owned utilities, industrial companies, equipment suppliers, financing institutions and development banks.

Forest Industry

The Forest Industry business group's main practice areas are:

- Management consulting
- New investment projects
- Rebuild projects and local services
- Chemical industry

The business group's office network covers all major forest products regions in the world. Clients include forest industry companies, equipment suppliers, international financing institutions and chemical process industry companies.

Infrastructure & Environment

The Infrastructure & Environment business group's main practice areas are:

- Transportation systems
- Water and environment
- Real estate and telecom

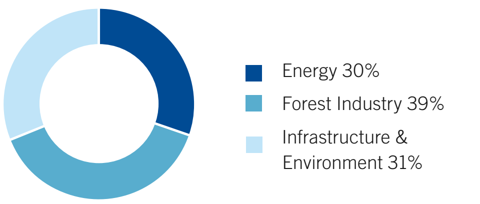
The office network covers Europe, Latin America and Asia. Clients include government and municipal organisations, international development institutions, and transport, water supply and telecommunications companies.

Key figures

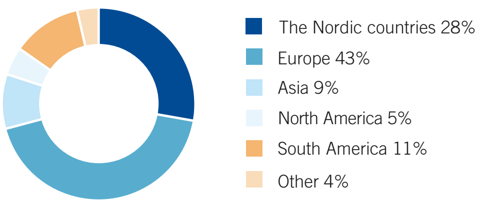
EUR million	2006	**2007**
Net sales, EUR million	623.3	**718.2**
Operating profit, EUR million	49.9	**73.8**
Operating profit, %	8.0	**10.3**
Profit before taxes, EUR million	50.2	**76.5**
Profit before taxes, %	8.1	**10.7**
Earnings/share, EUR	0.58	**0.88**
Dividend/share, EUR	0.50	**0.65** [1]
Dividend/earnings ratio, %	86.2	**73.9**
Return on investment, %	31.1	**41.7**
Gearing, %	- 37.6	**- 47.4**
Order stock, EUR million	507.6	**562.8**
Personnel in group companies	6 389	**7 269**

[1] Board of Directors' proposal

Net sales by business group



Net sales by market area



PRESIDENT'S REVIEW

In 2007 Pöyry had another outstanding year. All of our business groups continued to improve their performance and all of our strategic financial targets were clearly exceeded. Net sales increased by 15 per cent to EUR 718.2 million and profit after financial items by 52 per cent to EUR 76.5 million. Also the balance sheet is very healthy.

Throughout the year, demand for our services has been very good. In the targeted emerging markets we have succeeded extremely well, especially in Latin America, Russia and Eastern Europe. We are confident that these emerging markets will continue to be of increasing importance to Pöyry and we are well positioned to continue our growth in these regions.

As in earlier years, we have concluded several interesting and important acquisitions during 2007. Of particular importance are the acquisition of the Norwegian energy sector management consultants, ECON Analyse AS, which further enhanced our position as this sector's biggest management consultant in Europe, and the acquisition of the Finnish architectural design and real estate consulting firm Evata Worldwide Oy, which offers significant opportunities in expanding our scope of services in many of our projects. During the year we also became a major player in the growing Russian market through the establishment of the joint operation Giprobum-Pöyry in St. Petersburg. We are now able, through our own network, to provide Russia-focused expertise and a comprehensive scope of services for our clients developing and implementing investment projects in all of our business sectors in Russia.

Moreover, we continued to enhance our Global Network Company concept; enabling us to offer our clients the same

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Erkki Pehu-Lehtonen
President and CEO

level of know-how and quality of services wherever their projects are, our global office network opens up opportunities for more and more co-operation and joint projects. In pursuing this target, we have greatly benefited from the common Pöyry brand which was launched in 2006. The importance of operating under a common brand has become clearly visible in all businesses and all markets.

Even if the financial markets around the world are rather volatile at present, we have seen continued good demand for our services in all key market areas. Our order stock is on a good level and growth prospects are good. The consistently increasing awareness of climate change, the importance of energy efficiency and the growing demand for biofuels offer exciting business opportunities to all of our business groups. Services and solutions around these important themes will be strategic growth areas for Pöyry into the foreseeable future. We expect our net sales to continue to grow in 2008 and our profit after taxes to improve over 2007.

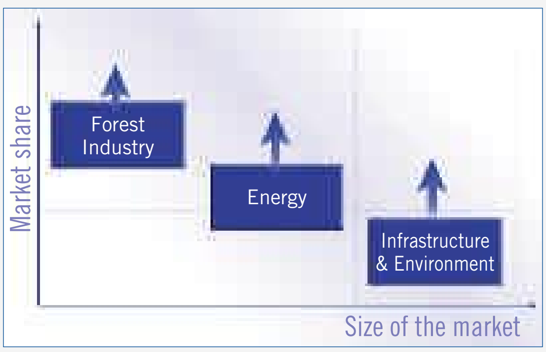
My fourteen years with Pöyry, out of which ten as President and CEO, have been extremely interesting, and as I will be moving into part-time advisory assignments by the end of 2008, I wish to express my sincere thanks to all of our stakeholders. I have had the opportunity and privilege to work with interesting projects and the best clients in the world: knowledgeable, demanding and fair. The Pöyry staff with their deep know-how and tremendous commitment have supported me throughout these years. The contacts with the owners have also been interesting and inspiring. While wishing my successor Heikki Malinen all the best in his demanding task, I am confident that Pöyry's cycle of success will continue under his capable leadership.

GROWTH FORESEEN IN ALL BUSINESS SECTORS

Pöyry has good growth opportunities in the energy sector. As the energy market is deregulated, clients have a need to increase their capacity and safeguard their competitiveness. Energy producers are also considering alternative sources of energy, because the price of crude oil is not expected to decline significantly and concerns over the environmental sustainability of energy solutions has increased.

As global market leader in the forest industry, Pöyry has limited possibilities for expansion in the mature markets of industrialised countries. However, expansion potential can be found in emerging markets, where investments are growing rapidly. Growth will also be generated from management consulting, operations improvement, EPCM (engineering, procurement, construction management) project implementation in forest industry and chemical industry projects, and from local services to other sectors of industry.

The Group has good long-term growth opportunities in the infrastructure and environment sector, because the potential market is large. Pöyry's range of services includes solutions for many globally growing problems, such as the shortage of good-quality drinking water, the growing need for waste water treatment, traffic congestion caused by spreading urbanisation, and various environmental problems.



STRATEGY

Pöyry is involved in all phases of its clients' business development. We provide innovative and value-added solutions, and a full range of services from individual consulting and engineering assignments to management and implementation of complex projects.

Mission

We exist to generate business success for our clients – when our clients succeed, we succeed. We focus on client interests, on close collaboration throughout the investment lifecycle and on a passionate commitment to improve everything we do. Within our companies, across our Group, and together with each of our clients and partners.

Exploiting our corporate experience, our individual talents and our shared skills means we harness the power of the whole Group in delivering leading-edge solutions. We offer our employees a challenging international working environment in an expert organisation emphasising quality and continuous development.

Working together in this way, in a mutually profitable cycle of success for our clients and ourselves, makes excellence the natural outcome. Our target is to reach 20 per cent or more Return on Investment (ROI) and to invest in continuous growth of our core business areas on a sustainable basis.

Our competitiveness stems from our in-depth expertise in selected business sectors and industries and our ability to apply this expertise to client projects. This means genuine knowledge of the needs, trends and technologies in the client's business, and the ability to convert this knowledge into value-added services.

Operating practice

Our values, **Client, Team, Drive and Excellence**, sum up our commitment to deliver excellence in all of our operations.

- We exist to generate success for our clients.
- The best solutions come from competent people working together in teams and sharing knowledge.
- We pursue continuous improvement and leading-edge solutions.
- Excellence is the outcome of our efforts in everything we do.

Our delivery promise **'Competence. Service. Solutions.'** makes a solid commitment to our clients.

- We focus our competence on ensuring our clients' success.
- We serve our clients throughout the lifecycle of their business.
- We offer competitive and sustainable solutions for our clients' projects.

We are committed to co-operating closely with our partners to achieve the best possible result and to improve the competitiveness of both parties.

A UNIQUE OPERATING MODEL

Pöyry employs a unique operating model. It is based on the company's values Client, Team, Drive and Excellence, and a strong commitment to the client's objectives. Focusing our wide expertise, comprehensive services and superior solutions on implementing client projects, we aim to achieve sustainable and shared success. Our client promise 'Competence. Service. Solutions' sums up our determination to serve clients in the best possible way.

Strategic business options

Three areas of expertise and global synergies

We have three main areas of expertise: energy, forest industry, and infrastructure and environment. The businesses of all three business groups have several shared practice areas such as environmental and energy issues, and, accordingly, they complement each other. On the other hand, the business groups also balance each others' cyclical fluctuations. The business groups are globally responsible for their operations.

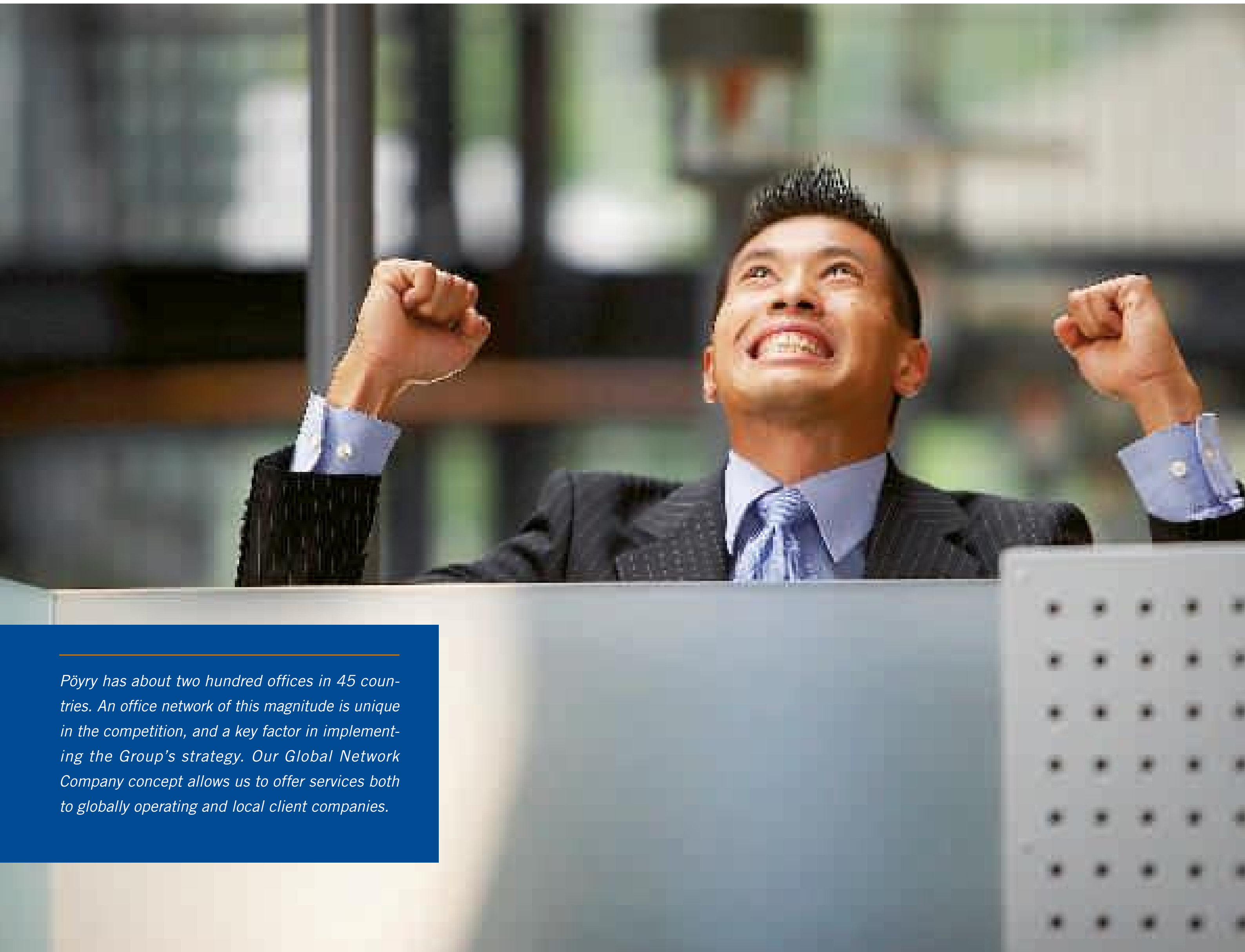
The development of Group-wide standardised operating models, engineering systems and tools, for example for the needs of project work, financial administration and human resources development, is an important part of our strategic objective to operate as a Global Network Company. The Group's integrated office network, which allows the different business groups' experts to serve clients from joint offices, brings major synergies while supporting seamless combinations between our practice areas to meet clients' needs.

As of 2006, all business groups and Group companies operate under the same name and visual identity, which helps to focus our resources towards joint goals and to promote the entire Group's international recognition.

Key capabilities – cornerstone of client benefits and efficiency

Our competitiveness stems from our in-depth expertise in selected business sectors and industries and our ability to apply this expertise to client projects. This means a genuine knowledge of the needs, trends and technologies in the client's business, and the ability to convert this knowledge into value added services. As a globally operating company, one of our key skills is our ability to combine international operating practices with local experience, which allows us to provide the client with the best possible and most functional solutions anywhere in the world.

To support our project-oriented activities, we are continuously developing new product and service concepts based on integrated IT solutions. Effective information management is a cornerstone of our project business, i.e. making information available, in the right format, to the right person, at the right moment.



Pöyry has about two hundred offices in 45 countries. An office network of this magnitude is unique in the competition, and a key factor in implementing the Group's strategy. Our Global Network Company concept allows us to offer services both to globally operating and local client companies.

A full range of services combined with lifecycle engagement

Pöyry's business consists of project assignments. Our wide and deep understanding of our clients' core business processes allows us to offer them a full range of services covering all areas and the entire lifecycle of their investment projects. We always offer clients an unbiased view of the best project options. In this way, we support our clients' business success while aiming to create long-term partnerships.

Global office network

Pöyry has about two hundred offices in 45 countries. An office network of this magnitude is unique in the competition, and a key factor in implementing the Group's strategy. Our Global Network Company concept allows us to offer services both to globally operating and local client companies. Through this concept, we can combine the know-how of our global network of experts with a strong knowledge of local conditions. The aim is to share our know-how and, whenever necessary, to move flexibly between geographical regions and from one business group or unit to another. In this way, we can offer our clientele the expertise of our global network of experts through any of our offices.

Stable business growth

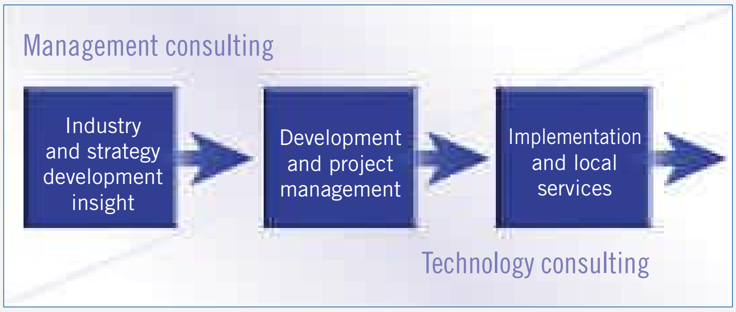
In the same way as the clientele, the consulting and engineering business is also being consolidated. Pöyry is a growth-oriented company, which is continuously developing its core business operations. Growth is derived from organic growth, extensions of the local office network and acquisitions. Organic growth and extensions of the office network are mainly taking place in emerging markets. Acquisitions strengthen our local service capabilities, market position and technological competence. While pursuing volume growth, we also aim to improve our profitability and to maintain our stable liquidity. The Group's good solvency offers a possibility for self-financed growth.

Our competitiveness stems from our in-depth expertise in selected business sectors and industries and our ability to apply this expertise to client projects. This means a genuine knowledge of the needs, trends and technologies in the client's business, and the ability to convert this knowledge into value added services.

IN-DEPTH LIFECYCLE UNDERSTANDING

Pöyry's core expertise stems from a combination of in-depth industry expertise and best practices in management consulting and engineering. Pöyry offers a full range of services covering the entire lifecycle of clients' investment projects, including industry and strategic development insight, development and project management, and implementation and local services.

Co-operating closely with its clients in project work, Pöyry commits itself strongly to each assignment in order to meet agreed targets. Many solutions put forward by Pöyry are a strategic part of the clients' success far into the future. For this reason, they must be competitive and sustainable, and designed to be developed further according to need.

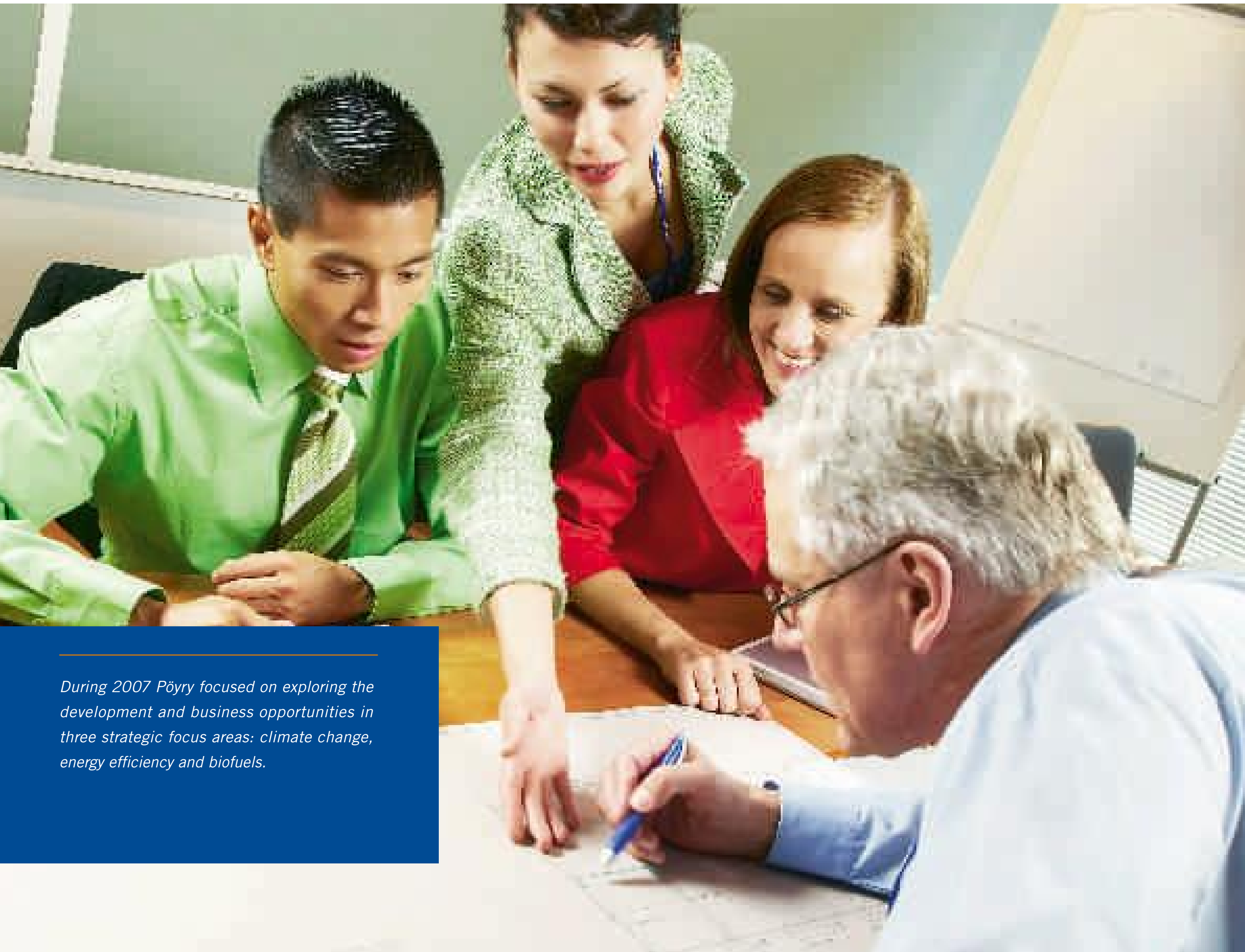


STRATEGY REVIEW

The strong growth of the world economy continued in 2007. As in previous years, the focus was on emerging markets and economies in transition. Pöyry's financial performance in 2007 was good and Group strategic targets concerning growth, market position and return on investment were all fulfilled during the year.

Pöyry's net sales for 2007 increased by 15 per cent from the previous year, amounting to EUR 718.2 million. At EUR 76.5 million, earnings improved significantly. The return on investment was 41.7 per cent, which clearly exceeds the Group's target of 20 per cent or more. Net sales increased in all business groups and their earnings improved. The good financial performance was supported by Pöyry's strong industry and project expertise, buoyant demand in the markets of all business groups, and more effective utilisation of Pöyry's global network of experts. As the United States accounts for a comparatively small share of Pöyry's net sales (2 per cent in 2007) the turmoil in the US money market and the weak performance of the US dollar have not affected Pöyry's financial performance.

There were no major changes in the geographical distribution of Pöyry's net sales during 2007, and the growth was evenly divided between all of the company's main market areas. Besides Europe, Asia and Latin America are important markets for Pöyry.



During 2007 Pöyry focused on exploring the development and business opportunities in three strategic focus areas: climate change, energy efficiency and biofuels.

Climate change, energy efficiency and biofuels – key strategic focus areas

During 2007 Pöyry focused on exploring the development and business opportunities in three strategic focus areas: climate change, energy efficiency and biofuels. The objective of this effort is to gain an understanding of what the development in these areas mean for society and Pöyry's clients, and how Pöyry can participate in guiding their future course. Actions based on this study work have been initiated in all of Pöyry's business groups and they will continue over the next few years. Pöyry wants to be a pioneer in providing services in these areas.

Good prospects – business is picking up in Russia

Pöyry has continued its growth in the energy sector, while strengthening its position in global markets. Energy consumption is increasing worldwide and this sector will continue to offer good growth opportunities. Pöyry is Europe's leading provider of energy-related management consulting services, so it carries considerable weight in the European energy debate. The high price of crude oil has resulted in a diversification of the energy supply base. Pöyry is actively engaged in planning and implementing the utilisation of alternative and new sources of energy. Investments in renewable energy and nuclear power will continue to increase in an effort to curb carbon dioxide emissions more resolutely. In hydropower, Pöyry is one of the world's three biggest engineering consulting firms. Pöyry's important role in the construction of the new nuclear power plant at Olkiluoto in Finland creates a firm basis for participating in future nuclear power projects around the world.

In the forest industry, Pöyry is an undisputed global market leader. Growth opportunities are best in emerging markets. In the mature markets of the industrialised world, the Forest Industry business group's growth potential is primarily derived from new business areas, such as the chemical industry, local services and the company's ability to offer a more comprehensive service mix. Because forest industry engineering and consulting is a global business, Pöyry – as the only global service provider – will retain its strong position in the market. Another major competitive advantage is Pöyry's track record of reference projects, which is solid proof of the company's capacity for implementing even the very largest projects.

In the infrastructure and environment sector, Pöyry's growth opportunities are good. The services of the Infrastructure & Environment business group can be used to alleviate many of the problems aggravated by global population growth, such as poor availability and quality of drinking water, growing waste water treatment needs and increasing traffic and environmental problems. In solving these problems, investments in lean and clean technologies and in infrastructure with minimum environmental impacts will be playing a key role. One global megatrend is the shift in passenger and goods traffic increasingly to rail-bound transportation systems as a means to combat problems related to congestion and environmental pollution. Projects related to other modes of transportation will also increase, for example as a result of Eastern Europe's integration with the rest of Europe, and Russia's infrastructure development. In other words, the Infrastructure & Environment business group has a large potential market, and as one of Europe's leading players in this field, it has good prospects for future growth.

Pöyry has increased its business activity in Russia, where markets offer abundant growth potential for all of the company's business groups. Pöyry is already the biggest foreign consulting and engineering firm in Russia, and the country's huge infrastructure needs and numerous projects in the energy sector and forest industry create lots of new business opportunities.

Strategic focus remains unchanged in 2008

Pöyry's business environment will continue to develop favourably in 2008. Growth prospects are particularly good in emerging markets, which will be a part of Pöyry's strategic focus also in the future.

During 2007 all of Pöyry's business groups made significant progress in applying the Global Network Company business concept. To safeguard success, Pöyry will continue to direct its information resources, know-how and expertise towards meeting this common goal and mastering ever-larger and more complex entities. This is exactly what the Global Network Company business concept is designed to achieve, and development and application work towards this end will continue also in the years to come.

ENERGY

Pöyry is a world leader in the energy sector and Europe's leading provider of energy-related management consulting services. Its services cover the entire lifecycle of the client's business, from strategic consulting to project implementation, operation and maintenance, and modernisation projects. The Energy business group operates in five business areas: Management Consulting, Hydropower, Renewable Energy, Power and Heat, and Oil and Gas.

In **management consulting** Pöyry provides management solutions covering strategy, business operations, financing and valuation, and sustainability. Pöyry offers a comprehensive mix of services for the needs of electricity producers, public and private utilities, network operators, retailers, supervisory authorities and suppliers.

In **hydropower** Pöyry is one of the world's leading engineering consulting firms. Pöyry's strong position is based on a wide spectrum of services and comprehensive international expertise. The know-how covers high- and low-head storage, pumped storage and run-of-river schemes, and integrated hydropower and irrigation system projects.

In **renewable energy** Pöyry offers project management, consulting and engineering services for projects related to geothermal energy, wind and solar power, waste management, and waste-to-energy applications. The know-how also covers assess-

ment of energy sources for mechanical, biological and thermal processing as well as disposal of residues.

In **power and heat** Pöyry offers expert, engineering and project management services, from project development and implementation to operations improvement and plant modernisation. Core areas of expertise include combined heat and power generation for industry and communities, district heating and cooling, condensing power generation and desalination.

In **oil and gas** Pöyry focuses on providing value-adding consulting and preliminary engineering services, operations support and expert advice to clients in the upstream and downstream oil and gas industry. Services cover pre-studies and safety case reviews, and project engineering services.

Climate change boosts demand for energy services

The actions of political and corporate decision-makers in the next few years and decades will have a decisive influence on how fast climate change proceeds and what long-term impacts it will have on our living environment. Unless harmful emissions are significantly reduced, the warming climate will cause serious environmental and economic problems. The pressure to take environmental issues into account in energy solutions continues to grow, and both public and private bodies are making a serious effort to initiate actions that will curb emissions.

Environmental legislation and international agreements aimed at combating climate change – of which the most important are the Kyoto Protocol and the associated country specific legislation to achieve the Kyoto reduction targets e.g. EU laws on emission trading– are boosting demand for services related to renewable energy and other low-emission energy production options. In particular, the EU's expanding energy legislation is promoting demand for management consulting services in the energy industry.

Renewable energy, hydropower and nuclear power. In an effort to reduce emissions of carbon dioxide, investments in renewable energy, hydropower and nuclear power will increase in future. Hydropower plant construction is experiencing an upswing throughout the world. Pöyry is engaged in several hydropower projects in Western Europe, Latin America and Asia. The utilisation of hydropower is also growing strongly in Russia. The

PÖYRY NUMBER ONE ENERGY CONSULTANT

Pöyry expanded its range of management consulting services for the energy sector by acquiring in August the Norwegian company ECON Analyse AS. Together, Pöyry and ECON have become the undisputed number one management consultant in the European energy market. ECON is a leading Nordic consulting firm, which offers economic research and analysis services and strategic advice related to markets and business operational practices. In addition to management consulting assignments, ECON offers services related to the monitoring of energy and emission trading markets. Services range from strategic advice to business operations. In addition, Pöyry is strengthening its position in the public sector and key emerging markets.

determination to promote the use of biofuels has increased strongly, especially in Europe and Asia. Pöyry has developed its services related to biofuels, and this sector will offer growing business opportunities in the future.

As an emission-free form of energy, nuclear power will become more important globally in the next few decades. Pöyry has a significant participation in the Olkiluoto nuclear power plant construction project in Finland as well as the Flamaville nuclear power plant project in France. Pöyry is also supporting a number of other clients in Europe who are investigating a future nuclear power option and hence the company will recruit more nuclear power experts to meet the growing demand for services in this sector.

Carbon dioxide emissions can also be reduced by separating carbon dioxide from flue gases in the combustion process and by subsequent carbon capture and storage (CCS). CSS methods are still under development and not all questions related to storage have as yet been resolved. As the use of fossil fuels continues to grow, technologies of this kind will have greater importance in reducing emissions. Pöyry is developing its expertise related to these CSS technologies.

High price of crude oil. Because the price of crude oil has continued to rise strongly and as there have been problems with the availability of natural gas and other low-emission fuels, energy efficiency and supply security are becoming even more important in the energy sector. The rising price level has resulted in a diversification of the energy supply structure and efforts to exploit marginal oil fields and new kinds of reserves. For example, at the current price level of crude oil, it has become economically profitable to exploit Canada's extensive oil sand reserves. Pöyry's market position in the oil and gas sector has strengthened further and new business opportunities are foreseen.

Favourable economic development. The strong economic development has continued in the Far East, Latin America and Europe, which has created good opportunities for growth of demand for energy-related services. This has resulted in occasional shortages of components as well as competent human resources. In response to this situation, Pöyry has expanded its range of EPCM (Engineering, Procurement, Construction Management) services in the belief that demand for these services will continue to develop favourably.

Financials and performance 2007

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

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

The Energy business group's net sales in 2007 were EUR 217.5 million. Operating profit was EUR 21.0 million. Demand for energy-related services remained good and the business group further strengthened its global market position. The successful integration of the management consulting and oil and gas businesses acquired in 2006 and 2007 had a favourable impact on earnings during the year under review. The order stock remained good, amounting to EUR 212.7 million at the end of the year.

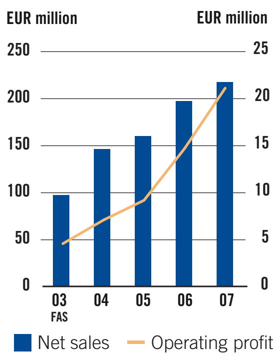
Acquisitions and divestments in 2007

Pöyry expanded its management consulting services portfolio and market presence in the energy sector by acquiring ECON Analyse AS of Norway, renamed Econ Pöyry AS. The company's main operational bases are in Oslo and Stavanger, Norway, Stockholm, Sweden and Copenhagen, Denmark, and it is well-established in all of its markets. The company's net sales for 2006 amounted to EUR 13 million and it employs 85 experts. Following the transaction, Pöyry further strengthened its posi-

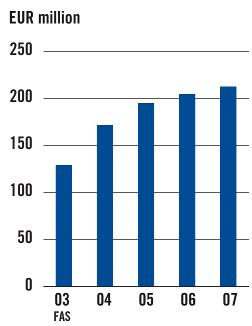
Energy business group's key figures

EUR million	FAS 2003	2004	2005	2006	2007	Share of group, %
Net sales	97.6	146.5	160.0	197.4	217.5	30.3
Operating profit	4.5	8.0	9.1	14.6	21.0	28.5
Operating profit, %	4.6	5.5	5.7	7.4	9.7	
Order stock	129.2	171.8	195.2	204.9	212.7	37.8
Personnel	1 109	1 485	1 463	1 692	1 838	25.3

Net sales and operating profit



Order stock



tion as the leading energy management consultant in Europe, employing 250 experts.

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

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

Prospects for 2008

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

MAJOR PROJECTS IN 2007

Vung Ang I coal-fired power plant, Vietnam

Pöyry signed an owner's engineering contract for the Vung Ang power plant project with Vietnam Machinery Erection Corporation (LILAMA). The contract value amounts to about EUR 11 million. The 2 x 600 MW coal-fired power plant will be built some 420 km south of Hanoi. Because of its size, location and technical sophistication, the project is a keystone in LILAMA's strategy as well as an important part of Vietnam's future energy generation capacity.

Rudbar-e-Lorestan hydropower plant, Iran

SEPASAD Engineering Co. commissioned Pöyry to provide contractor's engineering services during the implementation of the Rudbar-e-Lorestan hydropower project in the Zagros Mountains of Iran. The contract value is about EUR 7 million. The project consists of a 180 m high concrete dam to create a reservoir with an estimated gross capacity of 228 million m^3. Water from the reservoir will be diverted through a 3 km headrace tunnel into the adjacent valley and hence down to the power house on the bank of the Alkan River, developing a design gross head of 442 m and 450 MW total installed capacity.

Winterthur waste-to-energy plant, Switzerland

Pöyry will provide project management and engineering services amounting to about EUR 5.5 million for the implementation phase of the rehabilitation of the waste-to-energy plant in Winterthur. When completed in 2013, the upgraded facility will receive some 160 000 t/a of municipal solid waste and will produce both heat for district heating and 25 MW net of electricity. The existing plant will continue its operation during the construction works.

FOREST INDUSTRY

Pöyry is global market leader in the forest industry. Pöyry provides engineering and project implementation services for investment projects worldwide, maintenance engineering and comprehensive local services to the mills, and consulting on forest industry strategies and operations. The Forest Industry business group's services are divided into four main business areas: Management Consulting, New Investment Projects, Local Services and Chemical Industry.

In **management consulting**, expert services and business advice are provided in matters related to the development of business strategies and improvement of operations. The expertise covers the entire chain from raw materials to technology, markets and other business aspects, such as logistics and procurement. The cornerstones of Pöyry's operations are its extensive international experience and in-depth industry expertise.

In **new investment projects**, Pöyry provides engineering and project implementation services for the pulp and paper industry worldwide. Services cover feasibility studies, basic and detail engineering services, project management, project services, construction management and erection supervision, and commissioning. Process know-how, advanced engineering and information management systems and extensive experience of all phases of a project play a key role in project implementation.

In **local services**, the focus is on modernisation or expansion projects, product quality improvements and maintenance tasks. Pöyry's services combine local knowledge and prompt service with access to special know-how across the entire business group. The extensive office networks in many countries provide a good basis for these local services.

In **chemical industry**, Pöyry offers engineering and project management services throughout the lifecycle of production plants. Pöyry has many years' experience of chemical process industry investment projects, from preliminary engineering to implementation and commissioning. Biofuel projects represent a new and rapidly developing business area, which is closely related both to the forest and chemical industry.

Divided business environment

The factors contributing to the growth and profitability of the forest industry vary considerably between markets and product groups. Differences can be seen for example in the availability of raw materials, the development of demand, industry structure, cost levels, and technologies and expertise. In addition, business cultures tend to differ widely between regions. Pöyry's strengths include its ability to understand these starting points and the local business features in different market areas, and its range of services which is tailored to meet the needs of each area and client.

Investments continue to grow fastest in Latin America and Asia. More than half of the world's new paper machines are being built in these emerging markets. In Europe and North America, the industry continues to improve its production efficiency and to save costs. The development of bioenergy and biofuels brings both challenges and new business opportunities for the forest industry.

Growth investments. Most of the paper industry's growth takes place in emerging markets, especially China, where economic growth is fastest. Pöyry has continued to develop the operations of its companies in China, which have participated in the engineering work for several projects in the country. Business conditions for the chemical pulp industry are best in regions with favourable forest growth conditions, such as Latin America. Accordingly, investment activity in the pulp industry has

PÖYRY BECOMES A MAJOR PLAYER IN RUSSIA

Pöyry expanded its operations in Russia by acquiring in April a 70 per cent interest in ZAO Giprobum Engineering. The deal includes the option to acquire the remaining 30 per cent of the shares during the first quarter of 2009. A leading engineering company in its sector in Russia, Giprobum has carried out the engineering work for most of Russia's pulp and paper mills. In addition, the company has provided engineering services for energy and infrastructure projects. Giprobum-Pöyry also has a large clientele in the forest industries of Ukraine, Belarus and several Eastern European countries. Pöyry's and Giprobum's special expertise and their extensive experience provide an excellent basis for Pöyry's activities in the Russian forest industry and in other growth sectors such as energy and chemicals. From now on, Pöyry can provide solid Russia-focused expertise and a comprehensive mix of services for client companies developing and implementing investment projects in Russia.

been quite high in this region, where Pöyry has achieved a good market position both in management consulting and new investment projects.

Pöyry acquired during the year a 70 per cent interest in ZAO Giprobum Engineering of Russia. A leading company in its sector in Russia, Giprobum has planned and implemented most of the Russian forest industry's investment projects. Russia's extensive forest resources and strong economic growth create favourable conditions for new pulp and paper mill investments. Pöyry is involved in investment studies for many of these projects. There is also brisk demand for management consulting services in Russia.

Competitiveness improvement. The forest industry in North America and Europe is focusing on improving its competitiveness. Especially in the Nordic countries, the forest industry's operations have suffered strongly from the overcapacity in Europe and the rising prices of energy and wood raw material. The industry has striven to improve its profitability by curbing its production capacity, improving the efficiency of operations and adding more flexibility. In North America there have been extensive corporate restructurings involving several companies. The need to improve the forest industry's competitiveness, strategic reassessment of operations, and mergers and acquisitions are boosting demand for management consulting services, also in Europe.

Operations improvement in all sub-areas, including production, procurement, materials administration and transport, has become increasingly important. Pöyry expanded its expertise in these areas by acquiring in November 2007 Perforex Inc, a Canadian company which is also active in the United States.

Chemical industry growth. Investment activity in the chemical industry has been at a high level and Pöyry's business in this sector has developed favourably. The focus is on the forest industry's chemical plants but also on other types of chemical industry in different countries. Pöyry has carried out numerous investment studies and engineering assignments for biofuel projects in many countries.

Financials and performance 2007

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

The Forest Industry business group's net sales for 2007 were 276.9 million and operating profit was EUR 39.0 million. The favourable development was due to global networking, major inputs in emerging markets, a more diversified range of services and successfully implemented projects. The order stock is good, amounting to EUR 123.8 million at the end of the year.

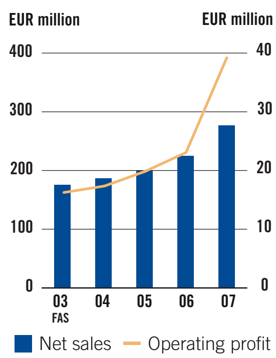
Acquisitions in 2007

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

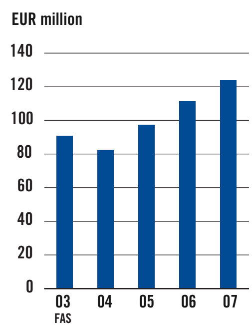
Forest Industry business group's key figures

EUR million	FAS 2003	2004	2005	2006	2007	Share of group, %
Net sales	176.0	186.3	199.3	224.9	276.9	38.6
Operating profit	16.1	17.5	19.7	22.9	39.0	52.9
Operating profit, %	9.2	9.4	9.9	10.2	14.1	
Order stock	90.8	82.5	97.3	111.4	123.8	22.0
Personnel	2 126	2 077	2 123	2 418	2 961	40.7

Net sales and operating profit



Order stock



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

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

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

Prospects for 2008

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

MAJOR PROJECTS IN 2007

VCP- Horizonte pulp mill project, Três Lagoas, Mato Grosso du Sul, Brazil

VCP – MS Celulose Sul Mato-Grossense Ltda (previously Chamflora - Três Lagoas Agroflorestal Ltda) is building a greenfield bleached kraft pulp mill in the state of Mato Grosso do Sul in Brazil. Pöyry will supply various engineering and overall project implementation services. The mill is due to start up early 2009. Pöyry's agreement value is about EUR 54 million and it is the largest services agreement ever in Pöyry's history.

Oil regeneration plant, Finland

L&T Recoil Oy will build an oil regeneration project in Hamina, Finland, for which Pöyry will supply the engineering services. The value of the assignment is EUR 1.5 million. The regeneration plant will produce base oil for the lubrication industry from various waste oils that will be collected from the Baltic Sea countries. Some 30 000 t/a of this oil is generated in Finland. Regeneration of waste oils is defined as the ultimate form of recycling, i.e. re-use of waste, in the EU's waste strategy. The plant will be completed in early 2008 and will have a capacity of 60 000 t/a.

Containerboard production line, Eastern Europe

With Mondi Packaging Paper GmbH Pöyry signed a contract of EUR 12 million for EPCM (engineering, procurement, construction management) and commissioning services for a new containerboard production line project. Latest state-of-the-art technology will be applied in the project aimed at high-quality board grades and taking into account the environmental aspects. Scheduled for start-up in 2009, the machine will produce about 470 000 t/a of packaging board using recycled fibre.

INFRASTRUCTURE & ENVIRONMENT

Pöyry is one of the largest actors in the infrastructure and environment sector in Europe. Pöyry offers consulting and engineering services, construction and project management services, operation and maintenance expertise, and services related to technology transfer. The Infrastructure & Environment business group's services are divided into three main business areas: Transportation Systems, Water and Environment, and Real Estate and Telecommunications.

In **transportation systems**, the expertise covers rail-bound and road systems, tunnelling and bridge projects, and services related to traffic and community planning. Services cover initial consulting services, engineering and project management, and construction supervision. In international markets, demand focuses on rail-bound traffic, rock excavation and tunnelling. In project implementation, a major strength is Pöyry's in-depth experience of transportation systems, combining local knowledge with global operating procedures.

In **water and environment**, Pöyry offers its clients comprehensive services related to water and environmental technology. In regions suffering from a shortage of raw water, Pöyry assists in water resources management. Treatment of municipal and industrial waste waters and waste management are another important field of activity. Services related to waste water treatment offer business opportunities for Pöyry throughout the world, as more attention is being paid to waste water treatment needs. Key markets are Europe, Asia and Africa, and to

a slightly smaller extent Latin America. Pöyry's success stems from its ability to combine technological and environmental aspects in a cost-effective manner at the planning stage, providing sustainable solutions tailored to local conditions.

In **real estate and telecommunications**, Pöyry offers a complete range of services for all sub-areas of projects related to the built-up environment: project management, engineering, real estate consulting and architecture. Activities include public, office and industrial building projects, and services for road and railway upgrade and maintenance projects. The main markets are in Finland, the Baltic region and Russia. The core elements of successful and cost-effective project implementation include comprehensive experience of demanding projects, good knowledge of local conditions, and expertise covering the entire lifecycle of the engineering object in question.

Telecom sector services relate to the optimisation of electronic data interchange and data communications, remote control of industrial plant functions and automation of traffic safety systems. In this area Pöyry offers network planning and implementation, and data communications consulting worldwide.

Growing population and environmental pressures create demand for services

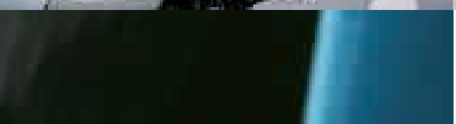
Population growth and continued urbanisation promote economic activity and boost demand for infrastructure development services, especially in emerging markets. Investments in the built-up environment and maintenance of existing building stock are growing steadily. A key factor of successful projects is maintaining a local presence. It is vitally important both in project development and implementation. Business opportunities arise from understanding and analysing current changes and their driving forces and from planning new infrastructure with due respect for local conditions and cultures.

World population growth and increased travelling put a load on the environment. Investments in environmentally sustainable infrastructure and lean and clean technologies are extremely important in minimising the harmful effects of these factors. Effective management of natural resources and environmentally sound community planning helps to alleviate environmental loads.

As a result of continued **urbanisation** traffic congestion and pollution have increased, creating demand for rail-bound traffic to replace road and street traffic. This has had a favour-

PÖYRY EXPANDED ITS REAL ESTATE EXPERTISE

The Infrastructure & Environment business group expanded its operations by acquiring in June a 70 per cent interest in Evata Worldwide Oy, a Finnish architectural design and real estate consulting firm. Evata employs more than 100 experts in its headquarters in Helsinki, and in offices in Tallinn and Beijing. It also has a representative office in St. Petersburg, Russia. Evata offers architectural and interior design, workplace design, office property consulting and services related to real estate development. Following the acquisition, Pöyry's real estate expertise covers all sub-areas of projects related to the built-up environment: project management, design, real estate consulting and architecture. Pöyry will now be able to assume overall responsibility in construction projects of any size, in Finland and neighbouring regions, which opens up abundant new business opportunities. This comprehensive service mix represents a clear competitive advantage, which supports Pöyry's internationalisation strategy.



able impact on the demand for Pöyry's rail-bound systems expertise. Pöyry has participated in several high-speed rail projects, for example in China, Taiwan and Germany, and in metro projects especially in Latin American countries. A full range of services is offered, from the planning of road and rail investments to maintenance. Urbanisation also creates demand for water supply, sanitation and waste management. Without proper water supply and sanitation the risk of epidemics will grow. In densely populated regions, local water consumption will grow and the load on water resources will increase excessively. When local water resources fail to meet demand, water has to be transported from increasingly remote sources.

The **sufficiency of water resources** is a growing global challenge. To ensure the availability of drinking water, new solutions will be needed both in developing countries and the metropolitan regions of industrialised countries. Pöyry has been engaged in several water supply and treatment projects in Europe, Asia and Africa. Pöyry offers sustainable solutions, considering the entire lifecycle of investment projects, from preliminary project development to management of water resources.

Climate change has become ever more evident, and the imbalance in nature is likely to increase. The growing frequency of climatic disturbances has, among other things, added to the importance of flood control all over the world. To slow down climate change, international organisations are issuing new regulations for the emissions and energy efficiency of industrial plants, which often leads to assignments for Pöyry.

Financials and performance 2007

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

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

Boosted by the good demand situation and increased productivity achieved through streamlining of operations, the Infrastructure & Environment business group's net sales and operating profit increased during the year. Net sales for 2007 amounted to EUR 222.5 million and operating profit was EUR 16.8 million. By systematically combining its expertise in different business units and across national borders the business group successfully expanded its service capabilities to provide clients with a more comprehensive package of services. This has also boosted net sales. The order stock was good, amounting to EUR 226.3 million at the end of the year.

Acquisitions in 2007

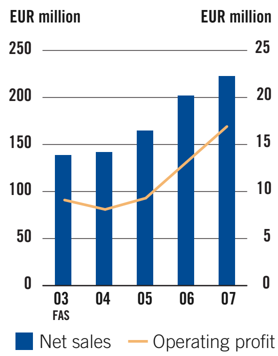
Pöyry strengthened its quantity and cost calculation know-how by acquiring 100 per cent of the shares of Insinööritoimisto Rakennuslaskenta NHL Oy, Finland. The company had net sales of more than EUR 2 million in 2006.

Pöyry acquired 70 per cent of the shares of Evata Worldwide Oy, a Finnish architectural design and real estate consulting firm. The deal includes an option to acquire the remaining 30 per cent of the company's shares in 2010, at the earliest. Evata employs about 100 experts in its headquarters in Helsinki, and in offices in Tallinn, Estonia, and Beijing, China. It also has a representative office in St. Petersburg, Russia. Evata offers architectural and interior design, workplace design, office property consulting and services related to real estate

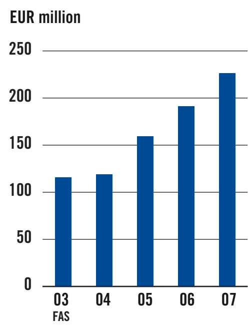
Infrastructure & Environment business group's key figures

EUR million	FAS 2003	2004	2005	2006	2007	Share of group, %
Net sales	138.6	142.1	164.9	201.8	222.5	31.0
Operating profit	9.0	8.0	9.2	13.0	16.8	22.7
Operating profit, %	6.5	5.6	5.6	6.4	7.5	
Order stock	115.7	118.8	159.5	191.0	226.3	40.2
Personnel	1 495	1 715	1 979	2 207	2 378	32.7

Net sales and operating profit



Order stock



development. The company's annual net sales are about EUR 10 million. Following this acquisition, Pöyry's real estate expertise covers all major sectors of the business: project management, design, real estate consulting and architecture.

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

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

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

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

Prospects for 2008

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

MAJOR PROJECTS IN 2007

Motorway and railway assignments, Romania

The Romanian Road Administration assigned Pöyry for two motorway projects totalling about EUR 9 million. Pöyry's services for the 80-km long Sibiu – Fagaras motorway include optimisation of the alignment, preliminary and tender design for the design and build contractor and site supervision during implementation. In the Cristian – Fagaras project Pöyry's services include complete design work for the 50-km long road. These projects are a major step in upgrading the Romanian road network to European Union standards.

The national railway company of Romania, CFR S.A., commissioned Pöyry to carry out feasibility studies, optimisation, detail design and technical assistance until project completion for the rehabilitation of the railway line from the Hungarian border to Curtici and Simeria (Pan-European Corridor IV). The value of the assignment is EUR 14 million. Rehabilitation of the 184-km long section will enable passenger traffic on trains capable of a speed of 160 km/h and will ensure technical interoperability with neighbouring systems.

Shopping mall, office and hotel complex, Latvia

Pöyry signed a contract with the Latvian real estate company SIA Vertikala Pasaule for consulting and project management services relating to a 100 000 m^2 shopping mall, office and hotel complex to be built in Riga. The value of the assignment is about EUR 3 million, and the services shall be provided by early 2010. As the highest building in Riga, the complex will have a number of special architectural features.

Waste water treatment projects, France

The public utility SIAAP (Syndicat Intercommunal d'Assainissement de l'Agglomération Parisienne) in charge of waste water management in the area of Paris is upgrading the main waste water treatment plant Seine Aval to comply with EU regulations for treatment of nitrogen and phosphorus pollution. The plant is the largest one in Europe. Pöyry has been assigned to provide project management for feasibility studies, comprising technical and financial supervision and selection of the optimal upgrading solution. Another contract was signed with SIAAP concerning technical assistance for extension of the Grésillons waste water treatment plant north of Paris.

HUMAN RESOURCES

The year under review was a year of strong growth for Pöyry. To make the best possible use of its resources for project work, the company utilised its global office network more effectively than ever before. Pöyry's Human Resources function supported the company's growth by focusing on development of management and leadership skills and on promoting internal staff mobility.

As a part of the launch of the common Pöyry brand and identity in 2006, the Human Resources function started developing common principles, operating practices and tools. This work continued during 2007 and has made good progress. The benefits of having common operating practices are already clearly visible.

Focus on leadership development

To ensure that the Pöyry Group's capabilities will develop in accordance with business needs, the principles and actions for competence development are defined as a part of the annual strategy process.

The Pöyry Business Academy's leadership programme has served as a major Group-wide personnel development project for more than ten years. To supplement this programme, a new training programme, "Leading in the global network", was started in 2007. Its objective is to clarify the global networking way of working and its implications for leadership in practice and to foster leadership skills in a global business environment.

Efficient project management and implementation is a core competence in all business operations. Pöyry's project management competence relies on the continuous improvement of working models and tools, but above all on employ-

ees' project work skills. Training programmes in global project know-how are in use in all of Pöyry's business groups.

As a result of Pöyry's growth, its project organisations include many people who have only worked with the company for a short time. In these circumstances, the transfer of knowledge and know-how from more experienced staff members to new employees is vital in maintaining Pöyry quality standards and operating practices. For this reason, internal training has become an increasingly important component in project know-how development programmes.

Employees engaged in discussing Pöyry's future

One of Pöyry's strategic objectives is to turn the Group into a Global Network Company. Through this network, all of Pöyry's business units can offer their clients the expertise of the Group's global network of experts. It also makes Pöyry a more attractive employer among experts interested in working internationally.

The implementation of the Global Network Company concept has proceeded well in all areas of the Group's business. To engage its employees in discussing the success and future development of this effort, and questions related to the organisation, leadership requirements, job descriptions and staff remuneration, Pöyry has decided to launch a global employee survey called Pöyry Pulse. A pilot survey tested in the autumn of 2006 drew answers from more than 70 per cent of the employees in the business units in Finland. The first global survey will be launched in February 2008. Its findings and the discussions with employees resulting from it will serve as a basis for future planning work. In this way, Pöyry Pulse will become a part of Pöyry's ongoing development work.

Pöyry Dialogue, a global framework for Pöyry's superior-subordinate discussions, was taken into use in 2007. The introduction of this system has proceeded according to plan, and the objective is that the framework will be implemented in all units by the end of 2008.

Securing sufficient human resources a major focus area

As Pöyry's business continues to grow, one of the company's most important focus areas is to ensure optimal human resources for business needs, both in terms of numbers and competences. To promote its visibility and employer image, Pöyry implemented recruitment campaigns in several countries during 2007. The company also launched a new web recruitment portal, which allows applicants to apply for a job in any Pöyry unit around the world.

In order to succeed in identifying, recruiting and retaining the staff needed for realising the company's business strategy, there will be continued focus on the development of the Human Resources function and personnel development. During 2007, HR Directors were appointed in all business groups to support the management in long-term human resources work.

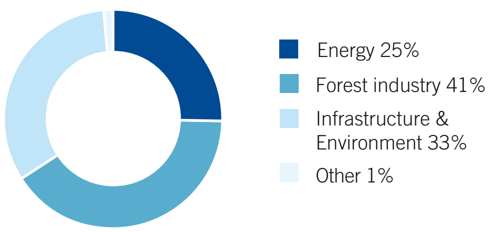
A major aspect of personnel development is encouraging internal mobility across business group, business unit and country borders. More effective internal job rotation creates new career development opportunities, fosters multi-skilled staff for future business challenges and improves job satisfaction. As the number of staff working outside their home countries continues to increase, Pöyry will continue to support these staff members and their families by offering introductions, for example to cultural and legal aspects in host countries, and by creating uniform procedures for dealing with practical matters.

Pöyry's competitiveness stems from its motivated, professional and dedicated employees. Pöyry offers its experts a wide range of international career opportunities.

Key figures

	2006	2007
Operating personnel	5 842	6 631
Non-operating personnel	547	639
Total personnel	6 389	7 269
Activity	82%	82%

Personnel by business group



FINANCIAL REVIEW

Consolidated earnings and balance sheet

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

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

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

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

Order stock

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

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

Financing

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

Human resources

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

Dividend policy

Pöyry Plc's target is that the dividend/earnings ratio is at least 50 per cent. should the Group's net debt/equity ratio exceed 30 per cent, the dividend/earnings ratio may be adjusted.

Board of Directors' proposal

The Board of Directors of Pöyry Plc proposes to the Annual General Meeting on 10 March 2008 that a dividend of EUR 0.65 (0.50) per share be paid for the year 2007. The number of shares is 58 652 614 and the total amount of dividends thus EUR 38 124 199.10. The proposed dividend corresponds to 73.9 (86.2) per cent of the earnings per share for the financial year. The Board of Directors proposes that the dividend be paid on 20 March 2008.

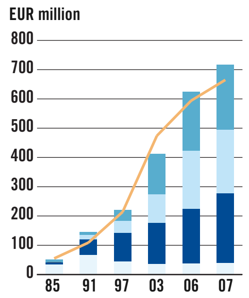
Prospects

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

	FAS 2003	2004	2005	2006	2007	Target on average
Profitability						
Profit before taxes, EUR million	35.8	30.9	38.6	50.2	76.5	
Return on investment, %	27.7	21.4	25.8	31.1	41.7	≥ 20%
Earnings						
Earnings/share, EUR	0.45	0.36	0.45	0.58	0.88	
Earnings/share, annual growth, %	100.0	-25.5	26.8	28.9	51.7	≥ 15%
Balance sheet						
Gearing, %	-40.7	-37.4	-36.1	-37.6	-47.4	< 30%
Dividend policy						
Dividend, EUR	0.375	0.30	0.325	0.50	0.65 [1]	
Dividend/earnings ratio, %	83.3	84.5	72.2	86.2	73.9 [1]	≥ 50%

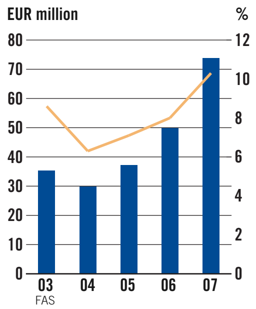
[1] Board of Directors' proposal

Net sales



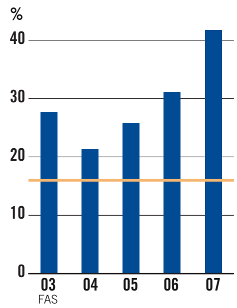
Infrastructure & Environment
Energy
Forest Industry
Forest Industry, New Investments
12% annual growth

Operating profit



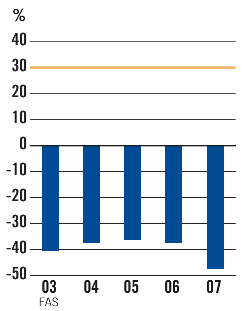
Operating profit, EUR million
Operating profit, %

Return on investment



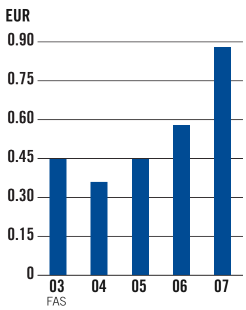
Target

Gearing



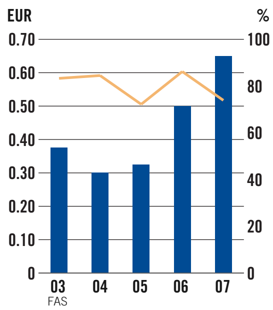
Target below 30%

Earnings/share



Earnings/share, EUR

Dividened/share and dividend/earnings



Dividend/share, EUR
Dividend/earnings, %

FIVE YEAR FINANCIAL REVIEW

Statement of income

EUR million	FAS 2003	2004	2005	2006	2007
Consulting and engineering	405.0	458.4	502.8	600.5	708.4
EPC	6.6	15.5	20.8	22.8	9.8
Net sales total	**411.6**	**473.9**	**523.6**	**623.3**	**718.2**
Change in net sales, %	1.1	15.1	10.5	19.0	15.2
Other operating income	12.9	2.1	0.8	0.3	2.5
Share of associated companies' results	0.2	0.5	0.8	1.2	0.4
Materials, supplies and subconsulting	47.1	64.9	75.1	97.2	103.8
Personnel expenses	235.4	266.4	283.2	327.7	375.9
Depreciation of goodwill	5.0				
Other depreciation	9.2	9.1	7.9	7.8	8.4
Other operating expenses	92.6	106.2	121.8	142.2	159.2
Operating profit	**35.4**	**29.9**	**37.2**	**49.9**	**73.8**
Proportion of net sales, %	8.6	6.3	7.1	8.0	10.3
Financial income and expenses	+ 0.4	+ 1.0	+ 1.4	+ 0.3	+ 2.7
Proportion of net sales, %	0.1	0.2	0.3	0.0	0.4
Profit before taxes	**35.8**	**30.9**	**38.6**	**50.2**	**76.5**
Proportion of net sales, %	8.7	6.5	7.4	8.1	10.7
Income taxes	- 10.8	- 10.0	- 12.3	- 15.4	-23.7
Net profit for the period	**25.0**	**20.9**	**26.3**	**34.8**	**52.8**
Attributable to:					
Equity holders of the parent company	24.7	19.7	25.9	33.6	51.3
Minority interest	0.3	1.2	0.4	1.2	1.5

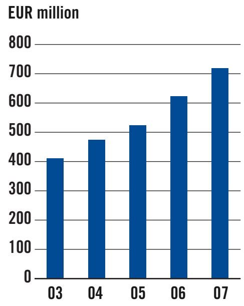
Balance sheet

EUR million	FAS 2003	2004	2005	2006	2007
Goodwill	34.3	34.0	42.4	61.4	95.6
Intangible and tangible assets	20.9	19.8	23.7	24.9	24.4
Non-current investments	9.4	10.4	12.7	12.3	7.7
Non-current receivables	9.7	22.7	20.2	17.9	11.2
Work in progress	35.4	46.6	56.6	52.7	64.5
Accounts receivable	87.0	103.6	108.1	134.2	141.9
Other current receivables	11.1	13.3	21.6	22.5	27.0
Cash and cash equivalents	63.1	62.2	64.5	74.9	98.7
Assets total	**270.9**	**312.6**	**349.8**	**400.8**	**471.1**
Equity attributable to the equity holders of the parent company	117.9	126.6	144.2	156.8	182.6
Minority interest	4.2	7.1	4.7	6.1	6.9
Pension obligations	0.0	6.6	6.8	6.9	6.6
Provisions	0.0	0.7	3.4	3.7	5.0
Interest bearing liabilities	13.4	12.2	10.7	13.6	8.9
Project advances	37.5	51.6	51.0	70.0	97.3
Accounts payable	10.6	13.9	18.8	25.1	22.9
Other non-interest bearing liabilities	87.3	93.9	110.2	118.6	140.9
Liabilities total	**270.9**	**312.6**	**349.8**	**400.8**	**471.1**

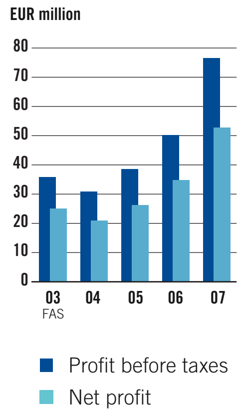
Statement of changes in financial position

EUR million	FAS 2003	2004	2005	2006	2007
From operations	+ 51.9	+ 37.1	+ 37.8	+ 57.6	+ 86.4
Capital expenditure, net	+ 5.9	- 17.1	- 19.2	- 31.2	- 27.8
Financing	- 20.7	- 20.9	- 16.3	- 16.0	- 33.4
Change in cash and cash equivalents	+ 37.1	- 0.9	+ 2.3	+ 10.4	+ 25.2
Impact of translation differences in exchange rates					- 1.4
Cash and cash equivalents 31 December	**63.1**	**62.2**	**64.5**	**74.9**	**98.7**

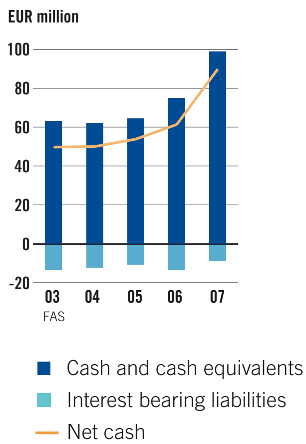
Net sales



Profit before taxes and net profit



Financing



Profitability and other key figures

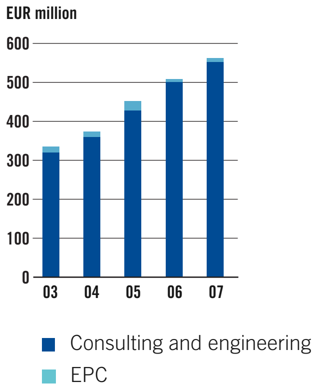
EUR million	FAS 2003	2004	2005	2006	2007
Return on investment, %	27.7	21.4	25.8	31.1	41.7
Return on equity, %	21.7	15.6	18.6	22.3	30.0
Equity ratio, %	52.3	51.2	49.8	49.2	50.7
Equity/assets ratio, %	45.1	42.8	42.6	40.7	40.2
Net debt/equity ratio (gearing), %	- 40.7	- 37.4	- 36.1	- 37.6	- 47.4
Net debt, EUR million	- 49.7	- 50.0	- 53.8	- 61.3	- 89.9
Current ratio	1.6	1.5	1.4	1.3	1.3
Consulting and engineering, EUR million	319.3	359.3	428.1	500.8	551.4
EPC, EUR million	16.4	13.9	24.0	6.8	11.4
Order stock total, EUR million	335.7	373.2	452.1	507.6	562.8
Capital expenditure, operating, EUR million	9.0	7.3	8.0	9.8	9.1
Proportion of net sales, %	2.2	1.5	1.5	1.6	1.3
Capital expenditure in shares, EUR million	6.4	11.4	17.8	27.9	44.2
Proportion of net sales, %	1.5	2.4	3.4	4.5	6.2
Personnel in group companies on average	4 697	5 219	5 423	6 038	6 852
Personnel in associated companies on average	195	213	249	251	271
Personnel in group companies at year-end	4 766	5 309	5 608	6 389	7 269
Personnel in associated companies at year-end	191	240	248	236	277

Key figures for the shares

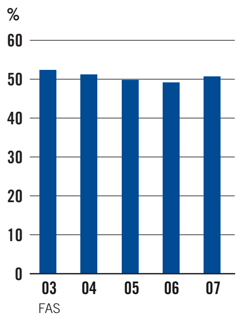
	FAS 2003	2004	2005	2006	2007
Earnings/share, EUR	0.45	0.36	0.45	0.58	0.88
Corrected with dilution effect	0.44	0.35	0.45	0.57	0.86
Equity attributable to the equity holders of the parent company/share, EUR	2.14	2.27	2.48	2.70	3.11
Dividend, EUR million	20.7	16.9	18.9	29.1	38.1 [1]
Dividend/share, EUR	0.375	0.30	0.325	0.50	0.65 [1]
Dividend/earnings, %	83.3	84.5	72.2	86.2	73.9
Effective return on dividend, %	6.9	5.4	4.1	4.2	3.8
Price/earnings multiple	12.1	15.6	17.7	20.3	19.7
Issue-adjusted trading prices, EUR					
Average trading price	4.22	5.27	6.71	9.15	16.08
Highest trading price	5.63	5.78	8.50	12.61	20.14
Lowest trading price	3.25	4.94	5.55	7.65	11.37
Closing price at year-end	5.45	5.55	7.97	11.80	17.31
Total market value					
Outstanding shares, EUR million	301.0	309.3	463.4	686.5	1015.3
Own shares, EUR million	3.5	0.0	0.0	0.0	0.0
Trading volume of shares					
Shares, 1 000	13 152	23 392	20 340	23 581	17 326
Proportion of the total volume, %	23.8	42.0	35.4	40.5	29.7
Issue-adjusted number of outstanding shares, 1 000					
On average	54 956	55 376	57 468	58 180	58 323
At year-end	55 216	55 722	58 180	58 180	58 653

1) Board of Directors' proposal.

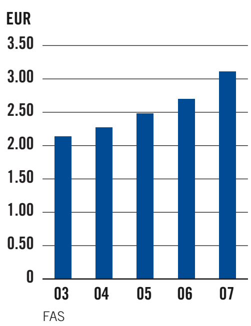
Order stock



Equity ratio



Shareholders' equity/share



INFORMATION FOR INVESTORS

Major registered shareholders

	Number of shares	Per cent of shares and voting rights
1. Corbis S.A.	17 861 200	30.45
2. Ilmarinen Mutual Pension Insurance Company	2 877 883	4.91
3. Procurator Oy	2 867 000	4.89
4. Varma Mutual Pension Insurance Company	2 402 600	4.10
5. OP funds	2 054 980	3.51
6. Tapiola Mutual Pension Insurance Company	1 760 000	3.00
7. Nordea Fund company Ab (FI)	1 168 760	1.99
8. UCITS Fund Aktia Capital	1 150 300	1.96
9. Svenska litteratursällskapet i Finland	901 100	1.54
10. Nordea Life Securities Finland Ltd	415 179	0.71
Shares nominee registered	16 049 733	27.36
Other shareholders	9 143 879	15.58
Total	**58 652 614**	**100.00**

Share price development and trading volume

Pöyry Plc's shares are listed on the OMX Nordic Exchange in Helsinki under the trading code POY1V. The company's market capitalisation at the end of 2007 was EUR 1015.3 million, and the closing price of the share EUR 17.31. A total of 17 326 094 shares were traded, which equals 29.5 per cent of the total number of issued shares.

Peer group

Pöyry has identified an international peer group for itself, against which the Group's financial information and business operations can be compared. The peer group consists of listed companies and does not alone give an adequate picture of Pöyry's competitors. The following companies are included in the peer group:

- Amec Plc., London Stock Exchange
- Arcadis NV, Amsterdam, Euronext Exchange
- Jacobs Engineering Group Inc., New York Stock Exchange
- SNC-Lavalin Group, Toronto Stock Exchange
- WS Atkins Plc, London Stock Exchange
- WSP Group Plc, London Stock Exchange
- AB Ångpanneföreningen, OMX Nordic Exchange Stockholm

Investment analyses

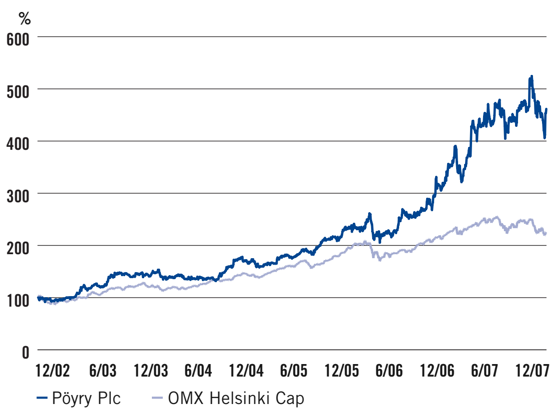
According to currently available information, the following brokerage firms are regularly following Pöyry. Detailed contact information is available on the company's website. Pöyry takes no responsibility for their opinions.

- Carnegie Investment Bank, Helsinki
- EVLI Bank, Helsinki
- Glitnir Bank, Helsinki
- Handelsbanken Capital Markets, Stockholm
- Kaupthing Bank, Helsinki
- Landsbanki, Helsinki
- Nordea, Helsinki
- Pohjola Bank, Helsinki
- SEB Enskilda, Helsinki Branch
- Öhman Fondkommission, Helsinki

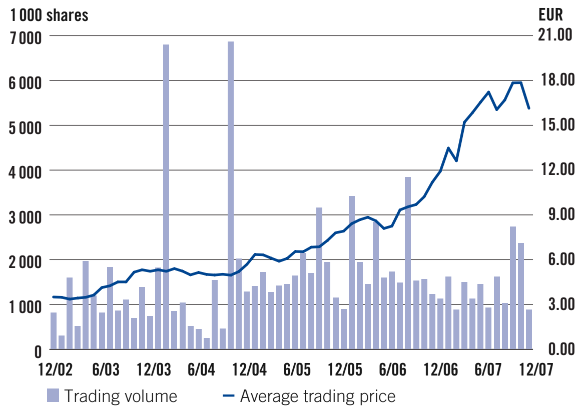
Website

Updated and more detailed information about Pöyry as an investment option is available on the company's website www.poyry.com.

Development of the share on the OMX Nordic Exchange Helsinki



Trading volume of shares and average trading price



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FI-01621 VANTAA
Finland
Tel. +358 10 3311
Fax +358 10 33 21818

PÖYRY'S OFFICE NETWORK

Asia and Australia
Australia, Brunei Darussalam, China, India, Indonesia, Malaysia, New Zealand, Philippines, Republic of Korea, Singapore, Taiwan, Thailand, Vietnam

Europe
Austria, Czech Republic, Denmark, Estonia, Finland, France, Germany, Great Britain, Hungary, Italy, Latvia, Lithuania, Norway, Poland, Russia, Slovakia, Spain, Sweden, Switzerland

Middle East and Africa
Iran, Nigeria, Saudi Arabia, Senegal, South Africa, Sultanate of Oman, United Arab Emirates

North and Latin America
Argentina, Brazil, Canada, Peru, USA, Venezuela

Up-to-date contact information of Pöyry offices worldwide is available at: www.poyry.com.

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Pöyry is a global consulting and engineering services firm focusing on the energy, forest industry and infrastructure & environment sectors.

The company's business idea is to offer expertise, solutions and local services covering the entire life-cycle of the clients' business and investment projects. It has in-depth business-sector and strategic know-how, project development and project management expertise, and local project implementation and operations management know-how.

Pöyry's network of experts works in close co-operation with its clients, aiming for development of all phases of their business. The group operates globally in 45 countries and employs a total of 7 300 experts.

Pöyry Plc is listed on the OMX Nordic Exchange in Helsinki.

Pöyry Plc
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PÖYRY

Competence. Service. Solutions.

www.poyry.com

FINANCIAL STATEMENTS 2007

Pöyry Plc

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Annual General Meeting

The shareholders of Pöyry Plc are invited to attend the Annual General Meeting (Meeting) to be held on Monday, 10 March 2008 at 4.00 p.m. at the Pöyry House, Jaakonkatu 3, FI-01620 Vantaa, Finland.

Right to attend and vote at the Meeting

Shareholders have the right to attend and vote at the Meeting

a) if they are included in the shareholder register of the company maintained by Finnish Central Securities Depository Ltd on Friday, 29 February 2008, and
b) if they have given notice to attend the Meeting on Friday, 7 March 2008 at 12 noon Finnish time at the latest.

The shareholder, in whose name the shares are registered, is automatically registered in the shareholder register of the company. Foreign shareholders holding nominee-registered shares, who wish to attend the Meeting, can temporarily be registered in the shareholder register. Such registration shall be made on Friday, 29 February 2008 at the latest. For temporary registration, foreign shareholders shall contact their account operator.

Notice to attend

A shareholder wishing to attend the Meeting shall give notice to attend the Meeting to the company either

- by filling in the registration form at the Pöyry website www.poyry.com/agm2008,
- by telephone +358 10 33 22224/Legal Department Monday through Friday between 9 a.m. and 4 p.m. Finnish time,
- by telefax +358 10 33 21816/Legal Department, or
- by letter to Pöyry Plc, Legal Department/AGM, Jaakonkatu 3, FI-01620 Vantaa, Finland.

The notice shall be at the company's disposal no later than at 12 noon Finnish time on Friday, 7 March 2008.

Proxies for representing a shareholder at the Meeting shall be submitted to the company no later than at 12 noon Finnish time on Friday, 7 March 2008.

A complete notice to convene the Meeting has been published in a stock exchange notice on 1 February 2008 and mailed to all shareholders at their addresses in the shareholder register.

Proposals to the Meeting

A shareholder wishing that a matter specified in the Companies Act be handled in the Meeting shall request this in writing from the Board of Directors so early in advance that the matter can be included in the notice to convene the Meeting.

Dividend

The Board of Directors proposes to the Meeting convening on 10 March 2008 that a dividend of EUR 0.65 per share be paid for the year 2007. The dividend will be paid on 20 March 2008. This dividend is paid to shareholders entered into the shareholder register maintained by Finnish Central Securities Depository Ltd on the record date, 13 March 2008, which has been set by the Board of Directors.

Address changes

Shareholders are kindly requested to inform changes in their address or other personal data to their custodian.

Financial information in 2008

In 2008 Pöyry Plc will publish its interim reports as follows:

January–March	22 April at 8.30 a.m. Finnish time
January–June	23 July at 8.30 a.m. Finnish time
January–September	24 October at 8.30 a.m. Finnish time

HIGHLIGHTS 2007

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

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

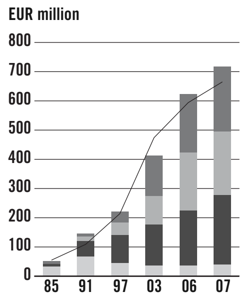
The target for the Group's return on investment is 20 per cent or more. In 2007 the return on investment was 41.7 (31.1) per cent.

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

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

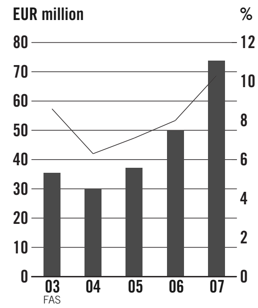
The Pöyry Group has a strong market position in all of its business areas. The order stock is good, having increased by EUR 55 million during 2007. Consolidated net sales will grow during 2008. Consolidated profit before taxes is expected to improve in 2008. The repercussions in other national economies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

Net sales



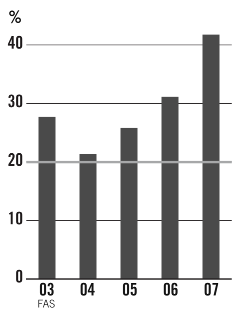
■ Infrastructure & Environment
■ Energy
■ Forest Industry
■ Forest Industry, New
— 12 % annual growth

Operating profit



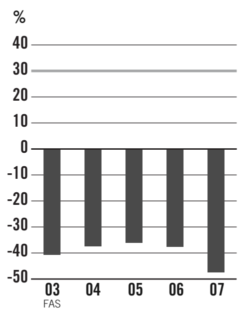
■ Operating profit, EUR
— Operating profit, %

Return on Investment



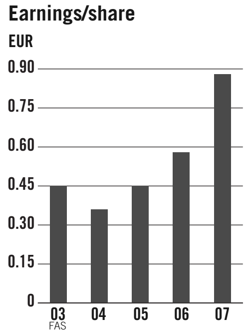
— Target

Gearing



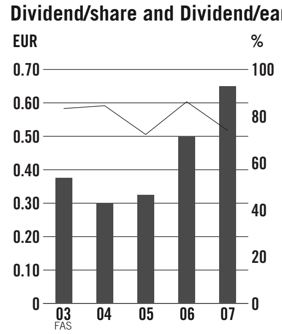
— Target below 30%

Earnings/share



■ Earnings/share, EUR

Dividend/share and Dividend/earnings



■ Dividend/share, EUR
— Dividend/earnings, %

Financial targets

Earnings/share, annual growth	≥ 15%
Return on investment	≥ 20%
Gearing	< 30%
Dividend/earnings ratio	≥ 50%

Key figures

	2006	**2007**
Net sales, EUR million	623.3	**718.2**
Operating profit, EUR million	49.9	**73.8**
Operating profit, %	8.0	**10.3**
Profit before taxes, EUR million	50.2	**76.5**
Profit before taxes, %	8.1	**10.7**
Earnings/share, EUR	0.58	**0.88**
Dividend/share, EUR	0.50	**0.65** 1)
Dividend/earnings ratio, %	86.2	**73.9**
Return on investment, %	31.1	**41.7**
Gearing, %	- 37.6	**- 47.4**
Order stock, EUR million	507.6	**562.8**
Personnel in group companies	6 389	**7 269**

1) Board of Directors' proposal.

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

CONSOLIDATED EARNINGS AND BALANCE SHEET

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

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

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

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

Key figures

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

Business groups

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

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

Energy

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

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

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

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

Energy

EUR million	**2007**	2006	2005
Net sales	217.5	197.4	160,0
Operating profit	21.0	14.6	9,1
Operating profit, %	9.7	7.4	5,7
Order stock	212.7	204.9	195,2
Personnel at year-end	1838	1692	1463

Forest Industry

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

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

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

Forest Industry

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

Infrastructure & Environment

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

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

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

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

Infrastructure & Environment

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

DEVELOPMENT OF GROUP STRUCTURE

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

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

ACQUISITIONS AND DIVESTMENTS

Energy

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

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

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

Forest Industry

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

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

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

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

Infrastructure & Environment

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

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

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

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

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

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

ORDER STOCK

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

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

Order stock

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

HUMAN RESOURCES

Personnel structure

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

Personnel, average

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

Salaries and bonuses

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

Salaries and bonuses

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

Human resources management

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

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

RESEARCH AND DEVELOPMENT

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

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

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

CAPITAL EXPENDITURE AND DEPRECIATION

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

Capital expenditure and depreciation

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

FINANCING

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

Financing

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

ASSESSMENT OF OPERATIONAL RISKS AND UNCERTAINTIES

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

External risks

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

Strategic risks

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

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

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

Operational risks

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

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

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

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

Financial risks

The financial risks have been described in the Notes to the Financial Statements, pages 29-30.

Realisation of risks, court processes

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

SHARE CAPITAL AND SHARES

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

AUTHORISATION TO ISSUE SHARES

The Annual General Meeting on 5 March 2007 authorised the Board of Directors to decide to issue new shares and to convey the company's own shares held by the company in one or more tranches. The share issue can be carried out as a share issue against payment or without consideration on terms to be determined by the Board of Directors and in relation to a share issue against payment at a price to be determined by the Board of Directors.

A maximum of 11 600 000 new shares can be issued. A maximum of 5 800 000 own shares held by the company can be conveyed. The authorisation is in force until 10 March 2008.

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

AUTHORISATION TO ACQUIRE THE COMPANY'S OWN SHARES

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

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

The authorisation is in force until 10 March 2008.

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

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

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

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

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

OPTION PROGRAMME 2004

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

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

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

PERFORMANCE SHARE PLAN 2008-2010

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

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

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

BOARD OF DIRECTORS' PROPOSAL

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

BOARD OF DIRECTORS AND PRESIDENT

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

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

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

AUDITORS

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

PROSPECTS

Energy

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

Forest Industry

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

Infrastructure & Environment

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

Group

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

STATEMENT OF INCOME

	EUR million	2007	2006
1	**Net sales**	**718.2**	**623.3**
2	Other operating income	**+ 2.5**	+ 0.3
	Share of associated companies' results	**+ 0.4**	+ 1.2
	Materials and supplies	**- 14.3**	- 24.0
	External charges, subconsulting	**- 89.5**	- 73.2
3	Personnel expenses	**-375.9**	- 327.7
	Depreciation	**- 8.4**	- 7.8
5	Other operating expenses	**- 159.2**	- 142.2
		- 647.3	- 574.9
	Operating profit	**73.8**	**49.9**
6	Financial income and expenses	**+ 2.7**	+ 0.3
	Profit before taxes	**76.5**	**50.2**
7	Income taxes	**-23.7**	- 15.4
	Net profit for the period	**52.8**	**34.8**
	Attributable to:		
	Equity holders of the parent company	**51.3**	33.6
	Minority interest	**1.5**	1.2
8	Earnings/share, EUR	**0.88**	**0.58**
	Corrected with dilution effect	**0.86**	0.57

STATEMENT OF CHANGES IN FINANCIAL POSITION

EUR million	2007	2006
From operating activities		
Net profit for the period	**52.8**	34.8
Depreciation and value decrease	**+ 8.4**	+ 7.8
Gain on sale of fixed assets	**- 2.3**	- 0.1
Share of associated companies' results	**- 0.4**	- 1.2
Financial income and expenses	**- 2.7**	- 0.3
Income taxes	**+ 23.7**	+ 15.4
Change in work in progress	**- 11.7**	+ 3.9
Change in accounts and other receivables	**- 5.6**	- 25.5
Change in advances received	**+ 27.4**	+ 18.9
Change in payables and other liabilities	**+ 13.1**	+ 15.5
Received financial income	**+ 4.3**	+ 1.9
Paid financial expenses	**- 1.5**	- 0.4
Paid income taxes	**- 19.1**	- 13.1
Total from operating activities	**+ 86.4**	**+ 57.6**
Capital expenditure		
Investments in shares in subsidiaries deducted with cash acquired	**- 23.4**	- 22.4
Sales of subsidiaries	**+ 0.3**	+ 0.0
Investments in other shares	**0.0**	- 0.0
Investments in fixed assets	**- 9.9**	- 9.8
Sales of associated companies	**+ 1.8**	+ 0.0
Sales of other shares	**+ 2.2**	+ 0.5
Sales of fixed assets	**+ 1.2**	+ 0.5
Capital expenditure total, net	**- 27.8**	- 31.2
Net cash before financing	**+ 58.6**	**+ 26.4**
Financing		
Repayments of loans	**- 2.6**	- 2.5
Change in current financing	**- 2.2**	+ 5.4
Change in non-current investments	**+ 0.5**	+ 0.5
Dividends	**- 30.0**	- 19.4
Share subscription	**+ 0.9**	+ 0.0
Net cash from financing	**- 33.4**	- 16.0
Change in cash and cash equivalents	**+ 25.2**	**+ 10.4**
Cash and cash equivalents 1 January	**74.9**	**64.5**
Impact of translation differences in exchange rates	**- 1.4**	0.0
Cash and cash equivalents 31 December	**98.7**	**74.9**

BALANCE SHEET

Note	EUR million	2007	2006
	Assets		
	Non-current assets		
1	Goodwill	**95.6**	61.4
1	Intangible assets	**6.6**	7.9
2	Tangible assets	**17.8**	17.0
3	Shares in associated companies	**5.2**	5.0
3	Other shares	**2.4**	6.7
3	Loans receivable	**0.1**	0.6
	Deferred tax receivables	**5.7**	5.8
	Pension receivables	**0.6**	3.1
4	Other	**4.9**	9.0
		138.9	116.5
	Current assets		
	Work in progress	**64.5**	52.7
5,7	Accounts receivable	**141.9**	134.2
5	Loans receivable	**0.6**	0.6
5	Other receivables	**15.6**	12.1
6	Prepaid expenses and accrued income	**10.9**	9.8
	Cash and cash equivalents	**98.7**	74.9
		332.2	284.3
	Total	**471.1**	**400.8**

Note	EUR million	2007	2006
	Equity and liabilities		
	Equity		
	Equity attributable to the equity holders of the parent company		
8	Share capital	**14.6**	14.5
8	Share premium reserve	**32.4**	31.5
8	Legal reserve	**19.5**	19.1
8	Invested free equity reserve	**4.6**	0.0
	Translation difference	**- 13.9**	- 10.9
	Retained earnings	**125.4**	102.6
		182.6	156.8
	Minority interest	**6.9**	6.1
		189.5	162.9
	Liabilities		
	Non-current liabilities		
9	Interest bearing non-current liabilities	**1.9**	4.2
10	Pension obligations	**6.6**	6.9
	Deferred tax liability	**3.3**	3.3
	Other non-current liabilities	**9.4**	3.4
		21.2	17.8
	Current liabilities		
9,12	Amortisations of interest bearing non-current liabilities	**2.6**	2.7
9,12	Interest bearing current liabilities	**4.4**	6.6
11,12	Provisions	**5.0**	3.7
12	Project advances	**97.3**	70.0
12	Accounts payable	**22.9**	25.1
12	Other current liabilities	**38.3**	37.2
12	Current tax payable	**13.7**	8.2
13	Accrued expenses and deferred income	**76.2**	66.6
		260.4	220.1
		281.6	237.9
	Total	**471.1**	**400.8**

CHANGES IN EQUITY

EUR million	Share capital	Share premium reserve	Legal reserve	Invested free equity reserve	Translation differences	Retained earnings	Total	Minority interest	Total equity
Equity 1 Jan. 2006	14.5	31.5	18.6	0.0	- 8.6	88.1	144.2	4.7	148.9
. Translation differences					- 2.4	- 0.2	- 2.6		- 2.6
Net profit for the period						33.6	33.6	1.2	34.8
Income and expenses for the period					- 2.4	33.4	31.0	1.2	32.2
Payment of dividend						- 18.9	- 18.9		- 18.9
Transfer, retained earnings			0.5			-0.5	0.0		0.0
Expenses from option programme						0.7	0.7		0.7
Other						0.1	0.1		0.1
Minority change						-0.2	- 0.2	0.2	0.0
Other changes			0.5			-18.8	- 18.3	0.2	- 18.1
Equity 31 Dec. 2006	**14.5**	**31.5**	**19.1**	**0.0**	**-10.9**	**102.6**	**156.8**	**6.1**	**162.9**
Equity 1 Jan 2007	14.5	31.5	19.1	0.0	-10.9	102.6	156.8	6.1	162.9
Net income recorded direct to equity						- 0.0	- 0.0		- 0.0
Translation differences					- 2.9		- 2.9		- 2.9
Net profit for the period						51.3	51.3	1.5	52.8
Income and expenses for the period					- 2.9	51.3	48.4	1.5	49.9
Share issue				4.6		0.4	5.0		5.0
Shares subscribed with stock options	0.1	0.9					1.0		1.0
Payment of dividend						- 29.1	- 29.1	- 0.7	- 29.8
Transfer, retained earnings			0.4			-0.4	0.0		0.0
Expenses from option programme						0.5	0.5		0.5
Other changes	0.1	0.9	0.4	4.6		- 28.5	- 22.6	- 0.7	- 23.4
Equity 31 Dec. 2007	**14.6**	**32.4**	**19.5**	**4.6**	**-13.9**	**125.4**	**182.6**	**6.9**	**189.5**

NOTES TO THE FINANCIAL STATEMENTS

Accounting principles for the consolidated financial statements

Company profile

Pöyry Plc is a Finnish public limited liability company organised under the laws of Finland and domiciled in Vantaa. Pöyry Plc is the parent company of the Pöyry Group. Pöyry is a global consulting and engineering firm focusing on the energy, forest industry and infrastructure & environment sectors.

A copy of the consolidated financial statements can be obtained either from the web site (www.poyry.com) or from the parent company's head office, the address of which is Jaakonkatu 3, 01620 Vantaa, Finland.

In its meeting on 31 January, 2008 the Board of Directors of Pöyry Plc approved the publishing of these consolidated financial statements. According to the Finnish Companies Act shareholders have the right to approve or reject the annual accounts in the shareholders' meeting held after their release. The shareholders' meeting also has the right to make amendments to the annual accounts.

Basis of preparation

The consolidated financial statements of the Pöyry Group are prepared in accordance with International Financial Reporting Standards (IFRSs) including the IAS and IFRS standards as well as the SIC and IFRIC interpretations in force as at 31 December 2007. The Pöyry Group adopted IFRSs as from 1 January 2005. International financial reporting standards, referred to in the Finnish Accounting Act and in ordinances issued based on the provisions of this Act, refer to the standards and their interpretations adopted in accordance with the procedure laid down in regulation (EC) No 1606/2002 of the EU. The notes to the consolidated financial statements also conform with the Finnish accounting and company legislation. The financial statements of the parent company, Pöyry Plc, are prepared in compliance with FAS (Finnish accounting standards).

The consolidated financial statements are presented in euro. They have been prepared under the historical cost convention, unless otherwise stated in the accounting policies below.

The Group has applied as from 1 January 2007 the following new and amended standards and interpretations:

- IFRS 7 Financial Instruments: Disclosures
- Amendment to IAS 1 Presentation of Financial Statements: Capital Disclosures
- IFRIC 9 Reassessment of Embedded Derivatives
- IFRIC 10 Interim Financial Reporting and Impairment

IFRS 7 has extended the disclosures on financial instruments presented in the annual consolidated financial statements. The amended IAS 1 requires additional disclosures on capital and capital management to be presented. The adoption of the above mentioned interpretations has not had an impact on the consolidated financial statements.

Uses of estimates

The preparation of financial statements in conformity with IFRSs requires the management to make estimates and assumptions that affect the contents of the financial statements. Actual results may differ from these estimates. The estimates mainly relate to project revenue recognition, impairment testing as well as to determination of defined benefit obligations, deferred taxes and provisions. The estimates and assumptions are based on the management's current best knowledge reflecting historical experience and other reasonable assumptions.

By the time of the publication of the consolidated financial statements the Group is not aware of such major sources of estimation uncertainty at the balance sheet date nor of such key assumptions concerning the future that might have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Subsidiaries

The consolidated financial statements incorporate the parent company and all those subsidiaries in which it holds, directly or indirectly, over 50 per cent of the voting rights or in which it otherwise has control at the end of the period. Control is the power to govern the financial and operating policies of a company so as to obtain benefits from its activities.

Associates

Associates included in the consolidated financial statements are those entities in which the Group's shareholding and voting rights are usually between 20 and 50 per cent or in which it otherwise has significant influence, but not control, over the financial and operating policies. Holdings in associates are accounted for using the equity method. The Group's proportionate share of associates' profit for the financial year is included in the operating profit as the associates' operations closely relate to the business of the Group.

Joint ventures

Joint ventures included in the consolidated financial statements are those economic activities in which a Group company has entered into a contractual arrangement whereby two or more parties undertake an economic activity, which is subject to joint control. Holdings in joint ventures are accounted for using the equity method. The Group's proportionate share of the joint ventures' profit for the financial year is included in the operating profit as the joint venture operations closely relate to the business of the Group.

Principles of consolidation

The acquisitions of companies are accounted for by using the purchase method according to which the assets and liabilities of the acquired company are measured at fair value at the date of acquisition. The excess of the cost of the business combination over the net fair value of the identifiable assets, liabilities and contingent liabilities has been allocated to the underlying assets. The remainder of the excess is presented as goodwill as a separate item in the consolidated balance sheet. The Pöyry Group utilised the exemption under IFRS 1 according to which acquisitions prior to the IFRS transition date were not reconsidered. Consequently these acquisitions are presented following the previous GAAP. These amounts have been taken as deemed cost under IFRSs. The companies acquired or founded during the financial period are consolidated from the date of acquisition or foundation, when control commenced. The companies closed or disposed are included in the consolidated financial statements until control ceases.

All intercompany transactions are eliminated as part of the consolidation process.

The allocation of the profit for the period attributable to equity holders of the parent company and minority interest is presented on the face of the income statement. The minority interest is also disclosed as a separate item within equity.

Foreign subsidiaries

In preparing the consolidated financial statements the income and expense items in income statements and cash flows of those foreign subsidiaries whose functional currency are not the euro, are translated into euros at the average exchange rate during the financial period. Their balance sheets are translated at the ECB closing rate at the balance sheet date.

Foreign exchange differences arising from the application of the purchase method, translation of the equity items accumulated after the date of acquisition as well as those resulting from the translation of the profit for the period at the average monthly rate in the income statement and with the closing rate in the balance sheet are recorded as a separate item in equity.

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at the rates of exchange prevailing on the dates of the transactions. Foreign currency monetary balances are translated at the closing rate at the balance sheet date. Non-monetary items stated at fair value in a foreign currency are translated at foreign exchange rates ruling at the dates the fair value was determined. Other non-monetary items are translated using the exchange rate at the date of the transaction.

Gains and losses resulting from transactions in foreign currencies and translation of monetary items are recognised in the income statement. Foreign exchange gains and losses arising on trade receivables and payables are adjusted to revenues and operating expenses, respectively. Exchange differences arising on foreign currency loans are included in financial income and expenses except for the loans designated as hedges of foreign net investments that are highly effective. Resulting cumulative amount of the exchange differences are recognised directly in equity in the translation difference reserve until the investment is disposed of all, or part of, that entity.

Net sales and revenue recognition principles

Net sales equal revenue recognition value of services less indirect taxes associated to sales and other adjustment items.

The Group's operations estimates are made at least quarterly, when all project managers are required to prepare updated estimates for all ongoing projects. Also the provisions as well as overdue accounts receivable are reviewed by the management at least on a quarterly basis. Pöyry has issued implementation guidelines of the applicable IFRS/IAS standards in order to ensure a uniform understanding of IFRS.

The services provided by the Pöyry Group are generally classified into three categories for revenue recognition purposes:

1. Consulting and engineering projects with a fixed price contract or any type of cap or ceiling price contracts:

The revenue is recognised on the percentage-of-completion method, measured by reference to the stage of completion. The stage of completion is defined as the proportion that project costs incurred for work performed both by the Group and subcontractors to date bear to the estimated total project costs.

2. Consulting and engineering projects with a cost plus contract which can be classified as pure reimbursable projects:

The revenue is recognised in the period during which the corresponding services have been rendered using agreed upon rates or mark ups. If a reimbursable project has any kind of maximum, cap or estimate type of characteristics, revenue is recognised by reference to the stage of completion.

3. Contracting/Turnkey/EPC projects: The revenue is recognised using the percentage-of-completion method, measured by reference to the percentage of total cost incurred to date to estimated total cost. Due to the different risk profile separately defined procedures are followed when assessing the risks and the progress made as well as in the monitoring and controlling throughout the project.

The percentage-of-completion method is only applied when the outcome of a project can be estimated reliably. Project managers are responsible for the total estimate of a project made at least quarterly. If the outcome of a project cannot be estimated reliably, the Group applies the cost recovery method in which the project costs incurred are expensed in the period in which they are incurred and revenue is recognised only to the extent of project costs incurred that probably will be recoverable. When it is probable that total project costs will exceed total project revenue, the expected loss is recognised as an expense immediately. At early stage of project only costs are covered until the percentage of completion exceeds 10 per cent.

The revenue recognised according to the percentage-of-completion method, but not yet invoiced, including unfinished work is presented in the balance sheet under 'work-in-progress'. The unrecognised part of the invoicing is included in 'received project advances'.

Foreign currency cash flows in projects are mainly hedged for changes in exchange rates.

Income taxes

The income taxes in the consolidated income statement comprise current tax of the Group companies calculated on the taxable profit for the period determined in accordance with local tax rules, the tax adjustments related to previous years as well as the change in the deferred tax assets and liabilities. Deferred tax assets and liabilities are provided in the consolidated financial statements generally for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The main temporary differences arise from tax losses carried forward and defined benefit plans. Deferred taxes are not provided for impairment of goodwill, which is not deductible for tax purposes, nor for undistributed profits of subsidiaries to the extent that it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax liabilities are recognised at their full amounts in the balance sheet, and deferred tax assets are recognised at estimated realisable amounts. The enacted tax rate at the balance sheet date is used as the tax rate.

Goodwill

After 1 January 2004 goodwill represents the difference between the cost of the acquisition and the fair value measured at the acquisition date of the net identifiable assets and liabilities acquired. Goodwill arisen from the business acquisitions occurred prior to 1 January 2004 are reported as they were recognised under FAS and taken as deemed cost under IFRS. Based on this exemption granted in IFRS 1 the classification and accounting treatment of business combinations has not been reconsidered in preparing the Group's opening IFRS balance sheet.

Goodwill is stated at cost less any impairment losses. Goodwill together with other intangible assets with indefinite useful lives is not amortised but is tested for impairment annually or when there is an indication that an asset may be impaired.

The Global Network Company concept is a cornerstone of the Pöyry Group's strategy. The Group's comprehensive office network is a unique and important key factor supporting the business, allowing the Group to offer its versatile expertise to locally as well as globally operating companies, combining the knowledge of its global network of experts with a strong knowledge of local conditions. The strategy, with all three business groups targeting the cooperation and integration level of a Global Network Company, supports the Group's policy for allocating goodwill according to described below.

The three business groups of the Pöyry Group (Energy, Forest Industry, Infrastructure & Environment) represent the independent cash generating unit levels where management monitors the return on investment and are therefore chosen as the goodwill allocation level.

Purchase price allocation (PPA)

One of the cornerstones of Pöyry's acquisition policy is to acquire only companies with a good management and skilled workforce with a track record of earnings making capability at levels similar to Pöyry or its peers. This value is not separately recognised but subsumed within goodwill.

In each acquisition all potential value drivers are analysed. In Pöyry's consulting/engineering business, fair value determinations and identification of intangible assets that meet the criteria for recognition apart from goodwill most often relate to:

- ongoing work-in-progress, if the profitability of the separate projects are higher than what is reasonable for the completion effort based on profit for similar projects. PPAs to work-in-progress are written off over the duration of the projects.
- order backlog, i.e. orders received when work has not started and outstanding proposals and prospects weighed with the likelihood of realisation. The amounts allocated to order backlog, representing sales and marketing expense savings, are written off after starting the work on the received assignments.
- client relationship, if the volume of a separate client has a material impact on the earnings level of the acquired company. Pöyry's strategy and past track record is to retain its clients with its skilled workforce and management. Those amounts allocated to client relationship based on the above materiality impact, are subject to an annual impairment testing.

Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication for impairment. If an indication of impairment exists, the asset's recoverable amount is estimated. The recoverable amounts of following assets are also estimated annually irrespective whether there is any indication for impairment or not: goodwill and intangible assets with indefinite useful lives. The impairment test is performed at the level of a cash-generating unit. This is the smallest identifiable group that is independent of other units and whose cash flows are separable.

The recoverable amount is the higher of an asset's fair value less costs to sell, or its value in use. The value in use represents the present value of discounted future cash flows expected to be derived from an asset or a cash-generating unit. The discounted cash flow analysis used to calculate value in use is based on the approved strategy where growth from acquisitions has been eliminated. The recoverable amount is based on reasonable assumptions and the latest plans or forecasts approved by the management. The impairment testing is carried out annually during December primarily by using discounted cash flow analysis but is also crosschecked by multiple based market price comparisons. Pre-tax weighted average cost of capital (WACC) is used as a discount rate for the recoverable amount. WACC represents the market opinion of time value of money and special risks relating to an asset.

The Group's scale for classifying impairment testing results is the following: a) is below, b) corresponds to, c) exceeds slightly, d) exceeds clearly, e) exceeds significantly (> 50 per cent).

Other main assumptions used in the calculations for value in use are presented in the note 1 to the balance sheet.

Other intangible assets

Other intangible assets are stated at historical cost less cumulative amortisation and impairment losses, if any. Intangibles with finite useful lives are amortised on a straight-line basis over their known or expected useful lives.

Software

Amortised on a straight-line basis over 3 to 5 years.

Customer relationships

The value allocated to the customer relationships in the connection of a business combination that is tested for impairment at least annually.

Order stock

The value allocated to the order stock in the connection of a business combination that is expensed during the related projects.

Research and development

The income and expenses attributable to research and development are part of the Group's client work and cannot therefore be reasonably defined in exact monetary terms in practice. These revenues and expenses are recognised on the income statement and they are included in the operating profit.

Tangible assets

Items of property, plant and equipment are stated at historical cost less cumulative depreciation and any impairment losses. Gains and losses on sales and disposals are included in other operating income and in operating expenses, respectively.

Depreciation is calculated based on historical cost and expected useful life. Depreciation is charged to the income statement on a straight-line basis. Expected useful lives and residual values are reassessed at each balance sheet date and where they differ from previous estimates, depreciation periods are changed accordingly. The estimated useful lives are as follows:

Buildings	20-40 years
Machinery and equipment	3-8 years

Land is not depreciated.

Non-current assets held for sale

A non-current asset and an asset relating to discontinued operations is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. In order to classify assets as held for sale the following requirements must be fulfilled: asset's sale must be highly probable, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary, the management is committed to the plan to sell the asset and the sale is expected to qualify for recognition as a completed sale within one year from the date of classification. Before classification as held for sale the non-current assets or assets and liabilities of disposal groups are measured in accordance with applicable IFRSs. As from classification date a non-current asset held for sale is measured at the lower of its carrying amount and fair value less costs to sell, and it is not depreciated any more.

Leases

The Group has entered into both financial and operating leases. The Group is a lessee. Leases of property, plant and equipment where substantially all the risks and rewards incidental to ownership have been transferred to the Group are classified as finance leases. These assets are capitalised and are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease less cumulative depreciation and any impairment losses. The associated lease liabilities are included in interest-bearing liabilities in accordance with their maturity. Assets acquired under finance leases mainly include computers and other office equipment. They are depreciated as comparable owned assets over the shorter of the useful lives for tangible assets or the lease term in accordance with IAS 16 Property, plant and equipment and are adjusted for impairment charges, if any.

Lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability. In respect of finance leases, the depreciation on the leased assets and the financial charge on the lease liability are shown in the income statement. The financial charge is allocated to the income statement so as to achieve a constant interest rate on the outstanding liability during the lease term.

In accordance with the definition under IAS 17 Leases an operating lease is a lease of property, plant and equipment where the lessor retains significant risks and rewards incidental to ownership. In the Pöyry Group leases classified as operating leases mainly relate to office premises, also some car and office equipment leases have been classified as operating leases. Payments made thereunder are charged to the income statement as rental expense on a straight-line basis over the lease term.

Financial instruments

Under IAS 39 financial items are classified as follows: financial assets at fair value through profit or loss, available-for-sale financial assets, loans or receivables (assets) and held-to-maturity assets. The Group has applied these classification criteria since 1 January 2005. An asset is classified when originally acquired based on its purpose of use. All purchases or sales of financial assets are recognised or derecognised using trade date accounting.

Financial assets

Financial assets at fair value through profit and loss

This category comprises cash balances, other short-term highly liquid investments with a maturity no longer than three months and those derivative instruments not meeting the hedge accounting criteria under IAS 39. Credit accounts relating to the Group cash pool are included in the short-term interest-bearing liabilities. Gains and losses arising from a change in the fair value, realised or unrealised, are recognised on the income statement as incurred.

Available-for-sale assets

In the Pöyry Group assets classified as available for sale comprise unlisted shares. As their fair value cannot be measured reliably, they are carried at cost. However, when there is objective evidence that the fair value of such share investments is significantly lower than their book value, this is indication of an impairment loss of a share classified as available for sale. If there is objective evidence of an impairment loss, the cumulative loss is transferred to the income statement. Available-for-sale financial assets are included in non-current assets unless the Group has the intention to sell them within less than 12 months after the balance sheet date, in which case they are included in the current assets.

Loans or receivables (assets)

Financial assets that belong to this category are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Group does not hold them for trading purposes either. Loans and receivables are measured at cost less impairment losses.

In the Pöyry Group this category includes trade receivables and other receivables arisen from business operations. Trade receivables are presented net of credit losses. The amount of doubtful receivables and assessment of need for impairment is based on risk of individual receivables. Trade receivables are measured at their probable value at the highest. Generally, an impairment allowance of 50 per cent is made for those trade receivables which are more than 180 days overdue. If a receivable is due more than 360 days a credit loss provision is made unless there are especially weighty reasons.

Financial liabilities

On initial recognition a loan is measured at its fair value that is based on the consideration received, using the effective interest method. Interest expenses are recognised in the income statement over the period of the borrowings using the effective interest method. Subsequent to initial recognition, these liabilities are stated at amortised cost.

Derivative instruments and hedge accounting

Derivatives are classified as financial assets and financial liabilities at fair value through profit or loss. They are recognised on the balance sheet at fair value on the trade date. Subsequently they are fair valued. Derivatives are not used for speculative purposes. Gains and losses are accounted for based on the purpose of use of the derivative.

The Group applies the hedge accounting under IAS 39 to certain derivatives. In that case, at the inception of a hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item as well as the strategy for undertaking the hedge in accordance with the Group's risk management objective. The Group also documents and assesses, both at hedge inception and at least at every balance sheet date whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair value hedges

The Group applies fair value hedge accounting qualifying as fair value hedging under IAS 39 to the forward contracts hedging sales and purchases denominated in foreign currencies as the hedge relates to a binding sale agreement that is either a balance sheet or an off-balance sheet item. In that case the hedging instrument together with the hedged portion of the binding sale agreement is recognised in the income statement, as well as the change in the fair value of the interest element of a forward contract separated from the hedge relationship.

Cash flow hedges

The Group uses interest rate swaps to hedge the cash flows resulting from its variable interest rate loans. The fair value changes of the interest rate swaps qualifying as cash flow hedges and which are effective, are recorded in equity. The ineffective portion, if any, is recognised in the income statement.

Treasury shares

Pöyry Plc's own shares acquired by the Group, including directly attributable costs, are presented as a deduction from the total equity in the consolidated financial statements. Purchases or subsequent sales of treasury shares are presented as changes in equity.

Provisions

A provision is an obligation of uncertain timing or amount. A provision is recognised when the Group has a present obligation as a result of a past event that is probable and a reliable estimate can be made of the amount of the obligation. A provision is measured to the present value of the costs required to offset the obligation.

To minimise business risks the Pöyry Group has adopted during 2005 a group-wide risk management policy that includes procedures for identification, assessment, treatment and monitoring of risks. The policy is described in the Risk management section.

Project provisions

When a project is unfinished, a project provision is recognised only in an exceptional case. If a disagreement arises between the Group and a customer or a subcontractor, or cost overrun is expected, their effect on the projects is assessed. If the effect on the result of a project is probable, it is taken into account either by reducing the expected total invoice amount or by increasing the costs and consequently the expected total result falls. The expected loss is recognised immediately only in an exceptional case when it is probable that the total project costs will exceed the total project revenues.

Existing professional, contractual or legal third party liability risks may also result in a provision to be recorded regarding a project already completed. A provision is recognised if the Pöyry Group is to compensate the client or a third party a damage caused by negligent action or inaction or normative breach.

Other provisions

Other provisions in the Group's business relate mainly to restructurings, i.e. termination expenses if employees are laid off and lease payments for vacant office space.

Pension plans

The Group companies have various pension plans throughout the world. The statutory pension plans of Finnish subsidiaries are funded through payments to pension insurance companies. Additional pension plans are funded through pension insurances. Foreign subsidiaries operate their pension plans in accordance with the local regulations and practices.

Pension plans are classified as either defined contribution plans or defined benefit plans. The plans the Group has currently are mainly classified as defined contribution plans under which fixed contributions are paid into a separate entity and they are recognised as an expense in the income statement in the year to which they relate. If the payee is not capable to pay the pension benefits in question, Pöyry Group will have no legal or constructive obligation to pay further contributions. All other plans not meeting the above criteria are classified as defined benefit plans. The Group has defined benefit plans in Switzerland, Germany, Austria, France and Norway. In Finland some additional pension plans have been classified as defined benefit plans. The expenditure from these plans is calculated separately for each plan in accordance with its terms and recognised as an expense over the expected working lives of the employees participating in the plan based on the actuarial calculations. The rate used to discount the present value is determined by reference to market yields on high quality corporate bonds that have maturity dates approximating to the terms of the Group's obligations. The present value of pension obligations is netted against the fair value of plan assets at the balance sheet date and adjusted with unrecognised actuarial gains and losses and past service costs resulting in either a receivable or a liability to be recognised on the balance sheet. The unfunded part of the defined benefit plans increase the pension obligations and decrease equity. If a defined benefit plan is overfunded, the overfunded part increases the Group assets and equity, respectively.

The Group applied the exemption under IFRS 1, according to which all accumulated unrecognised actuarial gains and losses arisen from defined benefit plans were recognised in equity on the opening balance sheet at the date of transition 1 January 2004. Actuarial gains and losses that arise subsequent to the date of transition are recognised in accordance with the corridor method to the extent that any unrecognised actuarial gain or loss of the period exceeds 10 per cent of the greater of the present value of the defined benefit obligation and the fair value of plan assets. That portion is recognised in the income statement over the expected average remaining working lives of the employees participating in the plan.

Share-based payments

Pöyry Plc has granted share options in 1998 and 2004, the option plan of 1998 ended in 2005. The Group has applied IFRS 2 Share-based payments to the option plans to the extent that such share option plans are in the scope of this standard, i.e. to those share option arrangements in which share options have been granted after 7 November 2002 that had not yet vested until 1 January 2005. The options granted before this have not been expensed in the income statement. The granted share options are measured at their fair values at the grant date using the Black & Scholes option pricing model. The resulting employee expense is recognised during the vesting period with a corresponding increase in equity in retained earnings. The expense determined on the grant date is based on the estimate about the number of options that are expected to vest by the end of the vesting period. Payments received from share subscriptions on the grounds of options (adjusted by the transaction costs) are recognised in the share capital and to the extent that exceeds the nominal value in the share premium. The option programme 2004 is described in the note 4 and in the section Shares and shareholders.

Dividends

The dividend relating to the financial year ended is not recognised until approved by a general meeting of shareholders.

New and amended standards and interpretations

During 2006 and 2007 the IASB has issued the following new and amended standards and interpretations that are not yet effective and that the Group has not early adopted before their effective dates.
Pöyry Group will adopt the following pronouncements in 2008:

- IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for accounting periods beginning on or after 1 January 2008). The interpretation deals with post-employment defined benefit plans and other long-term employee benefits (defined benefit plans) under IAS 19, provided that such a plan includes a minimum funding requirement. IFRIC 14 also clarifies the recognition criteria for assets related to said plans. The potential effect of the interpretation is currently being assessed. The interpretation has not yet been endorsed for use in the EU.

Other new or amended standards and interpretations issued by the IASB are not relevant for Pöyry Group.

Pöyry Group will adopt the following pronouncements in 2009:

- IFRS 8 Operating Segments (effective for accounting periods beginning on or after 1 January 2009). Under IFRS 8 segment reporting is based on the reporting used for internal management reporting purposes and underlying accounting principles. IFRS 8 also requires disclosures on Group's products, services, geographical areas and significant clients. The expected impact is being assessed by management. IFRS 8 has been endorsed for use in the EU.
- Amendment of IAS 23 Borrowing Costs (effective for accounting periods beginning on or after 1 January 2009). The amended IAS 23 requires an entity to capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management does not anticipate that the adoption of the amended standard will have any material impact on the consolidated financial statements. The amended standard is still subject to endorsement by the EU.
- Amendment of IAS 1 Presentation of Financial Statements (effective for accounting periods beginning on or after 1 January 2009). The amended standard changes the presentation format of financial statements (income statement and statement of changes in equity). The management does not consider the amendments to be significant for Pöyry Group. The amended standard is still subject to endorsement by the EU.

Segment information

Business segments

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

Energy

The Energy business group's services cover the entire lifecycle of the client's business, from strategic consulting to project implementation, operation and maintenance, and modernisation projects. The business group operates in five business areas: Management Consulting, Hydropower, Renewable Energy, Power and Heat, and Oil and Gas.

Forest Industry

The Forest Industry business group provides engineering and project implementation services for investment projects worldwide, maintenance engineering and comprehensive local services to the mills, and consulting on forest industry strategies and operations. The business group's services are divided into four main business areas: Maintenance Consulting, New Investment Projects, Local Services and Chemical Industry.

Infrastructure & Environment

The Infrastructure & Environment business group offers consulting and engineering services, construction and project management services, operation and maintenance expertise, and services related to technology transfer. The business group's services are divided into three main business areas: Transportation Systems , Water and Environment, and Real Estate and Telecommunications.

Other, unallocated items

The other consists of activities not relating to the primary segments as well as of such parent company expenses which are not charged to the business groups. The Group's parent company is responsible for developing the Group's strategy, financing, exploiting synergistic benefits, and for general co-ordination of the Group's operations. The parent company has charged service fees for general administration and parent company costs attributable to the business groups. The relative share charged is derived from the business groups' payroll costs.

The business segments correspond to the internal reporting structure of the Group. Inter-segment pricing is determined on an arm's length basis. There are no significant sales between the segments. The statement of income of the segment is presented down to the operating profit in which also the share of the associate companies' results is included. The assets and non-interest-bearing liabilities of the segments comprise the items that the segments use in their business.

Geographical segments

The Group's secondary segments, i.e. geographical segments are: The Nordic Countries, other European countries, Asia, North America, South America and other countries. The segments' sales are based on the geographical site of the clients. Segment assets are based on the geographical location of the assets.

Business segments

	Net sales		Operating profit		Operating profit %		Order stock	
EUR million	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
Energy	217.5	197.4	21.0	14.6	9.7	7.4	212.7	204.9
Forest Industry	276.9	224.9	39.0	22.9	14.1	10.2	123.8	111.4
Infrastructure & Environment	222.5	201.8	16.8	13.0	7.5	6.4	226.3	191.0
Unallocated	1,3	- 0.8	-3.0	- 0.6			0.0	0.3
	718.2	**623.3**	**73.8**	**49.9**	**10.3**	**8.0**	**562.8**	**507.6**

	Assets		Non-interest bearing liabilities		Assets-non-interest bearing liabilities		Return on investment %	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006
Energy	193.1	165.6	87.1	88.5	105.9	77.1	25.0	23.3
Forest Industry	214.1	152.1	115.0	78.5	99.1	73.6	50.4	34.9
Infrastructure & Environment	181.2	132.0	93.8	79.9	87.4	52.1	25.3	25.9
Eliminations	-117.3	- 48.9	-23.2	- 22.7	- 94.1	- 26.2		
	471.1	**400.8**	**272.7**	**224.2**	**198.4**	**176.5**	**41.7**	**31.1**

	Capital expenditure		Depreciation		Personnel average		Personnel year-end	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006
Energy	2.3	2.7	2.2	1.8	1 723	1 577	1 838	1 692
Forest Industry	3.3	3.7	2.7	2.7	2 745	2 280	2 961	2 418
Infrastructure & Environment	2.8	3.1	3.0	3.0	2 302	2 121	2 378	2 207
Unallocated	0.7	0.3	0.5	0.3	82	60	92	72
	9.1	**9.8**	**8.4**	**7.8**	**6 852**	**6 038**	**7 269**	**6 389**

Geographical segments

	Net sales		Assets		Capital expenditure		Personnel year-end	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006
The Nordic countries	201.1	154.6	170.6	155.8	3.2	2.8	2 993	2 520
Europe	307.8	277.3	183.4	158.6	3.5	3.1	2 655	2 441
Asia	67.3	79.5	17.5	34.6	0.6	1.8	722	611
North America	34.2	26.6	24.2	16.2	0.6	0.3	307	242
South America	82.2	63.9	54.8	28.8	0.5	1.3	492	437
Other	25.6	21.4	20.6	6.8	0.7	0.5	100	138
	718.2	**623.3**	**471.1**	**400.8**	**9.1**	**9.8**	**7 269**	**6 389**

Acquisitions

Name and business	2007 Acquisition date	Acquired interest, %
Rakennuslaskenta NHL Oy	25 May 2007	100

The company specialises in quantity and cost calculations, building consulting and condition assessment services. The company is based in Turku, Finland and has a staff of 23.

ZAO Giprobum Engineering, renamed ZAO Giprobum-Pöyry	15 June 2007	70

The company specialises in investment studies, services related to permitting and agreements with authorities, various sectors of plant engineering, and construction management in the forest industry. The company is based in St. Petersburg, Russia and has a staff of 260.

Evata Worldwide Oy	27 June 2007	70

The company specialises in architectural and interior design, workplace design, office property consulting and services related to real estate development. The company is based in Helsinki, Finland and has a staff of 100.

ECON Analyse AS, renamed Econ Pöyry AS	27 August 2007	100

The company provides research, analysis and strategic advice relating to the interaction of markets and policies. In addition to consulting assignments, the company offers a set of subscription services related to energy and carbon markets as well as manages multi-client and scenario studies. The company is based in Oslo and Stavanger, Norway, Stockholm, Sweden and Copenhagen, Denmark, and has a staff of 85.

Insinööritoimisto Pöysälä & Sandberg Oy	5 September 2007	100

The company specialises in industrial building construction and structural engineering of office and commercial buildings. The company is based in Helsinki, Kuopio and Oulu in Finland and has a staff of 100.

Ingenieurgemeinschaft Witzenhausen Fricke & Turk GmbH	5 October 2007	100

The company specialises in waste management, especially in mechanical and biological waste treatment. The company is based in Germany and has a staff of 20.

Perforex Inc.	21 November 2007	100

The company specialises in management consulting services in forest industry. The company's main operational bases are in Toronto, Canada and in Atlanta and Portland (Oregon), USA. The company has a staff of 35.

Quatrocon Oy	30 November 2007	100

The company specialises in HVAC design. The company is based in Espoo, Finland and has a staff of 14.

IDP Consult Incorporated	18 December 2007	67

The company is serving international donors in technical assistance projects in the water sector. The company is based in Manila, Phiippines and has a staff of 30.

The company will be consolidated into Pöyry Group as of the beginning of 2008 and therefore not included in the figures for 2007. The company's net sales in 2006 amounted to EUR 0.8 million.

Name and business	2006 Acquisition date	Acquired interest, %
Salminen & Sorasalmi Oy	16 February 2006	100

The company specialises in structural engineering of industrial and office buildings particularly in Russia, the Baltic countries and Finland. The company is based in Espoo, Finland and has a staff of nine.

Savon Tekmi Oy	16 February 2006	100

The company is specialised in geotechnical, foundation, and municipal engineering, surveying as well as projecting and research of contaminated soils. The company is based in Kuopio, Finland and it has a staff of 12.

IGL Consultants Ltd.	2 May 2006	100

IGL specialises in the provision of design, operations support and specialist consulting services to the oil and gas sector. The company's main operational bases are in Aberdeen (UK), Stavanger (Norway), Perth (Australia) and Kuala Lumpur (Malaysia) and it has 117 employees.

TH Consulting Oy	21 June 2006	100

The structural design company based in Espoo, Finland specialises in cast in situ concrete structures and dynamic analyses of machine foundations. The company has a staff of five.

Entec A.S., renamed AS Pöyry Entec	28 August 2006	66.7

Entec A.S. specialises in consulting and engineering services in the fields of water supply, community planning, municipal engineering, waste management, environmental consulting and contaminated soils. The company is based in Estonia and it has 30 employees.

Convergence Utility Consultants Ltd.	3 October 2006	100

The company is a business, strategy and economic consulting firm serving utility companies, regulators and energy-sector institutions. Its main optional bases are in Dusseldorf (Germany), Milan (Italy), Paris (France), Warsaw (Poland) and Zurich (Switzerland) and it has 70 employees.

EUR million	2007	2006
Aggregate figures for the above acquisitions		
Purchase price		
Fixed price, paid	30.2	25.9
Fixed price, unpaid	0.3	
Additional 30%, estimate	3.0	
Earnout estimate	5.4	1.6
Share issue	5.0	
Order intake estimate	0.0	0.0
Fees	0.2	0.4
Total	**44.2**	**27.9**
Price allocation		
Equity	10.5	5.2
Fair value adjustments:		
Client relationship	0.0	0.0
Order stock	0.3	0.4
Other	0.0	0.0
Total	**10.8**	**5.6**
Goodwill (remaining)	**33.4**	**22.3**

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

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

	2007			2006		
EUR million	Book values at acq. date	Fair value adjustments	Adjusted IFRS values	Book values at acq. date	Fair value adjustments	Adjusted IFRS values
Impact on the Pöyry Group's assets and liabilities						
Intangible assets	0.8	0.2	1.0	0.2	0.4	0.6
Tangible assets	0.5		0.5	0.7		0.7
Shares	0.1	0.1	0.2	0.3	- 0.3	0.0
Deferred tax receivables	0.0		0.0	0.0		0.0
Work in progress	1.6		1.6	0.7		0.7
Accounts receivable	6.5		6.5	4.0	0.4	4.4
Other receivables	1.7		1.7	0.9		0.9
Cash and cash equivalents	8.8	-0.2	8.6	3.5	0.3	3.8
Assets total	**20.0**	**0.1**	**20.1**	**10.2**	**0.9**	**11.1**
Deferred tax liability	0.0		0.0	0.0		0.0
Provisions	0.0		0.0	0.1		0.1
Interest bearing liabilities	0.4		0.4	0.1		0.1
Project advances	0.6		0.6	0.1		0.1
Accounts payable	1.1		1.1	0.7		0.7
Other current liabilities	7.4	- 0,2	7.2	4.5		4.5
Liabilities total	**9.5**	**- 0.2**	**9.3**	**5.4**	**0.1**	**5.5**
Net identifiable assets and liabilities	**10.5**	**0.3**	**10.8**	**4.8**	**0.8**	**5.6**
Total cost of business combinations			**44.2**			**27.9**
Goodwill			**33.4**			**22.3**
Consideration paid, satisfied in cash			30.4			27.9
Cash acquired			8.6			3.8
Net cash outflow			21.8			24.1

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

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

Notes to the statement of income

EUR million		2007	2006
1.	**Net sales**		
	Net sales	**718.2**	623.3
	Net sales by segments are presented on the Segment information pages.		
	Net sales from project contracts	**718.2**	623.3
	The aggregate amount of project contracts cost incurred and recognised profits less losses to date.	**976.9**	902.4
	Net sales from percentage-of-completion projects included in current assets	**64.5**	52.7
	Project advances recognised on the percentage-of-completion method	**97.3**	70.0
	Accrued expenses and deferred income from percentage-of-completion projects	**5.0**	4.8
	Expenses included in obligatory provisions from percentage-of-completion	**3.9**	1.9
2.	**Other oparating income**		
	Rent income	0.2	0.2
	Gain on sales of fixed assets	2.2	0.1
	Other oparating income	0.1	0.0
		2.5	**0.3**
3.	**Personnel expenses**		
	Wages and salaries	297.8	262.3
	Bonuses	15.6	11.1
	Pension expenses, contribution plans	30.2	27.4
	Pension expenses, defined benefit plans	1.5	1.4
	Expenses from option programmes	0.5	0.7
	Other social expenses	30.3	24.8
		375.9	**327.7**
	Fees paid to Board members (EUR 1 000)	410	341
	Remuneration of the President and CEO and the Deputy to the President (EUR 1 000)		
	Salary and bonus	1 205	1 137
	Fringe benefits	30	31
	Remuneration of other members of the Group Executive Committee (EUR 1 000)		
	Salary and bonus	1 432	1 205
	Fringe benefits	90	48

4. Option programme 2004

Pöyry Plc issued in 2004 stock options to the management of the Group as well as to a wholly-owned subsidiary of Pöyry Plc. According to the original terms, the stock options entitle to subscription of a maximum of 550 000 shares in Pöyry Plc, and each stock option entitles the holder to subscribe one share in the company. Because of the share split 2006 the terms and conditions were amended accordingly. Each stock option will entitle the holder to subscribe four (4) shares in the company with an accounting par value of EUR 0.25, with the total subscription price remaining unchanged. The total number of stock options are 550 000 and after the share split the stock options entitle to subscription of 2 200 000 shares. In 2007 173 768 new shares have been totally subscribed with 43 442 stock options. Should all warrants be used for subscription of shares, the new shares will equal 3.3 per cent of the total number of shares after the subscriptions. All stock options have been issued and their receipt confirmed in 2004. 40 persons are included in the option programme.

Expenses from the option programme have been calculated using the Black & Scholes model, recorded as personnel expenses and credited to retained earnings.

Terms and conditions

	Stock option 2004A	**Stock option 2004B**	**Stock option 2004C**
Programme	Stock options issued	Stock options issued	Stock options issued
Grant date	3 March 2004	3 March 2004	3 March 2004
Subscription period starts	1 March 2007	1 March 2008	1 March 2009
Subscription period ends	March 31, 2010	March 31, 2011	March 31, 2012
Amount of stock options issued	165 000	165 000	220 000
Exercise price, EUR	5.41	6.15	9.53
Share price on issue date, EUR	5.50	5.50	5.50
Maturity, years	6	7	8

Vesting conditions

Should the employment in Pöyry Group end before 1 March 2009 and the subscription period of the programme has not started, the person must return the options to the group without considerations.

Settlement	Shares	Shares	Shares
Expected volatility, % Weighted average Sept. 2002–Sept. 2004	21.76	21.76	21.76
Expected life on issue date, years	3	2	1
Risk-free interest % p.a based on 3 March 2004 7 years bonds	3.76	3.76	3.76
Expected dividends	n/a	n/a	n/a
Expected personnel decrease on issue date, %/year	7	7	7
Expected realization of the performance conditions on grant date	Trade volume weighted average quotation 1–30 April 2004 + 20%	1-30 April 2005 + 20%	1-30 April 2006 + 20%
Fair value on grant date, EUR	4.9847	5.3413	5.6734

	2007	2007	2006	2006
	Weighted average exercise price EUR/share	Number of stock options	Weighted average exercise price EUR/share	Number of stock options
1 Jan.		550 000		550 000
Issued stock options, 2004A	5.41		5.91	
Issued stock options, 2004B	6.15		6.65	
Issued stock options, 2004C	9.53		10.03	
Forfeited options				
Exercised options	5.41	43 442		
Expired options				
31 December		506 558		550 000
Excercisable 31 Dec.		121 558		0

EUR million		2007	2006
5.	**Other operating expenses**		
	Other project expenses	60.1	52.6
	Other operative expenses	28.0	26.4
	Office facilities	26.0	24.7
	Other fixed expenses	45.1	38.4
		159.2	**142.2**
	Auditing fees are included in fixed expenses.		
	Statutory auditing		
	Group auditor	0.9	0.8
	Other	0.1	0.1
	Tax advisory		
	Group auditor	0.4	0.4
	Other	0.1	0.1
	Other services		
	Group auditor	0.1	0.1
	Other	0.0	0.0
6.	**Financial income and expenses**		
	Dividend income from available-for-sale financial assets	0.0	0.0
	Interest income from financial assets at fair value through profit and loss	3.8	1.9
	Interest income from loans and other receivables	0.4	0.3
	Other financial income	0.1	0.1
		4.3	2.3
	Interest expenses from loans	- 0.8	- 0.6
	Other interest expenses	- 0.2	- 0.3
	Other financial expenses	- 0.3	- 0.3
		- 1.3	- 1.2
	Exchange rate gains	0.4	0.1
	Exchange rate losses	- 0.6	- 0.9
		- 0.2	- 0.8
	Value decrease on non-current investments	- 0.1	0.0
		+ 2.7	**+ 0.3**

The Group hedges the sales denominated in a foreign currency by using forward exchange contracts. Exchange rate gains and losses arisen from forward exchange contracts are recorded in sales and project expenses, and are therefore not included in financial income or expenses.

The parent company conducts financing and the external loans of the Group are taken out by the parent company. The parent company grants loans to subsidiaries if considered necessary. The loans are mainly granted in the currency of the subsidiary. The subsidiaries lend their excess of cash to the parent company in their home currency. The Group's exchange gains and losses have mainly been arisen from the Group's internal loans.

No ineffective portion has arisen from cash flow hedging, an effective portion recorded in equity is not material.

EUR million		2007	2006
7.	**Income taxes**		
	Taxes for the fiscal year	22.9	14.7
	Taxes for previous years	0.6	- 0.3
	Change in deferred tax receivables	0.2	1.0
		23.7	**15.4**
	Reconciliation of current income taxes		
	Profit before taxes	76.5	50.2
	Income tax at Finnish tax rate 26%	19.9	13.1
	Effect of different tax rates outside Finland	2.1	1.6
	Non-deductible expenses and tax exempt income	0.1	0.1
	Losses for which no deferred tax benefits are recognized, tax effect	1.2	1.5
	Effects of consolidation and elimination	0.3	- 0.0
	Taxes for previous years	0.6	- 0.3
	Other	- 0.5	- 0.6
		23.7	**15.4**
	Deferred tax receivables		
	Tax losses carry forward	3.9	4.6
	Tax receivables from pension obligations	0.5	0.7
	Other temporary differences	1.3	0.5
		5.7	**5.8**
	Deferred tax liabilities		
	Tax liabilities from pension receivables	0.6	1.0
	Tax liabilities for profit repatriation	0.3	0.6
	Other temporary differences	2.4	1.7
		3.3	**3.3**
	Deferred tax assets of EUR 5.9 million have not been recognized in the consolidated financial statements, because the realisation of the tax benefit included in these assets is not probable.		
8.	**Earnings per share**		
	Net profit for the period attributable to the equity holders of the parent company	51.3	33.6
	Weighted average number of outstanding shares, 1 000	58 323	58 180
	Diluted amount, 1 000	59 742	58 510
	Earnings per share, EUR 1)	**0.88**	**0.58**
	Diluted	**0.86**	0.57

1) Calculation rule page 37.

Notes to the balance sheet

EUR million		Goodwill	Intangible rights	Other intangible assets	Total
1.	**Intangible assets**				
	Acquisition value 1 Jan. 2006	42.4	3.6	17.9	21.5
	Exchange differences	- 1.0	0.0	- 0.2	- 0.1
	Increase	22.3	0.4	3.0	3.4
	Decrease	2.3	2.2	2.4	4.6
	Acquisition value 31 Dec. 2006	61.4	1.9	18.3	20.2
	Accumulated depreciation 1 Jan. 2006		0.0	13.0	13.0
	Exchange differences		0.0	- 0.1	- 0.1
	Accumulated depreciation of decrease		0.0	2.7	2.7
	Depreciation for the period		0.0	2.2	2.2
	Accumulated depreciation 31 Dec. 2006		0.0	12.4	12.4
	Book value 31 Dec. 2006	61.4	1.9	6.0	7.9
	Acquisition value 1 Jan. 2007	61.4	1.9	18.3	20.2
	Exchange differences	- 0.1	0.0	- 0.2	- 0.2
	Increase	34.5	0.3	2.0	2.3
	Decrease	0.2	1.2	0.5	1.7
	Acquisition value 31 Dec. 2007	95.6	1.0	19.6	20.7
	Accumulated depreciation 1 Jan. 2007		0.0	12.4	12.4
	Exchange differences		0.0	- 0,1	- 0.1
	Accumulated depreciation of decrease		0.0	0.5	0.5
	Depreciation for the period		0.0	2.3	2.3
	Accumulated depreciation 31 Dec. 2007		0.0	14.1	14.1
	Book value 31 Dec. 2007	**95.6**	**1.0**	**5.5**	**6.6**

Acquisition price from business acquisitions allocated to intangible rights

Allocated to client relationships 2005	1.0
Allocated to order stock 2005	2.5
Decrease 2006	- 0.9
Increase 2006	0.4
Increase 2007	0.3
Expenses 2006	- 1.2
Expenses 2007	- 1.2
Total	0.0
Intangible rights 31 Dec. 2007	**1.0**

Goodwill impairment testing

The forecasted scenarios are based on the Pöyry Group's four strategy periods where only organic growth and inflation have been considered, and on the long-term growth outlook where the growth rates stated below have been used.

	2007			2006		
Main assumptions	Energy	Forest Industry	Infrastructure & Environment	Energy	Forest Industry	Infrastructure & Environment
Beeta	1.00	0.75	0.90	1.00	0.75	0.90
WACC, %, Pre-tax	11.31	9.85	10.73	10.60	9.15	10.02
WACC, %, Post-tax	8.70	7.58	8.25	8.22	7.10	7.77
Perpetuity growth rates, %	3.00	2.00	2.50	3.50	2.50	3.00
Average change in operating profit percentage	At present level	Minor impairment	At present level	Minor improvement	At present level	Marginal improvement
Goodwill 31 Dec.	39.1	30.4	26.2	26.4	20.1	14.9
Book-value 31 Dec.	94.0	86.5	67.7	66.1	62.4	34.7
Intangible rights 31 Dec.	0.0	1.0	0.0	0.8	1.0	0.0

	Exceeds significantly	Exceeds significantly	Exceeds significantly
Impairment testing result	Exceeds significantly	Exceeds significantly	Exceeds significantly

An external independent expert has issued a “Fairness opinion” on the impairment test.

Sensitivity analysis in a scenario with extremely low growth and low operating profit level. In this analysis the growth per cent and operating profit per cent after year 2008 have been reduced with 50 per cent in comparision with the ordinary testing levels.

Impairment testing result	Exceeds significantly	Exceeds significantly	Exceeds significantly

Sensitivity analysis in a scenario with extremely high discount rate. In this analysis the discount rate is 50 per cent higher compared with the ordinary testing.

Impairment testing result	Exceeds significantly	Exceeds significantly	Exceeds significantly

EUR million	Land areas	Buildings and structures	Machinery and equipment	Other tangible assets	Total
2. Tangible assets					
Acquisition value 1 Jan., 2006	0.7	1.3	55.2	3.2	60.4
Exchange differences			- 0.8	- 0.1	- 0.7
Increase	0.1	0.1	7.6	0.9	8.7
Decrease			8.3	0.0	8.3
Acquisition value 31 Dec. 2006	0.8	1.4	53.7	4.0	60.0
Accumulated depreciation 1 Jan. 2006		0.4	42.4	2.2	45.1
Exchange differences			- 0.6	0.0	- 0.6
Accumulated depreciation of decrease			7.1	0.1	7.2
Depreciation for the period		0.1	5.3	0.4	5.7
Accumulated depreciation 31 Dec. 2006		0.5	40.0	2.5	43.0
Book value 31 Dec. 2006	0.8	0.9	13.7	1.6	17.0
Acquisition value 1 Jan. 2007	0.8	1.4	53.7	4.0	60.0
Exchange differences			- 0.5	0.0	- 0.5
Increase		0.0	6.4	1.3	7.7
Decrease		0.2	1.6	0.2	2.0
Acquisition value 31 Dec. 2007	0.8	1.2	58.0	5.1	65.2
Accumulated depreciation 1 Jan. 2007		0.5	40.0	2.5	43.0
Exchange differences			- 0.5	0.0	- 0.5
Accumulated depreciation of decrease			0.9	0.2	1.2
Depreciation for the period		0.1	5.4	0.6	6.0
Accumulated depreciation 31 Dec. 2007		0.6	44.0	2.8	47.3
Book value 31 Dec. 2007	**0.8**	**0.7**	**14.0**	**2.3**	**17.8**
The tangible assets include assets acquired through finance lease.					
2006			1.1		1.1
2007			1.2		1.2

EUR million	Shares in associated companies	Other shares	Receivables from associated companies	Total
3. Non-current investments				
Acquisition value 1 Jan. 2007	0.9	6.7	0.6	8.2
Exchange differences	- 0.3	- 0.1		- 0.4
Increase		0.2		0.2
Decrease	0.8	2.9	0.5	4.2
Transfer	1.6	- 1.6		0.0
Accumulated influence on the earnings	3.5			3.5
Share of the profit for the period	0.4			0.4
Value decrease	0.1			0.1
Book value 31 Dec. 2007	**5.2**	**2.4**	**0.1**	**7.7**
Book value 31 Dec. 2006	5.0	6.7	0.6	12.3

Available-for-sale financial assets
Other shares, EUR 2.4 million, are available-for-sale financial assets. The shares are unlisted.
The shares are valued at book-value, because the fair value cannot be reliably determined.

	Ownership %	Book value	Assets	Liabilities	Net sales	Profit
Associated companies:						
Energy						
Polartest Oy, Finland	22.8	0.2	8.0	3.9	15.9	1.3
Korea District Heating Engineering						
Company Ltd, Korea	50.0	0.2	11.1	1.9	14.7	2.6
Emerging Power Partners Oy, Finland	45.9	0.0	0.1	0.1	0.3	0.0
Advance Ekono Co. Ltd, Thailand	49.0	0.0				
Forest Industry						
ERL Management S.A., Switzerland	49.0	1.6				
Infrastructure & Environment						
Entec SIA, Estonia	33.4	0.0				
Other						
Kiinteistö Oy Manuntori, Finland	34.2	0.2				
Total		2.1				

	Accumulated influence	Share of profits **2007**	Share of profits 2006
Influence on the earnings and book values:			
Energy	3.1	0.4 1)	1.2 2)
Infrastructure & Environment	0.0	0.0	0.0
Total	3.1	0.4	1.2
Associated companies total	**5.2**		

1) Due to profit repatriation restrictions the 50 % part (EUR 1.3 million) of Korea District Heating Engineering's profit during 2007 has not been recognised.
2) Influences on the earnings and book values include a value decrease of EUR 0.6 million of Korea District Heating Engineering shares.
The share of the associated companies' profits is included in the operating profit.

EUR million	**2007**	2006
4. Other non-current receivables		
Accounts receivable	2.0	1.9
Security deposits	0.7	0.5
Other receivables	2.0	6.5
Prepaid expenses and accrued income	0.2	0.1
	4.9	**9.0**

The other non-current receivables are valued at book-value, which corresponds to the fair value. The discount effect is not material due to the maturity.

EUR million	**2007**	2006
5. Current assets		
Work in progress	64.5	52.7
Accounts receivable	141.9	134.1
Loans receivable	0.6	0.6
Other receivables	15.6	12.1
Prepaid expenses and accrued income	10.8	9.8
Receivables, external	168.9	156.6
Accounts receivable	0.0	0.1
Prepaid expenses and accrued inform	0.1	0.0
Receivables from associated companies	0.1	0.1
Accounts receivable	141.9	134.2
Loans receivable	0.6	0.6
Other receivables	15.6	12.1
Prepaid expenses and accrued income	10.9	9.8
Receivables total	169.0	156.7
Investments	6.4	9.2
Cash in hand and at banks	92.3	65.7
Cash and cash equivalents	98.7	74.9
	332.2	**284.3**

The current receivables are valued at book value, which corresponds to the fair value. The discount effect is not material due to the maturity.

EUR million	**2007**	2006
6. Prepaid expenses and accrued income		
Non-current	0.2	0.1
Current	10.9	9.7
	11.1	**9.8**
Social expenses	0.7	1.1
Rents	1.4	1.0
Income taxes	4.2	3.3
Other	4.8	4.4
	11.1	**9.8**
7. Accounts receivable		
Non-current	2.0	1.9
Current	141.9	134.2
	143.9	**136.1**
Accounts receivable, gross	149.2	141.0
Allowance for impairment 1 Jan.	4.9	4,8
Exchange differences	+ 0.0	+ 0.0
Change	- 0.4	- 0.1
Allowance for impairment 31 Dec.	- 5.3	- 4.9
Accounts receivable, net	**143.9**	**136.1**
Impairment losses		
Change in allowance for impairment	0.4	0,1
Impairment loss recognized, direct recorded	1.5	0.3
	1.9	**0.4**

	Accounts receivable **2007**	Allowance-for impairment **2007**	Accounts receivable 2006	Allowance for impairment 2006
Not past due	128.6		120.1	
Past due 61-180 days	10.7	0,6	14.4	0.1
Past due 181-360 days	3.8	0,7	2.2	0.7
Past over 360 days	6.1	4.0	4.3	4.1
	149.2	**5.3**	**141.0**	**4.9**

		Shares million	Share capital EUR million	Share premium reserve EUR million	Legal reserve EUR million	Invested free equity reserve EUR million	Total EUR million
8.	**Equity, share capital and reserves**						
	1 Jan. 2006	14.5	14.5	31.5	18.6		64.7
	Share split 13 March 2006	58.2					
	Transfer, retained earnings foreign companies				0.5		0.5
	31 Dec. 2006	58.2	14.5	31.5	19.1		65.2
	1 Jan. 2007	58.2	14.5	31.5	19.1		65.2
	Shares subscribed with stock options	0.2	0.1	0.9			1.0
	Share issue	0.3				4.6	4.6
	Transfer, retained earnings foreign companies				0.4		0.4
	31 Dec. 2007	**58.7**	**14.6**	**32.4**	**19.5**	**4.6**	**71.1**

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 Board of Directors proposes to the Annual General Meeting on 10 March 2008 that the paragraph concerning minimum and maximum share capital shall be deleted.The accounting par value of each share is EUR 0.25. The company has one series of shares.

Pöyry Plc does not hold its own shares. A subsidiary of Pöyry Plc owns 8914 shares.

In 2004 Pöyry Plc issued 550 000 stock options. Each stock option entitles the holder to subscribe four shares in the company. i.e. a total of 2 200 000 shares in Pöyry Plc. During 2007 173 768 new shares were subscribed with 43 442 stock options. Should all 2004 stock options be exercised for subscription, the number of shares would increase from 58 652 614 to 60 678 846. The subscription partly started on 1 March 2007 and ends on 31 March 2012

The share premium reserve includes the premium paid for shares in share issues and shares subscribed with stock options.

The legal reserve includes the premium paid for shares in share issues before 1997 and transfer from retained earnings in subsidiaries outside Finland.

The invested free equity reserve includes the 2007 share issue.

		Fair value	Book value	Under six months 2007	7-12 months 2007	2008	2009
9.	**Liquidity risk**						
	31 Dec. 2006						
	Loans from credit institutions incl. interest	6.5	6.5	1.5	1.4	2.6	0.9
	Used credit facilities incl. interest	6.3	6.3	6.3		0.0	0.0
	Finance lease liabilities,incl. interest	1.2	1.2	0.2	0.2	0.7	0.1
	Liabilities total	13.6	13.6	7.8	1.5	3.2	1.0
	Interest	0.5	0.5	0.2	0.1	0.1	0.0
	Accounts and other payable	25.1	25.1	25.1	0.0		
	Forward contracts, cash out	0.1	34.9	17.5	16.9	0.5	
	Forward contracts, cash in	- 0.5	- 34.9	-17.7	-16.7	-0.5	
	Interest rate swaps, cash in	- 0.1	- 0.1	0.0	0.0	0.0	0.0
	Total	38.8	39.1	32.9	1.8	3.3	1.1

				Under six months 2008	7-12 months 2008	2009	2010
	31 Dec. 2007						
	Loans from credit institutions incl. interest	3.8	3.8	1.4	1.3	1.1	
	Used credit facilities incl. interest	4.0	4.0	4.0			
	Finance lease liabilities incl. interest	1.4	1.4	0.2	0.2	0.5	0.4
	Liabilities total	8.9	8.9	5.5	1.5	1.6	0.4
	Interest	0.3	0.3	0.1	0.1	0.1	
	Accounts and other payable	22.9	22.9	22.9			
	Forward contracts, cash out	0.4	16.9	15.7	1.2		
	Forward contract, cash in	0.0	- 17.4	- 15.8	- 1.5		
	Interest rate swaps	0.0	0.0	0.0	0.0		
	Total	**32.4**	**31.6**	**28.3**	**1.3**	**1.6**	**0.4**

EUR million		2007	2006
10.	**Pension obligations**		
	Expenses		
	Current service expenses	2.6	2.5
	Past service expenses	0.0	0.0
	Interest expenses	4.0	4.1
	Expected return on plan assets	- 4.7	- 4.8
	Recognized net actuarial gains and losses	0.1	- 0.0
	Gains and losses from curtailment	- 0.4	- 0.4
	Other	- 0.2	- 0.0
	Total	**1.5**	**1.4**
	Net pension obligations		
	Non-current receivables	0.6	3.1
	Current receivables	2.0	1.4
	Receivables total (Switzerland)	2.6	4.5
	Pension obligations	6.6	6.9
	Net pension obligations	**4.0**	**2.5**
	Reconciliation of the pension obligations		
	Present value of funded obligations	109.5	114.4
	Fair value of plan assets	- 111.2	-118.2
	Surplus	- 1.7	- 3.8
	Unrecognized actuarial gains (+) and losses (-)	5.4	5.7
	Unrecognized actuarial past service costs	0.3	0.6
	Net pension obligations	**4.0**	**2.5**
	Change in net pension obligations		
	Net pension obligations 1 Jan.	2.5	1.3
	Current service expenses	2.6	2.5
	Past service expenses	0.0	0.0
	Interest expenses	4.0	4.1
	Expected return on plan assets	- 4.7	- 4.8
	Recognised net actuarial gains and losses	- 0.1	- 0.0
	Losses/gains from curtailment	- 0.4	- 0.4
	Other	- 0.2	- 0.0
	Exchange differences	0.1	0.2
	Payments to funds	0.0	0.0
	Benefits paid from funds	- 0.1	- 0.4
	Net pension obligations 31 Dec.	**4.0**	**2.5**
	Fair value of plan assets 1 Jan.	118.2	116.7
	Expected return on plan assets	4.7	4.8
	Recognised net actuarial gains and losses	- 2.7	2.8
	Payments to funds	1.5	1.8
	Benefits paid from funds	- 7.1	- 5.3
	Settlement	- 0.2	- 2.6
	Exchange differences	- 3.1	- 0.0
	Fair value of plan assets 31 Dec.	111.2	118.2
	Actual return on plan assets	2.0	7.5
	The amount the company expects to contribute to its defined pension plans during year 2008/2007	2.0	1.8

EUR million	2007	2006
Assets categories in percentage		
Switzerland:		
Equity securities	30.0	30.0
Debt securities	60.0	48.0
Real estate	10.0	10.0
Other	0.0	12.0
Total	100.0	100.0

Information on asset categories in other plans is not available.

The expected long term return on plan assets is 4.0–5.5 per cent, which is based on expected long term return in each asset category.

	2007	2006
Five-year overview (as of 1 Jan. 2005)		
Present value of funded obligations	- 109.5	- 114.4
Fair value of plan assets	111.2	118.2
Surplus	1.7	3.8
Experience adjustments to plan assets		
Losses (+)/gains (-)		
Experience adjustments to plan liabilities	2.7	2.1
Losses (-)/gains (+)	0.7	0.3
Principal actuarial assumptions		
Switzerland		
Discount rate, %	3.5	3.5
Expected return on plan assets, %	4.0	4.0
Future salary increases, %	1.5	1.5
Future pension increases, %	0.0	0.0

Switzerland

88.2 per cent of the net present value of the defined benefit obligations, i.e. EUR 96.2 million, relate to Pöyry Group's Swiss subsidiaries. These pension arrangements are according to local Swiss standards classified as defined contribution plans. The 3.5 per cent discount rate which is used in the actuarial report leads to an overfunding of EUR 8.8 (11.3) million.

EUR million		Project provisions	Other	Total
11.	**Provisions**			
	Book value 1 Jan. 2006	2.6	0.8	3.4
	Increase	2.2	1.3	3.5
	Used	1.3	0.3	1.5
	Reversed	1.6	0.0	1.6
	Book value 31 Dec. 2006	1.9	1.8	**3.7**
	Non-current			0.0
	Current			3.7
				3.7

EUR million	Project provisions	Other	Total
Bookvalue 1 Jan 2007	1.9	1.8	3.7
Exchange rate differences	0.1	0.0	0.1
Increase	2.6	0.8	3.4
Used	0.3	0.1	0.4
Reversed	0.4	1.4	1.8
Book value 31 Dec. 2007	**3.9**	**1.1**	**5.0**
Non-current			0.0
Current			5.0
			5.0

The project provisions relate to projects in dispute and projects with expected losses. The provisions booked are based on the management's best estimate. Settlement is expexted within the next twelve months.

The project provisions include warranty provisions EUR 0.8 million, the rest relates mainly to projects in dispute.

Other provisions relate to restructurings. Due to improved work load the EUR 1.3 million provision for empty space in North Americ from 2006, has been reversed during 2007.

EUR million	**2007**	2006
12. Current liabilities		
Loans from credit institutions, amortisations	2.6	2.7
Used credit facilities	4.0	6.3
Finance lease liabilities	0.4	0.3
Interest bearing liabilities	7.0	9.3
Provisions	5.0	3.7
Project advances	97.3	70.0
Restricted project advances	2.5	3.1
	99.8	73.1
Accounts payable	22.9	25.1
Current tax payable	13.7	8.2
Other current liabilities	35.8	34.1
Accrued expenses and deferred income	76.2	66.6
Total current liabilities	**260.4**	**220.1**
13. Accrued expenses and deferred income		
Expenses from percentage-of-completion projects	5.0	4.8
Salaries and vacation accruals	54.5	45.5
Social expenses	5.9	5.5
Rents	0.5	0.5
Interest expenses	0.0	0.1
Income taxes	2.5	1.0
Other	7.8	9.2
	76.2	**66.6**

The current liabilities are valued at book value, which corresponds to the fair value. The discount effect is not material due to the maturity.

14. Financial assets and liabilities		
Available-for-sale assets	2.4	6.7
Loans and other receivables		
Interest bearing non-current receivables	0.0	3.6
Other non-current receivables	2.0	1.9
Current accounts receivable and other receivables	142.5	134.8
Derivative instruments under hedge accounting	0.5	0.5
Financial assets at fair value through profit and loss		
Cash and cash equivalents	98.7	74.9
Financial assets	**246.1**	222.5
Liabilities at amortised cost		
Interest bearing liabilities	8.9	13.6
Accounts payable and other liabilities	22.9	25.1
Derivative instruments under hedge accounting	0.0	0.1
Financial liabilities	**31.8**	**38.8**

The financial assets and liabilities are valued at book value, which corresponds to their fair value.

15. Related party transactions

Pöyry Plc has related party relationships with its subsidiaries, associated companies, members of the Board of Directors, the President and CEO, the Deputy to the President and CEO and the members of the Group Executive Committee. Also Corbis S.A. belongs to the related parties.

Employee benefits for the Board of Directors, the President and CEO, the Deputy to the President and CEO and the members of the Group Executive Committee

Salaries, bonuses and other short-term employee benefits	3.2	2.8

Shareholding and option rights of related parties

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

In December 2007 the Board of Directors of Pöyry Plc approved a new share-based incentive plan for key personnel. The plan includes three earning periods which are the calender years 2008, 2009 and 2010.

The option programme 2004 and the performance share plan 2008-2010 are described on the Shareholders and shares pages in the note 4 to the statement of income.

A subsidiary of Pöyry Plc owns 8914 shares.

Related party transactions with associated companies

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

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

Other

EUR million		2007	2006
1.	**Contingent liabilities**		
	Other obligations		
	Pledged assets	0.3	0.5
	Other obligations	40.4	46.4
		40.7	**46.9**
	For other		
	Pledged assets	0.1	0.1
	Other obligations	0.1	0.0
		0.2	**0.1**
2.	**Other lease agreements**		
	Lease payments for non-cancellable other lease agreements, mostly office rents:		
	Year 2007		19.5
	Year 2008	24.6	15.0
	Year 2009–2011	38.4	23.6
	Later	50.6	48.9
		113.6	**107.0**
3.	**Derivative instruments**		
	Foreign exchange forward contracts, notional values	16.9	34.9
	Foreign exchange forward contracts, fair values	+ 0.4 - 0.0	+ 0.5 - 0.1

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

Interest rate swaps, fair values	+ 0.0	+ 0.1

Pöyry Plc has made interest rate swaps for EUR 3.5 million external loans.

4. Financial risk management

The financial risks represent one of Pöyry's main risk categories as described under Risk Management, and are hence managed as part of Pöyry's risk management process. Financial risk related responsibilities and procedures are described in Financing policies of the Group.

The Group has exposure to the following risks:

- credit risk
- liquidity risk
- market risk

Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligation, and arises principally from the Group's project assignments. The maximum amount of the credit risk at 31 December 2007 equals the total book value of the financial assets reported on the table of the financial assets and liabilities.

The Group's sales relates to project assignments in around 60 countries of which only three countries represent more than 5 per cent of Pöyry's annual sales (Finland 19 per cent Germany 12 per cent, Brazil 7 per cent).

The Group's client profile and the spread of its sales between numerous clients reduce the exposure to credit risks. No single client represents sales transactions exceeding 4 per cent of the Group's revenues. Credit rating procedures, internal follow-up of overdue receivables and a contract policy of balance between work performed and payments received further reduce the Group's credit risk exposure.

Overdue accounts receivable are reported and monitored by the management on a monthly basis. Overdue accounts receivable > 60 days are reported by client including reasons for delay and actions taken or planned.

The Group establishes an allowance for impairment that represents its estimate of incurred losses. An allowance for impairment of 50 per cent is made for amounts which are overdue more than 180 days, except for amounts related to international institutions, government or municipality controlled entities. Notwithstanding the client category, an allowance for impairment of 100 per cent is made for amounts which are overdue more than 360 days. Any deviation from the above rules has to be disclosed with reasons in the internal reporting.

Investments are allowed only in liquid securities and only with counterparts that have a good credit rating, and are subject to both specified limits and approval procedures.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

To ensure that funding is obtainable and to minimise the cost of funding, the Group shall have a minimum liquidity corresponding to an average of one month's expenses and committed overdraft facilities corresponding to a minimum of half a month's average expenses. The Group's objective is to minimise the total cash needed for operations by both in-country and cross-border cash pools with both external and internal overdraft facilities.

The Group has overdraft facilities as at 31 December 2007 in several banks amounting to EUR 41.9 million of which EUR 4.0 million was used.

EUR million	2007	2006
Overdraft facilities	41.9	31.5
Used	4.0	6.2
Unused	37.9	25.3

Current loans, if significant, must not exceed twenty (20) per cent of the total amount of the Group's loans, and the average maturity of non-current debt shall be at least three years.

EUR million	2007	2006
Non-current	3.5	7.2
Current	5.4	6.4
Total loans	8.9	13.6

Market risk

Market risk is the risk that changes in market prices, such as exchange rates, interest rates will affect the Group's result. The objective is to manage and control market risk exposures within acceptable limits.

Currency risk

Transaction risks, operational: About 10 per cent of the Group's net sales are normally exposed to a foreign currency risk. The Group hedges project transaction cash flows denominated in a foreign currency by using forward exchange contracts and states them at fair value recognised in the income statement. Speculative forward contracts without a connection to a business operation are not allowed. The hedging is made by the companies according to the Group's hedging policy.

Operational exposure by currency 2007

EUR million	EUR	USD	VEB	NOK	SEK	XOF	Other
Confirmed cash in	21.8	25.6		1.2	1.0	0.8	
Confirmed cash out	- 9.9	- 15.7	- 4.7				
Forward contracts	- 1.6	-10.6					
Cash and cash equivalents	1.2	3.5	0.3			0.1	
Net exposure	11.5	2.8	-4.4	1.2	1.0	0.9	5.0

In 2006 the biggest operational exposures were in EUR (7.0 MEUR), VEB (- 4.9 MEUR) and USD (2.4 MEUR).

Transaction risks, financial: According to the Group's financing policies the parent company conducts financing and subsidiaries are not allowed to take up loans from external parties. The parent company grants loans to Group companies if considered necessary, justified or otherwise to be in the best interest of the parties. As a rule, to centralize the currency risks to the parent company, loans are drawn in each company's domestic currency. The parent company has not any loans in foreign currencies, and thus the Group's financial exposure consists mainly of the Group's internal loans between the parent company and subsidiaries, which have not been externally hedged.

Financial exposure by currency 2007

EUR million	CAD	CHF	BND	USD	THB	ZAR	Other
From internal loans	3.6	2.8	1.4	-1.3	0.7	0.6	0.5

In 2006 the biggest financial exposures were in CHF (10.3 MEUR), EUR (3.6 MEUR), CAD (2.9 MEUR), and BND (1.5 MEUR).

The Group level currency risks presented on the tables above arise when the companies have receivables, liabilities or other commitments in another than their home currency.

Translation risks: The profits generated by the foreign subsidiaries are in general repatriated annually and the estimated annual net profit is mainly hedged with forward contracts on a quarterly basis.

The currency exposure and hedging need related to share capital and other restricted equity in foreign subsidiaries is reviewed on an annual basis but as the main principle remains that the translation exposure of investments in foreign subsidiaries is generally not hedged. If the Group needs external funding the preferred currency is chosen so that part of the foreign equity can be hedged by raising loans in the same currency.

EUR million	**2007** Equity	Of which net profit	Change 10 %		2006 Equity	Of which net profit	Change 10%	
EUR	234.9	58.0			201.0	38.0		
CHF	53.0	9.6	5.3	1.0	48.9	4.3	4.9	0.4
GBP	14.8	9.5	1.5	0.9	8.1	2.4	0.8	0.2
USD	9.7	1.4	1.0	0.1	9.1	1.3	0.9	0.1
BRL	10.8	11.5	1.1	1.2	8.1	5.4	0.8	0.5

Interest rate risk

The Group's policy is to achieve a balance between the maturity of long-term loans and the corresponding interest rate level. In case of essential interest rate level differences, the Group enters into interest rate swaps to achieve this target. The total amount of the interest bearing loans was at the year end EUR 8.9 million of which 3.5 million were covered by interest rate swaps. A change of one (1) per cent in the interest rate effects the interest expense by EUR 0.1 million.

Other market price risk

No other significant market price risks have been identified.

Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor, and market confidence and to sustain future development of the business. The Board of Directors monitors the ownership structure, as well as the return on capital and the level of dividends to shareholders. The Group defines capital as the total balance sheet deducted with non-interest bearing liabilities.

The Group's target for the return on investment (ROI per cent) is 20 per cent or more.

EUR million	**2007**	2006
Profit before taxes	76.5	50.2
Interest and other financial expenses	1.6	2.0
Total	78.1	52.2
Balance sheet total	471.1	400.8
Non-interest bearing liabilities	272.7	224.3
Total capital	198.4	176.5
Return on investment, %	41.7	31.1

The Group seeks to achieve a balance between growth targets, higher level of borrowings and return on capital. The net debt/equity ratio (gearing per cent) target is < 30 per cent.

EUR million	**2007**	2006
Interest bearing liabilities	8.9	13.6
Cash and cash equivalents	98.7	74.9
Net interest bearing liabilities	- 89.9	- 61.3
Equity	189.5	162.9
Net debt/equity ratio, %	- 47.4	- 37.6

The Board has on 10 December 2007 approved a new share-based incentive plan for key personnel at Pöyry. The plan is described in the chapter of Shares and shareholders.

From time to time the Group purchases its own shares on the market, the timing of these purchases depend on market prices. Primarily the shares are intended to strengthen the capital structure and also to be used as compensation for business acquisitions. Buy and sell decisions are made on a specific transaction basis by the Board.

For the implementation of the above new share-based incentive plan, the Board has resolved to acquire a maximum of 400 000 own shares prior to the Annual General Meeting.

Neither Pöyry Plc nor any of its subsidiaries are subject to externally imposed capital requirements.

		Ownership of voting rights Group %	Parent company %
5. Share ownership			
Group companies			
Energy			
Adexia (Schweiz) AG	Switzerland, Zurich	100.0	
Convergence (Deutschland) GmbH	Germany, Dusseldorf	100.0	
Convergence France SA	France, Paris	100.0	
Convergence Italia S.r.l.	Italy, Milan	100.0	
Econ Pöyry AB	Sweden, Stockholm	100.0	
Econ Pöyry AS	Norway, Oslo	100.0	100.0
Electrowatt Consultants Ltd	United Kingdom, Horsham	100.0	
Electrowatt-Ekono (B) Sdn Bhd	Brunei	90.0	
Electrowatt Engineering (Argentina) S.A.	Argentina, Buenos Aires	100.0	
Heymo Ingenieria S.A.	Spain, Madrid	60.0	60.0
IGL Consultants Ltd	United Kingdom, Aberdeen	100.0	
Pöyry Energy (Aberdeen) Limited	United Kingdom, Aberdeen	100.0	
Pöyry Energy AG	Switzerland, Zurich	100.0	100.0
Pöyry Energy AS	Norway, Stavanger	100.0	
Pöyry Energy Consulting Group AG	Switzerland, Zurich	100,0	
Pöyry Energy Consulting (Schweiz) AG	Switzerland, Zurich	100,0	
Pöyry Energy GmbH	Austria, Vienna	74.9	74.9
Pöyry Energy GmbH	Germany, Hamburg	100.0	
Pöyry Energy Inc.	Philippines, Manila	100.0	
Poyry Energy (Kuala Lumpur) Sdn Bhd	Malaysia, Kuala Lumpur	100.0	
Pöyry Energy Limited	United Kingdom, Horsham	100.0	
Pöyry Energy Ltd	Thailand, Bangkok	100.0	
Pöyry Energy (Mannheim) GmbH	Germany, Mannheim	100.0	
Pöyry Energy Oy	Finland, Espoo	100.0	100.0
Pöyry Energy (Oxford) Limited	United Kingdom, Oxford	100.0	100.0
Pöyry Energy (Perth) Pty Ltd	Australia, Perth	100.0	
Pöyry Energy Pty Ltd	Australia, Perth	100.0	
Pöyry Energy S.A.	Peru, Lima	100.0	
Pöyry Energy SAS	France, Lyon	100.0	100.0
Poyry Energy Sdn Bhd	Malaysia, Kuala Lumpur	100.0	
Pöyry Energy S.r.l.	Italy, Genoa	100.0	100.0
Serviheymo S.L.	Spain, Madrid	60.0	
Forest Industry			
JP Operations Management Ltd Oy	Finland, Vantaa	100.0	100.0
Oblio Holding Inc.	Canada	100,0	
Perforex Inc.	Canada	100.0	
Perforex US Inc.	USA	100.0	
Perforex US LLC	USA	100.0	
PT. Poyry Forest Industry	Indonesia, Jakarta	100.0	1.0
Pöyry (Appleton) LLC	USA, Appleton Wisconsin	100.0	
Pöyry Capital Limited	United Kingdom, London	85.0	85.0
Pöyry Civil Oy	Finland, Vantaa	100.0	100.0
Pöyry Empreendimentos Industriais S.A.	Brazil, Sao Paolo	100.0*	
Pöyry Engineering Oy	Finland, Vantaa	100.0	
Pöyry Forest Industry AB	Sweden, Gävle	100.0	
Pöyry Forest Industry AS	Norway, Oslo	100.0	
Pöyry Forest Industry Consulting GmbH	Germany, Freising	100.0	
Poyry Forest Industry Consulting Inc.	USA, Tarrytown N.Y.	100.0	100.0
Pöyry Forest Industry Consulting Limited	United Kingdom, London	100.0	100.0
Pöyry Forest Industry Consulting Oy	Finland, Vantaa	100.0	100.0
Pöyry Forest Industry GmbH	Germany, Dresden	100.0	

*) According to IFRS SIC 12 Pöyry Empreendimentos Industriais S.A. is consicered a special purpose entity and not an entity to be consolidated to the Pöyry Group.

		Ownership of voting rights Group %	Parent company %
Poyry Forest Industry Limited	New Zealand, Auckland	100.0	100.0
Pöyry Forest Industry Oy	Finland, Vantaa	100.0	100.0
Pöyry Forest Industry (Proprietary) Ltd	South Africa, Durban	100.0	
Poyry Forest Industry Pte. Ltd.	Singapore	100.0	100.0
Poyry Forest Industry Pty Ltd	Australia, Melbourne	100.0	100.0
Pöyry Forest Industry SAS	France, Lyon	100.0	100.0
Pöyry Forest Industry (Shanghai) Co Ltd	China, Shanghai	100.0	100.0
Poyry Forest Industry Sp. z o.o.	Poland, Lódz	90.0	
Pöyry (Montréal) Inc.	Canada, Montreal	100.0	
Pöyry S.A.	Uruguay, Montevideo	100.0	
Pöyry Shandong Engineering Consulting Co. Ltd	China, Beijing	70.0	
Pöyry Tecnologia Ltda.	Brazil, Sao Paolo	100.0	
Pöyry (USA) Inc.	USA, Appleton	100.0	
Poyry (Vancouver) Inc.	Canada, Vancouver	100.0	
Insinööritoimisto Pöysälä & Sandberg Oy	Finland, Helsinki	100.0	100,0
ZAO Giprobum-Pöyry	Russia, St. Petersburg	70.0	70.0
Jaakko Pöyry (Thailand) Co. Ltd	Thailand, Bangkok	100.0	
Infrastructure & Environment			
Aquatis spol s.r.o.	Czech Republic, Brno	84.4	
CLM Chemisches Labor GmbH	Germany, Mannheim	100.0	
East Engineering Ltd Oy	Finland, Vantaa	100.0	100.0
Evata Asia (Beijing) Building Consulting Co Ltd.	China, Beijing	70.0	
Evata Baltics OÛ	Estonia, Tallinn	70.0	
Evata Finland Oy	Finland, Helsinki	70.0	
Evata International Oy	Finland, Helsinki	70.0	
Evata Worldwide Oy	Finland, Helsinki	70.0	70.0
GKW Consult Dakar SARL	Senegal, Dakar	90.0	
GKW Consult Romania s.r.l.	Romania	100.0	
GKW (Nigeria) Limited	Nigeria, Lagos	60.0	
IDP Consult Incorporated	Philippines, Manila	67.0	
IGW-Ingenieurgemeinschaft Witzenhausen Fricke & Turk GmbH	Germany, Witzenhausen	100.0	
IKOS ODD	Bulgaria, Sofia	100.0	
OOO “Pöyry”	Russia, St. Petersburg	100.0	
Pöyry Building Services Oy	Finland, Espoo	100.0	100.0
Pöyry CM Oy	Finland, Vantaa	100.0	100.0
Pöyry Entec AS	Estonia, Tallinn	75.0	
Pöyry Environment a.s.	Czech Republic, Brno	84.4	52.1
Pöyry Environment GmbH	Germany, Mannheim	100.0	
Pöyry Environment Oy	Finland, Vantaa	100.0	100.0
Pöyry Environment S.A.	France, Lyon	100.0	100.0
Pöyry Environment Szolgaltato Kft	Hungary, Budapest	100.0	
Pöyry GKW Germany GmbH	Germany, Mannheim	100.0	
Pöyry GKW GmbH	Germany, Dresden	100.0	
Pöyry GKW GmbH	Germany, Erfurt	100.0	
Pöyry GKW GmbH	Germany, Essen	100.0	
Pöyry GKW GmbH	Germany, Mannheim	100.0	
Pöyry ibs GmbH	Germany, Schwerin	100.0	
Pöyry Infra AG	Switzerland, Zurich	100.0	100.0
Pöyry Infra Asia GmbH	Germany, Lorrach	100.0	
Pöyry Infra Consultoria e Projetos Ltda.	Brazil, Sao Paolo	100.0	
Pöyry Infra de Venezuela, S.A.	Venezuela, Valencia	100.0	
Pöyry Infra GmbH	Austria, Salzburg	72.8	
Pöyry Infra GmbH	Germany, Lorrach	100.0	
Pöyry Infra (Hannover) GmbH	Germany, Hannover	100.0	

		Ownership of voting rights Group %	Parent company %
Pöyry Infra Ltd.	Thailand, Bangkok	100.0	
Pöyry Infra Oy	Finland, Vantaa	100.0	
Pöyry (Mexico) S.A., de CV	Mexico	100.0	
Pöyry OU	Estonia, Tallinn	100.0	
Poyry Infra Sp. z o.o.	Poland, Cracow	100.0	
Pöyry Infra Traffic GmbH	Germany, Lorrach	100.0	
Pöyry Projects Ltd Oy	Finland, Vantaa	100.0	
Pöyry Telecom Oy	Finland, Vantaa	80.0	80.0
Pöyry (Thailand) Ltd.	Thailand, Bangkok	100.0	
QCM-Consult GmbH	Germany, Lorrach	100.0	
Quatrocon Oy	Finland, Espoo	100.0	100.0
Ruokosuo-Yhtiöt Oy	Finland, Helsinki	70.0	
SIA “POYRY”	Latvia, Riga	100.0	
UAB CMC Baltic	Lithuania, Vilnius	100.0	
UAB “Poyry”	Lithuania, Vilnius	100.0	
Other			
Jaakko Pöyry Engineering (South America) S.A.	Uruguay	100.0	100.0
Jaakko Pöyry spol s.r.o.	Czech Republic	100.0	100.0
JP-Invest (BVI) Ltd	British Virgin Islands	100.0	
JP-Sijoitus Oy	Finland, Vantaa	100.0	100.0
J.P. New Zealand Ltd	New Zealand	100.0	
Pöyry Pöyry Application Services Oy	Finland, Vantaa	100.0	100.0
Pöyry (Beijing) Consulting Company Limited	China, Beijing	100.0	100.0
Pöyry (Deutschland) GmbH	Germany, Lorrach	100.0	100.0
ZAO Konsofin	Russia	100.0	

	Book value Parent company EUR million	Other group company EUR million
Other share ownership		
Amata Bien Hoa, Thailand		1.0
Private Energy Market Fund Ky, Finland		0.4
Other shares	0.6	0.4
	0.6	**1.8**

KEY FIGURES

Statement of income

EUR million	FAS 2003	2004	2005	2006	2007
Consulting and engineering	405.0	458.4	502.8	600.5	708.4
EPC	6.6	15.5	20.8	22.8	9.8
Net sales total	**411.6**	**473.9**	**523.6**	**623.3**	**718.2**
Change in net sales, %	1.1	15.1	10.5	19.0	15.2
Other operating income	12.9	2.1	0.8	0.3	2.5
Share of associated companies' results	0.2	0.5	0.8	1.2	0.4
Materials, supplies and subconsulting	47.1	64.9	75.1	97.2	103.8
Personnel expenses	235.4	266.4	283.2	327.7	375.9
Depreciation of goodwill	5.0				
Other depreciation	9.2	9.1	7.9	7.8	8.4
Other operating expenses	92.6	106.2	121.8	142.2	159.2
Operating profit	**35.4**	**29.9**	**37.2**	**49.9**	**73.8**
Proportion of net sales, %	8.6	6.3	7.1	8.0	10.3
Financial income and expenses	+ 0.4	+ 1.0	+ 1.4	+ 0.3	+ 2.7
Proportion of net sales, %	0.1	0.2	0.3	0.0	0.4
Profit before taxes	**35.8**	**30.9**	**38.6**	**50.2**	**76.5**
Proportion of net sales, %	8.7	6.5	7.4	8.1	10.7
Income taxes	- 10.8	- 10.0	- 12.3	- 15.4	-23.7
Net profit for the period	**25.0**	**20.9**	**26.3**	**34.8**	**52.8**
Attributable to:					
Equity holders of the parent company	24.7	19.7	25.9	33.6	51.3
Minority interest	0.3	1.2	0.4	1.2	1.5

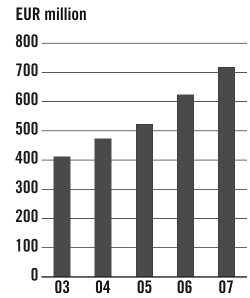
Balance sheet

EUR million	FAS 2003	2004	2005	2006	2007
Goodwill	34.3	34.0	42.4	61.4	95.6
Intangible and tangible assets	20.9	19.8	23.7	24.9	24.4
Non-current investments	9.4	10.4	12.7	12.3	7.7
Non-current receivables	9.7	22.7	20.2	17.9	11.2
Work in progress	35.4	46.6	56.6	52.7	64.5
Accounts receivable	87.0	103.6	108.1	134.2	141.9
Other current receivables	11.1	13.3	21.6	22.5	27.0
Cash and cash equivalents	63.1	62.2	64.5	74.9	98.7
Assets total	**270.9**	**312.6**	**349.8**	**400.8**	**471.1**
Equity attributable to the equity holders of the parent company	117.9	126.6	144.2	156.8	182.6
Minority interest	4.2	7.1	4.7	6.1	6.9
Pension obligations	0.0	6.6	6.8	6.9	6.6
Provisions	0.0	0.7	3.4	3.7	5.0
Interest bearing liabilities	13.4	12.2	10.7	13.6	8.9
Project advances	37.5	51.6	51.0	70.0	97.3
Accounts payable	10.6	13.9	18.8	25.1	22.9
Other non-interest bearing liabilities	87.3	93.9	110.2	118.6	140.9
Liabilities total	**270.9**	**312.6**	**349.8**	**400.8**	**471.1**

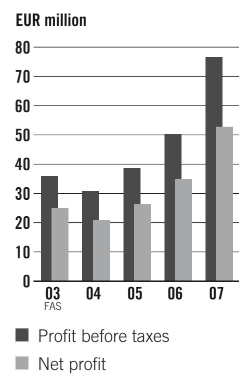
Statement of changes in financial position

EUR million	FAS 2003	2004	2005	2006	2007
From operations	+ 51.9	+ 37.1	+ 37.8	+ 57.6	+ 86.4
Capital expenditure, net	+ 5.9	- 17.1	- 19.2	- 31.2	- 27.8
Financing	- 20.7	- 20.9	- 16.3	- 16.0	- 33.4
Change in cash and cash equivalents	+ 37.1	- 0.9	+ 2.3	+ 10.4	+ 25.2
Impact of translation differences in exchange rates					- 1.4
Cash and cash equivalents 31 December	**63.1**	**62.2**	**64.5**	**74.9**	**98.7**

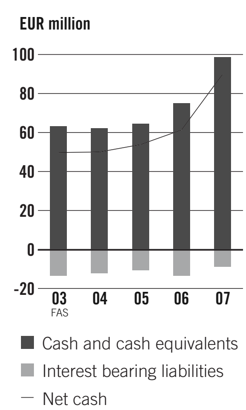
Net sales



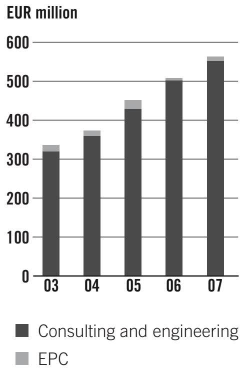
Profit before taxes and net profit



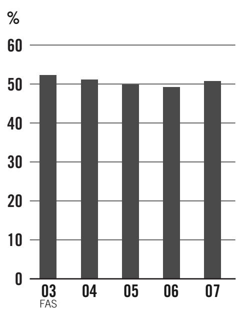
Financing



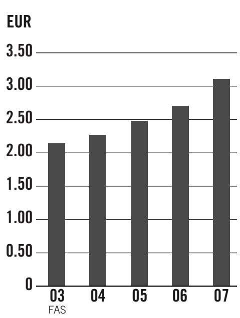
Order stock



Equity ratio



Shareholders' equity/share



Profitability and other key figures

EUR million	FAS 2003	2004	2005	2006	2007
Return on investment, %	27.7	21.4	25.8	31.1	41.7
Return on equity, %	21.7	15.6	18.6	22.3	30.0
Equity ratio, %	52.3	51.2	49.8	49.2	50.7
Equity/assets ratio, %	45.1	42.8	42.6	40.7	40.2
Net debt/equity ratio (gearing), %	- 40.7	- 37.4	- 36.1	- 37.6	- 47.4
Net debt, EUR million	- 49.7	- 50.0	- 53.8	- 61.3	- 89.9
Current ratio	1.6	1.5	1.4	1.3	1.3
Consulting and engineering, EUR million	319.3	359.3	428.1	500.8	551.4
EPC, EUR million	16.4	13.9	24.0	6.8	11.4
Order stock total, EUR million	335.7	373.2	452.1	507.6	562.8
Capital expenditure, operating, EUR million	9.0	7.3	8.0	9.8	9.1
Proportion of net sales, %	2.2	1.5	1.5	1.6	1.3
Capital expenditure in shares, EUR million	6.4	11.4	17.8	27.9	44.2
Proportion of net sales, %	1.5	2.4	3.4	4.5	6.2
Personnel in group companies on average	4 697	5 219	5 423	6 038	6 852
Personnel in associated companies on average	195	213	249	251	271
Personnel in group companies at year-end	4 766	5 309	5 608	6 389	7 269
Personnel in associated companies at year-end	191	240	248	236	277

Key figures for the shares

	FAS 2003	2004	2005	2006	2007
Earnings/share, EUR	0.45	0.36	0.45	0.58	0.88
Corrected with dilution effect	0.44	0.35	0.45	0.57	0.86
Equity attributable to the equity holders of the parent company/share, EUR	2.14	2.27	2.48	2.70	3.11
Dividend, EUR million	20.7	16.9	18.9	29.1	38.1 [1)]
Dividend/share, EUR	0.375	0.30	0.325	0.50	0.65 [1)]
Dividend/earnings, %	83.3	84.5	72.2	86.2	73.9
Effective return on dividend, %	6.9	5.4	4.1	4.2	3.8
Price/earnings multiple	12.1	15.6	17.7	20.3	19.7
Issue-adjusted trading prices, EUR					
Average trading price	4.22	5.27	6.71	9.15	16.08
Highest trading price	5.63	5.78	8.50	12.61	20.14
Lowest trading price	3.25	4.94	5.55	7.65	11.37
Closing price at year-end	5.45	5.55	7.97	11.80	17.31
Total market value					
Outstanding shares, EUR million	301.0	309.3	463.4	686.5	1015.3
Own shares, EUR million	3.5	0.0	0.0	0.0	0.0
Trading volume of shares					
Shares, 1 000	13 152	23 392	20 340	23 581	17 326
Proportion of the total volume, %	23.8	42.0	35.4	40.5	29.7
Issue-adjusted number of outstanding shares, 1 000					
On average	54 956	55 376	57 468	58 180	58 323
At year-end	55 216	55 722	58 180	58 180	58 653

1) Board of Directors' proposal.

Net sales

EUR million	1–3/06	4–6/06	7–9/06	10–12/06	1–3/07	4–6/07	7–9/07	10–12/07	1–12/06	1–12/07
Energy	42.8	45.6	49.1	59.9	51.4	51.8	51.6	62.7	197.4	217.5
Forest Industry	52.8	57.0	54.8	60.3	64.6	67.4	65.2	79.7	224.9	276.9
Infrastructure & Environment	48.3	50.7	48.7	54.1	50.8	53.4	55.6	62.7	201.8	222.5
Unallocated	0.1	0.6	0.4	- 1.9	0.2	0.4	0.3	0.4	- 0.8	1.3
	144.0	**153.9**	**153.0**	**172.4**	**167.0**	**173.0**	**172.7**	**205.5**	**623.3**	**718.2**

Operating profit and net profit for the period

EUR million	1–3/06	4–6/06	7–9/06	10–12/06	1–3/07	4–6/07	7–9/07	10–12/07	1–12/06	1–12/07
Energy	3.2	3.3	3.7	4.4	5.3	4.6	5.7	5.4	14.6	21.0
Forest Industry	4.4	4.6	6.4	7.5	7.8	8.6	9.9	12.7	22.9	39.0
Infrastructure & Environment	3.3	2.8	3.4	3.5	3.7	3.5	4.4	5.2	13.0	16.8
Unallocated	- 0.7	- 0.4	- 0.3	0.8	- 0.8	- 0.4	-0.7	- 1.1	- 0.6	- 3.0
Operating profit	**10.2**	**10.3**	**13.2**	**16.2**	**16.0**	**16.3**	**19.3**	**22.2**	**49.9**	**73.8**
Financial items	0.3	0.1	0.0	- 0.1	0.5	0.5	0.6	1.1	0.3	2.7
Profit before taxes	**10.5**	**10.4**	**13.2**	**16.1**	**16.5**	**16.8**	**19.9**	**23.3**	**50.2**	**76.5**
Income taxes	- 3.5	- 3.2	- 4.2	- 4.5	- 5.3	- 5.4	- 6.3	- 6.7	- 15.4	- 23.7
Net profit for the period	**7.0**	**7.2**	**9.0**	**11.6**	**11.2**	**11.4**	**13.6**	**16.6**	**34.8**	**52.8**
Profit attributable to:										
Equity holders of the parent company	6.9	6.9	8.6	11.2	10.9	11.0	13.5	15.9	33.6	51.3
Minority interest	0.1	0.3	0.4	0.4	0.3	0.4	0.1	0.7	1.2	1.5

Operating profit

%	1–3/06	4–6/06	7–9/06	10–12/06	1–3/07	4–6/07	7–9/07	10–12/07	1–12/06	1–12/07
Energy	7.5	7.2	7.5	7.3	10.3	8.9	11.0	8.6	7.4	9.7
Forest Industry	8.3	8.1	11.7	12.4	12.1	12.8	15.2	15.9	10.2	14.1
Infrastructure & Environment	6.8	5.5	7.0	6.5	7.3	6.6	7.9	8.3	6.4	7.5
	7.1	**6.7**	**8.6**	**9.4**	**9.6**	**9.4**	**11.2**	**10.8**	**8.0**	**10.3**

Order stock

EUR million	1–3/06	4–6/06	7–9/06	10–12/06	1–3/07	4–6/07	7–9/07	10–12/07	1–12/06	1–12/07
Energy	220.0	237.1	222.6	204.9	214.8	233.8	223.7	212.7	204.9	212.7
Forest Industry	111.4	109.1	111.0	111.4	154.1	140.2	143.3	123.8	111.4	123.8
Infrastructure & Environment	187.6	185.3	183.7	191.0	198.4	204.6	216.7	226.3	191.0	226.3
Unallocated	0.1	0.0	0.0	0.3	0.3	0.3	0.0	0.0	0.3	0.0
	519.1	**531.5**	**517.3**	**507.6**	**567.6**	**578.9**	**583.7**	**562.8**	**507.6**	**562.8**
Consulting and engineering	496.9	514.0	502.1	500.8	553.1	558.1	566.2	551.4	500.8	551.4
EPC	22.2	17.5	15.2	6.8	14.5	20.8	17.5	11.4	6.8	11.4
	519.1	**531.5**	**517.3**	**507.6**	**567.6**	**578.9**	**583.7**	**562.8**	**507.6**	**562.8**

Calculation of key figures

Return on investment, ROI %	$\frac{\text{profit before taxes + interest and other financial expenses}}{\text{balance sheet total - non-interest bearing liabilities (average)}} \times 100$
Return on equity, ROE %	$\frac{\text{net profit}}{\text{equity (average)}} \times 100$
Equity ratio %	$\frac{\text{equity}}{\text{balance sheet total - advance payments received}} \times 100$
Equity/assets ratio %	$\frac{\text{equity}}{\text{balance sheet total}} \times 100$
Net debt/equity ratio, gearing %	$\frac{\text{interest-bearing liabilities - cash and cash equivalents}}{\text{equity}} \times 100$
Current ratio	$\frac{\text{current assets}}{\text{current liabilities}}$
Earnings/share, EPS	$\frac{\text{net profit attributable to the equity holders of the parent company}}{\text{issue-adjusted average number of shares for the fiscal year}}$
Equity attributable to the equity holders of the parent company/share	$\frac{\text{equity attributable to the equity holders of the parent company}}{\text{issue-adjusted number of shares at the end of the fiscal year}}$
Dividend/share	$\frac{\text{dividend}}{\text{issue-adjusted number of shares at the end of the fiscal year}}$
Dividend/earnings %	$\frac{\text{dividend for the fiscal year}}{\text{net profit attributable to the equity holders of the parent company}} \times 100$
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	number of shares at the end of the fiscal year x closing price at the end of the fiscal year
Exchange of shares %	$\frac{\text{number of shares exchanged during the fiscal year}}{\text{average number of shares for the fiscal year}} \times 100$

SHARES AND SHAREHOLDERS

Share capital and shares

The shares of Pöyry Plc are quoted on the OMX Nordic Exchange Helsinki in the industry classification sector Industrials. The first day of trading was 2 December 1997. The trading code is POY1V. The company has one series of shares. Each share entitles to one vote and the same dividend rate. Pöyry Plc's share register is maintained by Finnish Central Securities Depository Ltd.

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 Board of Directors proposes to the Annual General Meeting on 10 March 2008 that the paragraph concerning minimum and maximum share capital shall be deleted.

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

Option programme 2004

The Annual General Meeting on 3 March 2004 decided to issue stock options to the management of the Group as well as to a wholly-owned subsidiary of Pöyry Plc. The number of stock options is 550 000. Each stock option entitles the holder to subscribe four (4) shares in the company with an accounting par value of EUR 0.25 each, i.e. a total of 2 200 000 shares in Pöyry Plc. During 2007 173 768 new shares were subscribed with 43 442 stock options. Should all the remaining 506 558 stock options be used for subscription of shares, the new shares will equal 3.3 per cent of the total number of shares after the subscriptions. All stock options have been issued and their receipt confirmed. 40 persons are included in the option programme.

The share subscription price for stock option 2004A is the trade volume-weighted average quotation of the Pöyry Plc share on the OMX Nordic Exchange Helsinki between 1 April and 30 April 2004, with an addition of 20 per cent; for stock option 2004B the trade volume-weighted average quotation of the Pöyry Plc share between 1 April and 30 April 2005, with an addition of 20 per cent; and for stock option 2004C the trade volume-weighted average quotation of the Pöyry Plc share between 1 April and 30 April 2006, with an addition of 20 per cent. From the share subscription price of stock options will be deducted, as per the dividend record date, the amount of dividend paid after 1 April 2004 but before the share subscription.

Performance share plan 2008-2010

In December 2007 the Board of Directors of Pöyry Plc approved a new share-based incentive plan for key personnel of Pöyry.

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

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

Board of Directors' authorisations

Authorisation to issue shares

The Board of Directors of Pöyry Plc is authorised until 10 March 2008 to decide to issue new shares and to convey the company's own shares held by the company in one or more tranches. The share issue can be carried out as a share issue against payment or without consideration on terms to be determined by the Board of Directors and in relation to a share issue against payment at a price to be determined by the Board of Directors.

A maximum of 11 600 000 new shares can be issued. A maximum of 5 800 000 own shares held by the company can be conveyed.

During 2007 Pöyry Plc issued new shares as compensation in a company acquisition. The acquisition was realised as an exchange of shares where the sellers were granted 298 702 new shares in Pöyry Plc. After this issue the number of new shares which can be issued is not more than 11 301 298 new shares.

The Board of Directors proposes to the Annual General Meeting on 10 March 2008 that the Board be reauthorised to issue a maximum of 11 600 000 new shares and to convey a maximum of 5 800 000 own shares held by the company.

Development of share capital

	Share capital EUR 1 000	Share premium reserve EUR 1 000	Legal reserve EUR 1 000	Invested free equity reserve EUR 1 000	Shares	EUR/share
2 December 1997	11 521	15 058	20 183		13 700	0.84
11 June 1999	11 998	20 117	20 183		14 267	0.84
20 March 2000, cancellation of shares	11 496	20 619	20 183		13 670	0.84
20 March 2000	13 670	20 619	18 008		13 670	1.00
Subscription with 1998 warrants in 2000	13 724	21 149	18 008		13 724	1.00
Subscription with 1998 warrants in 2001	13 933	23 084	18 008		13 933	1.00
22 March 2002, cancellation of shares	13 624	23 393	18 008		13 624	1.00
Subscription with 1998 warrants in 2002	13 792	24 842	18 008		13 792	1.00
Subscription with 1998 warrants in 2003	13 971	26 278	18 008		13 971	1.00
25 March 2004, cancellation of shares	13 808	26 441	18 008		13 808	1.00
Subscription with 1998 warrants in 2004	14 110	28 434	18 008		14 110	1.00
Subscription with 1998 warrants in 2005	14 497	30 504	18 008		14 497	1.00
31 August 2005, merger consideration	14 545	31 515	18 008		14 545	1.00
13 March 2006, share split	14 545	31 515	18 008		58 180	0.25
5 September 2007, share issue	14 545	31 515	18 008	4 600	58 479	0.25
Subscription with stock options 2004A in 2007	14 588	32 412	18 008	4 600	58 653	0.25
31 March 2012, if all 2004A/B/C stock options are exercised for subscription	15 095				60 679	0.25

Option programme 2004, share subscription price

	Number of shares	Subscription period	Original subscription price, EUR	Subscription price, 31 Dec. 2007, EUR
Stock option 2004A	660 000	1 March 2007 – 31 March 2010	6.66	5.41
Stock option 2004B	660 000	1 March 2008 – 31 March 2011	7.40	6.15
Stock option 2004C	880 000	1 March 2009 – 31 March 2012	10.78	9.53

Authorisation to acquire the company's own shares

The Board of Directors is authorised to decide to acquire the company's own shares with distributable funds on the terms given below. The acquisition of shares reduces the company's distributable non-restricted shareholders' equity.

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

For the implementation of the performance share plan 2008-2010, the Board of Directors has resolved to exercise the authorisation by the Annual General Meeting on 5 March 2007 to acquire the company's own shares. According to the resolution of the Board of Directors, a maximum of 400 000 shares may be acquired. In accordance with the authorisation of the Annual General Meeting, the shares may be acquired prior to the next Annual General Meeting at their market price at the time of purchase. The Board of Directors authorised the President and CEO to decide on the details and implementation of the acquisition of own shares.

The authorisation is in force until 10 March 2008. The Board has not exercised the authorisation during 2007.

The Board of Directors proposes to the Annual General Meeting on 10 March 2008 that the Board be reauthorised to acquire a maximum of 5 800 000 own shares.

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

Shareholders

According to Pöyry Plc's shareholder register, there were a total of 3 579 registered shareholders at the end of 2007. The number of shareholders increased by 389 during the year.

Updated on a monthly basis, information on the biggest shareholders and the distribution of ownership is available on Pöyry's website.

Nominee-registered shares and flagging notifications

The total number of nominee-registered shares on 31 December 2007 amounted to 16 049 733 shares, equalling 27.4 per cent of the share capital. According to flagging notifications received by Pöyry Plc, the asset management companies listed in the table below have owned shares in the company during 2007.

Management's shareholdings

The members of the Board of Directors and the Executive Committee owned on 31 December 2007 a total of 207 107 shares, which equals 0.4 per cent of the company's share capital and the number of votes. The President and CEO and the Deputy to the President and CEO are authorised to increase their shareholdings to a maximum of 1.0 per cent of the shares by exercising their stock options. Information concerning the shareholdings and stock options of the members of Pöyry Plc's Board of Directors and Executive Committee is given on pages 53 and 54.

	Shares	Stock options 2004A/B/C
Members of the Board of Directors	175 720	
President and CEO, Deputy to President and CEO	22 000	116 000
Group Executive Committee	9 387	120 975
Total	**207 107**	**236 975**

Henrik Ehrnrooth, Chairman of the Board of Directors, together with his brothers Georg Ehrnrooth and Carl-Gustaf Ehrnrooth, indirectly holds a controlling interest in Corbis S.A.

Share price development and trading volume

Pöyry Plc's market capitalisation at the end of the financial year was EUR 1015.3 million. The share price increased during the year by 46.7 per cent from EUR 11.80 to EUR 17.31. During the same period, the OMX Helsinki index rose by 20.5 per cent and the OMX Helsinki Cap index by 3.9 per cent. The highest share price was EUR 20.14 and the lowest EUR 11.37. A total of 17 326 094 shares where traded at a total of EUR 278.6 million. The number of shares traded during the year equals 29.7 per cent of the total number of issued shares.

Dividend

Pöyry Plc's target is that the dividend/earnings ratio should be at least 50 per cent. Should the Group's net debt/equity ratio exceed 30 per cent, the dividend/earnings ratio may be adjusted.

The Board of Directors of Pöyry Plc proposes to the Annual General Meeting on March 10, 2008 that a dividend of EUR 0.65 per share be paid for the year 2007, totalling EUR 38.1million. This corresponds to 73.9 per cent of the earnings per share for the financial year. The dividend will be payable on 20 March 2008.

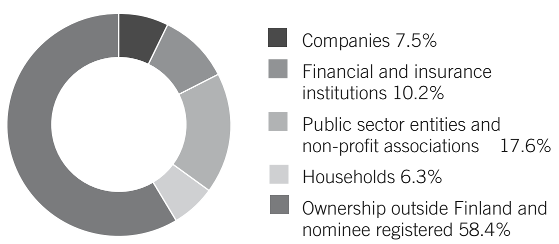
Key figures for the shares

The development of the share price and trading volume, and key figures for the shares for the years 2003 – 2007 are presented on page 35.

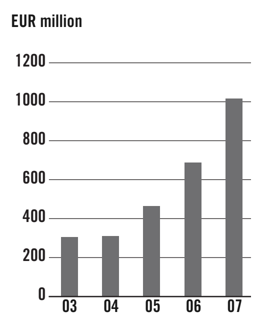
Flagging notifications

Date of notification	Shareholder	Reason for notification	Shareholding on date of notificationon	Proportion of shares on date of notification, %
9 October 2006	Columbia Wanger Asset Management L.P.	holding falling below 1/20	2 871 002	4.94
3 October 2006	Grantham, Mayo, Van Otterloo & Co. LLC	holding falling below 1/20	2 640 896	4.54
24 November 2005	Robeco International Asset Management	holding falling below 1/20	1 176 380	2.02
18 May 2004	I.G. International Management Limited	holding exceeding 1/20	3 743 356	6.75

Ownership stucture by type of shareholder (by number of shares)



Market capitalisation



Major registered shareholders

	Number of shares	Per cent of shares and voting rights, %
1. Corbis S.A.	17 861 200	30.45
2. Ilmarinen Mutual Pension Insurance Company	2 877 883	4.91
3. Procurator Oy	2 867 000	4.89
4. Varma Mutual Pension Insurance Company	2 402 600	4.10
5. OP funds	2 054 980	3.51
6. Tapiola Mutual Pension Insurance Company	1 760 000	3.00
7. Nordea Fund company Ab (FI)	1 168 760	1.99
8. UCITS Fund Aktia Capital	1 150 300	1.96
9. Svenska litteratursällskapet i Finland	901 100	1.54
10. Nordea Life Securities Finland Ltd	415 179	0.71
Shares nominee registered	16 049 733	27.36
Other shareholders	9 143 879	15.58
Total	**58 652 614**	**100.00**

Ownership structure by type of shareholder

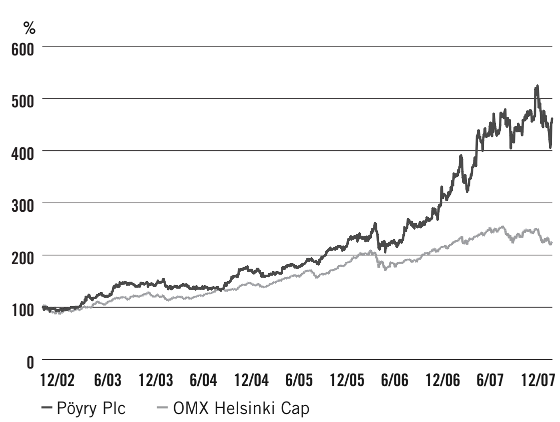
	Number of owners	Per cent of owners	Shares and voting rights	Per cent of shares and voting rights
Companies	218	6.1	4 411 714	7.5
Financial and insurance institutions	46	1.3	5 977 394	10.2
Public sector entities and non-profit associations	124	3.5	10 308 599	17.6
Households	3 158	88.2	3 668 947	6.3
Ownership outside Finland and shares nominee registered owners	33	0.9	34 285 960	58.4
Total	**3 579**	**100.0**	**58 652 614**	**100.0**

Ownership structure by number of shares owned

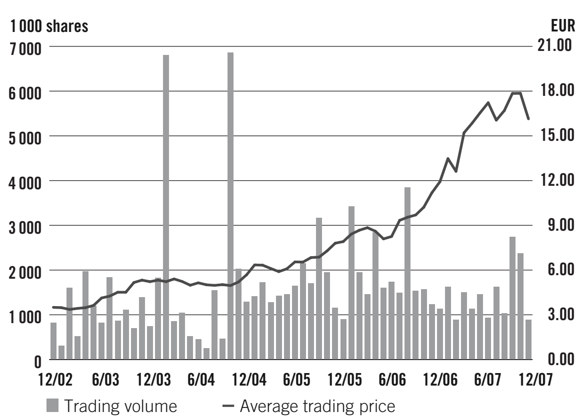
	Number of owners	Per cent of owners	Shares and voting rights	Per cent of shares and voting rights
1–100	648	18.1	46 346	0.1
101–500	1 426	39.8	454 848	0.8
501–1000	614	17.2	488 287	0.8
1001–5000	668	18.7	1 486 256	2.5
5001–	223	6.2	56 176 877	95.8
Total	**3 579**	**100.0**	**58 652 614**	**100.0**

Source: Finnish Central Securities Depository Ltd., December 31, 2007

Development of the share on the OMX Nordic Exchange Helsinki



Trading volume of shares and average trading price



PARENT COMPANY

Statement of income

EUR million		2007	2006
1	**Net sales**	**7.8**	6.8
2	Other operating income	**5.3**	5.5
3	Personnel expenses	**- 5.8**	- 4.5
	Depreciation	**- 0.5**	- 0.3
	Other operating expenses	**- 9.3**	- 7.8
	Operating profit	**- 2.4**	- 0.3
4	Financial income and expenses	**+15.0**	+ 9.9
	Profit before extraordinary items	**12.6**	9.6
5	Extraordinary items	**+ 25.4**	+ 20.1
	Profit before taxes	**38.0**	29.7
6	Income taxes	**- 5.9**	- 4.3
	Net profit for the period	**32.1**	**25.4**

Balance sheet

EUR million		2007	2006
Assets			
	Fixed assets		
1	Intangible assets	**0.8**	0.7
2	Tangible assets	**0.7**	0.7
3	Non-current investments	**217.0**	161.3
		218.5	162.7
	Current assets		
4–5	Current receivables	**38.1**	29.4
	Investments	**2.6**	7.0
	Cash in hand and at banks	**5.8**	10.9
		46.5	47.3
	Total	**265.0**	**210.0**
Shareholders' equity and liabilities			
6	**Shareholders' equity**		
	Share capital	**14.6**	14.5
	Share premium reserve	**32.4**	31.5
	Legal reserve	**18.0**	18.0
	Invested free equity reserve	**4.6**	0.0
	Retained earnings	**19.0**	22.7
	Net profit for the period	**32.1**	25.4
		120.7	112.1
	Liabilities		
7–9	Non-current liabilities	**25.3**	19.5
10–11	Current liabilities	**119.0**	78.4
		144.3	97.9
	Total	**265.0**	**210.0**

Statement of changes in financial position

EUR million	2007	2006
From operations		
Operating profit	**- 2.4**	- 0.3
Depreciation and value decrease	**+ 0.5**	+ 0.3
Gain on sale of fixed assets	**- 0.2**	- 0.0
Change in net working capital	**+ 6.8**	+ 1.3
Financial income and expenses	**- 2.3**	- 0.8
Income taxes	**- 6.3**	- 3.0
Total from operations	**- 3.9**	- 2.5
Capital expenditure		
Investments in shares in subsidiaries	**- 34.3**	- 16.6
Investments in fixed assets	**- 0.6**	- 0.9
Sales of other shares	**+ 0.3**	+ 0.0
Sales of fixed assets	**+ 0.0**	+ 0.2
Capital expenditure total	**- 34.6**	- 17.3
Cash flow before financing	**- 38.5**	**- 19.8**
Financing		
New loans	**+ 7.4**	+ 3.5
Repayments of loans	**- 7.7**	- 2.8
Change in current financing	**+ 21.7**	+ 24.3
Change in non-current investments	**- 0.4**	- 8.2
Dividends	**- 29.1**	- 18.9
Share subscription	**+ 0.9**	+ 0.0
Dividends received	**+ 16.0**	+ 8.7
Group contribution	**+ 20.1**	+ 6.1
Financing total	**+ 28.9**	+ 12.7
Change in cash and cash equivalents	**- 9.6**	- 7.1
Cash and cash equivalents 1 January	**18.0**	25.1
Cash and cash equivalents 31 December	**8.4**	**18.0**

Notes to the financial statements

Accounting principles

Basis of preparation
Pöyry Plc prepares its financial statements in accordance with the Finnish Accounting Standards (FAS). Pöyry Plc is the parent company in the Pöyry Group. The financial statements are presented in euros and are prepared under the historical cost convention.

When appropriate, the financial statements of Pöyry Plc comply with the Group's accounting principles based on IFRS. Below are described those accounting principles in which the financial statements of Pöyry Plc differ from the accounting principles of the consolidated financial statements. The accounting principles for the consolidated financial statements are presented in the notes to the consolidated financial statements.

Net sales
Pöyry Plc's net sales are Group internal service fees whose total invoice value is deducted by the following adjustment items: indirect taxes relating to sales, discounts and exchange differences of trade receivables.

Extraordinary items
The extraordinary items comprise of received and granted group contributions and gains or losses from mergers. The group contributions as well as merger gains and losses are eliminated in preparing the consolidated financial statements.

Income taxes
The income taxes include taxes based on the taxable profit for the period, together with tax adjustments for previous periods.

Research and development
The company has no expenses due to research and development.

Foreign currency translation
Receivables and liabilities in foreign currencies are translated at the exchange rates prevailing at the balance sheet date. Open forward contracts and related underlying items denominated in foreign currencies are translated at the exchange rates prevailing at the balance sheet date.

Recording of exchange gains and losses
Realised and unrealised exchange gains and losses are recognised in the income statement. The interest rate differences from the forward contracts are 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.

Depreciation and amortisation principles
A predetermined schedule has been used in depreciation according to plan on depreciable fixed assets. Depreciation according to plan are calculated on a straight-line basis based on the useful lives of the assets. Capitalised long-term expenditure is amortised over three to five years. Machinery and equipment are depreciated over three to eight years.

Intangible and tangible assets
Capitalised long-term expenditure mainly includes software and computer systems. The intangible and tangible assets are measured at their historical cost less accumulated depreciation and any impairment losses.

Leases
The leases are mainly office facility agreements. The company has also some car and office equipment leases. Lease payments are expensed over the rental period.

Pension arrangements
The statutory pension arrangements are generally satisfied through contracts with external insurance companies. Voluntary pensions are organised through pension insurances.

Derivative financial instruments
Pöyry Plc has entered into interest swaps to hedge the non-current external loans. Pöyry Plc has no further derivative instruments.

Share-based payments
The accounting treatment of Pöyry Plc's option programmes is described in the Pöyry Group's accounting principles. Pöyry Plc prepares its financial statements in accordance with FAS and thus no expense from the option programme is recognised in the Pöyry Plc's income statement or balance sheet except for the social security expense.

EUR million		2007	2006
1.	**Net sales**		
	Net sales	**7.8**	6.8
	The parent company's net sales are Group internal service fees.		
2.	**Other operating income**		
	Rent income	4.9	5.0
	Gain on sales of fixed assets	0.2	0.0
	Other	0.2	0.5
		5.3	**5.5**
3.	**Personnel expenses**		
	Wages and salaries	5.0	4.5
	Pension expenses	0.4	- 0.2
	Other social expenses	0.4	0.2
		5.8	**4.5**
	Salaries and bonuses of the President and CEO and the Deputy to the President and CEO are presented on the Corporate governance pages.		
4.	**Financial income and expenses**		
	Dividend income		
	From group companies	16.1	11.5
	From other	0.0	0.0
		16.1	11.5
	Interest income from non-current investments		
	From group companies	1.8	1.3
	From other	0.0	0.0
		1.8	1.3
	Other interest and financial income		
	From group companies	0.4	0.3
	From other	0.4	0.4
		0.8	0.7
	Interest expenses and other financial expenses		
	To group companies	- 3.0	- 1.7
	To other	- 0.8	- 0.6
		- 3.8	- 2.3
	Exchange rate gains	0.9	0.2
	Exchange rate losses	- 0.8	- 1.5
		+ 0.1	- 1.3
	Total	**15.0**	**+ 9.9**
5.	**Extraordinary items**		
	Group contribution received	27.5	20.5
	Group contribution paid	- 2.1	- 0.4
		25.4	**20.1**
6.	**Income taxes**		
	Taxes for the fiscal year	5.7	4.7
	Taxes for previous years	0.2	- 0.4
		5.9	**4.3**

EUR million		2007	2006
1.	**Intangible assets**		
	Acquisition value 1 Jan.	1.3	1.0
	Increase	0.4	0.5
	Decrease	0.0	0.2
	Acquisition value 31 Dec.	1.7	1.3
	Accumulated depreciation 1 Jan.	0.6	0.5
	Accumulated depreciation of decrease	0.0	0.0
	Depreciation for the period	0.2	0.1
	Accumulated depreciation 31 Dec.	0.8	0.6
	Book value 31 Dec.	**0.8**	**0.7**
2.	**Tangible assets**		
	Machinery and equipment		
	Acquisition value 1 Jan.	0.5	0.5
	Increase	0.1	0.0
	Decrease	0.1	0.0
	Acquisition value 31 Dec.	0.5	0.5
	Accumulated depreciation 1 Jan.	0.4	0.4
	Accumulated depreciation of decrease	0.1	0.0
	Depreciation for the period	0.1	0.0
	Accumulated depreciation 31 Dec.	0.4	0.4
	Book value 31 Dec.	0.1	0.1
	Other tangible assets		
	Acquisition value 1 Jan.	1.0	0.7
	Increase	0.1	0.3
	Decrease	0.0	0.0
	Acquisition value 31 Dec.	1.1	1.0
	Accumulated depreciation 1 Jan.	0.4	0.3
	Accumulated depreciation of decrease	0.0	0.0
	Depreciation for the period	0.2	0.1
	Accumulated depreciation 31 Dec.	0.6	0.4
	Book value 31 Dec.	0.5	0.7
	Total tangible assets		
	Acquisition value 1 Jan.	1.5	1.2
	Increase	0.2	0.3
	Decrease	0.1	0.0
	Acquisition value 31 Dec.	1.6	1.5
	Accumulated depreciation 1 Jan.	0.8	0.7
	Accumulated depreciation of decrease	0.1	0.0
	Depreciation for the period	0.2	0.1
	Accumulated depreciation 31 Dec.	1.0	0.8
	Book value 31 Dec.	**0.7**	**0.7**

EUR million		2007	2006
3.	**Non-current investments**		
	Shares in group companies 1 Jan.	123.4	106.8
	Increase	50.9	16.6
	Decrease	0.0	0.0
	Shares in group companies 31 Dec.	174.3	123.4
	Receivables from group companies 1 Jan.	36.9	28.2
	Increase	17.7	13.4
	Decrease	12.7	4.7
	Receivables from group companies 31 Dec.	41.9	36.9
	Shares in associated companies		
	Acquisition value 1 Jan.	0.3	0.3
	Increase	0.0	0.0
	Decrease	0.1	0.0
	Shares in associated companies 31 Dec.	0.2	0.3
	Other shares 1 Jan.	0.6	0.6
	Increase	0.0	0.0
	Decrease	0.1	0.0
	Other shares 31 Dec.	0.5	0.6
	Total non-current investments 1 Jan.	161.3	136.0
	Increase	68.6	30.0
	Decrease	12.9	4.7
	Total non-current investments 31 Dec.	**217.0**	**161.3**
4.	**Current receivables**		
	Accounts receivable	0.0	0.0
	Accounts receivable	1.3	0.9
	Loans receivable	6.1	5.8
	Other receivables	29.6	21.3
	Prepaid expenses and accrued income	0.7	0.8
	Total from group companies	37.7	28.8
	Total from associated companies	0.0	0.0
	Other receivables	0.1	0.1
	Prepaid expenses and accrued income	0.3	0.5
		38.1	**29.4**
5.	**Prepaid expenses and accrued income**		
	Interest income	0.8	0.8
	Taxes	0.0	0.0
	Other	0.2	0.5
		1.0	**1.3**

EUR million		2007	2006
6.	**Shareholders' equity**		
	Share capital 1 Jan.	14.5	14.5
	Shares subscribed with stock options	0.1	0.0
	Share capital 31 Dec.	14.6	14.5
	Share premium reserve 1 Jan.	31.5	31.5
	Shares subscribed with stock options	0.9	0.0
	Share premium reserve 31 Dec.	32.4	31.5
	Legal reserve 1 Jan./ 31 Dec.	18.0	18.0
	Invested free equity reserve 1 Jan.	0.0	
	Share issue	4.6	
	Invested free equity reserve 31 Dec.	4.6	
	Retained earnings 1 Jan.	48.2	41.7
	Payment of dividend	-29.1	- 18.9
	Net profit for the period	+ 32.1	+ 25.4
	Retained earnings 31 Dec.	51.2	48.2
	Total shareholders' equity 31 Dec.	**120.7**	**112.1**
7.	**Non-current liabilities**		
	Loans from credit institutions	0.9	3.5
	Loans from group companies	18.0	16.0
	Other	6.4	0.0
		25.3	**19.5**
8.	**Loans with due date after five years or later**		
	Loans from credit institutions	0.0	0.0
	Loans from group companies	18.0	16.0
		18.0	**16.0**
9.	**Loans according to maturity**		
	Year 2007		72.6
	Year 2008	94.6	2.6
	Year 2009	0.9	0.9
	Year 2010	0.0	0.0
	Year 2011	0.0	0.0
	Later	18.0	16.0
		113.5	**92.1**
10.	**Current liabilities**		
	Loans from credit institutions	6.6	7.6
	Accounts payable	0.5	0.5
	Loans	88.0	65.0
	Accounts payable	0.2	0.2
	Other current liabilities	18.8	0.4
	Accrued expenses and deferred income	0.0	0.0
	Total to group companies	107.0	65.6
	Total to associated companies	0.0	0.0
	Other current liabilities	0.5	0.4
	Accrued expenses and deferred income	4.5	4.3
		119.0	**78.4**

EUR million		2007	2006
11.	**Accrued expenses and deferred income**		
	Salaries and vacation accruals	2.2	2.0
	Social expenses	0.4	0.3
	Interest expenses	0.1	0.1
	Taxes	0.9	1.3
	Other	0,9	0.6
		4.5	**4.3**
1.	**Contingent liabilities**		
	Other obligations		
	Rent and leasing obligations	**62.7**	**66.0**
	For group companies		
	Other obligations	**46.4**	**49.6**
2.	**Other lease agreements**		
	Lease payments for non-cancellable other lease agreements, mostly office rents		
	Year 2007		3.6
	Year 2008	3.6	3.6
	Year 2009–2011	11.0	10.9
	Later	48.1	47.9
		62.7	**66.0**
3.	**Derivative instruments**		
	Pöyry Plc has made interest rate swaps for EUR 3.5 million external loans.		
	Interest rate swaps fair values	0.0	+ 0.1

CORPORATE GOVERNANCE

The statutory basis of the governance of the Pöyry Group is the Finnish Companies Act, the Securities Markets Act and the Articles of Association ("Articles") of the parent company Pöyry Plc ("Company"). The Company complies with the Corporate Governance Recommendation issued by the Central Chamber of Commerce of Finland, the Confederation of Finnish Industries EK, and the OMX Nordic Exchange in Helsinki.

The responsibility for the control and management of the Company is divided between the shareholders represented at the General Meeting of Shareholders, the Board of Directors ("Board"), and the President and CEO. The other administering bodies of the Company have an assisting and supporting role.

General meeting

The supreme decision-making powers in the Company rest with the General Meeting. The Annual General Meeting is held every year before the end of June and it decides, among other things, about the adoption of the financial statements, distribution of dividends, release from liability of the Board, the President and CEO and his Deputy, and any changes to the Articles.

The Annual General Meeting elects the members of the Board ("Directors") and the auditor of the Company.

Board of Directors

The Board consists of a minimum of four (4) and a maximum of ten (10) Directors. In its Charter, the Board has established a general guideline that the Board comprise at least five (5) Directors of whom the majority shall be independent. The Directors are appointed by the Annual General Meeting for a term of one (1) year lasting until the close of the following Annual General Meeting. The Board appoints from among its members a Chairman and a Vice Chairman.

The Annual General Meeting of 2007 resolved that the Board shall consist of seven (7) Directors and the composition of the Board shall remain unchanged. Henrik Ehrnrooth was appointed Chairman of the Board and Heikki Lehtonen Vice Chairman. The Directors Pekka Ala-Pietilä, Heikki Lehtonen, Matti Lehti, Harri Piehl, Karen de Segundo and Franz Steinegger are independent of the Company.

The duties of the Board are specified in the Companies Act, according to which the Board sees to the governance and the proper management of the operations of the Company, and is responsible for the appropriate organising of accounting and financial matters of the Company. The Articles of the Company do not define other duties of the Board. The Board has authority to act in all matters not reserved by law or the Articles to another governing body.

The Board meets as often as necessary to properly fulfil its duties. The Board agrees well in advance on its annual meeting schedule. In 2007, the Board of Directors convened eleven (11) times. The average participation of Directors in the meetings was ninety-six (96) per cent. The Board evaluates its performance and working methods annually.

The Board constitutes a quorum when more than half of its members are present. Decisions are made with a simple majority. In case of a tie, the Chairman shall have the casting vote.

The Board has adopted for itself a Charter. According to the Charter, the following matters shall be handled at the Board meetings:

Law, regulations and rules

- Matters specified as the Board's duties by the Finnish Companies Act, other applicable legislation and the Articles
- Approval and regular review of corporate governance
- Adoption of charters for the Board and its committees

General Meetings of Shareholders

- Proposal on dividend distribution and other proposals to the General Meetings of Shareholders

Strategy and business

- Approval of the strategic direction, strategically important or major acquisitions and divestments, and supervisory and control policies
- Approval of business matters in accordance with the Pöyry Authorities and Approval Matrix and handling of matters which are of significant and extensive nature to the Company
- Reports of the President and CEO to the Board

Organisation structure and Group management

- Approval of the business organisation structure of Pöyry
- Appointment and discharge of the President and CEO of the Company and his/her Deputy, and approval of the compensation and other terms of their service contracts
- Approval of the appointments and dismissals of the members of the Group Executive Committee and other direct subordinates of the President and CEO of the Company

Financial control

- Approval of the interim reports and annual accounts and related public announcements
- Approval of the Group level annual budgets and action plans
- Approval of loans, guarantees and investments in accordance with the Pöyry Authorities and Approval Matrix
- Approval of financial control procedures

Committees of the Board of Directors

- Appointment of the members and Chairmen of the committees of the Board
- Proposals and reports of the committees of the Board

Other

- Review of the Group's risk management processes
- Other matters submitted to the Board by a Director, or by the President and CEO or his/her Deputy

Committees of the Board of Directors

The Board's work is supported by three committees:

1. Audit Committee
2. Nomination Committee
3. Compensation Committee

The Audit Committee comprises at least two (2) members. The members of the Audit Committee must be independent Directors.

The Nomination Committee and Compensation Committee both comprise at least two (2) members. In addition, an external member representing major shareholders can be appointed to these committees.

The committee members and committee Chairmen are elected annually in the first Board meeting held after the Annual General Meeting. Based on the resolution made by the Board on 5 March 2007, the members of the Audit Committee are Heikki Lehtonen, Chairman, and Harri Piehl, both independent of the Company. Members of the Nomination Committee are Henrik Ehrnrooth, Chairman, Matti Lehti and Pekka Ala-Pietilä, and Georg Ehrnrooth as the external member. Members of the Compensation Committee are Heikki Lehtonen, Chairman, and Karen de Segundo.

The Board has approved Charters for the Committees.

According to its Charter, the Audit Committee shall assist the Board in its responsibilities concerning

- review of risk management procedures
- financial reporting process and integrity
- internal and external auditing, including the review of the independence, qualification and performance of both
- relationship with external auditors (contacts, scope of auditing, compensation, review of reports, and proposal for appointment and dissolution to be presented to the Annual General Meeting)

According to its Charter, the Nomination Committee shall

- review on an annual basis the composition of the Board and the performance of the Directors as a whole, and prepare and make proposals to the Annual General Meeting on the composition of the Board, taking into account also proposals for candidates made by the shareholders. In handling these matters, the Committee shall follow the guiding principles established by the Board for the qualifications and nomination of Directors
- evaluate and make recommendations to the Board in regard to
  – appointment of the President and CEO of the Company and his/her Deputy
  – succession plans for the President and CEO of the Company, his/her Deputy and other senior executives

According to its Charter, the Compensation Committee shall

- prepare and make proposals to the Annual General Meeting in regard to compensation of the Board members
- evaluate and make recommendations to the Board in regard to the following matters:
  – compensation and other employment terms of the President and CEO of the Company and his/her Deputy
  – principles for compensation and other employment terms of the Group's Executive Committee members, direct subordinates of the President and CEO and other senior executives
  – Group level incentive programmes including option programmes

The committees prepare minutes of their meetings and report to the Board.

The Audit Committee convened six (6) times in 2007, the Nomination Committee four (4) and the Compensation Committee six (6) times.

President and CEO

The President and CEO is appointed by the Board.

In accordance with the Finnish Companies Act, the President and CEO is in charge of the day-to-day management of the Group in accordance with the guidelines and instructions of the Board, and is responsible for ensuring that the Company's accounting complies with the law, and that the financial matters are handled in a reliable manner. The President and CEO is also in charge of the preparation of matters to be presented to the Board as well as for the Company's strategic planning, finance, financial planning and reporting, and risk management.

The President and CEO is assisted in his duties by his/her Deputy. The President and CEO and his/her Deputy are present in the meetings of the Board.

Erkki Pehu-Lehtonen has acted as President and CEO of Pöyry Plc and Teuvo Salminen as Deputy to the President and CEO since 1 January 1999. Both have service contracts with the Company approved by the Board for an open-ended period and with the right to severance payments equalling up to twenty-four (24) months' salary in the event of termination by the Company for reasons other than cause. The service contracts are subject to a mutual six (6) months' term of notice. Statutory retirement age applies to the President and CEO and his Deputy.

Executive Committee

The Pöyry Group has an Executive Committee whose main responsibility is to assist the President and CEO and his/her Deputy in the operative management of the Group. The other tasks of the Executive Committee include, among other things, the review and control of financial matters, sales and operative decisions, investments and divestments, and development of internal co-operation within the Group. The Executive Committee has a standard minimum agenda for its meetings. The Executive Committee convenes regularly once a month.

The Executive Committee members are nominated by the President and CEO and the appointments are approved by the Board. The Executive Committee consists of a minimum of five (5) and a maximum of ten (10) members. The Executive Committee is chaired by the President and CEO. Currently the Executive Committee consists of eight (8) members: the President and CEO of the Company and his Deputy, the Presidents of the business groups, the Vice President of Human Resources, the Chief Financial Officer and the Group General Counsel. The duties of the members of the Executive Committee correspond to the areas of their responsibilities.

Business organisation structure

The business operations of the Pöyry Group are conducted through three business groups: Energy, Forest Industry, and Infrastructure & Environment.

Each business group has a President appointed by the President and CEO of the Company. The appointments are approved by the Board. In addition, each business group has an executive committee chaired by the President of the business group. The Presidents of the business groups report to the President and CEO of the Company.

Pöyry Plc is responsible for the Group's administration, strategic planning, accounting, financing, and investor relations. It also provides the business groups with services related to common Group functions.

Decision-making on executive appointments

Appointments in the Group follow the one-over-one principle, according to which all appointments, as well as the salary and other terms related to these appointments, shall be approved by the superior of the person proposing the appointment.

Remuneration and other benefits of the Board and top management

The Annual General Meeting decides about the remuneration to the members of the Board. The salary, bonus and other benefits of the President and CEO and his/her Deputy are resolved by the Board.

Bonus schemes within the Group are profitability, growth and performance-based and part of the individual's total remuneration. The key principles on bonuses are defined in the Group Policy on Bonuses. The bonuses of senior management are dependent on the Group's sales and return on investment targets. Directors do not receive bonuses.

The Annual General Meeting on 5 March 2007 resolved that the annual fees are EUR 40 000 for members of the Board, EUR 50 000 for the Vice Chairman of the Board and EUR 60 000 for the Chairman of the Board, and EUR 12 500 for members of the committees of the Board of Directors. In addition, the Annual General Meeting authorised the Board to decide on an additional fee of not more than EUR 12 500 per annum for each of the foreign resident members of the Board. The Board has exercised this authorisation and decided on the payment of an additional fee of EUR 12 500 to Karen de Segundo and Franz Steinegger. For 2007, a total of EUR 421 666 was paid in fees to Board and committee members. The members are entitled to compensation for travel expenses in accordance with the Company's travel rules.

Fees paid to Board members

EUR 1000	**2007**	2006
Henrik Ehrnrooth, Chairman	70	55
Heikki Lehtonen, Vice Chairman	72	56
Pekka Ala-Pietilä	51	38
Matti Lehti	51	46
Harri Piehl	51	46
Karen de Segundo	63	56
Franz Steinegger	51	45

Fees paid to the external member of the Nomination Committee

EUR 1000	**2007**	2006
Georg Ehrnrooth	12	10

Remuneration of the President and CEO and his Deputy and other members of the Group Executive Committee

EUR 1000	**2007**	2006
President and CEO		
Salary and bonus	655	636
Fringe benefits	17	17
Deputy to the President and CEO		
Salary and bonus	549	501
Fringe benefits	13	14
Other members of the Group Executive Committee		
Salary and bonus	1432	1205
Fringe benefits	90	48

The salary, bonus and fringe benefits paid to the President and CEO, Erkki Pehu-Lehtonen, and the Deputy to the President and CEO, Teuvo Salminen, during 2007 totalled EUR 1 234 512.

Option rights of the President and CEO and his Deputy and other members of the Group Executive Committee

The option rights of the President and CEO and his Deputy and other members of the Executive Committee as well as the terms and conditions of the option scheme are described in detail in section 'Shareholders and shares' and on the Company's web site. The members of the Board are not part of the option scheme.

Insider control

The Company's Board has issued company specific insider guidelines, which have been published and distributed throughout the Group and are available on the Pöyry Group's intranet. The Company's insider guidelines recommend that permanent insiders make long-term investments in the Company's share. Trading is recommended at a moment in time when the information concerning factors affecting the Company's share is as complete as possible, for example following the publication of interim reports and annual accounts.

Permanent insiders are not allowed to buy or sell the Company's shares or other securities during the following periods:

- three (3) weeks before the publication of each interim report, and
- from the moment when the result for November is known to the Company and until the moment when the annual accounts are published.

The above-mentioned periods are also silent-time periods, during which the Company does not communicate with the investor community. In 2007, the silent-time periods for the notice concerning annual accounts for 2006 was 18 December 2006 – 1 February 2007 and for the interim reports 5-25 April 2007, 5-25 July 2007 and 9-29 October 2007. During 2008, the corresponding periods will be 18 December 2007 – 31 January 2008 for the notice concerning annual accounts 2007, and 1-21 April 2008, 2-22 July 2008 and 3-23 October 2008 for the interim reports.

Pöyry's insider responsible supervises compliance with insider regulations by issuing at regular intervals a request to insiders for checking the information in the insider register as well as reminders of the no-trading periods.

Permanent insiders of Pöyry are the statutory and company specific insiders. Statutory insiders are the members of the Board, the President and CEO, the Deputy to the President and CEO, the auditor in charge and the members of the Executive Committee. Company specific insiders are, in addition to the statutory insiders, specifically appointed directors, staff members responsible for financing, accounting, legal matters, investor relations and human resources, as well as those assistants and other separately named persons who regularly receive inside information.

Pöyry's insider register is maintained by Finnish Central Securities Depository Ltd. Up-to-date shareholding data are available for public display at the offices of the Finnish Central Securities Depository, visiting address Urho Kekkosen katu 5 C, Helsinki, and in the NetSire register on the web site www.ncsd.eu as well as on Pöyry Plc's web site www.poyry.com.

Operating guidelines

To ensure the achievement of the Group's financial and other targets and to minimise risk exposure, the Board has approved Operating Guidelines as follows:

Pöyry Operating Guidelines

- Corporate Governance
  – Corporate Governance Statement
  – Insider Guidelines
  – Environmental Policy
- Business Concept and Strategy
- Code of Conduct
- Management Organisation
- Authorities and Approval Matrix
- Policies, guidelines and instructions for various disciplines relating to
  – Strategic and Operational Planning
  – Financial Planning and Reporting
  – Internal and External Auditing
  – Risk Management
  – Legal Matters
  – Human Resources
  – Information Technology
  – Investor Relations and Communications

The Operating Guidelines are available on Pöyry's internal intranet. All majority-owned Group companies and all employees must comply with the Operating Guidelines.

Internal control

Each business unit of Pöyry is obliged to submit to the Group Financial Department a monthly financial report consisting of

- Summary of key figures
- Written comments regarding budget deviations and changes of estimates
- Statement of income
- Balance sheet
- Cash flow
- Overdue accounts receivable with comments
- Work-in-progress exposure with comments

The financial report package includes information about the current month, year-to-date and full-year periods with budget deviations.

Full-year estimates are mandatory at the end of each quarter and in addition during other months if essential changes are expected.

Consolidated summary reports of the business areas, business groups and the Group are monitored in monthly meetings by the respective management level. In addition, the business group/area management performs company management audits during the year.

All project managers are required to prepare predicted final estimates (project to-date and estimate- to-complete figures) for the projects he/she is responsible for before the end of each quarter and in addition during other months if an essential change is expected. The project estimates are subject to audit according to Pöyry's Internal and External Auditing Policy. In addition, the business group/area management performs independent project audits for all major projects during the year according to the Quality Management instructions.

Pöyry has a standard minimum agenda for the Group, business group, business area and business unit level management meetings in order to ensure the internal control of the following matters:

1. Result and cash flow
2. Order intake, potential projects and activity level
3. Status report for major projects
4. Capital employed issues
5. Risk management issues
6. Personnel matters
7. Business development

Internal auditing

Pöyry's internal auditing objectives are

- to ensure that the financial reporting of each business unit gives a true and fair view of the result, financial position and risks of the business unit
- to minimise the risk of unexpected incidents
- to ensure compliance with the Operating Guidelines of Pöyry
- to evaluate the efficiency of the business unit's organisation, operations and working methods
- to assess whether actions and development programmes are in compliance with the approved business plan and strategy
- to co-operate with external auditing in order to achieve the most cost-effective audit coverage

The business groups of Pöyry each have a business group controller who supervises the business area and business unit controllers in the respective business group. The business group controllers perform the internal audit of the business units belonging to that business group. The CFO of Pöyry coordinates and supervises the performance of the business group controllers and participates in internal audits to the extent necessary or beneficial.

An internal audit shall be conducted in each business unit at least once a year. The internal audit is performed on the basis of a standard audit programme. An audit report is prepared including an executive summary of essential findings, comments on issues to be followed up and recommended actions, as well as detailed remarks on those issues where the procedures or other findings deviate from Pöyry's policies or best practices.

Pöyry's objective is to ensure efficient controlling procedures by a close co-operation between internal and external auditing and the Audit Committee of the Board.

External auditing

The Company has one (1) auditor. The auditor shall be an authorised public accounting firm. The Audit Committee of the Board prepares proposals to the shareholders concerning the appointment and dissolution of an auditor. The Annual General Meeting appoints the auditor until further notice and resolves on the auditor's fee. The present auditor of the company is the authorised public accounting firm KPMG Oy Ab.

Fees paid for auditing and other services in 2007 totalled EUR 1.6 million.

Auditor's fees

EUR 1000	**2007**	2006
Statutory auditing		
Group auditor	894	776
Other	100	63
Tax advisory		
Group auditor	361	444
Other	77	75
Other services		
Group auditor	143	50
Other	2	7

RISK MANAGEMENT

Risk management is an essential part of Pöyry's business management and procedures, whose aim is to safeguard Pöyry's business as well as a good financial position and operating profit. Ultimately, the Board is responsible for the Pöyry Group's risk taking, and the President and CEO for risk management.

Policy and instructions
Pöyry has a Risk Management Policy approved by the Board, which defines the objectives, principles, operating procedures, organisation and responsibilities of risk management and its reporting and follow-up procedures. In addition, the Group has more detailed Risk Management Instructions for the day-to-day business, which are based on the Risk Management Policy.

Organisation
Primary responsibility for risk management rests with the business groups, where risks also primarily accrue. Each business group is responsible for its own risk management, taking into account the Group's and the business group's risk management guidelines. The President of each business group is responsible for his/her own business groups' risk management. Each business group has its own risk manager who is responsible for organising risk management in practise.

The Group is responsible for group-wide risk management guidelines and risk management, and for the guidance and supervision of the business groups' risk management. The Group's risk manager is responsible for organising the group-level risk management in practise.

Process
Pöyry's risk management consists of a co-ordinated set of activities to identify, assess, address and control all major risk areas of the Group in a systematic and proactive manner. Risks are addressed in accordance with the following main risk categories.

- External risks
- Internal risks
  - Strategic risks
  - Operational risks
  - Financial risks

A uniform risk management process is conducted annually in the Pöyry Group in connection with the strategy process. In the risk management process, each business group makes its own short-term and long-term risk assessment independently. The Group Executive Committee then makes an overall risk review and consolidation.

Reporting and follow-up
The results and most significant risks identified in the annual risk management process are reported to the Audit Committee and the Board in the second half of the year. Apart from the annual risk management process, the status of the Group's risk management is reported to the Audit Committee in the first half of the year. The business groups report on their risks and actions related to these to the Group Executive Committee on a monthly basis as a part of the business report.

Risks
Typical risks related to Pöyry's business operation are described in the following. The most significant risks identified in the 2007 risk management process are described in the Board of Director's Report.

EXTERNAL RISKS
Markets
A cyclical downturn can have a negative effect on investments and hence also on Pöyry's revenues. The Group aims to reduce its vulnerability to market risks and business cycles by a balanced portfolio of assignments by clients in different industries and different parts of the public sector, market and geographical areas as well as through sub-contracting and other flexible employment arrangements. In economic downturns the order stock, the activity level of employees and professional charging rates may decline, which may have a negative impact on Pöyry's revenues.

Competition
The consulting and engineering business is characterised by keen global competition. Pöyry aims at differentiating itself from its competitors by providing clients with a full range of leading-edge solutions and services which best fulfil the clients' needs.

INTERNAL RISKS
Strategic risks
Business development
A significant part of Pöyry's growth is expected to be derived from acquisitions. A notable risk in implementing this strategy is the lack of good, reasonably priced acquisition targets. An additional risk related to acquisitions is the potential failure in managing the acquisition process. For this reason the Group has prepared an Acquisition Policy, which defines the acquisition process and its areas of responsibility and authorisations. In connection with the policy, models and tools for use in the different stages of an acquisition have also been prepared. An acquisition team, headed by experienced management staff, is appointed to prepare each planned acquisition. The procedures set out in the policy are followed in detail both in the initial and final approval stages of an acquisition. The acquisition team is responsible for the data collection and due diligence phases, using external advisors where needed. Special attention is paid to post-acquisition business and integration plans and their implementation.

In addition to acquisitions, organic growth is an important part of Pöyry's growth strategy. The key risk in achieving this strategic goal is the potential lack of required resources.

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

Operational risks
Compliance with procedures and instructions
The Group has Operating Guidelines, approved by the Board, covering its main functions, and more detailed instructions prepared on the basis of these guidelines. The Authorities and Approval Matrix defines the approval requirements and authority levels of approvals. The Authorities and Approval Matrix stipulates checking responsibilities for several different functions as a means to ensure that procedures are followed.

Assignments

Consulting assignments

About nineteen (19) per cent of Pöyry's business consists of management consulting, technical consulting and other similar advisory services. According to common practice in the consulting business, Pöyry aims to restrict inherent liability risks by using standard contract terms and insurances, and these assignments typically do not involve significant liability risks. Advisory services occasionally involve a risk related to receivables. Front-loaded and regular payment schedules are used to minimise such risks.

Engineering and other project services assignments

About eighty (80) per cent of Pöyry's business is derived from project services such as basic and detail engineering, procurement assistance, project and construction supervision, and project management and other site services. The projects are carried out on a fixed-price, ceiling-fee or time-charge basis. Fixed-price and ceiling-fee projects contain the risk of involving more professional work or time than estimated as a result of inaccurate time and cost estimates, performance delays, disputes about compensation for additional or changed services, inexperienced staff or other unexpected circumstances. Quality management and project review systems have been implemented throughout the Group to avoid and mitigate such risks. Regular project reviews are conducted. The work in progress, changed and additional work and receivables are assessed and recorded in the project accounting and risk management system. The project manager plays the key role in project risk management. The project manager manages and controls the project from bid preparation to final acceptance. Training is provided to project managers in the whole sphere of their activities.

EPC and O&M projects

About one (1) per cent of Pöyry's business is derived from engineering, procurement and construction (EPC) projects and operation and maintenance (O&M) service projects. EPC projects typically contain the project management, engineering, equipment procurement, construction, erection, commissioning and testing of the plant. O&M projects consist of the running of the plants for the client including maintenance work. Because of the specific risks related to EPC and O&M projects, this type of business is undertaken only by the Energy business group, where the combined value of such projects has been limited to about thirty (30) per cent of the business group's annual sales. Separate risk management policies and instructions have been issued for EPC and O&M projects with detailed instructions regarding risk evaluation and control mechanisms and regular project audits at site.

Public-sector and institutionally financed assignments

In about twenty-five (25) per cent of Pöyry's assignments the client is from the public sector or is an institutional investor. It is characteristic of these service contracts that liabilities cannot always be limited according to the Group's policies. Due to this particular risk, separate project and risk management guidelines and procedures have been defined for the business units which are engaged in this business.

Public-sector assignments are awarded according to public procurement, which involves the risk of tough price competition. In addition, public-sector decision-making involves the risk that the decision concerning the use of public funds for a specific project may be changed, delayed or cancelled, when political decision-makers are replaced.

Partners

A fair amount of projects is conducted in co-operation with subcontractors, in consortiums or with other co-operation partners. Partner risks relating to the performance or financial standing of the partner can involve risk for Pöyry. Performance related liability risks are transferred with contractual back-to-back arrangements to each respective co-operation partner to the extent possible. In addition, the Group's risk management instructions require checking of the co-operation partners' financial status and professional quality standards.

Liability

Professional services provided to clients involve liability risks. These risks may relate to a failure to deliver services in accordance with agreed professional standards, to calculation and similar errors and to performance delays. To mitigate such risks, special emphasis has been placed on the quality management and control systems in projects, and on limitation of professional liability in contracts. The business groups provide regular training for project management including proposal and contract management. In order to cover professional and general liability risks, the Group has a global liability insurance programme. The risk with liability insurances is the availability and pricing of such cover. Furthermore, certain professional risks are not covered under liability insurances, so the risk may fall on the Group.

Human resources

Pöyry's business success depends on its professional staff. The availability of qualified professionals is an important factor for the growth and profitability of the business. Pöyry's image as an employer is good and the Group aims at maintaining this image by being a pioneer in its own field of business. Group-wide HR processes are being developed and implemented, including recruitment of additional HR personnel.

Information technology

Pöyry's operations are largely dependent on the use of information and communication technology systems. Malfunctioning or limited access to the systems can negatively affect the operations of the Group. Measures have been taken to limit the effects of external influences on the systems and include a backup of data as well as the use of firewalls, virus scanners and access security.

Financial risks

The financial risks are described in the Notes to the Financial Statements pages 29-30.

PROPOSAL OF THE BOARD OF DIRECTORS

The parent company's distributable earnings are	
Retained earnings	EUR 19 008 344.17
Net profit for the period	EUR 32 050 336.92
	EUR 51 058 681.09

The Board of Directors proposes that a dividend of EUR 0.65 per share be paid on
the outstanding shares on the record date 13 March 2008. The dividend is payable on 20 March 2008

On the proposal date the amount of the outstanding shares was 58 652 614	
Accordingly EUR 0.65 per share would be	EUR 38 124 199.10
The remainder will be transferred to retained earnings, thus	EUR 12 934 481.99
	EUR 51 058 681.09

Vantaa, Finland, 31 January 2008
Pöyry Plc
Board of Directors

Henrik Ehrnrooth
Heikki Lehtonen
Pekka Ala-Pietilä

Matti Lehti
Harri Piehl
Karen de Segundo

Franz Steinegger
Erkki Pehu-Lehtonen
President and CEO

AUDITORS' REPORT

To the shareholders of Pöyry Plc

We have audited the accounting records, the report of the Board of Directors, the financial statements and the administration of Pöyry Plc for the period 1 January - 31 December 2007. The Board of Directors and the Managing Director have prepared the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, containing the consolidated balance sheet, income statement, cash flow statement, statement on the changes in equity and notes to the financial statements, as well as the report of the Board of Directors and the parent company's financial statements, prepared in accordance with prevailing regulations in Finland, containing the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements. Based on our audit, we express an opinion on the consolidated financial statements, as well as on the report of the Board of Directors, the parent company's financial statements and the administration.

We conducted our audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the report of the Board of Directors and the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the report and 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 the administration is to examine whether the members of the Board of Directors and the Managing Director of the parent company have complied with the rules of the Companies Act.

Consolidated financial statements

In our opinion the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view, as defined in those standards and in the Finnish Accounting Act, of the consolidated results of operations as well as of the financial position.

Parent company's financial statements,
report of the Board of Directors and administration

In our opinion the parent company's financial statements have been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The parent company's financial statements give a true and fair view of the parent company's result of operations and of the financial position.

In our opinion the report of the Board of Directors has been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The report of the Board of Directors is consistent with the consolidated financial statements and the parent company's financial statements and gives a true and fair view, as defined in the Finnish Accounting Act, of the result of operations and of the financial position.

The consolidated financial statements and the parent company's financial statements can be adopted and the members of the Board of Directors, the President and CEO as well as the Deputy to President and CEO of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors on how to deal with the result for the financial period is in compliance with the Companies Act.

Vantaa, Finland, 31 January 2008
KPMG OY AB

Sixten Nyman
Authorized Public Accountant

BOARD OF DIRECTORS AND GROUP EXECUTIVE COMMITTEE

Board of directors

Chairman, Chairman of the Nomination Committee
Henrik Ehrnrooth, born 1954, M.Sc. (Forest Econ.), B.Sc. (Econ.)
Cargotec Corporation, Deputy Chairman 2005-; Oy Forcit Ab, Member of the Board of Directors 2003-; Otava Books and Magazines Group Ltd., Member of the Board of Directors 1988-
Member of the Pöyry Board since 1997
Pöyry Plc shares: Henrik Ehrnrooth, together with his brothers Georg Ehrnrooth and Carl-Gustaf Ehrnrooth, indirectly holds a controlling interest in Corbis S.A. See page 40.

Vice Chairman, Chairman of the Audit Committee and the Compensation Committee
Heikki Lehtonen, born 1959, M.Sc. (Eng.)
Componenta Corporation, President and CEO 1993-; Finnish Business and Policy Forum EVA, Member of the Supervisory Board 2005-; Otava Books and Magazines Group Ltd., Member of the Board of Directors 1991-
Member of the Pöyry Board since 1997
Pöyry Plc shares: 33 200 (33 200)

Member of the Nomination Committee
Pekka Ala-Pietilä, born 1957, M.Sc. (Econ.), D.Tech. h.c., D.Sc. h.c.
Blyk Ltd, Co-founder and CEO 2006-; Nokia Corporation, President 1999-2005, Member of the Group Executive Board 1992-2005; Nokia Group, Executive Vice President and Deputy to the President and CEO 1998-1999; Nokia Mobile Phones, President 1992-1998; HelloSoft Inc., Member of the Board of Directors, 2007-; Pictet & Cie Banquiers, Member of the Advisory Board at Telecommunications 1998-; SAP AG, Member of the Supervisory Board 2002-
Member of the Pöyry Board since 2006
Pöyry Plc shares: 40 000 (40 000)

Member of the Nomination Committee
Matti Lehti, born 1947, Ph.D. (Econ.)
TietoEnator Corporation, Executive Chairman 2006-, President and CEO 1999-2005; Fortum Corporation, Member of the Board of Directors 2005-; Foundation for Economic Education, Chairman of the Board of Directors 2000-; Helsinki School of Economics, Chancellor 2005-; Helsinki School of Economics Foundation, Vice Chairman of the Board of Directors 1996-; Technology Industries of Finland, Vice Chairman of the Board of Directors 2007, Member of the Board of Directors 2008-; Technology Industries of Finland Centennial Foundation, Member of the Board of Directors 2007-
Member of the Pöyry Board since 1997
Pöyry Plc shares: 40 520 (40 520)

Member of the Audit Committee
Harri Piehl, born 1940, M.Sc. (Eng.)
JP Operations Management Ltd Oy, Chairman of the Board of Directors 2000-2005; Kymmene Corporation, Chief Executive Officer and Member of the Board of Directors 1991-1996
Member of the Pöyry Board since 2002
Pöyry Plc shares: 18 000 (18 000)

Member of the Compensation Committee
Karen de Segundo, born 1946, Master degree in Law (Leiden University), MBA
Ahold NV, Member of the Supervisory Board 2004-; British American tobacco Plc., Member of the Board of Directors 2007-; Ensus Ltd, Member of the Board of Directors 2006-; Lonmin Plc., Member of the Board of Directors 2005- ; Merrill Lynch New Energy Technology Plc., Member of the Board of Directors 2000-; Shell International Gas & Power, CEO (Shell Gas & Power) and Chairman (Shell Coal) 1998-2000; Shell International Renewables and Shell Hydrogen, CEO (Shell Renewables) and President (Shell Hydrogen) 2000-2005
Member of the Pöyry Board since 2005
Pöyry Plc shares: 4000 (4000)

Franz Steinegger, born 1943, LL.Lic.
Steinegger & Wipfli, Attorney-at-law and notary 1970-; Member of the Swiss Parliament 1980-2003; AG für die Neue Zürcher Zeitung, Member of the Board of Directors 1998-; Dätwyler Holding AG, Member of the Board of Directors 1994-; C.S.C Impresa Costruzioni SA, Chairman of the Board of Directors 1996-; Siemens Schweiz AG, Member of the Board of Directors 1995-, Vice Chairman 2001-; Swiss National Accident Insurance Fund, Chairman of the Board of Directors 1991-
Member of the Pöyry Board since 2001
Pöyry Plc shares: 40 000 (40 000)

The Members of the Board of Directors are appointed for a term of one (1) year lasting until the close of the following Annual General Meeting. Details of the working methods of the Board are available in the Corporate Governance section, see page 45. Curricula vitae of the Members of the Board are available on the company's website www.poyry.com.

Shareholdings are stated as at 31 December 2007 and in brackets as at 31 December 2006. The figures include direct holdings, holdings of corporations or foundations in which the shareholder has a controlling interest, and holdings of the shareholder's spouse and other family members.

Executive committee

President and CEO
Erkki Pehu-Lehtonen, born 1950, M.Sc. (Mech. Eng.)
Tekla Corporation, Member of the Board of Directors 2006-
Member of Pöyry's Group Executive Committee since 1997
Pöyry Plc shares: 6000 (6000)
Stock options 2004: 56 000 (80 000)

Deputy to President and CEO
Teuvo Salminen, born 1954, M.Sc. (Econ.)
CapMan Plc, Member of the Board of Directors 2001-2005,
Vice Chairman of the Board of Directors 2005-; YIT Corporation,
Member of the Board of Directors 2001-
Member of Pöyry's Group Executive Committee since 1997
Pöyry Plc shares: 16 000 (16 000)
Stock options 2004: 60 000 (70 000)

President of Energy Business Group
Richard Pinnock, born 1962, B.Sc. (Eng.), B.Comm. (Hons)
Member of Pöyry's Group Executive Committee since 2003
Pöyry Plc shares: 0 (0)
Stock options 2004: 30 000 (30 000)

President of Forest Industry Business Group
John Lindahl, born 1959, M.Sc. (Eng.), MBA
Member of Pöyry's Group Executive Committee since 2008
Pöyry Plc shares: 0 (0)
Stock options 2004: 7000 (0)

President of Infrastructure & Environment Business Group
Risto Laukkanen, born 1951, Dr.Tech. (Environmental Eng.)
Member of Pöyry's Group Executive Committee since 2000
Pöyry Plc shares: 0 (0)
Stock options 2004: 21 000 (30 000)

Vice President, Human Resources
Camilla Grönholm, born 1964, M.Sc. (Econ.)
Member of Pöyry's Group Executive Committee since 2006
Pöyry Plc shares: 0 (0)
Stock options 2004: 15 000 (15 000)

Chief Financial Officer
Lars Rautamo, born 1949, M.Sc. (Econ.)
Member of Pöyry's Group Executive Committee since 1999
Pöyry Plc shares: 5987 (8000)
Stock options 2004: 19 975 (20 000)

Group General Counsel
Anne Viitala, born 1959, LL.M., eMBA
Patria Oyj, Member of the Board of Directors 2007-
Member of Pöyry's Group Executive Committee since 2002
Pöyry Plc shares: 400 (400)
Stock options 2004: 14 000 (20 000)

Curricula vitae of the members of the Group Executive Committee are available on the company's website www.poyry.com.

Shareholdings are stated as at 31 December 2007 and in brackets as at 31 December 2006. The figures include direct holdings, holdings of corporations or foundations in which the shareholder has a controlling interest, and holdings of the shareholder's spouse and other family members.

ANNUAL SUMMARY

January

23 January	Pöyry to provide services for a new complex heat and power plant in Germany

February

2 February	Pöyry Plc's notice concerning Annual Accounts for 2006
2 February	Notice of Pöyry Plc's Annual General Meeting
2 February	Pöyry applies for listing of stock options 2004A on the official list of Helsinki Stock Exchange
12 February	Pöyry signed EUR 54 million services agreement in Três Lagoas pulp mill project in Brazil
15 February	Pöyry to provide services for the first bioethanol plant in the Philippines
27 February	Pöyry's annual summary of stock exchange releases in 2006
28 February	Pöyry's Annual Report 2006

March

5 March	Decisions made by the Annual General Meeting of Pöyry Plc

April

3 April	Pöyry awarded EUR 7 million contract for coal power project in Sri Lanka
17 April	Pöyry specifies its 2007 earnings estimate
26 April	Interim Report January 1 – March 31, 2007

May

16 May	Pöyry awarded EUR 5 million services contract for power plant project in Finland

June

18 June	Pöyry awarded EUR 7 million hydropower contract in Iran
20 June	Pöyry awarded EUR 9.5 million diesel oil storage EPC contract in Spain
29 June	Pöyry Plc shares subscribed with options

July

23 July	Pöyry awarded EUR 11 million coal-fired power plant engineering assignment in Vietnam
26 July	Interim Report January 1 – June 30, 2007
26 July	Approval of share subscriptions with stock options
26 July	Pöyry Plc's financial information in 2008

August

1 August	Increase of share capital based on subscriptions with options

September

5 September	New share issue resolved by the Board of Directors of Pöyry Plc
20 September	Pöyry awarded EUR 7 million road engineering assignment in Romania

October

1 October	Approval of share subscriptions with stock options
3 October	Pöyry awarded EUR 12 million project assignment by Mondi
5 October	Increase of share capital based on subscriptions with options
12 October	Pöyry to design Portucel's new PM4
30 October	Interim Report January 1 – September 30, 2007

November

15 November	Pöyry awarded EUR 14 million railway engineering assignment in Romania
23 November	Pöyry to provide engineering services for waste to energy plant in Switzerland

December

10 December	Approval of share subscriptions with stock options
11 December	Board of Directors of Pöyry Plc adopted an incentive plan for key personnel and resolved to exercise the authority by the Annual General Meeting to acquire own shares
14 December	Increase of share capital based on subscriptions with options

The complete stock exchange notices and announcements published by Pöyry Plc are available on the company's website www.poyry.com.

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