Business Review 2008

Contents

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 is a global expert in consulting and engineering. We offer our clients in-depth industry expertise, innovative solutions and lifecycle engagement. Our knowledge extends across hydropower, oil and gas, power and heat, renewable energy, pulp and paper industry, chemical process industry, transportation, water and environment, and construction services. We employ 8 000 experts in 49 countries.
Pöyry PLC is listed on NASDAQ OMX in Helsinki.

Business groups

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 six business areas: Management Consulting, Hydropower, Renewable Energy, Power and Heat, Oil and Gas, and Emerging Business.

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 three business areas: Management Consulting, Pulp and Paper Industry, and Chemical Process Industry. These are supported by the regional business areas: Europe including Russia, North America and South America.

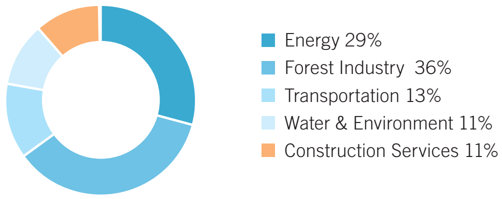
Transportation
Pöyry's Transportation business group offers consulting and engineering services, project management, and construction supervision. The business group's expertise covers rail-bound, road and urban transportation systems, tunnelling projects, and services related to traffic and community planning. The main markets are Asia, Europe and Latin America.

Water & Environment
The Water & Environment business group offers comprehensive engineering and expert services related to water and environmental technologies. The business group's expertise covers water resources management, treatment of municipal and industrial waste waters and waste management. Key markets are Europe, Asia and Africa.

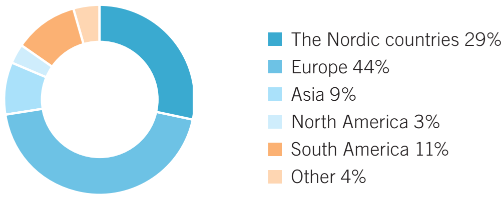
Construction Services
The Construction Services business group offers a full range of services for office, commercial and industrial building projects. Services include consulting, project management, architectural design, structural design, building technology services as well as construction management and supervision. The main markets are Finland, the Baltic region, Russia and China.

Key figures

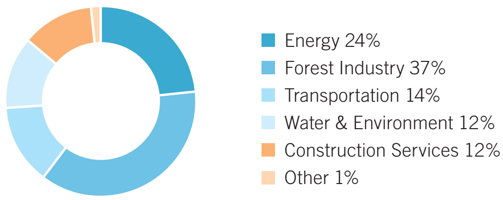
Net sales by business group, pro forma



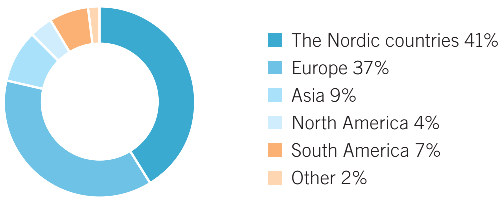
Net sales by market area



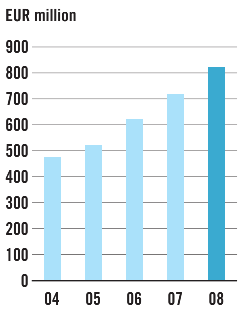
Personnel by business group, pro forma



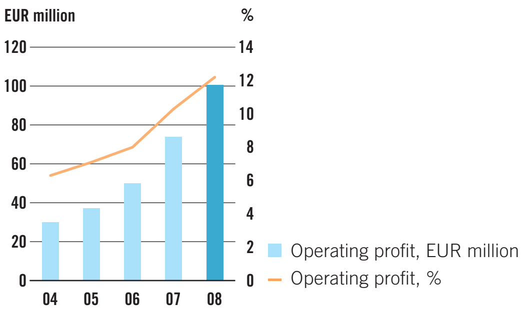
Personnel by market area



Net sales



Operating profit



	2007	**2008**
Net sales, EUR million	718.2	**821.7**
Operating profit, EUR million	73.8	**100.6**
Operating profit, %	10.3	**12.2**
Profit before taxes, EUR million	76.5	**103.2**
Profit before taxes, %	10.7	**12.6**
Earnings/share, EUR	0.88	**1.21**
Dividend/share, EUR	0.65	**0.65** [1]
Dividend/earnings ratio, %	73.9	**53.7** [1]
Return on investment, %	41.7	**45.4**
Gearing, %	-47.4	**-38.5**
Order stock, EUR million	562.8	**539.1**
Personnel in group companies	7 269	**7 924**

[1] Board of Directors' proposal

President's review

Dear reader

On 1 June 2008 I took over as President and CEO of Pöyry PLC. I want to thank my predecessor Erkki Pehu-Lehtonen for his support in ensuring a smooth and orderly transition to the helm of the company and wish him all the best in the future.

The year under review will go down in history as a remarkable period of strong financial growth for Pöyry. This was excellent timing because 50 years ago Dr Jaakko Pöyry founded the company. What started as "One Man's Dream" has since evolved into an international leader in the consulting and engineering business. Our history has been recorded through the projects we have completed over the years and the companies who have joined forces with us along the way. I invite you to take a look at the end of this annual report where we present our History Tree – a visual representation of Pöyry's 50 years of growth. We are thankful for the excellent work our experts have done over the years. We also appreciate the loyalty of our clients, some of whom have been associated with Pöyry for decades.

In summarising the performance in 2008, it is a pleasure to report that all business groups improved their financial result and all strategic financial targets were exceeded. Net sales increased by 14 per cent to EUR 821.7 million and profit before taxes by 35 per cent to EUR 103.2 million. The very good result was due in part to some key investment projects nearing completion, the high level of activity in all business groups and increased collaboration across our office network.

Our balance sheet has remained strong. During the last quarter of 2008 the company took measures to further improve its cash position. These measures were deemed necessary in light of potential business opportunities and challenges arising from the economic downturn.

Pöyry's business is built on the notion that "When our clients succeed, we succeed". To this end, we have continued to strengthen our service delivery. Investments in our experts, global office network and IT systems are important to being an attractive service provider and long-term employer. Pöyry is also committed to strengthening thought leadership in areas like energy efficiency, climate change and biofuels. With the establishment of a new Knowledge Management function in 2009, we will work towards greater integration of knowledge and the establishment of centres of excellence across Pöyry.

Pöyry is a growth-oriented company. Over the last 20 years we have increased revenues on average 12 per cent per annum. In addition to growing organically, an important element of our strategy is to acquire engineering and consulting companies and integrate them into our office network, now covering 49 countries. In 2008 we focused on infrastructure-related opportunities, acquiring Consilier Construct in Romania and ETT Proyectos in Spain as well as other smaller acquisitions, such as a construction services-related company in China.

Pöyry provides consulting and engineering services. In recent years we have acquired a number of companies in the energy consulting sector, making Pöyry Europe's leading consultant. This is in addition to already being the global leader in forest industry consulting. Our intent is to continue strengthening the consulting offering across all business groups. In engineering we have continued to invest in skill development. We have also developed the capability to execute complex EPCM projects. Pöyry's largest project in its 50-year history, the VCP pulp mill in Três Lagoas, Brazil, is an excellent example of our EPCM capabilities.

While the forest industry accounts for an important part of our sales and end result, the long-term goal is to further grow our presence in energy and infrastructure as well as in process industries other than the forest industry. To this respect the decision was made to split the Infrastructure and Environment business group into Transportation, Water & Environment and Construction Services, effective in 2009. This will allow for a more focused approach to growing these businesses in the long term and participating in demand arising from global challenges, such as population growth, urbanisation and climate change.

The year in review was the fifth and final year of a strong global investment cycle that has fuelled project activity across all of Pöyry's businesses in recent years. It was a year where the business climate changed within a short period of time during the last quarter of 2008; projects were postponed, preparations for new projects slowed down and the demand for consulting assignments decreased – particularly in the forest industry and construction services sectors. The economic downturn has also negatively affected the cost and availability of funding for capital projects and weakened the visibility of future demand.

Given the increasingly tight supply of engineering resources and rapidly rising cost and lead time of capital goods in 2007 and early 2008, a gradual deceleration of investment activity was to be expected. However, the speed and severity of the economic downturn has been greater than anticipated. During the autumn of 2008 Pöyry launched an action programme focused on sales, resources, cost structure and investments to adapt to the market situation. We will continue to safeguard the long-term viability of our business, but also invest in the future to ensure that we are in a good position when the next investment cycle begins.

On behalf of Pöyry I would like to thank our clients, employees, shareholders, service providers and other stakeholders for their strong support during the year. In our line of business, long-term relationships are important and we strive to develop them further each year. We look forward to a joint future in 2009.

Heikki Malinen
President and CEO

Focus on client interests

Pöyry is involved in all phases of its clients' business development. We provide innovative and value-added solutions, and a full range of consulting and engineering services. Our services extend from individual consulting and engineering assignments to management and implementation of complex projects. Our competitiveness stems from the in-depth know-how of our selected business sectors and the ability to apply this know-how in our clients' projects.

Mission

We exist to generate business success for our clients – when our clients succeed, we succeed.

In close collaboration with our clients we focus on their interests throughout the investment lifecycle and are committed to continuous improvement of our operations together with 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.

Values

Our values **Client, Team, Drive and Excellence** sum up our commitment and our attitude towards our work.

- 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.
- The outcome of our professional approach is excellence.

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.

Strategic business options

Five areas of expertise and global synergies

We have five main areas of expertise: energy, forest industry, transportation, water and environment, and construction services. All five 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

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.

needs of project work, quality systems 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.

Key capabilities – the 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. We strive to build a genuine knowledge of the needs, trends and technologies in our clients' businesses, and to develop the capability to convert this knowledge into value-added services. As a global company, one of our key skills is our ability to combine international operating practices with local experience. This allows us to provide our clients with the best possible and most functional solutions anywhere in the world.

To support our project-oriented activities, we are continuously developing new products and services based on integrated IT solutions. Effective information management is a cornerstone of our project business – making information available in the right format to the right persons at the right time. A systematic approach to knowledge management and development in the Group is a further step in this direction.

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 our 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 49 countries. An office network of this magnitude is a unique asset in our industry, and a key factor in implementing the Group's strategy. Our Global Network Company concept allows us to offer services both to global and local clients. Through this concept, we can combine the know-how of our global network of experts with a strong knowledge of local conditions.

Our aim is to share know-how and, whenever necessary, to transfer it 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

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 the possibility for self-financed growth.

THOROUGH LIFECYCLE UNDERSTANDING

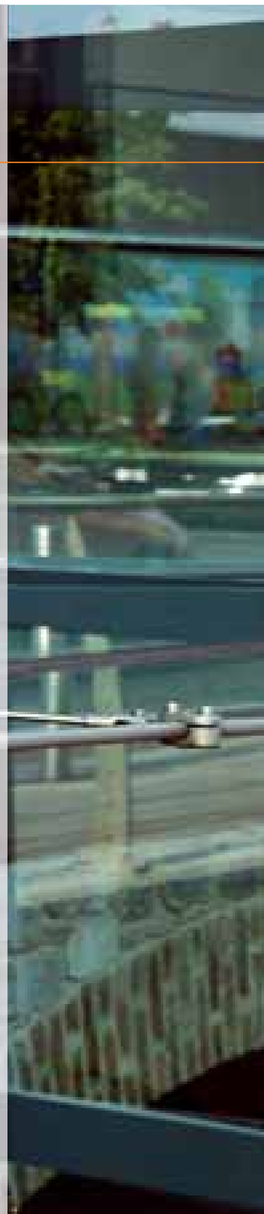
Pöyry's core expertise stems from a combination of comprehensive industry expertise and best practices in management consulting and engineering. We offer a full range of services covering the entire lifecycle of our clients' investment projects.

Co-operating closely with our clients in project work, we commit ourselves 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.

Management consulting

Industry and strategy development insight → Development and project management → Implementation and local services →

Technology consulting



Pöyry prepares itself for the next upturn

The year 2008 was a good one for Pöyry. However, the sharp decline in the world economy set off by the global financial crisis was reflected in declining investment demand in some client business sectors towards the end of the year. The year represented a change for Pöyry in other respects as well. The new President and CEO came onboard in the summer and then in the autumn business groups were restructured to provide a stronger basis for growth. Pöyry's good financial position has prepared it for the next upturn, even in the tough global economic environment.

Pöyry's net sales for 2008 were 14.4 per cent higher than the previous year, amounting to EUR 821.7 million. At EUR 103.2 million, profit before taxes increased clearly. Net sales increased in all business groups and their earnings improved. There were no major changes in the geographical distribution of Pöyry's net sales, and the growth was evenly divided between all of the group's main market areas, Europe, Asia and Latin America.

By the end of the year, the impacts of the financial crisis originating in the United States had spread throughout the global economy, impairing both consumer and investment demand, and plunging economic growth forecasts into a decline all over the world. The depth and duration of the crisis in the real economy are difficult to predict. However, it appears likely that the world economy will face a few years of challenging economic times.

Looking beyond the downturn

When the world economy plunged into a downturn at exceptional speed, the prospects for national economies and companies became very uncertain and difficult to predict. For Pöyry this means a point of discontinuity, where the company's operations are directed over a shorter perspective, focusing on operative matters. To maintain its profitability at the best possible level, the group launched an action programme in the last quarter of 2008, with the main emphasis on sales, resources, cost structure and investments. Every effort will be made to strengthen the group's good financial and liquidity position, because the looming recession will create opportunities for new and interesting restructuring actions, in which Pöyry aims to play an active role.

Investment demand in Pöyry's client business sectors is estimated to remain relatively stable during 2009, with the exception of medium to large pulp and paper mill projects, for which financing has decreased. In the commercial and office building construction sector, investment activity will also decline. Efforts will be made to use redundant capacity in the Forest Industry business group in other lines of business, when feasible from a skill and location point-of-view. Redundant capacity in the Construction Services business group will be utilised, when feasible, in various infrastructure construction projects, for which demand is good. The Group's order stock at the end of 2008 amounted to EUR 539.1 million.

Along with short-term actions related to maintaining its profitability and good financial position, Pöyry is also building its future with a long-term perspective. The company launched a new vision and strategy process at the end of 2008, preparing the guidelines for Pöyry's growth into a truly global multinational company during the next decade.

Global megatrends provide the basis for Pöyry's growth strategy

Climate change, world population growth, urbanisation and the industrialisation of emerging economies are among the key global megatrends that create increased demand for Pöyry's services, thereby providing a firm basis for the company's growth strategy.

Pöyry's business areas offer a comprehensive range of services for the investments required to combat climate change, such as improving energy efficiency, curbing carbon dioxide emissions and increasing the use of renewable energy, hydropower and nuclear power. The challenges presented by population growth, urbanisation and industrialisation can be alleviated by making use of Pöyry's services for developing infrastructure and transportation systems, water supply and waste management.

To be able to meet the demand created by the above-mentioned global megatrends, Pöyry split its Infrastructure & Environment business group as of the beginning of 2009 into three separate business groups: Transportation, Water & Environment and Construction Services.

In the longer-term, Pöyry sees its energy, transportation and water and environment businesses as its most potential growth areas. In the forest industry, where Pöyry is a global market leader, the growth will focus around services offered to the chemical industry. This means that the forest industry's relative share of Pöyry's business will decline. In the construction services business, Pöyry will remain a strong regional player.

Pöyry on the threshold of its third development phase

In 2008 Pöyry celebrated its 50th anniversary. In the company's history, two development phases can be clearly distinguished. In the first phase, the emphasis was heavily on serving the forest industry. In the second phase, which began in the beginning of 1990, operations were diversified into energy and infrastructure, and the company became a publicly listed company. During this phase, Pöyry grew into its present organisation as a global company, employing about 8000 people.

As Pöyry's operations have now reached a turning point, brought about by external as well as internal factors, the company has started to prepare for its third development phase. The strategy process currently in progress is designed to define Pöyry's growth path towards a significantly bigger and more global company over the next decade.

The Global Network Company concept will remain one of the cornerstones of Pöyry. It is based on the company's strong local office network and expertise, which provide the conditions for competing successfully with local companies. Pöyry brings its clients added value by supplementing local services with international resources, giving the clients everywhere access to the best expertise in the world. In addition, groupwide standardised operating models, engineering systems and tools improve the efficiency of operations and offer cost benefits. Pöyry will continue to invest in developing its Global Network Company concept.

Another important precondition for Pöyry's continued growth is more efficient use of knowledge. For this reason, at the beginning of 2009, Pöyry launched a Knowledge Management programme, which is designed to assemble the knowledge and expertise held by Pöyry staff in different parts of the world and put it at the disposal of the entire Pöyry Group.

Pöyry's strong financial position creates excellent conditions for moving into a new development phase. Though the turmoil in the world economy makes it difficult to foresee what is going to happen in the near future, Pöyry regards its longer-term growth potential as very good and will direct its resources to selected focus areas and businesses.

Strong platform for offering services

Pöyry is a world leader in the energy sector and Europe's leading provider of energy-related management consulting services. Pöyry's strength in the energy sector is its ability to combine in-depth industry expertise with best-practice concepts in management and engineering combined with lifecycle services. For the Energy business group, the year 2008 was excellent and all of its business areas developed favourably.

Managing climate change has become a key challenge for energy producers and energy-intensive industries. Energy-related products and services are weighed against their environmental competitiveness. Pöyry has world-leading expertise in the development of renewable energy solutions that can help to put energy generation on a sustainable footing. The renewable energy expertise covers bioenergy, waste-to-energy, wind power, geothermal energy, energy efficiency and solar power energy.

Climate change as a major driver

The pressure to take environmental issues into account in energy solutions continues to grow. Both public and private bodies are making a serious effort to initiate actions that will curb emissions of greenhouse gases. Actions to combat climate change are creating demand for renewable energy and energy efficiency-related services.

Environmental legislation and international agreements aimed at combating climate change, of which the most important are the Kyoto Protocol and the associated country-specific

ENERGY'S BUSINESS AREAS

In **Management Consulting** Pöyry provides management consulting services covering strategy, business operations, financing and valuation, and sustainability. Pöyry offers a comprehensive mix of services for the needs of the energy industry, including electricity producers, public and private utilities, the oil and gas industry, network operators, retailers, supervisory authorities, financial institutions and suppliers.

In **Hydropower** Pöyry is one of the world's leading engineering consulting firms. The 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 comprehensive consulting, project management and engineering services for projects related to bioenergy, waste-to-energy, solar power, geothermal energy and wind power applications. Pöyry's know-how covers all aspects of feedstock management and energy conversion schemes.

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 full asset lifecycle consulting and engineering services to clients in the upstream and downstream oil and gas industry. Services cover feasibility, concept and detailed engineering, operations support and specialist consulting.

In **Emerging Business** Pöyry offers consulting and engineering services locally in three strategic business sectors, namely Nuclear Energy, Transmission and Distribution and certain Industrial Plants.

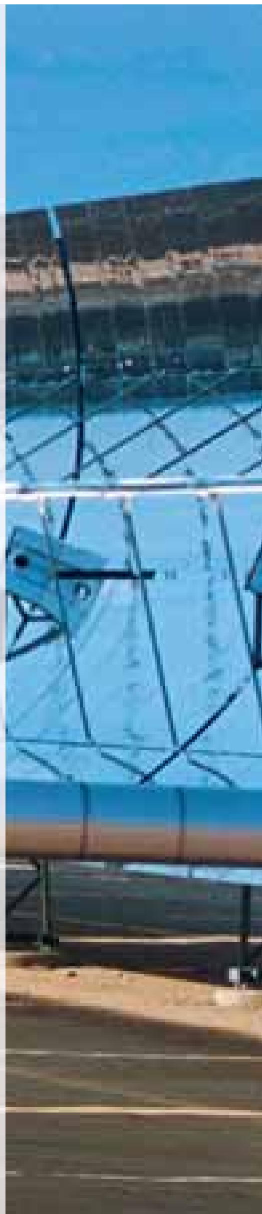
THE AGE OF SOLAR ENERGY

Increased population and consumption levels will place enormous pressure on energy supply and the environment. Fossil fuels will not be the answer; issues such as available reserves, climate change and security of supply demand alternative solutions – like solar energy.

Solar energy is humanity's oldest energy source and it is the most abundant energy source that we have. In just six hours, deserts receive as much free energy as the global yearly fossil energy consumption. However, harnessing free energy requires that markets, technologies and regulation work together. This process has started with photovoltaic and solar thermal power.

Photovoltaic installations are intrinsically modular, relatively simple to install and growing exponentially around the world. Once grid parity is reached, photovoltaic applications for households will take off quickly. Solar thermal energy is, instead, better suited for large-scale power generation. Together with thermal storage or fossil fuel back-up, solar thermal plants can provide firm capacity. Moreover, solar thermal plants can be integrated with desalination plants, providing potable water and electrical power in areas where solar resources and water scarcity are at their highest. Currently, thousands of MWs of solar thermal projects are being developed around the world.

Pöyry is at the forefront of solar development. Pöyry´s management consulting supports private and public institutions on solar markets and regulation. In addition, Pöyry's engineering expertise is used in flagship projects around the world, such as a 50 MW solar thermal plant in Spain with thermal storage, a combined desalination and solar power project in Africa, a 10 MW solar thermal plant in Thailand providing electricity and heat, and a due diligence of a 35 MW photovoltaic plant in Italy.



legislation to achieve the Kyoto reduction targets, are boosting demand for services related to renewable energy and other low-emission energy production options. The EU's expanding energy legislation will increasingly be taken into account in strategy processes, which creates growing demand for management consulting services in the energy industry.

In addition to renewable energy, investments in hydropower and nuclear power are growing in an effort for to further reduce carbon dioxide emissions. Hydropower construction is experiencing an upswing throughout the world. Nuclear power is also undergoing a renaissance, not only in Europe but also in new markets, such as the Middle East and Asia.

Carbon dioxide emissions can be reduced by capturing the carbon before or after combustion and by subsequent carbon capture and storage (CCS). As fossil fuels continue to be the primary source of energy, technologies of this kind have a great importance in reducing emissions. For this reason, CCS methods are developing very quickly.

In 2007, the EU made a commitment to deliver 20 per cent of its primary energy consumption from renewable sources by 2020. In 2008, the department of Business, Enterprise and Regulatory Reform of the UK Government commissioned a study from Pöyry to examine the costs of this commitment across the EU. This initiative, named 20-20-20, is expected to be ratified by the European Parliament during the first part of 2009. Another major regulatory reform will be made at the UN conference in Copenhagen in April 2009. The conference will decide on the successor of the Kyoto Protocol which is effective until 2012. Both of these legislative changes are expected to have positive implications for Pöyry.

Energy markets remained active

The world's energy markets remained active in 2008. Demand for energy-related services was good in Europe and stable in other geographical market areas, and the Energy business group further strengthened its global market position. Environmental legislation continued to drive demand for renewable energy and energy efficiency-related services. The volatility of primary fuel prices, the structural change in the European energy market and actions related to the energy mix of companies boosted demand for management consulting services. Investments in the energy sector have grown strongly during the past few years, resulting in a shortage of project implementation capacity. This has also resulted in increased investment costs. These factors have contributed to delays in implementing certain projects. The downturn of the global economy has not had any significant impact on investment demand in the energy sector so far.

At the end of 2008 Pöyry sold its share ownership in Polartest Oy, Finland to the German company Dekra AG. The transaction has a positive effect on the Energy business group's result for the last quarter of 2008.

The Energy business group's net sales in 2008 were EUR 241.3 (217.5) million. Operating profit was EUR 32.0 (21.0) million. The order stock at the end of the year was good, amounting to EUR 196.4 (212.7) million.

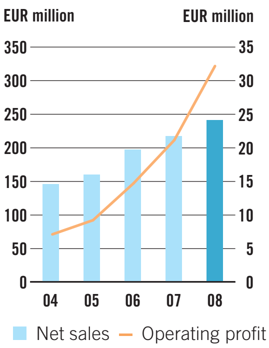
Changing environmental and energy legislations creating demand for services

Changes within the structure of energy sources coupled with energy legislation work, particularly in the EU, are expected to drive demand for strategic management consulting services. Long lead time in projects in the hydropower sector may be affected in some markets in the short term, but prospects in the medium term specifically in the emerging markets remain strong. Environmental legislation focused on combating climate change will continue to drive demand for renewable energy and energy efficiency related services. The continued demand for energy, particularly in Russia, China, Asia, the Middle East and Southern Africa, is expected to remain, but client's investments in the short to medium term are expected to be driven by long-term energy supply diversity and energy security. Cooling of the previously overheated thermal power sector is expected in the medium term which will have a positive effect in investments by lowering equipment supply costs and delivery times. The power and heat sector is expected to see improved growth. The nuclear power renaissance is clearly picking up speed not only within the European markets but also in new markets, such as the Middle East and Asia. Volatility in the price of crude oil is expected to continue in the short term but with a softening price trend. The drive to secure new reserves by oil companies will continue to create new business opportunities in the oil & gas sector in the Asia-Pacific, Middle East and North Sea markets. The business group has maintained its strong market position and its order stock has remained stable. The Energy business group's operating profit is estimated to remain stable in 2009, if the positive effect on earnings of the non-recurring income from the sale of Polartest Oy's shares is not taken into account in the operating profit.

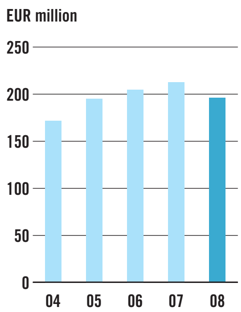
Energy business group's key figures

EUR million	2004	2005	2006	2007	2008	Share of group, %
Net sales	146.5	160.0	197.4	217.5	241.3	29.4
Operating profit	7.0	9.1	14.6	21.0	32.0	31.8
Operating profit, %	4.8	5.7	7.4	9.7	13.2	
Order stock	171.8	195.2	204.9	212.7	196.4	36.4
Personnel	1 485	1 463	1 692	1 838	1 870	23.6

Net sales and operating profit



Order stock



MAJOR ASSIGNMENTS IN ENERGY

Pöyry has been awarded contracts by Woodside Energy as part of the Pluto liquefied natural gas project, currently under construction in Western Australia. Pöyry's engagement covers ongoing flow assurance and related process engineering services for the production system, development of operating philosophies and manuals, and supporting commissioning and start-up activities. The Pluto LNG project is set to become the fastest-ever developed liquefied natural gas project, from discovery of the gas field in 2005 to planned production of first gas in late 2010. The AUD 12 billion project will process gas from the Pluto and Xena gas fields in the Carnarvon Basin.

In Kalimantan, Indonesia, Pöyry signed an owner's engineering services contract with PT Makmur Sejahtera Wisesa for a new 2x30 MW coal-fired power plant project. The assignment includes engineering design review, project and construction management, site supervision, and coordination of commissioning services. The project started with the design review phase in July 2008 and is expected to be completed in September 2011. It consolidates Pöyry´s position as a leading provider of expert technical services in one of the most dynamic markets in Asia.

In Taishan, China, SOFINEL S.A. awarded Pöyry an engineering contract for the detail piping and support design for a new nuclear power plant. This assignment is a continuation of prior project awards like Olkiluto 3 in Finland and Flamanville 3 in France where Pöyry is supporting AREVA and SOFINEL in building new nuclear power plants. Pöyry's assignment commenced in June 2008 and it is expected to be completed in 18 months. This assignment is a key to Pöyry's intent to increase its nuclear engineering business in Europe and beyond in the medium term.

Expanding into new areas

Pöyry is global market leader in the forest industry. With its strong project expertise and comprehensive EPCM services, Pöyry is well equipped to plan and implement investment projects and to provide local services to its clients. Pöyry also offers clients expert services and business advice related to strategy and business development. In the chemical industry, Pöyry provides services throughout the lifecycle of clients' production plants.

In late 2008, Pöyry started to redirect a part of its engineering capacity from major pulp and paper projects hampered by the global financial crisis towards chemical and energy industry projects, rebuild and maintenance projects, and local services. As the number of major new investment projects is declining, the long-term services contracts are assuming increased importance. The contracts cover engineering services, project management and document services and maintenance investments. The services contracts are accounting for a growing share of Pöyry's business.

Through its management consulting services Pöyry offers forest industry clients performance improvement programmes for enhancing profitability. Following the financial and economic downturn, clients' need for performance improvement services has increased, offering Pöyry an opportunity to expand its operations in this area. The performance improvement services are unique as they cover the whole supply chain of an individual mill including energy production. The focus has so far been on the developed markets of North America and Europe, but more recently there has also been growing interest in performance improvement services also in Russia and Asia.

FOREST INDUSTRY'S BUSINESS AREAS

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 value 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.

The **Pulp and Paper Industry** business area provides engineering and project implementation services for the pulp and paper industry worldwide. Services cover feasibility studies, basic and detail engineering, project management, project services, construction management and erection supervision, and commissioning services. Process know-how, advanced engineering and project management systems, and extensive experience of all phases of a project play a key role in project implementation.

The **Chemical Process Industry** business area serves clients internationally. It offers technical consulting and engineering services, project management and site supervision for investment projects, and performance improvement services for the chemical process industry. The business area participates in all phases of its clients' business development.

The regional business areas focus on **Europe and Russia, North America** and **South America**. They serve local clients and support the Pulp and Paper Industry and Chemical Process Industry business areas in their projects. They also develop business regionally in close co-operation with the respective business area.

ADVANCED SOLUTIONS FOR PRODUCTION OF BIOFUELS

As the cost of energy in all forms is rising and the pressure to prevent global warming continues to accumulate, demand for alternative sources of energy and fuel is growing rapidly. Renewable energy and fuels can contribute to climate change mitigation and promote sustainable development, while improving the security of supply. Therefore, biomass is increasingly used as a fuel in power plants and district heating plants, and also as a source of green transport fuels and chemicals.

Sustainable biofuel production faces challenges in fulfilling future market demands, which are created by political decisions, limited by economics and mixed with a variety of raw materials and technologies. Accordingly, Pöyry emphasises the importance of social, ecological, and economic sustainability in delivering cutting-edge solutions for biofuel production.

At Pöyry, biofuel projects represent a rapidly growing business which is strongly supported by the company's expertise in the forest industry, chemical process industry, energy, infrastructure and environment. Services cover the entire value chain from biomass to products, ranging from strategic consulting advice to engineering, procurement and construction management. Pöyry is engaged in both first-generation biofuel projects and second-generation cellulosic ethanol or renewable diesel projects. Pöyry is also analysing the opportunities and risks involved in more advanced biofuels and biorefineries.

Focus on improving competitiveness

The restructuring of the forest industry is continuing in Europe and North America. Companies have attempted to improve their profitability by cutting back production capacity, improving the efficiency of operations and adding flexibility. The efforts to improve competitiveness by enhancing efficiency in all areas of companies' business operations as well as strategic reassessment of operations and the restructuring of the industry, will continue to increase demand for management consulting services in the forest industry.

Demand for newsprint and printing and writing papers has stopped growing in the developed markets because of the competition from electronic media. However, in the emerging markets of Asia, Russia and Eastern Europe, demand for these grades is still increasing, while the consumption of packaging and hygienic grades is growing rapidly. Since about half of the world's paper consumption is used for various packages, the total consumption of paper is not declining.

In the past few years, new investments in the forest industry have primarily taken place in emerging markets. Owing to the world financial crisis, the financing of major pulp and paper projects was impaired all over the world in the second half of 2008. Pre-studies concerning new investment projects are continuing, but go-ahead decisions are being postponed while waiting for the financial markets to recover and the demand outlook to improve.

In the chemical industry, investment activity has remained high, though towards the end of the year the slow-down of the world economy started to affect the progress of new investments. Demand for chemicals used in the construction and automotive industries in particular is expected to decline, which will affect the chemical industry's future investments.

2008 was a good year for the business group

In spite of the financial crisis and the strong economic downturn in the second half of the year, 2008 was still a good year for the Forest Industry business group. The good performance was due to effective capacity utilisation, successful completion of a number of major projects, and good demand and earnings development in Latin America.

The focus of new investments in the forest industry was mostly on emerging markets. In the chemical industry, investment activity remained high and Pöyry's business continued to develop favourably. The focus was on the forest industry's chemical plants but also on other types of chemical industry investments in different countries. Pöyry carried out numerous investment studies and engineering assignments for biofuel projects in several countries. Demand for local and management consulting services remained stable both in the forest and chemical industries.

During 2008 Pöyry acquired the remaining 30 per cent of the shares of CJSC "Giprobum-Pöyry" (previously named ZAO Giprobum Engineering) based in St. Petersburg, Russia, and now owns the entire share capital of the company. The company was consolidated into Pöyry already in 2007. The company is Russia's leading forest industry consulting engineering firm, employing a total of about 250 experts.

Many of Pöyry's most important projects received during 2008 consisted of integrated EPCM (Engineering, Procurement, Construction Management) services contracts. As demand for packaging materials continued to grow, Pöyry also received several assignments related to board machine construction projects. Prestudies for various investment projects continued at a high level.

The Forest Industry business group's net sales for 2008 were EUR 294.5 (260.6) million and operating profit was EUR 50.8 (36.3) million. The business group's order stock declined amounting to EUR 86.3 (119.6) million at the end of the year.

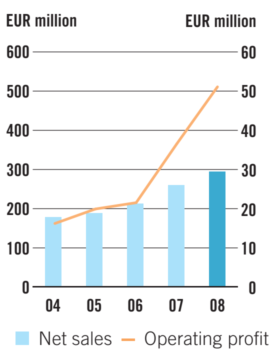
Financial crisis stopped planning of new major projects

The Forest Industry business group's market position is stable. The order stock declined in the last quarter of 2008 impaired by the global financial crisis. Nearly all major planned projects have been stopped. Preliminary engineering work for new investment projects still continues in certain areas, notably in Russia. In Latin America, the volume of investments will go down significantly in 2009. The order stock for chemical-industry projects is stable, but in this sector, too, many of the largest projects have been put on hold. Demand for local services in the forest industry sector has decreased, while it has remained stable in other industrial sectors. Demand for management consulting services has declined and is increasingly focused on improving forest product companies' profitability, including business development and energy savings. The restructuring of the pulp and paper industry may lead to increased demand for management consulting and investment banking services. Adaptation measures have been started in many units of the business group. The impact of these measures will be visible from the second quarter of 2009 onwards. The Forest Industry business group's operating profit is estimated to decrease significantly in 2009.

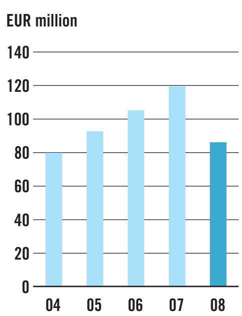
Forest Industry business group's key figures

EUR million	2004	2005	2006	2007	2008	Share of group, %
Net sales	178.3	189.1	213.3	260.6	294.5	35.8
Operating profit	16.0	19.7	21.3	36.3	50.8	50.5
Operating profit, %	9.0	9.9	10.2	13.9	17.2	
Order stock	80.0	92.6	105.2	119.6	86.3	16.0
Personnel	1 976	2 023	2 300	2 734	2 917	36.8

Net sales and operating profit



Order stock



MAJOR ASSIGNMENTS IN FOREST INDUSTRY

Pöyry signed an engineering contract with Propapier GmbH for a new paper machine to be built at Eisenhüttenstadt in Germany. The new paper machine will produce about 650 000 t/a of testliner/fluting. The assignment comprises procurement, engineering, erection supervision, commissioning and start-up services for implementation of the paper mill project. The latest technology will be applied in all process solutions, aiming for high-quality products, while taking into account stringent environmental requirements.

Pöyry signed an EPCM services contract with Roal Oy for an enzyme plant redevelopment project in Rajamäki, Finland. The contract covers project management, engineering, procurement and construction management services for the expansion of the plant. The assignment supports Pöyry's position as a provider of comprehensive engineering and project services to the chemical and process industries.

Mondi commissioned Pöyry to provide engineering services for the rebuild and expansion of its Syktyvkar pulp and paper mill in the Komi Republic of Russia. Upon completion in 2010, the mill will have a production capacity of 940 000 t/a of paper and paperboard. Pöyry's services comprise detail mechanical, electrical and instrumentation engineering for the entire pulp mill. The assignment reinforces Pöyry's position in the Russian market.

Pöyry was appointed main engineering consultant for Amcor's new B9 linerboard machine project at the Botany Mill in Sydney, Australia. Pöyry's services include basic and detail engineering, field engineering and procurement services. The new board machine will have a production capacity of 345 000 t/a of linerboard and testliner. The raw material will be 100 per cent recycled fibre. The assignment is a further confirmation of Pöyry's competence in the field of board machines producing packaging grades.

Opportunities in the growing global transportation market

The expertise of Pöyry's new Transportation business group covers rail-bound, road and urban transportation systems, tunnelling projects, and services related to traffic and community planning. In project implementation, a major strength is Pöyry's in-depth experience of transportation systems, combining local knowledge with global operating procedures. In 2008 Pöyry opened several new offices in the growing markets of Latin America and Eastern Europe.

The Transportation business group was formed in the beginning of 2009 when the Infrastructure & Environment business group was divided. Pöyry's transportation services include initial consulting services, engineering and project management as well as construction supervision. The main markets are Asia, Europe and Latin America. In developed markets many of Pöyry's projects are related to rehabilitation or optimisation of existing works, while in emerging economies, Pöyry focuses primarily on the provision of new infrastructure.

Pöyry's major strength in the transportation field lies in its

in-depth knowledge and experience of transportation systems and its ability to combine a strong local presence with the know-how of its global network of experts. In the emerging markets Pöyry usually competes with large multinational companies similar to itself, and in the developed world with local competitors. Pöyry's unique Global Network Company concept of being able to utilise the resources and competences from its local offices, gives it a definite competitive edge.

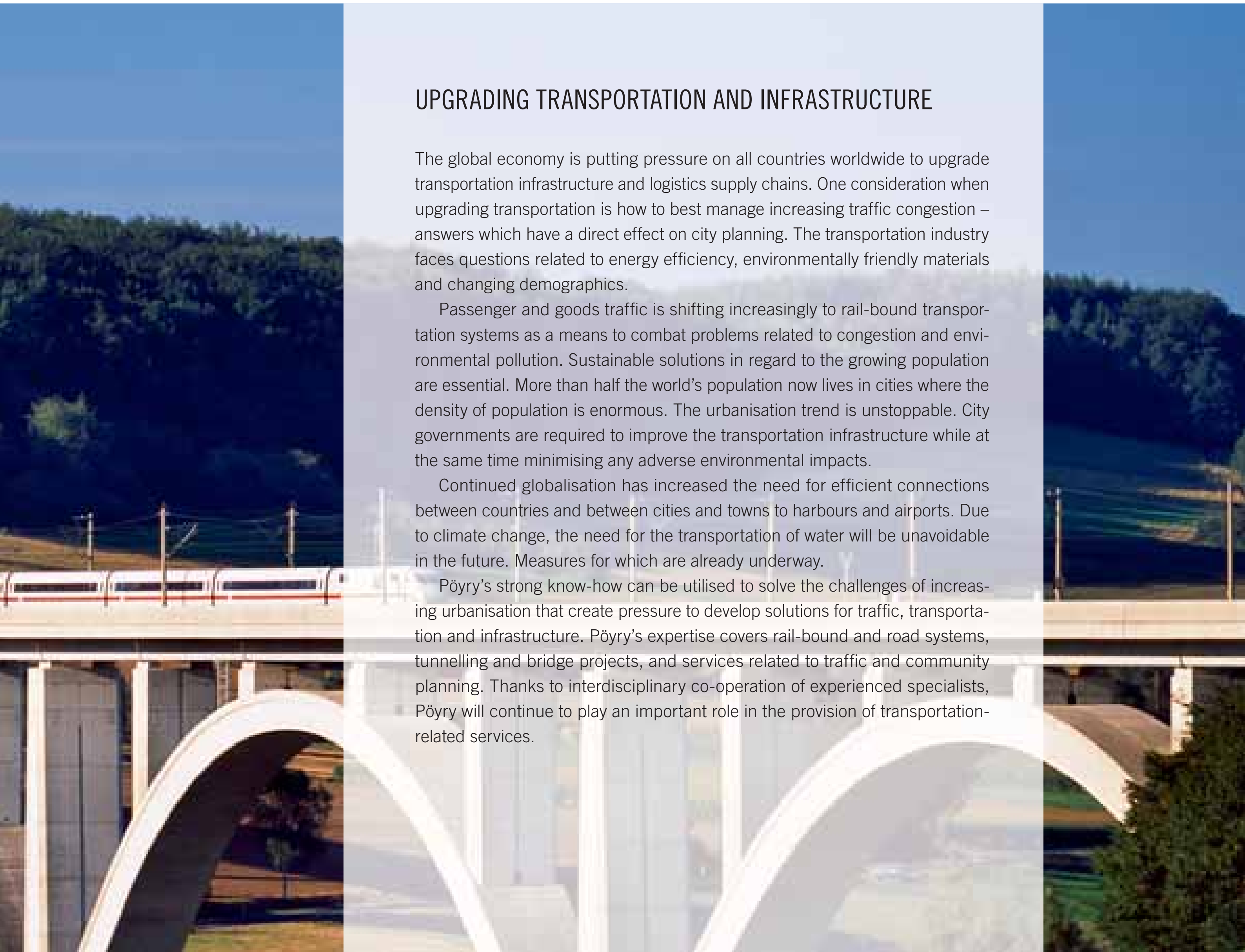
Since Pöyry currently has a relatively small market share of the huge global transportation market, the opportunities for growth are significant. Growth in this sector has therefore been identified as a key strategic growth area for the Group. The business group has identified new geographic markets that it is targeting. In addition, the field of logistics planning and supply chain management, previously untapped by Pöyry, creates future opportunities for expanding Pöyry's management consulting services into this business group as well. With its long-term, public sector financed projects, the transportation business also adds a balancing, anti-cyclical element to Group's business portfolio.

Stable demand for transportation system services

Despite the significant differences in economic growth rates, the global economy will pressure all countries to upgrade their transportation infrastructure and logistics supply chains in order to remain competitive and prevent them from falling behind.

China, India and Russia will continue to drive the global market for transportation infrastructure, as they strive to establish an effective and state-of-the-art transportation network. Mature economies of Western and Northern Europe with established but aging transportation infrastructure networks will need to invest in maintenance and refurbishment, while Eastern European states are building and improving their transportation infrastructure with the support of EU cohesion funds to allow them to integrate into existing EU systems.

As a result of continued urbanisation in all parts of the world, there will be concentrated demographic pressure on large cities that will improve demand for transportation infrastructure development services. The need to get people in, out and around the cities creates demand for metro, light rail transit as well as traffic guidance and control systems.



UPGRADING TRANSPORTATION AND INFRASTRUCTURE

The global economy is putting pressure on all countries worldwide to upgrade transportation infrastructure and logistics supply chains. One consideration when upgrading transportation is how to best manage increasing traffic congestion – answers which have a direct effect on city planning. The transportation industry faces questions related to energy efficiency, environmentally friendly materials and changing demographics.

Passenger and goods traffic is shifting increasingly to rail-bound transportation systems as a means to combat problems related to congestion and environmental pollution. Sustainable solutions in regard to the growing population are essential. More than half the world's population now lives in cities where the density of population is enormous. The urbanisation trend is unstoppable. City governments are required to improve the transportation infrastructure while at the same time minimising any adverse environmental impacts.

Continued globalisation has increased the need for efficient connections between countries and between cities and towns to harbours and airports. Due to climate change, the need for the transportation of water will be unavoidable in the future. Measures for which are already underway.

Pöyry's strong know-how can be utilised to solve the challenges of increasing urbanisation that create pressure to develop solutions for traffic, transportation and infrastructure. Pöyry's expertise covers rail-bound and road systems, tunnelling and bridge projects, and services related to traffic and community planning. Thanks to interdisciplinary co-operation of experienced specialists, Pöyry will continue to play an important role in the provision of transportation-related services.

Growing mobility of people and goods around the world is resulting in complex logistic challenges and increased demand for long haul traffic infrastructure such as airports and high-speed rail systems. The solutions to these challenges must be cost-effective, environmentally compliant and technologically smart.

Activities were expanded

Demand for Pöyry's transportation services remained strong in 2008. The markets were particularly buoyant in Latin America and Eastern Europe, and to be able to satisfy the growing demand, Pöyry opened several new offices in those regions during the year.

Pöyry also made a strategic thrust into Eastern Europe, Spain and Switzerland through acquisitions. It acquired a leading Romanian engineering consulting firm, Consilier Construct S.R.L. With its 220 experts, the company focuses on the transportation market, in particular on the road and rail sectors. The company's net sales amounted to EUR 10.0 million in 2008. Following this acquisition, Pöyry's transportation activities have taken a significant step forward in developing its position in the Eastern European market, which is expected to benefit substantially from the integration of Romania and the other new member states into the European Union.

Pöyry also acquired the Spanish ETT Proyectos S.A. Employing 45 experts, the company provides engineering and consultancy services in the rail sector, including both conventional rail systems and high-speed rail systems. It has also carried out a number of assignments in the area of logistics infrastructure. Its net sales in 2007 amounted to EUR 3.2 million. This acquisition supports Pöyry's strategy of expanding its transportation activities into the Spanish market, while at the same time providing synergies for its established position in Latin America.

Pöyry acquired the Swiss Kündig & Partner AG. The company employs ten experts and its net sales amounted close to EUR 1.5 million in 2008. Its Bern office complements Pöyry's office network in Switzerland. With this acquisition Pöyry continues to maintain its position as a leading consultant in the engineering sector in Switzerland, and Pöyry's clients will benefit from this latest state-of-the art know-how.

Boosted by the good demand situation and its focused measures to increase its market presence, the net sales of the Transportation business group for 2008 amounted to EUR 105.5 (91.7) million and operating profit was EUR 9.2 (7.2) million. The order stock was good, amounting to EUR 130.9 (107.0) million at the year end.

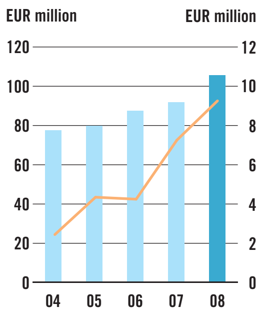
Investments in transportation systems continue

Despite difficult economic conditions in almost all regions of the world, investments in the transportation sector have continued to take place, with a similar pattern as in previous years. In particular, Eastern Europe where EU funds are being made available to the new EU member states, Latin America and India remain buoyant. Investments in Western Europe remain stable except in Germany. Many of these new investments are taking place in order to provide new roads, rail and metro systems, together with the associated tunnels. All of these investments are core areas of the Transportation business group. The operations of the Transportation business group are therefore expected to remain stable and the operating profit is estimated to improve in 2009.

Transportation business group's key figures

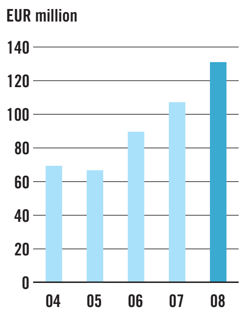
EUR million	2004	2005	2006	2007	2008	Share of group, %
Net sales	77.6	79.7	87.5	91.7	105.5	12.8
Operating profit	2.4	4.3	4.2	7.2	9.2	9.1
Operating profit, %	3.1	5.7	6.0	7.8	8.7	
Order stock	69.3	66.7	89.5	107.0	130.9	24.3
Personnel	691	700	797	798	1 073	13.5

Net sales and operating profit



Net sales — Operating profit

Order stock



MAJOR ASSIGNMENTS IN TRANSPORTATION

In Switzerland Pöyry was awarded an engineering services contract in the Gotthard Base Tunnel project by the Swiss Transtec Gotthard Consortium. The assignment comprises support of the operational management, technical coordination and planning integration. The Gotthard Tunnel is one of the longest rail tunnels in the world, having a length of 57 km. Pöyry has been involved in many different aspects of this major infrastructure project over 20 years. This tunnel is expected to be opened to commercial service in 2017.

Pöyry was awarded two contracts for the extension to the existing consultancy engineering contracts with Metro de Maracaibo C.A., Venezuela, relating to the light rail transportation system in Maracaibo. Pöyry's scope of work includes project review, site supervision, interface management, quality management services, supervision of the maintenance of electro-mechanical equipment and rolling stock, planning and employee training. This project is expected to be completed in June 2012.

In Bulgaria Pöyry will be responsible for the design of the rehabilitation of the railway line between Sofia and Plovdiv and for technical assistance in the modernisation of the railway line along the Sofia–Dragoman and Sofia–Pernik–Radomir sections. In addition to rehabilitation, the objective of the first project is to secure the technical interoperability conditions in line with the EU's Trans-European transport network programme. Pöyry's services in these assignments include preliminary investment analysis, a feasibility study, and technical design for the purposes of obtaining approval. Both projects form an important part of the European Transportation Corridor.

In Poland Pöyry was awarded an engineering contract for a feasibility study for the C-E 65 railway line by PKP Polskie Linie Kolejowe S.A. The railway line, with a length of 573 km, is an important part of the European Transportation Corridor. The modernisation will increase the travel speed for passenger traffic to 160 km/h, partly to 200 km/h, and for freight traffic to 120 km/h, and will significantly shorten the travel time on this important transportation corridor.

New potential in the water and environment sector

Pöyry's Water & Environment business group offers comprehensive engineering and expert services related to water and environmental technologies. Pöyry assists in water resources management, treatment of municipal and industrial waste waters and waste management. In 2008 Pöyry strengthened its position in its European market by winning several important projects.

The Water & Environment business group was formed when the former Infrastructure & Environment business group was reorganised as three separate business groups effective as of 2009. Pöyry's success in water and environment stems from its ability to combine technological and environmental aspects in a cost-effective manner at the planning stage and to provide sustainable solutions tailored to local conditions. One of Pöyry's unique advantages in the water and environment area is the geographical diversity of its operations.

The Water & Environment business group operates mainly in Europe where it is the market leader in Finland and Germany and among the top five in the Czech Republic and France. It also operates in Asia, Africa, and to a smaller extent in Latin America. Although Pöyry is a big operator in its key market areas, its share of the global water and environment market is small. This leaves a lot of potential for growth which is why

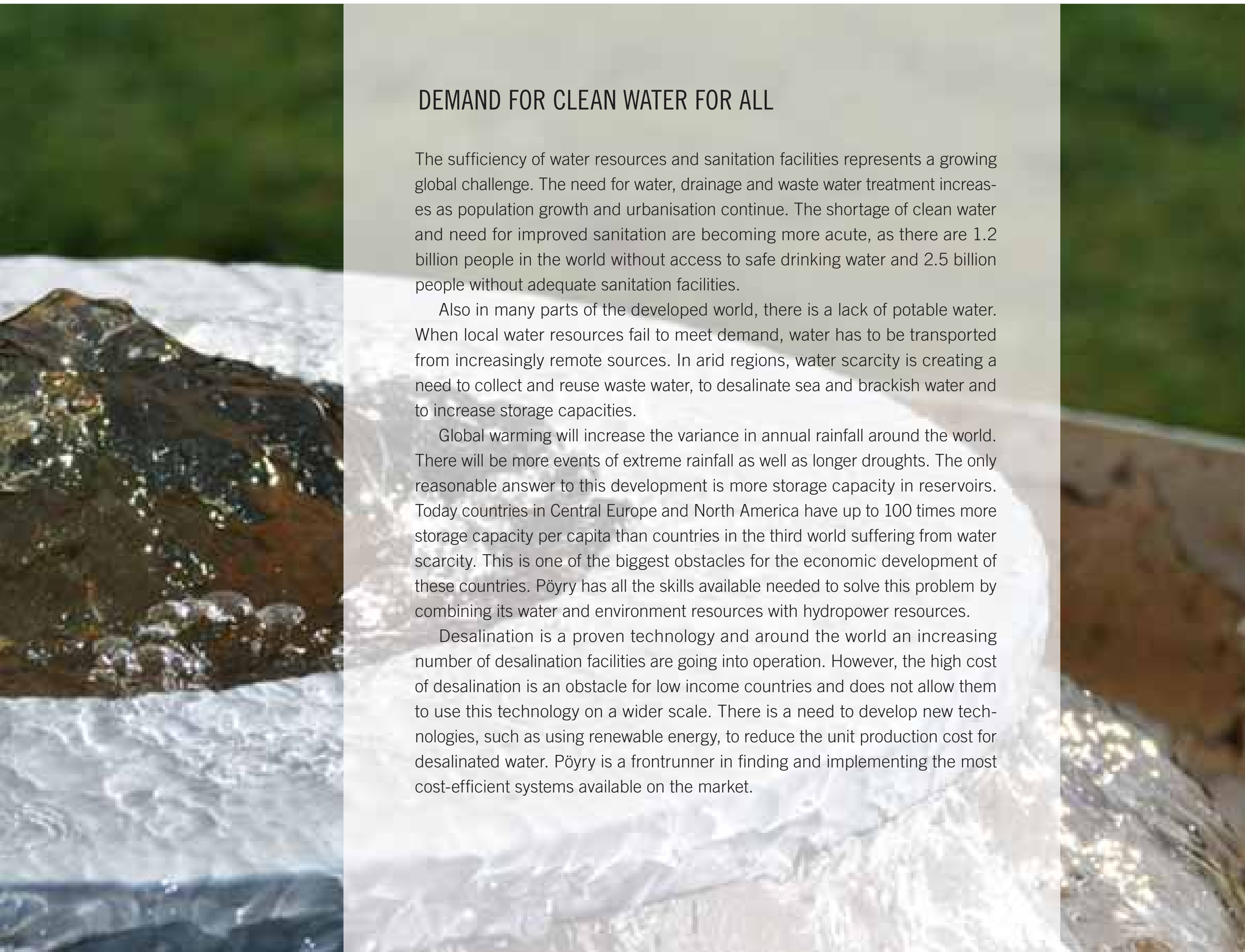
Pöyry sees water and environment as a growth area in the future.

Most of Pöyry's competitors are either local companies operating only in a certain country, or global or regional companies having a larger share in one specific market. Combining the capabilities of its local offices in various countries, Pöyry can offer its clients a broad range of skills and technologies. In the overseas markets, the business group can utilise the global network of Pöyry operations and thus offer truly global service.

Global development trends increase investments

The rapid industrialisation of emerging economies leads to fast-growing waste generation and degradation of the environment. Consequently, waste management is growing in importance, but waste is also seen as a source for raw material and energy production. Pöyry has been working for decades in this sector and is one of the leading firms in Europe regarding collection, treatment and reuse of organic waste materials. By combining its water and environment and renewable energy know-how, Pöyry is able to find sustainable solutions to any waste management issue whether it be related to the rehabilitation of an old landfill, high-tech waste sorting facilities, waste incineration or any other technology.

The growing frequency of climatic disturbances has, among other things, strongly increased flooding in recent years. Floods have become more severe and have also occurred in areas that have never been flood-prone regions. This has added to the importance of large-scale flood protection measures for low-lying cities around the globe and for many river basins. Pöyry takes a holistic approach to flood protection. The first step is to design a flood protection system that includes the acquisition of reliable hydraulic data, which is normally derived from historic records of the relevant area. Flood protection systems must incorporate requirements concerning the environment and often encompass protection of rivers upstream from the flood-prone area by making use of the existing overflow lands and constructing flood-release basins or retention reservoirs. Pöyry has been and continues to be involved in many major flood protection measures along most European rivers such as the Elbe, Oder and Rhine, as well as in numerous smaller assignments reducing the risk of local flooding in small river basins in France, Germany and the Czech Republic.



DEMAND FOR CLEAN WATER FOR ALL

The sufficiency of water resources and sanitation facilities represents a growing global challenge. The need for water, drainage and waste water treatment increases as population growth and urbanisation continue. The shortage of clean water and need for improved sanitation are becoming more acute, as there are 1.2 billion people in the world without access to safe drinking water and 2.5 billion people without adequate sanitation facilities.

Also in many parts of the developed world, there is a lack of potable water. When local water resources fail to meet demand, water has to be transported from increasingly remote sources. In arid regions, water scarcity is creating a need to collect and reuse waste water, to desalinate sea and brackish water and to increase storage capacities.

Global warming will increase the variance in annual rainfall around the world. There will be more events of extreme rainfall as well as longer droughts. The only reasonable answer to this development is more storage capacity in reservoirs. Today countries in Central Europe and North America have up to 100 times more storage capacity per capita than countries in the third world suffering from water scarcity. This is one of the biggest obstacles for the economic development of these countries. Pöyry has all the skills available needed to solve this problem by combining its water and environment resources with hydropower resources.

Desalination is a proven technology and around the world an increasing number of desalination facilities are going into operation. However, the high cost of desalination is an obstacle for low income countries and does not allow them to use this technology on a wider scale. There is a need to develop new technologies, such as using renewable energy, to reduce the unit production cost for desalinated water. Pöyry is a frontrunner in finding and implementing the most cost-efficient systems available on the market.

The energy consumption in water and waste water utilities represents a significant part of public energy use, and energy is a considerable cost factor for these utilities. While cleaning the water to a quality required by law, waste water treatment plants are also expected to minimise negative environmental impacts and reduce energy consumption. To reduce energy consumption in the public sector, utilities need to improve their energy efficiency.

These global trends are creating the need for large investments in better management of natural resources and environmentally sound infrastructure as well as in resource-lean and clean technologies. This strongly drives demand for consulting and engineering services in the water and environment sector.

Benefiting from knowledge transfer

During 2008 Pöyry's water and environment organisation made considerable progress in its efforts to develop knowledge transfer between the different parts of it. Pöyry is, for example, the clear market leader in Germany in improving energy efficiency for waste water treatment plants. It has now been able to transfer and use that knowledge in France where there is also a large market for that service. Knowledge transfer brings benefits to Pöyry's clients also through our co-operation and development of high-tech modelling services in all the European home markets. In Finland Pöyry has a very strong position in environmental due diligence work, and has now started training environmental consultants in France, Germany and the Czech Republic. The first results of this work can already be seen as Pöyry won a large multi-site environmental due diligence project in France. The development of knowledge transfer continues to open considerable potential for growth.

Demand for services was stable

In 2008, the water and environment area was able to further improve its position in certain of its focus areas such as water supply and flood protection by winning several important, trend-setting projects. A clear majority of Pöyry's clients in the water and environment area represent the public sector. As the public sector usually attempts to increase its expenditure and investment during economic downturns to alleviate the adverse effects, the impact of the economic downturn was not felt in the demand for Pöyry's services in 2008.

In 2008 the water and environment operations were expanded by acquiring 100 per cent of the shares of Geopale Oy, Finland. Geopale Oy specialises in bedrock core drillings. Employing 14 experts, the company's net sales in 2008 amounted to EUR 1.1 million. Founded in 1995, the company has a clientele of exploration and mining companies. Geopale Oy was merged with Pöyry Environment Oy during 2008. This acquisition strengthens Pöyry's position as a service provider to the mining and exploration industry as well as the company's expertise in subsurface investigations.

The net sales of the Water & Environment business area for 2008 grew and amounted to EUR 87.6 (78.5) million. Also the operating profit increased and was EUR 4.2 (3.5) million. The order stock amounted to EUR 76.8 (72.4) million at the end of the year.

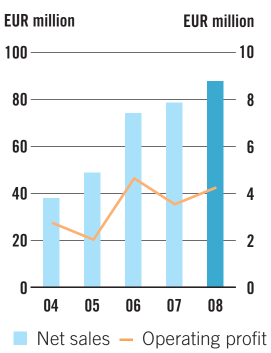
Public sector investments improve demand

The global economic downturn has very limited effects on the Water & Environment business group's business, as only a small part of the services are provided for private-sector clients. The demand for services in water supply and sanitation, solid waste, and environmental studies remains high. Many governments around the world, such as Germany, Abu Dhabi and China, have announced major programmes to help fight the impact of the global downturn. All these programmes have a sizable component of investments into public infrastructure, which includes water supply and waste water. The number of extreme weather events leading to loss of lives and major damage to infrastructure continues to increase as a result of climate change. Therefore, the public sector will increase its spending for rehabilitation and protection of the built-up environment. All these drivers will result in new opportunities for the business group around the world. The operating profit of the Water & Environment business group is estimated to improve in 2009.

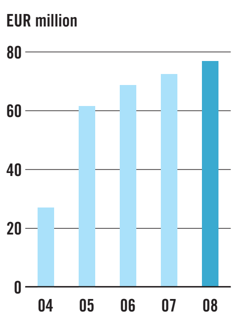
Water & Environment business group's key figures

EUR million	2004	2005	2006	2007	2008	Share of group, %
Net sales	37.9	48.7	74.2	78.5	87.6	10.7
Operating profit	2.7	2.0	4.6	3.5	4.2	4.2
Operating profit, %	7.1	3.6	4.9	4.5	4.8	
Order stock	27.1	61.6	68.7	72.4	76.8	14.2
Personnel	598	812	920	926	976	12.3

Net sales and operating profit



Order stock



MAJOR ASSIGNMENTS IN WATER & ENVIRONMENT

Pöyry won a wastewater treatment plant and sewer system project in the Emirate of Fujairah, United Arab Emirates. This project is being carried out under a BOT approach and is the first privately owned waste water collection and treatment system in the Middle East. The project started in June 2008 and its completion is foreseen for June 2011. It comprises design work for extension of the waste water treatment plants Fujairah and Dibba as well as construction supervision of the complete sewer system with waste water treatment plants. Special consideration is given to the generation of high-quality treated effluent to replace water from more valuable sources in the arid country. Also, part of the gas produced in the treatment of sludge will be used to supply the plant with its own partial energy source for electricity and cooling. The project is the first major undertaking in the Middle East for the water business of Pöyry. The active collaboration with the Energy business group will continue in the Middle East for the planned further expansion in the water and environment sector.

In September 2008 the Government River Board Corporation of the Czech Republic assigned to Pöyry an engineering and management services contract for the flood protection of the Upper Opava River Basin, in the northern part of the country. The measures to be implemented over an area of some 950 square kilometres comprise both environmental and technical aspects, and include river training and revitalisation, construction of a new large dam, a system of small retention reservoirs, landscape modification and infrastructure development. Pöyry's contract covers the first phase of the project, which is to be completed by 2010. The project as a whole is expected to be fully realised by the year 2020. All the activities are part of the flood protection measures being currently implemented within the Czech Republic.

A full range of construction expert services

The Construction Services business group offers a full range of engineering and consulting services for developers, owners and users of commercial and industrial buildings covering the entire lifecycle of client's operations. The business group's operations developed favourably during 2008. However, towards the end of the year, the financial crisis clearly reduced the number of building projects, especially in office construction.

The Construction Services business group was created at the beginning of 2009, following the split of the Infrastructure & Environment business group into three parts as a means to reinforce the company's growth base. In this restructuring the Real Estate and Telecom business area and the structural engineering services, which previously had been part of the Forest Industry business group, were merged to form the new Construction Services business group. Services of the new business group include versatile real estate consulting, project management, architectural design, structural design, engineering and consulting services for building technology and telecom as well as construction management and supervision.

Pöyry's extensive experience with demanding projects, its good knowledge of local conditions and its lifecycle expertise ensure a successful and cost-effective outcome for the client. Real estate consulting services include due diligence work

related to real estate deals, advice on environmental issues and development of energy efficiency.

The business group offers its services to investors, operators, contractors and the public sector. There is also extensive co-operation with Pöyry's Energy, Forest Industry and Transportation business groups. The business group's operations, which until now have been concentrated in Finland, the Baltic countries and Russia, will be gradually expanded to other Eastern European countries and China. Structural engineering services, architectural design and specialised services for industrial clients will be strengthened and directed to other international markets as well.

Urbanisation and climate driving change

Population growth and urbanisation result in an increased need to invest in maintaining the built-up environment and existing building stock. In addition to residential and office buildings, urban regions need commercial, sports, cultural and leisure activity centres, and demand for such facilities is increasing. Demand for infrastructure services is also increasing as a result of urbanisation. The number of leisure-related and industrial investment projects has grown in recent years, especially in countries where living standards and industrialisation have made good progress, for example in Russia, Eastern Europe and China.

The efforts to combat climate change have resulted in increased environmental awareness also in the construction sector and the impacts have started to make themselves clearly felt. Projects' environmental impacts are a major factor in steering design engineering work and construction. The environmental impacts and energy consumption of buildings can be controlled to a significant extent by using the right planning procedures, design solutions, and construction methods and materials in energy generation and maintenance.

Ever-tightening quality and safety requirements also promote demand for building construction services. Especially services related to telecommunications networks are assuming a more important role as building technology systems are being refurbished.

As the requirements for managing cost-related and other risks in construction projects are tightening, demand for integrated total design services will continue to grow. In response to this demand, Pöyry has created the Pöyry Integrated Design (PID) operating model. Its basic idea is that

GREEN BUILDING

A growing trend is that the increased scarcity of natural resources is causing rising prices of production inputs. The growing environmental awareness affects both consumers' attitudes and causes a tightening of regulations. Assessing environmental impacts and taking into account the requirements for sustainable development are essential elements in designing new buildings and renovating old ones, especially when dwindling energy supplies and rising prices will increasingly determine how our infrastructure is developed.

Pöyry's objective is to be one of the leading Green Building experts in the world. At Pöyry, Green Building means a design approach which allows the ecological footprint of our built-up environment to be kept under control and environmental aspects to be taken into account in decision-making.

LEED (Leadership in Energy and Environmental Design) certificate accreditation promotes environmentally sustainable construction methods, while safeguarding a healthy environment. The LEED certificate can be adapted both to new building and renovation projects and to certifying existing real estate. In certified design work, the sustainability of the building site and its neighbouring areas, the use of energy and water, the choice of materials, and the quality factors related to the indoor environment are all taken into account. Pöyry has strengthened and developed its resources in response to the increasing demand for LEED-related consulting services. During 2008 Pöyry launched more than 30 LEED certification projects in the Nordic countries and Estonia.

design and project management teams can operate in very close co-operation, offering services that meet clients' needs while working as an efficient team. Effective, integrated information management allows real-time management of environmental impacts and costs. Other key factors of the PID operating model are a modern leadership approach, securing and confirming the fulfilment of objectives during implementation and use, and efficient data transfer and communication between all parties.

Continued mergers and acquisitions activity

There was strong demand for construction services and Pöyry's business developed favourably during 2008. However, investment activity in the commercial and office building sector was impaired by the financial crisis that began in the autumn and the subsequent economic downturn.

The mergers and acquisitions activity in the construction sector continued during 2008. In the spring, Pöyry acquired Arket Oy, an architectural design services company based in Finland. Arket Oy provides architectural design services for health care, office, retail and industrial buildings. The company also has extensive experience of total design and construction management services projects. Employing nine architects, the company had net sales of EUR 0.8 million in 2007. The acquisition supports Pöyry's strategy to expand its architectural expertise into new fields of operation within the construction sector. It further strengthens Pöyry's know-how related to health care facilities and total design assignments.

In the autumn, Pöyry acquired the entire stock of Shanghai Kang Hong Construction Ltd in China. Shanghai Kang Hong Construction is primarily engaged in project management for industrial and commercial real estate development and construction projects. The company employs 29 experts. The acquisition creates good possibilities for expanding Pöyry's construction management and architectural design operations in China and neighbouring areas.

The net sales of the Construction Services business for 2008 amounted to EUR 92.8 (68.6) million and the operating profit was EUR 9.9 (8.8) million. The order stock at the end of the year decreased compared to last year, amounting to EUR 48.3 (51.1) million.

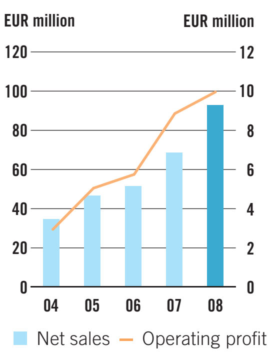
2009 challenging due to impacts of financial crisis

The impacts of the financial crisis are visible in commercial and office building construction in the markets of the Construction Services business group. Many projects have also been cancelled or postponed in the industrial sector. The business group's order stock decreased during the fourth quarter of 2008. It is difficult to predict when demand will recover. Adaptation measures have been started in most units of the business group. The impact of these measures will be visible from the second quarter of 2009 onwards. Stable or positive development is expected in infrastructure projects and consultancy services where the business group's market position is strong. The Construction Services business group's operating profit is estimated to decrease clearly in 2009.

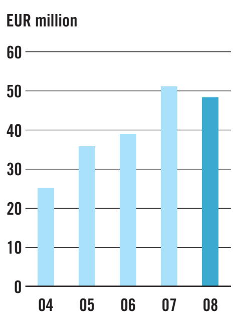
Construction Services business group's key figures

EUR million	2004	2005	2006	2007	2008	Share of group, %
Net sales	34.7	46.7	51.6	68.6	92.8	11.3
Operating profit	2.9	5.0	5.7	8.8	9.9	9.8
Operating profit, %	8.4	10.6	11.0	12.9	10.7	
Order stock	25.2	35.8	39.0	51.1	48.3	9.0
Personnel	526	568	608	881	971	12.3

Net sales and operating profit



Order stock



MAJOR ASSIGNMENTS IN CONSTRUCTION SERVICES

The number of design and engineering assignments continued to increase strongly in Russia. In the summer of 2008 a new five-star spa and hotel complex was completed for the English real estate investor London & Regional Properties. The building is situated in the historic centre of St. Petersburg, on the Vasilij Island. The spa and restaurants have been built inside a building from the 19th century. The facilities are situated in a new building, which was empty at the time when the design work started; only the building frame, stairwells and façades had been erected. The hotel has 278 rooms and 20 timeshare flats. The gross building area totals about 27 200 square metres.

Design work started in December 2005 when the real estate developer, the Russian construction company LenSpec-SMU, the real estate investor London & Regional Properties and the hotel operator Holiday Club signed a letter of agreement. Pöyry's task was to engage other designers in the project and assume responsibility for conceptual design and the overall design work, including a detailed specification and instructions for engineering, architectural design and quality standards. Pöyry was also responsible for technical HVAC specifications and instructions. In addition, the investor commissioned Pöyry to monitor site progress and the progress of detail design, engineering and implementation in co-operation with the original design team.

Taken into use in 2008, the Vuosaari harbour is the biggest-ever construction project in Finland. It comprises the landmark Gatehouse building and the Hansa terminal serving passenger traffic, with a combined area of 16 100 square metres, and the first phase of the logistics centre with an area of 66 000 square metres. The project is based on the winning proposal in the design and site allocation competition completed in 2006. Pöyry was responsible for architectural design in the project.

Developing talent and skills in a global company

By providing experts and managers with opportunities for job rotation, training and development programmes and international transfers, we ensure that Pöyry has the multi-skilled and internationally competent personnel required for the future. In 2008 Group guidelines for international transfers were introduced and the first global employee survey was carried out. Training and development programmes continued and other HR programmes, such as Pöyry Dialogue were implemented across the Group.

Increased breadth in management experience

Traditionally, Pöyry promoted people to managerial positions within their field of expertise. Pöyry increased internal job rotation across businesses and countries during 2008 to develop general management and leadership skills and an understanding of overall business relationships.

The reorganisation into five business groups, effective from beginning of 2009, created excellent opportunities for internal rotations and promotions, bringing in new talent to all of the management teams.

Group-wide practices for international transfers

International project transfers and office assignments were previously handled by Pöyry's business areas resulting in inconsistent practices within the Group. During 2008 global guidelines were prepared for international transfers within Pöyry. This guideline categorises the transfers by business need and duration. It defines the principles, conditions and practices for each type of transfer.

By providing categorisation aligned with business needs for international transfers, the guidelines are expected to open up new career opportunities for our experts, making Pöyry even more attractive as an employer for internationally focused people. Group-wide practices will make it easier to transfer competent resources across business groups and borders, enhancing synergies across the Group.

Leadership programmes support greater global network co-operation

Leading in the Global Network, a new leadership programme for Pöyry executives and senior managers, was launched in the end of 2007. Its objective is to develop Pöyry's leaders to work in an international environment and to exploit the benefits of the global network company. By the end of 2008, a total of 90 managers from 21 countries had completed this programme.

The programme has been extremely successful in developing a common leadership culture and increasing knowledge of international operations. Deepening participants' awareness of the opportunities offered by Pöyry's global network and promoting international co-operation has been a major benefit. The programme will continue in 2009.

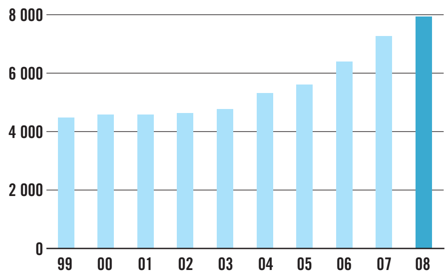
Pöyry Business Academy, which has played a key role in our personnel development portfolio for over ten years, continued in 2008 and will also continue in 2009.

During 2008 another key initiative, in addition to the established leadership programmes, involved about 70 executives

Personnel, pro forma

	2004	2005	2006	2007	2008
Energy	1 485	1 463	1 692	1 838	1 870
Forest Industry	1 976	2 023	2 300	2 734	2 917
Transportation	691	700	797	798	1 073
Water & Environment	598	812	920	926	976
Construction Services	526	568	608	881	971
Other	33	42	73	92	117
Personnel at year-end, total	5 309	5 608	6 390	7 269	7 924

Number of personnel



representing 20 nationalities in a process analysing their leadership skills, providing coaching and identifying development opportunities.

All leadership programmes are an important step in strengthening Pöyry's leadership capacity to support the next phase of growth.

Increasing and measuring employee engagement

Pöyry Dialogue, a process launched in 2007 to provide the global framework for individual discussions between line managers and their team members, is now in Group-wide use. The rollout of Pöyry Dialogue was challenging in countries and regions where Pöyry did not have HR professionals to support its implementation. In 2009 Pöyry will continue to strengthen its HR network in order to have an HR expert in most countries, or a regional HR expert for countries where Pöyry has a limited number of personnel. Pöyry Dialogue will continue to be developed into a regular process supporting business operations.

Pöyry Pulse, the first ever global employment survey, was carried out in March 2008. Its purpose was to measure the engagement of employees and to invite all personnel to comment on matters related to the organisation, management, their job, remuneration and career development. The response rate for the survey was an excellent 71 per cent.

According to the survey, Pöyry personnel are strongly engaged in their work, feel empowered to do their jobs well and are willing to go the extra mile to fulfil our client promise. There is a clear understanding of and appreciation for the Pöyry brand. However, the understanding of the brand needs to be supported through increased communication of our strategy. The successful implementation of the Pöyry Dialogue process will help to provide direction, feedback and, very importantly, ensure that people feel they can develop and grow within the company. Recognition for good performance needs to be highlighted in this context as well.

In 2009 Pöyry will continue its efforts to develop the global network through international mobility, job rotations and leadership programmes. Ongoing projects such as Pöyry Dialogue and Pöyry Pulse with continue to increase our leadership, managerial and technical competence and provide the understanding needed to retain the best experts and managers to support our future business needs.

New development programme to strengthen competitiveness

At the beginning of 2009 Pöyry launched a new Knowledge Management development programme. The programme's aim is to assemble the special expertise and knowledge available within the Group in a new way, to structure and analyse it, and to put it at the disposal of the entire personnel. By making this knowledge widely available for various uses, it will strengthen the Group's competitiveness and support its growth and profitability. Ph D (Tech) Risto Laukkanen has been appointed to Senior Vice President of the Group-wide development programme.

Competition in the consulting field is tough and there are no major barriers to entering this business. However, to succeed, one must be able to offer selected clients services which competitors are unable to provide and which the clients cannot produce themselves. Another success factor is to offer services in a cost-effective manner.

Over several decades, clients have rated the expertise of consulting firms according to the quality of their human resources, such as people's education. In the near future, though, clients are expected to attach importance to high-quality knowledge resources, as well as to human resources competences and knowledge methods.

Spreading competences throughout the network

Pöyry's main assets are its work processes, systems and corporate culture as well as the competence and know-how of its personnel. Making use of its competence and knowledge capital, which has been created over many years by its employees, work processes, systems and corporate culture, Pöyry is committed to generating success for its clients. To succeed, an expert organisation like Pöyry's must be able to offer its clients knowledge which improves their competitiveness, and which is superior to that offered by competitors. Personnel in different parts of the Pöyry organisation have an abundance of expertise and talent. This competence capital can be utilised even more widely by putting it systematically at the disposal of the entire office network.

Pöyry's success and organic growth have always depended on its innovativeness and active search for new knowledge, opportunities and solutions which can be used to generate added value for clients. Pöyry's business operations involve such a wide range of novel and technologically or procedurally demanding components that only a limited number of people master them. However, it is important to ensure that Pöyry's world-leading expertise will serve clients as well as the company's own project work. For this reason, technologies and procedures need to be clarified in a way that allows the entire personnel to discuss and present them easily.

Making knowledge sharing a daily routine

One of the basic principles of Pöyry's Global Network Company concept is that clients get access to world-leading expertise in each area, irrespective of in which part of the Pöyry organisation that this expertise resides. The aim is to promote co-operation between business areas, strengthen teamwork, develop marketing and make flexible use of resources across Group-internal boundaries. In this way, the best possible knowledge can be more effectively harnessed for common benefit in all stages of a project.

The focus of launch of Pöyry's new Knowledge Management programme the focus will initially be on collecting ideas through personnel interviews. On this basis, the approach will be selected for development towards short- and long-term goals. The aim of the programme is to bring together the Group's special competences and knowledge, and to structure, analyse and put it at the disposal of the entire personnel. The knowledge sharing system must serve employees' needs and it must be flexible and easy to use, so that employees can maintain it without undue effort, while contributing ideas for development. Knowledge sharing is the entire organisation's responsibility, in other words, the joint responsibility of all the people involved in the company's day-to-day business.

As an example it can be noted here that Pöyry currently has three major Group-wide development processes in progress, which are related to climate change, energy efficiency and biofuels. A longer-term objective of the Knowledge Management development programme is to launch new projects, which may be related to widely different focus areas. Initially, the aim is to examine the operating area as a very large entity. When this has been done, implementation will proceed in stages so that each stage is completed, taken into use and made operational before the next stage is started. In this way, the work done will turn into a learning process.

More effective use of the expertise and existing competences will pave the way for a quantum leap in Pöyry's business. The Knowledge Management programme is above all designed to activate employees to communicate and share their own and their team's knowledge with others. One challenge in the transfer of knowledge is how to make wider use of the tacit knowledge that is accumulating in projects. This challenge is difficult to address by procedural means, but a mentoring-like approach can be used to encourage people to make use of the empirical knowledge accumulated by others.

Knowledge development creates a need for ever-more intensive networking with the outside world, research institutes and other organisations playing a key role in this arena. To this end, a number of new development projects are scheduled to be launched in the near future.

The ability to react promptly to changes is vitally important

Mere knowledge, in whatever quantity, will not help companies prosper in our continuously changing world. To maintain their competitiveness in the long term, companies need knowledge combined with the ability to apply it promptly and reactively in response to changing situations. It is seldom possible to foresee the future course of events, so the ability to react promptly to changes is of essence.

Pöyry believes that its new Knowledge Management development programme will help the company identify changing trends in the business environment at an early stage, adapt its operations accordingly, and remain a strong player in the tight global competition.

Year 2008 in summary

Consolidated earnings and balance sheet

As a result of good demand, the Pöyry Group's strong market position, and successful completion of some major projects, consolidated net sales increased to EUR 821.7 million and profit before taxes improved clearly during the year under review. Profit before taxes was EUR 103.2 (76.5 in the previous year) million, which equals 12.6 per cent of net sales. The net profit for the period was EUR 72.6 (52.8) million. Earnings per share improved by 37.5 per cent during the year to EUR 1.21 (0.88). The Group's financial target is to achieve an improvement in earnings per share averaging 15 per cent a year.

The target for the Group's return on investment is 20 per cent or more on average. In 2008 the return on investment was 45.4 (42.4) per cent.

The consolidated balance sheet is healthy. The equity ratio is 41.7 (50.7) per cent. The Group's liquidity is good. At the end of the year, the Group's cash and cash equivalents amounted to EUR 203.7 (98.7) million. In addition to these, the Group had unused long-term overdraft facilities amounting to EUR 93.1 million. Interest-bearing debts totalled EUR 122.5 (8.9) million. The net debt/equity ratio (gearing) was -38.5 (-47.4) per cent.

Profit before taxes in the last quarter was EUR 26.9 (23.3) million. The profit includes non-recurring income of EUR 6.0 million from the sale of the shares in the associated company Polartest Oy.

At the beginning of 2008 the Group announced that it expected the profit before taxes for 2008 to improve compared to 2007. In June 2008 the Group refined its 2008 earnings estimate, stating that the profit before taxes is estimated to improve clearly in 2008. The improvement in the projected profit was caused by the Forest Industry business group's favourable earnings development during January-May, and by orders received during the spring, which created a good work flow also for the rest of the year in the Forest Industry business group.

Order stock

The Group's order stock at the end of 2008 totalled EUR 539.1 million, compared with EUR 562.8 million at the end of 2007. The sales margin of the order stock was at a normal level.

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

Financing

The net debt/equity ratio (gearing) was –38.5 (-47.4) per cent. The Group's financing status improved significantly during the financial year. At the end of the year, the Group's cash and cash equivalents totalled EUR 203.7 (98.7) million. In addition to these, the Group had long-term unused overdraft facilities amounting to EUR 93.1 million. Interest-bearing debts amounted to EUR 122.5 (8.9) million. In the last quarter of the year, the Group companies in Finland drew loans totalling EUR 97.8 million by lending back funds from employment pension insurance companies. The equity ratio is 41.7 (50.7) per cent. The ratio was affected by the new loans.

Personnel

The total number of personnel in the Group increased during 2008. The Group had an average of 7702 employees during the year, which is 12.4 per cent more than in 2007. The number of personnel at the end of the year was 7924. Mergers and acquisitions added 328 people to the total. Of the total personnel, 91 per cent were operative. About 600 persons worked in management consulting and the rest in projects. 5 per cent of the total personnel had a fixed-term contract.

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 2009 that a dividend of EUR 0.65 (0.65) per share be paid for the year 2008. The number of shares is 58 483 602 and the total amount of dividends thus EUR 38 014 341.30 The proposed dividend corresponds to 53.7 (73.9) per cent of the earnings per share for the financial year. The Board of Directors proposes that the dividend be paid on 20 March 2009.

Prospects

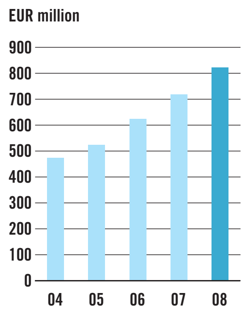
Pöyry's net sales for 2009 are estimated to decrease and profit before taxes is estimated to decrease significantly compared with 2008. This assessment does not take into account possible acquisitions during 2009.

Key figures and financial targets

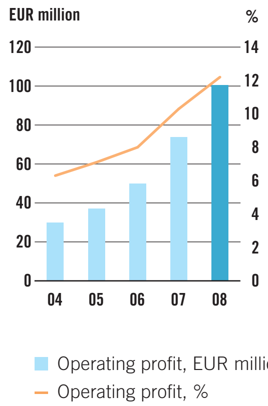
	2004	2005	2006	2007	2008	Target on average
Profitability						
Profit before taxes, EUR million	30.9	38.6	50.2	76.5	103.2	
Return on investment, %	22.4	26.9	31.9	42.4	45.4	≥ 20%
Earnings						
Earnings/share, EUR	0.36	0.45	0.58	0.88	1.21	
Earnings/share, annual growth, %	-25.5	26.8	28.9	51.7	37.5	≥ 15%
Balance sheet						
Gearing, %	-37.4	-36.1	-37.6	-47.4	-38.5	< 30%
Dividend policy						
Dividend, EUR	0.30	0.325	0.50	0.65	0.65 [1)]	
Dividend/earnings ratio, %	84.5	72.2	86.2	73.9	53.7 [1)]	≥ 50%

[1)] Board of Directors' proposal

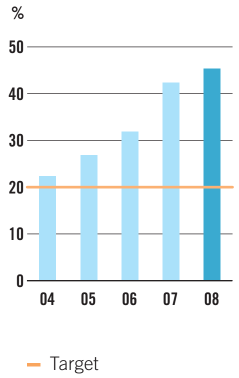
Net sales



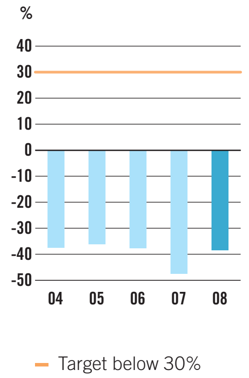
Operating profit



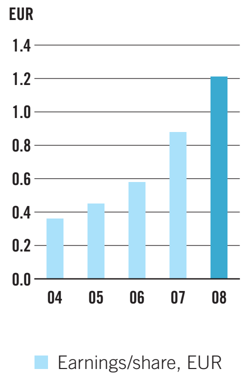
Return on investment



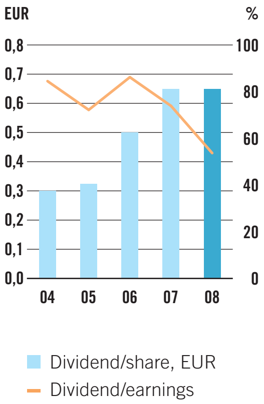
Gearing



Earnings/share



Dividend/share and dividend/earnings



Key figures

Statement of income

EUR million	2004	2005	2006	2007	2008
Consulting and engineering	458.4	502.8	600.5	708.4	809.4
EPC	15.5	20.8	22.8	9.8	12.3
Net sales total	**473.9**	**523.6**	**623.3**	**718.2**	**821.7**
Change in net sales, %	15.1	10.5	19.0	15.2	14.4
Other operating income	2.1	0.8	0.3	2.5	6.6
Share of associated companies' results	0.5	0.8	1.2	0.4	2.2
Materials, supplies and subconsulting	64.9	75.1	97.2	103.8	116.3
Personnel expenses	266.4	283.2	327.7	375.9	433.8
Depreciation	9.1	7.9	7.8	8.4	9.0
Other operating expenses	106.2	121.8	142.2	159.2	170.8
Operating profit	**29.9**	**37.2**	**49.9**	**73.8**	**100.6**
Proportion of net sales, %	6.3	7.1	8.0	10.3	12.2
Financial income and expenses	+1.0	+1.4	+0.3	+2.7	2.5
Proportion of net sales, %	0.2	0.3	0.0	0.4	0.3
Profit before taxes	**30.9**	**38.6**	**50.2**	**76.5**	**103.2**
Proportion of net sales, %	6.5	7.4	8.1	10.7	12.6
Income taxes	-10.0	-12.3	-15.4	-23.7	-30.6
Net profit for the period	**20.9**	**26.3**	**34.8**	**52.8**	**72.6**
Attributable to:					
Equity holders of the parent company	19.7	25.9	33.6	51.3	70.8
Minority interest	1.2	0.4	1.2	1.5	1.8

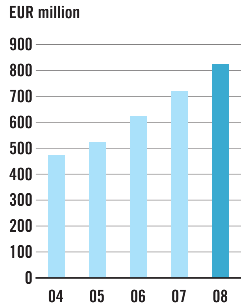
Balance sheet

EUR million	2004	2005	2006	2007	2008
Goodwill	34.0	42.4	61.4	95.6	95.9
Intangible and tangible assets	19.8	23.7	24.9	24.4	25.0
Non-current investments	10.4	12.7	12.3	7.7	7.6
Non-current receivables	22.7	20.2	17.9	11.2	11.5
Work in progress	46.6	56.6	52.7	64.5	69.3
Accounts receivable	103.6	108.1	134.2	141.9	143.5
Other current receivables	13.3	21.6	22.5	27.0	23.8
Cash and cash equivalents	62.2	64.5	74.9	98.7	203.7
Assets total	**312.6**	**349.8**	**400.8**	**471.1**	**580.3**
Equity attributable to the equity holders of the parent company	126.6	144.2	156.8	182.6	203.4
Minority interest	7.1	4.7	6.1	6.9	7.7
Pension obligations	6.6	6.8	6.9	6.6	6.7
Provisions	0.7	3.4	3.7	5.0	5.8
Interest bearing liabilities	12.2	10.7	13.6	8.9	122.5
Project advances	51.6	51.0	70.0	97.3	73.6
Accounts payable	13.9	18.8	25.1	22.9	21.8
Other non-interest bearing liabilities	93.9	110.2	118.6	140.9	138.7
Liabilities total	**312.6**	**349.8**	**400.8**	**471.1**	**580.3**

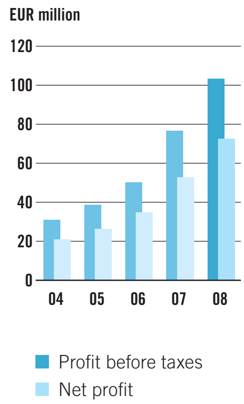
Statement of changes in financial position

EUR million	2004	2005	2006	2007	2008
From operations	+37.1	+37.8	+57.6	+86.4	+56.6
Capital expenditure, net	-17.1	-19.2	-31.2	-27.8	-10.9
Financing	-20.9	-16.3	- 16.0	- 33.4	+68.1
Change in cash and cash equivalents	-0.9	+2.3	+10.4	+25.2	+113.8
Impact of translation differences in exchange rates				-1.4	-8.8
Cash and cash equivalents 31 December	**62.2**	**64.5**	**74.9**	**98.7**	**203.7**

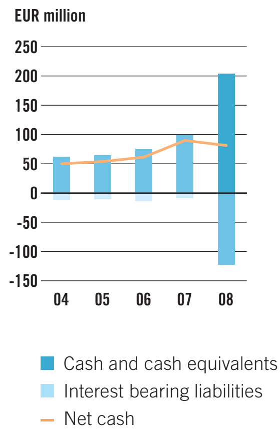
Net sales



Profit before taxes and net profit



Financing



Profitability and other key figures

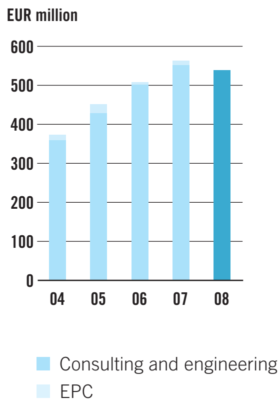
EUR million	2004	2005	2006	2007	2008
Return on investment. %	22.4	26.9	31.9	42.4	45.4
Return on equity, %	16.5	19.4	23.5	31.9	38.7
Equity ratio, %	51.2	49.8	49.2	50.7	41.7
Equity/assets ratio, %	42.8	42.6	40.7	40.2	36.4
Net debt/equity ratio (gearing), %	-37.4	-36.1	-37.6	-47.4	-38.5
Net debt, EUR million	-50.0	-53.8	-61.3	-89.9	-81.2
Current ratio	1.5	1.4	1.3	1.3	1.7
Consulting and engineering, EUR million	359.3	428.1	500.8	551.4	538.6
EPC, EUR million	13.9	24.0	6.8	11.4	0.5
Order stock total, EUR million	373.2	452.1	507.6	562.8	539.1
Capital expenditure, operating, EUR million	7.3	8.0	9.8	9.1	10.7
Proportion of net sales, %	1.5	1.5	1.6	1.3	1.3
Capital expenditure in shares, EUR million	11.4	17.8	27.9	44.2	8.9
Proportion of net sales, %	2.4	3.4	4.5	6.2	1.1
Personnel in group companies on average	5 219	5 423	6 038	6 852	7 702
Personnel in associated companies on average	213	249	251	271	267
Personnel in group companies at year-end	5 309	5 608	6 389	7 269	7 924
Personnel in associated companies at year-end	240	248	236	277	142

Key figures for the shares

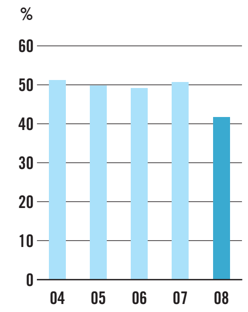
	2004	2005	2006	2007	2008
Earnings/share, EUR	0.36	0.45	0.58	0.88	1.21
Corrected with dilution effect	0.35	0.45	0.57	0.86	1.19
Equity attributable to the equity holders of the parent company/share, EUR	2.27	2.48	2.70	3.11	3.45
Dividend, EUR million	16.9	18.9	29.1	38.1	38.0[1)]
Dividend/share, EUR	0.30	0.325	0.50	0.65	0.65[1)]
Dividend/earnings, %	84.5	72.2	86.2	73.9	53.7
Effective return on dividend, %	5.4	4.1	4.2	3.8	8.3
Price/earnings multiple	15.6	17.7	20.3	19.7	6.5
Issue-adjusted trading prices, EUR					
Average trading price	5.27	6.71	9.15	16.08	13.86
Highest trading price	5.78	8.50	12.61	20.14	18.34
Lowest trading price	4.94	5.55	7.65	11.37	6.90
Closing price at year-end	5.55	7.97	11.80	17.31	7.82
Total market value					
Outstanding shares, EUR million	309.3	463.4	686.5	1 015.3	457.3
Own shares, EUR million	0.0	0.0	0.0	0.0	3.1
Trading volume of shares					
Shares, 1 000	23 392	20 340	23 581	17 326	17 420
Proportion of the total volume, %	42.0	35.4	40.5	29.7	29.8
Issue-adjusted number of outstanding shares, 1 000					
On average	55 376	57 468	58 180	58 323	58 540
At year-end	55 722	58 180	58 180	58 653	58 879

[1)] Board of Directors' proposal

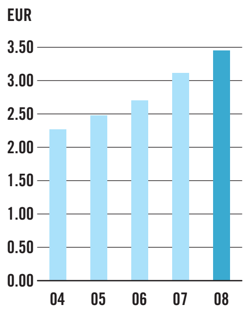
Order stock



Equity ratio



Shareholders' equity/share



Information for investors

Major registered shareholders

	Number of shares	Per cent of the shares	Per cent of the voting rights
1. Corbis S.A.	18 500 000	31.42	31.63
2. Ilmarinen Mutual Pension Insurance Company	3 521 385	5.98	6.02
3. Procurator-Holding Oy	3 167 000	5.38	5.42
4. Varma Mutual Pension Insurance Company	2 785 850	4.73	4.76
5. Tapiola Mutual Pension Insurance Company	1 760 000	2.99	3.01
6. OP-funds	1 334 109	2.27	2.28
7. UCITS Fund Aktia Capital	1 020 259	1.73	1.74
8. Svenska litteratursällskapet i Finland	934 000	1.59	1.60
9. The State Pension Fund	900 000	1.53	1.54
10. Nordea Fund company AB (FI)	711 749	1.21	1.22
Shares nominee registered	14 189 482	24.10	24.26
Other shareholders	9 659 768	16.40	16.52
Total	**58 483 602**		
Own shares	395 000	0.67	
Total	**58 878 602**	**100.00**	**100.00**

Share price development and trading volume

Pöyry PLC's shares are listed on NASDAQ OMX in Helsinki under the trading code POY1V. The company's market capitalisation at the end of 2008 was EUR 460.4 million, and the closing price of the share EUR 7.82. A total of 17 419 995 shares were traded, equalling 29.6 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, NYSE Euronext
- Jacobs Engineering Group Inc., NYSE
- SNC-Lavalin Group Inc., Toronto Stock Exchange
- WS Atkins plc, London Stock Exchange
- WSP Group plc, London Stock Exchange
- ÅF AB, Stockholm Stock Market

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
- Danske Markets, Helsinki
- eQ Bank, Helsinki
- Evli Bank, Helsinki
- Handelsbanken Capital Markets, Stockholm
- Nordea, Helsinki
- Pohjola Bank, Helsinki
- SEB Enskilda, Helsinki
- E. Öhman J:or Securities Finland, Helsinki

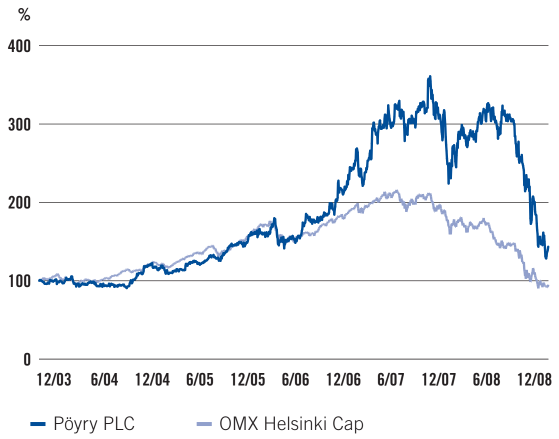
Investor relations

Ms. Satu Perälampi, Vice President,
Corporate Communications and Investor Relations
tel. +358 10 33 23002, satu.peralampi@poyry.com

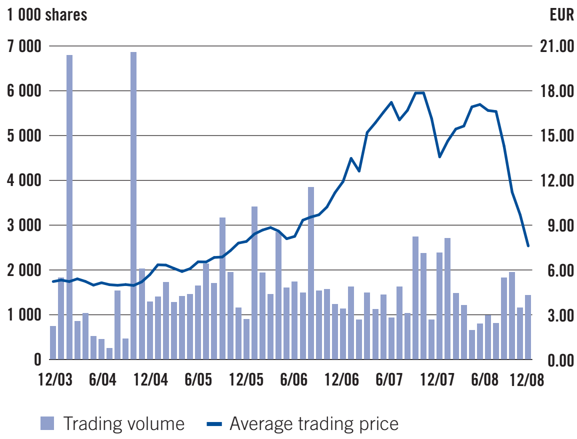
Website

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 NASDAQ OMX in Helsinki



Trading volume of shares and average trading price

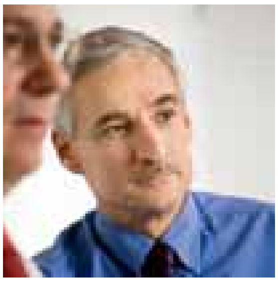


Executive committee

Heikki Malinen
President and CEO
as of 1 June 2008

Teuvo Salminen
Deputy to President and CEO

Richard Pinnock
Executive Vice President
Energy Business Group



John Lindahl
Executive Vice President
Forest Industry Business Group

Andy Goodwin
Executive Vice President
Transportation Business Group

Bernd Kordes
Executive Vice President
Water & Environment Business Group

Ari Asikainen
Executive Vice President
Construction Services Business Group

Camilla Grönholm
Executive Vice President
Human Resources

Lars Rautamo
Executive Vice President
Chief Financial Officer

Anne Viitala
Executive Vice President
Legal and Risk Management

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

Erkki Pehu-Lehtonen acted as President and CEO until 31 May 2008.

Esa Ikäheimonen has been appointed CFO. He will start in this position on 1 March 2009. Lars Rautamo will be in charge of the Group's internal audit function. He will be a member of the Executive Committee until 28 February 2009.

The Infrastructure & Environment business group was reorganised as of 1 January 2009, when the Transportation, Water & Environment, and Construction Services business groups were formed. **Risto Laukkanen** was President of the Infrastructure & Environment until the reorganisation.

Contact information

Head office
President and CEO: Heikki Malinen
Deputy to President and CEO:
Teuvo Salminen
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Fax +358 10 33 21818

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Fax +358 10 33 21818

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Germany
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Fax +49 621 8790-302

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Switzerland
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Fax +41 1 355 5556

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Finland
Tel. +358 10 3311
Fax +358 10 33 21818

Global network

Asia-Pacific
Australia, China, India, Indonesia, Malaysia, New Zealand, Philippines, Republic of Korea, Singapore, Taiwan, Thailand, Vietnam

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

Middle East and Africa
Brunei Darussalam, Iran, Nigeria, Saudi Arabia, Senegal, South Africa, Sultanate of Oman, Tanzania Tunisia, United Arab Emirates, Zambia

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

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

Images: Metso/Myllykoski Corporation, Statoil, Seppo Kaksonen, Mikael Linden, Kai Lindqvist, Michael Reinhard, Mikko Säteri, Jupiterimages 2009, Paul Hardy & Adrian Wilson/Suomen Kuvapalvelu Oy, Pöyry PLC

From one man's dream into a global company

What began as one man's dream 50 years ago has grown into a truly global company. It all started over the course of one night back in 1958, when Dr Jaakko Pöyry and his associate agreed to do the basic engineering for the Äänekoski pulp mill in Finland.

From that night on, Pöyry grew. First to Sweden with Fiskeby and the other Nordic countries followed by Europe, the Americas and eventually to the rest of the world. The success of the Aracruz Celulose project in Brazil during the 1970s was a defining moment for the small Nordic company.

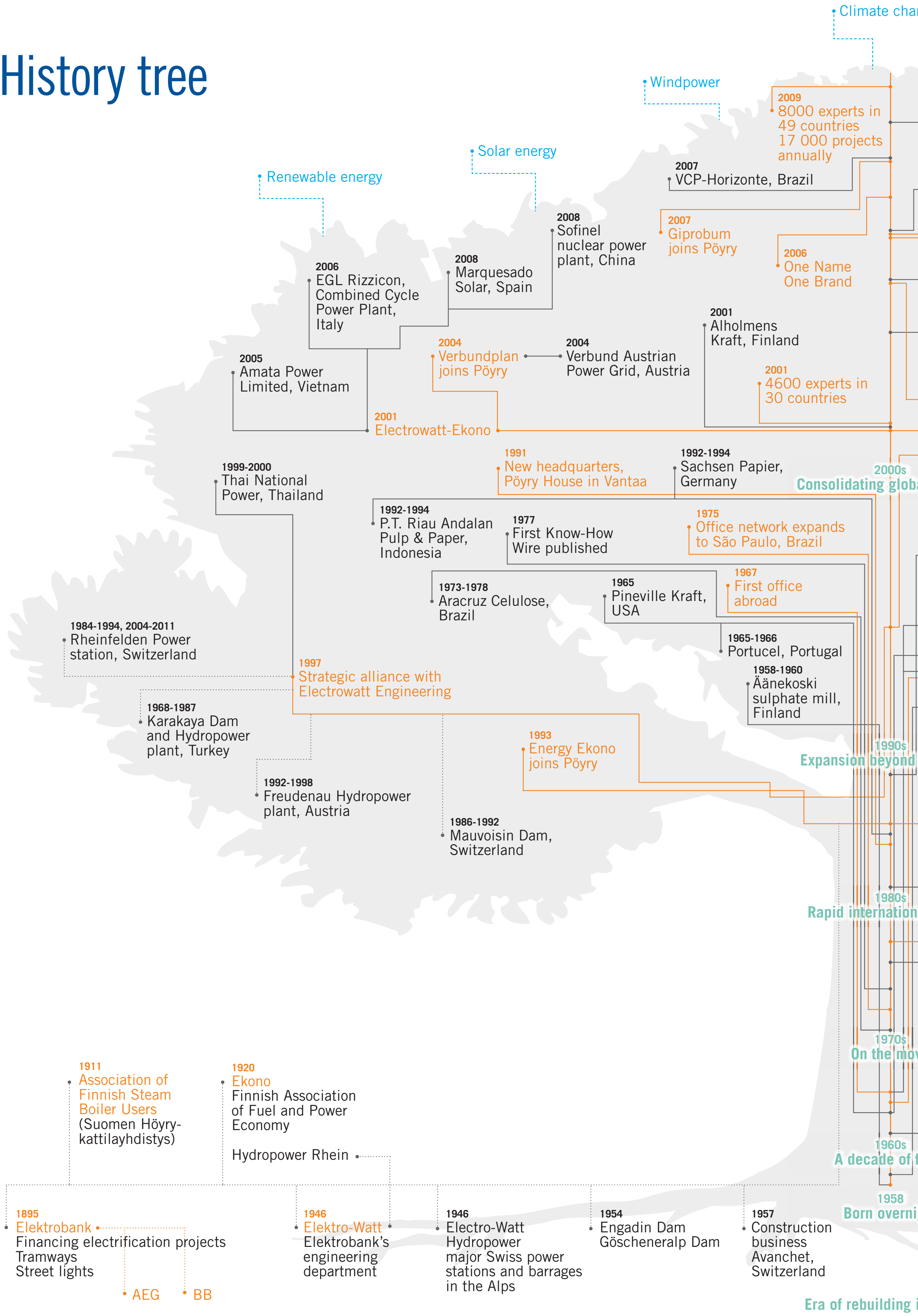
With its roots in the forest industry firmly established, Pöyry was able to participate actively in the industry's internationalisation. The launch of the Local Presence, Global Resources concept was followed by the establishment of subsidiaries in North America, Southeast Asia, Africa and Australia. At one point in the 1980s, Pöyry was involved in 11 different paper machine projects at the same time.

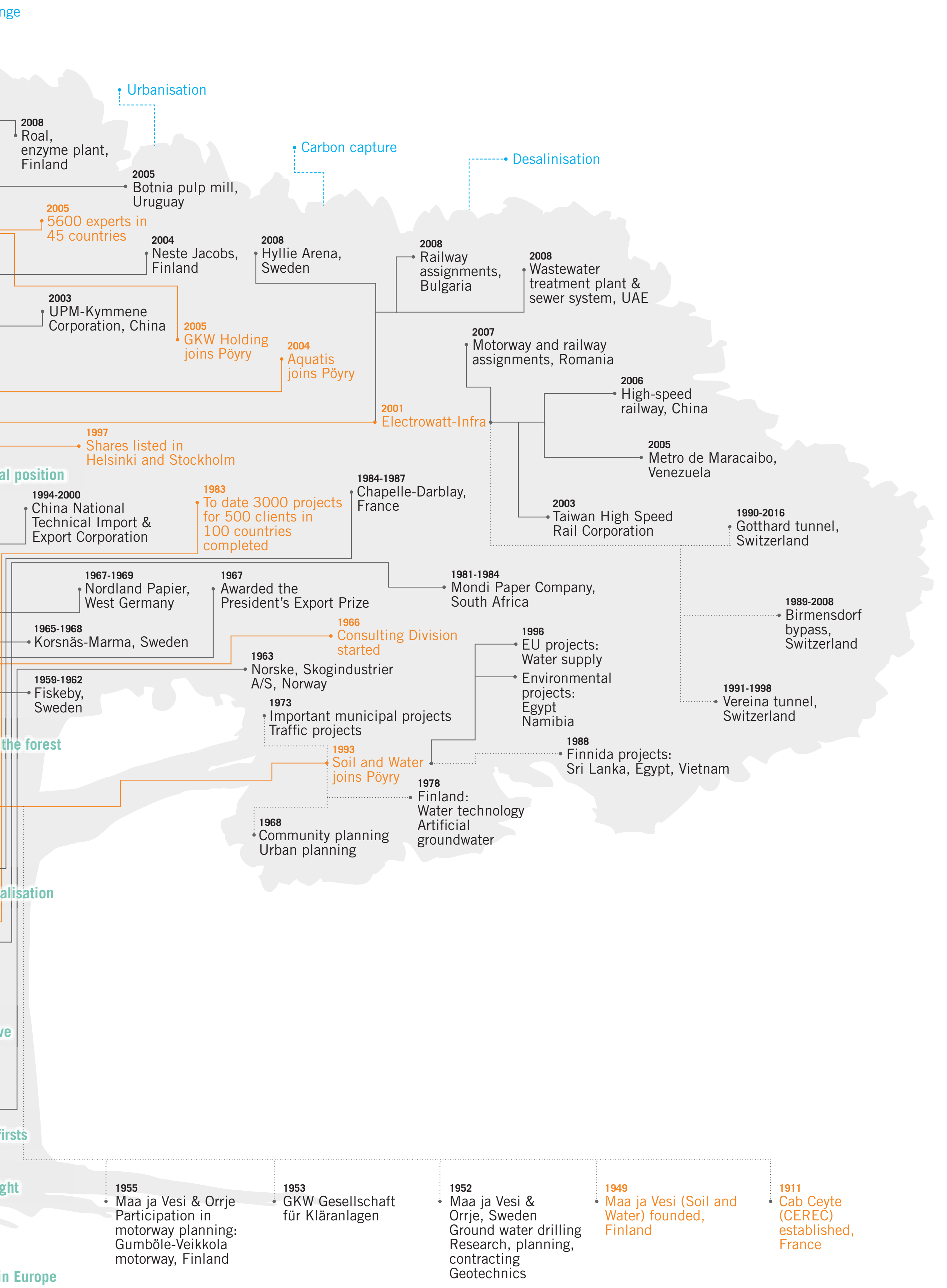
The 1990s were a time of change. Pöyry created synergies between its forest industry knowledge and the energy and environment industries with the addition of Soil and Water and Ekono Energy in 1993 and the strategic alliance with Electrowatt Engineering in 1997. Since then Pöyry has acquired a wave of new competences, extending across all its industries and sectors.

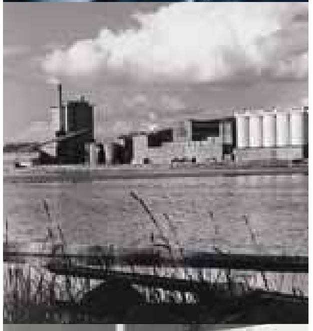
The company's continued growth has brought new successes in emerging markets like China, Latin America and Russia. The once small firm has grown into a global company with 8000 experts in 49 countries, carrying out 17 000 projects annually. Wide-ranging operations combined with Pöyry's extensive knowledge base and strong client relationships have equipped Pöyry with the tools necessary to tackle the global megatrends of tomorrow.

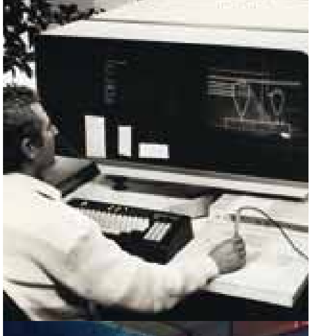
Dr Pöyry has been a driving force in the growth and development of Pöyry. He received numerous awards and honours and was recognised as a pioneer in his field. Even after his retirement, Dr Pöyry was a member of the Board of Directors, and acted as Emeritus Chairman of the Board of Pöyry PLC.

History tree




nge
Urbanisation
Carbon capture
Desalinisation
2008 Roal, enzyme plant, Finland
2005 Botnia pulp mill, Uruguay
2005 5600 experts in 45 countries
2004 Neste Jacobs, Finland
2008 Hyllie Arena, Sweden
2008 Railway assignments, Bulgaria
2008 Wastewater treatment plant & sewer system, UAE
2003 UPM-Kymmene Corporation, China
2005 GKW Holding joins Pöyry
2004 Aquatis joins Pöyry
2007 Motorway and railway assignments, Romania
2006 High-speed railway, China
2001 Electrowatt-Infra
1997 Shares listed in Helsinki and Stockholm
2005 Metro de Maracaibo, Venezuela
al position
1994-2000 China National Technical Import & Export Corporation
1983 To date 3000 projects for 500 clients in 100 countries completed
1984-1987 Chapelle-Darblay, France
2003 Taiwan High Speed Rail Corporation
1990-2016 Gotthard tunnel, Switzerland
1967-1969 Nordland Papier, West Germany
1967 Awarded the President's Export Prize
1981-1984 Mondi Paper Company, South Africa
1989-2008 Birmensdorf bypass, Switzerland
1965-1968 Korsnäs-Marma, Sweden
1966 Consulting Division started
1996 EU projects: Water supply
Environmental projects: Egypt Namibia
1963 Norske, Skogindustrier A/S, Norway
1959-1962 Fiskeby, Sweden
1973 Important municipal projects Traffic projects
1991-1998 Vereina tunnel, Switzerland
the forest
1993 Soil and Water joins Pöyry
1988 Finnida projects: Sri Lanka, Egypt, Vietnam
1978 Finland: Water technology Artificial groundwater
1968 Community planning Urban planning
alisation
ve
firsts
ght
1955 Maa ja Vesi & Orrje Participation in motorway planning: Gumböle-Veikkola motorway, Finland
1953 GKW Gesellschaft für Kläranlagen
1952 Maa ja Vesi & Orrje, Sweden Ground water drilling Research, planning, contracting Geotechnics
1949 Maa ja Vesi (Soil and Water) founded, Finland
1911 Cab Ceyte (CEREC) established, France
in Europe

This report is printed on Galerie Art Silk paper, which is produced on pulp from the Metsä-Botnia Äänekoski mill. Pöyry has been involved in developing the mill since 1958.

Pöyry is a global expert in consulting and engineering. We offer our clients in-depth industry expertise, innovative solutions and lifecycle engagement. Our knowledge extends across hydropower, oil and gas, power and heat, renewable energy, pulp and paper industry, chemical process industry, transportation, water and environment, and construction services. We employ 8 000 experts in 49 countries.
Pöyry PLC is listed on NASDAQ OMX in Helsinki.

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PÖYRY

Competence. Service. Solutions.

www.poyry.com

FINANCIAL STATEMENTS 2008

Pöyry PLC

CONTENTS

Annual General Meeting

The shareholders of Pöyry PLC are invited to attend the Annual General Meeting (Meeting) to be held on Tuesday, 10 March 2009 at 4.00 p.m. at the Helsinki Hall of the Finlandia Hall, Mannerheimintie 13e, FI-00100 Helsinki, 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, 27 February 2009, and

b) if they have given notice to attend the Meeting on Friday, 6 March 2009 at 4 p.m. 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, 27 February 2009 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/agm2009,
- by telephone +358 10 33 22224/Helena Küttner 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 4 p.m. Finnish time on Friday, 6 March 2009.

Proxies for representing a shareholder at the Meeting shall be submitted to the company no later than at 4 p.m. Finnish time on Friday, 6 March 2009.

A complete notice to convene the Meeting has been published in a company announcement on 4 February 2009 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 2009 that a dividend of EUR 0.65 per share be paid for the year 2008. The dividend will be paid on 20 March 2009. This dividend is paid to shareholders entered into the shareholder register maintained by Finnish Central Securities Depository Ltd on the record date, 13 March 2009, 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 2009

In 2009 Pöyry PLC will publish its interim reports as follows:

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

HIGHLIGHTS 2008

Earnings per share for the financial year were EUR 1.21. The return on investment exceeded the strategic target, amounting to 45.4 per cent. The consolidated balance sheet is healthy, the net debt/equity ratio (gearing) was -38.5 per cent. The order stock amounted to EUR 539.1 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 successful completion of some major projects, consolidated net sales increased to EUR 821.7 million and profit before taxes improved clearly during the year under review. Profit before taxes was EUR 103.2 (76.5 in the previous year) million, which equals 12.6 per cent of net sales. The net profit for the period was EUR 72.6 (52.8) million. Earnings per share improved by 37.5 per cent during the year to EUR 1.21 (0.88).

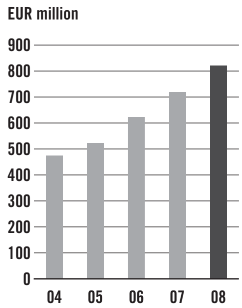
The target for the Group's return on investment is 20 per cent or more on average. In 2008 the return on investment was 45.4 (42.4) per cent.

The consolidated balance sheet is healthy. The equity ratio is 41.7 (50.7) per cent. The Group's liquidity is good. At the end of the year, the Group's cash and cash equivalents amounted to EUR 203.7 (98.7) million. Interest-bearing debts totalled EUR 122.5 (8.9) million. The net debt/equity ratio (gearing) was -38.5 (-47.4) per cent.

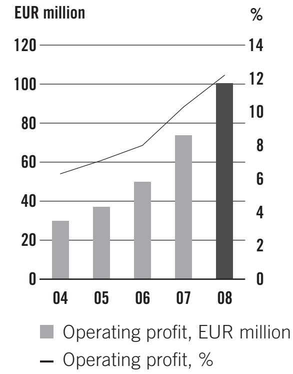
The Group's order stock at the end of 2008 totalled EUR 539.1 million, compared with EUR 562.8 million at the end of 2007. The sales margin of the order stock was at a normal level.

Pöyry's net sales for 2009 are estimated to decrease and profit before taxes is estimated to decrease significantly compared with 2008. This assessment does not take into account possible acquisitions during 2009.

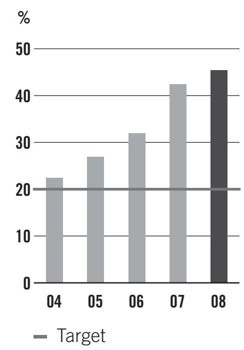
Net sales



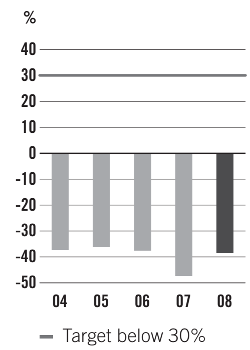
Operating profit



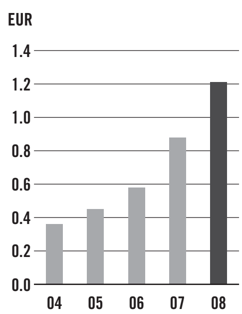
Return on Investment



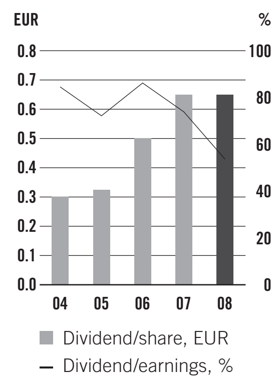
Gearing



Earnings/share



Dividend/share and Dividend/earnings



Financial targets

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

Key figures

	2007	**2008**
Net sales, EUR million	718.2	**821.7**
Operating profit, EUR million	73.8	**100.6**
Operating profit, %	10.3	**12.2**
Profit before taxes, EUR million	76.5	**103.2**
Profit before taxes, %	10.7	**12.6**
Earnings/share, EUR	0.88	**1.21**
Dividend/share, EUR	0.65	**0.65** [1)]
Dividend/earnings ratio, %	73.9	**53.7**
Return on investment, %	42.4	**45.4**
Gearing, %	-47.4	**-38.5**
Order stock, EUR million	562.8	**539.1**
Personnel in group companies	7 269	**7 924**

[1)] Board of Directors' proposal

BOARD OF DIRECTORS' REPORT, 1 JANUARY – 31 DECEMBER 2008

CONSOLIDATED EARNINGS AND BALANCE SHEET

As a result of good demand, the Pöyry Group's strong market position, and successful completion of some major projects, consolidated net sales increased to EUR 821.7 million and profit before taxes improved clearly during the year under review. Profit before taxes was EUR 103.2 (76.5 in the previous year) million, which equals 12.6 per cent of net sales. The net profit for the period was EUR 72.6 (52.8) million. Earnings per share improved by 37.5 per cent during the year to EUR 1.21 (0.88). The Group's financial target is to achieve an improvement in earnings per share averaging 15 per cent a year.

The target for the Group's return on investment is 20 per cent or more on average. In 2008 the return on investment was 45.4 (42.4) per cent.

The consolidated balance sheet is healthy. The equity ratio is 41.7 (50.7) per cent. The Group's liquidity is good. At the end of the year, the Group's cash and cash equivalents amounted to EUR 203.7 (98.7) million. In addition to these, the Group had unused long-term overdraft facilities amounting to EUR 93.1 million. Interest-bearing debts totalled EUR 122.5 (8.9) million. The net debt/equity ratio (gearing) was -38.5 (-47.4) per cent.

Profit before taxes in the last quarter was EUR 26.9 (23.3) million. The profit includes non-recurring income of EUR 6.0 million from the sale of the shares in the associated company Polartest Oy.

At the beginning of 2008 the Group announced that it expected the profit before taxes for 2008 to improve compared to 2007. In June 2008 the Group refined its 2008 earnings estimate, stating that the profit before taxes is estimated to improve clearly in 2008. The improvement in the projected profit was caused by the Forest Industry business group's favourable earnings development during January-May, and by orders received during the spring, which created a good work flow also for the rest of the year in the Forest Industry business group.

Key figures

EUR million	**2008**	2007	2006
Net sales	821.7	718.2	623.3
Profit before taxes	103.2	76.5	50.2
Profit for the year, of which attributable to equity holders	72.6	52.8	34.8
of the parent company	70.8	51.3	33.6
Earnings/share, EUR	1.21	0.88	0.58
Return on investment, %	45.4	42.4	31.9
Equity ratio	41.7	50.7	49.2
Cash and cash equivalents	203.7	98.7	74.9
Interest-bearing debts	122.5	8.9	13.6
Gearing, %	-38.5	-47.4	-37.6

Business groups' performance and earnings

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 realising 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 during 2008 were 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

Demand for energy-related services was good in Europe during 2008 and remained stable in other geographical market areas. Environmental legislation continued to drive demand for renewable energy and energy efficiency-related services. The volatility of primary fuel prices, the structural change in the European energy market and actions related to the energy mix of companies boosted demand for management consulting services. Investments in the energy sector have grown strongly during the past few years, resulting in a shortage of project implementation capacity. This has also resulted in increased investment costs. These factors have contributed to delays in implementing certain projects. The recent turmoil in financial markets has had a relatively small impact on investment demand in the energy sector so far.

The Energy business group's net sales for 2008 were EUR 241.3 (217.5) million. Operating profit improved significantly, amounting to EUR 32.0 (21.0) million. The non-recurring income from the sale of the shares in Polartest Oy improved profit in the last quarter and for the whole year by EUR 6.0 million.

The order stock at the end of the year remained stable, amounting to EUR 196.4 (212.7) million. The most important new projects were the engineering services contract for a new 750 MW combined-cycle power plant in Vietnam with PetroVietnam Nhon Trach 2 Power JS Company (EUR 3.8 million); the implementation engineering services contracts with Stora Enso Oyj for combined heat and power plant projects in Belgium and Germany (EUR 3 million); the engineering services for a new 2x30 MW coal-fired power plant project in Kalimantan, Indonesia, with PT Makmur Sejahtera Wisesa (EUR 2 million); the engineering and installation contract for the new national control centre of the Austrian transmission network with Verbund Austrian Power Grid in Austria (EUR 2.4 million); the engineering contract with SOFINEL S.A., a subsidiary of the EDF Group and AREVA NP, for a nuclear power plant in China (EUR 2.8 million); the frame agreement with Técnicas Reunidas, Spain, for the engineering of several EPC projects (EUR 15 million); the contract with Woodside Energy as a part of the Pluto liquefied natural gas project, currently under construction in Western Australia (EUR 2.7 million); and implementation engineering services for Stora Enso Oyj for a combined heat and power plant project in Poland (EUR 3.3 million).

Energy

EUR million	**2008**	2007	2006
Net sales	241.3	217.5	197.4
Operating profit	32.0	21.0	14.6
Operating profit, %	13.2	9.7	7.4
Order stock	196.4	212.7	204.9
Personnel at year-end	1 870	1 838	1 692

Forest Industry

The Forest Industry business group's earnings improved clearly during 2008. This was due to good capacity utilisation, the successful completion of some major projects, and the good financial performance and demand situation in Latin America. New investments in the forest industry have mostly taken place in emerging markets. Demand for chemical industry-related services was on a good level whereas demand for local services remained stable during 2008.

The Forest Industry business group's net sales for 2008 were EUR 318.2 (276.9) million. Operating profit improved clearly and was EUR 54.0 (39.0) million.

The economic downturn sparked by the global financial crisis was clearly reflected in the operations of the Forest Industry business group towards the end of 2008. The downturn has impaired forest industry companies' profitability and hampered the availability of investment financing globally. For this reason, projects have been postponed, preparations for new projects have been delayed and the number of consulting assignments have declined. Demand for the services provided by the Forest Industry business group has decreased and it is difficult to predict when demand will recover. The business group's order stock declined to EUR 89.1 (123.8) million. The most important new projects were the engineering contract with Propapier GmbH for their paper machine project at a new site in Eisenhüttenstadt, Germany (EUR 10 million); the EPCM services contract with Roal Oy for an enzyme plant development project in Rajamäki, Finland (EUR 3 million); the engineering services for the rebuild of Mondi's Syktyvkar pulp mill in Russia (EUR 10 million); Amcor's new B9 linerboard machine project at the Botany Mill in Australia; the pulp mill engineering project for Vietnam Paper Corporation in Vietnam, the pre-engineering and EPCM services contract with Ovako Wire Oy Ab for a steelworks modernisation project in Koverhar, Finland; and the engineering and project management services contract for the construction of SunPine AB's new production plant for renewable vehicle fuel to be built in Piteå, Sweden (EUR 1.3 million).

Forest Industry

EUR million	**2008**	2007	2006
Net sales	318.2	276.9	224.9
Operating profit	54.0	39.0	22.9
Operating profit, %	17.0	14.1	10.2
Order stock	89.1	123.8	111.4
Personnel at year-end	3 158	2 961	2 418

Infrastructure & Environment

Demand for infrastructure and environment related services remained stable during 2008, with the exception of the weakening of office and commercial building construction in Finland, the Baltic countries and Russia. The business group continued to strengthen its position in local and international markets.

The Infrastructure & Environment business group's net sales for 2008 amounted to EUR 262.2 (222.5) million. Operating profit improved clearly and was EUR 20.1 (16.8) million.

The order stock increased, amounting to EUR 253.2 (226.3) million at the end of the year. The most important new projects were the extension to the existing consultancy engineering contract with Metro de Maracaibo C.A., Venezuela (EUR 5.5 million); the consultancy assignments for three water sector projects in Nigeria, West Africa, financed by the World Bank (EUR 3 million); the railway engineering services contract for the Gotthard Base Tunnel project with the Swiss Transtec Gotthard Consortium (EUR 10 million); the contract for the Ring Rail Link project in Helsinki, Finland, with the Finnish Rail Administration (EUR 7.5 million); the Melamchi water supply project with the Melamchi Water Supply Development Board in Nepal (EUR 7 million); the contract for a bus mass transit system with Instituto de Desarrollo Urbano in Colombia (EUR 3.0 million); the extension to the contract with Metro de Maracaibo C.A. for a metro mass transit system in Venezuela (EUR 5.2 million); the contract with the Government River Board Corporation for the preparation of a large flood protection scheme in the Czech Republic (EUR 4 million); the consultancy contract with the Ministry of Communications and Transport of Zanzibar for rehabilitation of the rural roads on Pemba Island, Zanzibar, funded by the Norwegian Agency for Development Cooperation (EUR 1.0 million); and the contracts with PKP Polskie Linie Koljowe S.A. for detail design and tender documentation for the modernisation of the "Warsaw Diameter Line" (EUR 8.9 million) and a feasibility study for the E75 Railway line Rail Baltica in Poland (EUR 1.1 million).

Infrastructure & Environment

EUR million	**2008**	2007	2006
Net sales	262.2	222.5	201.8
Operating profit	20.1	16.8	13.0
Operating profit, %	7.7	7.5	6.4
Order stock	253.2	226.3	191.0
Personnel at year-end	2 779	2 378	2 207

FINANCIAL TARGETS FOR THE BUSINESS GROUPS

The profitability target of Pöyry's business groups is a minimum operating profit of 8 per cent in the medium term. The long-term profitability target of the business groups is 10 per cent.

Development of Group structure

The Group continued its actions to streamline the Group's legal and administrative structure during the financial year. The objective is to operate under a single legal and administrative entity in as many countries as possible.

As of 1 January 2009, Pöyry split its Infrastructure & Environment business group into three parts: Transportation, Water & Environment, and Construction Services. The Infrastructure & Environment business group has consisted of three business areas with partly different client bases, markets and growth areas, which are now reorganised as separate business groups. The reorganisation creates a clearer connection between Pöyry's long-term growth strategy and business structure. At the same time, it enables investors to understand better the different segments of Pöyry's infrastructure and environment business.

The structure of the Energy business group remains unchanged. The business group is Europe's leading provider of energy-related consulting and engineering services.

The Forest Industry business group's structure also remains unchanged, except that the Civil Engineering business unit with a staff of 250 will become a part of the Construction Services business group. The Forest Industry business group is the global market leader both in consulting and engineering in its own field.

New business groups and pro forma figures

The Transportation business group focuses on rail transportation systems and on road, tunnelling and bridge projects, as well as on other traffic- and transportation-related engineering and expert services. The comparable net sales for 2008 amounted to EUR 105.5 million.

The Water & Environment business group offers comprehensive engineering and expert services related to water and environmental technologies. The comparable net sales for 2008 amounted to EUR 87.6 million.

The Construction Services business group offers comprehensive engineering and project management services for commercial building and industrial projects. The comparable net sales for 2008 amounted to EUR 92.8 million.

Segment information with comparable figures for the new business group structure are included in the financial statements.

Acquisitions

In March 2008 Pöyry acquired the remaining 30 per cent of the shares of CJSC "Giprobum-Pöyry" (formerly ZAO Giprobum Engineering), based in St. Petersburg, Russia. Pöyry now owns the company's entire share capital. The company was consolidated 100 per cent into the Forest Industry business group in 2007. The company is Russia's leading forest industry engineering firm, employing about 250 experts.

IDP Consult Incorporated in the Philippines, which was acquired in 2007, was consolidated into Pöyry as of the beginning of 2008. The company has a staff of 30 and its net sales for 2008 were EUR 0.4 million.

Pöyry expanded its transportation business and market presence in the infrastructure sector by acquiring in May 100 per cent of the shares of Consilier Construct S.R.L, Romania. Consilier Construct is a leading engineering consulting firm, employing about 220 experts. The company focuses on the transportation market, in particular on the road and rail sectors. Consilier Construct has a strong position in the transportation sector but is also active in the water and environment, and the building sectors. The company's net sales for 2008 were EUR 10.0 million. The acquisition represents an important step in developing Pöyry's transportation-sector activities in the Eastern European market. Consilier Construct will also play an active role in expanding other Pöyry Group activities in Eastern Europe.

Pöyry also expanded its architectural design operations by acquiring in May the entire share capital of Arket Oy, Finland. The company employs nine architects and its net sales for 2007 were EUR 0.8 million. Arket Oy provides architectural design services. Arket Oy has been merged with Pöyry Architects Oy on 31 December 2008.

The Infrastructure & Environment business group's operations were strengthened by acquiring in May 100 per cent of the shares of Geopale Oy, Finland. The company specialises in bedrock core drillings. The company employs 14 experts and its net sales for 2007 were EUR 1.1 million. Geopale Oy has been merged with Pöyry Environment Oy on 31 December 2008.

Pöyry expanded its real estate consulting and engineering operations in China by acquiring in August the entire share capital of Shanghai Kang Hong Construction Ltd. Based in Shanghai, the company employs 29 experts. Shanghai Kang Hong Construction is primarily engaged in project management for industrial and commercial real estate development and construction projects. The closure of the transaction is subject to approval by the Chinese authorities.

Pöyry expanded its transportation business by acquiring in October the entire share capital of ETT Proyectos S.L, Spain. Employing 45 experts, the company is based in Madrid. Its net sales for 2007 were EUR 3.2 million. ETT Proyectos provides engineering and consultancy services in the rail sector, including both conventional railways as well as bullet train systems. This acquisition supports Pöyry's strategy of expanding its transportation activities into the Spanish market, while at the same time providing synergies for Pöyry's established position in Latin America.

Pöyry expanded its presence in the Swiss infrastructure and environment market by acquiring in December Kündig & Partner AG, a specialised engineering consultancy company. Kündig & Partner employs ten experts and its net sales for 2007 were EUR 1.5 million.

ORDER STOCK

The Group's order stock at the end of 2008 totalled EUR 539.1 million, compared with EUR 562.8 million at the end of 2007. The sales margin of the order stock was at a normal level.

The share of consulting services, operation improvement and maintenance services of the order stock 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	**2008**	2007	2006
Consulting and engineering	538.6	551.4	500.8
EPC	0.5	11.4	6.8
Order stock, total	539.1	562.8	507.6

HUMAN RESOURCES

Personnel structure

The total number of personnel in the Group increased during 2008. The Group had an average of 7 702 employees during the year, which is 12.4 per cent more than in 2007. The number of personnel at the end of the year was 7 924. Mergers and acquisitions added 328 people to the total. Of the total personnel, 91 per cent were operative. About 600 persons worked in management consulting and the rest in projects. 5 per cent of the total personnel had a fixed-term contract.

Personnel, pro forma

	2008	2007	2006
Energy	1 870	1 838	1692
Forest Industry	2 917	2 734	2 300
Transportation	1 073	798	797
Water & Environment	976	926	920
Construction Services	971	881	608
Other	117	92	73
Personnel at year-end, total	7 924	7 269	6 390
Personnel on average, total	7 702	6 852	6 038

Personnel expenses

Wages and salaries as well as bonuses in the Pöyry Group are determined on the basis of local collective and individual agreements, individual employees' 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, but which will be increasingly directed to individual experts, for example staff in project work. In 2008, personnel expenses totalled EUR 433.8 million.

Personnel expenses

EUR million	**2008**	2007	2006
Wages and salaries	337.6	297.8	262.3
Bonuses	18.4	15.6	11.1
Expenses from share-based incentive programmes	1.8	0.5	0.7
Social expenses	76.0	62.0	53.6
Personnel expenses, total	433.8	375.9	327.7

Human resources management

The year under review was again a year of growth for Pöyry. Towards the end of the year Pöyry experienced a change in demand due to the downturn, which was most evident in the Forest Industry and Construction Services business groups. To make the best possible use of its resources for project work and to maintain good capacity utilisation, the company intensified the sharing of resources both across business unit and geographical borders.

To ensure that the Pöyry Group's capabilities will develop in accordance with changing business needs, the principles and actions for competence development are defined as a part of the annual strategy process. Developing managerial skills and encouraging job mobility within the organisation were major focus areas, as in the previous year. The reorganisation of the company's business operations resulted in significantly increased job mobility, which is an important step in the development towards an even more multi-skilled and diverse leadership pool.

The Group's human resources network was strengthened by new recruitments in several key countries and by developing the operating plan in accordance with short- and long-term business objectives. Examples of successfully implemented Pöyry-wide processes are the global employee survey 'Pöyry Pulse' and the 'Pöyry Dialogue' framework for individual discussion between line manager and team members. The benefits of adopting a uniform Pöyry identity and 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 numerous 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.

At the beginning of 2009 Pöyry launched a new Knowledge Management programme. Its aim is to assemble, structure and analyse the special expertise and knowledge available in different parts of the Group organisation and then make it available to the entire staff. In the initial phase focus is on collecting ideas through interviews. Based on this development, an approach including short and long-term goals will be selected.

CAPITAL EXPENDITURE AND DEPRECIATION

The Group's capital expenditure totalled EUR 19.6 million, of which EUR 10.7 million consisted mainly of computer software, systems and hardware and EUR 8.9 million was due to business acquisitions.

Capital expenditure and depreciation

EUR million	**2008**	2007	2006
Capital expenditure, operative	10.7	9.1	9.8
Capital expenditure, shares	8.9	44.2	27.9
Capital expenditure, total	19.6	53.3	37.7
Depreciation	9.0	8.4	7.8

FINANCING

The net debt/equity ratio (gearing) was -38.5 (-47.4) per cent. The Group's financing status improved significantly during the financial year. At the end of the year, the Group's cash and cash equivalents totalled EUR 203.7 (98.7) million. In addition to these, the Group had long-term unused overdraft facilities amounting to EUR 93.1 million. Interest-bearing debts amounted to EUR 122.5 (8.9) million. In the last quarter of the year, the Group companies in Finland drew loans totalling EUR 97.8 million by lending back funds from employment pension insurance companies. The equity ratio is 41.7 (50.7) per cent. The ratio was affected by the new loans.

Financing

EUR million	**2008**	2007	2006
Cash and cash equivalents	203.7	98.7	74.9
Interest-bearing debts	122.5	8.9	13.6
Unused overdraft facilities	93.1	37.9	25.3
Gearing, %	-38.5	-47.4	-37.6
Cash flow before financing	45.7	58.6	26.4

ASSESSMENT OF OPERATIONAL RISKS AND UNCERTAINTIES

The Group's most significant risks and uncertainties identified during the financial year were related to the global final crisis and the economic downturn set off by it.

The economic downturn has been clearly reflected in the operations of Pöyry's Forest Industry business group. Demand for the Forest Industry business group's services has decreased. Demand for the Construction Services business group's services has declined in its business sectors in Finland, Russia and the Baltic countries. It is difficult to foresee when demand will recover for either of the business groups.

In January 2009 Pöyry launched major actions to adapt the operations of its Forest Industry and Construction Services business groups to the prevailing situation. The actions will consist of temporary and permanent lay-offs and other measures of adaptation. In addition, in autumn 2008 Pöyry introduced an action programme to keep the Group's profitability at as high a level as possible. The programme focused on sales, resources, cost structure, investments and financing.

The financial crisis hampered the availability of loan financing. Pöyry countered this by significantly strengthening its already strong financial position and liquidity.

Pöyry's risk management

Pöyry's risks are managed in accordance with the Group's risk management policy and instructions. Risks related to business operations are monitored based on a classification into external and internal risk. Internal risks include strategic and operational risks, and financial risks. If realised, the identified potential risks could have a significant negative impact on Pöyry's business, earnings, financial position or reputation. All identified major risks have been rated and necessary actions to contain them defined. The implementation of risk management actions in the Group is monitored on a regular basis. The principles of Pöyry's risk management and typical risks identified in Pöyry's business are described in more detail in the Corporate Governance section of the annual accounts.

SHARE CAPITAL AND SHARES

The share capital of Pöyry PLC is EUR 14 588 478. The total number of shares at the end of 2007 was 58 652 614. During 2008, 225 988 new shares were subscribed with stock options 2004A and 2004B pursuant to the stock option programme 2004 of Pöyry PLC. Following the registration of the subscribed shares, the total number of shares increased to 58 878 602.

AUTHORISATION TO ISSUE SHARES

The Annual General Meeting (AGM) on 10 March 2008 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 for three years from the decision of the AGM. The Board has not exercised the authorisation during 2008.

The decision made by the AGM was published in its entirety in a stock exchange notice on 10 March 2008.

AUTHORISATION TO ACQUIRE THE COMPANY'S OWN SHARES

The Annual General Meeting on 10 March 2008 authorised the Board of Directors to decide to acquire the company's own shares with distributable funds on the terms given in the authorisation. 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 for 18 months from the decision of the AGM.

The decision made by the AGM was published in its entirety in a stock exchange notice on 10 March 2008.

The AGM on 5 March 2007 authorised the Board of Directors to decide to acquire a maximum of 5 800 000 own shares of the company. On 10 December 2007 the Board of Directors resolved to exercise the authorisation for the implementation of the Performance share plan 2008-2010. 237 557 own shares were acquired during the period 6 February to 7 March 2008. On 10 March 2008 the Board of Directors resolved to exercise the authorisation given by the Annual General Meeting on 10 March 2008 and to continue the share buy back. During the period 18 March to 10 September 2008, 148 529 own shares were acquired based on this authorisation. The average price of the shares acquired on the basis of the said authorisations was EUR 15.27. Furthermore a subsidiary of Pöyry PLC owns 8914 Pöyry PLC shares and thus the total number of own shares held by the company on 31 December 2008 was 395 000, representing 0.7 per cent of all shares and 0.7 per cent of all votes.

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 2007 173 768 new shares were subscribed with 43 442 stock options 2004A. During 2008 a total amount of 225 988 new shares were subscribed with 26 090 stock options 2004A and 30 407 stock options 2004B.

PERFORMANCE SHARE PLAN 2008-2010

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

The plan comprises 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.

The shares must be held for an approximate period of two years from the transfer date. No rewards shall be paid if the person or the company gives notice of termination before the end of an earning period. The paid reward must be returned to the company if the person or the company gives notice of termination within two years from the end of the earning period.

The number of participants in the first earnings period 2008 amounts to 292 persons. The payout from the plan is based on the Group's earnings per share (EPS) and net sales growth. For the earnings period 2008 the payout-ratio will be 180.89 per cent corresponding to a value of 431 151 shares. The payments will be made to the participants in April 2009, after the AGM has adopted the financial statements.

During 2008 93.1 per cent were granted and 3.1 per cent were returned of the maximum rewards for the earning period 2008.

BOARD OF DIRECTORS' PROPOSAL

The Pöyry Group's parent company Pöyry PLC's net profit for 2008 was EUR 56 179 095.45 and retained earnings EUR 7 200 671.63, so the total amount of distributable earnings was EUR 63 379 767.08. The Board of Directors of Pöyry PLC proposes to the Annual General Meeting on 10 March 2009 that a dividend of EUR 0.65 (0.65) per share be paid for the year 2008. The number of shares is 58 483 602 and the total amount of dividends thus EUR 38 014 341.30. The proposed dividend corresponds to 53.7 (73.9) per cent of the earnings per share for the financial year. The Board of Directors proposes that the dividend be paid on 20 March 2009.

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, Alexis Fries, Harri Piehl, Karen de Segundo and Franz Steinegger.

President and CEO of the company has until 31 May 2008 been Mr Erkki Pehu-Lehtonen, M.Sc. (Eng.) and as of 1 June 2008 Mr Heikki Malinen, M.Sc. (Econ), MBA. Deputy to the President and CEO has been Mr Teuvo Salminen, M.Sc. (Econ).

Auditors

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

PROSPECTS

Energy

Changes within the structure of energy sources coupled with energy legislation work, particularly in the EU, are expected to drive demand for strategic management consulting services. Long lead time in projects in the hydropower sector may be affected in some markets in the short term, but prospects in the medium term specifically in the emerging markets remain strong. Environmental legislation focused on combating climate change will continue to drive demand for renewable energy and energy efficiency related services. The continued demand for energy, particularly in Russia, China, Asia, the Middle East and Southern Africa, is expected to remain, but client's investments in the short to medium term are expected to be driven by long-term energy supply diversity and energy security. Cooling of the previously overheated thermal power sector is expected in the medium term which will have a positive effect in investments by lowering equipment supply costs and delivery times. The power and heat sector is expected to see improved growth. The nuclear power renaissance is clearly picking up speed not only within the European markets but also in new markets, such as the Middle East and Asia. Volatility in the price of crude oil is expected to continue in the short term but with a softening price trend. The drive to secure new reserves by oil companies will continue to create new business opportunities in the oil & gas sector in the Asia-Pacific, Middle East and North Sea markets. The business group has maintained its strong market position and its order stock has remained stable. The Energy business group's operating profit is estimated to remain stable in 2009, if the positive effect on earnings of the non-recurring income from the sale of Polartest Oy's shares is not taken into account in the operating profit.

Forest Industry

The Forest Industry business group's market position is stable. The order stock declined in the last quarter of 2008 impaired by the global financial crisis. Nearly all major planned projects have been stopped. Preliminary engineering work for new investment projects still continues in certain areas, notably in Russia. In Latin America, the volume of investments will go down significantly in 2009. The order stock for chemical-industry projects is stable, but in this sector, too, many of the largest projects have been put on hold. Demand for local services in the forest industry sector has decreased, while it has remained stable in other industrial sectors. Demand for management consulting services has declined and is increasingly focused on improving forest product companies' profitability, including business development and energy savings. The restructuring of the pulp and paper industry may lead to increased demand for management consulting and investment banking services. Adaptation measures have been started in many units of the business group. The impact of these measures will be visible from the second quarter of 2009 onwards. The Forest Industry business group's operating profit is estimated to decrease significantly in 2009.

Transportation

Despite difficult economic conditions in almost all regions of the world, investments in the transportation sector have continued to take place, with a similar pattern as in previous years. In particular, Eastern Europe where EU funds are being made available to the new EU member states, Latin America and India remain buoyant. Investments in Western Europe remain stable except in Germany. Many of these new investments are taking place in order to provide new roads, rail and metro systems, together with the associated tunnels. All of these investments are core areas of the Transportation business group. The operations of the Transportation business group are therefore expected to remain stable and the operating profit is estimated to improve in 2009.

Water & Environment

The global economic downturn has very limited effects on the Water & Environment business group's business, as only a small part of the services are provided for private-sector clients. The demand for services in water supply and sanitation, solid waste, and environmental studies remains high. Many governments around the world, such as Germany, Abu Dhabi and China, have announced major programmes to help fight the impact of the global downturn. All these programmes have a sizable component of investments into public infrastructure, which includes water supply and waste water. The number of extreme weather events leading to loss of lives and major damage to infrastructure continues to increase as a result of climate change. Therefore, the public sector will increase its spending for rehabilitation and protection of the built-up environment. All these drivers will result in new opportunities for the business group around the world. The operating profit of the Water & Environment business group is estimated to improve in 2009.

Construction Services

The impacts of the financial crisis are visible in commercial and office building construction in the markets of the Construction Services business group. Many projects have also been cancelled or postponed in the industrial sector. The business group's order stock decreased during the fourth quarter of 2008. It is difficult to predict when demand will recover. Adaptation measures have been started in most units of the business group. The impact of these measures will be visible from the second quarter of 2009 onwards. Stable or positive development is expected in infrastructure projects and consultancy services where the business group's market position is strong. The Construction Services business group's operating profit is estimated to decrease clearly in 2009.

Group

The economic downturn set off by the global financial crisis has had a clear impact on investment demand worldwide. In the Pöyry Group, the impacts have most markedly affected the operations of the Forest Industry and Construction Services business groups at the end of 2008 and the beginning of 2009.

To combat the impacts of the deepening downturn, Pöyry launched in autumn 2008 an action programmed intended to keep the Group's profitability at as high a level as possible. The programme focuses on sales, resources, cost structure, investments and financing. Pöyry has taken comprehensive action to intensify sales and to promote internal networking and sharing of resources. In addition, fixed-term employment contracts and subcontracting will be cut back as projects in progress are being completed.

As a part of the adaptation measures, statutory employee negotiations were started in January 2009 in the Forest Industry and Construction Services business groups' units based in Finland. The negotiations are concerned with temporary and permanent lay-offs, and other actions to adapt operations to the current market situation. The specific need for temporary lay-offs and their length, possible permanent lay-offs and other measures will be decided in detail as the negotiations proceed. The adaptation is estimated to equal a capacity of about 350 persons in the Forest Industry business group and about 250 persons in the Construction Services business group. In the Forest Industry business group's Brazilian unit, the capacity will be down-sized by about 200 persons, in addition to other local cutback measures. In addition to the above mentioned steps, the Forest Industry business group has initiated adaptation measures in its business units in North America in the beginning of 2009.

Demand for the Energy, Transportation, and Water & Environment business groups' services has remained stable and public-sector stimulus programmes are expected to improve demand further, especially in the transportation sector.

The duration of the downturn and all of its impacts are difficult to foresee. Pöyry intends to continue developing its operations in various ways. Pöyry is utilising its office network in 49 countries to direct sales and resources to the services and markets for which there is demand. Operations will be improved further, for example by investing in knowledge management, internal networking and sharing of resources and the development of IT applications. Human resources competence development will be continued by implementing internal training programmes. The economic downturn also creates good opportunities for developing Pöyry's business operations through acquisitions. Pöyry's excellent liquidity makes it possible to participate actively in this consolidation process.

Pöyry's net sales for 2009 are estimated to decrease and profit before taxes is estimated to decrease significantly compared with 2008. This assessment does not take into account possible acquisitions during 2009.

STATEMENT OF INCOME

	EUR million	2008	2007
1	**Net sales**	**821.7**	718.2
2	Other operating income	**+6.6**	+2.5
	Share of associated companies' results	**+2.2**	+0.4
	Materials and supplies	**-15.3**	-14.3
	External charges, subconsulting	**-101.0**	-89.5
3	Personnel expenses	**-433.8**	-375.9
	Depreciation	**-9.0**	-8.4
6	Other operating expenses	**-170.8**	-159.2
		-729.9	-647.3
	Operating profit	**100.6**	**73.8**
7	Financial income and expenses	**+2.6**	+2.7
	Profit before taxes	**103.2**	**76.5**
8	Income taxes	**-30.6**	-23.7
	Net profit for the period	**72.6**	**52.8**
	Attributable to:		
	Equity holders of the parent company	**70.8**	51.3
	Minority interest	**1.8**	1.5
9	Earnings/share, EUR	**1.21**	**0.88**
	Corrected with dilution effect	**1.19**	0.86

STATEMENT OF CHANGES IN FINANCIAL POSITION

EUR million	2008	2007
From operating activities		
Net profit for the period	**72.6**	52.8
Depreciation and value decrease	**+9.1**	+8.4
Gain on sale of fixed assets	**-6.3**	-2.3
Share of associated companies' results	**-1.6**	-0.4
Financial income and expenses	**-2.5**	-2.7
Income taxes	**+30.6**	+23.7
Change in work in progress	**-4.8**	-11.7
Change in accounts and other receivables	**+1.9**	-5.6
Change in advances received	**-23.7**	+27.4
Change in payables and other liabilities	**+8.6**	+13.1
Received financial income	**+6.2**	+4.3
Paid financial expenses	**-3.0**	-1.5
Paid income taxes	**-30.5**	-19.1
Total from operating activities	**+56.6**	**+86.4**
Capital expenditure		
Investments in shares in subsidiaries deducted with cash acquired	**-8.7**	-23.4
Sales of subsidiaries	**+0.0**	+0.3
Investments in fixed assets	**-10.7**	-9.9
Sales of associated companies	**+6.9**	+1.8
Sales of other shares	**+0.4**	+2.2
Sales of fixed assets	**+1.2**	+1.2
Capital expenditure total, net	**-10.9**	-27.8
Net cash before financing	**+45.7**	**+58.6**
Financing		
New loans	**+118.2**	+0.0
Repayments of loans	**-2.6**	-2.6
Change in current financing	**-3.7**	-2.2
Change in non-current investments	**+0.0**	+0.5
Dividends	**-39.1**	-30.0
Acquisitions of own shares	**-5.9**	+0.0
Share subscription	**+1.2**	+0.9
Net cash from financing	**+68.1**	-33.4
Change in cash and cash equivalents	**+113.8**	**+25.2**
Cash and cash equivalents 1 January	**98.7**	**74.9**
Impact of translation differences in exchange rates	**-8.8**	-1.4
Cash and cash equivalents 31 December	**203.7**	**98.7**

BALANCE SHEET

	EUR million	2008	2007
	Assets		
	Non-current assets		
1	Goodwill	**95.9**	95.6
1	Intangible assets	**6.2**	6.6
2	Tangible assets	**18.8**	17.8
3	Shares in associated companies	**5.8**	5.2
3	Other shares	**1.7**	2.4
3	Loans receivable	**0.1**	0.1
	Deferred tax receivables	**6.2**	5.7
	Pension receivables	**0.3**	0.6
4	Other	**5.0**	4.9
		140.0	138.9
	Current assets		
	Work in progress	**69.3**	64.5
5,7	Accounts receivable	**143.5**	141.9
5	Loans receivable	**0.8**	0.6
5	Other receivables	**10.3**	15.6
6	Prepaid expenses and accrued income	**12.7**	10.9
5	Cash and cash equivalents	**203.7**	98.7
		440.3	332.2
	Total	**580.3**	**471.1**

	EUR million	2008	2007
	Equity and liabilities		
	Equity		
	Equity attributable to the equity holders of the parent company		
8	Share capital	**14.6**	14.6
8	Share premium reserve	**32.4**	32.4
8	Legal reserve	**20.5**	19.5
8	Invested free equity reserve	**5.8**	4.6
	Translation difference	**-22.4**	-13.9
	Retained earnings	**152.5**	125.4
		203.4	182.6
	Minority interest	**7.7**	6.9
		211.1	189.5
	Liabilities		
	Non-current liabilities		
9	Interest bearing non-current liabilities	**100.8**	1.9
10	Pension obligations	**6.7**	6.6
	Deferred tax liability	**4.7**	3.3
	Other non-current liabilities	**5.0**	9.4
		117.2	21.2
	Current liabilities		
9,12	Amortisations of interest bearing non-current liabilities	**20.5**	2.6
9,12	Interest bearing current liabilities	**1.2**	4.4
11,12	Provisions	**5.8**	5.0
12	Project advances	**73.6**	97.3
12	Accounts payable	**21.8**	22.9
12	Other current liabilities	**43.0**	38.3
12	Current tax payable	**3.6**	13.7
13	Accrued expenses and deferred income	**82.5**	76.2
		252.0	260.4
		369.2	281.6
	Total	**580.3**	**471.1**

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. 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 share-based incentive programmes						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**
Equity 1 Jan. 2008	14.6	32.4	19.5	4.6	-13.9	125.4	182.6	6.9	189.5
Net income recorded direct to equity							0.0		0.0
Translation differences					-6.1		-6.1	-0.1	-6.2
Exchange losses from equity hedging					-2.4		-2.4		-2.4
Net profit for the period						70.8	70.8	1.8	72.6
Income and expenses for the period					-8.5	70.8	62.3	1.7	64.0
Share issue									
Shares subscribed with stock options				1.2			1.2		1.2
Payment of dividend						-38.0	-38.0	-1.0	-39.0
Acquisition of own shares						-5.9	-5.9		-5.9
Transfer, retained earnings			1.0			-1.0	0.0		0.0
Expenses from share-based incentive programmes						1.2	1.2		1.2
Minority change						-0.1	-0.1	0.1	0.0
Other changes			1.0	1.2		-43.8	-41.6	-0.9	-42.5
Equity 31 Dec. 2008	**14.6**	**32.4**	**20.5**	**5.8**	**-22.4**	**152.5**	**203.4**	**7.7**	**211.1**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Accounting principles for the consolidated financial statements

Group 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 3 February 2009 the Board of Directors of Pöyry PLC approved the publishing of these consolidated financial statements. According to the Finnish Limited Liability 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 2008. 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 2008 the following new and amended standards and interpretations:

- IFRIC 11 IFRS 2 – Group and Treasury Share Transactions. The interpretation provides additional guidance for the accounting treatment of share-based payments in separate financial statements. Therefore IFRIC 11 has not had any impact on the Group's financial statements. It has been endorsed for use in the EU.
- IFRIC 12 Service Concession Arrangements. The interpretation has not had any impact on the Group's financial statements since Pöyry has not had such agreements with the public sector falling in the scope of IFRIC 12 in the year ended or in the previous years. The interpretation is still subject to endorsement by the EU.
- IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. 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 the said plans. The interpretation has not had any effect on the consolidated financial statements. The interpretation has been endorsed for use in the EU.
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures – Reclassification of Financial Assets (effective for on or after 1 July 2008). The amendments issued in October 2008 resulting from the international finance crisis allow an entity to reclassify certain financial assets. During the financial year 2008 or at the balance sheet date Pöyry has not had such financial assets caught by these amendments for which Group would consider reclassification be necessary. Thus the amendments have no impact on the Group's 2008 financial statements or on the future consolidated financial statements. The amendments have been endorsed for use in the EU.

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

Group companies are consolidated and mutual shareholdings eliminated using the purchase method of accounting. 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 minority's share of the result for the period is presented on the face of the income statement. The minority's interest in equity is shown 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 is 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 accumulated post-acquisition equity items 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 and non-monetary items stated at fair value in a foreign currency are translated at the closing rate at the balance sheet date. 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 business operations are adjusted to revenues or 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. Exchange differences from such loans 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 trade receivables are reviewed by the management at least on a quarterly basis. Pöyry has issued IFRS/IAS-based implementation guidelines to subsidiaries in respect of use of estimates.

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. 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 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. At early stage of a project only costs are covered until the percentage of completion exceeds 10 per cent.

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.

The project 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 is it 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, i.e. to the extent that it is probable that taxable profit will be available in the future, against which temporary differences can be utilized. The enacted tax rate at the balance sheet date is used as the tax rate.

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 is 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 estimated 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 good management. Those amounts allocated to client relationship based on the materiality impact mentioned above, are subject to an annual impairment testing.

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 and contingent 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 global 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 the principles described below.

The business groups of the Pöyry Group represent the independent cash generating unit levels where management monitors the earnings, cash flow and net asssets and are therefore chosen as the goodwill allocation level.

Impairment of tangible and intangible assets

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 net 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 estimates and assumptions and the latest plans or forecasts approved by the management. Goodwill 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 the goodwill impairment testing results is the following (compared to the total carrying amount of tested assets): 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 other operating expenses, respectively.

A predetermined schedule has been used to calculate depreciation on tangible assets. 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 significantly 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 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 take place 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 finance 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 non-current and current 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 and financial liabilities at fair value through profit or loss, available-for-sale financial assets, loans or receivables (assets) and held-to-maturity assets. 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 settlement date accounting.

Financial assets

Financial assets at fair value through profit and loss

This category comprises those derivative instruments not meeting the hedge accounting criteria under IAS 39. 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 is not available or 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 amortised 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. Generally, an impairment allowance of 50 per cent is made for those trade receivables which are more than 180 days overdue. Trade receivables are measured at their probable value at the highest. If a receivable is due more than 360 days a credit loss provision is made unless there are especially weighty reasons.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and other short-term highly liquid investments with original maturities of three months or less from the date of acquisition. Bank overdrafts related to Group's cash pool accounts, if any, are included within current interest-bearing liabilities.

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 company, which does the hedges 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 fair value change resulting from the hedging instrument as well as from the hedged portion of the binding agreement is recognised in the income statement, together with the change in the fair value of the interest element of a forward contract separated from the hedge relationship.

Net investment hedge in a foreign entity

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.

Exchange differences from such loans are recognised directly in equity in the translation difference reserve until the investment is disposed of all, or part of, that entity.

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 and subsequent sales of treasury shares, including directly attributable transaction costs, 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 in 2005 a groupwide 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 project 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 as a project provision 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.

Employee benefits

Pension plans

The Group companies have various pension plans throughout the world. The statutory pension plans of Finnish companies are funded through payments to pension insurance companies. Voluntary 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 voluntary 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 discount rate used in calculation of the present value is determined by reference to market yields on high quality corporate bonds and to the maturity of the pension obligation. 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 obligations 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 plan 2004 is described in the income statement note 4.

In December 2007 the Board of Directors of Pöyry PLC has approved a share-based incentive plan for key personnel of Pöyry. The plan comprises 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. The shares must be held for an approximate period of two years from the transfer date.

The fair value of the reward is expensed until the target group is entitled to the reward and the shares are freely transferable. The fair value of the share is the share price on the date at which the target group has agreed to the conditions of the plan reduced by the estimated dividends. The fair value of the cash proportion is remeasured at each reporting date based on the share price at the reporting date. The expenses are recognized as personnel expenses and the component settled in shares credited the retained earnings and the cash part as accrued liability until paid out. The share performance plan is described in the income statement note 5.

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 2007 and 2008 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 2009:

- Amendment to IAS 23 Borrowing Costs (revised 2007) (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 in the cost of that asset. Previously Pöyry has recognised borrowing costs as an expense in the period in which they were incurred following the allowed alternative treatment under IAS 23. Management does not anticipate that the adoption of the amended standard will have any material impact on the consolidated financial statements. The amended standard has been endorsed for use in the EU.
- IFRIC 13 Customer Loyalty Programmes (effective for accounting periods beginning on or after 1 July 2008). IFRIC 13 will have no impact on the consolidated financial statements as Pöyry has no such customer loyalty programmes caught by this interpretation. The interpretation has been endorsed for use in the EU.
- 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 major customers. The Group anticipates that the adoption of IFRS 8 will not have an impact on reporting. IFRS 8 has been endorsed for use in the EU.
- 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 has been endorsed for use in the EU.
- Amendment to IFRS 2 Share-based Payment – Vesting Conditions and Cancellations (effective for accounting periods beginning on or after 1 January 2009). Based on the amended standard all non-vesting conditions have to be taken into account when determining the fair value of the equity instruments granted. The amendment also clarifies the accounting treatment of cancellations. The expected impact on the consolidated financial statements is being assessed by Group. The amended standard has been endorsed for use in the EU.
- Amendment to IAS 1 Presentation of Financial Statements and IAS 32 Financial Instruments: Presentation – Puttable Financial Instruments and Obligations Arising on Liquidation (effective for accounting periods beginning on or after 1 January 2009). The amendments deal with certain puttable equity instruments and their classification as equity in specific situations. Pöyry has not used such instruments, therefore the adoption of the amended standards will have no effect on the consolidated financial statements. The amended standards are still subject to endorsement by the EU.

- Improvements to IFRSs (Annual Improvements 2007) (mainly effective for accounting periods beginning on or after 1 January 2009). The amendments deal with 34 standards. Under this procedure minor and non-urgent amendments are grouped together and carried out through a single document annually. Pöyry does not expect the amendments to have a significant impact on the Group's financial statements. The amended standards are still subject to endorsement by the EU.
- Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective for accounting periods beginning on or after 1 July 2009). These amendments are not relevant for the Group as they only deal with first-time adopters of IFRSs. The amended standards are still subject to endorsement by the EU.
- IFRIC 15 Agreements for Construction of Real Estates (effective for accounting periods beginning on or after 1 January 2009). The interpretation provides guidance whether IAS 18 Revenue, or IAS 11 Construction contracts, should be applied when recognizing revenue from construction of real estates and when related revenue and expenses are recorded. IFRIC 15 is not expected to have any impact on the consolidated financial statements. The interpretation is still subject to endorsement by the EU.
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation (effective for accounting periods beginning on or after 1 October 2008). The interpretation provides guidance to the accounting treatment of the hedge of a net investment in a foreign operation. The Group does not expect IFRIC 16 to have a significant impact on the consolidated financial statements. The interpretation is still subject to endorsement by the EU.

Pöyry Group will adopt the following pronouncements in 2010:

- IFRS 3 Business Combinations (revised 2008) (effective for accounting periods beginning on or after 1 July 2009). Significant amendments have been made to the standard. The amendments broaden the scope of IFRS 3 and impact, among other things, the amount of goodwill recognised on business combinations and sales results of businesses. Contingent consideration will be measured at fair value and subsequently re-measured through the income statement. All acquisition-related costs, such as experts' fees, will be expensed instead of capitalization. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest (minority) in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Under the transitional provisions of the standard those business combinations where control is transferred prior to 1 July 2009 are not adjusted to comply with the new rules. The Group is assessing the impacts on the consolidated financial statements. The revised standard has not yet been endorsed by the EU.
- IAS 27 Consolidated and Separate Financial Statements (amended 2008) (effective for accounting periods beginning on or after 1 July 2009). The amendments affect the accounting treatment of acquisitions and sales achieved in stages. If the parent company retains control, impacts from changes in ownership in a subsidiary are recognized directly in Group's equity. Such transactions carried out with non-controlling interest (minority) no longer result in goodwill or gains and losses to be recorded in the income statement. When control is lost, the remaining interest is measured at fair value through the income statement. A similar accounting treatment is also applied to investments in associates and interests in joint ventures. In future losses of a subsidiary may be allocated to non-controlling interest also when they exceed the value of the minority shareholders' investment. The Group is assessing the impacts on the consolidated financial statements. The amended standard is still subject to endorsement by the EU.
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement (Eligible Hedged Items) (effective for accounting periods beginning on or after 1 July 2009). The amendments deal with hedge accounting and relate to designation of a one-sided risk in a hedged item and designation of inflation in a financial hedged item. Pöyry does not expect the amendments to have any impact on the Group's financial statements. The amended standard is still subject to endorsement by the EU.
- IFRIC 17 Distributions of Non-cash Assets to Owners (effective for accounting periods beginning on or after 1 July 2009). The interpretation provides guidance how an entity should account for non-cash dividend distributed to owners. The adoption of the interpretation is not expected to have any impact on the Group's financial statements. The interpretation is still subject to endorsement by the EU.

Segment information

Business segments

The Pöyry Group's operations have until year end 2008 been 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 the business areas: Management Consulting, Hydropower, Renewable Energy, Power and Heat, Oil and Gas and Emerging Business.

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 the main business areas: Management Consulting, Pulp and Paper Industry, and Chemical Process Industry. These are supported by the regional business areas: Europe including Russia, North America and South America.

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.

Business Segments as of 1 January 2009, Proforma

The Energy business group remains unchanged.

The Forest Industry business group's structure remains unchanged, except that the Civil Engineering business unit becomes a part of the Construction Services business group.

Pöyry split its Infrastructure & Environment business group into three parts: Transportation, Water & Environment, and Construction Services.

The business segments correspond to the internal reporting structure of the Group as of 1 January 2009.

Pro forma figures for the new structure are reported separately and on the Key Figure pages as quarterly figures.

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	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
Energy	241.3	217.5	32.0	21.0	13.2	9.7	196.4	212.7
Forest Industry	318.2	276.9	54.0	39.0	17.0	14.1	89.1	123.8
Infrastructure & Environment	262.2	222.5	20.1	16.8	7.7	7.5	253.2	226.3
Unallocated	0.0	1.3	-5.5	-3.0			0.4	0.0
	821.7	**718.2**	**100.6**	**73.8**	**12.2**	**10.3**	**539.1**	**562.8**

	Assets		Non-interest bearing liabilities		Assets - non-interest bearing liabilities	
	2008	2007	**2008**	2007	**2008**	2007
Energy	209.1	193.1	90.9	87.1	118.1	105.9
Forest Industry	262.5	214.1	88.9	115.0	173.6	99.1
Infrastructure & Environment	237.0	181.2	99.2	93.8	137.7	87.4
Eliminations	-128.3	-117.3	-32.5	-23.2	-95.8	-94.1
	580.3	**471.1**	**246.7**	**272.7**	**333.6**	**198.4**

	Capital expenditure		Depreciation		Personnel average		Personnel year-end	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
Energy	2.9	2.3	2.1	2.2	1 865	1 723	1 870	1 838
Forest Industry	4.0	3.3	3.1	2.7	3 079	2 745	3 158	2 961
Infrastructure & Environment	3.4	2.8	3.2	3.0	2 648	2 302	2 779	2 378
Unallocated	0.4	0.7	0.6	0.5	110	82	117	92
	10.7	**9.1**	**9.0**	**8.4**	**7 702**	**6 852**	**7 924**	**7 269**

Business segments, proforma

EUR million	Net sales 2008	Net sales 2007	Operating profit 2008	Operating profit 2007	Operating profit % 2008	Operating profit % 2007	Order stock 2008	Order stock 2007
Energy	241.3	217.5	32.0	21.0	13.2	9.7	196.4	212.7
Forest Industry	294.5	260.6	50.8	36.3	17.2	13.9	86.3	119.6
Transportation	105.5	91.7	9.2	7.2	8.7	7.8	130.9	107.0
Water and Environment	87.6	78.5	4.2	3.5	4.8	4.5	76.8	72.4
Construction services	92.8	68.6	9.9	8.8	10.7	12.9	48.3	51.1
Unallocated	0.0	1.3	-5.5	-3.0			0.4	0.0
	821.7	**718.2**	**100.6**	**73.8**	**12.2**	**10.3**	**539.1**	**562.8**

	Personnel average 2008	Personnel average 2007	Personnel year-end 2008	Personnel year-end 2007
Energy	1 865	1 723	1 870	1 838
Forest Industry	2 838	2 588	2 917	2 734
Transportation	974	810	1 073	798
Water and Environment	954	909	976	926
Construction services	961	740	971	881
Unallocated	110	82	117	92
	7 702	**6 852**	**7 924**	**7 269**

Geographical segments

EUR million	Net sales 2008	Net sales 2007	Assets 2008	Assets 2007	Capital expenditure 2008	Capital expenditure 2007	Personnel year-end 2008	Personnel year-end 2007
The Nordic countries	234.3	201.1	293.5	170.6	3.9	3.2	3 278	2 993
Europe	363.1	307.8	194.0	183.4	4.5	3.5	2 959	2 655
Asia	72.6	67.3	16.9	17.5	0.4	0.6	709	722
North America	27.7	34.2	22.3	24.2	0.4	0.6	308	307
South America	89.5	82.2	29.8	54.8	0.5	0.5	529	492
Other	34.5	25.6	23.8	20.6	1.0	0.7	141	100
	821.7	**718.2**	**580.3**	**471.1**	**10.7**	**9.1**	**7 924**	**7 269**

Acquisitions

Name and business	**2008** Acquisition date	Acquired interest, %
Arket Oy	7 May 2008	100

The company specialises in architectural design services for healthcare, office, retail and industrial buildings. The company is based in Espoo, Finland employing nine persons. The company has been merged with Pöyry Architects Oy.

Geopale Oy	12 May 2008	100

The company specialises in bedrock core drillings. The company is based in Jyväskylä, Finland employing 14 persons. The company has been merged with Pöyry Environment Oy.

Consilier Construct S.R.L.	27 May 2008	100

The company focuses on the tranportation market in particular on the road and rail sector. The company is based in Bucarest, Romania and has a staff of 220.

ETT Proyectos S.L.	1 October 2008	100

The company provides engineering and consultancy services in the rail sector, including both conventional railways as well as bullet train systems. The company is based in Madrid, Spain and has a staff of 45.

Kündig & Partner AG	3 December 2008	100

The company is highly specialised in HVAC building services and brings in a focus on complex and sophisticated sanitary designs of hospitals and laboratory facilities. The company is based in Bern, Switzerland and has a staff of 10.

Shanghai Kang Hong Construction Ltd	2008	100

The company is primarily engaged in project management for industrial and commercial real estate development and construction projects. The company is based in Shanghai, China and has a staff of 29.

The acquisition is subject to approval by the Chinese authorities. The company has not been consolidated into Pöyry Group in 2008 and thus not included in the figures for 2008 .

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. The company has been merged with Pöyry Building Services Oy.

CJSC "Giprobum-Pöyry" (ZAO Giprobum Engineering)	15 June 2007 19 March 2008	70 30

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.

Pöyry Evata Oy (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.

Pöyry AS (ECON Analyse 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. The company has been merged with Pöyry Civil Oy.

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. The company has been merged with Pöyry Environment GmbH.

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. The company has been merged with Pöyry Building Services Oy.

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, Philippines and has a staff of 30.

The company has consolidated into Pöyry Group as of the beginning of 2008 and therefore not included in the figures for 2007.

EUR million	2008	2007
Aggregate figures for the above acquisitions		
Purchase price		
Fixed price, paid	8.8	30.2
Fixed price, unpaid	0.0	0.3
Additional 30%, estimate	0.0	3.0
Earnout estimate	0.2	5.4
Share issue	0.0	5.0
Order intake estimate	0.0	0.0
Fees	0.1	0.2
Total	**9.1**	**44.2**
Price allocation		
Equity	4.7	10.5
Fair value adjustments:		
Client relationship	0.0	0.0
Order stock	0.0	0.3
Other	0.0	0.0
Total	**4.7**	**10.8**
Goodwill (remaining)	**4.4**	**33.4**

EUR million	2008	2007
Impact on the Pöyry Group's Income statement		
Operating profit from acquisition date to 31 December	1.8	2.0
Sales volume on a 12-month calendar year basis	17.4	50.1
Operating profit on 12-month calendar year basis	2.4	5.3
Impact on the Pöyry Group's number of personnel	328	637

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

	2008			2007		
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	0.1		0.1	0.8	0.2	1.0
Tangible assets	0.8	0.1	0.9	0.5		0.5
Shares	0.0		0.0	0.1	0.1	0.2
Work in progress	0.9	0.6	1.5	1.6		1.6
Accounts receivable	4.6		4.6	6.5		6.5
Other receivables	1.6	-0.2	1.4	1.7		1.7
Cash and cash equivalents	2.5		2.5	8.8	-0.2	8.6
Assets total	**10.5**	**0.5**	**11.0**	**20.0**	**0.1**	**20.1**
Interest bearing liabilities	0.5		0.5	0.4		0.4
Project advances	0.0		0.0	0.6		0.6
Accounts payable	1.7		1.7	1.1		1.1
Other current liabilities	3.4	0.7	4.1	7.4	-0.2	7.2
Liabilities total	**5.6**	**0.7**	**6.3**	**9.5**	**-0.2**	**9.3**
Net identifiable assets and liabilities	**4.9**	**-0.2**	**4.7**	**10.5**	**0.3**	**10.8**
Total cost of business combinations			**9.1**			**44.2**
Goodwill			**4.4**			**33.4**
Consideration paid, satisfied in cash			8.8			30.4
Cash acquired			2.5			8.6
Net cash outflow			**6.3**			**21.8**

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		2008	2007
1.	**Net sales**		
	Net sales	**821.7**	718.2
	Net sales by segments are presented on the Segment information pages.		
	Net sales from project contracts recognised on the percentage-of-completion method	**591.6**	517.2
	Net sales from reimbursable projects	**230.2**	201.0
	The aggregate amount of project contracts cost incurred and recognised profits less losses to date	**812.7**	976.9
	Net sales from percentage-of-completion projects included in current assets	**69.3**	64.5
	Project advances recognised on the percentage-of-completion method	**73.6**	97.3
	Accrued expenses and deferred income from percentage-of-completion projects	**2.5**	5.0
	Expenses included in obligatory provisions from percentage-of-completion	**2,7**	3.9
2.	**Other operating income**		
	Rent income	0.3	0.2
	Gain on sales of fixed assets	6.3	2.2
	Other operating income	0.0	0.1
		6.6	**2.5**
3.	**Personnel expenses**		
	Wages and salaries	337.6	297.8
	Bonuses	18.4	15.6
	Expenses from share-based incentive programmes	1.8	0.5
	Pension expenses, contribution plans	40.2	30.2
	Pension expenses, defined benefit plans	1.2	1.5
	Other social expenses	34.6	30.3
		433.8	**375.9**
	Fees paid to Board members (EUR 1 000)	441	410
	Paid salaries and bonuses to the President and CEO and the Deputy to the President (EUR 1 000)		
	1 Jan. - 31 May 2008, Erkki Pehu-Lehtonen, President and CEO		
	Salary and bonus	428	655
	Fringe benefits	6	17
	1 June - 31 Dec. 2008, Heikki Malinen, President and CEO		
	Salary and bonus	258	
	Fringe benefits	31	
	1 Jan. - 31 Dec. 2008, Teuvo Salminen, Deputy to the President		
	Salary and bonus	607	549
	Fringe benefits	14	13
	Paid salaries and bonuses to the other members of the Group Executive Committee (EUR 1 000)		
	Salary and bonus	1 536	1 432
	Fringe benefits	85	90

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 2004A. In 2008 225 988 new shares have been totally subscribed with 26 090 stock options 2004A and 30 407 stock options 2004B. Should all 450 061 stock options left be used for subscription of shares, the new shares will equal 3.0 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. The expenses in 2008 were EUR 0.3 million and in 2007 EUR 0.5 million.

Terms and conditions

Programme	**Stock option 2004A** Stock options issued	**Stock option 2004B** Stock options issued	**Stock option 2004C** 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	31 March 2010	31 March 2011	31 March 2012
Amount of stock options issued	165 000	165 000	220 000
Exercise price, EUR	4.76	5.50	8.88
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

	Trade volume weighted average quotation		
Expected realization of the performance conditions on grant date	1–30 April 2004 +20 %:a	1–30 April 2005 +20 %:a	1–30 April 2006 +20 %:a
Fair value on grant date, EUR	4.9847	5.3413	5.6734

	Weighted average exercise price EUR/share 2008	Number of stock options 2008	Weighted average exercise price EUR/share 2007	Number of stock options 2007
1 Jan.		506 558		550 000
Issued stock options, 2004A	4.76		5.41	
Issued stock options, 2004B	5.50		6.15	
Issued stock options, 2004C	8.88		9.53	
Forfeited options				
Exercised options 2004A	4.76	26 090	5.41	43 442
Exercised options 2004B	5.50	30 407		
Expired options				
31 December		450 061		506 558
Excercisable 31 Dec.		230 061		121 558

5. Share performance plan 2008-2010

On 10 December 2007 the Board of Directors of Pöyry Oyj agreed to establish a share performance plan. The plan was established as part of the incentive and commitment programme for the key personnel of the company and its subsidiaries. The share performance plan offers the target group the opportunity to receive Pöyry shares as a reward for attaining targets established for the earning period. The plan has three earning periods, each with a duration of one calendar year.

The earning periods comprise the calendar years 2008, 2009 and 2010. The Board of Directors shall determine annually the maximum amount of the rewards, the vesting conditions and the targets established for them. The extent to which the targets established for the vesting conditions are attained will determine how large a portion of the maximum reward will be paid to the key persons. The amount of the reward in the 2008 earning period is tied to the Group's earnings per share (EPS) and net sales growth. For the earnings period 2008 the payout ratio will be 180,89 per cent corresponding to a value of 431 151 shares.

The reward will not be paid if the person's employment ends before the close of the earning period. The person must also hold the earned shares and remain employed for at least two years after the close of the earning period.

Basic data concerning the share performance plan

	Earning period 2008
Grant dates	31 January 2008 / 11 April 2008 / 30 September 2008 / 31 October 2008
Form of the reward	Shares and cash
Maximum number of shares[1)]	540 000
Beginning of earning period	1 January 2008
End of earning period	31 December 2008
Vesting conditions	EPS and net sales growth, employment until the end of the restriction period
End of restriction period	1 January 2011
Required share ownership term in years	2
Remaining restriction period in years	2
Number of persons 31 December 2008	292

[1)] The maximum amount of the share reward includes a component to be paid in cash.

A summary of the actions taken under the share ownership plan in the 2008 financial year is presented in the table below. Since the cash component of the share reward is also recognized as a share-based expense, the amounts below are presented in gross terms, i.e. the share reward figures include both the reward paid in shares and the number of shares corresponding to the amount of the reward paid in cash.

Share performance plan, 2008 financial year Gross amounts 1 January 2008	**Earning period 2008**
Share rewards distributed	0
Share rewards returned	0
Share rewards paid	0
Changes during the financial year	
Share rewards distributed	246 750
Share rewards returned	8 400
Share rewards paid	0
Share rewards forfeited (includes returned shares)	8 400
Gross amounts 31 December 2008	
Share rewards paid	0
Share rewards returned	8 400
Share rewards outstanding	238 350
Share rewards forfeited (includes returned shares)	8 400

Measurement of fair value

Since the share reward is paid as a combination of shares and cash, the measurement of the fair value of the reward consists of two parts under IFRS 2: the component settled in shares and the component settled in cash. The component settled in shares will be recognized in shareholders' equity and the payment settled in cash in liabilities. The fair value of the reward paid in shares at the reward's grant date was the Pöyry PLC share price less the dividends expected to be paid during the earning period. The weighted average of the share's fair value thus measured for the share reward granted for the financial year was EUR 14.24 per share. Correspondingly, the fair value of the liability incurred in respect of a cash-settled transaction is remeasured at each reporting date until the end of the earning period, and the fair value of the liability will thus change in accordance with the Pöyry PLC share price. At the end of the financial year, the fair value of the cash component was EUR 7.85 per share. The fair value of the share reward recognized in the shareholders' equity during the period was EUR 0.8 million and the liability recognized from the share reward was EUR 0.5 million at the close of the financial period. In the 2008 financial year, the effect of the share rewards on Pöyry's result was EUR 1.3 million.

Measurement of the fair value of the share reward

	Earning period 2008
Share rewards distributed	246 750
Assumed proportion of cash component	50%
Share price at grant date, EUR[1]	10.41 - 15.63
Assumed annual dividend, EUR[2]	0.65
Weighted average of the fair value of the reward to be paid as shares, EUR	14.24
Share price, 31 December 2008 (cash component), EUR	7.85
Effect on result of 2008 financial year, EUR 1 000	1 300

[1] The fair value of the share-based payment is measured at the date at which the arrangement is agreed upon between the company and the target group.

[2] Since the person is not entitled to receive dividends during the earning period, the dividends expected to be paid have been deducted from the share price of the grant date when measuring the fair value.

EUR million	2008	2007
6. Other operating expenses		
Other project expenses	51.3	60.1
Other operative expenses	31.3	28.0
Office facilities	31.1	26.0
Other fixed expenses	57.1	45.1
	170.8	**159.2**
Auditing fees included in fixed expenses		
Statutory auditing		
Group auditor	1.0	0.9
Other	0.1	0.1
Tax advisory		
Group auditor	0.5	0.4
Other	0.3	0.1
Other services		
Group auditor	0.3	0.1
Other	0.0	0.0
7. Financial income and expenses		
Dividend income from available-for-sale financial assets	0.0	0.0
Interest income from available-for-sale financial assets	0.7	
Interest income from other cash and cash equivalents	5.2	3.8
Interest income from loans and other receivables	0.3	0.4
Other financial income	0.1	0.1
	6.3	4.3
Interest expenses from loans	-2.1	-0.8
Other interest expenses	-0.2	-0.2
Financial expenses from financial liabilities at fair value through profit and loss	-0.7	
Other financial expenses	-0.5	-0.3
	-3.6	-1.3
Exchange rate gains	0.5	0.4
Exchange rate losses	-0.6	-0.6
	-0.1	-0.2
Value decrease on non-current investments	-0.1	-0.1
	+2.6	**+2.7**

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 the Group's financing. The parent company grants loans to subsidiaries if considered necessary. The loans are mainly granted in the currency of the subsidiary. T,he 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.

EUR million	2008	2007
8. Income taxes		
Taxes for the fiscal year	30.2	22.9
Taxes for previous years	-0.5	0.6
Deferred taxes	0.9	0.2
	30.6	**23.7**
Reconciliation of current income taxes		
Profit before taxes	103.2	76.5
Income tax at Finnish tax rate 26%	26.8	19.9
Effect of different tax rates outside Finland	3.9	2.1
Non-deductible expenses and tax exempt income	-1.2	0.1
Losses for which no deferred tax benefits are recognized, tax effect	1.1	1.2
Used confirmed tax losses from previous years, tax effect	-1.6	-1.2
Effects of consolidation and elimination	1.7	0.3
Taxes for previous years	-0.5	0.6
Other	0.4	0.7
	30.6	**23.7**
Deferred tax receivables		
Tax losses carry forward	4.6	3.9
Tax receivables from pension obligations	0.6	0.5
Other temporary differences	1.0	1.3
	6.2	**5.7**
Deferred tax liabilities		
Tax liabilities from pension receivables	0.5	0.6
Tax liabilities for profit repatriation	0.3	0.3
Other temporary differences	3.8	2.4
	4.7	**3.3**

Deferred tax assets from losses of EUR 6.0 (5.9) million have not been recognised in the consolidated financial statements, because the realisation of the tax benefit included in these assets is not probable.

	2008	2007
9. Earnings per share		
Net profit for the period attributable to the equity holders of the parent company	70.8	51.3
Weighted average number of outstanding shares, 1 000	58 540	58 323
Diluted amount, 1 000	59 432	59 742
Earnings per share, EUR[1]	**1.21**	**0.88**
Diluted	**1.19**	0.86

[1] Calculation rule page 41.

Notes to the balance sheet

EUR million		Goodwill	Intangible rights	Other intangible assets	Total
1.	**Intangible assets**				
	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 value 1 Jan. 2008	95.6	1.0	19.6	20.7
	Exchange differences	-4.5	-0.1	-0.4	0.5
	Increase	5.6	0.0	1.4	1.4
	Decrease	0.8	0.0	0.1	0.1
	Acquisition value 31 Dec. 2008	95.9	0.9	20.5	21.4
	Accumulated depreciation 1 Jan. 2008			14.1	14.1
	Exchange differences			-0.3	-0.3
	Accumulated depreciation of decrease			1.1	1.1
	Depreciation for the period			2.5	2.5
	Accumulated depreciation 31 Dec. 2008			15.2	15.2
	Book value 31 Dec. 2008	**95.9**	**0.9**	**5.3**	**6.2**
	Acquisition price from business acquisitions allocated to intangible rights				
	Allocated to client relationships 2005 1)		1.0		
	Exchange differences		-0.1		
	Allocated to order stock				
		2005	2.5		
		2006	-0.5		
		2007	0.3		
		Expensed 2006	-1.2		
		Expensed 2007	-1.2		
	Intangible rights 31 Dec. 2008		**0.9**		

1) Purchase price allocated to client relationship, which is subject to annual impairment test.

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.

	2008					2007		
Main assumptions	Energy	Forest Industry	Tranportation	Water and Environment	Construction Services	Energy	Forest Industry	Infrastructure & Environment
Beeta	1.00	0.75	0.90	0.90	0.90	1.00	0.75	0.90
WACC, %, Pre-tax	10.92	9.46	10.34	10.34	10.34	11.31	9.85	10.73
WACC, %, Post-tax	8.40	7.28	7.95	7.95	7.95	8.70	7.58	8.25
Perpetuity growth rates, %	3.00	2.00	2.50	2.50	2.50	3.00	2.00	2.50
Average change in operating profit percentage	At present level	Return to normal level	At present level	Improvement	At present level	At present level	Minor impairment	At present level
Goodwill 31 Dec.	37.1	24.5	4.4	9.5	20.4	39.1	30.4	26.2
Intangible rights 31 Dec.		0.9					1.0	
Book value 31 Dec.	107.5	118.4	36.1	9.4	49.9	94.0	86.5	67.7

The impairment testing result shows that the "value in use" for all business groups exceeds significantly the business group's goodwill value (as for 2007).

1) 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 2009 have been reduced with 50 per cent in comparision with the ordinary testing levels.

2) 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.

Also in the both sensitivity analysis the impairment testing result shows that the "value in use" for all business groups exceeds significantly the business group's goodwill value (as for 2007).
Pöyry's scale for classifying the goodwill impairment as follows:
a) is below, b) corresponds to, c) exceeds slightly, d) exceeds clearly, e) exceeds significantly (> 50 per cent).

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

EUR million	Land areas	Buildings and structures	Machinery and equipment	Other tangible assets	Total
2. Tangible assets					
Acquisition value 1 Jan. 2007	0.8	1.4	53.7	4.0	60.0
Exchange differences		0.0	-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		0.0	-0.5	0.0	-0.5
Accumulated depreciation of decrease		0.0	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
Acquisition value 1 Jan. 2008	0.8	1.2	58.0	5.1	65.2
Exchange differences		0.1	0.0	0.1	0.1
Increase		0.0	7.5	1.8	9.3
Decrease	0.7	0.1	7.6	0.2	8.6
Acquisition value 31 Dec. 2008	0.1	1,2	57.9	6.8	66.0
Accumulated depreciation 1 Jan. 2008		0.6	44.0	2.8	47.3
Exchange differences		0.1	0.1	0.1	0.3
Accumulated depreciation of decrease		0.0	6.9	0.1	7.0
Depreciation for the period		0.0	5.7	0.8	6.6
Accumulated depreciation 31 Dec. 2008		0.6	42.9	3.7	47.2
Book value 31 Dec. 2008	**0.1**	**0.6**	**15.0**	**3.1**	**18.8**
The tangible assets include assets acquired through finance lease.					
2007			1.2		1.2
2008			1.6		1.6

EUR million	Shares in associated companies	Other shares	Receivables from associated companies	Total
3. Non-current investments				
Acquisition value 1 Jan. 2008	2.1	2.4	0.1	4.6
Exchange differences	0.0	0.1		0.1
Increase	0.0	0.0		0.0
Decrease	1.2	0.8		2.1
Accumulated influence on the earnings	2.8			2.8
Share of the profit for the period	2.2			2.2
Value decrease	0.1			0.1
Book value 31 Dec. 2008	**5.8**	**1.7**	**0.1**	**7.6**
Book value 31 Dec. 2007	5.2	2.4	0.1	7.7

Available-for-sale financial assets
Other shares, EUR 1.7 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:						
Korea District Heating Engineering Company Ltd, Korea (Energy)	50.0	0.2	11.5	2.1	17.9	3.0
Emerging Power Partners Oy, Finland (Energy)	45.9	0.0	0.1	0.1	0.3	0.0
ERL Management S.A., Switzerland (Forest Industry) (the figures from 2007)	49.0	1.6	72.6	69.2	1.2	-0.0
Entec SIA, Estonia (Water and Environment)	33.4	0.0				
Kiinteistö Oy Manuntori, Finland (Other)	34.2	0.1				
Total		1.9				

	Accumulated influence	Share of profits 2008	Share of profits 2007
Influence on the earnings and book values			
Energy	3.9	2.2[1)]	0.4[2)]
Associated companies total	**5.8**		

[1)] The result includes EUR 0.6 million reversal of the value decrease in 2006 and the 50 per cent part of the result EUR 0.6 million from 2007, which was not included in 2007. This EUR 0.6 million is recognized as income due to an sharesholders' agreement made in 2008.
[2)] 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.
The share of the associated companies' profits is included in the operating profit.

EUR million	**2008**	2007
4. Other non-current receivables		
Accounts receivable	3.8	2.0
Security deposits	0.9	0.7
Other receivables	0.1	2.0
Prepaid expenses and accrued income	0.2	0.2
	5.0	**4.9**

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	**2008**	2007
5. Current assets		
Work in progress	69.3	64.5
Accounts receivable	143.5	141.9
Loans receivable	0.8	0.6
Other receivables	10.3	15.6
Prepaid expenses and accrued income	12.5	10.8
Receivables, external	167.1	168.9
Accounts receivable	0.0	0.0
Prepaid expenses and accrued income	0.1	0.1
Receivables from associated companies	0.1	0.1
Accounts receivable	143.5	141.9
Loans receivable	0.8	0.6
Other receivables	10.3	15.6
Prepaid expenses and accrued income	12.7	10.9
Receivables total	167.2	169.0
Available-for-sale investments, deposits	96.5	0.0
Other investments	25.0	6.4
Cash in hand and at banks	82.2	92.3
Cash and cash equivalents	203.7	98.7
	440.3	**332.2**

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	**2008**	2007
6. Prepaid expenses and accrued income		
Non-current	0.2	0.2
Current	12.7	10.9
	12.9	**11.1**
Interest expenses	0.6	0.1
Social expenses	1.3	0.7
Rents	1.2	1.4
Income taxes	2.8	4.2
Other	6.9	4.7
	12.9	**11.1**
7. Accounts receivable		
Non-current	3.8	2.0
Current	143.5	141.9
	147.3	**143.9**
Accounts receivable, gross	152.8	149.2
Allowance for impairment 1 Jan.	-5.3	-4.9
Exchange differences	+0.0	+0.0
Change	-0.2	-0.4
Allowance for impairment 31 Dec.	-5.5	-5.3
Accounts receivable, net	**147.3**	**143.9**
Impairment losses		
Change in allowance for impairment	0.2	0.4
Impairment loss recognized, direct recorded	1.2	1.5
	1.4	**1.9**

	Accounts receivable **2008**	Allowance for impairment **2008**	Accounts receivable 2007	Allowance for impairment 2007
Not past due	97.7		93.4	
Past due under 61 days	28.2		35.2	
Past due 61-180 days	16.6	0.5	10.7	0.6
Past due 181-360 days	5.8	1.5	3.8	0.7
Past over 360 days	4.5	3.5	6.1	4.0
	152.8	**5.5**	**149.2**	**5.3**

	Shares million	Share capitall 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. 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
1 Jan. 2008	58.7	14.6	32.4	19.5	4.6	71.1
Shares subscribed with stock options	0.2				1.2	1.2
Transfer, retained earnings foreign companies				1.0		1.0
31 Dec. 2008	**58.9**	**14.6**	**32.4**	**20,5**	**5.8**	**73.3**

Pöyry PLC's accounting par value of each share is EUR 0.25. The company has one series of shares.

During 2008 Pöyry PLC has aqcuired 386 086 own shares. Furthermore a subsidiary of Pöyry PLC owns 8 914 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. During 2008 225 998 new shares were subscribed with 56 497 stock options. Should all 2004 stock options be exercised for subscription, the number of shares would increase from 58 878 602 to 60 678 846. The subscription started on 1 March 2007 for 165 000 stock options, on 1 March 2008 for 165 000 stock options and will start on 1 March 2009 for 220 000 stock options. The subscription time will end on 31 March 2012.

The share premium reserve includes the premium paid for shares in share issues during 1997–2006 and shares subscribed with stock options before 2008.

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 and the premium paid for shares with stock options 2008.

	Total	≤ 6 months 2008	7-12 months 2008	2009	2010
9. Liquidity risk					
31 Dec. 2007					
Loans from credit institutions incl. interest	3.8	1.4	1.3	1.1	
Used credit facilities incl. interest	4.0	4.0			
Finance lease liabilities, incl. interest	1.4	0.2	0.2	0.5	0.4
Of which financial liabilities	8.9	5.5	1.5	1.6	0.4
and interest[1]	0.3	0.1	0.1	0.1	
Accounts and other payable	22.9	22.9			
Forward contracts, cash out	16.9	15.7	1.2		
Forward contracts, cash in	-17.4	-15.8	-1.5		
Interest rate swaps[2]	0.0	0.0	0.0	0.0	
Total	31.6	28.3	1.3	1.6	0.4

31 Dec. 2008	Total	≤ 6 months 2009	7-12 months 2009	2010	2011	2012	2013
Loans from credit institutions incl. interest	23.7	0.7	0.6	0.3	0.3	11.0	10.8
Pension loans incl. interest	107.3	11.6	11.3	22.1	21.4	20.7	20.1
Used credit facilities incl. interest	0.7	0.7					
Finance lease liabilities incl. interest	1.7	0.3	0.3	0.6	0.5		
Of which financial liabilities	122.5	11.1	10.5	20.1	20.1	30.3	30.3
and interest[1]	10.8	2.1	1.7	2.8	2.1	1.4	0.5
Accounts payable	21.8	21.8					
Forward contracts, cash out	29.3	22.6	6.1	0.2	0.2	0.2	
Forward contracts, cash in	-29.2	-22.5	-6.2	-0.1	-0.2	-0.2	
Currency options, cash out	0.1	0.1	0.0				
Currency options, cash in	-0.1	-0.0	-0.0	-0.0			
Interest rate swaps[2]	1.2	0.1	0.2	0.2	0.2	0.2	0.1
Derivatives total	-1.3	-0.3	-0.0	-0.2	-0.3	0.3	0.1
Total	**156.4**	**35.4**	**12.2**	**23.2**	**22.5**	**32.1**	**31.0**

[1] Figures are non-discounted and include both repayments of the loan capital and interest payments.

[2] Pöyry PLC has made interest rate swaps for EUR 0.9 million (3.5) million and a CHF 16.0 (0) million external non-current floating interest rate-bearing loans.

EUR million	2008	2007
10. Pension obligations		
Expenses		
Current service expenses	2.4	2.6
Past service expenses	0.1	0.0
Interest expenses	4.2	4.0
Expected return on plan assets	-4.7	-4.7
Recognized net actuarial gains and losses	-0.0	0.1
Gains and losses from curtailment	-0.1	-0.4
Other	-0.6	-0.2
	1.2	**1.5**
Net pension obligations		
Non-current receivables	0.3	0.6
Current receivables	2.6	2.0
Receivables total (of which Switzerland EUR 2.7 million)	2.9	2.6
Pension obligations	6.7	6.6
Net pension obligations	**3.8**	**4.0**
Reconciliation of the pension obligations		
Present value of funded obligations	119.0	109.5
Fair value of plan assets	-100.7	-111.2
Deficit/Surplus	-18.3	+1.7
Unrecognized actuarial gains (+) and losses (-)	14.4	-5.4
Unrecognized actuarial past service costs	0.2	-0.3
Net pension obligations	**3.8**	**4.0**
Change in net pension obligations		
Net pension obligations 1 Jan.	4.0	2.5
Current service expenses	2.4	2.6
Past service expenses	0.1	0.0
Interest expenses	4.2	4.0
Expected return on plan assets	-4.7	-4.7
Recognised net actuarial gains and losses	-0.0	0.1
Losses/gains from curtailment	-0.1	-0.4
Other	-0.8	-0.2
Exchange differences	-0.2	0.1
Payments to funds	-1.1	0.0
Benefits paid from funds	0.0	-0.1
Net pension obligations 31 Dec.	**3.8**	**4.0**
Fair value of plan assets 1 Jan.	111.2	118.2
Expected return on plan assets	4.7	4.7
Recognised net actuarial gains and losses	-18.8	-2.7
Payments to funds	2.5	1.5
Benefits paid from funds	-9.1	-7.1
Settlement	0.0	-0.2
Other	3.5	0.0
Exchange differences	6.6	-3.1
Fair value of plan assets 31 Dec.	100.7	111.2
Actual return on plan assets	-14.1	2.0
The amount the company expects to contribute to its defined pension plans during year 2009/2008	3.1	2.0

EUR million	2008	2007
Assets categories in percentage		
Switzerland:	%	%
Equity securities	30.0	30.0
Debt securities	60.0	60.0
Real estate	10.0	10.0
Other	0.0	0.0
	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.

Five-year overview (as of 1 Jan. 2005)		
Present value of funded obligations	-119.0	-109.5
Fair value of plan assets	100.7	111.2
Surplus	-18.3	1.7
Experience adjustments to plan assets Losses (-)/gains (+)	-19.2	-2.7
Experience adjustments to plan liabilities Losses (-)/gains (+)	-1.2	0.7

Principal actuarial assumptions

(in 2007 only Switzerland)

	Switzerland	Other countries	Switzerland
Discount rate, %	3.50	5.85	3.50
Expected return on plan assets, %	2.75	6.31	4.00
Future salary increases, %	1.50	3.11	1.50
Future pension increases, %	0.25	2.15	0.00
Inflation	1.25	2.08	

Switzerland

85.9 per cent of the net present value of the defined benefit obligations, i.e. EUR 105.8 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 a deficit of EUR 11.1 (in 2007 surplus 8.8) million.

EUR million	Project provisions	Other	Total
11. Provisions			
Book value 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

EUR million	Project provisions	Other	Total
Book value 1 Jan. 2008	3.9	1.1	5.0
Exchange rate differences	0.0	-0.4	-0.4
Increase	1.6	2.6	4.2
Used	0.5	0.1	0.6
Reversed	2.3	0.1	2.4
Book value 31 Dec. 2008	**2.7**	**3.1**	**5.8**
Non-current			0.0
Current			5.8
			5.8

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 expected 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.

EUR million	2008	2007
12. Current liabilities		
Loans from credit institutions, amortisations	20.5	2.6
Used credit facilities	0.6	4.0
Finance lease liabilities	0.6	0.4
Interest bearing liabilities	21.7	7.0
Provisions	5.8	5.0
Project advances	73.6	97.3
Restricted project advances	2.1	2.5
	75.7	99.8
Accounts payable	21.8	22.9
Current tax payable	3.6	13.7
Other current liabilities	40.9	35.8
Accrued expenses and deferred income	82.5	76.2
Total current liabilities	**252.0**	**260.4**

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

13. Accrued expenses and deferred income		
Expenses from percentage-of-completion projects	2.5	5.0
Salaries and vacation accruals	60.1	54.5
Social expenses	8.9	5.9
Rents	0.4	0.5
Interest expenses	1.7	0.0
Income taxes	4.5	2.5
Other	4.4	7.8
	82.5	**76.2**

EUR million	2008	2007
14. Financial assets and liabilities		
Available-for-sale assets, shares	1.7	2.4
Loans and other receivables		
Non-current accounts receivables	3.8	2.0
Other non-current receivables	0.9	0.7
Current accounts receivable	143.5	141.9
Current loans receivable	0.8	0.6
Derivative instruments under hedge accounting	1.3	0.5
Financial assets at fair value through profit and loss		
Available-for-sale assets, deposits	96.5	0.0
Other investments	25.0	6.4
Cash in hand and at banks	82.2	92.3
Financial assets	**355.7**	246.8
Liabilities at amortised cost		
Interest bearing liabilities	122.5	8.9
Accounts payable and other liabilities	21.8	22.9
Derivative instruments under hedge accounting	1.4	0.0
Financial liabilities at fair value through profit and loss		
Derivative instruments not under hedge accounting	0.7	0.0
Financial liabilities	**146.4**	31.8

The book value of the financial assets and liabilities corresponds to their fair value except the CHF loans (EUR 21.5 million) included in interest bearing liabilities which fair value is EUR 22.6 million due to the change in the exchange rate. Most of the other loans have been withdrawn near the year end and thus their fair values are near book values. Calculation rules of the fair values of derivates are found in item 3 Derivates in Other notes.

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	3.4	3.2

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 2008 a total of 167 437 shares and 150 679 stock options 2004 (at the end of 2007 a total of 207 107 shares, and 236 975 stock options 2004). With the stock options the shareholding can be increased by 602 716 shares equalling 1.0 per cent of the total number of shares and votes.

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

The option programme 2004 and the performance share plan 2008-2010 are described on the Shareholders and shares pages in the notes 4 and 5 to the statement of income.

Pöyry PLC holds 386 086 own shares and a subsidiary of Pöyry PLC owns 8 914 shares. or totally 395 000 shares corresponding to 0.7 per cent of total number of the 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	0.3	0.1
Loans receivables from associated companies	0.1	0.1
Accounts receivable from associated companies	0.0	0.0

Other

EUR million		2008	2007
1.	**Contingent liabilities**		
	Other obligations		
	Pledged assets	0.1	0.3
	Other obligations	45.2	40.4
		45.3	**40.7**
	For other		
	Pledged assets	0.1	0.1
	Other obligations	0.1	0.1
		0.2	**0.2**
2.	**Other lease agreements**		
	Lease payments for non-cancellable other lease agreements, mostly office rents:		
	Year 2008		24.6
	Year 2009	26.4	18.1
	Year 2010–2012	42.4	25.5
	Later	49.4	45.4
		118.2	**113.6**
3.	**Derivative instruments**		
	Foreign exchange forward contracts, nominal values	29.5	16.9
	Foreign exchange forward contracts, fair values	1.1	0.4
		-1.2	-0.0
	Currency options, nominal values		
	Purchased	5.6	
	Written	4.5	
	Currency options, fair values		
	Purchased	0.2	
	Written	-0.2	
	Interest rate swaps, nominal values	11.7	3.5
	Interest rate swaps, fair values	-0.7	0.0

The fair values of foreign exchange forward contracts and currency options are specified by closing date fair values for the corresponding maturities of the agreements. The fair values of the interest rate swaps have been specified by the present values of the future cash flows which are based on the closing date's interest rates and other market information. The fair values corresponds the prices, which the Group should pay or receive if it terminate the derivative agreement.

The fair values are based on the fair value confirmations from banks.

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 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 20 per cent Germany 10 per cent, Brazil 9 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 four 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.

An analysis of the age of sales receivables is presented in Note 7 Sales Receivables. From the Note 7 also becomes apparent that approximately EUR 4.3 million of sales receivables which are past due over 180 days and EUR 1.0 million of sales receivable which are past due over 360 days are under closer review found out not to be justified for impairment.

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 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 committed overdraft facilities as at 31December 2008 in several banks amounting to EUR 93.7 million of which EUR 0.6 million was used.

EUR million	2008	2007
Overdraft facilities	93.7	41.9
Used	0.6	4.0
Unused	93.1	37.9

Due to the financial crisis that has spread throughout the global economy the Group has launched an action programme designed to maintain its profitability during the current recession at as high a level as possible. The programme focuses on sales, resources, cost structure and investments. Efforts have been made to strengthen the Group's good financial and liquidity position further, because the recession creates new opportunities for restructuring, in which Pöyry aims to play an active role. The Group has during the last quarter 2008 improved its financial buffer by a) drawing 97.8 M€ in pension loans from Finnish pension insurance companies and deposited the money in selected banks as six months time deposits and b) increasing the Groups overdraft facilities with EUR 50.0 million.

The Groups liquidity as of December 2008 was hence EUR 296.8 million consisting of cash and cash equivalents EUR 203.7 million and unused overdraft facilities EUR 93.1 million. According to Pöyry financing policies the Group's required minimum liquidity should correspond to one month's average expenses (EUR 60-65 million) i.e. Pöyry's liquidity at the end of year 2008 is close to five times higher than the minimum need.

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 long-term debt shall be at least three years.

EUR million	2008	2007
Non-current	100.8	3.5
Current	21.7	5.4
Total loans	122.5	8.9

Contractual maturity of liabilities and derivatives has been presented in Table of Maturity Analysis in Note 9.

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 companies hedge 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 2008

EUR million	EUR	USD	VEB	Other
Receivables	6.0	7.9		
Order stock	31.9	41.8		
Payables	5.4	1.3		
Committed costs	7.9	19.1	3.0	
Hedges, net	-2.0	-24.0		
Cash and current investments	3.7	1.4	0.4	
Net exposure	26.3	6.7	-2.6	2.2

In 2007 the biggest operational exposures were in EUR (11.5 MEUR), VEB, Venezuela Bolivar (- 4.4 MEUR) and USD (2.8 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 other loans in foreign currencies than those hedging the equity of the foreign subsidiaries, 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 2008

EUR million	CAD	GBP	BND	USD	AED	CHF	ZAR	Other
From internal loans	3.6	-9.2	1.5	-1.2	3.4	1.2	1.0	4.9

In 2007 the biggest financial exposures were in CAD (3.6 MEUR), CHF (2.8 MEUR), BND (1.4 MEUR), and USD (-1.3 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.

A change of ten (10) per cent in the exchange rates calculated on the balance sheet items has the major effects on the result in case of USD-change (EUR 0.9 million), GBP-change (EUR 0.9 million) and EUR-change (EUR 0.4 million).

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.

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. To these loans the Group applies net investments hedge accounting and exchange differences arisen from these loans are recognised in equity in the translation difference reserve until the investment is disposed of that entity. At the end of 2008 the Group had CHF 21.5 million of these loans.

Equity (before eliminations) most important currencies

EUR million	2008 Equity	Of which net profit	of which hedged	Change 10 %		2007 Equity	Of which net profit	Change 10 %	
EUR	289.3	120.9				234.9	58.0		
CHF	51.1	3.9	21.5	3.0	0.4	53.0	9.6	5.3	1.0
GBP	15.0	6.7		1.5	0.7	14.8	9.5	1.5	0.9
USD	10.9	1.4		1.1	0.1	9.7	1.4	1.0	0.1
BRL	11.6	25.8		1.2	2.6	10.8	11.5	1.1	1.2

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 122.5 million of which EUR 97.8 million had a fixed interest rate and EUR 24.7 million a floating rate. Of the loans with a floating rate EUR 11.7 million were covered by interest rate swaps. A change of one (1) per cent in the interest rate affects the interest expense by EUR 1.2 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.

EUR million	2008	2007
Profit before taxes	103.2	76.5
Interest and other financial expenses	3.7	1.6
Total	106.9	78.1
Balance sheet total	580.3	471.1
Non-interest bearing liabilities	246.7	272.7
Total capital	333.6	198.4
Return on investment, %	45.4	42.4

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	2008	2007
Interest bearing liabilities	122.5	8.9
Cash and cash equivalents	203.7	98.7
Net interest bearing liabilities	-81.2	-89.9
Equity	211.1	189.5
Net debt/equity ratio, %	-38.5	-47.4

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

5. Share ownership

		Ownership of voting rights Group, %	Parent company, %
Group companies			
Energy			
Adexia (Schweiz) AG	Switzerland, Zurich	100.0	
Convergence France SA	France, Paris	100.0	
Econ Pöyry AB	Sweden, Stockholm	100.0	
Electrowatt Consultants Ltd	United Kingdom, Horsham	100.0	
Heymo Ingenieria S.A.	Spain, Madrid	60.0	60.0
IGL Consultants Ltd	United Kingdom, Aberdeen	100.0	100.0
Pöyry (Argentina) S.A.	Argentina, Buenos Aires	100.0	
Pöyry AS	Norway, Oslo	100.0	100.0
Poyry (B) Sdn Bhd	Brunei	90.0	
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 (Deutschland) GmbH	Germany, Dusseldorf	100.0	
Pöyry Energy Consulting (Italia) S.r.l.	Italy, Milan	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	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	
Poyry Energy Sdn Bhd	Malaysia, Kuala Lumpur	100.0	
Pöyry Energy S.r.l.	Italy, Genoa	100.0	100.0
Pöyry (Peru) S.A.C.	Peru,	100.0	
Pöyry SAS	France, Lyon	100.0	100.0
Serviheymo S.L.	Spain, Madrid	60.0	
Forest Industry			
CJSC Giprobum-Pöyry	Russia, St. Petersburg	100.0	100.0
Oblio Holding Inc.	Canada, Toronto	100.0	
Perforex Inc.	Canada, Toronto	100.0	
Perforex US Inc.	USA, Atlanta	100.0	
Perforex US LLC	USA, Atlanta	100.0	
PT. Poyry Forest Industry	Indonesia, Jakarta	100.0	100.0
Pöyry (Appleton) LLC	USA, Appleton Wisconsin	100.0	
Pöyry Capital Limited	United Kingdom, London	85.0	85.0
Pöyry Empreendimentos Industriais S.A.	Brazil, Sao Paolo	100.0 [1)]	
Pöyry Forest Industry AS	Norway, Oslo	100.0	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

[1)] 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 %
Pöyry Forest Industry Consulting Oy	Finland, Vantaa		100.0	100.0
Pöyry Forest Industry GmbH	Germany, Dresden		100.0	
Poyry Forest Industry Limited	New Zealand, Auckland		100.0	100.0
Pöyry Forest Industry (Proprietary) Ltd	South Africa, Durban		100.0	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 (Shanghai) Co Ltd	China, Shanghai		100.0	100.0
Poyry Forest Industry Sp. z o.o.	Poland, Lódz		90.0	90.0
Pöyry Industry Oy	Finland, Vantaa		100.0	100.0
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 Sweden AB	Sweden, Gävle		100.0	100.0
Pöyry Tecnologia Ltda.	Brazil, Sao Paolo		100.0	
Pöyry (USA) Inc.	USA, Appleton		100.0	100.0
Poyry (Vancouver) Inc.	Canada, Vancouver		100.0	
Jaakko Pöyry (Thailand) Co., Ltd	Thailand, Bangkok		100.0	
Transportation				
Consilier Construct S.R.L.	Romania		100.0	100.0
ETT Proyectos S.L.	Spain		100.0	100.0
Kundig & Partner AG	Switzerland		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	
Pöyry Infra Ltd.	Thailand, Bangkok		100.0	
Pöyry Infra Oy	Finland, Vantaa		100.0	100.0
Pöyry (Mexico) S.A., de CV	Mexico		100.0	
Poyry Infra Sp. z o.o.	Poland, Cracow		100.0	
Pöyry Infra Traffic GmbH	Germany, Lorrach		100.0	
Pöyry (Thailand) Ltd.	Thailand, Bangkok		100.0	
QCM-Consult GmbH	Germany, Lorrach		100.0	
Water and Environment				
Aquatis spol s.r.o.	Czech Republic, Brno		84.4	
CLM Chemisches Labor GmbH	Germany, Mannheim		100.0	
GKW Consult Dakar SARL	Senegal, Dakar		90.0	
IKOS ODD	Bulgaria, Sofia		100.0	
IDP Consult Incorporated	Philippines, Manila		67.0	67.0
AS Pöyry Entec	Estonia, Tallinn		75.0	75.0
Pöyry Environment a.s.	Czech Republic, Brno		84.4	52.1
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	

		Ownership of voting rights Group %	Parent company %
Pöyry Environment GmbH	Germany, Mannheim	100.0	
Pöyry GKW GmbH	Germany, Mannheim	100.0	
Pöyry GKW GmbH	Germany, Erfurt	100.0	
Pöyry GKW GmbH	Germany, Essen	100.0	
Pöyry GKW GmbH	Germany, Dresden	100.0	
Pöyry ibs GmbH	Germany, Schwerin	100.0	
Pöyry Infra AG	Switzerland, Zurich	100.0	100.0
Pöyry Romania s.r.l.	Romania, Bucarest	100.0	
Construction Services			
East Engineering Ltd Oy	Finland, Vantaa	100.0	100.0
Evata Baltics OÛ	Estonia, Tallinn	70.0	
OOO “Pöyry”	Russia, St. Petersburg	100.0	100.0
Pöyry Architects Oy	Finland, Helsinki	70.0	
Pöyry Building Services Oy	Finland, Espoo	100.0	100.0
Pöyry Civil Oy	Finland, Vantaa	100.0	100.0
Pöyry CM Oy	Finland, Vantaa	100.0	100.0
Pöyry Evata Oy	Finland, Helsinki	70.0	70.0
Pöyry OÛ	Estonia, Tallinn	100.0	100.0
Pöyry Telecom Oy	Finland, Vantaa	80.0	80.0
Shanghai Kang Hong Construction Ltd	China, Shanghai	100.0	
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
JP-Invest (BVI) Ltd	British Virgin Islands	100.0	
J.P. New Zealand Ltd	New Zealand	100.0	
JP-Sijoitus Oy	Finland, Vantaa	100.0	100.0
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
Pöyry Latin America S.L.	Spain	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		0.1
Other shares	0.2	0.4
	0.2	**1.5**

KEY FIGURES

Statement of income

EUR million	2004	2005	2006	2007	2008
Consulting and engineering	458.4	502.8	600.5	708.4	809.4
EPC	15.5	20.8	22.8	9.8	12.3
Net sales total	**473.9**	**523.6**	**623.3**	**718.2**	**821.7**
Change in net sales, %	15.1	10.5	19.0	15.2	14.4
Other operating income	2.1	0.8	0.3	2.5	6.6
Share of associated companies' results	0.5	0.8	1.2	0.4	2.2
Materials, supplies and subconsulting	64.9	75.1	97.2	103.8	116.3
Personnel expenses	266.4	283.2	327.7	375.9	433.8
Depreciation	9.1	7.9	7.8	8.4	9.0
Other operating expenses	106.2	121.8	142.2	159.2	170.8
Operating profit	**29.9**	**37.2**	**49.9**	**73.8**	**100.6**
Proportion of net sales, %	6.3	7.1	8.0	10.3	12.2
Financial income and expenses	+1.0	+1.4	+0.3	+2.7	2.5
Proportion of net sales, %	0.2	0.3	0.0	0.4	0.3
Profit before taxes	**30.9**	**38.6**	**50.2**	**76.5**	**103.2**
Proportion of net sales, %	6.5	7.4	8.1	10.7	12.6
Income taxes	-10.0	-12.3	-15.4	-23.7	-30.6
Net profit for the period	**20.9**	**26.3**	**34.8**	**52.8**	**72.6**
Attributable to:					
Equity holders of the parent company	19.7	25.9	33.6	51.3	70.8
Minority interest	1.2	0.4	1.2	1.5	1.8

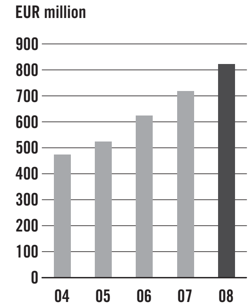
Balance sheet

EUR million	2004	2005	2006	2007	2008
Goodwill	34.0	42.4	61.4	95.6	95.9
Intangible and tangible assets	19.8	23.7	24.9	24.4	25.0
Non-current investments	10.4	12.7	12.3	7.7	7.6
Non-current receivables	22.7	20.2	17.9	11.2	11.5
Work in progress	46.6	56.6	52.7	64.5	69.3
Accounts receivable	103.6	108.1	134.2	141.9	143.5
Other current receivables	13.3	21.6	22.5	27.0	23.8
Cash and cash equivalents	62.2	64.5	74.9	98.7	203.7
Assets total	**312.6**	**349.8**	**400.8**	**471.1**	**580.3**
Equity attributable to the equity holders of the parent company	126.6	144.2	156.8	182.6	203.4
Minority interest	7.1	4.7	6.1	6.9	7.7
Pension obligations	6.6	6.8	6.9	6.6	6.7
Provisions	0.7	3.4	3.7	5.0	5.8
Interest bearing liabilities	12.2	10.7	13.6	8.9	122.5
Project advances	51.6	51.0	70.0	97.3	73.6
Accounts payable	13.9	18.8	25.1	22.9	21.8
Other non-interest bearing liabilities	93.9	110.2	118.6	140.9	138.7
Liabilities total	**312.6**	**349.8**	**400.8**	**471.1**	**580.3**

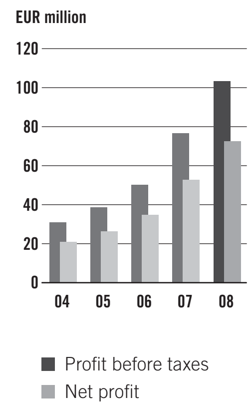
Statement of changes in financial position

EUR million	2004	2005	2006	2007	2008
From operations	+37.1	+37.8	+57.6	+86.4	+56.6
Capital expenditure, net	-17.1	-19.2	-31.2	-27.8	-10.9
Financing	-20.9	-16.3	- 16.0	- 33.4	+68.1
Change in cash and cash equivalents	-0.9	+2.3	+10.4	+25.2	+113.8
Impact of translation differences in exchange rates				-1.4	-8.8
Cash and cash equivalents 31 December	**62.2**	**64.5**	**74.9**	**98.7**	**203.7**

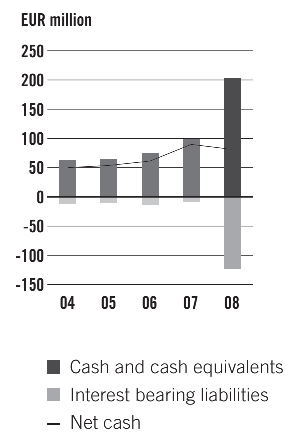
Net sales



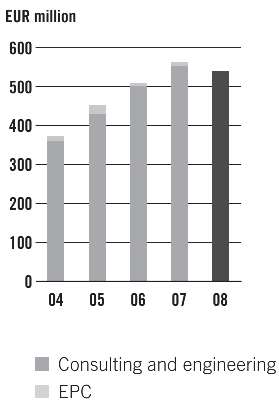
Profit before taxes and net profit



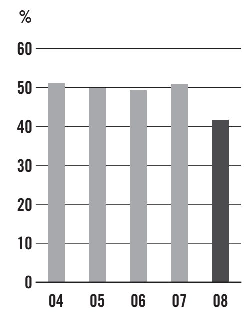
Financing



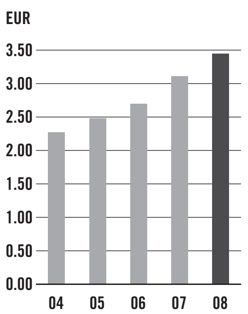
Order stock



Equity ratio



Shareholders' equity/share



Profitability and other key figures

EUR million	2004	2005	2006	2007	2008
Return on investment. %	22.4	26.9	31.9	42.4	45.4
Return on equity, %	16.5	19.4	23.5	31.9	38.7
Equity ratio, %	51.2	49.8	49.2	50.7	41.7
Equity/assets ratio, %	42.8	42.6	40.7	40.2	36.4
Net debt/equity ratio (gearing), %	-37.4	-36.1	-37.6	-47.4	-38.5
Net debt, EUR million	-50.0	-53.8	-61.3	-89.9	-81.2
Current ratio	1.5	1.4	1.3	1.3	1.7
Consulting and engineering, EUR million	359.3	428.1	500.8	551.4	538.6
EPC, EUR million	13.9	24.0	6.8	11.4	0.5
Order stock total, EUR million	373.2	452.1	507.6	562.8	539.1
Capital expenditure, operating, EUR million	7.3	8.0	9.8	9.1	10.7
Proportion of net sales, %	1.5	1.5	1.6	1.3	1.3
Capital expenditure in shares, EUR million	11.4	17.8	27.9	44.2	8.9
Proportion of net sales, %	2.4	3.4	4.5	6.2	1.1
Personnel in group companies on average	5 219	5 423	6 038	6 852	7 702
Personnel in associated companies on average	213	249	251	271	267
Personnel in group companies at year-end	5 309	5 608	6 389	7 269	7 924
Personnel in associated companies at year-end	240	248	236	277	142

Key figures for the shares

	2004	2005	2006	2007	2008
Earnings/share, EUR	0.36	0.45	0.58	0.88	1.21
Corrected with dilution effect	0.35	0.45	0.57	0.86	1.19
Equity attributable to the equity holders of the parent company/share, EUR	2.27	2.48	2.70	3.11	3.45
Dividend, EUR million	16.9	18.9	29.1	38.1	38.0[1)]
Dividend/share, EUR	0.30	0.325	0.50	0.65	0.65[1)]
Dividend/earnings, %	84.5	72.2	86.2	73.9	53.7
Effective return on dividend, %	5.4	4.1	4.2	3.8	8.3
Price/earnings multiple	15.6	17.7	20.3	19.7	6.5
Issue-adjusted trading prices, EUR					
Average trading price	5.27	6.71	9.15	16.08	13.86
Highest trading price	5.78	8.50	12.61	20.14	18.34
Lowest trading price	4.94	5.55	7.65	11.37	6.90
Closing price at year-end	5.55	7.97	11.80	17.31	7.82
Total market value					
Outstanding shares, EUR million	309.3	463.4	686.5	1 015.3	457.3
Own shares, EUR million	0.0	0.0	0.0	0.0	3.1
Trading volume of shares					
Shares, 1 000	23 392	20 340	23 581	17 326	17 420
Proportion of the total volume, %	42.0	35.4	40.5	29.7	29.8
Issue-adjusted number of outstanding shares, 1 000					
On average	55 376	57 468	58 180	58 323	58 540
At year-end	55 722	58 180	58 180	58 653	58 879

[1)] Board of Directors' proposal

Net sales

EUR million	1–3/07	4–6/07	7–9/07	10–12/07	1–3/08	4–6/08	7–9/08	10–12/08	1–12/07	1–12/08
Energy	51.4	51.8	51.6	62.7	58.1	62.1	56.8	64,.3	217.5	241.3
Forest Industry	64.6	67.4	65.2	79.7	76.8	88.4	74.4	78.6	276.9	318.2
Infrastructure & Environment	50.8	53.4	55.6	62.7	60.9	67.1	62.1	72.1	222.5	262.2
Unallocated	0.2	0.4	0.3	0.4	0.4	0.4	0.6	-1.4	1.3	0.0
	167.0	**173.0**	**172.7**	**205.5**	**196.2**	**218.0**	**193.9**	**213.6**	**718.2**	**821.7**

Net sales, proforma

Energy	51.4	51.8	51.6	62.7	58.1	62.1	56.8	64.3	217.5	241.3
Forest Industry	61.3	64.1	61.2	74.1	70.8	81.9	69.3	72.5	260.6	294.5
Transportation	22.3	21.9	22.9	24.6	23.7	26.5	26.3	29.0	91.7	105.5
Water and Environment	18.2	19.5	19.2	21.6	20.3	21.6	20.3	25.4	78.5	87.6
Construction Services	13.6	15.3	17.6	22.0	22.9	25.4	20.6	23.9	68.6	92.8
Unallocated	0.2	0.4	0.2	0.5	0.4	0.5	0.6	-1.5	1.3	0.0
	167.0	**173.0**	**172.7**	**205.5**	**196.2**	**218.0**	**193.9**	**213.6**	**718.2**	**821.7**

Operating profit and net profit for the period

EUR million	1–3/07	4–6/07	7–9/07	10–12/07	1–3/08	4–6/08	7–9/08	10–12/08	1–12/07	1–12/08
Energy	5.3	4.6	5.7	5.4	5.6	8.3	6.3	11.8	21.0	32.0
Forest Industry	7.8	8.6	9.9	12.7	12.8	17.7	13.3	10.2	39.0	54.0
Infrastructure & Environment	3.7	3.5	4.4	5.2	4.4	5.4	4.0	6.3	16.8	20.1
Unallocated	-0.8	-0.4	-0.7	-1.1	-0.8	-1.4	-1.7	-1.6	-3.0	-5.5
Operating profit	**16.0**	**16.3**	**19.3**	**22.2**	**22.0**	**30.0**	**21.9**	**26.7**	**73.8**	**100.6**
Financial items	0.5	0.5	0.6	1.1	0.6	0.5	1.3	0.2	2.7	2.6
Profit before taxes	**16.5**	**16.8**	**19.9**	**23.3**	**22.6**	**30.5**	**23.2**	**26.9**	**76.5**	**103.2**
Income taxes	-5.3	-5.4	-6.3	-6.7	-7.1	-9.4	-7.5	-6.6	-23.7	-30.6
Net profit for the period	**11.2**	**11.4**	**13.6**	**16.6**	**15.5**	**21.1**	**15.7**	**20.3**	**52.8**	**72.6**
Profit attributable to:										
Equity holders of the parent company	10.9	11.0	13.5	15.9	15.1	20.5	15.4	19.8	51.3	70.8
Minority interest	0.3	0.4	0.1	0.7	0.4	0.6	0.3	0.5	1.5	1.8

Operating profit, proforma

Energy	5.3	4.6	5.7	5.4	5.6	8.3	6.3	11.8	21.0	32.0
Forest Industry	7.2	8.2	9.1	11.7	11.7	16.9	12.7	9.5	36.3	50.8
Transportation	2.3	1.0	1.9	2.0	2.1	1.4	2.4	3.3	7.2	9.2
Water and Environment	0.5	1.1	0.4	1.6	0.7	1.4	0.3	1.8	3.5	4.2
Construction Services	1.5	1.8	2.9	2.6	2.7	3.4	1.9	1.9	8.8	9.9
Unallocated	-0.8	-0.4	-0.7	-1.1	-0.8	-1.4	-1.7	-1.6	-3.0	-5.5
Operating profit	**16.0**	**16.3**	**19.3**	**22.2**	**22.0**	**30.0**	**21.9**	**26.7**	**73.8**	**100.6**

Operating profit

%	1–3/07	4–6/07	7–9/07	10–12/07	1–3/08	4–6/08	7–9/08	10–12/08	1–12/07	1–12/08
Energy	10.3	8.9	11.0	8.6	9.6	13.4	11.1	18.3	9.7	13.2
Forest Industry	12.1	12.8	15.2	15.9	16.6	20.0	17.9	13.0	14.1	17.0
Infrastructure & Environment	7.3	6.6	7.9	8.3	7.3	8.0	6.4	8.7	7.5	7.7
	9.6	**9.4**	**11.2**	**10.8**	**11.2**	**13.8**	**11.3**	**12.5**	**10.3**	**12.2**

Operating profit, proforma

%										
Energy	10.3	8.9	11.0	8.6	9.6	13.4	11.1	18.3	9.7	13.2
Forest Industry	11.7	12.9	14.9	15.9	16.5	20.6	18.3	13.1	13.9	17.2
Transportation	10.1	4.6	8.4	8.1	8.9	5.3	9.1	11.3	7.8	8.7
Water and Environment	2.9	5.6	1.7	7.2	3.4	6.5	1.5	7.3	4.5	4.8
Construction Services	11.2	11.9	16.5	11.9	11.8	13,4	9.2	8.1	12.9	10.7
	9.6	**9.4**	**11.2**	**10.8**	**11.2**	**13.8**	**11.3**	**12.5**	**10.3**	**12.2**

Order stock

EUR million	1–3/07	4–6/07	7–9/07	10–12/07	1–3/08	4–6/08	7–9/08	10–12/08	1–12/07	1–12/08
Energy	214.8	233.8	223.7	212.7	205.8	195.8	216.1	196.4	212.7	196.4
Forest Industry	154.1	140.2	143.3	123.8	135.6	126.7	122.4	89.1	123.8	89.1
Infrastructure & Environment	198.4	204.6	216.7	226.3	232.5	232.8	255.6	253.2	226.3	253.2
Unallocated	0.3	0.3	0.0	0.0	0.4	0.4	0.4	0.4	0.0	0.4
	567.6	**578.9**	**583.7**	**562.8**	**574.3**	**555.7**	**594.5**	**539.1**	**562.8**	**539.1**
Consulting and engineering	553.1	558.1	566.2	551.4	568.5	551.5	592.5	538.6	551.4	538.6
EPC	14.5	20.8	17.5	11.4	5.8	4.2	2.0	0.5	11.4	0.5
	567.6	**578.9**	**583.7**	**562.8**	**574.3**	**555.7**	**594.5**	**539.1**	**562.8**	**539.1**
Order stock, proforma										
Energy	214.8	233.8	223.7	212.7	205.8	195.8	216.1	196.4	212.7	196.4
Forest Industry	149.0	135.4	134.7	119.6	133.0	123.3	116.3	86.3	119.6	86.3
Transportation	90.8	88.4	96.8	107.0	113.0	114.5	130.3	130.9	107.0	130.9
Water and Environment	72.2	71.6	72.0	72.4	74.7	75.0	78.3	76.8	72.4	76.8
Construction Services	40.5	49.4	56.5	51.1	47.3	46.7	53.1	48.3	51.1	48.3
Unallocated	0.3	0.3	0.0	0.0	0.4	0.4	0.4	0.4	0.0	0.4
	567.6	**578.9**	**583.7**	**562.8**	**574.3**	**555.7**	**594.5**	**539.1**	**562.8**	**539.1**

Calculation of key figures

The Group has changed the calculation of ROI % and ROE % and calculates Return on investment, ROI %, on the average amount of the last four quarterly balance sheet totals less non-interest bearing liabilities and the Return on equity, ROE %, on the average amount of the last four quarterly equity. This gives a more correct per cent compared to the per cent calculated only on the average for the beginning of the period and the end of the period.

Return on investment, ROI % $$\frac{\text{profit before taxes + interest and other financial expenses}}{\text{balance sheet total - non-interest bearing liabilities (quarterly average)}} \times 100$$

Return on equity, ROE % $$\frac{\text{net profit}}{\text{equity (quarterly average)}} \times 100$$

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 NASDAQ OMX 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.

The share capital is EUR 14 588 478.

The total number of shares was on 31 December 2007 58 652 614. During 2008 225 988 new shares were subscribed with stock options pursuant to the stock option programme 2004 of Pöyry PLC. Following the registration of the subscribed shares the total number of shares increased to 58 878 602 on 31 December 2008

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. At the end of 2008 399 756 new shares have been subscribed with stock options. Should all the remaining 450 061 stock options be used for subscription of shares, the new shares will equal 3.0 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 NASDAQ OMX 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 share-based incentive plan for key personnel of Pöyry.

The plan comprises 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.

The shares must be held for a period of two years from the transfer date. No rewards shall be paid if the person or the company gives notice of termination before the end of an earning period. Tha paid reward must be returned to the company if the person or the company gives notice of termination within two years from the end of the earning period.

The number of participants in the first earnings period 2008 amounted to 292 persons. The payout from the plan is based on the Group's earnings per share (EPS) and net sales growth. For the earnings period 2008 the payout-ratio will be 180.89 per cent corresponding to a value of 431 151 shares. The payments will be made to the participants in April 2009, after the AGM has adopted the financial statements.

Board of Directors' authorisations

Authorisation to issue shares

The Annual General Meeting (AGM) on 10 March 2008 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 for three years from the decision of the AGM. The Board has not exercised the authorisation during 2008.

Authorisation to acquire the company's own shares

The Annual General Meeting on 10 March 2008 authorised the Board of Directors to decide to acquire the company's own shares with distributable funds

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
Subsrciption with stock options 2004A and 2004B in 2008	14 588	32 413	18 008	5 766	58 879	0.25
31 March 2012, if all 2004A/B/C stock options are exercised for subscription					60 679	0.25

Option programme 2004, share subscription price	Number of shares 31 Dec. 2008	Subscription period	Original subscription price, EUR	Subscription price 31 Dec. 2008, EUR
Stock option 2004A	381 872	1 March 2007 – 31 March 2010	6.66	4.76
Stock option 2004B	538 372	1 March 2008 – 31 March 2011	7.40	5.50
Stock option 2004C	880 000	1 March 2009 – 31 March 2012	10.78	8.88

on the terms given in the authorisation. 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 18 months from the decisions of the AGM.

The AGM on 5 March 2007 authorised the Board of Directors to decide to acquire a maximum of 5 800 000 own shares of the company. On 10 December 2007 the Board of Directors resolved to exercise the authorisation for the implementation of the Performance share plan 2008-2010 described above. During the period 6 Febuary to 7 March 2008 237 557 own shares were acquired. On 10 March 2008 the Board of Directors resolved to exercise the authorisation given by the Annual General Meeting 2008 and to continue the share buy back. During the period 18 March to 10 -September 2008 148 529 own shares have been acquired based on this authorisation. The average price of the shares acquired on the basis of the said authorisations was EUR 15.27. Furthermore a subsidiary of Pöyry PLC owns 8 914 Pöyry PLC shares and thus the total amount of own shares held by the company on 31 December 2008 was 395 000 representing 0.7 per cent of all shares and 0.7 per cent of all votes

The Board of Directors proposes that the General Meeting authorise the Board of Directors to decide on the acquisition of a maximum of 5 800 000 of the Company's own shares by using distributable funds. Such share acquisition reduces the Company's non-restricted distributable shareholders' equity.

It is proposed that the authorisation be effective for a period of 18 months. The authorisation granted to the Board of Directors regarding acquisition of the Company's own shares in the previous Annual General Meeting shall expire simultaneously.

Shareholders

According to Pöyry PLC's shareholder register, there were a total of 4 724 registered shareholders at the end of 2008. The number of shareholders increased by 1 145 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 2008 amounted to 14 189 482 shares, equalling 24.1 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 2008.

Management's shareholdings

The members of the Board of Directors and the Executive Committee owned on 31 December 2008 a total of 167 437 shares, which equals 0.3 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 57 and 58.

	Shares	Stock options 2004A/B/C
Members of the Board of Directors	135 200	
President and CEO, Deputy to President and CEO	22 250	45 025
Group Executive Committee	9 987	105 654
Total	**167 437**	**150 679**

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 460.4 million. The share price declined during the year by 54.8 per cent from EUR 17.31 to EUR 7.82. During the same period, the OMX Helsinki index declined by 49.7 per cent and the OMX Helsinki Cap index by 50.1 per cent. The highest share price was EUR 18.34 and the lowest EUR 6.90. A total of 17 419 995 shares where traded at a total of EUR 241.4 million. The number of shares traded during the year equals 29.8 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, 2009 that a dividend of EUR 0.65 per share be paid for the year 2008, totalling EUR 38.0 million. This corresponds to 53.7 per cent of the earnings per share for the financial year. The dividend will be payable on 20 March 2009.

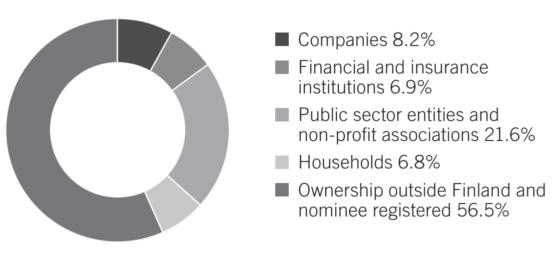
Key figures for the shares

The development of the share price and trading volume, and key figures for the shares for the years 2004-2008 are presented on page 39.

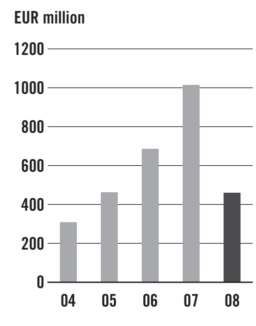
Flagging notifications

Date of notification	Shareholder	Reason for notification	Shareholding on date of notification	Proportion of shares on date of notification, %	Proportion ot voting rights, %
23 April 2008	Procurator-Holding Oy	holding exceeding 1/20	3 167 000	5.40	5.43
21 April 2008	Allianz SE	holding falling below 1/20		3.878	3.897
18 March 2008	Allianz SE	holding exceeding 1/20	3 419 624	5.83	5.86
25 January 2008	Ilmarinen Mutual Pension Insuranace Company	holding exceeding 1/20	2 982 631	5.09	5.09

Ownership stucture by type of shareholder (by number of voting rights)



Market capitalisation



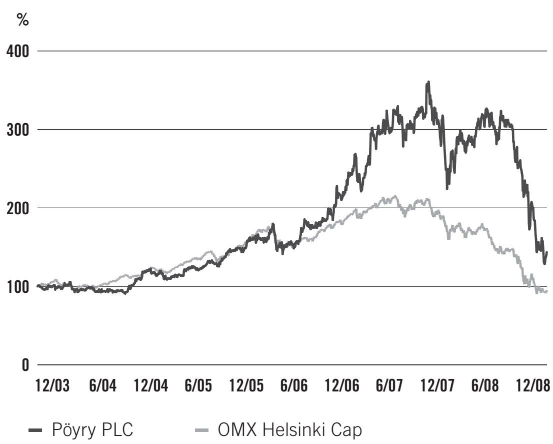
Major registered shareholders	Number of shares	Per cent of the shares	Per cent of the voting rights,
1. Corbis S.A.	18 500 000	31.42	31.63
2. Ilmarinen Mutual Pension Insurance Company	3 521 385	5.98	6.02
3. Procurator-Holding Oy	3 167 000	5.38	5.42
4. Varma Mutual Pension Insurance Company	2 785 850	4.73	4.76
5. Tapiola Mutual Pension Insurance Company	1 760 000	2.99	3.01
6. OP-funds	1 334 109	2.27	2.28
7. UCITS Fund Aktia Capital	1 020 259	1.73	1.74
8. Svenska litteratursällskapet i Finland	934 000	1.59	1.60
9. The State Pension Fund	900 000	1.53	1.54
10. Nordea Fund company AB (FI)	711 749	1.21	1.22
Shares nominee registered	14 189 482	24.10	24.26
Other shareholders	9 659 768	16.40	16.52
Total	**58 483 602**		
Own shares	395 000	0.67	
Total	**58 878 602**	**100.00**	**100.00**

Ownership structure by type of shareholder	Number of owners	Per cent of owners	Shares and voting rights	Per cent of shares	Per cent of voting rights
Companies	331	7.0	4 795 276	8.1	8.2
Financial and insurance institutions	50	1.1	4 044 083	6.9	6.9
Public sector entities and non-profit associations	143	3.0	12 648 303	21.5	21.6
Households	4165	88.2	3 963 023	6.7	6.8
Ownership outside Finland and shares nominee registered owners	35	0.7	33 032 917	56.1	56.5
Total	**4 724**	**100.0**	**58 483 602**		**100.0**
Own shares			395 000	0.7	
			58 878 602	**100.0**	

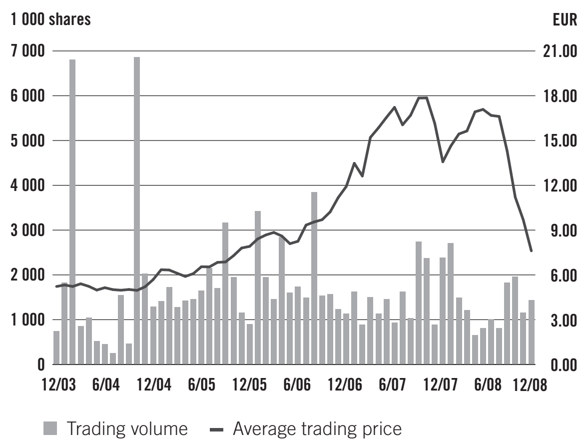
Ownership structure by number of shares owned	Number of owners	Per cent of owners	Shares and voting rights	Per cent of shares s	Per cent of voting rights
1–100	1 062	22.5	71 787	0.1	0.1
101–500	1 951	41.3	590 847	1.0	1.0
501–1000	731	15.5	581 004	1.0	1.0
1001–5000	750	15.9	1 625 033	2.8	2.8
5001–	230	4.9	56 009 931	94.5	95.1
Total			**58 483 602**		**100.0**
Own shares			395 000	0.7	
Total	**4 724**	**100.0**	**58 878 602**	**100.0**	**100.0**

Source: Finnish Central Securities Depository Ltd., 31 December 2008

Development of the share on the NASDAQ OMX Helsinki



Trading volume of shares and average trading price



PARENT COMPANY

Statement of income

	EUR million	2008	2007
1	**Net sales**	**11.5**	7.8
2	Other operating income	**5.2**	5.3
3	Personnel expenses	**-9.2**	-5.8
	Depreciation	**-0.5**	-0.5
	Other operating expenses	**-12.0**	-9.3
	Operating profit	**-5.0**	-2.4
4	Financial income and expenses	**+35.3**	+15.0
	Profit before extraordinary items	**30.3**	12.6
5	Extraordinary items	**+30.1**	+25.4
	Profit before taxes	**60.4**	38.0
6	Income taxes	**-4.2**	-5.9
	Net profit for the period	**56.2**	**32.1**

Balance sheet

	EUR million	2008	2007
Assets			
	Fixed assets		
1	Intangible assets	**0.6**	0.8
2	Tangible assets	**0.6**	0.7
3	Non-current investments	**295.2**	217.0
		296.4	218.5
	Current assets		
4–5	Current receivables	**36.6**	38.1
	Investments	**119.7**	2.6
	Cash in hand and at banks	**16.9**	5.8
		173.2	46.5
	Total	**469.6**	**265.0**
Shareholders' equity and liabilities			
6	**Shareholders' equity**		
	Share capital	**14.6**	14.6
	Share premium reserve	**32.4**	32.4
	Legal reserve	**18.0**	18.0
	Invested free equity reserve	**5.8**	4.6
	Retained earnings	**7.2**	19.0
	Net profit for the period	**56.2**	32.1
		134.2	120.7
	Liabilities		
7–9	Non-current liabilities	**93.5**	25.3
10–11	Current liabilities	**242.0**	119.0
		335.5	144.3
	Total	**469.6**	**265.0**

Statement of changes in financial position

EUR million	2008	2007
From operations		
Operating profit	**-5.0**	-2.4
Depreciation and value decrease	**+0.6**	+0.5
Gain on sale of fixed assets	**-0.0**	-0.2
Change in net working capital	**-12.8**	+6.8
Financial income and expenses	**-5.0**	-2.3
Income taxes	**-6.4**	-6.3
Total from operations	**-28.7**	**-3.9**
Capital expenditure		
Investments in shares in subsidiaries	**-53.1**	-34.3
Investments in other shares	**-0.0**	-0.0
Investments in fixed assets	**-0.1**	-0.6
Sales of other shares	**+0.4**	+0.3
Sales of fixed assets	**+0.0**	+0.0
Capital expenditure total	**-52.8**	-34.6
Cash flow before financing	**-81.5**	**-38.5**
Financing		
New loans	**+75.4**	+7.4
Repayments of loans	**-2.6**	-7.7
Change in current financing	**+133.1**	+21.7
Change in non-current investments	**-4.5**	-0.4
Dividends	**-38.0**	-29.1
Share subscription	**+1.2**	+0.9
Acquisition of own shares	**-5.9**	0.0
Dividends received	**+25.6**	+16.0
Group contribution	**+25.4**	+20.1
Financing total	**+209.7**	+28.9
Change in cash and cash equivalents	**+128.2**	-9.6
Cash and cash equivalents 1 January	**8.4**	18.0
Cash and cash equivalents 31 December	**136.6**	**8.4**

NOTES TO THE FINANCIAL STATEMENTS

Accounting principles

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 IFRSs. 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 consist of intra-group 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 in the income statement include taxes based on the taxable profit for the period, together with tax adjustments for previous periods. The parent company does not recognise deferred tax assets or deferred tax liabilities in its separate financial statements.

Intangible and tangible assets

The intangible and tangible assets are measured at their historical cost less accumulated depreciation and amortisation according to plan as well as any impairment losses. Capitalised long-term expenditure under intangible assets mainly includes software and computer systems.

A predetermined schedule has been used in depreciation and amortisation according to plan on depreciable and amortisable fixed assets. Depreciation and amortisation according to plan is 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.

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 and they are included in other operating expenses. Assets leased under finance leases and related liabilities are not recognised in the parent company's balance sheet.

Pension arrangements

The statutory pension arrangements are generally satisfied through contracts with external insurance companies. Voluntary pensions are organised through pension insurances. Pension-related payments are recognised as pension expenses on accrual basis. No pension liabilities or pension assets arising from pension arrangements are recognised in the balance sheet.

Derivative financial instruments

Pöyry PLC has entered into interest swaps to hedge the non-current external loans and entered into forward contracts to hedge an USD purchase agreement.

Option programmes and share-based incentive plans

The accounting treatment of Pöyry PLC's option programmes and share-based incentive plan are 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.

Pöyry's share-based incentive plan is a combination of shares and a cash payment. The granted amount of the incentive plan, settled in shares, is measured at acquisition price for the shares. The cash-settled part of the plan is measured at fair value at the balance sheet date. The expenses arising from the incentive plan are recognized in the income statement as personnel expenses and in the balance sheet as a liability until paid out.

EUR million		**2008**	2007
1.	**Net sales**		
	Net sales	**11.5**	7.8
	The parent company's net sales are Group internal service fees		
2.	**Other operating income**		
	Rent income	5.1	4.9
	Gain on sales of fixed assets	0.0	0.2
	Other	0.0	0.2
		5.2	**5.3**
3.	**Personnel expenses**		
	Wages and salaries	8.1	5.0
	Pension expenses	0.8	0.4
	Other social expenses	0.3	0.4
		9.2	**5.8**
	Salaries and bonuses of the President and CEO and the Deputy to the President and CEO are presented on the page 23.		
4.	**Financial income and expenses**		
	Dividend income		
	From group companies	42.1	16.1
	From other	0.0	0.0
		42.1	16.1
	Interest income from non-current investments		
	From group companies	2.0	1.8
	From other	0.0	0.0
		2.0	1.8
	Other interest and financial income		
	From group companies	0.2	0.4
	From other	0.9	0.4
		1.1	0.8
	Interest expenses and other financial expenses		
	To group companies	-5.2	-3.0
	To other	-2.6	-0.8
		-7.8	-3.8
	Exchange rate gains	3.2	0.9
	Exchange rate losses	-4.7	-0.8
		-1.5	+0.1
	Value decrease on non-current investments	-0.7	0,0
	Total	**35.3**	**15.0**
5.	**Extraordinary items**		
	Group contribution received	30.1	27.5
	Group contribution paid	0.0	-2.1
		30.1	**25.4**
6.	**Income taxes**		
	Taxes for the fiscal year	4.5	5.7
	Taxes for previous years	-0.3	0.2
		4.2	**5.9**

EUR million	2008	2007
1. Intangible assets		
Acquisition value 1 Jan.	1,7	1.3
Increase	0.0	0.4
Decrease	0.0	0.0
Acquisition value 31 Dec.	1.7	1.7
Accumulated depreciation 1 Jan.	0.8	0.6
Accumulated depreciation of decrease	0.0	0.0
Depreciation for the period	0.3	0.2
Accumulated depreciation 31 Dec.	1.1	0.8
Book value 31 Dec.	**0.6**	**0.8**
2. Tangible assets		
Machinery and equipment		
Acquisition value 1 Jan.	0.5	0.5
Increase	0.1	0.1
Decrease	0.0	0.1
Acquisition value 31 Dec.	0.6	0.5
Accumulated depreciation 1 Jan.	0.4	0.4
Accumulated depreciation of decrease	0.0	0.1
Depreciation for the period	0.1	0.1
Accumulated depreciation 31 Dec.	0.5	0.4
Book value 31 Dec.	0.1	0.1
Other tangible assets		
Acquisition value 1 Jan.	1.1	1.0
Increase	0.1	0.1
Decrease	0.0	0.0
Acquisition value 31 Dec.	1.2	1.1
Accumulated depreciation 1 Jan.	0.6	0.4
Accumulated depreciation of decrease	0.0	0.0
Depreciation for the period	0.2	0.2
Accumulated depreciation 31 Dec.	0.8	0.6
Book value 31 Dec.	0.4	0.5
Total tangible assets		
Acquisition value 1 Jan.	1.6	1.5
Increase	0.2	0.2
Decrease	0.0	0.1
Acquisition value 31 Dec.	1.8	1.6
Accumulated depreciation 1 Jan.	1.0	0.8
Accumulated depreciation of decrease	0.0	0.0
Depreciation for the period	0.2	0.2
Accumulated depreciation 31 Dec.	1.2	1.0
Book value 31 Dec.	**0.6**	**0.7**

EUR million	2008	2007
3. Non-current investments		
Shares in group companies 1 Jan.	174.3	123.4
Increase	72.4	50.9
Decrease	0.1	0.0
Shares in group companies 31 Dec.	246.6	174.3
Receivables from group companies 1 Jan.	41.9	36.9
Increase	10.6	17.6
Decrease	4.1	12.7
Receivables from group companies 31 Dec.	48.4	41.9
Shares in associated companies		
Acquisition value 1 Jan.	0.2	0.3
Increase	0.0	0.0
Decrease	0.1	0.1
Shares in associated companies 31 Dec.	0.1	0.2
Other shares 1 Jan.	0.5	0.6
Increase	0.0	0.0
Decrease	0.3	0.1
Other shares 31 Dec.	0.2	0.5
Total non-current investments 1 Jan.	217.0	161.3
Increase	83.1	68.6
Decrease	4.8	12.9
Total non-current investments 31 Dec.	**295.2**	**217.0**
4. Current receivables		
Accounts receivable	1.1	1.3
Loans receivable	1.7	6.1
Other receivables	30.4	29.6
Prepaid expenses and accrued income	2.8	0.7
Total from group companies	36.0	37.7
Other receivables	0.0	0.1
Prepaid expenses and accrued income	0.6	0.3
	36.6	**38.1**
5. Prepaid expenses and accrued income		
Interest income	1.7	0.8
Taxes	1.5	0.0
Other	0.1	0.2
	3.3	**1.0**

EUR million	2008	2007
6. Shareholders' equity		
Share capital 1 Jan.	14.6	14.5
Shares subscribed with stock options	0.0	0.1
Share capital 31 Dec.	14.6	14.6
Share premium reserve 1 Jan.	32.4	31.5
Shares subscribed with stock options	0.0	0.9
Share premium reserve 31 Dec.	32.4	32.4
Legal reserve 1 Jan./ 31 Dec.	18.0	18.0
Invested free equity reserve 1 Jan.	4.6	0.0
Share issue	0.0	4.6
Shares subscribed with stock options	1.2	
Invested free equity reserve 31 Dec.	5.8	4.6
Retained earnings 1 Jan.	51.1	48.2
Payment of dividend	-38.0	-29.1
Acquisition of own shares	-5.9	
Net profit for the period	+56.2	+32.1
Retained earnings 31 Dec.	63.4	51.1
Total shareholders' equity 31 Dec.	**134.2**	**120.7**
7. Non-current liabilities		
Loans from credit institutions	21.5	0.9
Pension loans	31.5	0.0
Loans from group companies	37.8	18.0
Other	2.7	6.4
	93.5	**25.3**
8. Loans with due date after five years or later		
Loans from group companies	**37.8**	**18.0**
9. Loans according to maturity		
Year 2008		94.6
Year 2009	229.5	0.9
Year 2010	7.9	0.0
Year 2011	7.9	0.0
Year 2012	18.6	0.0
Later	56.4	18.0
	320.3	**113.5**
10. Current liabilities		
Loans from credit institutions	0.9	6.6
Pension loans	7.9	
Accounts payable	0.2	0.5
Loans	220.8	88.0
Accounts payable	0.3	0.2
Other current liabilities	0.4	18.8
Accrued expenses and deferred income	0.3	0.0
Total to group companies	221.8	107.0
Other current liabilities	4.2	0.5
Accrued expenses and deferred income	7.0	4.5
	242.0	**119.0**

EUR million	2008	2007
11. Accrued expenses and deferred income		
Salaries and vacation accruals	4.6	2.2
Social expenses	0.5	0.4
Interest expenses	1.4	0.1
Taxes	0.0	0.9
Other	0.8	0.9
	7.3	**4.5**
1. Contingent liabilities		
Other obligations		
Rent and leasing obligations	**59.3**	**62.7**
For group companies		
Other obligations	**99.6**	**46.4**
2. Other lease agreements		
Lease payments for non-cancellable other lease agreements, mostly office rents		
Year 2008		3.6
Year 2009	3.7	3.6
Year 2010-2012	11.3	7.4
Later	44.3	48.1
	59.3	**62.7**
3. Derivative instruments		
Foreign exchange forward contracts, nominal values	1.2	
Foreign exchange forward contracts, fair values	0.1	
Interest rate swaps, nominal values	11.7	3.5
Interest rate swaps, fair values	-0.7	0.0

Pöyry PLC has made interest rate swaps for EUR 0.9 (3.5) million and for CHF 16.0 (0) million external, non-current, floating interest rate-bearing loans.

The fair values of foreign exchange forward contracts and currency options are defined based on the market prices of the balance sheet date for deals with the same duration. The fair value of the interest rate swaps are based on discounted cash flows and the net present value -method and supported by the market interests of the balance sheet date and other market information. Fair values correspond to the prices the Group should pay or would receive, if it called off the derivative deal. Fair values are based on the values confirmed by the banks.

CORPORATE GOVERNANCE

The statutory basis of the corporate governance of Pöyry PLC (Pöyry, the Company) is the Finnish Companies Act and the Articles of Association ("Articles"). Pöyry complies with the Finnish Corporate Governance Code 2008 issued by the Securities Market Association, which entered into force on 1 January 2009.

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 shareholders of Pöyry exercise their decision-making powers at the General Meeting, which is the supreme decision-making body of the Company. The Annual General Meeting is held every year before the end of June, and in accordance with the Companies Act and the Articles 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 and decides on their compensation.

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 Annual General Meeting decides on the number of Directors and elects the Directors for a term 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 2008 resolved that the Board of Directors shall consist of seven (7) ordinary members. The AGM elected the following members to the Board of Directors: Pekka Ala-Pietilä, Henrik Ehrnrooth, Alexis Fries, Heikki Lehtonen, Harri Piehl, Karen de Segundo and Franz Steinegger. Other members than Henrik Ehrnrooth are independent of the Company and its major shareholders. Henrik Ehrnrooth acts as Chairman of the Board and Heikki Lehtonen as Vice Chairman.

The Board meets as often as necessary to properly fulfil its duties. The Board agrees well in advance on its annual meeting schedule. In 2008, the Board of Directors convened twelve (12) times. The average participation of Directors in the meetings was eighty-eight (88) per cent. The Board evaluates its performance and working methods annually.

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 Pöyry 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 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 two committees:
1. Audit Committee
2. Nomination and Compensation Committee

The committee members and committee Chairmen are elected annually in the first Board meeting held after the Annual General Meeting. The Board has approved Charters for the Committees. The committees prepare minutes of their meetings and report to the Board.

Audit Committee

The Audit Committee comprises at least two (2) members. Based on the resolution made by the Board, the Audit Committee comprises two (2) members. The members elected to the Audit Committee on 10 March 2008 are Heikki Lehtonen, Chairman, and Harri Piehl, who both are independent of the Company and its major shareholders. Taking into account the know-how and experience of the current members, two members has been considered a sufficient composition of the Audit Committee. The accounting expertise of the members of the Audit Committee is based on their experience of business management.

According to its Charter, the Audit Committee shall assist the Board in its duties 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)

The Charter of the Audit Committee will be updated to comply with the new Corporate Governance Code.

Nomination and Compensation Committee

The Nomination and Compensation Committee comprises at least two (2) members. In addition, an external member representing major shareholders can be appointed to the committee. Based on the resolution of the Board made on 21 April 2008, the Nomination and Compensation Committee comprises five (5) members. Heikki Lehtonen, Chairman, Pekka Ala-Pietilä, Henrik Ehrnrooth and Karen de Segundo, and Georg Ehrnrooth as the external member were elected to the Nomination and Compensation Committee. Heikki Lehtonen, Pekka Ala-Pietilä and Karen de Segundo are independent of the Company and its major shareholders. The external member, Georg Ehrnrooth, was elected member of the Committee as a representative of the Company's main shareholder Corbis S.A.

According to its Charter, the Nomination and Compensation Committee shall

- review on an annual basis the composition of the Board and the performance of the Directors
- prepare proposals to the Annual General Meeting about the compensation of the Directors
- identify nominees for election or re-election to the Board, as well as for any occurred or anticipated vacancies
- review Director candidates recommended by the shareholders when preparing the proposal to the General Meeting

  In handling these matters, the Committee shall follow the guiding principles established by the Board for the qualifications and nomination of Directors. In addition, the Committee shall evaluate and make recommendations to the Board in regard to

- matters relating to the appointment, compensation and other terms of the agreement of the President and CEO of the Company and identification of successors
- basic principles about the compensation of the Company's Group Executive Committee members
- Group level variable short and long term performance-based incentive schemes
- annual review of the executive talent pool and successor candidates for the Company's Group Executive Committee members and other key executive positions as needed
- annual review of the overall compensation competitiveness of the Company's Group Executive Committee members and other key executives as needed

The Audit Committee convened five (5) times in 2008, the Nomination Committee once (1), the Compensation Committee once (1) and the combined Nomination and Compensation Committee five (5) times. The Nomination Committee and Compensation Committee were joined on 21 April 2008.

President and CEO

The President and CEO is appointed by the Board.

In accordance with the 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 assisted in his duties by the Group Executive Committee.

Heikki Malinen has acted as President and CEO of Pöyry since 1 June 2008 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 made for the time being 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. However, Heikki Malinen's service contract terminates automatically at the end of the calendar month during which he turns 63 years of age and retires.

Executive Committee

The Pöyry Group has an Executive Committee whose main responsibility is to assist the President and CEO in the operative management of the Group. The tasks of the Executive Committee include, among other things, the Group's strategic planning and review and control of financial matters, major operative decisions, investments and divestments, risk management and internal auditing, 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 ten (10) members: the President and CEO of the Company and his Deputy, the Presidents of the business groups and the managers responsible for the Group's finance, human resources, and legal matters and risk management.

Business organisation structure

The business operations of the Pöyry Group are conducted through five business groups: Energy, Forest Industry, Transportation, Water and Environment, and Construction Services.

Each business group has a President appointed by the President and CEO of the Group. 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 Group.

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 realising synergistic benefits and for general co-ordination of the Group's operations.

Remuneration and other benefits of the Board of Directors 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 10 March 2008 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 15 000 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 15 000 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 15 000 to Alexis Fries, Karen de Segundo and Franz Steinegger. The members are entitled to compensation for travel expenses in accordance with the Company's travel rules.

Fees paid to Board members

EUR 1 000	**2008**	2007
Henrik Ehrnrooth, Chairman	74	70
Heikki Lehtonen, Vice Chairman	79	72
Pekka Ala-Pietilä	54	51
Alexis Fries	28	-
Matti Lehti	26	51
Harri Piehl	54	51
Karen de Segundo	69	63
Franz Steinegger	54	51
	441	**410**

Fees paid to the external member of the Nomination Committee

EUR 1 000	**2008**	2007
Georg Ehrnrooth	**14**	12

Paid salaries and bonuses to the President and CEO and his Deputy

EUR 1 000	**2008**	2007
1 January – 31 May 2008, Erkki Pehu-Lehtonen, President and CEO		
Salary and bonus	428	655
Fringe benefits	6	17
1 June – 31 December 2008, Heikki Malinen, President and CEO		
Salary and bonus	258	
Fringe benefits	31	
1 January – 31 December 2008, Teuvo Salminen, Deputy to the President and CEO		
Salary and bonus	607	549
Fringe benefits	14	13
	1 345	**1 235**

Paid salaries and bonuses to the other members of the Group Executive Committee

EUR 1 000	**2008**	2007
Salary and bonus	1 536	1 432
Fringe benefits	85	90
	1 621	**1 522**

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 conditions of the option scheme are described in detail in section 'Shareholders and shares' and on the Company's webs 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. The Company publishes the silent-time 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 in the NetSire register at www.ncsd.eu and on Pöyry's web site at www.poyry.com.

Communication

Essential information on Pöyry and its governance is available on the Company's web site. All stock exchange notices and press releases are also available on the web site immediately after publishing.

Operating guidelines

To ensure the achievement of the Group's financial and other targets and to minimise and manage 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

With the assistance of an external consultant Pöyry has during 2008 reviewed the current state of the Group's system of internal control and assessed the current state against the leading practices and benchmarks. The objectives, components, roles and responsibilities and target state of Pöyry's internal control framework are currently being defined and an implementation plan for internal control development is being prepared.

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 co-ordinates 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.

As part of the development of the Group's internal control and due to future growth expectations, Pöyry has decided to establish an Internal Audit function. The role and duties of the new Internal Audit function are being defined.

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 to the auditor

EUR 1 000	**2008**	2007
Statutory auditing		
Group auditor	980	894
Other	132	100
Tax advisory		
Group auditor	502	361
Other	324	77
Other services		
Group auditor	308	143
Other	16	2
	2 262	**1 577**

RISK MANAGEMENT

Risk management is an essential part of Pöyry's business management and internal control procedures. The aim of risk management is to safeguard Pöyry's business as well as a good financial position and operating profit. Ultimately, the Board is responsible for the Group's risk taking, and the President and CEO assisted by the Group Executive Committee 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. These instructions primarily concern the core business of Pöyry, i.e. its projects.

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 Executive Committee is responsible for group-wide risk management guidelines and risk management, and for the guidance and supervision of the business groups' risk management.

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 group-wide risk management process is conducted annually at Pöyry 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. An overall risk review and assessment is made by the Group Executive Committee.

The daily risk management of assignments is an integral part of Pöyry's risk management. This is described below under Assignments.

Reporting and follow-up

A report of the status of the Group's risk management as well as of the results and most significant risks identified in the annual risk management process is submitted to the Audit Committee and the Board. In addition, significant new risks and changes in major identified risks are reported regularly to the Audit Committee and the Board.

The business groups report on their major risks and actions related to these to the Group Executive Committee on a monthly basis as a part of the business report.

Risks and risk management

Typical potential risks related to Pöyry's business operations and the management of these are described in the following. The description may not be comprehensive, since the Company's operations may be subject also to other risks. The most significant risks and uncertainties identified during the financial year 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 Pöyry's order stock, the activity level of employees and professional charging rates may decline, which may have a negative impact on Pöyry's revenues and financial position. The economic downturn, which began at the end of 2008 will have such a negative impact on certain business sectors of Pöyry. This issue is covered in more detail in the Board of Directors' Report for 2008.

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 an Acquisition Policy, which defines the acquisition process and its areas of responsibility and authorisations. The policy includes models and tools for use in the different stages of an acquisition. 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 the skilful resources required.

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 twentyone (21) 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 seventyeight (78) 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 are in use throughout the Group to avoid and mitigate such risks. Regular project reviews are conducted in major projects and projects which include risks. 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 all essential spheres 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.

As a rule, 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 as well as their confirmation concerning their compliance with ethical norms and regulations.

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.

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 continuously.

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 limiting the effects of external influences on the systems include backup copies of data firewalls, virus scanners and access security.

Financial risks

The financial risks are described in the Notes to the Financial Statements, section Other.

PROPOSAL OF THE BOARD OF DIRECTORS

The parent company's earnings distributable as dividend are	
Retained earnings	EUR 7 200 671.63
Net profit for the period	EUR 56 179 095.45
	EUR 63 379 767.08

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 2009. The dividend is payable on 20 March 2009

On the proposal date the amount of the outstanding shares was 58 483 602	
Accordingly EUR 0.65 per share would be	EUR 38 014 341.30
The remainder will be transferred to retained earnings, thus	EUR 25 365 425.78
	EUR 63 379 767.08

Vantaa, Finland, 3 February 2009
Pöyry PLC
Board of Directors

Henrik Ehrnrooth
Heikki Lehtonen
Pekka Ala-Pietilä

Alexis Fries
Harri Piehl
Karen de Segundo

Franz Steinegger
Heikki Malinen
President and CEO

AUDITORS' REPORT

Translation

To the Annual General Meeting of Pöyry PLC

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Pöyry PLC for the financial period 1 January - 31 December 2008. The financial statements comprise the consolidated balance sheet, income statement, cash flow statement, statement of changes in equity and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

The responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the financial statements and the report of the Board of Directors and for the fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the fair presentation of the parent company's financial statements and the report of the Board of Directors in accordance with laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's responsibility

Our responsibility is to perform an audit in accordance with good auditing practice in Finland, and to express an opinion on the parent company's financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. Good auditing practice requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements and the report of the Board of Directors are free from material misstatement and whether the members of the Board of Directors and the Managing Director have complied with the Limited Liability Companies Act.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

The audit was performed in accordance with good auditing practice in Finland. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the company's financial statements and the report of the Board of Directors

In our opinion, the financial statements, together with the consolidated financial statements included therein, and the report of the Board of Directors give a true and fair view of the financial performance and financial position of the company in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Vantaa, 3 February 2009
KPMG OY AB

SIXTEN NYMAN
Authorized Public Accountant

BOARD OF DIRECTORS AND GROUP EXECUTIVE COMMITTEE

Board of directors

Chairman, Member of the Nomination and Compensation Committee
Henrik Ehrnrooth, born 1954, M.Sc. (Forest Econ.), B.Sc. (Econ.)
Cargotec Corporation, Deputy Chairman 2005-2009; 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 44.

Vice Chairman, Chairman of the Audit Committee and the Nomination and 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 and Compensation 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-; SAP AG, Member of the Supervisory Board 2002-
Member of the Pöyry Board since 2006
Pöyry PLC shares: 40 000 (40 000)

Alexis Fries, born 1955, Diploma in Physics
Management Consultant 2003 -; Alstom Group Paris, Member of the Group Executive Committee and President Power Division 2001-2003; ABB Alstom Power Brussels, Member of the Group Central Executive Management 1999-2001; ABB Group Zurich, Member of the Group Executive Committee, Head Power Generation Division 1998–1999 and President Asia Pacific Region 1993-1998; ABB, Country Manager Japan 1991-1993 and Philippines 1988-1991; Motor Columbus Consulting Engineers, Country Manager Indonesia 1985-1988; Saurer AG, Member of the Board of Directors 2002-2007
Member of the Pöyry Board since 2008
Pöyry PLC shares: 0 (0)

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 Nomination and Compensation Committee
Karen de Segundo, born 1946, Master in Law, MBA
Ahold NV, Member of the Supervisory Board 2004-; BlackRock New Energy Investment Trust Plc., Member of the Board of Directors 2000-; British American Tobacco Plc., Member of the Board of Directors 2007-; E.on AG, Member of the Supervisory Board 2008-; Ensus Holding Ltd, Member of the Board of Directors 2007-; Lonmin Plc., Member of the Board of Directors 2005- ; 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: 4 000 (4 000)

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 49. 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 2008 and in brackets as at 31 December 2007. 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.

Matti Lehti, Ph.D. (Econ.) resigned from the Board on 10 March 2008.

Henrik Ehrnrooth and Pekka Ala-Pietilä as well as Georg Ehrnrooth as the external member were elected members of the Nomination Committee on 10 March 2008. Karen de Segundo and Heikki Lehtonen were elected members of the Compensation Committee. Based on the resolution by the Board of Directors, the Nomination Committee and Compensation Committee were joined on 21 April 2008.

Executive committee

President and CEO (as of 1 June 2008)
Heikki Malinen, born 1962, M.Sc. (Econ.), MBA
Member of Pöyry's Executive Committee since 2008
Pöyry PLC shares: 6 250 (0)
Stock options 2004: 0 (0)

Deputy to President and CEO
Teuvo Salminen, born 1954, M.Sc. (Econ.)
CapMan Plc, Member of the Board of Directors 2001-, 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: 45 025 (60 000)

Executive Vice President, 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)

Executive Vice President, Forest Industry Business Group
John Lindahl, born 1959, M.Sc. (Eng.), MBA
Member of Pöyry's Group Executive Committee since 2008
Pöyry PLC shares: 1 000 (0)
Stock options 2004: 11 000 (7000)

Executive Vice President, Transportation Business Group
Andy Goodwin, born 1962, B.Sc. (Eng.), B.Comm. (Hons)
Member of Pöyry's Group Executive Committee since 2009
Pöyry PLC shares: 0
Stock options 2004: 4 000

Executive Vice President, Water and Environment Business Group
Bernd Kordes, born 1954, Ph.D. (Civil Eng.)
Member of Pöyry's Group Executive Committee since 2009
Pöyry PLC shares: 0
Stock options 2004: 7 000

Executive Vice President, Construction Services Business Group
Ari Asikainen, born 1957, M.Sc.(Tech.)
Member of Pöyry's Group Executive Committee since 2009
Pöyry PLC shares: 1 700
Stock options 2004: 7 000

Executive 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: 12 679 (15 000)

Executive Vice President, Chief Financial Officer
Lars Rautamo, born 1949, M.Sc. (Econ.)
Member of Pöyry's Group Executive Committee since 1999
Pöyry PLC shares: 5 987 (5 987)
Stock options 2004: 19 975 (19 975)

Executive Vice President, Legal and Risk Management
Anne Viitala, born 1959, LL.M., eMBA
Patria Oyj, Member of the Board of Directors 2007-, Vice Chairman of the Board of Directors 2008-
Member of Pöyry's Group Executive Committee since 2002
Pöyry PLC shares: 3 000 (400)
Stock options 2004: 12 500 (14 000)

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 2008 and in brackets as at 31 December 2007. 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.

***Erkki Pehu-Lehtonen**, M.Sc. (Mech. Eng.) acted as President and CEO until 31 May 2008.*

*The Infrastructure & Environment business group was reorganised as of 1 January 2009, when the Transportation, Water and Environment, and Construction Services business groups were formed. **Risto Laukkanen**, Dr.Tech. (Environmental Eng.) was President of the Infrastructure & Environment until the reorganisation.*

ANNUAL SUMMARY

January

14 January	Pöyry awarded EUR 5.5 million assignment for mass transit system in Venezuela
22 January	Heikki Malinen appointed President and CEO of Pöyry
25 January	Notice pursuant to Finnish Securities Markets Act 2:10; Ilmarinen Mutual Pension Insurance Company's ownership in Pöyry PLC

February

1 February	Pöyry Plc's notice concerning annual accounts for 2007
1 February	Notice of Pöyry Plc's Annual General Meeting
1 February	Pöyry applies for listing of stock options 2004B on the official list of OMX Nordic Exchange in Helsinki
4 February	Correction to the English version of the notice of Pöyry Plc's Annual General Meeting
5 February	Pöyry to design Propapier's new PM2 in Germany
6 February	Pöyry initiates share buyback
18 February	Pöyry Plc's Annual Report and annual summary 2007
26 February	Correction: Pöyry Plc's Annual Report and annual summary 2007

March

10 March	Decisions made by the Annual General Meeting of Pöyry P
10 March	Pöyry exercises authority by the Annual General Meeting to acquire own shares and continues share buyback
18 March	Notice pursuant to Finnish Securities Markets Act 2:10; Allianz SE's shareholdings in Pöyry Plc

April

9 April	Pöyry appointed main engineering consultant for the rebuild of Mondi's Syktyvkar mill in Russia
21 April	Notice pursuant to Finnish Securities Markets Act 2:10; Allianz SE's shareholding in Pöyry PLC
22 April	Interim report 1 January – 31 March 2008
22 April	Joining of Pöyry's Nomination and Compensation Committees
22 April	Approval of share subscriptions with stock options
23 April	Notice pursuant to Finnish Securities markets Act 2:10; Procurator-Holding Oy's shareholding in Pöyry PLC
28 April	Increase of total number of shares based on subscriptions with stock options
30 April	Pöyry awarded EUR 10 million railway engineering assignment for the Gotthard Base Tunnel project in Switzerland

June

16 June	Pöyry specifies its 2008 earnings estimate

July

11 July	Pöyry awarded EUR 7.5 million assignment in Ring Rail Link project in Helsinki, Finland
15 July	Pöyry awarded EUR 7 million assignment for Melamchi water supply project in Nepal
23 July	Interim Report 1 January – 30 June 2008
23 July	Approval of share subscriptions with stock options
23 July	Pöyry PLC's company calendar in 2009
31 July	Increase of total number of shares based on subscriptions with stock options

September

8 September	Pöyry appointed main engineering consultant for Amcor's new paper machine project in Australia
30 September	Approval of share subscriptions with stock options

October

1 October	Pöyry awarded EUR 5.2 million contract for metro mass transit system in Venezuela
3 October	Increase of total number of shares based on subscriptions with stock options
7 October	Pöyry strengthens its growth base by reorganizing its Infrastructure & Environment business group
20 October	Pöyry awarded EUR 15 million engineering frame agreement in Spain
24 October	Interim report 1 January – 30 September 2008

November

18 November	Esa Ikäheimonen appointed Chief Financial Officer of Pöyry

December

11 December	Approval of share subscriptions with stock options
17 December	Increase of total number of shares based on subscriptions with stock options
19 December	Pöyry awarded railway engineering contracts in Poland totalling EUR 10 million
31 December	Pöyry divests its shareholding in Polartest Oy, Finland

The complete stock exchange notices published by Pöyry PLC are available on the company's website www.poyry.com/Investors/News and publications, where also notices concerning share repurchases are available. Certain information in the stock exchange notices may be outdated.

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