



Business Review 2008



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

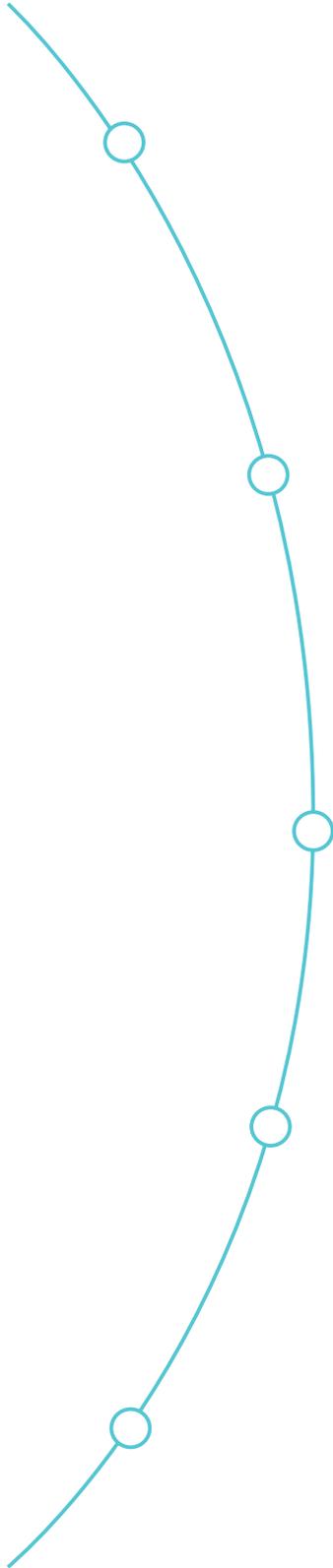


Pöyry is a global expert in consulting and engineering. We offer our clients in-depth industry expertise, innovative solutions and lifecycle engagement. Our knowledge extends across hydropower, oil and gas, power and heat, renewable energy, pulp and paper industry, chemical process industry, transportation, 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

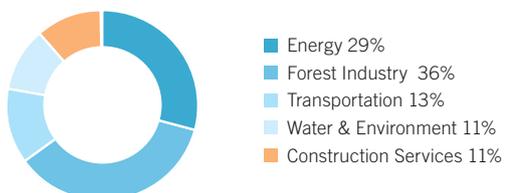
The Water & Environment business group offers comprehensive engineering and expert services related to water and environmental technologies. The business group's expertise covers water resources management, treatment of municipal and industrial waste waters and waste management. Key markets are Europe,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

Construction Services

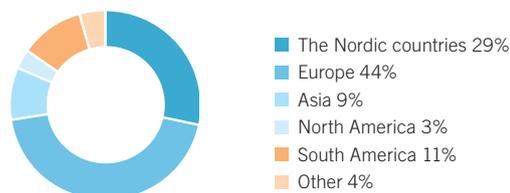
The Construction Services business group offers a full range of services for office, commercial and industrial building projects. Services include consulting, project management, architectural design, structural design, building technology services as well as construction management and supervision.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

Key figures

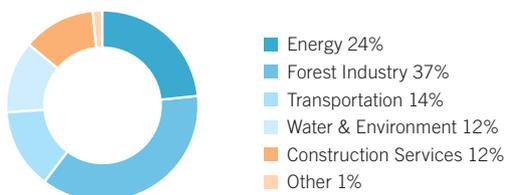
Net sales by business group, pro forma



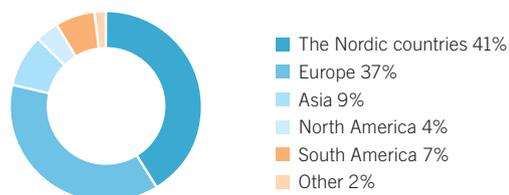
Net sales by market area



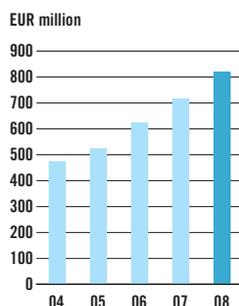
Personnel by business group, pro forma



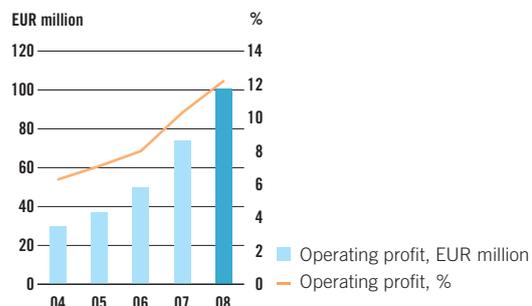
Personnel by market area



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



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. Redun-

dant 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, hydro-power 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, group-wide 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 implement-

ing 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.

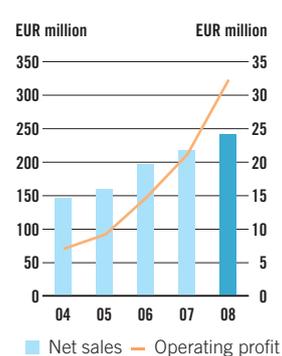
Changing environmental and energy legislations creating demand for services

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.

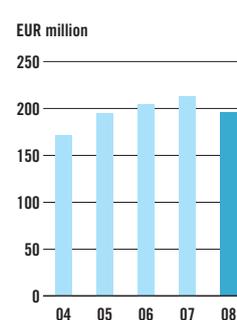
Energy business group's key figures

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.

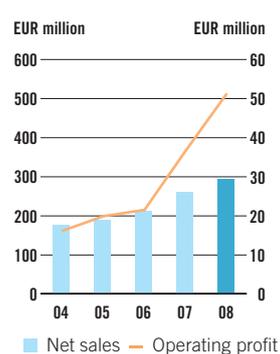
Financial crisis stopped planning of new major projects

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.

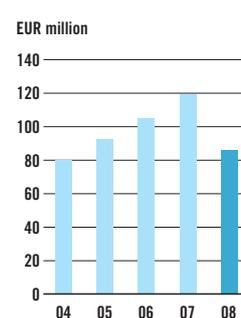
Forest Industry business group's key figures

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.

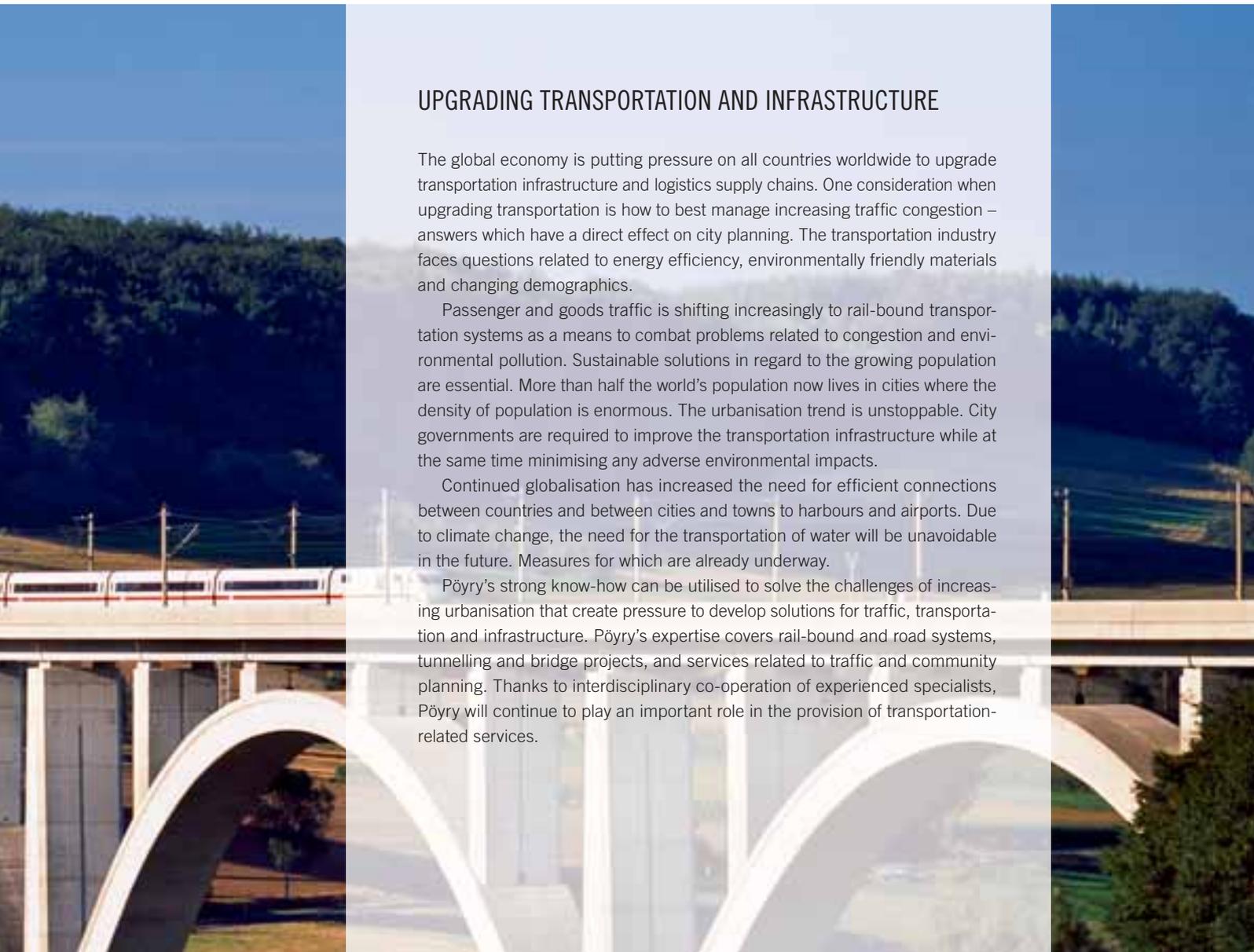
UPGRADING TRANSPORTATION AND INFRASTRUCTURE

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 expand-

ing 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.

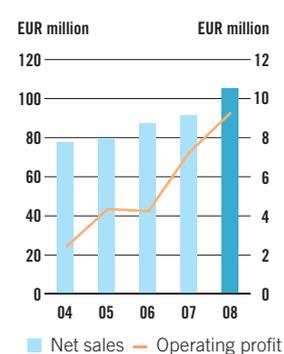
Investments in transportation systems continue

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.

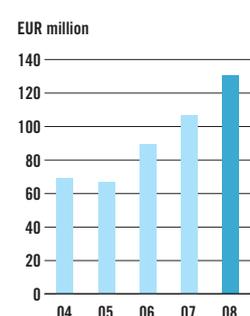
Transportation business group's key figures

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



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 environ-

ment 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.

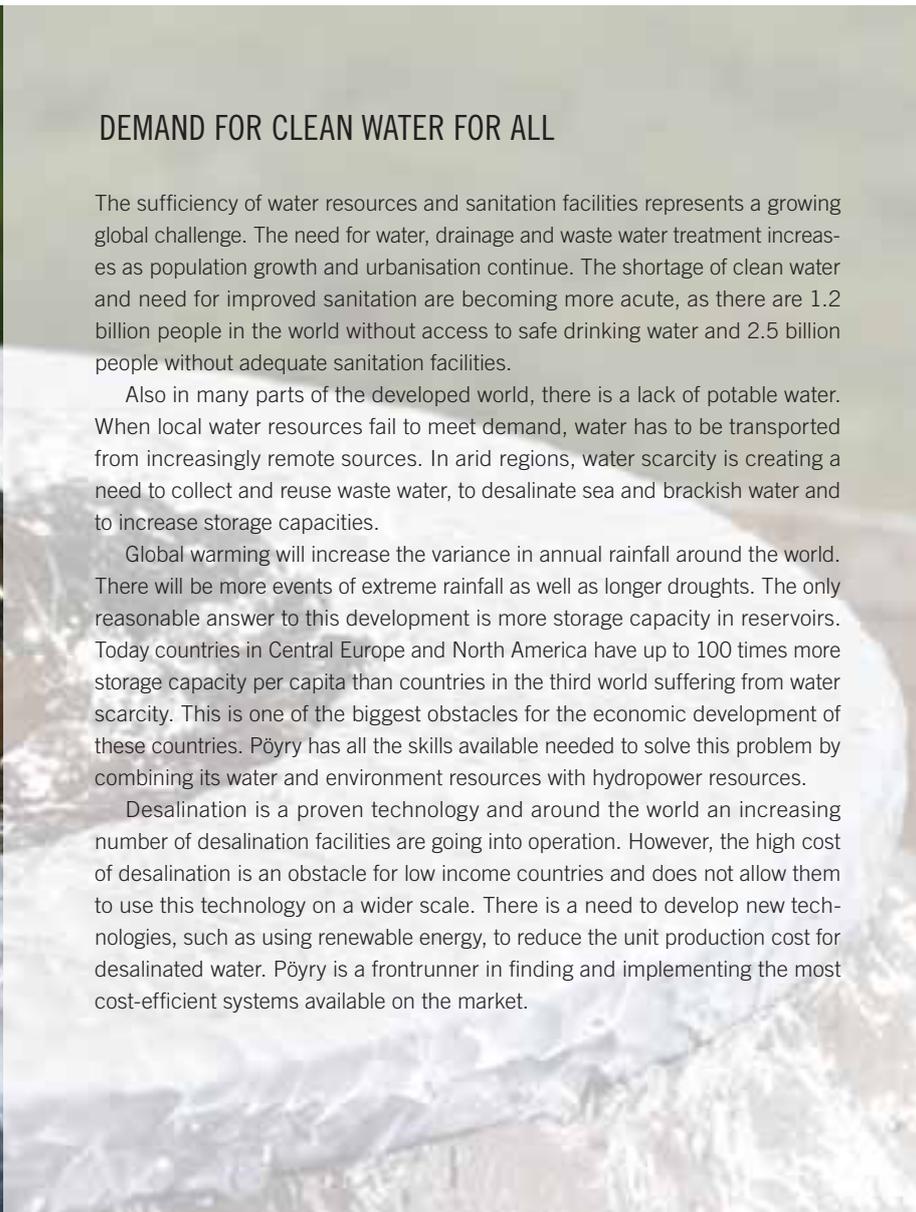
DEMAND FOR CLEAN WATER FOR ALL

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.

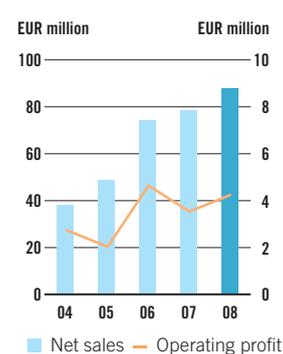
Public sector investments improve demand

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.

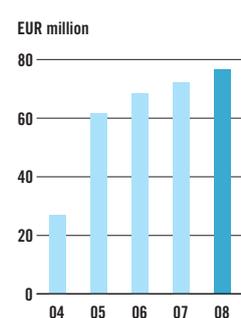
Water & Environment business group's key figures

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

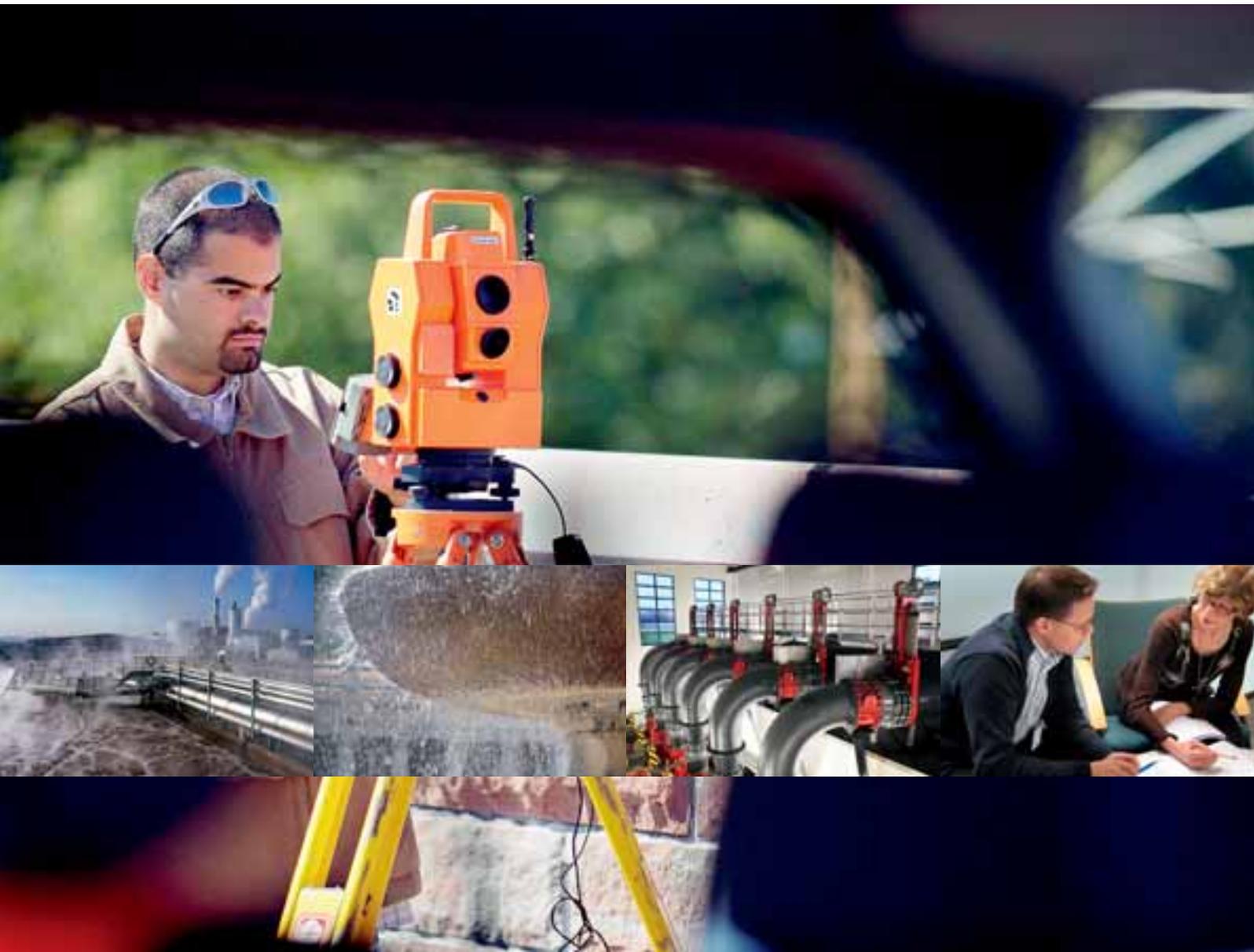


MAJOR ASSIGNMENTS IN WATER & ENVIRONMENT

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.

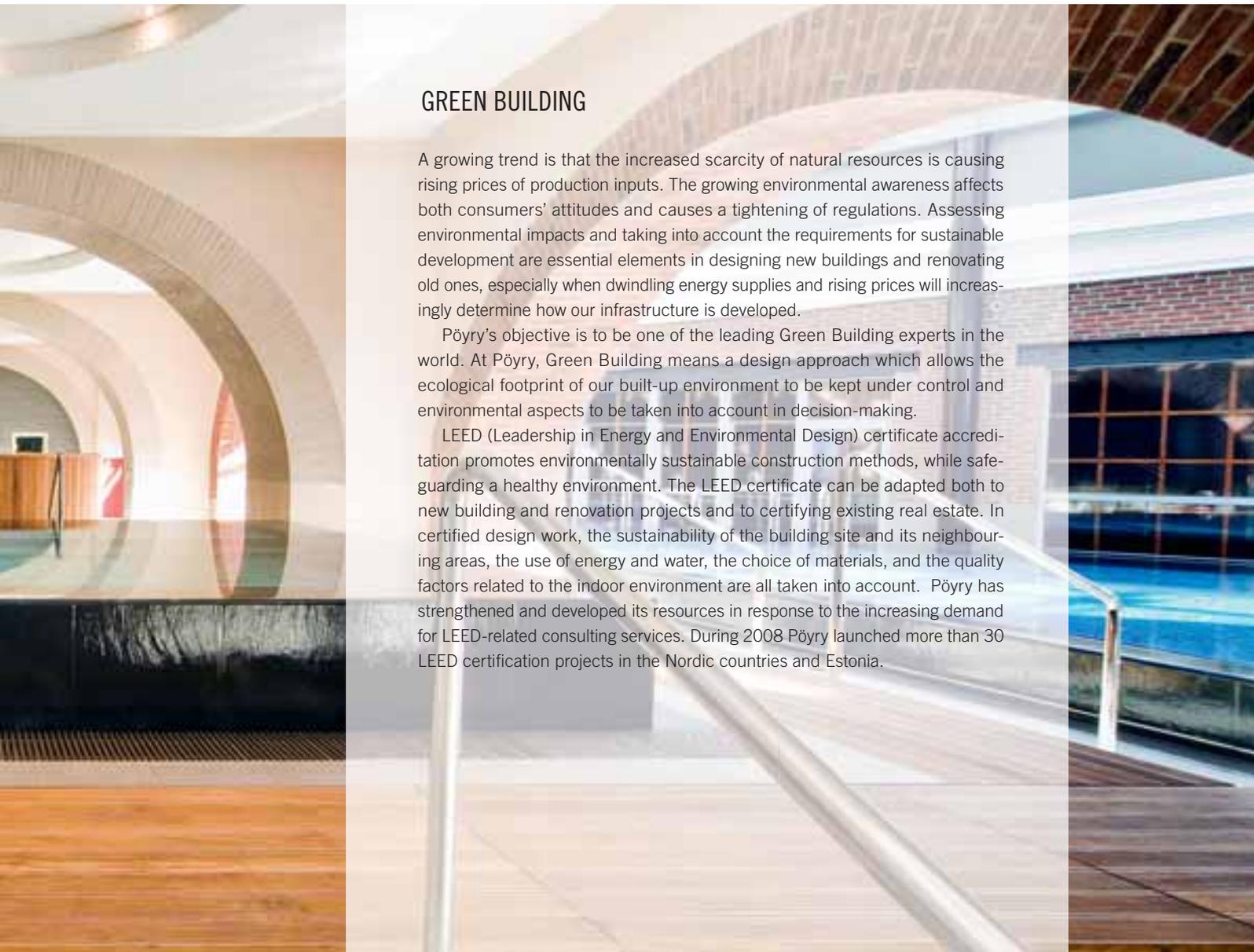
As the requirements for managing cost-related and other risks in construction projects are tightening, demand for integrated total design services will continue to grow. In response to this demand, Pöyry has created the Pöyry Integrated Design (PID) operating model. Its basic idea is that

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.

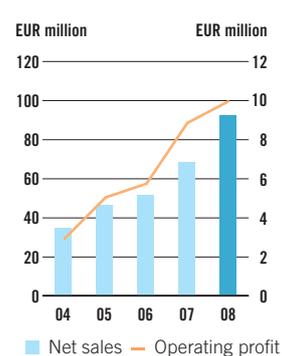
2009 challenging due to impacts of financial crisis

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.

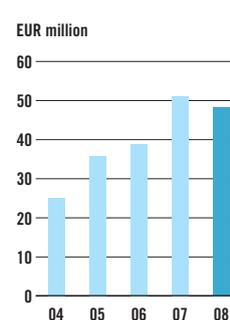
Construction Services business group's key figures

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.

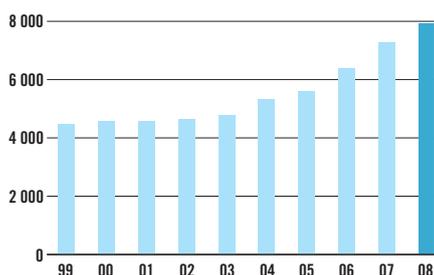
Pöyry Business Academy, which has played a key role in our personnel development portfolio for over ten years, continued in 2008 and will also continue in 2009.

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 will 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

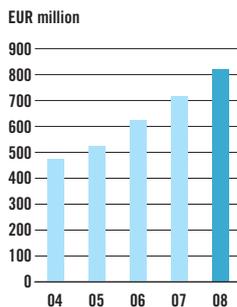
Pöyry's net sales for 2009 are estimated to decrease and profit before taxes is estimated to decrease significantly compared with 2008. This assessment does not take into account possible acquisitions during 2009.

Key figures and financial targets

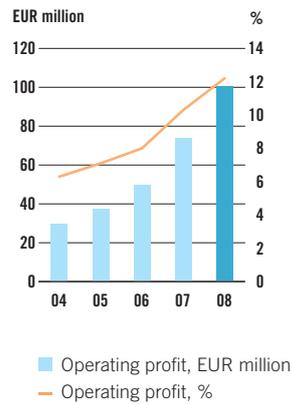
	2004	2005	2006	2007	2008	Target on average
Profitability						
Profit before taxes, EUR million	30.9	38.6	50.2	76.5	103.2	
Return on investment, %	22.4	26.9	31.9	42.4	45.4	≥ 20%
Earnings						
Earnings/share, EUR	0.36	0.45	0.58	0.88	1.21	
Earnings/share, annual growth, %	-25.5	26.8	28.9	51.7	37.5	≥ 15%
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

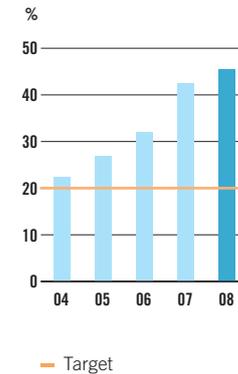
Net sales



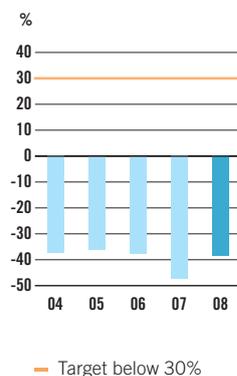
Operating profit



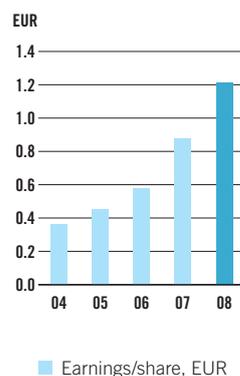
Return on investment



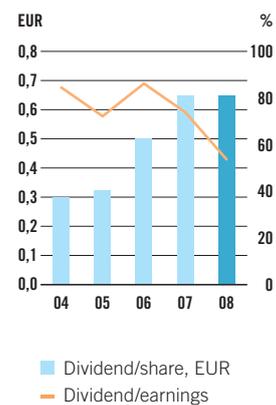
Gearing



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

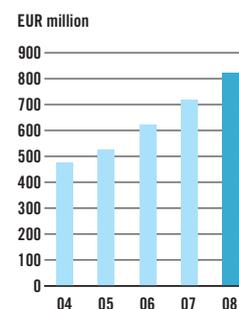
Balance sheet

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

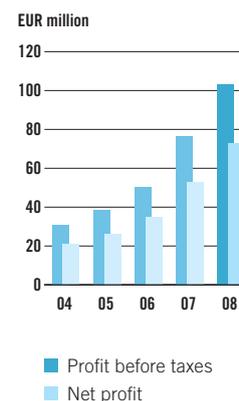
Statement of changes in financial position

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

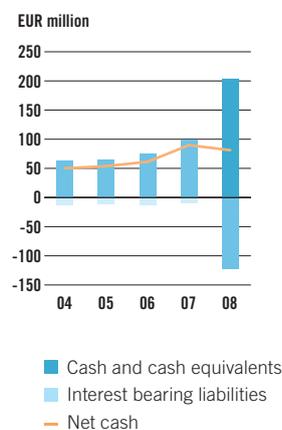
Net sales



Profit before taxes and net profit



Financing



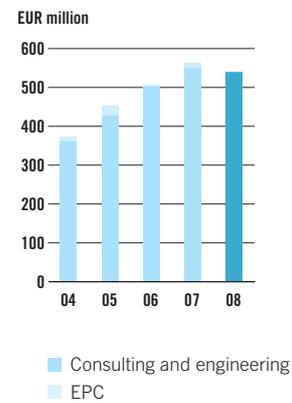
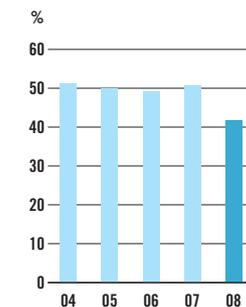
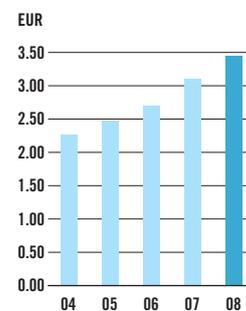
Profitability and other key figures

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

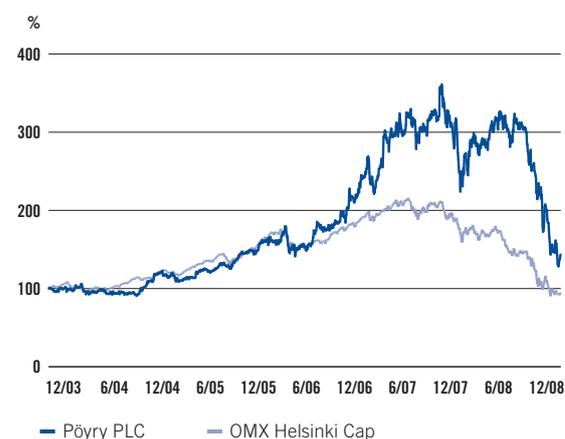
Investor relations

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

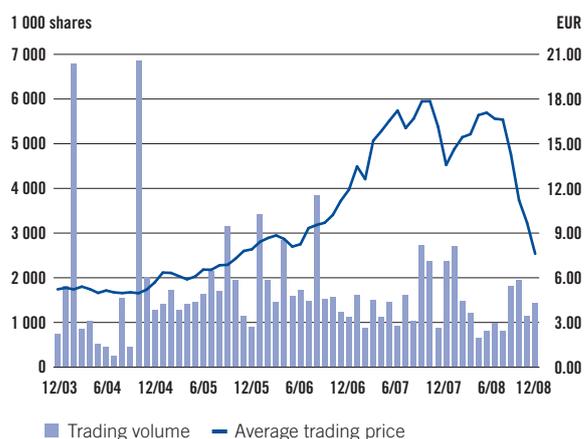
Website

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.

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 Fax +49 621 8790-302

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 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

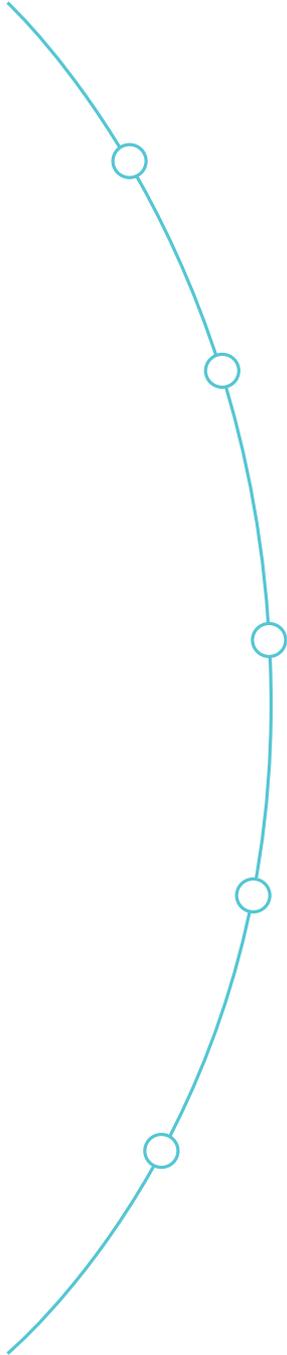
Up-to-date contact information for Pöyry offices worldwide is available at www.poyry.com.

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



PÖYRY

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.

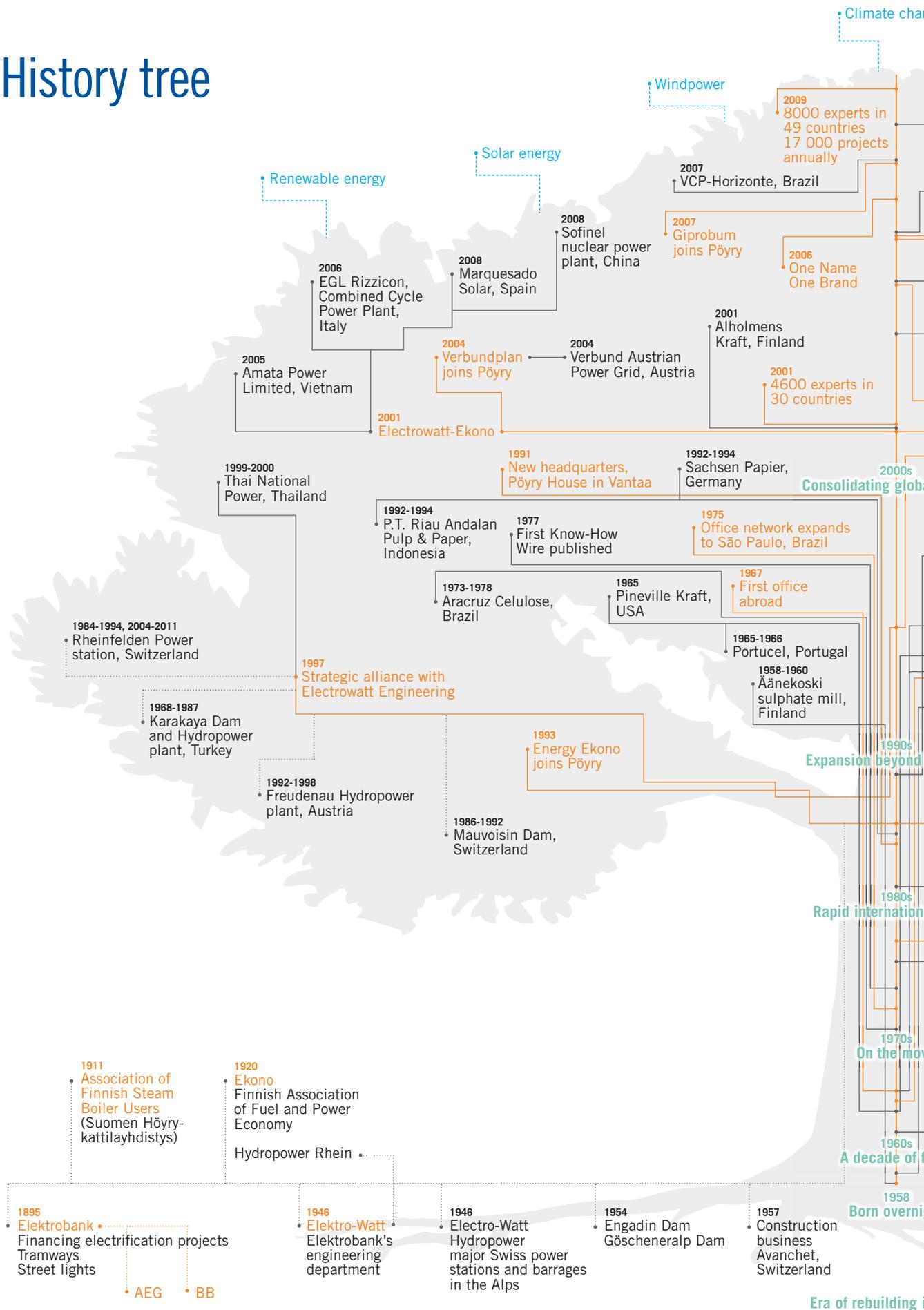
With its roots in the forest industry firmly established, Pöyry was able to participate actively in the industry's internationalisation. The launch of the Local Presence, Global Resources concept was followed by the establishment of subsidiaries in North America, Southeast Asia, Africa and Australia. 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.

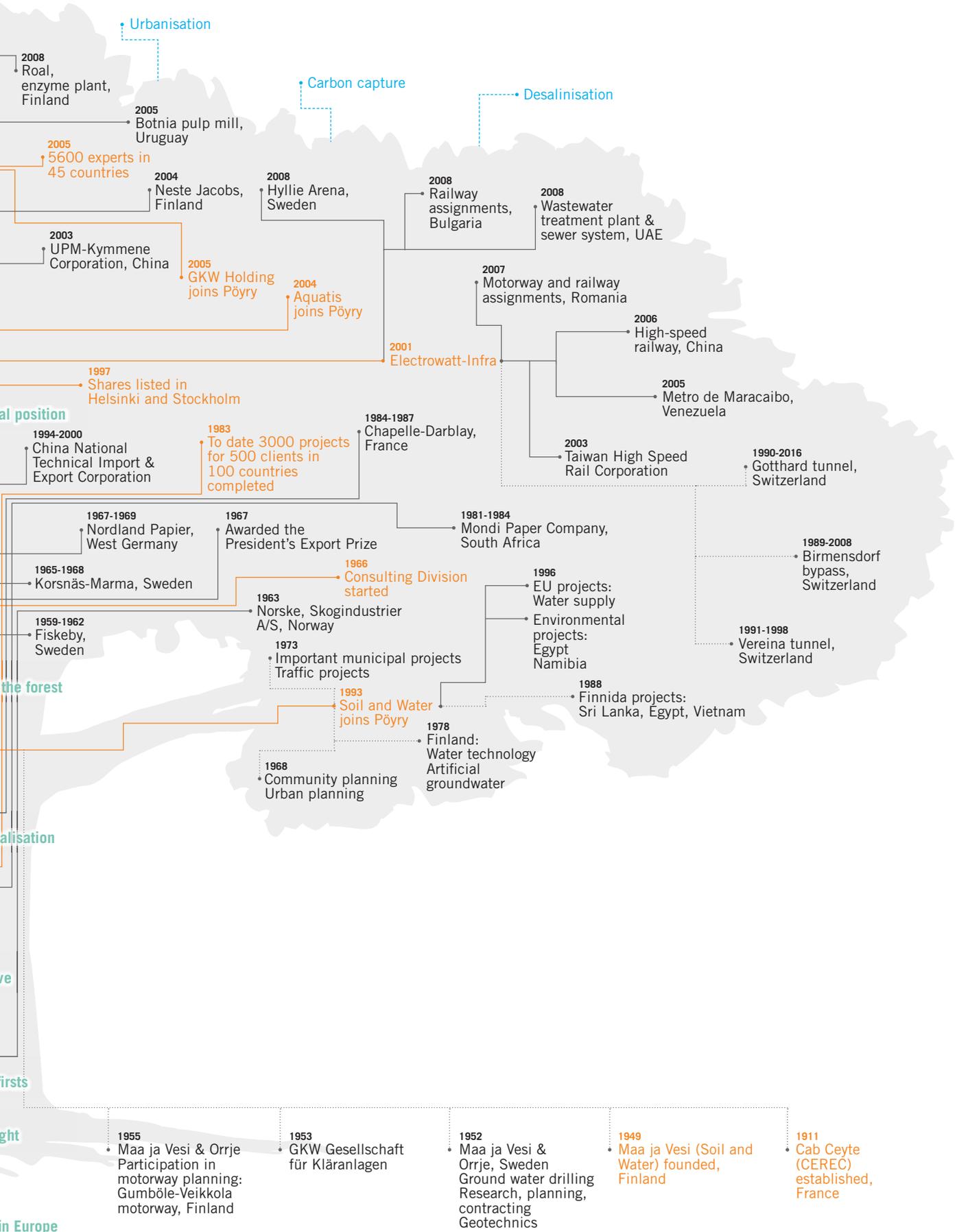
The company's continued growth has brought new successes in emerging markets like China, Latin America and Russia. The once small firm has grown into a global company with 8000 experts in 49 countries, carrying out 17 000 projects annually. Wide-ranging operations combined with Pöyry's extensive knowledge 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



Era of rebuilding





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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Competence. Service. Solutions.