

Interim Review

January 1 – March 31, 2010

Market recovery gaining momentum

Highlights of the first quarter of 2010

- New orders worth EUR 1,366 million were received in January–March, i.e. 45 percent more than in the comparison period (EUR 942 million in Q1/2009).
- At the end of March, the order backlog was up by 9 percent on the end of December 2009, and totalled EUR 3,720 million (EUR 3,415 million at December 31, 2009).
- Net sales decreased by 4 percent on the comparison period, and were at EUR 1,170 million (EUR 1,220 million in Q1/2009).
- Earnings before interest, tax and amortization (EBITA) were EUR 83.8 million, i.e. 7.2 percent of net sales (EUR 68.8 million and 5.6% in Q1/2009).
- Operating profit (EBIT) was EUR 69.5 million, i.e. 5.9 percent of net sales (EUR 58.6 million and 4.8% in Q1/2009).
- EBITA and EBIT include EUR 4.7 million in non-recurring expenses relating to capacity adjustment measures (EUR 22.0 million in Q1/2009).
- Earnings per share were EUR 0.20 (EUR 0.18 in Q1/2009).
- Free cash flow was EUR 35 million (EUR 120 million in Q1/2009).
- Return on capital employed (ROCE) before taxes was 8.1 percent (9.0% in Q1/2009).

Metso's President and CEO Jorma Eloranta comments: "In the first quarter most of our markets and customer industries continued to recover. It seems that the recovery is gaining momentum, and is today broader based than during the past six months. Our customers' higher capacity utilization rates have boosted the activity level of our services business and since our customers are regaining their confidence the demand for new capital equipment and project business has also improved. Price competition in the markets seems to be easing up as the trading environment is getting stronger.

The measures we have carried out in the past few years to develop our operating models and to adjust our cost structures have supported our first-quarter profitability although net sales were still relatively low following modest order intake levels in 2009. Assuming that we continue to win new, profitable orders, net sales for the coming quarters should also be picking up. The first quarter confirmed that due to our decisive and quick response to the market turmoil in the second half of 2008 through 2009, Metso is today a more competitive company than before.

We have gradually started ramping up the engineering and manufacturing capacity to match the improved demand but there seems to be some slowness in our component supplier and subcontractor base to ramp up their capacity. Likewise we are also continuing to further develop our services business and global presence as well as our solutions based on environmental business.

Based on the recovery in order intake during the past 6 months and the current market outlook we are somewhat raising our net sales guidance for 2010. We estimate that our net sales will be over EUR 5 billion. We expect our 2010 profitability to be satisfactory."

Metso's key figures

EUR million	Q1/10	Q1/09	Change %	2009
Net sales	1,170	1,220	-4	5,016
Net sales of services business	512	519	-1	2,102
% of net sales	44	43		42
EBITA before non-recurring capacity adjustment expenses	88.5	90.8	-3	409.0
% of net sales	7.6	7.4		8.2
Earnings before interest, tax and amortization (EBITA)	83.8	68.8	22	334.3
% of net sales	7.2	5.6		6.7
Operating profit	69.5	58.6	19	293.6
% of net sales	5.9	4.8		5.9
Earnings per share, EUR	0.20	0.18	11	1.06
Orders received	1,366	942	45	4,358
Order backlog at end of period	3,720	3,934	-5	3,415
Free cash flow	35	120	-71	717
Return on capital employed (ROCE) before taxes, annualized, %	8.1	9.0		10.0
Equity to assets ratio at end of period, %	34.0	30.3		35.7
Gearing at end of period, %	32.8	72.6		32.5

Metso's first quarter 2010 review

Operating environment and demand for products

The gradual improvement in our operating environment continued in the first quarter of the year. Our customers' capacity utilization rates strengthened along with the positive development of the global economy. This boosted demand for both our capital equipment as well as our services business. The availability of financing continued to improve, and construction projects aimed at developing infrastructure and the related economic stimulus measures had a positive effect on the demand for our equipment, mostly in emerging markets. The uncertainties in our order backlog diminished.

Quotations for equipment and projects for mining companies continued to increase, which clearly had a positive effect on orders in the first quarter. With the rise in the capacity utilization rates of the mining industry, demand for services related to mining activities also improved.

In the construction industry, demand for equipment used in aggregates production improved primarily in the emerging markets, where demand was supported by infrastructure construction projects. In Europe, demand for new equipments and systems was gradually improving and approaching satisfactory level while in North America, in spite of some improvement, demand still remained weak. Demand for our services business for the construction industry improved slightly and was satisfactory.

Demand for power plants utilizing renewable energy sources remained at a good level in Europe and North America. Several countries have published targets to increase the use of renewable energy. This is expected to support demand for our biomass and waste-fuelled power plant solutions. Demand for services business in the power business was satisfactory.

Demand for our automation solutions received a boost in the first quarter, as investments by the oil, gas and petrochemical industry increased as a result of the rising trend in the price of and demand for energy. Demand for our services business for automation solutions remained satisfactory.

Demand for metals recycling equipment during the first quarter clearly strengthened from the weak level of the previ-

ous year due to the global upswing in the demand for steel. Demand for solid-waste recycling equipment remained satisfactory. Demand for our services business for recycling equipment improved.

Demand for new fiber lines picked up, improving to satisfactory, and there was an upturn in the demand for rebuild projects and services. Demand for paper, board and tissue lines was satisfactory. The capacity utilization rates of the paper and board industry improved in the first quarter, which strengthened the demand for our services business. The Tamfelt business, acquired at the year-end 2009, also experienced an upswing in service orders.

Orders received and order backlog

Orders received in the first quarter increased by 45 percent on the weak comparison period and totalled EUR 1,366 million. Assuming no change in exchange rates the growth would have been 39 percent. The share of emerging markets in our orders received was 43 percent. Orders received increased on the comparison period in all reporting segments and in all geographical regions as our customers' capacity utilization rates and investment activities gradually began to recover.

At the end of March, the order backlog was 9 percent higher than at the end of 2009, amounting to EUR 3,720 million. Around EUR 2.6 billion of the deliveries in our order backlog are expected to be completed in 2010, and around EUR 800 million of these are services business orders. Uncertainties in the order backlog decreased by approximately EUR 50 million. The decrease was mainly due to our customers restarting previously suspended projects in mining and recycling businesses. The order backlog at the end of March included some EUR 430 million in projects with uncertain delivery schedules and which will, according to present estimates, be delivered after 2010. The pulp mill project for Fibria, Brazil, is included in these projects.

Orders received by reporting segments

	Q1/2010		Q1/2009	
	EUR million	% of orders received	EUR million	% of orders received
Mining and Construction Technology	559	40	385	41
Energy and Environmental Technology	356	26	265	28
Paper and Fiber Technology	461	33	279	29
Valmet Automotive	11	1	21	2
Intra-Metso orders received	-21		-8	
Total	1,366	100	942	100

Orders received by market area

	Q1/2010		Q1/2009	
	EUR million	% of orders received	EUR million	% of orders received
Europe	574	42	386	41
North America	187	14	167	18
South and Central America	184	13	134	14
Asia-Pacific	352	26	201	21
Africa and Middle East	69	5	54	6
Total	1,366	100	942	100

Net sales

Our net sales for the first quarter declined by 4 percent on the comparison period and were EUR 1,170 million (EUR 1,220 million in Q1/2009). Assuming no change in exchange rates the decline would have been 8 percent. The decline was partially due to starting the year with a considerably lower order backlog because of weak overall order intake in 2009. Net sales declined in Mining and Construction Technology and in Energy and Environmental Technology, and increased in Paper

and Fiber Technology. Our services business net sales were at the level of the comparison period, and accounted for 44 percent of total net sales (43% in Q1/2009). Excluding the impact of the Tamfelt acquisition, net sales of our services business decreased by 5 percent.

Measured by net sales, the largest countries were the United States, China and Germany, which together accounted for about 32 percent of our total net sales.

Net sales by reporting segments

	Q1/2010		Q1/2009	
	EUR million	% of net sales	EUR million	% of net sales
Mining and Construction Technology	472	40	528	43
Energy and Environmental Technology	332	28	397	32
Paper and Fiber Technology	364	31	287	23
Valmet Automotive	11	1	21	2
Intra-Metso net sales	-9		-13	
Total	1,170	100	1,220	100

Net sales by market area

	Q1/2010		Q1/2009	
	EUR million	% of net sales	EUR million	% of net sales
Europe	476	41	526	43
North America	193	16	197	16
South and Central America	138	12	160	13
Asia-Pacific	293	25	234	19
Africa and Middle East	70	6	103	9
Total	1,170	100	1,220	100

Financial result

Our earnings before interest, tax and amortization (EBITA) for the first quarter of the year improved on the comparison period and were EUR 83.8 million, i.e. 7.2 percent of net sales (EUR 68.8 million and 5.6% in Q1/2009). EBITA before non-recurring capacity adjustment expenses was EUR 88.5 million or 7.6 percent (EUR 90.8 million or 7.4 percent in Q1/2009). The

capacity adjustment expenses recorded for January-March were mostly related to the reorganization of the Automation business' supply center in France, metal recycling operations in Germany and some smaller remaining actions in the Paper business.

Q1/2010	Mining and Construction Technology	Energy and Environmental Technology	Paper and Fiber Technology	Metso Group
EUR million				
EBITA	39.5	28.4	18.5	83.8
Capacity adjustment expenses	-	3.4	1.3	4.7
EBITA before non-recurring capacity adjustment expenses	39.5	31.8	19.8	88.5
% of net sales	8.4	9.6	5.4	7.6

Q1/2009	Mining and Construction Technology	Energy and Environmental Technology	Paper and Fiber Technology	Metso Group
EUR million				
EBITA	55.6	32.3	-14.0	68.8
Capacity adjustment expenses	3.8	1.4	16.8	22.0
EBITA before non-recurring capacity adjustment expenses	59.4	33.7	2.8	90.8
% of net sales	11.3	8.5	1.0	7.4

2009	Mining and Construction Technology	Energy and Environmental Technology	Paper and Fiber Technology	Metso Group
EUR million				
EBITA	202.8	136.3	16.5	334.3
Capacity adjustment expenses	21.9	11.1	41.7	74.7
EBITA before non-recurring capacity adjustment expenses	224.7	147.4	58.2	409.0
% of net sales	10.8	9.7	4.1	8.2

Our operating profit in the first quarter was EUR 69.5 million, or 5.9 percent of net sales (EUR 58.6 million and 4.8% in Q1/2009). Operating profit before non-recurring expenses related to capacity adjustment measures was EUR 74.2 million or 6.3 percent of net sales (EUR 80.6 million and 6.6% in Q1/2009).

Operating profit includes foreign exchange gains of about EUR 9 million. A portion of the segments' internal foreign exchange hedge contracts have been covered with off-setting foreign currency denominated items. Corresponding foreign exchange loss is included in Metso's net financing expenses.

Our net financing expenses were EUR 27 million (EUR 22 million in Q1/2009). Interest expenses were EUR 18 million (EUR 20

million in Q1/2009). Net financing expenses include EUR 9 million foreign exchange losses related to the above mentioned foreign exchange gains.

Our profit before taxes was EUR 43 million (EUR 37 million) and we estimate our tax rate for 2010 to be 30 percent (32% in 2009).

The profit attributable to shareholders was EUR 30 million in the first quarter (EUR 26 million in Q1/2009), corresponding to earnings per share (EPS) of EUR 0.20 (EUR 0.18/share).

The return on capital employed (ROCE), before taxes, in January-March was 8.1 percent (9.0%) and return on equity (ROE) was 7.6 percent (7.1%).

Cash flow and financing

Net cash generated by operating activities for January–March was EUR 51 million (EUR 136 million in Q1/2009).

Net working capital increased by EUR 37 million. Capital tied in project deliveries was offset by an increase in accounts payable.

Free cash flow was EUR 35 million (EUR 120 million in Q1/2009).

Net interest-bearing liabilities totalled EUR 578 million at the end of March (EUR 583 million at December 31, 2009).

Our total cash assets at the end of March were EUR 893 million, EUR 358 million of which has been invested in financial instruments with an initial maturity exceeding three months. The remaining EUR 535 million has been accounted for as cash and cash equivalents. The syndicated EUR 500 million revolving loan facility is available until late 2011, and it is currently undrawn. Metso's liquidity position is good.

At the end of March, our gearing was 32.8 percent (72.6%) and our equity-to-assets ratio was 34.0 percent (30.3%). In April, following the Annual General Meeting, we paid EUR 105 million in dividends for 2009. The dividend payment increased our gearing ratio by about 6 percentage points compared to the end of March, 2010.

Capital expenditure and R&D

Our gross capital expenditure in January–March, excluding business acquisitions, was EUR 29 million (EUR 30 million in Q1/2009). The share of maintenance investments was 59 percent, i.e. EUR 17 million. We estimate new capital expenditure in 2010 to somewhat exceed the 2009 level (EUR 117 million in 2009).

The first phase of Metso's largest single investment so far in India, Metso Park, was completed in March. The investment considerably boosts Metso's presence and responds to the rapid growth in demand for our mining and construction products and services in the country, as well as in the other rapidly expanding markets in the Asia-Pacific area.

New plant and office premises will be completed in the spring in Shanghai, China, for our Automation business. In Finland, we finalized a second upgrade of a pilot machine at the Paper Technology Center in Jyväskylä. In Zibo, we are establishing our third service center in China for the pulp and paper industry. Investment projects in global enter-

prise resource planning systems are underway in Mining and Construction Technology and in the Automation business.

Metso's research and development expenses in January–March totalled EUR 24 million, representing 2.1 percent of Metso's net sales (EUR 33 million and 2.7% in Q1/2009).

Acquisitions, divestments and joint ventures

During the first quarter of 2010, we did not do any business acquisitions or divestments.

In November of 2009 we concluded a combination agreement with Tamfelt, one of the world's leading suppliers of technical textiles. The exchange offer was carried out in November–December of 2009 and successfully completed on December 23, 2009. The remaining 2.0 percent of Tamfelt's shares will be redeemed as per the Finnish Companies Act. The title to the remaining shares is expected to be transferred to Metso by the end of second quarter 2010.

Since the acquisition, Tamfelt has been functionally and administratively a part of our Paper and Fiber Technology segment.

Adjusting capacity during 2009 and in the first quarter of 2010

We carried out considerable capacity adjustment measures in the latter half of 2008 and in 2009. Those measures resulted a reduction in our personnel by about 4,600 people, not including the effects of acquisitions and divestitures. We estimate that these personnel reductions and other cost-saving measures correspond to EUR 400–450 million annually, more than EUR 250 million of which already materialized in 2009. We estimate that over half of these savings, stemming mostly from personnel reductions and the closing down of units, are more permanent in nature, while a substantial part of other costs are expected to be restored gradually, as our business activity and capacity utilization rates increase.

The only notable capacity adjustment measures set in motion during the first quarter of 2010 concern the valve supply center in Wittenheim, France and metal recycling operations in Germany. The Automation business recorded EUR 2.7 million and the Recycling business EUR 0.7 million capacity adjustment expenses in the first quarter.

Personnel

At the end of March, we had 26,948 employees, which was 218 less than at the end of 2009 (27,166 employees on December 31, 2009). The number of employees declined in Paper and Fiber Technology and in Energy and Environmental Technol-

ogy and especially in Europe, as a result of capacity adjustment measures, the impacts of which in some cases come with a delay. During the first quarter of the year, we had an average of 27,057 employees.

Personnel by area

	Mar 31, 2010	% of total personnel	Dec 31, 2009	% of total personnel	Change %
Finland	8,724	32	8,746	32	0
Other Nordic countries	2,890	11	2,995	11	-4
Rest of Europe	3,493	13	3,678	13	-5
North America	3,373	13	3,428	13	-2
South and Central America	2,751	10	2,618	10	5
Asia-Pacific	4,334	16	4,316	16	0
Africa and Middle East	1,383	5	1,385	5	0
Total	26,948	100	27,166	100	-1

Changes in top management

Mr. Celso Tacla, President of Paper and Fiber Technology in South America, was appointed as a new member to our Metso Executive Forum from January 22, 2010 onwards.

REPORTING SEGMENTS

Mining and Construction Technology

EUR million	Q1/10	Q1/09	Change %	2009
Net sales	472	528	-11	2,075
Net sales of services business	242	255	-5	1,017
% of net sales	52	49		49
Earnings before interest, tax and amortization (EBITA)	39.5	55.6	-29	202.8
% of net sales	8.4	10.5		9.8
Operating profit	38.1	54.9	-31	198.8
% of net sales	8.1	10.4		9.6
Orders received	559	385	45	1,660
Order backlog at end of period	1,182	1,347	-12	1,041
Personnel at end of period	9,550	10,826	-12	9,541

The net sales of Mining and Construction Technology decreased by 11 percent on the comparison period, and were EUR 472 million. In the mining business net sales declined by about 8 percent, while the net sales in the construction business were down by about 14 percent. The services business net sales decreased by 5 percent on the comparison period, and accounted for 52 percent of the segment's net sales (49% in Q1/2009).

Mining and Construction Technology's EBITA for the first quarter was EUR 39.5 million, i.e. 8.4 percent of net sales (EUR 55.6 million and 10.5%). The EBITA doesn't include any non-recurring expenses relating to capacity adjustment measures (EUR 3.8 million in Q1/2009).

The profitability of the Services business remained on par with the comparison period, but the profitability of the Equipment and Systems businesses weakened. The weakening of the profitability in the equipment business was primarily due to lower volumes and the price competition on the markets during the second half of 2009, which, however, began to ease up during the first quarter of 2010 as the markets took a turn for the positive.

Orders received by Mining and Construction Technology in January–March amounted to EUR 559 million, which was 45 percent more than in the comparison period. Orders received from mining customers increased by more than 50 percent and from construction customers by about 33 percent on the quarter under comparison. Growth in new orders was strong in all regions. The relative share of orders received from emerging markets was 53 percent (49% in Q1/2009). Orders received included grinding equipment for the Kinross Gold goldmine in Brazil and the Newcrest goldmine in Australia.

The order backlog increased by 14 percent from the end of 2009 and totaled EUR 1,182 million at the end of March (EUR 1,041 million at December 31, 2009). Uncertainties in the order backlog decreased during the first quarter by around EUR 30 million as customers restarted previously suspended projects. At the end of March, our order backlog included mining equipment orders, which are subject to uncertainties primarily related to delivery schedules, of around EUR 115 million.

Energy and Environmental Technology

EUR million	Q1/10	Q1/09	Change %	2009
Net sales	332	397	-16	1,523
Net sales of services business	110	132	-17	516
% of net sales	34	34		35
Earnings before interest, tax and amortization (EBITA)	28.4	32.3	-12	136.3
% of net sales	8.6	8.1		8.9
Operating profit	23.5	27.7	-15	118.1
% of net sales	7.1	7.0		7.8
Orders received	356	265	34	1,297
Order backlog at end of period	1,073	1,182	-9	1,032
Personnel at end of period	5,873	6,387	-8	6,060

The net sales of Energy and Environmental Technology declined by 16 percent on the comparison period, and were EUR 332 million. The decrease in net sales was divided relatively evenly among all of the segments' businesses. The net sales of the services business decreased by 17 percent on the comparison period and accounted for 34 percent of the segment's net sales (34% in Q1/2009). The decrease in the services business was primarily due to the strong comparison period in Power business, which had some sizable refurbishment project deliveries at the time.

Energy and Environmental Technology's earnings before interest, tax and amortization (EBITA) weakened from the comparison period and equaled EUR 28.4 million, or 8.6 percent of net sales (EUR 32.3 million and 8.1% in Q1/2009). The EBITA includes non-recurring expenses relating to capacity adjustment measures in the amount of EUR 3.4 million (EUR 1.4 million in Q1/2009). EBITA before these costs was EUR 31.8 million or 9.6 percent of net sales (EUR 33.7 million or 8.5% in Q1/2009).

EBITA improved on the comparison period in the Power business and weakened in the Automation and Recycling

businesses, mainly as a result of significantly lower delivery volumes.

Orders received increased by 34 percent from the comparison period and totaled EUR 356 million. Orders received increased in all businesses: in the Recycling business demand clearly strengthened and orders received increased by nearly 80 percent on the exceptionally weak comparison period. Orders received by the Power business increased by 50 percent and those of the Automation business by almost 15 percent. Orders received by the segment included biomass boilers for RWE npower renewables in the UK and, supplied by MW Power, for 4Ham Cogen SA in Belgium. In addition, several automation project orders for managing power plants, paper, board and tissue lines as well as oil and gas projects were received.

The order backlog at the end of March, EUR 1,073 million, was 4 percent higher than at the end of 2009. The order backlog includes projects worth approximately EUR 80 million with uncertain delivery schedules. The uncertainty is mostly related to the deliveries of power boiler and automation technology for Fibria's pulp mill project in Brazil.

Paper and Fiber Technology

EUR million	Q1/10	Q1/09	Change %	2009
Net sales	364	287	27	1,408
Net sales of services business	159	132	20	569
% of net sales	44	46		41
Earnings before interest, tax and amortization (EBITA)	18.5	-14.0	n/a	16.5
% of net sales	5.1	-4.9		1.2
Operating profit	11.3	-18.2	n/a	0.8
% of net sales	3.1	-6.3		0.1
Orders received	461	279	65	1,384
Order backlog at end of period	1,516	1,438	5	1,380
Personnel at end of period	10,326	10,090	2	10,459

The net sales of Paper and Fiber Technology grew by 27 percent in the first quarter, and were EUR 364 million. The increase in net sales resulted equally from each of the segments' businesses. The comparable net sales growth excluding the impact of the Tamfelt acquisition was 15 percent.

The net sales of the services business increased by 20 percent and accounted for 44 percent of the segment's net sales (46% in Q1/2009). The strong growth came from acquired Tamfelt business while the net sales of the rest of the services business declined slightly.

Paper and Fiber Technology's earnings before interest, tax and amortization (EBITA) was EUR 18.5 million, i.e. 5.1 percent of net sales (EUR -14.0 million in Q1/2009). EBITA included EUR 1.3 million non-recurring expenses relating to capacity adjustment measures (EUR 16.8 million in Q1/2009). Comparable EBITA before these costs was EUR 19.8 million or 5.4 percent of net sales (EUR 2.8 million or 1.0% in Q1/2009). The profitability before the one-time capacity adjustment costs improved in all businesses.

New orders for the paper and board industries increased by 67 percent and for the pulp industry by 45 percent. New orders for the tissue customers were on par with the comparison period. Overall, the value of orders received by Paper and Fiber Technology increased by 65 percent and was EUR 461 million. The increase in the services orders was 48 percent (19 percent without Tamfelt). Among the orders received in January–March was board making technology and machinery for

Cheng Loong Corporation in Taiwan, Saica Containerboard in the UK as well as for Zhejiang Ji'An in China.

The order backlog at the end of March was EUR 1,516 million. Around EUR 240 million relates to the pulp mill project for Fibria in Brazil, the delivery schedule for which is still open.

Valmet Automotive

Valmet Automotive's net sales in January–March totaled EUR 11 million (EUR 21 million in Q1/2009). The operating loss was EUR 7.1 million (EUR 0.3 million loss in Q1/2009). The loss resulted from low delivery volumes. Delivery volumes are expected to improve during the year. At the end of March, Valmet Automotive employed 705 people (679 people at December 31, 2009).

Valmet Automotive manufactures THINK City electric cars for the Norwegian company THINK Global AS, and electric golf cars for Danish company Garia A/S. Additionally, Valmet Automotive has an assembly contract with Porsche AG which will continue until 2012.

Valmet Automotive also has an agreement with U.S. company Fisker Automotive Inc. for the manufacturing and engineering of Fisker Karma plug-in hybrid cars. The aim is to start production of the cars in Finland towards the end of this year. The annual production is projected to reach 15,000 cars at full capacity.

Decisions of our Annual General Meeting

Our Annual General Meeting (AGM) on March 30, 2010 approved the Financial Statements for 2009 and decided to discharge the members of the Board of Directors and the President and CEO from liability for the financial year 2009. The AGM approved the proposals of the Board to authorize the Board to resolve on a repurchase of Metso's own shares, on share issue and granting of special rights and on donations to universities. The AGM also approved the proposal to amend Article 8 (notice convening a meeting) of the Articles of Association.

The AGM decided that a dividend of EUR 0.70 per share will be paid for 2009. The dividend was paid on April 13, 2010.

The AGM elected Jukka Viinanan Chairman of the Board and Maija-Liisa Friman Vice Chairman of the Board. Erkki Pehu-Lehtonen and Mikael von Frenckell were elected as new members of the Board. The Board members re-elected were Christer Gardell, Yrjö Neuvo and Pia Rudengren. The term of office of Board members lasts until the end of the next AGM.

The AGM decided that the annual remunerations for Board members would be EUR 92,000 for the Chairman, EUR 56,000 for the Vice Chairman and EUR 45,000 for the members and that they be paid EUR 600 for each meeting they attend, including committee meetings. The AGM decided that 40 percent of the fixed annual remuneration be paid in Metso Corporation shares purchased from the market. The shares will be purchased directly on behalf of the Board members within two weeks of the release of the Interim Review January 1–March 31, 2010.

The auditing company, Authorized Public Accountants PricewaterhouseCoopers Oy, was re-elected as our Auditor until the end of the next AGM.

The AGM decided to establish a Nomination Committee of the AGM to prepare proposals for the following AGM regarding the composition of the Board and director remuneration. Representatives of the four biggest shareholders will be elected to the Nomination Committee on November 1, and the Chairman of the Board shall be an expert member of the committee.

Members of Metso Board Committees and personnel representatives

Our Board elected members from among the Board for the Audit Committee and Remuneration and HR Committee at its assembly meeting on March 30, 2010. The Board's Audit Committee consists of Pia Rudengren (Chairman), Maija-Liisa Friman and Erkki Pehu-Lehtonen. The Board's Remuneration and HR Committee consists of Jukka Viinanan (Chairman), Mikael von Frenckell, Christer Gardell and Yrjö Neuvo.

Metso's personnel groups in Finland have elected Jukka Leppänen as the personnel representative. He participates in the meetings of our Board of Directors as an invited external expert, and his term of office is the same as the Board members' term.

Events after the review period

In April, we acquired Viconsys web inspection and web break system business. The acquired business, comprising around 30 people, was affiliated to Metso's Energy and Environmental Technology segment. The acquisition complements our product and service offering to the paper and other process industries.

In March, we announced the sale of our Flexowell conveyor belt operations to ContiTech Transportbandsysteme GmbH. Flexowell is part of Metso's Mining and Construction Technology segment and operates in Germany. The final closing of the deal will require the relevant regulatory approvals. The sale of operations will have no material impact on Metso's financial performance. The business is planned to be transferred on May 1, 2010 and Flexowell's personnel will transfer to ContiTech Transportbandsysteme GmbH.

Short-term risks of business operations

We estimate that our business environment will improve during 2010.

If the recovery in the global economy is interrupted and downturn continues, it might have adverse effects on new projects under negotiation or projects in our order backlog. Some projects may be postponed or they may be suspended or canceled. We estimate that slightly more than 10 percent of orders in the order backlog at the moment are subject to uncertainties relating to delivery schedules. In long-term delivery projects the customer advance payment is typically 10–30 percent of the value of the project, in addition to which the customer makes progress payments during the project execution, which significantly decreases risk and our financing requirements related to projects. We continually assess our customers' creditworthiness and ability to meet their obligations. As a rule, we do not finance customer projects.

We have adjusted our capacity and cost structure to correspond with the lower demand, in order to maintain our competitiveness. If the recovery of the global economy is interrupted and the downturn continues, the markets for our products may contract, which may lead to tightening price competition. Also our suppliers have strongly adjusted their capacity during the past 18 months and it is possible that once demand picks up again, suppliers' ability to supply raw materials, components and subcontracting services may have weakened, which may result in delivery problems.

Securing the continuity of our operations requires that sufficient funding is available under all circumstances. We estimate that our cash assets totaling EUR 893 million and available credit facilities are sufficient to secure short-term liquidity. Committed credit facilities available for withdrawal amounted to EUR 500 million. The average repayment period for our long-term debt is 3.3 years. More than half of our long-term debt will mature after 2011. There are no prepayment

covenants in our debt facilities that would be triggered by changes in credit ratings. Some of our debt facilities include financial covenants related to capital structure. Currently we fully meet the covenants and other terms related to our financing agreements and we consider our flexibility in relation to these to be adequate.

The levels of net working capital and capital expenditure have a fundamental effect on the adequacy of financing. We estimate that we are well positioned to keep our capital expenditure at a moderate level in the coming years.

We have EUR 873 million of goodwill on our balance sheet which is related to business acquisitions made over the last 10 years. Following the significant changes in our business environment, we have conducted impairment testing reviews in every quarter since September 2008, and have not found any impairment necessary. The quarterly testing reviews have been conducted with the same principles as the annual tests and the discount rates have been adjusted when appropriate. The principles of the impairment testing are presented in our Annual Report.

Changes in the prices of raw materials and components could affect our profitability. On the other hand, some of our customers are raw material producers, whose ability to operate and invest may be enhanced by strengthening raw material prices and hampered by declining raw material prices.

Currency exchange rate risks are among the most substantial financial risks. Exchange rate changes can affect our business, although the wide geographical scope of our operations decreases the impact of any individual currency. The general uncertainty in the economy is likely to increase exchange rate fluctuations. We hedge the currency exposures that arise from firm delivery and purchase agreements.

Short-term outlook

Global economic recovery is strengthening and there are positive signs in demand in most of our customer industries. The improving capacity utilization rates are supporting our services business and most of our customers are gradually regaining their confidence to increase the level of their investments.

The number of quotations for equipment and projects from mining companies has clearly increased. This has already had a positive impact on our orders and we expect this to continue during the rest of 2010, contributing to an overall satisfactory trading environment. Due to the strengthening demand and

price level for minerals as well as our large installed equipment base, we expect demand for our mining services to continue to improve.

We anticipate that demand for equipment used in aggregates production by the construction industry will be satisfactory in Europe and weak in North America during the year. In the Asia-Pacific region and Brazil, infrastructure construction projects are maintaining good demand thanks to economic growth and stimulus packages. We estimate that demand for our services business for the construction industry will remain satisfactory.

Demand for power plants that utilize renewable energy sources is expected to be good in Europe and North America in 2010. Several countries have published targets to increase the use of renewable energy and this is expected to support demand for our power plant solutions fuelled by biomass and waste. Demand for the power plant services business is expected to be satisfactory.

We estimate that demand for our automation products will be satisfactory during this year, as the oil, gas and petrochemical industries increase their investments due to the improvement in energy prices and demand. Demand for our services business for automation solutions is expected to be satisfactory.

We expect the demand for metal recycling equipments to improve due to the increasing production volumes of steel, resulting from the strengthening of the global economy. The demand for solid-waste recycling equipment is estimated to be satisfactory. Demand for recycling equipments services is expected to improve in 2010 as the capacity utilization rates of our customers' plants and equipment improve.

We estimate that demand for new fiber lines will recover to a satisfactory level, and demand for rebuilds and services will strengthen during the year. Demand for paper, board and tissue lines is expected to be satisfactory. We expect the capacity utilization rates of the paper and board industry to improve during the year, which should increase the demand for our services business.

We estimate that our net sales in 2010 will exceed the EUR 5 billion level of 2009, and that our profitability will be satisfactory. Our estimate is based on our order backlog, which contains about EUR 2.6 billion worth of deliveries for 2010, and on the expectation that the recovery of the global economy will continue.

The net sales and profitability estimates are based on Metso's current market outlook and business scope as well as foreign exchange rates similar to the first quarter.

Previous guidance (from Financial Statements Review 2009, published on February 8, 2010):

"We estimate our net sales in 2010 to remain at about the same EUR 5 billion level as in 2009, and profitability to remain satisfactory. Our estimate is based on our order backlog, which contains about EUR 2.7 billion worth of deliveries for 2010, and on the expectation of continued gradual recovery of global economy. The net sales and profitability estimates are based on Metso's current market outlook and business scope."

Helsinki, April 29, 2010

Metso Corporation's Board of Directors

It should be noted that certain statements herein which are not historical facts, including, without limitation, those regarding expectations for general economic development and the market situation, expectations for customer industry profitability and investment willingness, expectations for company growth, development and profitability and the realization of synergy benefits and cost savings, and statements preceded by "expects", "estimates", "forecasts" or similar expressions, are forward-looking statements. These statements are based on current decisions and plans and currently known factors. They involve risks and uncertainties which may cause the actual results to materially differ from the results currently expected by the company.

Such factors include, but are not limited to:

- (1) general economic conditions, including fluctuations in exchange rates and interest levels which influence the operating environment and profitability of customers and thereby the orders received by the company and their margins
- (2) the competitive situation, especially significant technological solutions developed by competitors
- (3) the company's own operating conditions, such as the success of production, product development and project management and their continuous development and improvement
- (4) the success of pending and future acquisitions and restructuring.

Consolidated statement of income

EUR million	1-3/2010	1-3/2009	1-12/2009
Net sales	1,170	1,220	5,016
Cost of goods sold	-879	-925	-3,808
Gross profit	291	295	1,208
Selling, general and administrative expenses	-233	-239	-938
Other operating income and expenses, net	12	3	24
Share in profits of associated companies	0	0	0
Operating profit	70	59	294
% of net sales	5.9%	4.8%	5.9%
Financial income and expenses, net	-27	-22	-72
Profit before taxes	43	37	222
Income taxes	-13	-11	-71
Profit	30	26	151
Attributable to:			
Shareholders of the company	30	26	150
Minority interests	0	0	1
Profit	30	26	151
Earnings per share, EUR	0.20	0.18	1.06
Diluted earnings per share, EUR	0.20	0.18	1.06

Consolidated statement of comprehensive income

EUR million	1-3/2010	1-3/2009	1-12/2009
Profit	30	26	151
Cash flow hedges, net of tax	-6	-5	14
Available-for-sale equity investments, net of tax	1	6	-1
Currency translation on subsidiary net investments	62	38	74
Net investment hedge gains (losses), net of tax	-11	-9	0
Defined benefit plan actuarial gains (losses), net of tax	0	0	-2
Other comprehensive income (expense)	46	30	85
Total comprehensive income (expense)	76	56	236
Attributable to:			
Shareholders of the company	76	56	235
Minority interests	0	0	1
Total comprehensive income (expense)	76	56	236

Consolidated balance sheet

ASSETS

EUR million	Mar 31, 2010	Mar 31, 2009	Dec 31, 2009
Non-current assets			
Intangible assets			
Goodwill	873	789	863
Other intangible assets	302	254	312
	1,175	1,043	1,175
Property, plant and equipment			
Land and water areas	64	59	62
Buildings and structures	268	245	261
Machinery and equipment	457	372	449
Assets under construction	53	55	47
	842	731	819
Financial and other assets			
Investments in associated companies	13	14	13
Available-for-sale equity investments	17	26	15
Loan and other interest bearing receivables	6	8	9
Available-for-sale financial investments	244	5	130
Financial instruments held for trading	40	0	40
Derivative financial instruments	0	0	0
Deferred tax asset	184	173	171
Other non-current assets	33	23	44
	537	249	422
Total non-current assets	2,554	2,023	2,416
Current assets			
Inventories	1,234	1,591	1,172
Receivables			
Trade and other receivables	1,060	1,035	938
Cost and earnings of projects under construction in excess of advance billings	340	334	312
Loan and other interest bearing receivables	8	8	8
Available-for-sale financial assets	74	-	79
Derivative financial instruments	21	27	21
Income tax receivables	46	22	42
	1,549	1,426	1,400
Cash and cash equivalents	535	436	727
Total current assets	3,318	3,453	3,299
TOTAL ASSETS	5,872	5,476	5,715

SHAREHOLDERS' EQUITY AND LIABILITIES

EUR million	Mar 31, 2010	Mar 31, 2009	Dec 31, 2009
Equity			
Share capital	241	241	241
Cumulative translation adjustments	-11	-107	-62
Fair value and other reserves	699	489	710
Retained earnings	820	775	894
Equity attributable to shareholders	1,749	1,398	1,783
Minority interests	9	9	9
Total equity	1,758	1,407	1,792
Liabilities			
Non-current liabilities			
Long-term debt	1,326	1,080	1,334
Post employment benefit obligations	191	192	190
Provisions	51	41	52
Derivative financial instruments	6	11	5
Deferred tax liability	53	47	56
Other long-term liabilities	13	3	4
Total non-current liabilities	1,640	1,374	1,641
Current liabilities			
Current portion of long-term debt	106	189	173
Short-term debt	53	210	69
Trade and other payables	1,310	1,150	1,065
Provisions	221	245	235
Advances received	405	484	363
Billings in excess of cost and earnings of projects under construction	295	350	330
Derivative financial instruments	45	59	21
Income tax liabilities	39	8	26
Total current liabilities	2,474	2,695	2,282
Total liabilities	4,114	4,069	3,923
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	5,872	5,476	5,715

NET INTEREST BEARING LIABILITIES

EUR million	Mar 31, 2010	Mar 31, 2009	Dec 31, 2009
Long-term interest bearing debt	1,326	1,080	1,334
Short-term interest bearing debt	159	399	242
Cash and cash equivalents	-535	-436	-727
Other interest bearing assets	-372	-21	-266
Total	578	1,022	583

Condensed consolidated cash flow statement

EUR million	1-3/2010	1-3/2009	1-12/2009
Cash flows from operating activities:			
Profit	30	26	151
Adjustments to reconcile profit to net cash provided by operating activities			
Depreciation and amortization	43	36	143
Interests and dividend income	13	16	58
Income taxes	13	11	71
Other	10	9	18
Change in net working capital	-37	94	518
Cash flows from operations	72	192	959
Interest paid and dividends received	-6	-11	-51
Income taxes paid	-15	-45	-138
Net cash provided by (used in) operating activities	51	136	770
Cash flows from investing activities:			
Capital expenditures on fixed assets	-28	-30	-116
Proceeds from sale of fixed assets	1	2	8
Business acquisitions, net of cash acquired	-3	-3	-1
Proceeds from sale of businesses, net of cash sold	-	2	2
(Investments in) proceeds from sale of financial assets	-109	-	-221
Other	3	0	1
Net cash provided by (used in) investing activities	-136	-29	-327
Cash flows from financing activities:			
Redemption of own shares	-7	-2	-2
Dividends paid	-	-	-99
Net funding	-115	13	59
Other	-	-	-6
Net cash provided by (used in) financing activities	-122	11	-48
Net increase (decrease) in cash and cash equivalents	-207	118	395
Effect from changes in exchange rates	15	4	18
Cash and cash equivalents at beginning of period	727	314	314
Cash and cash equivalents at end of period	535	436	727

FREE CASH FLOW

EUR million	1-3/2010	1-3/2009	1-12/2009
Net cash provided by operating activities	51	136	770
Capital expenditures on maintenance investments	-17	-18	-61
Proceeds from sale of fixed assets	1	2	8
Free cash flow	35	120	717

Consolidated statement of changes in shareholders' equity

EUR million	Share capital	Cumulative translation adjustments	Fair value and other reserves	Retained earnings	Equity attributable to shareholders	Minority interests	Total equity
Balance at Jan 1, 2009	241	-136	490	849	1,444	9	1,453
Profit	-	-	-	26	26	-	26
Other comprehensive income (expense)							
Cash flow hedges, net of tax	-	-	-5	-	-5	-	-5
Available-for-sale equity investments, net of tax	-	-	6	-	6	-	6
Currency translation on subsidiary net investments	-	38	-	-	38	-	38
Net investment hedge gains (losses), net of tax	-	-9	-	-	-9	-	-9
Total comprehensive income (expense)	-	29	1	26	56	-	56
Dividends	-	-	-	-99	-99	-	-99
Redemption of own shares	-	-	-3	-	-3	-	-3
Share-based payments, net of tax	-	-	1	-	1	-	1
Other	-	-	-	-1	-1	-	-1
Balance at Mar 31, 2009	241	-107	489	775	1,398	9	1,407
Balance at Jan 1, 2010	241	-62	710	894	1,783	9	1,792
Profit	-	-	-	30	30	-	30
Other comprehensive income (expense)							
Cash flow hedges, net of tax	-	-	-6	-	-6	-	-6
Available-for-sale equity investments, net of tax	-	-	1	-	1	-	1
Currency translation on subsidiary net investments	-	62	-	-	62	-	62
Net investment hedge gains (losses), net of tax	-	-11	-	-	-11	-	-11
Total comprehensive income (expense)	-	51	-5	30	76	-	76
Dividends	-	-	-	-104	-104	-	-104
Redemption of own shares	-	-	-7	-	-7	-	-7
Share-based payments, net of tax	-	-	1	-	1	-	1
Other	-	-	-	0	0	-	0
Balance at Mar 31, 2010	241	-11	699	820	1,749	9	1,758

Acquisitions

Acquisition of Tamfelt in 2009

Metso acquired Tamfelt Corporation, a Finnish corporation listed in the NASDAQ OMX Helsinki exchange, through a public share exchange offer that was completed at the end of December 2009. The total transaction value was EUR 215 million whereof EUR 206 million was compensated by offering 8,593,642 new Metso shares representing 95.2% of Tamfelt's shares and votes. Prior to the transaction, Metso held Tamfelt shares worth EUR 4 million i.e. 2.8% of Tamfelt's shares and votes. The remaining 2.0% of Tamfelt's shares, estimated to amount to about EUR 4 million, will be redeemed with cash in 2010 as per the Finnish Companies Act. The transaction value includes EUR 5 million in expenses and transfer taxes related to the acquisition.

The transaction value, together with the shares already held, exceeded the net assets of Tamfelt by EUR 117 million, whereof

EUR 50 million was allocated to intangible assets, representing the fair values of acquired customer base, order backlog and technology. Furthermore, EUR 10 million was allocated to the property, plant and equipment, to reflect their appraisal to fair values. The deferred tax liability resulting from these allocations was EUR 16 million. The remaining EUR 73 million represents goodwill, which reflects the value of assembled workforce, significant synergy benefits and widened business portfolio offering Metso potential to expand its operations into new markets and customer segments.

Had the acquisition occurred on January 1, 2009, Metso's net sales would have increased by EUR 130 million. The calculation of pro forma net income of the acquired business would be impracticable considering the effects of the acquisition cost.

Preliminary details of the acquired net assets and goodwill are as follows:

EUR million	Carrying amount	Fair value allocations	Fair value
Intangible assets	4	50	54
Property, plant and equipment	87	10	97
Inventories	30	-	30
Trade and other receivables	30	-	30
Deferred tax liabilities, net	-9	-16	-25
Other liabilities assumed	-23	-	-23
Non-interest bearing net assets	119	44	163
Cash and cash equivalents acquired			19
Debt assumed			-36
Transaction value			-215
Pre-acquisition holding of Tamfelt shares			-4
Goodwill			73
Transaction value settled in cash			-5
Cash and cash equivalents acquired			19
Total cash inflow on acquisition in 2009			14
Amounts settled in 2010			-3
Total cash inflow on Tamfelt acquisition			11

Assets pledged and contingent liabilities

EUR million	Mar 31, 2010	Mar 31, 2009	Dec 31, 2009
Mortgages on corporate debt	3	4	20
Other pledges and contingencies			
Mortgages	1	1	1
Pledged assets	-	0	-
Guarantees on behalf of associated company obligations	-	-	-
Other guarantees	5	11	7
Repurchase and other commitments	6	6	6
Lease commitments	227	164	226

Notional amounts of derivative financial instruments

EUR million	Mar 31, 2010	Mar 31, 2009	Dec 31, 2009
Forward exchange rate contracts	1,662	1,254	1,390
Interest rate swaps	183	168	128
Option agreements			
Bought	3	-	13
Sold	13	-	6

The notional amount of electricity forwards was 700 GWh as of March 31, 2010 and 616 GWh as of March 31, 2009.

The notional amount of nickel forwards to hedge stainless steel prices was 282 tons as of March 31, 2010 and 210 tons as of March 31, 2009.

The notional amounts indicate the volumes in the use of derivatives, but do not indicate the exposure to risk.

Key ratios

	1-3/2010	1-3/2009	1-12/2009
Earnings per share, EUR	0.20	0.18	1.06
Diluted earnings per share, EUR	0.20	0.18	1.06
Equity/share at end of period, EUR	11.69	9.89	11.89
Return on equity (ROE), % (annualized)	7.6	7.1	9.8
Return on capital employed (ROCE) before tax, % (annualized)	8.1	9.0	10.0
Return on capital employed (ROCE) after tax, % (annualized)	6.5	7.5	7.7
Equity to assets ratio at end of period, %	34.0	30.3	35.7
Gearing at end of period, %	32.8	72.6	32.5
Free cash flow, EUR million	35	120	717
Free cash flow/share, EUR	0.23	0.85	5.07
Cash conversion, %	117	462	475
Gross capital expenditure (excl. business acquisitions), EUR million	29	30	117
Business acquisitions, net of cash acquired, EUR million	3	3	1
Depreciation and amortization, EUR million	43	36	143
Number of outstanding shares at end of period (thousands)	149,634	141,349	149,939
Average number of shares (thousands)	149,840	141,491	141,477
Average number of diluted shares (thousands)	149,929	141,491	141,526

Exchange rates used

	1-3/2010	1-3/2009	1-12/2009	Mar 31, 2010	Mar 31, 2009	Dec 31, 2009
USD (US dollar)	1.3855	1.3171	1.3960	1.3479	1.3308	1.4406
SEK (Swedish krona)	9.9826	10.9679	10.6092	9.7135	10.9400	10.2520
GBP (Pound sterling)	0.8843	0.9186	0.8948	0.8898	0.9308	0.8881
CAD (Canadian dollar)	1.4523	1.6391	1.5910	1.3687	1.6685	1.5128
BRL (Brazilian real)	2.4970	3.0682	2.7994	2.4043	3.0767	2.5113
CNY (Chinese Renminbi)	9.4582	9.0004	9.5338	9.2006	9.0942	9.8350
AUD (Australian dollar)	1.5407	1.9874	1.7858	1.4741	1.9216	1.6008

Formulas for calculation of indicators

Earnings/share:

$$\frac{\text{Profit}}{\text{Average number of shares during period}}$$

Equity/share:

$$\frac{\text{Equity attributable to shareholders}}{\text{Number of shares at end of period}}$$

Return on equity (ROE), %:

$$\frac{\text{Profit}}{\text{Total equity (average for period)}} \times 100$$

Return on capital employed (ROCE), before tax %:

$$\frac{\text{Profit before tax + interest and other financial expenses}}{\text{Balance sheet total - non-interest bearing liabilities (average for period)}} \times 100$$

Return on capital employed (ROCE), after tax %:

$$\frac{\text{Profit + interest and other financial expenses}}{\text{Balance sheet total - non-interest bearing liabilities (average for period)}} \times 100$$

Gearing, %:

$$\frac{\text{Net interest bearing liabilities}}{\text{Total equity}} \times 100$$

Equity to assets ratio, %:

$$\frac{\text{Total equity}}{\text{Balance sheet total - advances received}} \times 100$$

Free cash flow:

$$\begin{aligned} &\text{Operating cash flow} \\ &- \text{capital expenditures on maintenance investments} \\ &+ \text{proceeds from sale of fixed assets} \\ &= \text{Free cash flow} \end{aligned}$$

Cash conversion, %:

$$\frac{\text{Free cash flow}}{\text{Profit}} \times 100$$

Reporting segments

Net sales

EUR million	1-3/2010	1-3/2009	4/2009-3/2010	1-12/2009
Mining and Construction Technology	472	528	2,019	2,075
Energy and Environmental Technology	332	397	1,458	1,523
Paper and Fiber Technology	364	287	1,485	1,408
Valmet Automotive	11	21	46	56
Group Head Office and other	-	-	-	-
Group Head Office and others total	11	21	46	56
Intra Metso net sales	-9	-13	-42	-46
Metso total	1,170	1,220	4,966	5,016

Share in profits of associated companies

EUR million	1-3/2010	1-3/2009	4/2009-3/2010	1-12/2009
Mining and Construction Technology	0.0	0.0	0.3	0.3
Energy and Environmental Technology	0.1	0.3	1.1	1.4
Paper and Fiber Technology	0.0	0.0	-1.1	-1.2
Valmet Automotive	-	-	-	-
Group Head Office and other	-	-	-	-
Group Head Office and others total	-	-	-	-
Metso total	0.1	0.3	0.3	0.5

Operating profit (loss)

EUR million	1-3/2010	1-3/2009	4/2009-3/2010	1-12/2009
Mining and Construction Technology	38.1	54.9	182.0	198.8
Energy and Environmental Technology	23.5	27.7	113.9	118.1
Paper and Fiber Technology	11.3	-18.2	30.3	0.8
Valmet Automotive	-7.1	-0.3	-15.0	-8.2
Group Head Office and other	3.7	-5.5	-6.7	-15.9
Group Head Office and others total	-3.4	-5.8	-21.7	-24.1
Metso total	69.5	58.6	304.5	293.6

Operating profit (loss), % of net sales

%	1-3/2010	1-3/2009	4/2009-3/2010	1-12/2009
Mining and Construction Technology	8.1	10.4	9.0	9.6
Energy and Environmental Technology	7.1	7.0	7.8	7.8
Paper and Fiber Technology	3.1	-6.3	2.0	0.1
Valmet Automotive	-64.5	-1.4	-32.6	-14.6
Group Head Office and other	n/a	n/a	n/a	n/a
Group Head Office and others total	n/a	n/a	n/a	n/a
Metso total	5.9	4.8	6.1	5.9

EBITA

EUR million	1-3/2010	1-3/2009	4/2009-3/2010	1-12/2009
Mining and Construction Technology	39.5	55.6	186.7	202.8
Energy and Environmental Technology	28.4	32.3	132.4	136.3
Paper and Fiber Technology	18.5	-14.0	49.0	16.5
Valmet Automotive	-7.1	-0.3	-14.9	-8.1
Group Head Office and other	4.5	-4.8	-3.9	-13.2
Group Head Office and others total	-2.6	-5.1	-18.8	-21.3
Metso total	83.8	68.8	349.3	334.3

EBITA, % of net sales

%	1-3/2010	1-3/2009	4/2009-3/2010	1-12/2009
Mining and Construction Technology	8.4	10.5	9.2	9.8
Energy and Environmental Technology	8.6	8.1	9.1	8.9
Paper and Fiber Technology	5.1	-4.9	3.3	1.2
Valmet Automotive	-64.5	-1.4	-32.4	-14.5
Group Head Office and other	n/a	n/a	n/a	n/a
Group Head Office and others total	n/a	n/a	n/a	n/a
Metso total	7.2	5.6	7.0	6.7

Orders received

EUR million	1-3/2010	1-3/2009	4/2009-3/2010	1-12/2009
Mining and Construction Technology	559	385	1,834	1,660
Energy and Environmental Technology	356	265	1,388	1,297
Paper and Fiber Technology	461	279	1,566	1,384
Valmet Automotive	11	21	46	56
Group Head Office and other	-	-	-	-
Group Head Office and others total	11	21	46	56
Intra Metso orders received	-21	-8	-52	-39
Metso total	1,366	942	4,782	4,358

Quarterly information

Net sales

EUR million	1-3/2009	4-6/2009	7-9/2009	10-12/2009	1-3/2010
Mining and Construction Technology	528	531	492	524	472
Energy and Environmental Technology	397	357	350	419	332
Paper and Fiber Technology	287	359	356	406	364
Valmet Automotive	21	14	7	14	11
Group Head Office and other	-	-	-	-	-
Group Head Office and others total	21	14	7	14	11
Intra Metso net sales	-13	-14	-9	-10	-9
Metso total	1,220	1,247	1,196	1,353	1,170

Operating profit (loss)

EUR million	1-3/2009	4-6/2009	7-9/2009	10-12/2009	1-3/2010
Mining and Construction Technology	54.9	46.0	53.7	44.2	38.1
Energy and Environmental Technology	27.7	29.7	32.9	27.8	23.5
Paper and Fiber Technology	-18.2	-1.6	27.6	-7.0	11.3
Valmet Automotive	-0.3	-2.6	-5.5	0.2	-7.1
Group Head Office and other	-5.5	-5.6	5.4	-10.2	3.7
Group Head Office and others total	-5.8	-8.2	-0.1	-10.0	-3.4
Metso total	58.6	65.9	114.1	55.0	69.5

EBITA

EUR million	1-3/2009	4-6/2009	7-9/2009	10-12/2009	1-3/2010
Mining and Construction Technology	55.6	46.9	54.7	45.6	39.5
Energy and Environmental Technology	32.3	34.1	37.1	32.8	28.4
Paper and Fiber Technology	-14.0	1.4	32.4	-3.3	18.5
Valmet Automotive	-0.3	-2.6	-5.5	0.3	-7.1
Group Head Office and other	-4.8	-5.1	5.9	-9.2	4.5
Group Head Office and others total	-5.1	-7.7	0.4	-8.9	-2.6
Metso total	68.8	74.7	124.6	66.2	83.8

Capital employed

EUR million	Mar 31, 2009	June 30, 2009	Sep 30, 2009	Dec 31, 2009	Mar 31, 2010
Mining and Construction Technology	1,221	1,191	1,111	1,072	1,109
Energy and Environmental Technology	686	659	626	524	512
Paper and Fiber Technology	468	475	427	636	675
Valmet Automotive	19	20	27	28	26
Group Head Office and other	493	816	956	1,108	921
Group Head Office and others total	512	836	983	1,136	947
Metso total	2,887	3,161	3,147	3,368	3,243

Orders received

EUR million	1-3/2009	4-6/2009	7-9/2009	10-12/2009	1-3/2010
Mining and Construction Technology	385	398	420	457	559
Energy and Environmental Technology	265	278	250	504	356
Paper and Fiber Technology	279	335	369	401	461
Valmet Automotive	21	14	7	14	11
Group Head Office and other	-	-	-	-	-
Group Head Office and others total	21	14	7	14	11
Intra Metso orders received	-8	-5	-15	-11	-21
Metso total	942	1,020	1,031	1,365	1,366

Order backlog

EUR million	Mar 31, 2009	June 30, 2009	Sep 30, 2009	Dec 31, 2009	Mar 31, 2010
Mining and Construction Technology	1,347	1,196	1,103	1,041	1,182
Energy and Environmental Technology	1,182	1,035	939	1,032	1,073
Paper and Fiber Technology	1,438	1,304	1,330	1,380	1,516
Valmet Automotive	-	-	-	-	-
Group Head Office and other	-	-	-	-	-
Group Head Office and others total	-	-	-	-	-
Intra Metso order backlog	-33	-23	-32	-38	-51
Metso total	3,934	3,512	3,340	3,415	3,720

Personnel

	Mar 31, 2009	June 30, 2009	Sep 30, 2009	Dec 31, 2009	Mar 31, 2010
Mining and Construction Technology	10,826	10,344	10,014	9,541	9,550
Energy and Environmental Technology	6,387	6,349	6,119	6,060	5,873
Paper and Fiber Technology	10,090	9,858	9,475	10,459	10,326
Valmet Automotive	618	636	636	679	705
Group Head Office and other	391	421	419	427	494
Group Head Office and others total	1,009	1,057	1,055	1,106	1,199
Metso total	28,312	27,608	26,663	27,166	26,948

Notes to the Interim Review

We have prepared this Interim Review in accordance with IAS 34 'Interim Financial Reporting'. The same accounting policies have been applied as in the annual financial statements. This Interim Review is unaudited.

New accounting standards

IFRS 9

IASB has published a new standard IFRS 9 'Financial instruments: Recognition and measurement'. The standard represents the first milestone in the IASB's planned replacement of IAS 39. It addresses classification and measurement of financial assets. The next steps involve reconsideration and re-exposure of the classification and measurement requirements for financial liabilities, impairment testing methods for financial assets, and development of enhanced guidance on hedge accounting. We are currently evaluating the effects on our financial statements, and expect the standard to have major impacts on the accounting of financial instruments.

IFRS 9 becomes effective for the financial statements or periods beginning after January 1, 2013. It is still subject to endorsement by the European Union, and the endorsement process has been postponed.

Provided that the standard has received endorsement by the European Union, we will apply the standard for the financial year beginning on January 1, 2013.

Subpoena from the United States Department of Justice requiring Metso to produce documents

In November 2006, Metso Minerals Industries, Inc., our U.S. subsidiary, received a subpoena from the Antitrust Division of the United States Department of Justice calling for Metso Minerals Industries, Inc. to produce certain documents. The subpoena relates to an investigation of potential antitrust violations in the rock crushing and screening equipment industry. We are co-operating fully with the Department of Justice.

Shares and share capital

At the end of March 2010, our share capital was EUR 240,982,843.80 and the number of shares was 150,348,256. The number of shares includes 714,681 Metso shares held by the parent company, which represent 0.5 percent of all the shares and votes. The average number of shares outstanding in first quarter of 2010, excluding Metso shares held by the Parent Company, was 149,839,765 and the average number of diluted shares was 149,929,214.

During February-March 2010, we executed a repurchase of 300,000 of our own shares relating to our share-based management incentive program decided on in October 2009 (Metso Share Ownership Plan 2010-2012). The average purchase price of the shares was EUR 23.47 and the total amount EUR 7,040,303.60.

During the first quarter, 5,064 shares were returned from Metso Share Ownership Plan participants to the Parent Company due to employment terminations.

Our market capitalization, excluding Metso shares held by the Parent Company, was EUR 3,578 million on March 31, 2010.

Metso is not aware of any valid shareholders' agreements regarding the ownership of Metso shares or voting rights.

Share-based incentive plans

Metso's share ownership plans are part of the remuneration and commitment program for the management of the Group and the businesses. For further information, see www.metso.com/investors

Share ownership plan (SOP) for 2009-2011

In October 2008, the Board of Directors approved a new share ownership plan for the years 2009-2011. The SOP includes one three-year earnings period and required participants' personal investment in Metso shares at the beginning of the program. Any possible reward from the plan requires continued employment with Metso and reaching the financial targets set for the plan. The SOP has about 90 participants and the rewards paid corresponds a maximum of around 370,000 Metso shares. The plan will not have diluting effect on the share value. Members of the Executive Team may receive a maximum of 77,400 shares as share rewards in the SOP 2009-2011.

Share ownership plan (SOP) for 2010-2012

In October 2009, the Board of Directors approved a similar share ownership plan for the years 2010-2012. The plan includes one three-year earnings period and required participants' personal investment in Metso shares. Any possible reward from the plan requires continued employment with Metso and reaching the financial targets set for the plan. The program has about 90 participants and the rewards paid corresponds a maximum of around 340,000 Metso shares. The plan will not have diluting effect on the share value. Members of the Executive Team may receive a maximum of 77,400 shares as share rewards in the SOP 2010-2012.

Trading of Metso shares

The number of Metso Corporation shares traded on the NASDAQ OMX Helsinki Exchange during January-March was 67,073,941 shares, equivalent to a turnover of EUR 1,619 million. The share price on March 31, 2010 was EUR 23.91 and the average trading price for the period was EUR 24.14. The highest quotation during the review period was EUR 27.47 and the lowest EUR 20.91.

Metso's ADSs (American Depositary Shares) are traded in the United States on the OTC market. On March 31, 2009, the closing price of an ADS was USD 33.40. Each ADS represents one share.

Disclosures of changes in holdings

BlackRock Investment Management (UK) Limited announced that on February 24, 2010 the BlackRock, Inc. holding in shares of Metso amounted to 7,563,054 shares, which corresponds to 5.03 percent of the total amount of shares and votes in Metso Corporation.

BlackRock Investment Management (UK) Limited announced that on March 19, 2010 the BlackRock, Inc. holding in shares of Metso Corporation fell below the 5 per cent threshold. The holding amounted to 7,298,453 shares, which corresponds to 4.85 percent of the total amount of shares and votes in Metso Corporation.

Credit ratings

There were no changes in credit ratings during the first quarter of 2010.

Current ratings are from November 2009, Moody's Investor's Service confirmed Metso's Baa2 long-term credit rating and the outlook remained negative. Standard and Poor's confirmed on February 2009, our BBB long-term credit rating and changed the outlook from stable to negative. At the same time our short-term credit rating was lowered from A-2 to A-3.

Metso's Financial Reporting in 2010

The Interim Review for January-June 2010 on July 29, 2010 and the Interim Review for January-September 2010 on October 28, 2010, respectively.



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