

Interim Review

January 1 - March 31, 2001



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Metso is a global leader in the supply of processes, machinery and systems for the pulp and paper industry and of rock and mineral processing systems. The Corporation also has a strong position as a supplier of automation and flow control solutions. The main customer sectors are the pulp and paper industry, construction and civil engineering, mining and the energy industry.

Key figures

	1-3/2000	1-3/2001
(in millions)	EUR	EUR
Net sales	860	1,002
Operating profit	17	62
Income before extraordinary items and income taxes	15	66
Earnings per share , EUR	0.07	0.32
Orders received	1,314	1,130
	31.12.2000	31.3.2001
Order backlog	1,907	2,042

The Timberjack forest machinery group, sold at the end of April 2000, is included in the Corporation's figures for the comparison period.

Markets

The demand for Metso's products remained good in the January-March period. Economic growth continued in the main markets in Europe. On the other hand, uncertainty concerning economic growth in North America was also reflected in the activities of Metso's customer industries.

Pulp and paper industry investments continued at a good level. Demand for Metso Paper's products remained buoyant in Europe and South America. Investment projects for new machines were pending mainly in China. The capacity utilization of customer production plants was, with the few exceptions of some temporary mill shutdowns, at a generally good level.

The demand for products supplied to the construction and civil engineering industries was good in Europe and, partly due to seasonal factors, down slightly in the first months of the year in North America. Mining industry demand continued to strengthen, especially in the southern hemisphere.

The demand for Metso Automation products continued to be brisk, principally in Europe. There were also signs of a pick up in demand in certain Asian countries. On the other hand, demand leveled off in North America.

Orders received and order backlog

In January-March, new orders were received totaling EUR 1,130 million, approximately the same level as in the comparison period in 2000, based on the current corporate structure and excluding the divested Timberjack business.

The value of new orders received by Metso Paper declined by 10 percent, while Metso Minerals remained at the previous year's level. The value of orders received by Metso Automation grew by 16 percent while Metso Ventures increased by 26 percent. At the end of March, Metso's order backlog was 7 percent higher than at the end of last year, totaling EUR 2,042 million (EUR 1,907 million on Dec. 31, 2000).

Net sales

Metso's net sales for January-March totaled EUR 1,002 million, an increase of 38 percent over the comparison period (excluding Timberjack). Of the Corporation's consolidated net sales, 65 percent originated from Metso Paper, 12 percent from Metso Minerals, 14 percent from Metso Automation, and 9 percent from Metso Ventures.

In January-March, 50 percent of net sales were from Europe, 30 percent from North America, 11 percent from Asia-Pacific, 7 percent from South America and 2 percent from the rest of the world.

Profitability

The operating profit was EUR 62.0 million in January-March, 6.2 percent of net sales. The operating profit percentage of Metso Paper was 6.7 percent, Metso Minerals 5.2 percent, Metso Automation 3.1 percent and Metso Ventures 14.7 percent. January-March profitability was clearly better in all business areas compared with the corresponding period last year. The rationalization measures completed at the end of the previous year together with the increased deliveries and higher capacity utilization rate have clearly improved profitability.

Income before extraordinary items and income taxes was EUR 66 million (EUR 15 million). The Corporation's net financing income totaled EUR 4 million, including dividend income of EUR 8 million. Net income for the review period was EUR 43 million (EUR 10 million). Earnings per share were EUR 0.32 (EUR 0.07). The return on capital employed (ROCE) was 16.6 percent (6.2%) and the return on equity (ROE) was 13.4 percent (3.5%).

The taxes corresponding to the income for the review period have been entered as taxes. The Corporation's tax rate was 32 percent (30%).

Cash flow and balance sheet

Metso's net cash provided by operating activities was EUR 158 million positive (EUR 55 million positive). The Corporation was debt free (net of cash and interest-bearing receivables) on March 31, 2001. The Corporation's net interest-bearing receivables were EUR 109 million (net interest-bearing liabilities EUR 427 million). Gearing, i.e. the ratio of net interest-bearing liabilities to shareholders' equity, was negative by 7.8 percent (positive by 39.8%). The Corporation's equity to assets ratio was 43.6 percent (36.2%).

Capital expenditure

Gross capital expenditure totaled EUR 65 million (EUR 16 million) in January-March.

Offer to acquire Svedala Industri AB

In June 2000 Metso made a public offer for the acquisition of Svedala Industri AB, the Swedish manufacturer of rock and mineral processing equipment. The transaction was approved by the EU Commission in January 2001 subject to certain provisions, but clearance from the US Federal Trade Commission was still pending on March 31, 2001. Metso has received the approval of other competition authorities in critical markets. The deal can be closed when the FTC approval has been received and Metso has acquired 90 percent of Svedala's share capital.

The sales process of businesses included in the "remedy package" agreed on with the EU competition authorities has proceeded to the stage of further negotiations being held with the preferred bidders. The businesses to be sold are related to stationary and mobile rock crushers for the global aggregate, civil engineering and mining markets, and to the development, manufacture, distribution and service of such crushers. Metso will give up certain products in Svedala's current product range, i.e. jaw crushers, cone crushers, and horizontal shaft impact crushers, certain Svedala screens, feeders and conveyors as well as the current Metso Minerals' primary gyratory product ranges, as well as the related applications and maintenance, repair and spare parts services. The manufacturing operations to be divested are Svedala Arbrå AB and Svedala Mobile Equipment AB in Sweden and Svedala S.A. located in France. The divestiture will also include the resources necessary for the distribution and sale of the specific products and services in relevant market areas. Part of the divestitures will be made to remove overlapping business operations between Metso Minerals and Svedala. To receive clearance also from the US Federal Trade Commission Metso has estimated that it will need to give up, in addition to the businesses

agreed on with the EU competition authorities, the Metso Minerals' grinding mill business. Metso has already initiated the process of finding a buyer for these businesses. The businesses to be sold have annual net sales totaling EUR 160-170 million, making up 7-8 percent of Metso Minerals' and Svedala's combined net sales. Metso remains committed to its conditional offer of June 21, 2000. With the exception of the continuation of the acceptance period, the terms of the offer by Metso to the shareholders of Svedala will remain the same as in the offer document published on July 7, 2000. The offer's acceptance period will continue until June 1, 2001, after which it can be further extended, if necessary.

Research and product development

Metso's research and product development expenses were EUR 29 million (EUR 29 million) in January-March, 2.9 percent of the Corporation's net sales.

Shares

The Helsinki Exchanges traded 11.4 million Metso Corporation shares in January-March, equivalent to a turnover of EUR 131 million. The share price on March 31, 2001 was EUR 10.10. The highest quotation was EUR 12.15 and the lowest EUR 10.00. The Corporation's market capitalization on March 31, 2001 was EUR 1,369 million. Metso's ADR turnover on the New York Stock Exchange was USD 2.5 million. The price of an ADR on March 31, 2001 was USD 9.15. The highest rate was USD 11.25 and the lowest USD 9.00.

At the end of March, Metso's share capital was EUR 231,625,926.50 and the total number of shares was 136,250,545.

Personnel

Metso employed 22,051 persons (22,853) at the end of March.

Board of Directors, Auditors and Management

Metso Corporation's Annual General Meeting re-elected Pertti Voutilainen as Chairman of the Board. Mikko Kivimäki continues as Vice Chairman, while Heikki Hakala, Juhani Kuusi, Jaakko Rauramo, Markku Tapio and Pentti Mäkinen, who was proposed by the personnel, were re-elected as Board members. SVH Pricewaterhouse Coopers Oy, Authorized Public Accountants, was re-elected as the Corporation's auditor, the auditors with principal responsibility being Lars Blomquist, Authorized Public Accountant, and Heikki Lassila, Authorized Public Accountant.

Tor Bergman took over as President and CEO of Metso Corporation on January 1, 2001.

Annual General Meeting, March 28, 2001

Metso Corporation's Annual General Meeting accepted the proposals of the Board of Directors concerning the amendment of article 10 of the Articles of Association, the authorizations to repurchase and assign the Corporation's own shares and to increase the share capital by a rights issue and an issue of options. The Annual General Meeting decided on issuing options to key personnel in Metso Corporation on conditions equal to those of the Metso 2000 option program. It is proposed to disapply the shareholders' pre-emptive subscription rights, since the options are intended as part of the incentive program for key personnel. The number of shares that can be subscribed for with the options is 1,000,000 shares.

The Annual General Meeting authorized the Board of Directors to decide, within one year of the Annual General Meeting, on the repurchase and assignment of the Corporation's own shares and on increasing the share capital. The authorization entitles the Board to repurchase the Corporation's own shares for use as consideration in connection with acquisitions or in financing investments.

Distribution of dividends

The Annual General Meeting decided to distribute dividends for the financial year ending December 31, 2000 at EUR 0.60 per share, i.e. EUR 81.3 million. The dividends are recorded under current liabilities in the balance sheet. The dividend payment date was April 9, 2001.

Events taking place after the review period

Tapio Kuisma, formerly Executive Vice President, was appointed as the new President and CEO of Valmet Automotive, effective from April 9, 2001. The previous President and CEO, Juhani Riutta, has retired, but continues as a member of Valmet Automotive's Board of Directors.

Metso has extended the acceptance period of its offer for Svedala Industri AB until June 1, 2001. With the exception of the extension of the acceptance period, the terms of the offer will remain the same as in the offer document published on July 7, 2000.

Metso Corporation acquired an additional 93,000 Svedala shares on April 9, 2001, increasing Metso's number of shares owned to 2,458,800. The shares represent around 5.1 percent of Svedala's share capital and votes.

Short-term outlook

Despite the general economic uncertainty, the short-term market situation is estimated to continue as mainly favorable for Metso.

The investment willingness of the pulp and paper industry is expected to remain satisfactory in the coming months. The demand for rebuilds and spare parts and maintenance services is also expected to continue at a good level. On the other hand the demand for completely new production lines is expected to remain low in Europe and North America. In China, especially, the demand for new machines is expected to remain good. The South American markets are expected to continue satisfactorily and to have a positive effect on demand for pulping lines.

Construction and civil engineering industry demand is estimated to stay at last year's level in Europe. The North American market prospects are less certain. Mining industry investments are expected to continue to pick up in the main markets in South America, Australia and the southern part of Africa.

Infrastructure investments are expected to increase in China and India.

The focus of automation demand is expected to remain in Europe in the coming months and demand is expected to remain good.

If there is continued uncertainty about economic growth in North America, this is estimated to affect demand for the Corporation's products.

The Corporation's profitability is expected to improve this year, compared with 2000. This estimate is based on the order backlog at the end of March and on the fact that the synergy benefits and cost savings of the merger that created Metso will be fully realized in 2001.

Business areas

Metso Paper

Metso Paper develops, designs and manufactures machinery and equipment for the pulp and paper industry, complete production lines for pulping and papermaking, and machinery and equipment for the panelboard, packaging and converting industries.

From January 1, 2001 Metso Paper comprises three business groups, namely Pulping Technology (formerly Fiber Technology), Papermaking Technology, and Others. The last-mentioned includes Converting Technology and Panelboard Technology (previously in the Fiber Technology business group).

Key figures

	1-3/2000	1-3/2001
(in millions)	EUR	EUR
Net sales	407	653
Operating profit	4	44
Orders received	796	716
	31.12.2000	31.3.2001
Order backlog	1,603	1,669

The net sales of Metso Paper for the January-March period totaled EUR 653 million, up 60 percent on the corresponding period last year. The increase in net sales was due to the realization of large orders received last year and the increase in service operations, which was particularly influenced by the integration of Beloit's spare parts and roll cover business in May of last year. The net sales of pulping technology grew by 44 percent, totaling EUR 104 million, while the net sales of papermaking technology grew by 69 percent, totaling EUR 491 million. The net sales of other business units increased by 60 percent and totaled EUR 91 million, of which the net sales of converting technology totaled EUR 39 million and the net sales of panelboard technology totaled EUR 52 million.

The operating profit of Metso Paper was EUR 44.0 million. Profitability improved notably over the comparison period. The operating profit of pulping technology totaled EUR 6.9 million, while the operating profit of paper technology totaled EUR 36.7 million. The operating profit of other business units was EUR 0.4 million of which the operating profit of converting technology was EUR 1.4 million, while the operating loss of panelboard technology was EUR 1.0 million. The improved profitability of Metso Paper was mainly due to higher capacity utilization rates, the increased share of service operations, more efficient project implementation as a result of rationalization measures, and the synergy benefits achieved by the merger creating Metso. The rationalization measures commenced in response to decreased profitability in panelboard technology in the year 2000 were continued during the review period. Furthermore, during the review period, a decision was also made to transfer the businesses located in Charlotte, USA, to other units, and to close the unit, which was entered as a cost of EUR 8.5 million affecting the operating profit of paper technology.

Demand for the products of Metso Paper was good during the whole January-March period, despite pulp and paper industry demand leveling off. New orders were received totaling EUR 716 million, which was 10 percent less than in the comparison period, though demand

remained at the level of the final quarter last year. In Europe and North America most of the orders were for paper machine rebuilds, paper finishing systems and converting machines. In North America, the volume of orders for roll covers grew as expected, as a result of the Beloit acquisition. Most of the orders received from Latin America and Asia were for pulping lines. The value of new orders received by pulping technology grew by 120 percent to EUR 216 million mainly due to orders for wood handling and pulping lines. The value of new orders received by papermaking technology decreased compared with the record high levels of the comparison period and totaled EUR 460 million. The value of new orders for the other business units decreased and stood at EUR 81 million. Demand for converting technology picked up, while the demand for panelboard technology remained low. Service operations grew steadily in all market areas, and were most significant in the mature markets of Europe and North America. The acquisition of Beloit operations also considerably increased the service business volume in the review period.

The order backlog of Metso Paper increased by 4 percent over the position at the end of 2000, standing at EUR 1,669 million at the end of March. The order backlog of pulping technology increased by 35 percent and was EUR 424 million, while the order backlog of papermaking technology remained at the same level as at the end of last year totaling EUR 1,189 million. The order backlog of other business units was EUR 165 million, of which the order backlog of converting technology improved by 25 percent to EUR 94 million, and the order backlog of panelboard technology decreased by 27 percent to EUR 71 million.

Metso Minerals

Metso Minerals develops, designs and supplies equipment and total solutions for the crushing, grinding, screening and transportation of rock and other minerals.

Key figures

	1-3/2000	1-3/2001
(in millions)	EUR	EUR
Net sales	131	123
Operating profit	5	6
Orders received	148	149
	31.12.2000	31.3.2001
Order backlog	100	127

The net sales of Metso Minerals for the January-March period were down 6 percent from the corresponding

period last year and totaled EUR 123 million. The decrease in net sales was due to the stabilization of demand at the end of the year 2000 especially in North America, which was reflected in invoicing for the first quarter. The operating profit improved slightly and was EUR 6.4 million.

The value of new orders remained at the level of the comparison period and was EUR 149 million. However, demand began to increase towards the end of the review period. The order backlog at the end of March was at a good level, totaling EUR 127 million which was up 27 percent from the beginning of the year.

In June 2000 Metso made a public offer to acquire Svedala, a Swedish manufacturer of rock and mineral processing equipment. The acquisition of Svedala is a strategic decision, aimed at developing rock and mineral processing into a second strong business to complement pulping and papermaking technology. When the deal is concluded, Metso will combine the business operations of Svedala and Metso Minerals. The integration of these businesses will create a strong, global market leader in rock and mineral processing, which will provide service solutions and processes and the associated equipment for civil engineering, construction and mineral processing customers. The extensive population of installed machinery delivered by the integrated Metso Minerals, combined with the company's comprehensive distribution and service network, will substantially strengthen Metso's growth potential in rock and mineral processing technology. Moreover, Metso's strong process automation skills can also be combined with its rock and mineral processing technology to create new potential for the development of new generation rock crushing solutions.

The planning for this integration process began last autumn within the framework permitted by the regulations of the competition authorities and has progressed on schedule. The actual integration is ready to begin as soon as all the approvals required by the competition authorities have been received. The synergy benefits to be achieved through the merger are estimated, when fully implemented, to increase annually to about EUR 70 million, regardless of the fact that some business operations will have to be divested as required by the competition authorities, in order to conclude the acquisition.

Metso Automation

Metso Automation develops, designs and supplies process industry automation and information management application networks and systems, as well as field control solutions. The main customers are the pulp and paper industry, power generation and distribution, and other process industry.

Key figures

	1-3/2000	1-3/2001
(in millions)	EUR	EUR
Net sales	131	153
Operating profit	2	5
Orders received	163	189
	31.12.2000	31.3.2001
Order backlog	197	238

Metso Automation's net sales totaled EUR 153 million in the January-March period, an increase of 17 percent over the comparison period. The growth in net sales was mainly due to increased deliveries of process automation and field equipment to the pulp and paper industry and to the power industry. Net sales were also increased by the acquisitions made last year.

The operating profit for January-March more than doubled compared with the same period last year and was EUR 4.8 million. Profitability was improved not only by increased delivery volumes, but also by the synergy benefits arising from the merger that created Metso and by the restructuring implemented, which were reflected in improved cost efficiency.

The market situation for Metso Automation's products continued to be favorable in the review period. New orders were up by 16 percent over the comparison period and totaled EUR 189 million. In particular, the demand for SCADA systems recovered to the normal level after a decline last year. Process and field equipment demand also improved. Pulp and paper industry demand remained good in Europe with increased demand for automation systems and field equipment, although signs of a leveling off in demand were noticeable in North America.

The order backlog included automation and information systems whose lead time in production is significantly longer than that of field equipment. The order backlog grew by 21 percent compared with the order backlog at the end of the year and was EUR 238 million at the end of March.

Metso Ventures

Metso Ventures contains the synergetic businesses of Metso's core business areas, as well as new businesses and those which are under strategic development. The business area comprises Metso Engineering and Valmet Automotive.

Key figures

	1-3/2000	1-3/2001
(in millions)	EUR	EUR
Net sales	72	97
Operating profit	5	14
Orders received	90	113

Metso Engineering

Metso Engineering develops, manufactures and supplies wind turbine gears, paper machine drives, other industrial gears and hydraulic motors, and related maintenance services. It also offers production and know-how services in machine building.

Metso Engineering's net sales were EUR 55 million, up 31 percent on the comparison period. The net sales growth was due primarily to increased demand for wind turbine gears in Europe. Metso Engineering's operating profit doubled and was EUR 3.2 million. The considerable improvement in profitability was due, above all, to the successful integration of the Santasalo businesses acquired one year ago.

New orders increased by 18 percent over the comparison period and totaled EUR 71 million. The growth in the value of orders resulted from the continuing willingness of customer industries to invest and the strong growth of wind power construction which was reflected in the demand for wind turbine gears. Orders related to material technology also increased. At the end of March, the order backlog was EUR 90 million, which is 20 percent higher than at the beginning of the year.

Valmet Automotive

Valmet Automotive is an independent contract manufacturer of specialty cars which offers its expertise to other car manufacturers. It has focused on the production and product development of demanding specialty cars.

The net sales of Valmet Automotive grew by 40 percent over the comparison period and were EUR 42 million. European and US economic growth and the contraction in the production volumes of the large car manufacturers were not reflected in the demand for convertibles produced by Valmet Automotive. Rather, production volumes increased over the comparison period. The operating profit increased by 192 percent and was EUR 11.1 million. In January-March 13,050 cars (9,797) were produced.

May 3, 2001

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. Since 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 customer industries and groups and thereby the orders received by the company and their margins; (2) the competitive situation, especially significant technological solutions developed by competitors in the company's business areas; (3) the company's own operating conditions, such as the success of production, product development and project management and their continuous development and improvement; and (4) the success of pending and future acquisitions and restructuring and changes in the company's business strategy.

Consolidated statements of income

(The interim review is unaudited)

(Millions)	1-3/2001 EUR	1-3/2000 EUR	1-12/2000 EUR
Net sales	1,002	860	3,891
Cost of goods sold	(735)	(647)	(2,901)
Gross profit	267	213	990
Selling, general and administrative expenses	(205)	(196)	(790)
Operating profit (loss)	62	17	200
Financial income and expenses	4	(2)	(20)
Income before extraordinary items and income taxes	66	15	180
Extraordinary income and expenses	0	0	268
Income before taxes	66	15	448
Income taxes	(21)	(5)	(59)
Minority interests	(2)	0	(0)
Net income	43	10	389

Consolidated balance sheets

(Millions)	March 31,2001 EUR	March 31,2000 EUR	Dec 31,2000 EUR
Fixed assets and financial assets			
Intangible assets	268	216	262
Tangible assets	666	684	670
Financial assets	260	205	238
Current assets			
Inventories	741	769	699
Receivables	1,162	1,237	1,210
Cash and cash equivalents	531	199	485
Total assets	3,628	3,310	3,564
Share capital	232	230	230
Other shareholders' equity	1,163	838	1,195
Minority interests	10	4	8
Long-term liabilities	495	549	507
Current liabilities	1,728	1,689	1,624
Total shareholders' equity and liabilities	3,628	3,310	3,564
Net interest-bearing liabilities			
Long-term interest-bearing liabilities	412	491	428
Short-term interest-bearing liabilities	125	273	120
Cash and cash equivalents	(531)	(199)	(485)
Other interest-bearing assets	(115)	(138)	(116)
Total	(109)	427	(53)

Consolidated statements of cash flows

(Millions)	1-3/2001 EUR	1-3/2000 EUR	1-12/2000 EUR
Cash flows from operating activities:			
Net income	43	10	389
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	30	33	128
Gain on sale of Timberjack, net of tax	-	-	(275)
Other	(7)	0	30
Change in net working capital	92	12	28
Net cash provided by (used in) operating activities	158	55	300
Cash flows from investing activities:			
Capital expenditures on fixed assets	(29)	(16)	(111)
Proceeds from sale of fixed assets	8	5	41
Business acquisitions, net of cash acquired	-	-	(186)
Investments in associated companies	-	-	(1)
Proceeds from sale of subsidiaries and associated companies	-	7	7
Proceeds from sale of Timberjack, net of tax	-	-	506
Taxes (paid) / payable on gain of Timberjack sale	(43)	-	85
(Investments in) proceeds from sale of marketable securities	(32)	2	(32)
Net cash provided by (used in) investing activities	(96)	(2)	309
Cash flows from financing activities:			
Dividends paid	-	-	(54)
Net funding	(22)	(29)	(240)
Proceeds from Timberjack installment credit receivables	-	-	35
Other	4	11	(25)
Net cash provided by (used in) financing activities	(18)	(18)	(284)
Effect of changes in exchange rates on cash and cash equivalents	2	5	1
Net increase (decrease) in cash and cash equivalents	46	40	326
Cash and cash equivalents at beginning of period	485	159	159
Cash and cash equivalents at end of period	531	199	485

Consolidated statement of changes in shareholders' equity

(Millions)	Number of shares (thousands)	Share capital (par value EUR 1.70 per share)	Share premium reserve EUR	Legal reserve EUR	Cumulative translation adjustments EUR	Reserve for own shares EUR	Other reserves EUR	Retained earnings EUR	Total EUR
Balance at Dec 31, 2000	135,562	230	8	220	46	1	202	718	1,425
Dividends	-	-	-	-	-	-	-	(81)	(81)
Share issue (option rights)	689	2	6	-	-	-	-	-	8
Translation differences	-	-	-	-	2	-	-	-	2
Other	-	-	-	-	-	-	-	(2)	(2)
Net income	-	-	-	-	-	-	-	43	43
Balance at March 31, 2001	136,251	232	14	220	48	1	202	678	1,395

The distributable funds of Metso Corporation at March 31, 2001 consist of retained earnings (EUR 678 million) excluding accelerated depreciation and untaxed reserves (EUR 61 million), and other reserves (EUR 202 million), totaling EUR 819 million. At the end of the period Metso Corporation possessed 61 thousand of its own shares.

Assets pledged and contingent liabilities

(Millions)	March 31,2001 EUR	Dec 31,2000 EUR
Mortgages on corporate debt	2	2
Other mortgages	2	2
Guarantees on behalf of associated company obligations	1	1
Other guarantees	3	8
Repurchase and other commitments	5	6
Leasing commitments	118	121

Notional amounts, carrying amounts and fair values of derivative financial instruments

(Millions)	Notional amount		Carrying amount		Fair value	
	March 31,2001 EUR	Dec 31,2000 EUR	March 31,2001 EUR	Dec 31,2000 EUR	March 31,2001 EUR	Dec 31,2000 EUR
Forward exchange rate contracts	1,183	1,119	(18)	15	(35)	3
Interest rate and currency swaps	60	57	(12)	(8)	(12)	(8)
Currency swaps	126	128	(3)	(6)	(4)	(6)
Interest rate swaps	44	42	0	0	0	0

Carrying amounts noted in the table above are included in the balance sheet. The notional amounts indicate the volumes in the use of derivatives, but do not indicate the exposure to risk. The fair value reflects the estimated amounts that Metso would receive or pay to terminate the contracts at the reporting date, thereby taking into account the current unrealized gains or losses of open contracts.

Key ratios

	March 31,2001	March 31,2000	Dec 31, 2000
Earnings/share, EUR	0.32	0.07	0.90
Equity/share, EUR	10.24	7.89	10.51
Return on equity (ROE), %	13.4	3.5	9.5
Return on capital employed (ROCE), %	16.6	6.2	12.2
Equity to assets ratio, %	43.6	36.2	45.4
Gearing, %	(7.8)	39.8	(3.7)

Average number of shares (thousands)	135,969	135,308	135,364
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Exchange rates used

	1-3/2001	1-3/2000	1-12/2000	March 31,2001	March 31, 2000	Dec 31, 2000
USD (US dollar)	0.9232	0.9871	0.9240	0.8832	0.9553	0.9305
SEK (Swedish krona)	9.0030	8.4989	8.4459	9.1570	8.2825	8.8313
GBP (Pound sterling)	0.6326	0.6145	0.6094	0.6192	0.5985	0.6241

Formulas for calculation of key ratios

Earnings/ share:

$$\frac{\text{Profit before extraordinary items and income taxes} - \text{taxes +/- minority interests}}{\text{Average number of shares during period}}$$

Equity/ share:

$$\frac{\text{Shareholders' equity}}{\text{Number of shares at end of period}}$$

Return on capital employed (ROCE), %:

$$\frac{(\text{Profit before extraordinary items and income taxes} + \text{interest and other financial expenses})}{\text{Balance sheet total} - \text{non-interest bearing liabilities}} \times 100$$

(average for period)

Return on equity (ROE), %:

$$\frac{(\text{Profit before extraordinary items and income taxes} - \text{taxes})}{\text{Shareholders' equity} + \text{minority interests (average for period)}} \times 100$$

Equity to assets ratio, %:

$$\frac{(\text{Shareholders' equity} + \text{minority interests})}{\text{balance sheet total} - \text{advances received}} \times 100$$

Gearing, %:

$$\frac{\text{Net interest bearing liabilities}}{\text{Shareholders' equity} + \text{minority interests}} \times 100$$

Net sales by business area

(Millions)	1-3/2001 EUR	1-3/2000 EUR	4/2000-3/2001 EUR	1-12/2000 EUR
Pulping Technology	104	72	472	440
Paper Technology	491	290	1,781	1,580
Others	91	57	383	349
Intra-business area net sales	(33)	(12)	(104)	(83)
Metso Paper	653	407	2,532	2,286
Metso Minerals	123	131	553	561
Metso Automation	153	131	666	644
Metso Engineering	55	42	207	194
Manufacture of Specialty Cars	42	30	131	119
Metso Ventures	97	72	338	313
Intra Metso net sales	(24)	(15)	(101)	(92)
Continuing operations	1,002	726	3,988	3,712
Forest Machines*	-	134	45	179
Metso total	1,002	860	4,033	3,891

Operating profit (loss) by business area

(Millions)	1-3/2001 EUR	1-3/2000 EUR	4/2000-3/2001 EUR	1-12/2000 EUR
Pulping Technology	6.9	1.4	45.2	39.7
Paper Technology	36.7	8.0	106.2	77.5
Others	0.4	(5.4)	(5.0)	(10.8)
Metso Paper	44.0	4.0	146.4	106.4
Metso Minerals	6.4	5.3	28.8	27.7
Metso Automation	4.8	2.3	47.5	45.0
Metso Engineering	3.2	1.6	12.3	10.7
Manufacture of Specialty Cars	11.1	3.8	22.9	15.6
Metso Ventures	14.3	5.4	35.2	26.3
Corporate Headquarters and other	(7.5)	(8.6)	(17.5)	(18.6)
Continuing operations	62.0	8.4	240.4	186.8
Forest Machines*	-	8.7	4.6	13.3
Metso total	62.0	17.1	245.0	200.1

*) Forest Machines (Timberjack) was part of Metso until April 28, 2000 and it is included in the consolidated figures of Metso Corporation 1-4/2000.

Orders received by business area

(Millions)	1-3/2001 EUR	1-3/2000 EUR	4/2000-3/2001 EUR	1-12/2000 EUR
Pulping Technology	216	98	589	471
Paper Technology	460	607	1,719	1,866
Others	81	106	362	387
Intra-business area orders received	(41)	(15)	(102)	(76)
Metso Paper	716	796	2,568	2,648
Metso Minerals	149	148	561	560
Metso Automation	189	163	677	651
Metso Engineering	71	60	229	218
Manufacture of Specialty Cars	42	30	131	119
Metso Ventures	113	90	360	337
Intra Metso orders received	(37)	(29)	(123)	(115)
Continuing operations	1,130	1,168	4,043	4,081
Forest Machines*	-	146	41	187
Metso total	1,130	1,314	4,084	4,268

Personnel by business area

	31.03.01	31.03.00	31.12.00
Pulping Technology	1,972	1,962	1,956
Paper Technology	7,552	6,894	7,558
Others	1,441	1,448	1,400
Metso Paper	10,965	10,304	10,914
Metso Minerals	3,282	3,288	3,298
Metso Automation	4,569	4,307	4,551
Metso Engineering	1,490	1,440	1,487
Manufacture of Specialty Cars	1,631	1,474	1,658
Metso Ventures	3,121	2,914	3,145
Corporate Headquarters and other	114	108	116
Continuing operations	22,051	20,921	22,024
Forest Machines*	-	1,932	-
Metso total	22,051	22,853	22,024

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Quarterly information

Net sales by business area

(Millions)	1-3/2000 EUR	4-6/2000 EUR	7-9/2000 EUR	10-12/2000 EUR	1-3/2001 EUR
Pulping Technology	72	127	111	130	104
Paper Technology	290	372	405	513	491
Others	57	86	87	119	91
Intra-business area net sales	(12)	(25)	(23)	(23)	(33)
Metso Paper	407	560	580	739	653
Metso Minerals	131	155	121	154	123
Metso Automation	131	158	157	198	153
Metso Engineering	42	45	49	58	55
Manufacture of Specialty Cars	30	33	21	35	42
Metso Ventures	72	78	70	93	97
Intra Metso net sales	(15)	(31)	(18)	(28)	(24)
Continuing operations	726	920	910	1,156	1,002
Forest Machines*	134	45	-	-	-
Metso total	860	965	910	1,156	1,002

Operating profit (loss) by business area

(Millions)	1-3/2000 EUR	4-6/2000 EUR	7-9/2000 EUR	10-12/2000 EUR	1-3/2001 EUR
Pulping Technology	1.4	14.3	12.6	11.4	6.9
Paper Technology	8.0	9.2	27.3	33.0	36.7
Others	(5.4)	0.3	(4.0)	(1.7)	0.4
Metso Paper	4.0	23.8	35.9	42.7	44.0
Metso Minerals	5.3	10.9	4.9	6.6	6.4
Metso Automation	2.3	10.2	15.3	17.2	4.8
Metso Engineering	1.6	2.7	4.0	2.4	3.2
Manufacture of Specialty Cars	3.8	6.1	(0.4)	6.1	11.1
Metso Ventures	5.4	8.8	3.6	8.5	14.3
Corporate Headquarters and other	(8.6)	(6.2)	(2.4)	(1.4)	(7.5)
Continuing operations	8.4	47.5	57.3	73.6	62.0
Forest Machines*	8.7	4.6	-	-	-
Metso total	17.1	52.1	57.3	73.6	62.0

Orders received by business area

(Millions)	1-3/2000 EUR	4-6/2000 EUR	7-9/2000 EUR	10-12/2000 EUR	1-3/2001 EUR
Pulping Technology	98	117	104	152	216
Paper Technology	607	606	221	432	460
Others	106	100	39	142	81
Intra-business area orders received	(15)	(12)	(19)	(30)	(41)
Metso Paper	796	811	345	696	716
Metso Minerals	148	143	115	154	149
Metso Automation	163	170	138	180	189
Metso Engineering	60	53	51	54	71
Manufacture of Specialty Cars	30	32	22	35	42
Metso Ventures	90	85	73	89	113
Intra Metso orders received	(29)	(39)	(16)	(31)	(37)
Continuing operations	1,168	1,170	655	1,088	1,130
Forest Machines*	146	41	-	-	-
Metso total	1,314	1,211	655	1,088	1,130

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