Interim Review

January 1 – June 30, 2013

Matti Kähkönen, President and CEO

Harri Nikunen,CFO

July 25, 2013

Forward looking statements

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.

Presentation contents

1. Quarterly highlights
2. Strategic priorities
3. Financial performance
4. Outlook and guidance





Q2/2013 Highlights

Matti Kähkönen

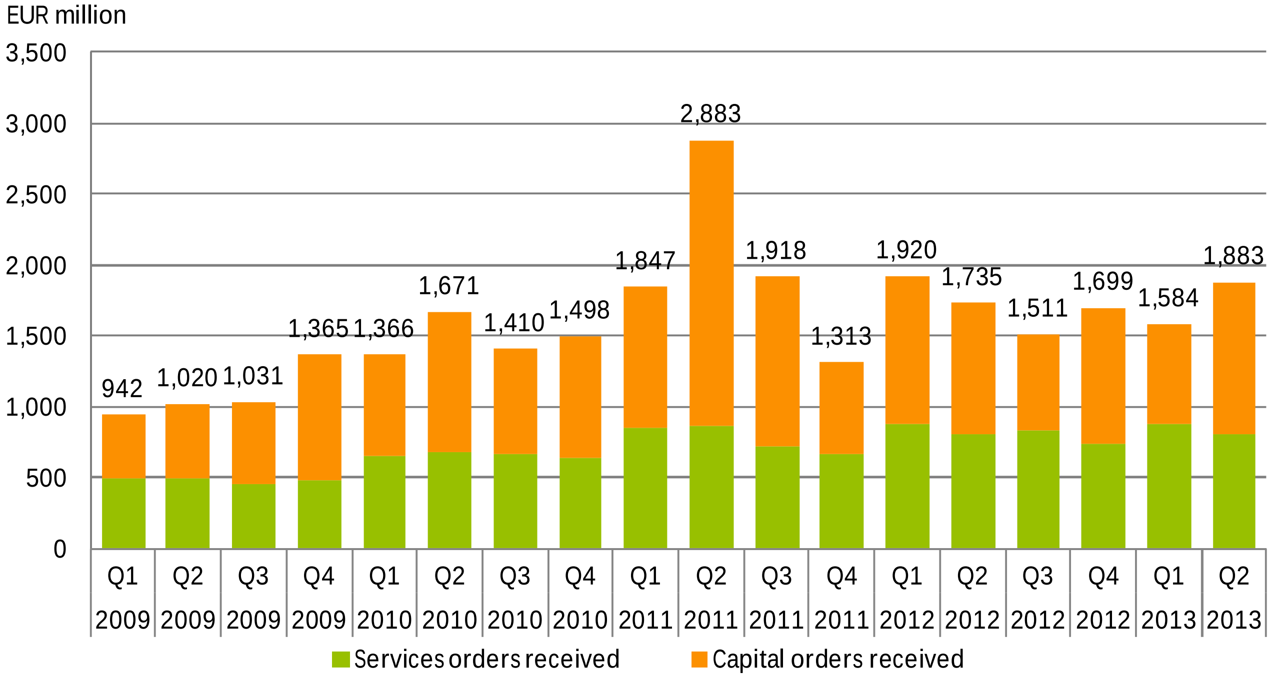
President and CEO

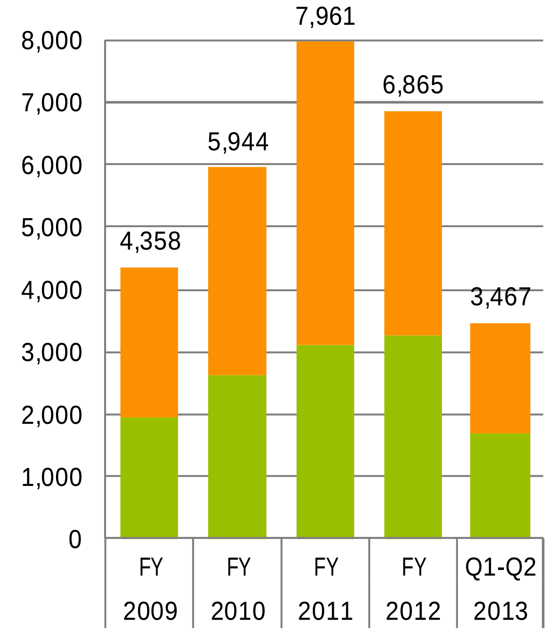
Q2 highlights

Good results in a challenging market environment

- Order intake was EUR 1,883 million (EUR 1,735 million)
- Net sales totaled EUR 1,756 million (EUR 1,897 million); book-to-bill was 1.07
- Services business was solid; slow-down seen in capex-related services
- EBITA before non-recurring items was EUR 142 million (EUR 178 million) and EBITA margin was 8.1% (9.4%), decline was mainly due to volume
- Non-recurring expenses totaled EUR 33 million
- Cost saving initiatives will continue in Pulp, Paper and Power and also in Mining and Construction
- Demerger has progressed according to plan

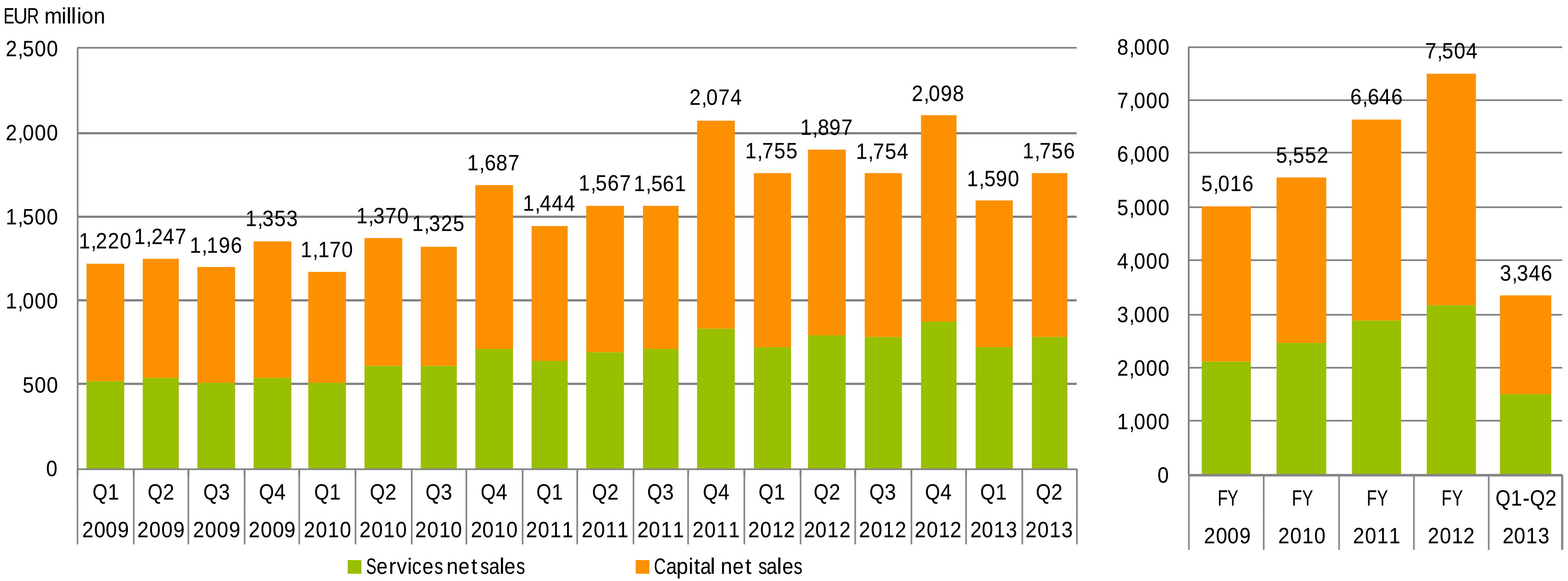
Order intake





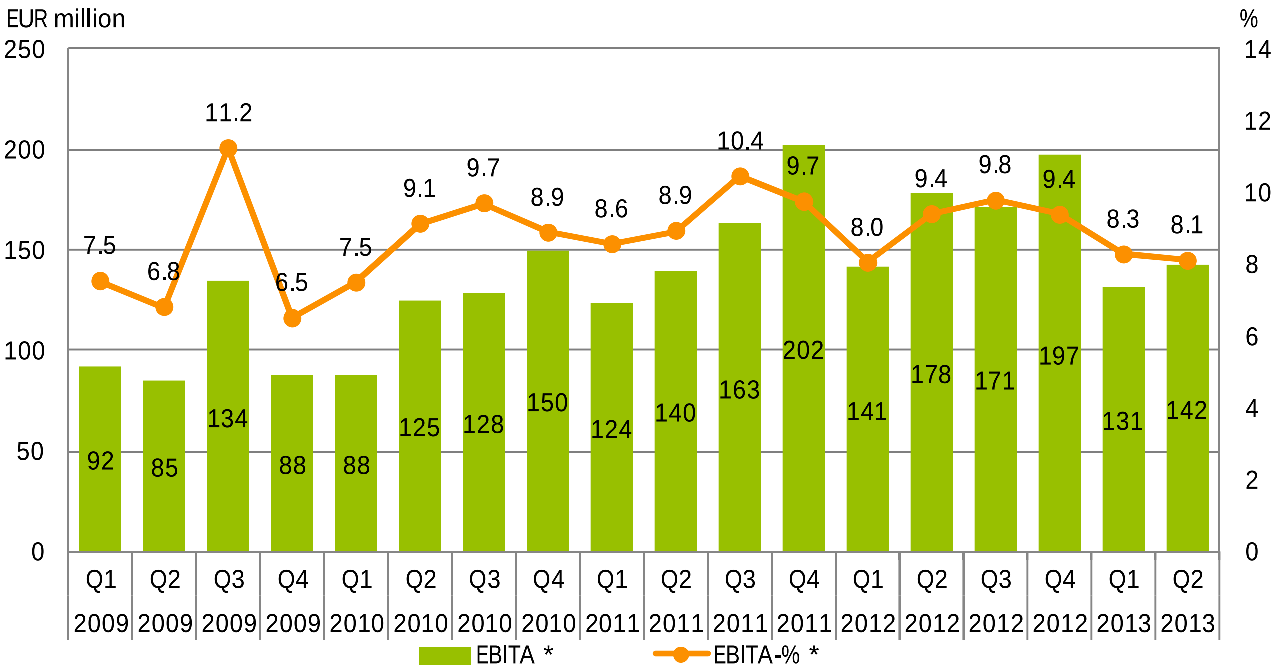
- Orders were 9% higher compared to Q2/2012
  - CMPC Guaíba pulp mill expansion was the biggest order
  - Flow Control up 12%
  - Services remained at Q2/2012 level

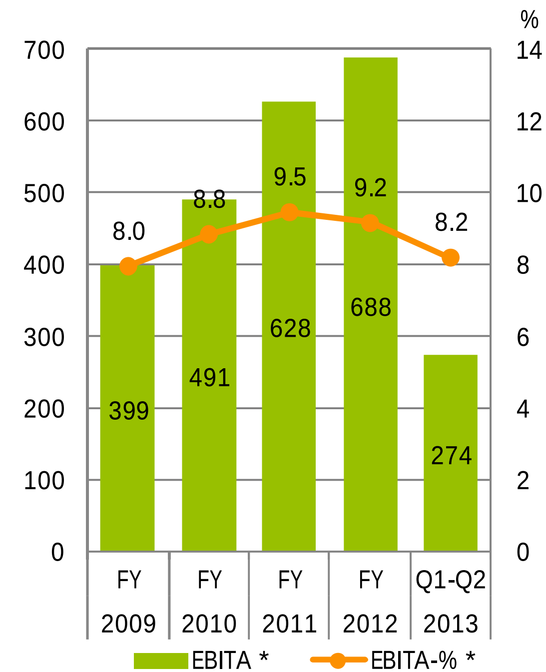
Net sales



- Net sales declined 7% year-on-year
  - Equipment and project sales were lower at 11%
  - Services were down 2% (up 1% with comparable exchange rates)

EBITA* development





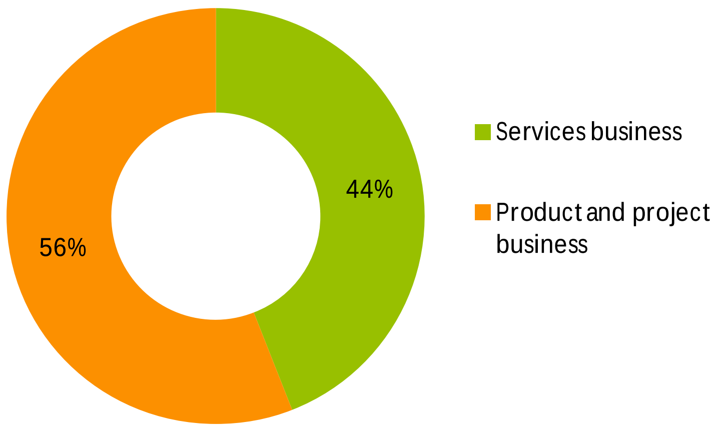
	Q2/2013	Q2/2012	Target range	
Mining and Construction	12.1%	12.5%	10-15%	Services improved, capital business impacted by lower volume
Automation	13.8%	13.1%	11-16%	FC and services improved, Process Automation weakened
Pulp, Paper and Power	3.8%	6.3%	6-9%	Lower volume and margins in capital businesses, services remained good
Metso total	8.1%	9.4%		

* Before non-recurring items

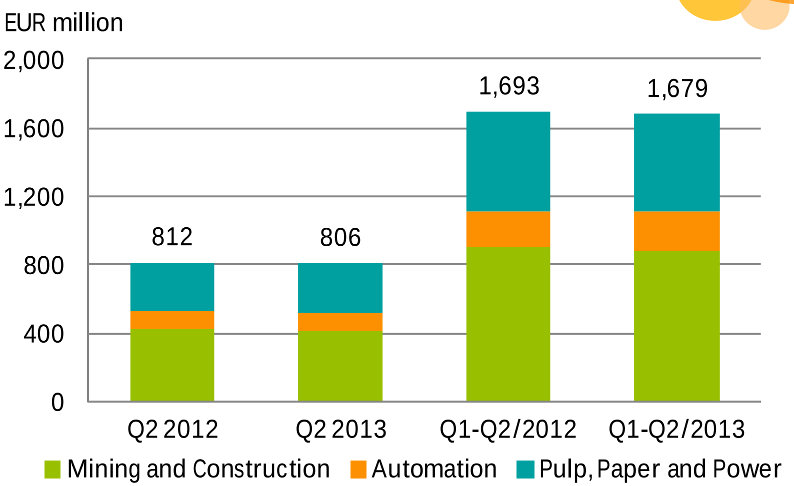
Services business development

Strategic priority #1

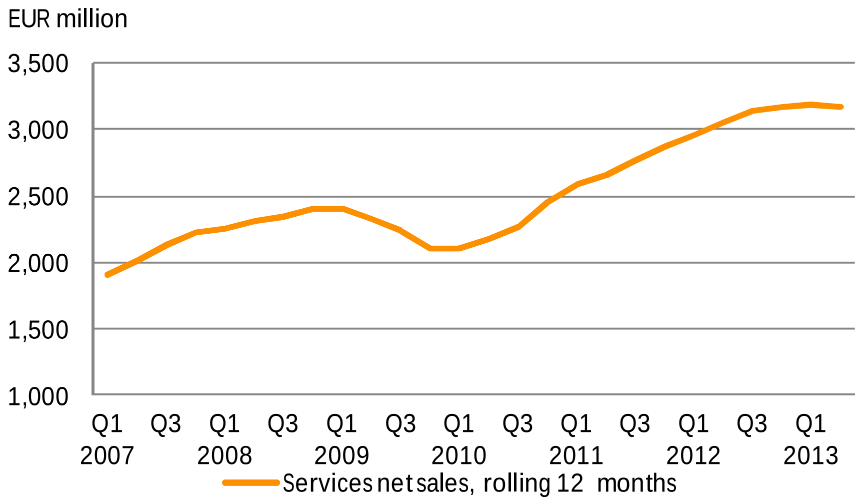
Orders by type Q2/2013



Services orders by segment



Rolling 12-month net sales

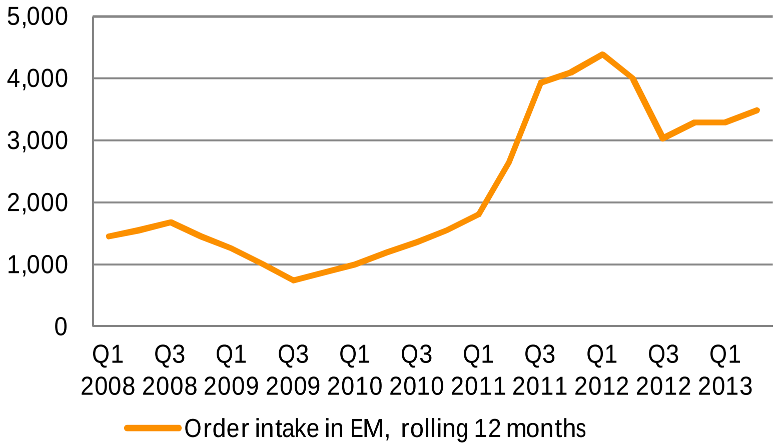


- Some destocking and less services linked to customers' capex
- Opex-driven business continued to grow
- Profitability has developed well
- Value of the non-booked services contracts amounts to EUR 450 million

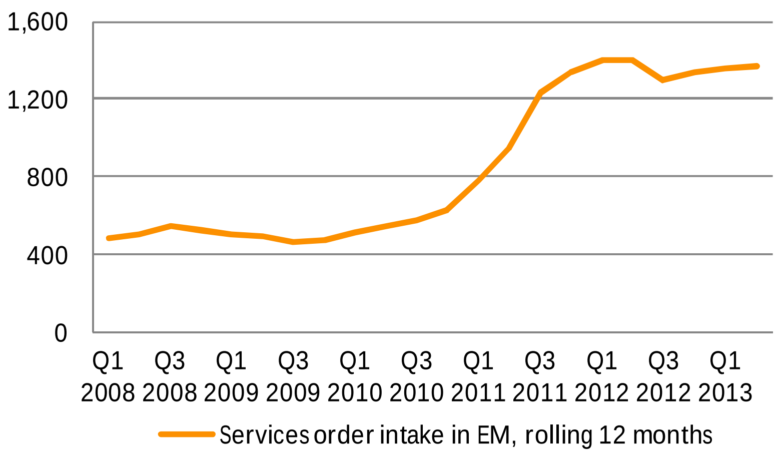
Emerging markets

Strategic priority #2

Order intake in emerging markets



Services order intake in emerging markets



Order intake in top 10 growth countries (EUR million)

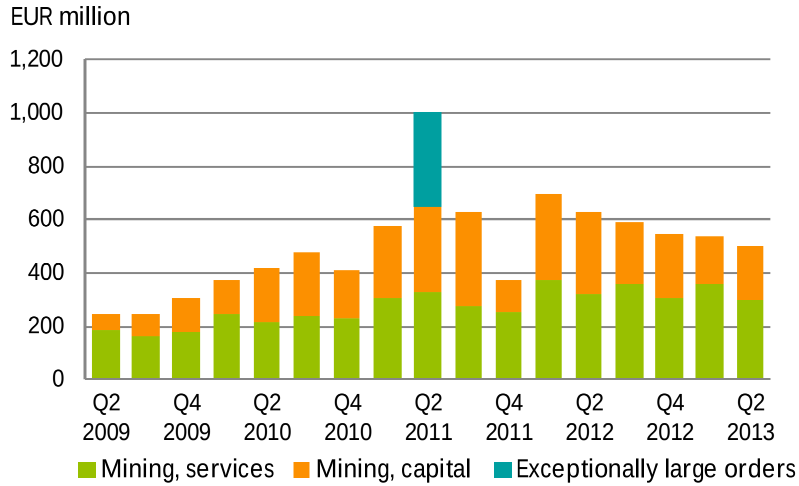
Country	Q1-Q2/2013	Q1-Q2/2012	Change %
Brazil	**572**	289	98
China	**322**	326	-1
Russia	**137**	129	6
Chile	**121**	113	7
Mexico	**97**	62	57
India	**74**	144	-49
South Africa	**64**	75	-14
Thailand	**61**	18	239
Indonesia	**48**	41	18
Turkey	**39**	101	-61

- MAC orders grew in China and Mexico, declined in Brazil and India
- Automation orders grew in China and Indonesia, declined in Brazil and India
- PPP orders grew in Brazil, Thailand and Mexico, declined in China

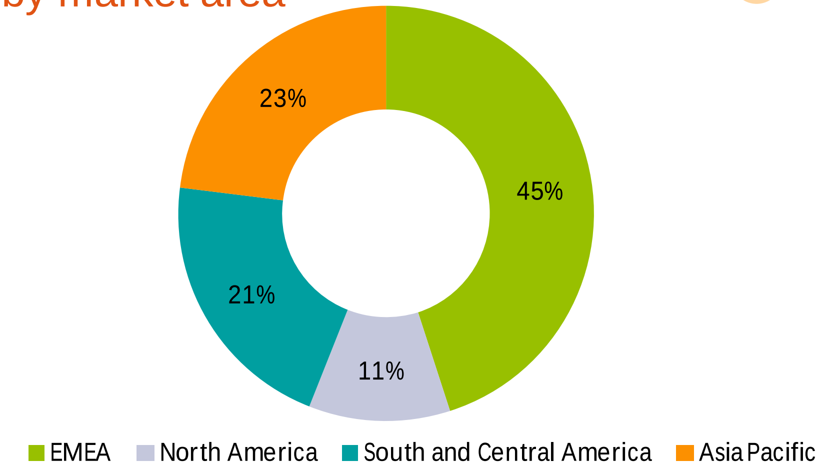
Mining business

Strategic priority #3

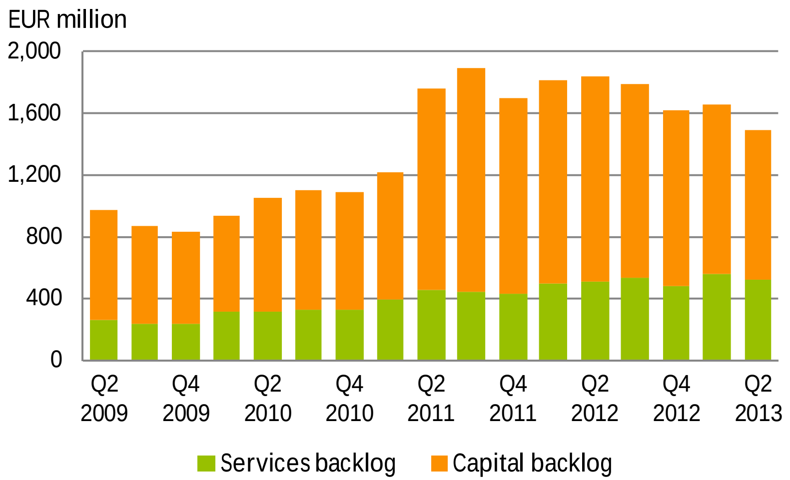
Mining order intake



Q2/2013 mining orders by market area



Mining order backlog



- Equipment and project orders have declined due to mining companies' weaker investment appetite
- Order intake consists of normal small-size orders
- Good activity in opex-related and life-cycle services business

Financial performance

Harri Nikunen, CFO

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Group key figures

EUR million	Q2/2013	Q2/2012	Change %	Q1-Q2 /2013	Q1-Q2 /2012	Change %	2012
Orders received	**1,883**	1,735	9	3,467	3,655	-5	6,865
Services orders received	**806**	812	-1	1,679	1,693	-1	3,264
Net sales	**1,756**	1,897	-7	3,346	3,652	-8	7,504
Services net sales	**780**	795	-2	1,507	1,516	-1	3,174
% of net sales	**46**	43		46	43		44
EBITA *	**142.2**	178.2	-20	273.7	319.4	-14	687.5
% of net sales	**8.1**	9.4		8.2	8.7		9.2
EBIT **	**97.0**	164.7	-41	216.2	293.7	-26	601.7
Earnings per share, EUR	**0.34**	0.69		0.82	1.25		2.46
Return on equity (ROE), % ***				11.6	18.4		17.3
Return on capital employed (ROCE) before taxes, % ***				13.6	19.7		19.7
Free cash flow	**-20**	-46	57	54	70	-23	257
Cash conversion, %				44	37		70
Gearing at the end of the period, %				27.4	22.6		14.2

* Before non-recurring items
** Includes non-recurring expensess of EUR 33 million for Q2/2013 and 36 million for FY 2012
*** Annualised

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Mining and Construction key figures

EUR million	Q2/2013	Q2/2012	Change %	Q1-Q2 /2013	Q1-Q2 /2012	Change %	2012
Orders received	**743**	891	-17	1,529	1,855	-18	3,436
Services orders received	**412**	429	-4	883	906	-3	1,771
Net sales	**800**	899	-11	1,544	1,686	-8	3,492
Services net sales	**410**	428	-4	793	816	-3	1,692
% of net sales	**51**	48		51	48		48
EBITA *	**96.5**	112.6	-14	187.7	194.7	-4	419.9
% of net sales	**12.1**	12.5		12.2	11.5		12.0
Return on capital employed **				23.0	28.9		28.9

Q2/2013 vs. Q2/2012

- Decline in order intake reflects slow-down of new investments
- Strongest impact on EBITA came from lower volumes in the capital business
- Gross margins improved in all businesses
- Q2/2013 included a customer-related provision of EUR 4 million

* Before non-recurring items
** Excluding cash and other non-operative balance sheet items, annualised

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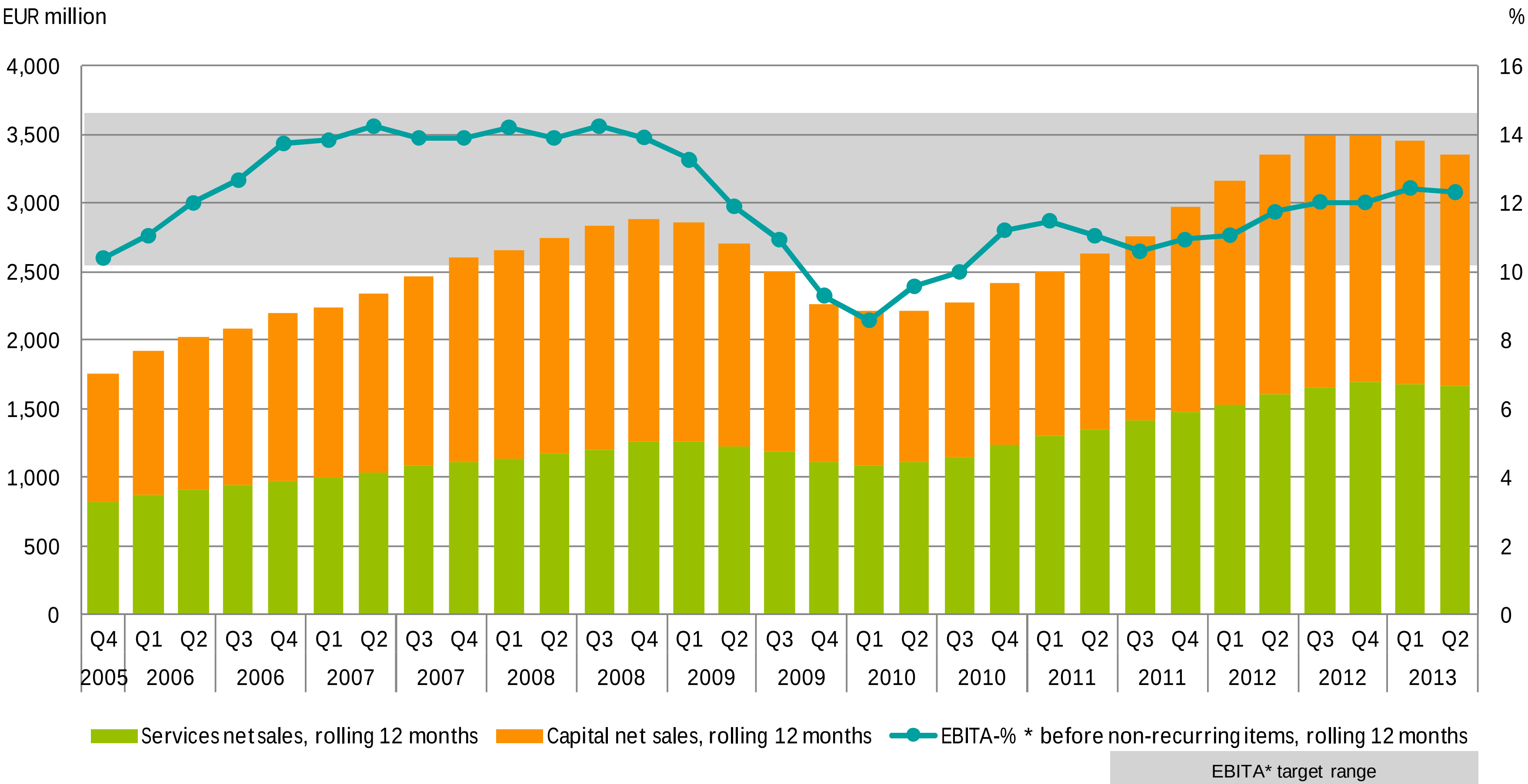
Mining and Construction

Rolling 12-month net sales



* Before non recurring items

Automation key figures

EUR million	Q2/2013	Q2/2012	Change %	Q1-Q2 /2013	Q1-Q2 /2012	Change %	2012
Orders received	**239**	225	6	493	449	10	845
Services orders received	**110**	97	13	228	201	13	382
Net sales	**207**	232	-11	391	414	-6	859
Services net sales	**97**	97	0	180	180	0	380
% of net sales	**46**	42		46	43		44
EBITA *	**28.5**	30.5	-7	44.6	41.6	7	101.2
% of net sales	**13.8**	13.1		11.4	10.0		11.8
Return on capital employed **				28.8	27.5		31.8

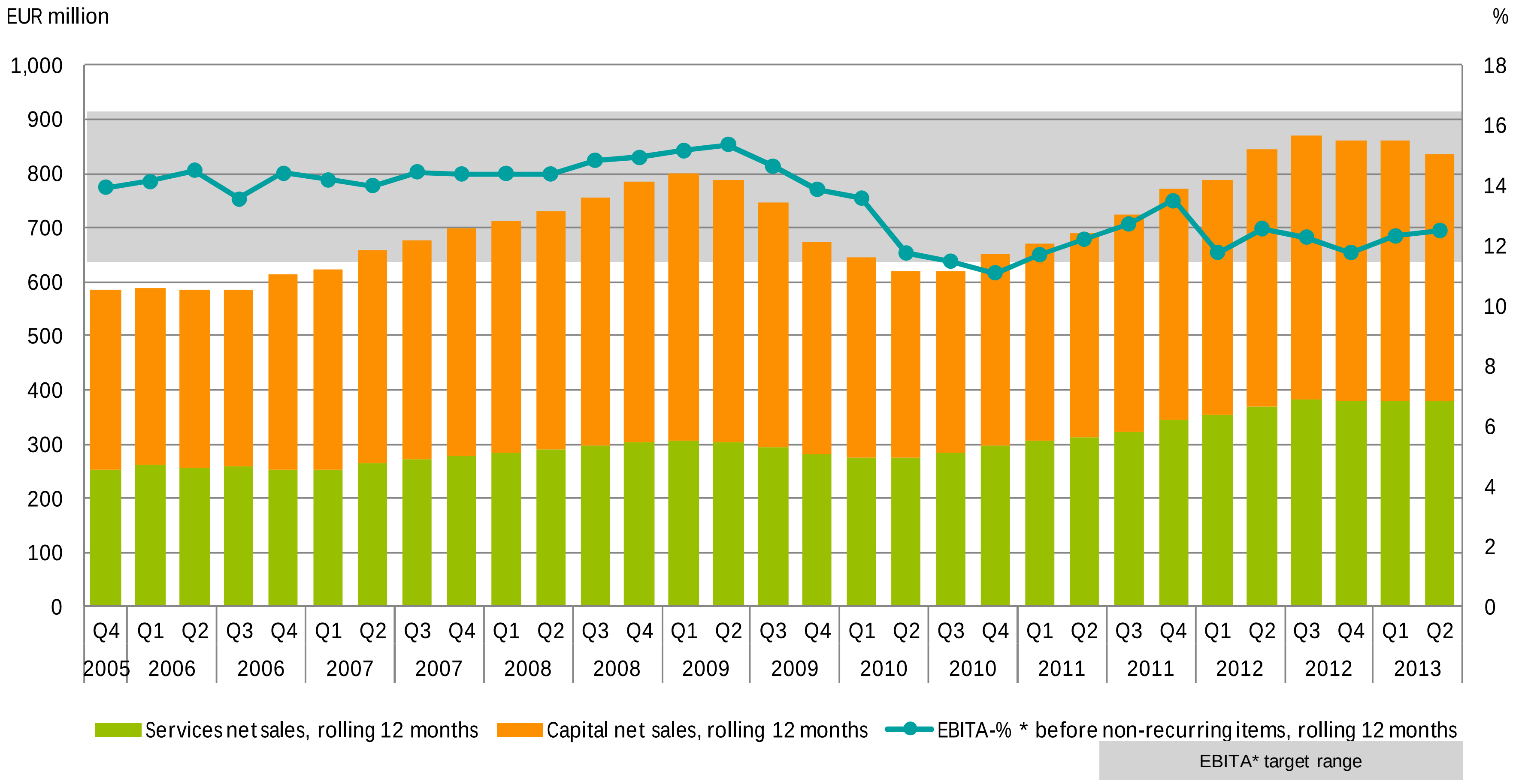
Q2/2013 vs. Q2/2012

- Order intake was good with book-to-bill of 1.15
- Net sales declined in the capital businesses (timing of backlog deliveries); services were at Q2/2012 level
- Positive gross margin and EBITA margin development

* Before non-recurring items
** Excluding cash and other non-operative balance sheet items

Automation

Rolling 12-month net sales



* Before non-recurring items

Pulp, Paper and Power key figures

EUR million	Q2/2013	Q2/2012	Change %	Q1-Q2 /2013	Q1-Q2 /2012	Change %	2012
Orders received	**861**	586	47	1,372	1,263	9	2,444
Services orders received	**284**	286	-1	568	586	-3	1,111
Net sales	**714**	733	-3	1,345	1,454	-7	3,014
Services net sales	**274**	271	1	534	521	2	1,102
% of net sales	**38**	37		40	36		37
EBITA *	**27.2**	46.1	-41	55.5	101.9	-46	203.8
% of net sales	**3.8**	6.3		4.1	7.0		6.8
Return on capital employed **				9.2	28.6		23.8

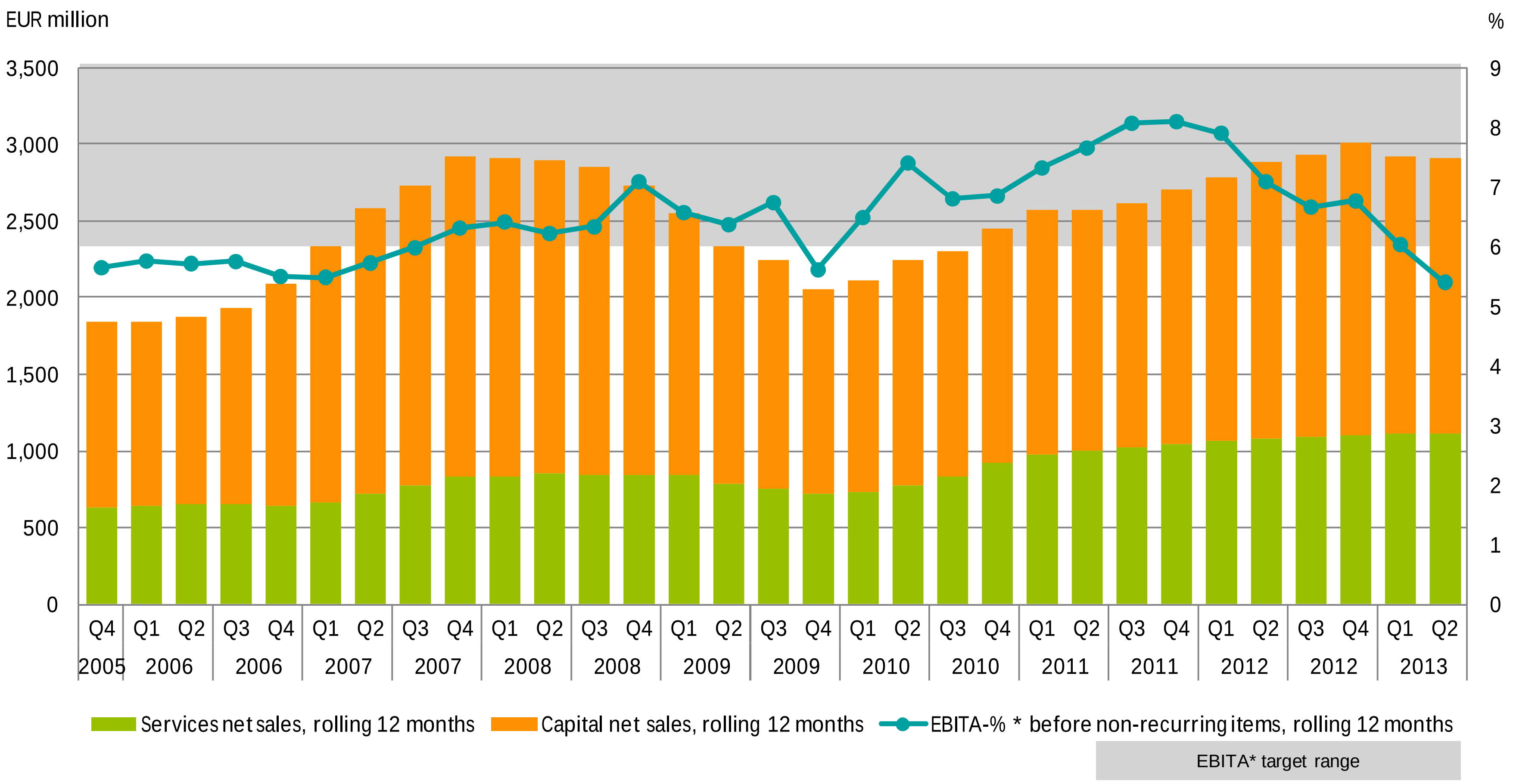
Q2/2013 vs. Q2/2012

- Book-to-bill was 1.2, supported by the big pulp mill order
- EBITA was impacted by lower volumes and tighter pricing environment in the capital businesses, profitability of services remained good
- Implementation of the first phase of the cost saving program ongoing; 2nd phase being planned

* Before non-recurring items
** Excluding cash and other non-operative balance sheet items

Pulp, Paper and Power

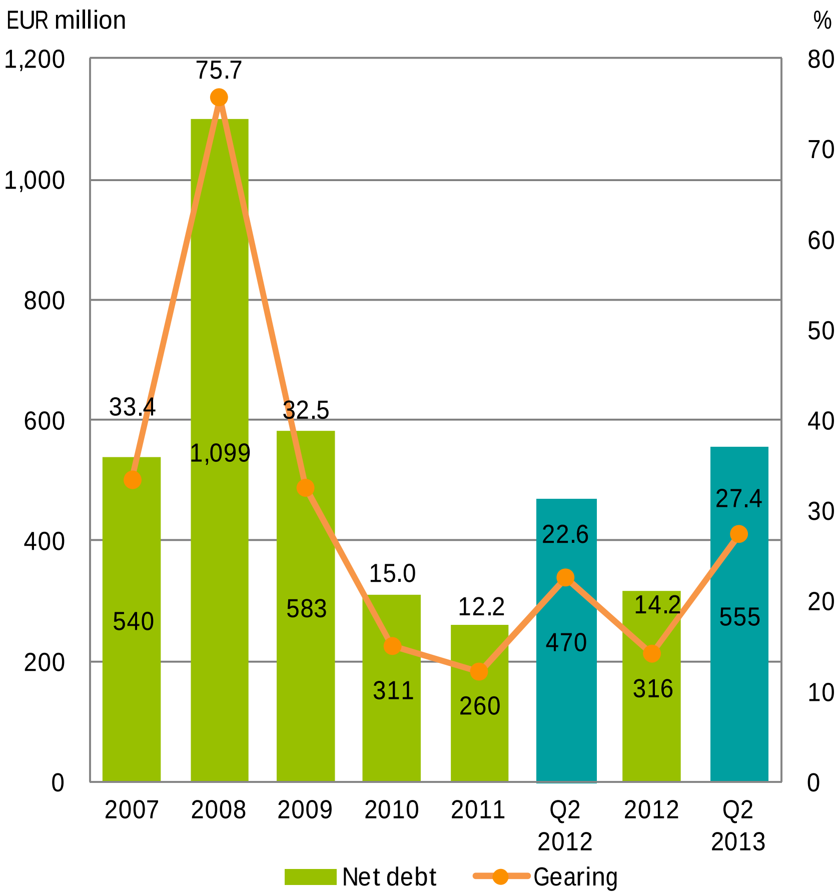
Rolling 12-month net sales



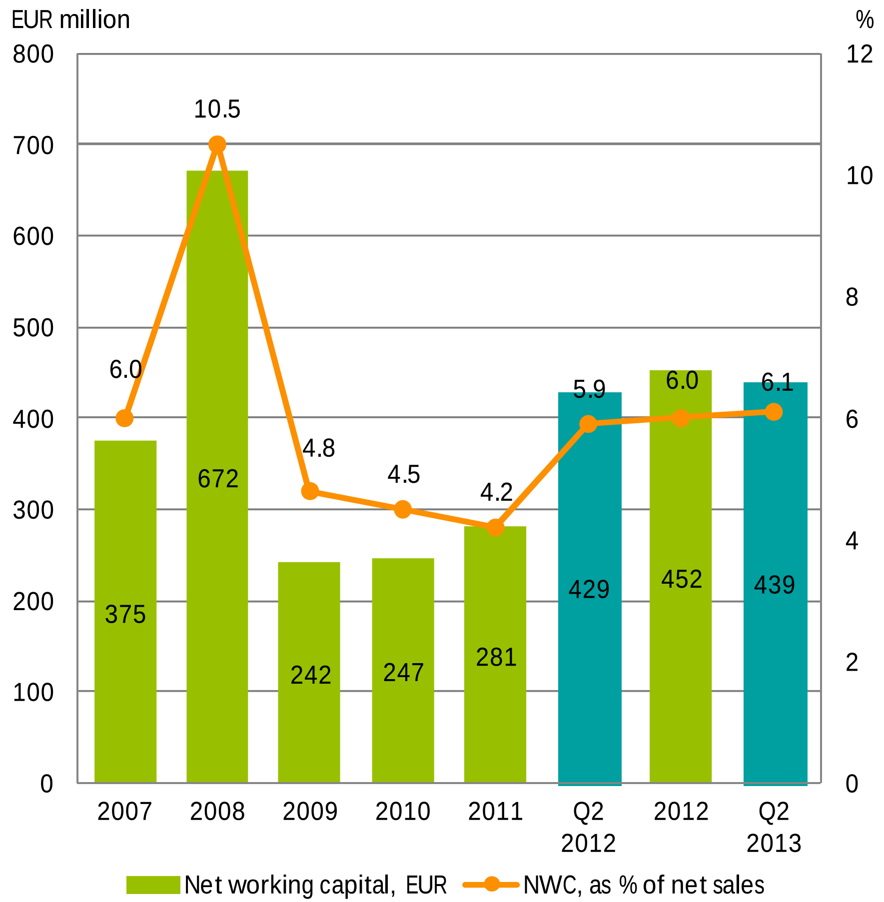
* Before non-recurring items

Net debt and net working capital

Net debt and gearing



Net working capital



Outlook and guidance

Matti Kähkönen

President and CEO

Market outlook

Uncertainties continue to impact our customer industries

32% of net sales

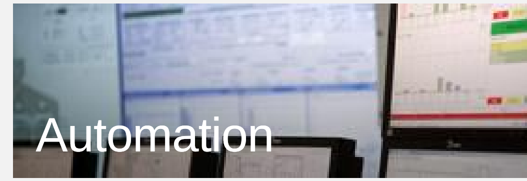
55% service intensity

- Positive for capital and services
- Satisfactory for capital business with volatility expected to continue. Services good.

11% of net sales

40% service intensity

- Positive in emerging markets; flat in developed markets
- Satisfactory for equipment and services



12% of net sales

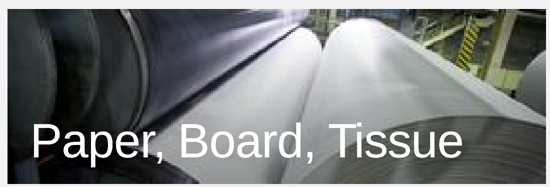
45% service intensity

- Positive for oil & gas customers; flat for pulp & paper
- Good in oil & gas; satisfactory in pulp & paper. Services good.

10% of net sales

30% service intensity

- Subject to the development of the bioenergy market
- Satisfactory for projects and services



21% of net sales

50% service intensity

- Demand for board and tissue growing; other grades flat or down
- Weak for paper and board machines. Tissue machines and services good.

10% of net sales

45% service intensity

- Positive, mainly due to packaging board and tissue
- Services good. Pulp mills and rebuilds satisfactory.

■ Long-term demand ■ Short-term demand

Share of Metso's net sales in January – June 2013

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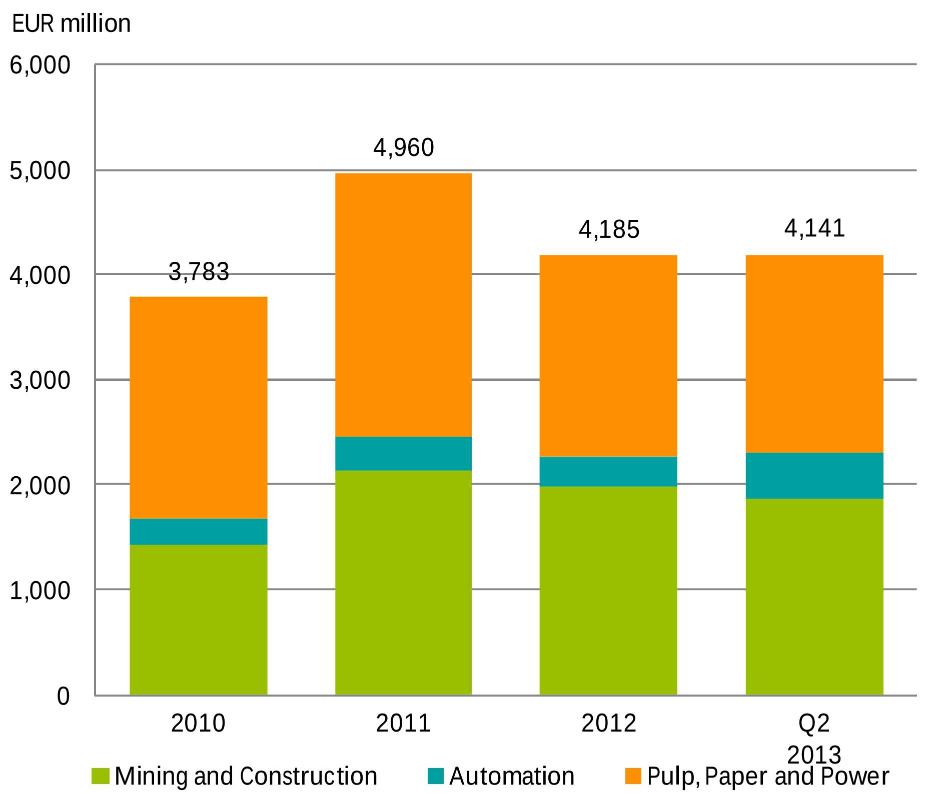
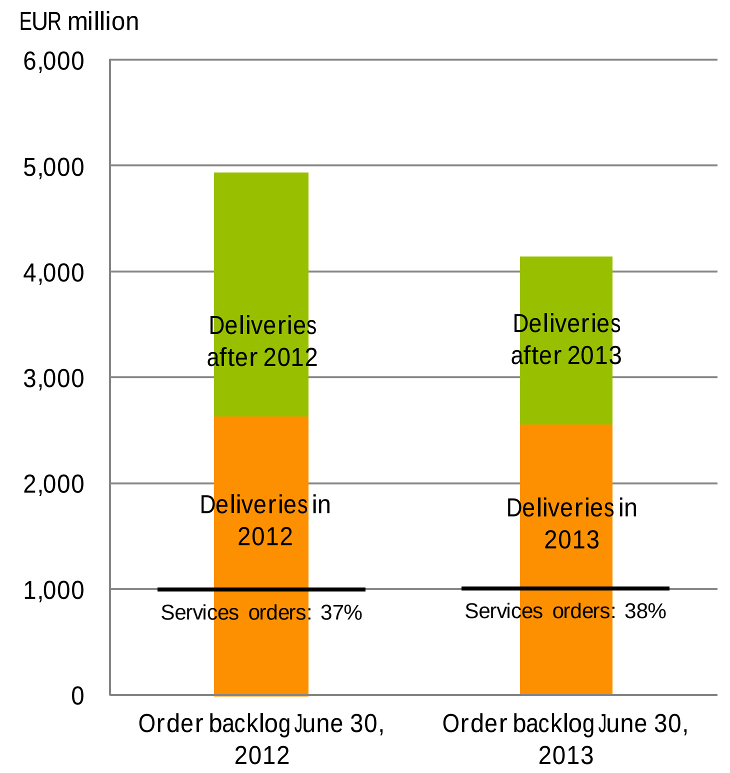
Order backlog *





Note: Contribution of the uncertain Fibria pulp mill order has been eliminated from all backlog figures

* At the end of the period

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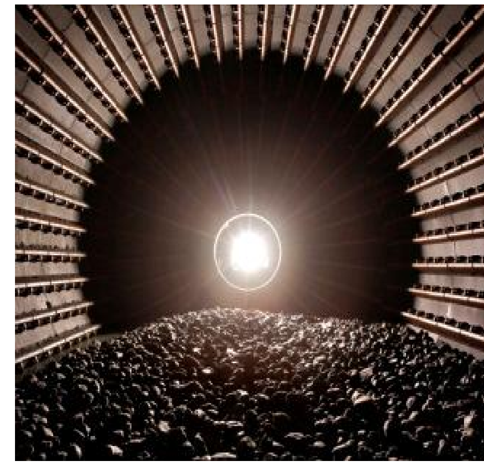
Updated guidance for 2013

We have changed our guidance as follows:

- Our net sales and EBITA before non-recurring items in 2013 will be somewhat lower compared to 2012



Previous guidance from April:

- Our EBITA before non-recurring items will be at around 2012 levels and our net sales will be at 2012 level or slightly below.

The estimates for our financial performance in 2013 are based on Metso's current market outlook, order backlog for 2013 and foreign exchange rates in June 2013.

Demerger update

- The Board signed a demerger plan in late May
- EGM will make the final decision in early October
- The new parent company of the Pulp, Paper and Power business will be named Valmet
- Pasi Laine, currently President of Pulp, Paper and Power, was appointed Valmet's President and CEO
- All needed waivers and consents were received from lenders and bondholders in June
- Demerger to be completed by the end of 2013 and listing of the Valmet shares to commence in the beginning of 2014

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Expect results

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