Interim Review

January 1 – March 31, 2013

Matti Kähkönen, President and CEO

Harri Nikunen, CFO

April 23, 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.

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Presentation contents

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





Q1/2013 Highlights

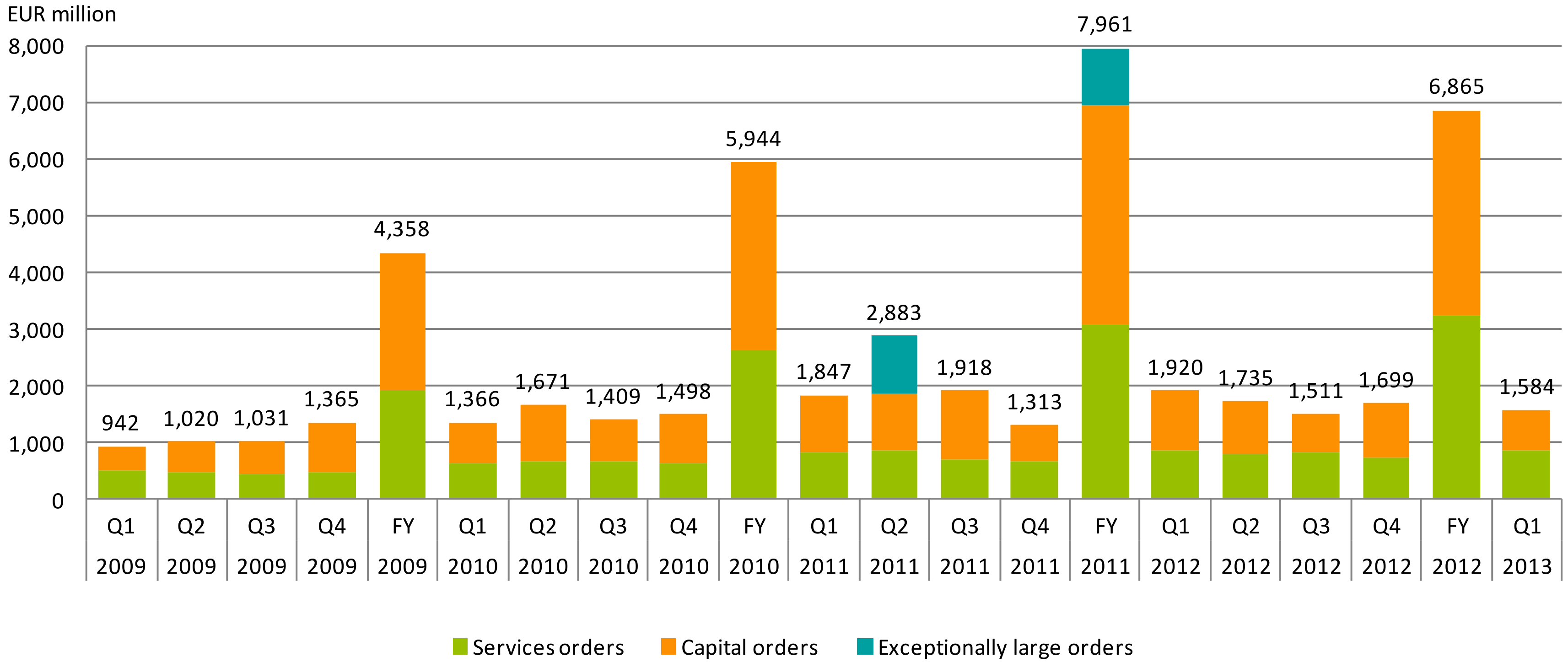
Matti Kähkönen

President and CEO

Margin improved in an uncertain market environment

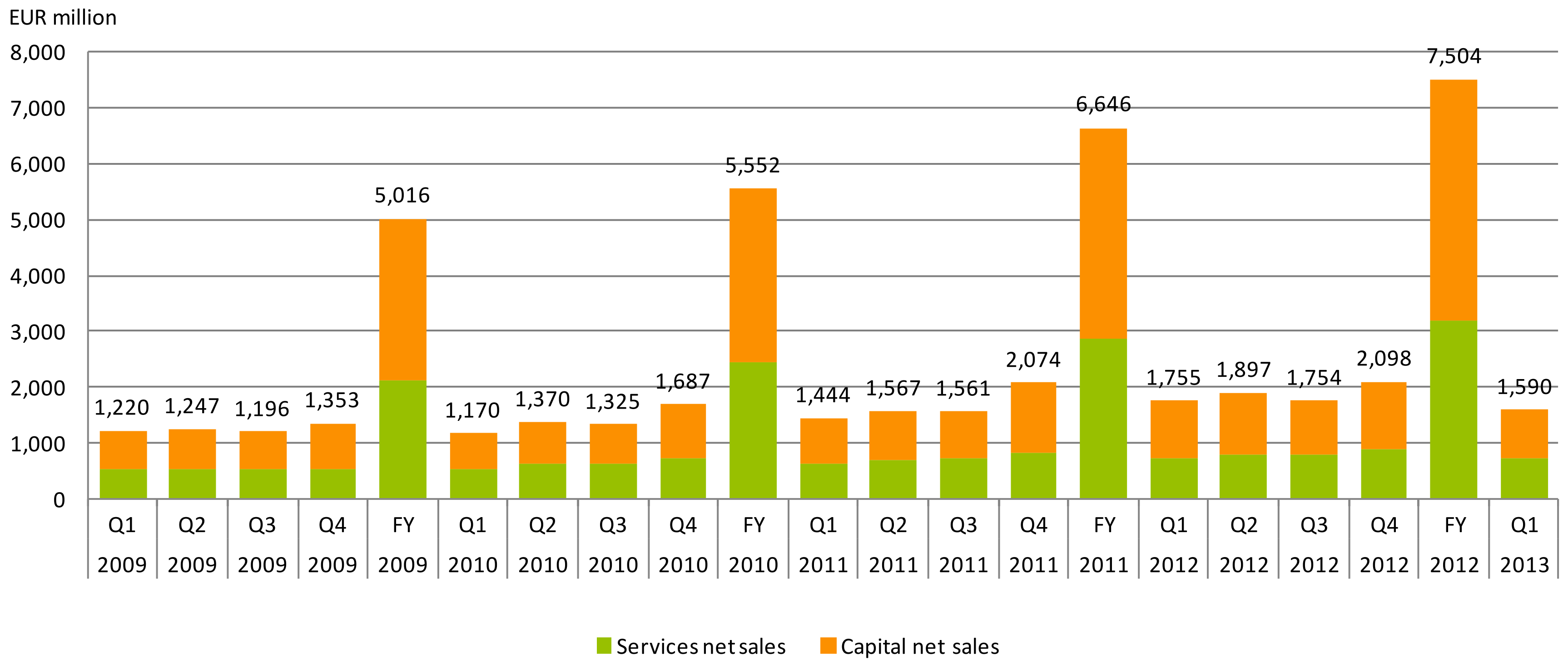
- Market activity in line with Q4/12 levels
- Capital orders lower year-on-year, services remained at a good level
- EBITA margin improved to 8.3% (8.0%) despite a decline in capital equipment sales
- Performance was driven by a higher share of the services business and a flexible business model
- Strategic study started to review the potential for splitting Metso into two independent listed companies

Order intake



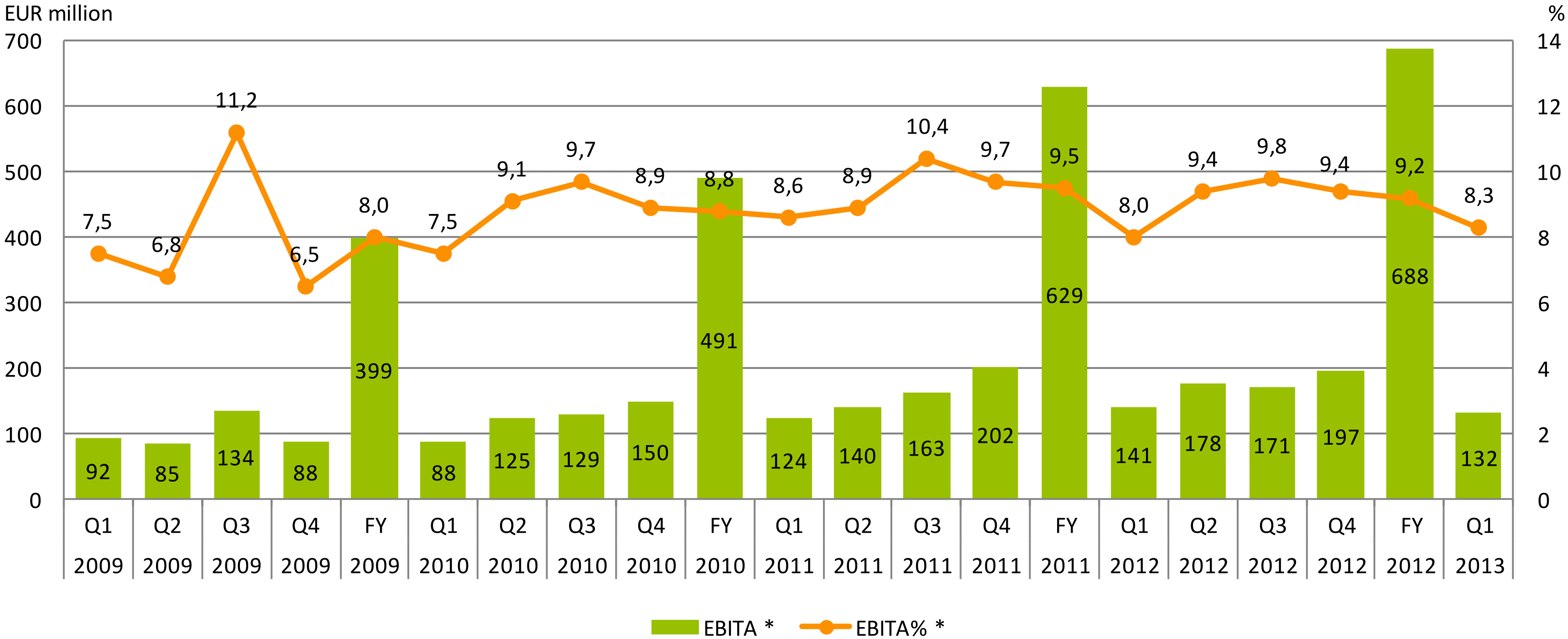
- Capital equipment orders declined
- Services remained at a good level

Net sales



- Services remained high at Q1/12 levels, book-to-bill of 1.2 supporting the backlog and growth
- Capital net sales lower in Mining and Construction as well as in Pulp, Paper and Power
- Automation was as expected

EBITA* margin improved thanks to gross margins



- Mining and Construction improved significantly
- Automation progressing well according to plan
- Pulp, Paper and Power weak, as expected

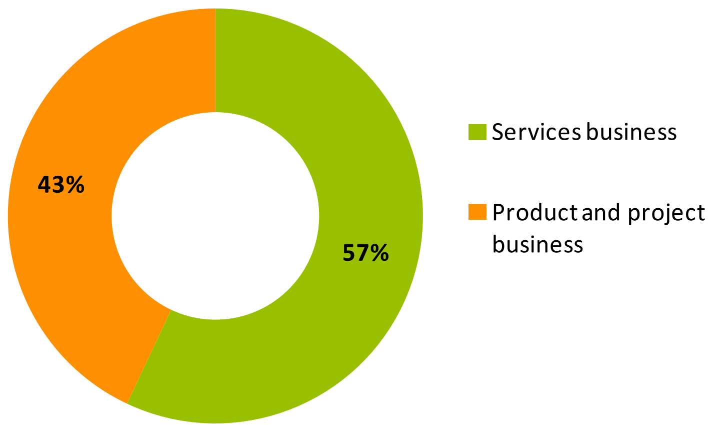
	Q1/2013	Q1/2012	Target range
Mining and Construction	**12.3%**	10.4%	10-15%
Automation	**8.8%**	6.2%	11-16%
Pulp, Paper and Power	**4.5%**	7.7%	6-9%
Metso total	**8.3%**	8.0%	

* before non-recurring items

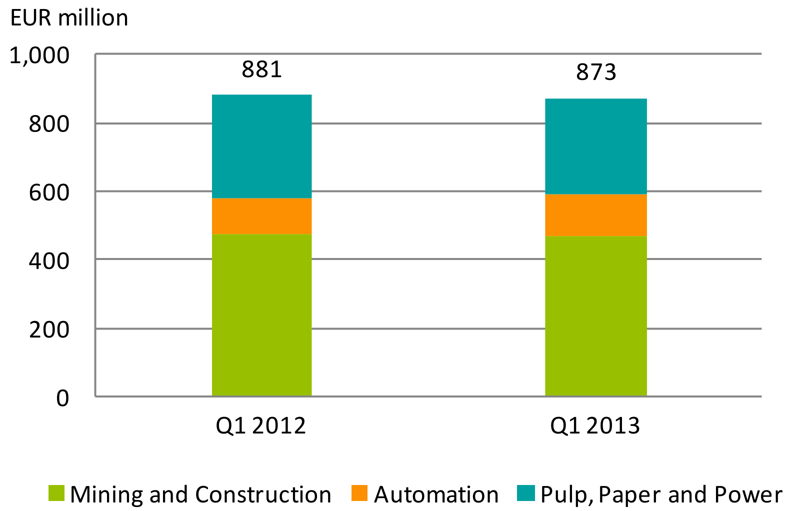
Strategic priority #1

Services business development

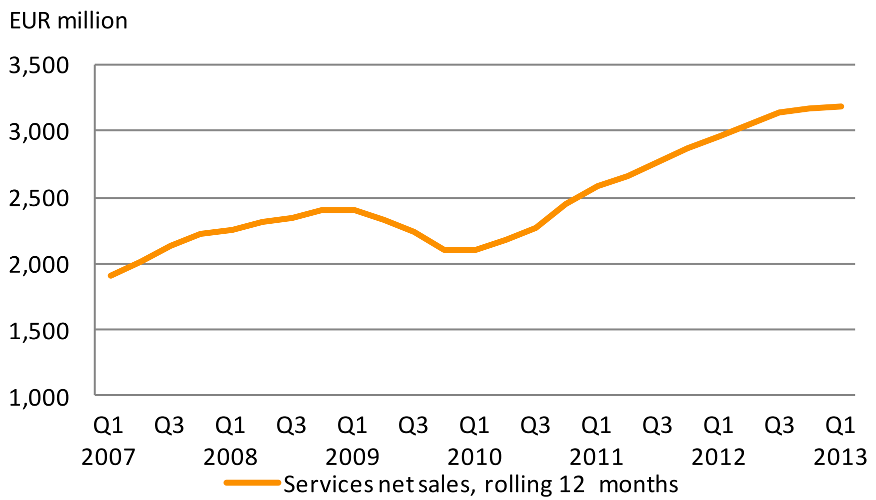
Orders by type Q1/2013



Services orders by segment Q1/2013



Rolling 12-month net sales

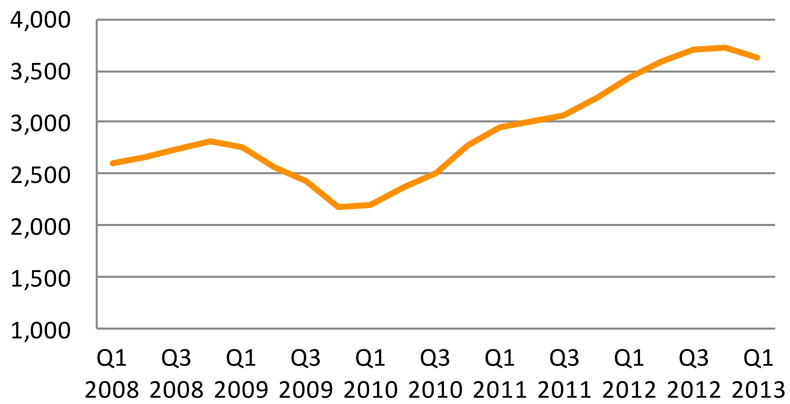


- Services activity remained good
- The largest order in Q1/2013 was a multi-year, EUR 140 million life-cycle contract with Russian Copper
- Non-booked portion of multi-year services contracts amounts to EUR 400 million

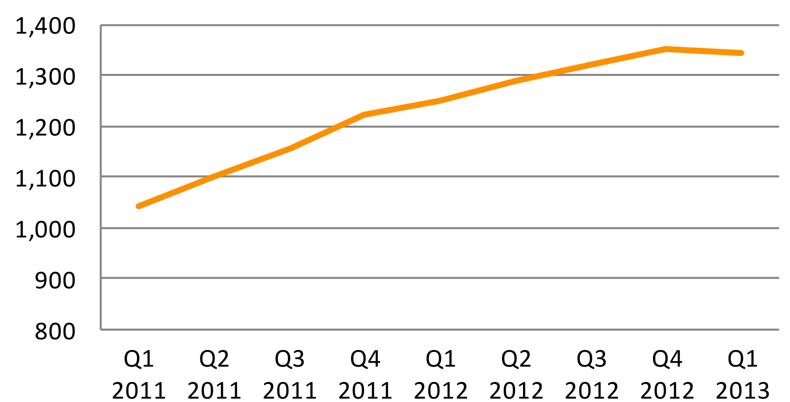
Strategic priority #2

Emerging markets

Net sales in emerging markets



Services in emerging markets



Net sales in top 10 growth countries (EUR million)

Country	Q1/2013	Q1/2012	Change %
Brazil	**180**	201	-10
China	**146**	174	-16
Russia	**59**	66	-11
Chile	**54**	58	-7
India	**45**	45	0
South Africa	**42**	44	-5
Mexico	**37**	40	-7
Peru	**29**	26	+12
Turkey	**23**	33	-30
Indonesia	**20**	19	1

- Emerging markets represented 49% (50%) of net sales
- Share of orders received was 55% (45%)
- Book-to-bill was 1.1

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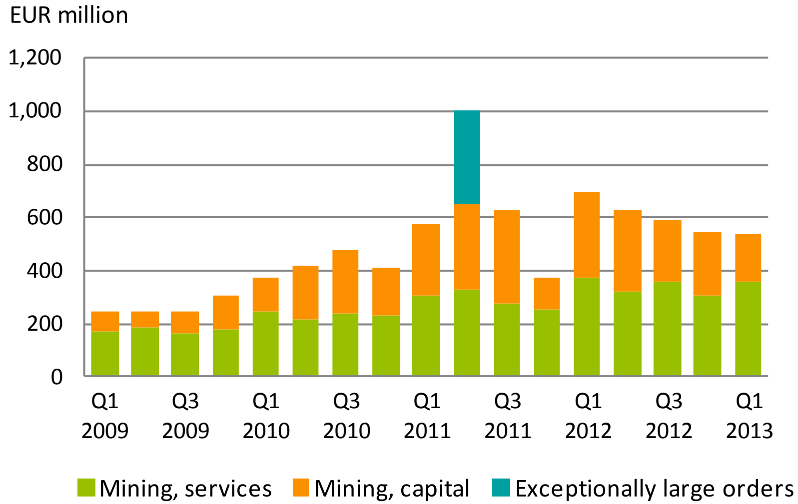
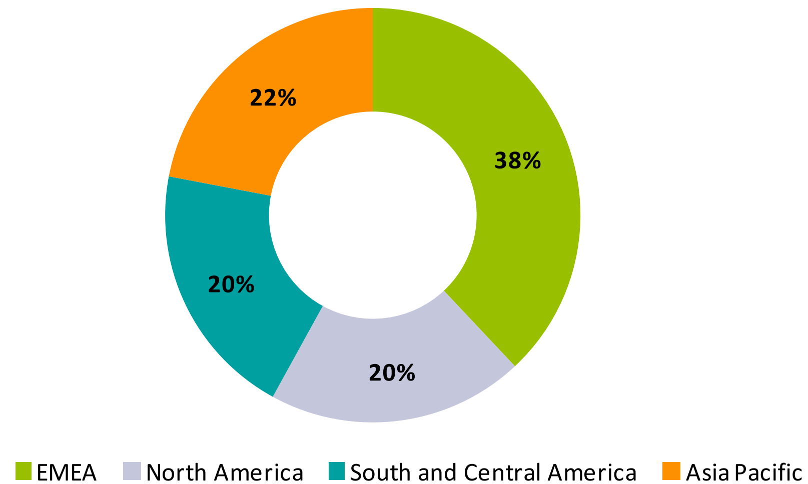
Mining business developed well

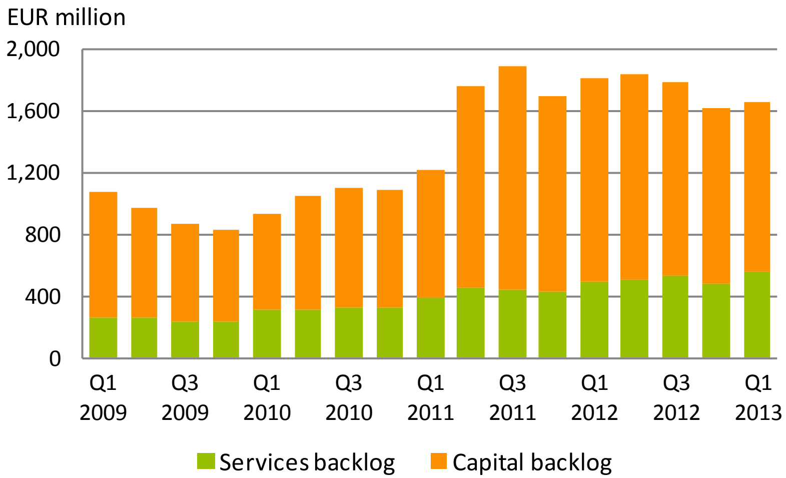
Mining order intake



Q1/2013 mining orders by market area



Mining order backlog



- Mining services continue to be strong
- Capital equipment demand softer than in early 2012
- Backlog is strong, providing good visibility for the rest of the year
- Our flexible operational model provides resilience in changing market situations

Financial performance

Harri Nikunen, CFO

Group key figures

EUR million	Q1/2013	Q1/2012	Change %	2012
Orders received	**1,584**	1,920	-18	**6,865**
Services orders received	**873**	881	-1	**3,264**
Net sales	**1,590**	1,755	-9	**7,504**
Services net sales	**727**	721	1	**3,174**
% of net sales	**47**	43		**44**
EBITA *	**131.5**	141.2	-7	**687.5**
% of net sales	**8.3**	8.0		**9.2**
EBIT **	**119.2**	129.0	-8	**601.7**
Earnings per share, EUR	**0.48**	0.56		**2.46**
Return on equity (ROE), %	**13.5**	17.1		**17.3**
Return on capital employed (ROCE) before taxes, %	**15.3**	17.9		**19.7**
Free cash flow	**74**	116	-36	**257**
Cash conversion, %	**104**	136		**70**
Gearing at the end of the period, %	**13.5**	7.6		**14.2**

* before non-recurring items
** Includes non-recurring items of EUR -36 million in FY 2012

Mining and Construction

EUR million	Q1/2013	Q1/2012	Change %	2012
Orders received	**786**	964	-18	**3,436**
Services orders received	**471**	477	-1	**1,771**
Net sales	**744**	787	-5	**3,492**
Services net sales	**383**	388	-1	**1,692**
% of net sales	**51**	49		**48**
EBITA *	**91.2**	82.1	11	**419.9**
% of net sales	**12.3**	10.4		**12.0**
Return on capital employed **	**25.3**	25.0		**28.9**

Q1/2013 vs. Q1/2012

- Capital equipment orders declined in line with lower market activity year-on-year
- A somewhat slow start for the year in terms of net sales
- Gross margins improved in all businesses
- Very positive development in EBITA* and EBITA* margin

* before non-recurring items
** excluding cash and other non-operative balance sheet items
Note: Figures include recycling

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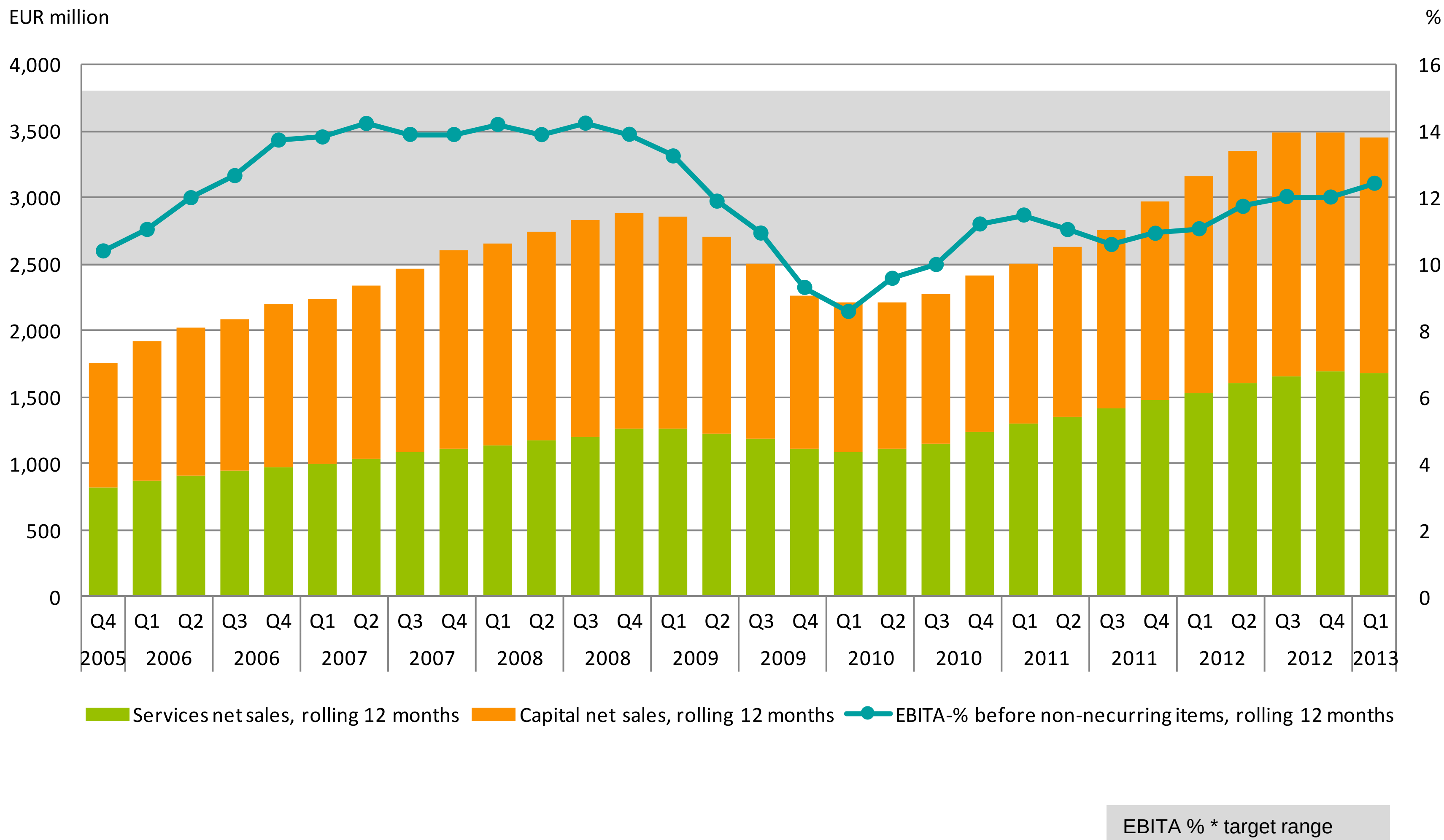
Mining and Construction



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Note: Figures include Recycling

Automation

EUR million	Q1/2013	Q1/2012	Change %	2012
Orders received	**254**	224	13	**845**
Services orders received	**118**	104	13	**382**
Net sales	**184**	182	1	**859**
Services net sales	**83**	83	0	**380**
% of net sales	**45**	46		**44**
EBITA *	**16.1**	11.1	45	**101.2**
% of net sales	**8.8**	6.2		**11.8**
Return on capital employed **	**19.9**	15.0		**31.8**

Q1/2013 vs. Q1/2012

- Orders received increased in all businesses; 13% in services and 24% in capital
- Net sales unchanged at Q1/2012 level
- Clear improvement in gross margin (pricing, cost savings)
- EBITA* and EBITA* margin improved but were not satisfactory; coming quarters to be stronger

* before non-recurring items
** excluding cash and other non-operative balance sheet items

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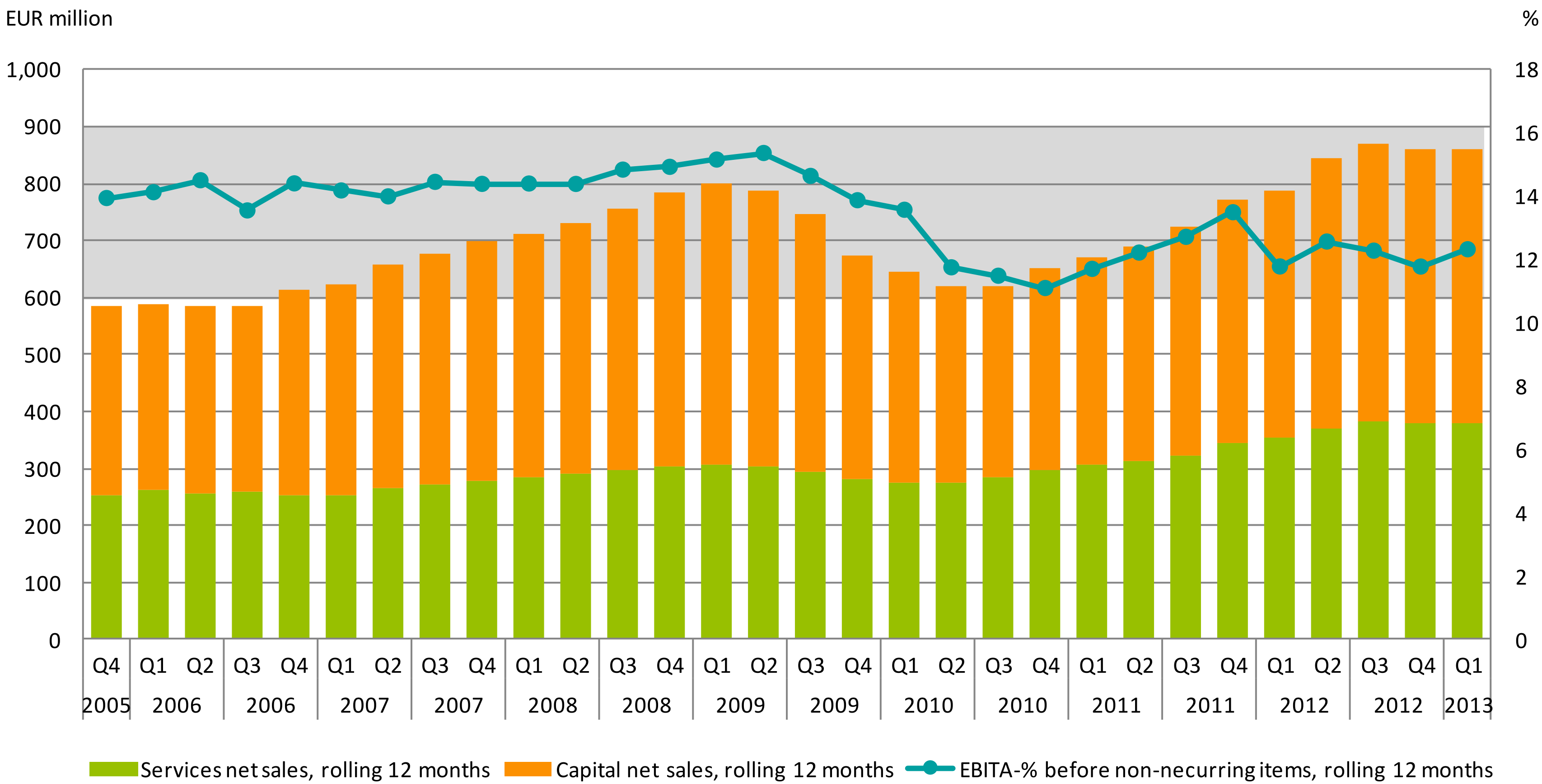
Automation



EBITA % * target range

* before non-recurring items

Pulp, Paper and Power

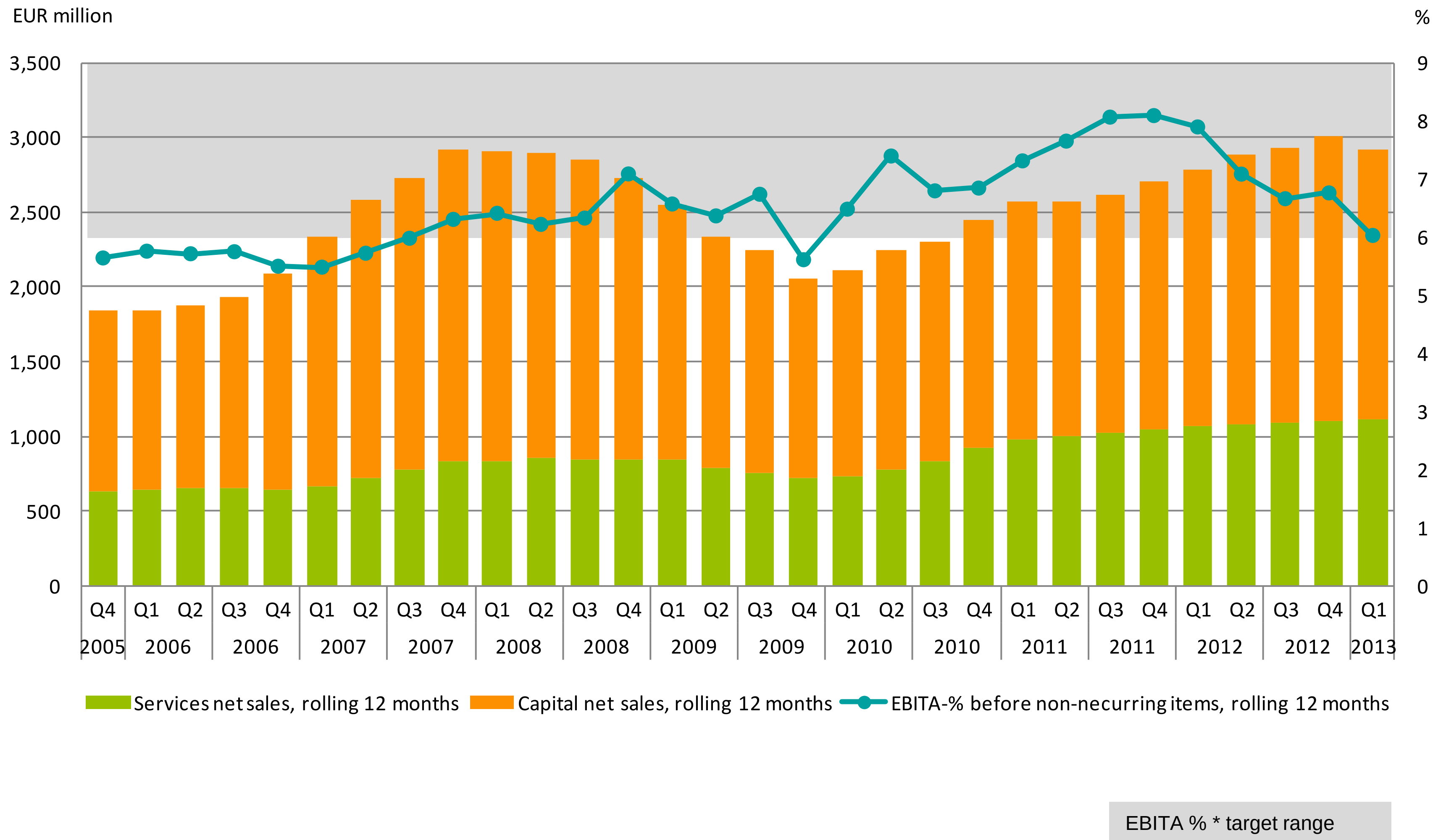
EUR million	Q1/2013	Q1/2012	Change %	2012
Orders received	**511**	677	-25	**2,444**
Services orders received	**284**	300	-5	**1,111**
Net sales	**631**	721	-12	**3,014**
Services net sales	**260**	250	4	**1,102**
% of net sales	**41**	35		**37**
EBITA *	**28.3**	55.8	-49	**203.8**
% of net sales	**4.5**	7.7		**6.8**
Return on capital employed **	**12.7**	29.8		**23.8**

Q1/2013 vs. Q1/2012

- New projects are in the pipeline but no decisions were made during Q1/2013
- Services business continued to grow and provide stable profitability
- Weak EBITA* and EBITA* margin driven by low volumes, under-absorption and low gross margins in capital businesses
- Further action will be taken to increase competitiveness of the business

* before non-recurring items
** excluding cash and other non-operative balance sheet items

Pulp, Paper and Power



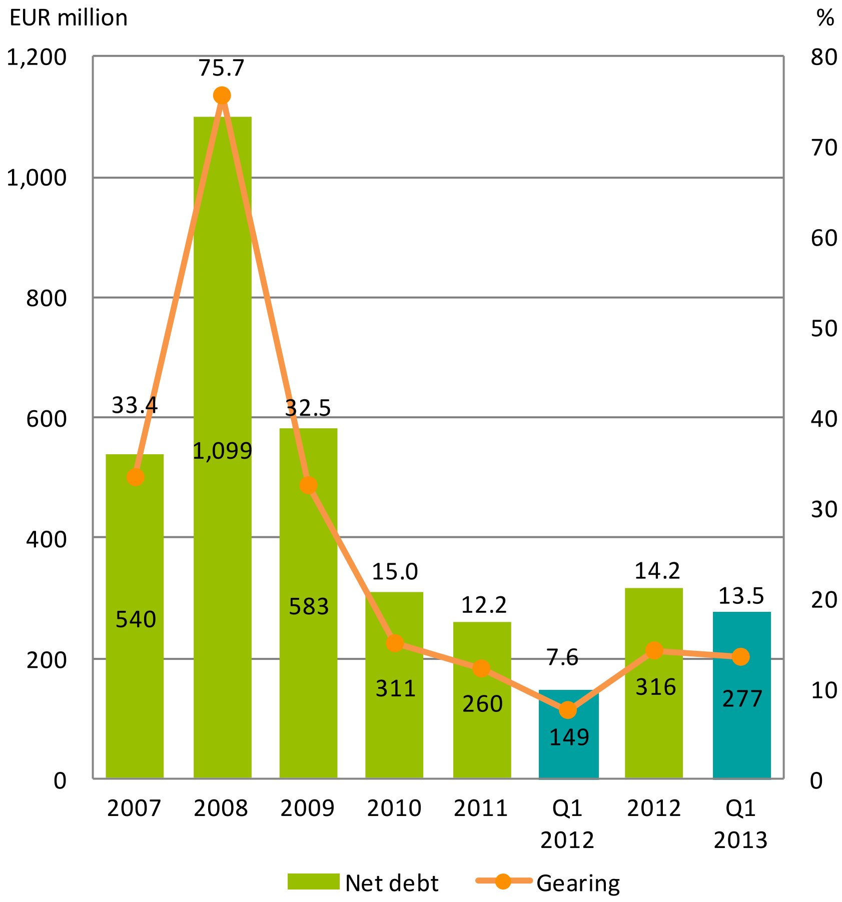
* before non-recurring items

Improving our competitiveness in Pulp, Paper and Power

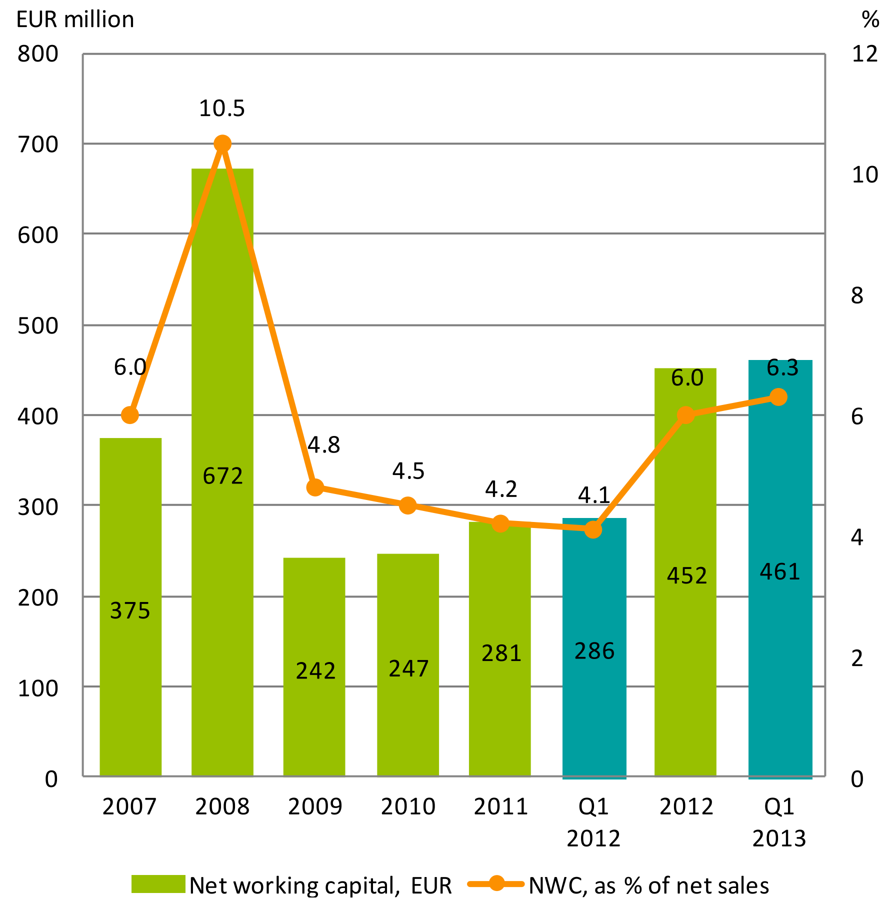
- Permanent structural changes continue in Pulp, Paper and Power’s markets
- We have announced a new program to improve competitiveness in these businesses
- Targeted savings are up to EUR 100 million by 2016

Net debt and net working capital

Net debt and gearing



Net working capital



Outlook and guidance

Matti Kähkönen

President and CEO

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Market outlook

Uncertainties might impact the timing of large project orders

32% of net sales

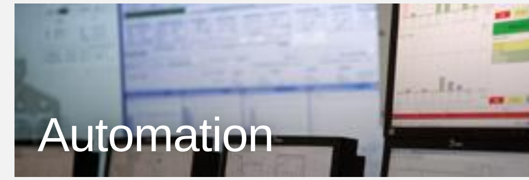
50% service intensity

- Positive for capital and services
- Good in capital business with volatility expected to continue. Services excellent.

11% of net sales

40% service intensity

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



11% of net sales

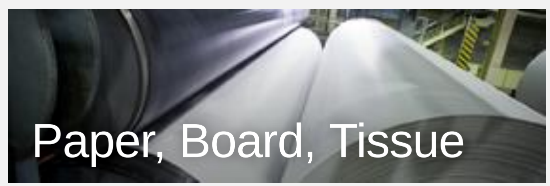
45% service intensity

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

11% 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.

9% of net sales

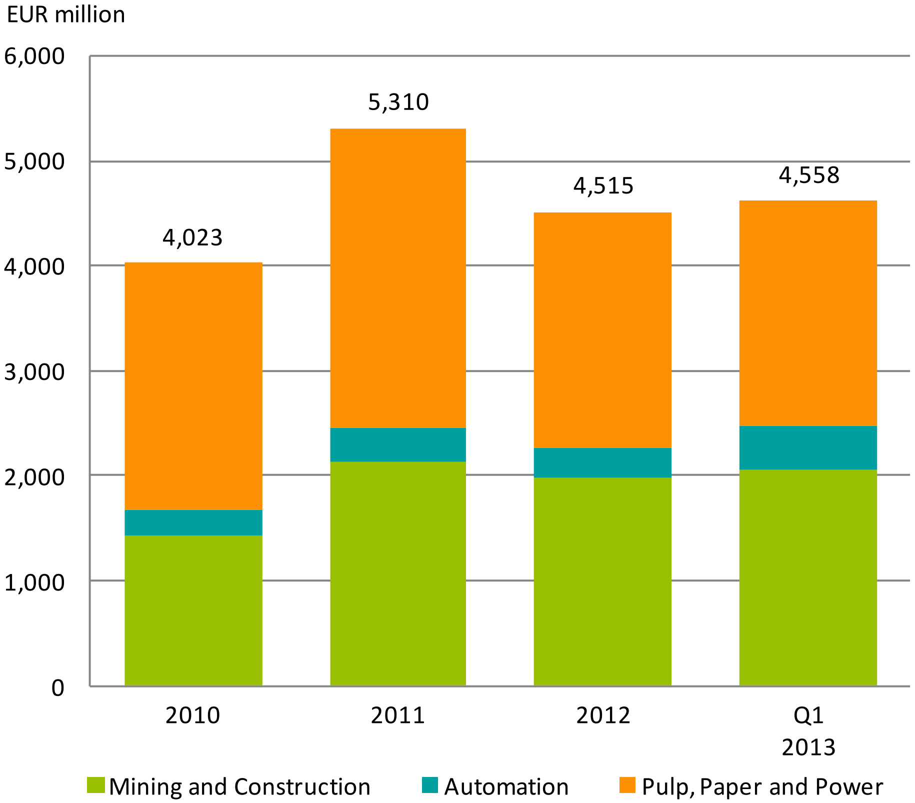
40% service intensity

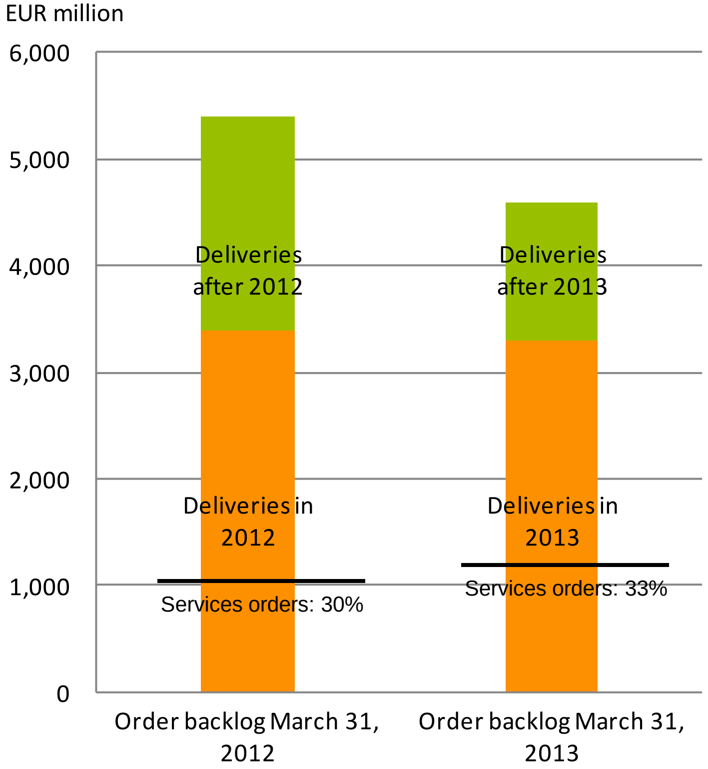
- Positive, mainly due to packaging board and tissue
- Good for rebuilds and services. Pulp mill market activity satisfactory.

Long-term demand Short-term demand

Share of Metso net sales in January – December 2012

Order backlog* of EUR 4.5 billion





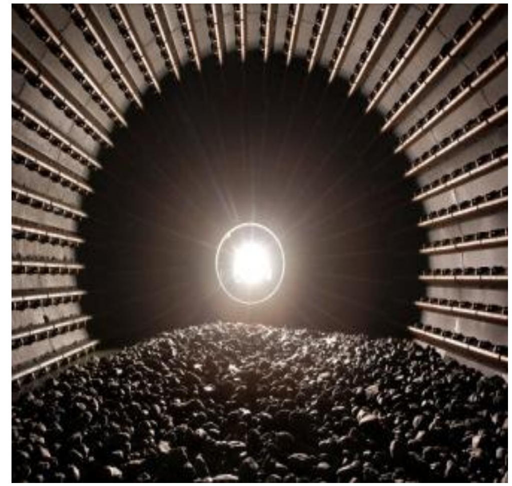
* At the end of March 2013

Guidance for 2013

We estimate that

- 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 March 2013.



Demerger study proceeding according to plan

- On March 25, the Board decided to start a process to study the potential demerger of Metso
- The plan is to form a new company out of the Pulp, Paper and Power businesses and list it on the NASDAQ OMX Helsinki stock exchange
- The Mining and Construction and Automation businesses would remain in the current company
- If the go-ahead is given, the process would be completed by the end of 2013
- Next planned milestones:
  - Signing and registration of a demerger plan
  - Extraordinary General Meeting in the second half of 2013

Key attributes of the planned new entities

‘PPP’

- Stable underlying market growth driven by increasing board and tissue consumption in emerging markets, service expansion and biorefining opportunities
- Global market leader – #1-3 player in all markets served
- Competitive advantage in emerging markets, services offering and technologies
- Share of services close to 40% and large backlog provide good revenue visibility and resilience
- Stable growth, increasing profitability and asset-light operating model will support good returns on capital employed

‘MAC&AUT’

- Strong underlying market growth in all served markets: mining, construction and related automation
- Strong global market position - #1-3 player in core market segment
- Competitive advantage in global operations, service offering and technologies
- Share of services close to 50% and significant backlog provide good revenue visibility and resilience
- Significant potential for growth within the value chain and service markets, both through organic expansion and M&A

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Expect results