



# **METSO CORPORATION**

*(incorporated with limited liability in the Republic of Finland)*

**Euro 1,000,000,000**

**Euro Medium Term Note Programme**

**Arranger**

**SCHRODER SALOMON SMITH BARNEY**

**Dealers**

**BARCLAYS CAPITAL**

**DEUTSCHE BANK**

**HSBC**

**MERRILL LYNCH INTERNATIONAL**

**NORDEA**

**SEB MERCHANT BANKING**

**SCHRODER SALOMON SMITH BARNEY**

**UBS WARBURG**

Under this euro 1,000,000,000 Euro Medium Term Note Programme (the “**Programme**”), Metso Corporation (the “**Issuer**”, the “**Company**” or “**Metso**”) may from time to time issue notes (the “**Notes**”) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed euro 1,000,000,000 (and, for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement (as defined under “Subscription and Sale”))). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement (as defined under “Subscription and Sale”).

The Notes may be issued on a continuing basis to one or more of the Dealers specified under “Summary of the Programme” and any additional Dealer appointed under the Programme from time to time by the Issuer (each a “**Dealer**” and together the “**Dealers**”), which appointment may be for a specific issue or on an ongoing basis. References in this Information Memorandum to the “relevant Dealer” shall, in relation to an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all the Dealers agreeing to subscribe for such Notes, or in the case of a syndicated issue of Notes, the lead manager of such issue, as the case may be.

Application has been made to list the Notes issued under the Programme during the period of twelve months from the date hereof on the Luxembourg Stock Exchange. Notice of the aggregate nominal amount of the Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under “Terms and Conditions of the Notes”) of Notes will be set out in a pricing supplement (the “**Pricing Supplement**”) which, with respect to the Notes to be admitted to the Luxembourg Stock Exchange, will be delivered to the Luxembourg Stock Exchange on or before the date of issue of the Notes of such Tranche.

The Programme provides that Notes may be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes intended to be listed on the Luxembourg Stock Exchange) a supplementary Information Memorandum, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

The Issuer accepts responsibility for the information contained in this document and to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Information Memorandum should be read and construed together with any amendments or supplements hereto and with any other documents incorporated by reference herein and, in relation to any Tranche (as defined herein) of Notes, should be read and construed together with the relevant Pricing Supplement (as defined herein).

The Issuer has confirmed to the Dealers named under “Subscription and Sale” below that this Information Memorandum (including, for this purpose, each relevant Pricing Supplement) contains all information which is (in the context of the Programme and the issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Information Memorandum does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme and the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Information Memorandum or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

No representation or warranty is made or implied by the Dealers or any of their respective affiliates and neither the Dealers nor any of their respective affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this

Information Memorandum. Neither the delivery of this Information Memorandum or any Pricing Supplement nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Information Memorandum is true subsequent to the date hereof or the date upon which this Information Memorandum has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or the Issuer and its Subsidiaries (as defined under “Terms and Conditions of the Notes”) (the “**Group**”) since the date thereof or, if later, the date upon which this Information Memorandum has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Information Memorandum and any Pricing Supplement and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum, any Pricing Supplement or any Notes comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Information Memorandum or any Pricing Supplement and other offering material relating to the Notes, see “Subscription and Sale”. In particular, Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the “**Securities Act**”) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. In addition, the Issuer has not authorised any offer of Notes having a maturity of one year or more to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended) (the “**Regulations**”). Notes may not lawfully be offered or sold to persons in the United Kingdom except in circumstances which do not result in an offer to the public in the United Kingdom within the meaning of the Regulations or otherwise in compliance with all applicable provisions of the Regulations.

Neither this Information Memorandum nor any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Information Memorandum or any Pricing Supplement should subscribe for or purchase any Notes. Each recipient of this Information Memorandum or any Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Group.

In this Information Memorandum, unless otherwise specified, references to “U.S.\$” are to the currency of the United States of America, references to “**Sterling**” are to the currency of the United Kingdom, references to “**SEK**” are to the currency of the Kingdom of Sweden and references to “**euro**” are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

*Certain figures included in this Information Memorandum have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.*

**In connection with the issue of any Tranche of Notes under the Programme, the Dealer (if any) which is specified in the relevant Pricing Supplement as the stabilising institution may over-allot or effect transactions which stabilise or maintain the market price of the Notes of the Series of which such Tranche forms part at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time. Such stabilising shall be in compliance with all applicable laws, regulations and rules.**

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## **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents shall be deemed to be incorporated in, and to form part of, this Information Memorandum:

- (1) the most recently published audited consolidated and unconsolidated annual financial statements of the Issuer from time to time and any quarterly interim financial statements (whether audited or unaudited) published from time to time subsequently to such annual financial statements; and
- (2) all amendments and supplements to this Information Memorandum prepared by the Issuer from time to time,

save that any statement contained in this Information Memorandum or in any of the documents incorporated by reference in, and forming part of, this Information Memorandum shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement.

The Issuer will, at the specified offices of the Paying Agents (as defined under “Terms and Conditions of the Notes”), provide, free of charge, upon oral or written request, a copy of this Information Memorandum (or any document incorporated by reference in this Information Memorandum). Written or oral requests for such documents should be directed to the specified office of the Issuer or Luxembourg Paying Agent or the specified office of the Luxembourg Listing Agent (as defined below).

The Issuer has undertaken, in connection with the listing of the Notes on the Luxembourg Stock Exchange, that if there shall occur any adverse change in the business or financial position of the Issuer or any change in the information set out under “Terms and Conditions of the Notes”, that is material in the context of issuance of Notes under the Programme, the Issuer will prepare or procure the preparation of an amendment or supplement to this Information Memorandum or, as the case may be, publish a new Information Memorandum, for use in connection with any subsequent issue by the Issuer of Notes to be listed on the Luxembourg Stock Exchange.

## SUMMARY OF THE PROGRAMME

*The following summary does not purport to be complete and is qualified in its entirety by the remainder of this Information Memorandum and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined in “Forms of the Notes” or “Terms and Conditions of the Notes” below shall have the same meanings in this summary.*

Issuer:	Metso Corporation
Arranger:	Salomon Brothers International Limited
Dealers:	Barclays Bank PLC Deutsche Bank AG London HSBC Bank plc Merrill Lynch International Merita Bank plc Salomon Brothers International Limited SEB Merchant Banking, Skandinaviska Enskilda Banken AB (publ) UBS AG, acting through its business group UBS Warburg and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes.
Fiscal Agent:	Citibank, N.A., London Branch
Paying Agent:	Dexia Banque Internationale à Luxembourg
Luxembourg Listing Agent:	Dexia Banque Internationale à Luxembourg
Listing:	Each Series may be listed on the Luxembourg Stock Exchange and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system as may be agreed between the Issuer and the relevant Dealer and specified in the relevant Pricing Supplement or may be unlisted.
Clearing Systems:	Euroclear and/or Clearstream, Luxembourg and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Pricing Supplement.
Initial Programme Amount:	Up to euro 1,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.
Issuance in Series:	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.
Pricing Supplements:	Each Tranche will be the subject of a Pricing Supplement which, for the purposes of that Tranche only, supplements the Terms and Conditions of the Notes and this Information Memorandum and must be read in conjunction with this Information Memorandum. The terms and conditions applicable to any particular Tranche of Notes are the Terms and Conditions of the Notes as supplemented, amended and/or replaced by the relevant Pricing Supplement.
Forms of Notes:	Notes may only be issued in bearer form. Each Tranche of Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Pricing Supplement. Each Global Note will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or

any other relevant clearing system. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Pricing Supplement, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Pricing Supplement as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons and will, if the principal thereof is repayable by Instalments, have Receipts attached.

Currencies:

Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements (including the restrictions set out below as at the date of this Information Memorandum). Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.

Issues of Notes with a maturity of more than one year denominated in Swiss Francs or carrying a Swiss Franc-related element (other than Notes privately placed with a single investor with no publicity) will be effected in compliance with the relevant regulations of the Swiss National Bank based on article 7 of the Federal Law on Banks and Savings Banks of 8 November 1934 (as amended) and article 15 of the Federal Law on Stock Exchanges and Securities Trading of 24 March 1995 in connection with article 2, paragraph 2 of the Ordinance of the Federal Banking Commission on Stock Exchanges and Securities Trading of 2 December 1996. Under these regulations, the relevant Dealer or, in the case of a syndicated issue, the lead manager (the “**Swiss Dealer**”), must be a bank domiciled in Switzerland (which includes branches or subsidiaries of a foreign bank located in Switzerland) or a securities dealer duly licensed by the Swiss Federal Banking Commission pursuant to the Federal Law on Stock Exchanges and Securities Trading of 24 March 1995. The Swiss Dealer must report certain details of the relevant transaction to the Swiss National Bank no later than the date of issue of the relevant Notes.

Issues of Notes denominated in Sterling shall comply with all applicable laws and regulations (as amended from time to time) of United Kingdom authorities. See “Banking Act 1987 (Exempt Transactions) Regulations 1997” under “General Information”, in respect of Notes, the proceeds of which are to be accepted in the United Kingdom before section 19 (the general prohibition) of the Financial Services and Markets Act 2000 comes into force.

Any Notes, the proceeds of which are to be accepted in the United Kingdom after section 19 (the general prohibition) of the Financial Services and Markets Act 2000 is brought into force and which must be redeemed before the first anniversary of the date of their issue, shall (a) have a redemption value of not less than £100,000 (or an amount of equivalent value denominated wholly or partly in a currency other than sterling), and (b) provide that no part of any such Note may be transferred unless the redemption value of that part is not less than £100,000 (or such an equivalent amount).

Status of the Notes:

Notes will be issued on an unsubordinated basis.

Issue Price:	Notes may be issued at any price, as specified in the relevant Pricing Supplement.
Maturities:	Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Redemption:	Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula, index or otherwise) as may be specified in the relevant Pricing Supplement. Notes may also be redeemable in two or more Instalments on such dates and in such manner as may be specified in the relevant Pricing Supplement.
	Unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom before section 19 (the general prohibition) of the Financial Services and Markets Act 2000 comes into force must have a minimum redemption amount of £100,000 (or its equivalent in other currencies), unless such Notes may not be redeemed until the third anniversary of their date of issue and either (i) are to be admitted to the Official List of the UK Listing Authority or (ii) are to be listed on the stock exchange of a country within the European Economic Area <i>provided that</i> the Issuer complies with its obligations under the Banking Act 1987 (Exempt Transactions) Regulations 1997 to lodge all relevant information (as defined in such Regulations) in relation to any such Notes with the Financial Services Authority.
	Any Notes, the proceeds of which are to be accepted in the United Kingdom after section 19 (the general prohibition) of the Financial Services and Markets Act 2000 is brought into force and which must be redeemed before the first anniversary of the date of their issue, shall (a) have a redemption value of not less than £100,000 (or an amount of equivalent value denominated wholly or partly in a currency other than sterling), and (b) provide that no part of any such Note may be transferred unless the redemption value of that part is not less than £100,000 (or such an equivalent amount).
Optional Redemption:	Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Pricing Supplement.
Tax Redemption:	Except as described in “Optional Redemption” above, early redemption will only be permitted for tax reasons as described in Condition 10(b) ( <i>Redemption and Purchase – Redemption for tax reasons</i> ).
Interest:	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index-linked and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
Denominations:	Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
	Unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom before section 19 (the general prohibition) of the Financial Services and Markets Act 2000 comes into force will have a minimum denomination of £100,000 (or its equivalent in other

currencies), unless such Notes may not be redeemed until the third anniversary of their date of issue and either (i) are to be admitted to the Official List of the UK Listing Authority or (ii) are to be listed on the stock exchange of a country within the European Economic Area *provided that* the Issuer complies with its obligations under the Banking Act 1987 (Exempt Transactions) Regulations 1997 to lodge all relevant information (as defined in such Regulations) in relation to any such Notes with the Financial Services Authority.

Any Notes, the proceeds of which are to be accepted in the United Kingdom after section 19 (the general prohibition) of the Financial Services and Markets Act 2000 is brought into force and which must be redeemed before the first anniversary of the date of their issue, shall (a) have a redemption value of not less than £100,000 (or an amount of equivalent value denominated wholly or partly in a currency other than sterling), and (b) provide that no part of any such Note may be transferred unless the redemption value of that part is not less than £100,000 (or such an equivalent amount).

**Negative Pledge:** The Notes will have the benefit of a negative pledge as described in Condition 5 (*Negative Pledge*).

**Cross Default:** The Notes will have the benefit of a cross default as described in Condition 13 (*Events of Default*).

**Taxation:** All payments in respect of Notes will be made free and clear of withholding taxes imposed within the Republic of Finland, unless the withholding is required by law. In that event, the Issuer will (subject as provided in Condition 12 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.

**Redenomination:** In respect of any Tranche of Notes, if the country of the Specified Currency becomes, or announces its intention to become, a Participating Member State, the Notes may be redenominated in euro in accordance with Condition 21 (*Redenomination, Renominalisation and Reconventioning*) if so specified in the relevant Pricing Supplement.

**Governing Law:** The Notes will be governed by, and construed in accordance with, English law.

**Selling Restrictions:** For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the United Kingdom, Finland, France, Germany, Japan and Switzerland, see “Subscription and Sale” below.

## FORMS OF THE NOTES

Each Tranche of Notes will initially be in the form of either a temporary global note (the “**Temporary Global Note**”), without interest coupons or principal receipts, or a permanent global note (the “**Permanent Global Note**”), without interest coupons or principal receipts, in each case as specified in the relevant Pricing Supplement. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a “**Global Note**”) will be deposited on or around the issue date of the relevant Tranche of the Notes with Euroclear Bank S.A./N.V., as operator of the Euroclear System (“**Euroclear**”) and/or Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) and/or any other relevant clearing system.

The relevant Pricing Supplement will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the “**TEFRA C Rules**”) or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the “**TEFRA D Rules**”) are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

### **Temporary Global Note exchangeable for Permanent Global Note**

If the relevant Pricing Supplement specifies the form of Notes as being “Temporary Global Note exchangeable for a Permanent Global Note”, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons or principal receipts, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) surrender of the Temporary Global Note at the Specified Office of the Fiscal Agent; and
- (ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership, within 7 days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; *provided, however, that* in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, for Notes in definitive form (“**Definitive Notes**”):

- (i) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or
- (ii) if the relevant Pricing Supplement specifies “in the limited circumstances described in the Permanent Global Note”, then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons, Receipts and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

### **Temporary Global Note exchangeable for Definitive Notes**

If the relevant Pricing Supplement specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Pricing Supplement specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons, Receipts and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note at the Specified Office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

### **Permanent Global Note exchangeable for Definitive Notes**

If the relevant Pricing Supplement specifies the form of Notes as being “Permanent Global Note exchangeable for Definitive Notes”, then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (i) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or
- (ii) if the relevant Pricing Supplement specifies “in the limited circumstances described in the Permanent Global Note”, then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons, Receipts and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

### **Terms and Conditions applicable to the Notes**

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under “Terms and Conditions of the Notes” below and the provisions of the relevant Pricing Supplement which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “Summary of Provisions Relating to the Notes while in Global Form” below.

### **Legend concerning United States persons**

In the case of any Tranche of Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons, Receipts and Talons appertaining thereto will bear a legend to the following effect:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

The sections referred to in such legend provide that a United States person who holds a Note, Coupon, Receipt or Talon will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note, Coupon, Receipt or Talon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

## TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as supplemented, amended and/or replaced by the relevant Pricing Supplement, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

### 1. Introduction

- (a) *Programme*: Metso Corporation (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to euro 1,000,000,000 in aggregate principal amount of notes (the "**Notes**").
- (b) *Pricing Supplement*: Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a pricing supplement (the "**Pricing Supplement**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail.
- (c) *Agency Agreement*: The Notes are the subject of an amended and restated fiscal agency agreement dated 12 November 2001 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, Citibank, N.A. as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes).
- (d) *The Notes*: All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Pricing Supplement. Copies of the relevant Pricing Supplement are available for inspection and may be obtained during normal business hours at the Specified Office of the Fiscal Agent and the Specified Office of the Paying Agent in Luxembourg, the initial Specified Offices of which are set out below.
- (e) *Summaries*: Certain provisions of these Conditions are summaries of the Agency Agreement and are subject to its detailed provisions. The Noteholders, the holders of the related principal receipts, if any (the "**Receiptholders**" and the "**Receipts**", respectively) and the holders of the related interest coupons, if any (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

### 2. Interpretation

- (a) *Definitions*: In these Conditions the following expressions have the following meanings:
  - "**Accrual Yield**" has the meaning given in the relevant Pricing Supplement;
  - "**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;
  - "**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;
  - "**Business Day**" means:
    - (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
    - (ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;
  - "**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **“Following Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **“Modified Following Business Day Convention”** or **“Modified Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **“Preceding Business Day Convention”** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **“FRN Convention”**, **“Floating Rate Convention”** or **“Eurodollar Convention”** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred *provided, however, that:*
  - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **“No Adjustment”** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

**“Calculation Agent”** means the Fiscal Agent or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement;

**“Call Option”** means the option of the Issuer to redeem the Notes pursuant to Condition 10(c);

**“Coupon Sheet”** means, in respect of a Note in definitive form, a coupon sheet relating to the Note;

**“Day Count Fraction”** means (subject as provided in Condition 6), in respect of the calculation of an amount for any period of time (the **“Calculation Period”**), such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement and:

- (i) if **“Actual/Actual (ISMA)”** is so specified, means:
  - (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
  - (b) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;
- (ii) if **“Actual/365”** or **“Actual/Actual – ISDA”** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if **“Actual/365 (Fixed)”** is so specified, means the actual number of days in the Calculation Period divided by 365;

- (iv) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if “**30/360**” is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (vi) if “**30E/360**” or “**Eurobond Basis**” is so specified means, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month);

“**Early Redemption Amount (Tax)**” means, in respect of any Note, its outstanding principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Pricing Supplement;

“**Early Termination Amount**” means, in respect of any Note, its outstanding principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Pricing Supplement;

“**Extraordinary Resolution**” has the meaning given in the Agency Agreement;

“**Final Redemption Amount**” means, in respect of any Note, its outstanding principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

“**Fixed Coupon Amount**” has the meaning given in the relevant Pricing Supplement;

“**Group**” means the Issuer and its Subsidiaries for the time being;

“**Guarantee**” means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (i) any obligation to purchase such Indebtedness;
- (ii) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (iii) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (iv) any other agreement to be responsible for such Indebtedness;

“**Indebtedness**” means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (i) amounts raised by acceptance under any acceptance credit facility;
- (ii) amounts raised under any note purchase facility;
- (iii) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (iv) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and
- (v) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

“**Interest Amount**” means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

“**Interest Commencement Date**” means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Pricing Supplement;

“**Interest Determination Date**” has the meaning given in the relevant Pricing Supplement;

**“Interest Payment Date”** means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**“Interest Period”** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

**“ISDA Definitions”** means the 2000 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Pricing Supplement) as published by the International Swaps and Derivatives Association, Inc. (formerly the International Swap Dealers Association, Inc.);

**“Issue Date”** has the meaning given in the relevant Pricing Supplement;

**“Margin”** has the meaning given in the relevant Pricing Supplement;

**“Material Subsidiary”** means, at any time, any Subsidiary of the Issuer:

- (a) whose total assets (consolidated in the case of a company which itself has Subsidiaries) represent not less than 5 per cent. of the consolidated total assets of the Group taken as a whole; or
- (b) whose net sales (consolidated in the case of a company which itself has Subsidiaries) represent not less than 5 per cent. of the consolidated total net sales of the Group taken as a whole,

all as calculated by reference to the then most recent financial statements (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then most recent consolidated financial statements of the Group but if a Subsidiary has been acquired since the date as at which the then most recent consolidated financial statements of the Group were prepared, the financial statements shall be adjusted in order to take into account the acquisition of that Subsidiary (that adjustment being certified by two directors of the Issuer (in reliance on a report from the Group’s auditors) as representing an accurate reflection of the revised total assets or net sales of the Group).

Such a certificate by two directors of the Issuer (accompanied by a report from the Group’s auditors) that a Subsidiary is or is not a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties;

**“Maturity Date”** has the meaning given in the relevant Pricing Supplement;

**“Maximum Redemption Amount”** has the meaning given in the relevant Pricing Supplement;

**“Minimum Redemption Amount”** has the meaning given in the relevant Pricing Supplement;

**“Optional Redemption Amount (Call)”** means, in respect of any Note, its outstanding principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

**“Optional Redemption Amount (Put)”** means, in respect of any Note, its outstanding principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

**“Optional Redemption Date (Call)”** has the meaning given in the relevant Pricing Supplement;

**“Optional Redemption Date (Put)”** has the meaning given in the relevant Pricing Supplement;

**“Participating Member State”** means a member state of the European Communities which adopts the euro as its lawful currency in accordance with the Treaty;

**“Payment Business Day”** means:

- (i) if the currency of payment is euro, any day which is:
  - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

- (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not euro, any day which is:
  - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

“**Person**” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“**Principal Financial Centre**” means, in relation to any currency, the principal financial centre for that currency *provided, however, that*:

- (i) in relation to euro, it means the principal financial centre of such member state of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

“**Put Option**” means the option of the Holder of any Note to require the Issuer to redeem such Note pursuant to Condition 10(e);

“**Put Option Notice**” means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

“**Put Option Receipt**” means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

“**Rate of Interest**” means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement;

“**Redemption Amount**” means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement;

“**Reference Banks**” has the meaning given in the relevant Pricing Supplement or, if none, four (or if the Principal Financial Centre is Helsinki, five) major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

“**Reference Price**” has the meaning given in the relevant Pricing Supplement;

“**Reference Rate**” has the meaning given in the relevant Pricing Supplement;

“**Regular Period**” means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where

“**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

“**Relevant Date**” means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent in accordance with the provisions of the Agency Agreement on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

“**Relevant Financial Centre**” has the meaning given in the relevant Pricing Supplement;

“**Relevant Indebtedness**” means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded or admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system or in any securities market (including, without limitation, any over-the-counter market) which are either (i) denominated in the lawful currency of Finland and are initially distributed primarily outside Finland, or (ii) denominated in any other currency;

“**Relevant Screen Page**” means the page, section or other part of a particular information service (including, without limitation, the Reuters Markets 3000 and the Bridge/Telerate Service) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

“**Relevant Time**” has the meaning given in the relevant Pricing Supplement;

“**Reserved Matter**” means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

“**Security Interest**” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

“**Specified Currency**” has the meaning given in the relevant Pricing Supplement;

“**Specified Denomination(s)**” has the meaning given in the relevant Pricing Supplement;

“**Specified Office**” has the meaning given in the Agency Agreement;

“**Specified Period**” has the meaning given in the relevant Pricing Supplement;

“**Subsidiary**” means, in relation to any company or corporation, a company or corporation:

- (a) which is controlled, directly or indirectly, by the first mentioned company or corporation;
- (b) more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or
- (c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation.

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body;

“**Talon**” means a talon for further Coupons;

“**TARGET Settlement Day**” means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open;

“**Treaty**” means the Treaty establishing the European Communities, as amended; and

“**Zero Coupon Note**” means a Note specified as such in the relevant Pricing Supplement.

(b) *Interpretation:* In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;

- (ii) if Talons are specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) if the Notes are not Instalment Notes, references to Instalments, Receipts and Receiptholders are not applicable;
- (v) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 or any undertakings given in addition to or in substitution for that Condition, any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (vi) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 or any undertakings given in addition to or in substitution for that Condition and any other amount in the nature of interest payable pursuant to these Conditions;
- (vii) references to Notes being “outstanding” shall be construed in accordance with the Agency Agreement; and
- (viii) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Notes.

### **3. Form, Denomination and Title**

The Notes are in bearer form in the Specified Denomination(s) and the Specified Currency and, in the case of Instalment Notes (as defined below), with Receipts and, if interest-bearing, with Coupons and, if specified in the relevant Pricing Supplement, Talons attached at the time of issue. In the case of a Series of Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for Notes of another Specified Denomination. Notes, the principal amount of which is repayable by instalments (“**Instalments**”, and such Notes shall be referred to in these Conditions as “**Instalment Notes**”), have attached thereto, at the time of their initial delivery, Receipts in respect of the Instalments. Title to the Notes, Receipts and Coupons will pass by delivery. References herein to the “**Holders**” of Notes, Receipts or Coupons are to the bearer of such Notes, Receipts or Coupons. The Holder of any Note, Receipt or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder.

### **4. Status**

The Notes and the Receipts and Coupons relating to them constitute direct, general, unconditional, unsecured and unsubordinated obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

### **5. Negative Pledge**

So long as any Note remains outstanding, the Issuer shall not, and the Issuer shall procure that none of its Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution of Noteholders.

### **6. Fixed Rate Note Provisions**

- (a) *Application*: This Condition 6 is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) *Accrual of interest*: The Notes bear interest on their outstanding principal amount from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11. Each Note will cease to bear interest from the due date for final

redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

- (c) *Fixed Coupon Amount*: The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) *Regular Interest Periods*: If all of the Interest Payment Dates fall at regular intervals between the Issue Date and the Maturity Date, then:
  - (i) the Notes shall for the purposes of this Condition 6 be “**Regular Interest Period Notes**”;
  - (ii) the day and month (but not the year) on which any Interest Payment Date falls shall for the purposes of this Condition 6 be a “**Regular Date**”; and
  - (iii) each period from and including a Regular Date falling in any year to but excluding the next succeeding Regular Date shall for the purposes of this Condition 6 be a “**Regular Period**”.
- (e) *Irregular first or last Interest Periods*: If the Notes would be Regular Interest Period Notes but for the fact that either or both of:
  - (i) the interval between the Issue Date and the first Interest Payment Date; and
  - (ii) the interval between the Maturity Date and the immediately preceding Interest Payment Date is longer or shorter than a Regular Period, then the Notes shall nevertheless be deemed to be Regular Interest Period Notes *provided, however, that* if the interval between the Maturity Date and the immediately preceding Interest Payment Date is longer or shorter than a Regular Period, the day and month on which the Maturity Date falls shall not be a “Regular Date”.
- (f) *Irregular interest amount*: If the Notes are Regular Interest Period Notes, the amount of interest payable in respect of each Note for any period which is not a Regular Period shall be calculated by applying the Rate of Interest to the outstanding principal amount of such Note, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). For this purpose a “**sub-unit**” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (g) *Day Count Fraction*: In respect of any period which is not a Regular Period the relevant day count fraction (the “**Day Count Fraction**”) shall be determined in accordance with the following provisions:
  - (i) if the Day Count Fraction is specified in the relevant Pricing Supplement as being 30/360, the relevant Day Count Fraction will be the number of days in the relevant period (calculated on the basis of a year of 360 days consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed) divided by 360;
  - (ii) if the Day Count Fraction is specified in the relevant Pricing Supplement as being Actual/Actual (Bond) and the relevant period falls during a Regular Period, the relevant Day Count Fraction will be the number of days in the relevant period divided by the product of (A) the number of days in the Regular Period in which the relevant period falls and (B) the number of Regular Periods that would occur in any period of one year assuming interest was to be payable in respect of the whole of that year; and
  - (iii) if the Day Count Fraction is specified in the relevant Pricing Supplement as being Actual/Actual (Bond) and the relevant period begins in one Regular Period and ends in the next succeeding Regular Period, interest will be calculated on the basis of the sum of:
    - (A) the number of days in the relevant period falling within the first such Regular Period divided by the product of (1) the number of days in the first such Regular Period and (2) the number of Regular Periods that would occur in any period of one year assuming interest was to be payable in respect of the whole of that year; and

- (B) the number of days in the relevant period falling within the second such Regular Period divided by the product of (1) the number of days in the second such Regular Period and (2) the number of Regular Periods that would occur in any period of one year assuming interest was to be payable in respect of the whole of that year.
- (h) *Number of days*: For the purposes of this Condition 6, unless the Day Count Fraction is specified in the relevant Pricing Supplement as being 30/360 (in which case the provisions of paragraph (g)(i) above shall apply), the number of days in any period shall be calculated on the basis of actual calendar days from and including the first day of the relevant period to but excluding the last day of the relevant period.
- (i) *Irregular Interest Periods*: If the Notes are not Regular Interest Period Notes and interest is required to be calculated for any period other than an Interest Period, interest shall be calculated on such basis as is described in the relevant Pricing Supplement.

## **7. Floating Rate Note and Index-Linked Interest Note Provisions**

- (a) *Application*: This Condition 7 is applicable to the Notes only if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) *Accrual of interest*: The Notes bear interest on their outstanding principal amount from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11. Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Screen Rate Determination*: If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
  - (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
  - (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
  - (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
    - (A) request the principal Relevant Financial Centre office of each the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
    - (B) determine the arithmetic mean of such quotations; and
  - (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of the preceding Interest Period.

- (d) *ISDA Determination*: If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where “**ISDA Rate**” in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
  - (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Pricing Supplement;
  - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Pricing Supplement; and
  - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) or on the euro-zone interbank offered rate (EURIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Pricing Supplement.
- (e) *Index-Linked Interest*: If the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable, the Rate(s) of Interest applicable to the Notes for each Interest Period will be determined in the manner specified in the relevant Pricing Supplement.
- (f) *Maximum or Minimum Rate of Interest*: If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (g) *Calculation of Interest Amount*: The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the outstanding principal amount of such Note during such Interest Period and multiplying the product by the relevant Day Count Fraction.
- (h) *Calculation of other amounts*: If the relevant Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Pricing Supplement.
- (i) *Publication*: The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.
- (j) *Notifications etc*: All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders, the Receiptholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

## **8. Zero Coupon Note Provisions**

- (a) *Application*: This Condition 8 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) *Late payment on Zero Coupon Notes*: If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

## **9. Dual Currency Note Provisions**

- (a) *Application*: This Condition 9 is applicable to the Notes only if the Dual Currency Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) *Rate of Interest*: If the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Pricing Supplement.

## **10. Redemption and Purchase**

- (a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date or, in the case of Instalment Notes, in such number of Instalments and in such amounts as specified and determined in accordance with the provisions set out in the Pricing Supplement, subject as provided in Condition 11.
- (b) *Redemption for tax reasons*: The Notes may be redeemed at the option of the Issuer in whole, but not in part:
  - (i) at any time (if neither the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable); or
  - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:
    - (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 as a result of any change in, or amendment to, the laws or regulations of the Republic of Finland or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and
    - (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, *provided, however, that* no such notice of redemption shall be given earlier than:
      - (1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or
      - (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent (A) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions

precedent to the right of the Issuer so to redeem have occurred of and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 10(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 10(b).

- (c) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Pricing Supplement as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Pricing Supplement, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).
- (d) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 10(c), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law and the rules of each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation, and the notice to Noteholders referred to in Condition 10(c) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Pricing Supplement, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
- (e) *Redemption at the option of Noteholders:* If the Put Option is specified in the relevant Pricing Supplement as being applicable, the Issuer shall, at the option of the Holder of any Note redeem, such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 10(e), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with all unmatured Receipts and Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 10(e), may be withdrawn; *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 10(e), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.
- (f) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (e) above.
- (g) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition 10(g) or, if none is so specified, a Day Count Fraction of 30E/360.

- (h) *Purchase*: The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price and such Notes may be held, resold or, at the option of the purchaser, surrendered to any Paying Agent for cancellation (provided that, if the Notes are to be cancelled, they are purchased together with all unmatured Coupons and Receipts and unexchanged Talons relating to them).
- (i) *Cancellation*: All Notes redeemed and any unmatured Coupons or Receipts or unexchanged Talons attached to or surrendered with them shall be cancelled and all Notes so cancelled and any Notes cancelled pursuant to Condition 10(h) (*Purchase*) above (together with all unmatured Coupons and Receipts and unexchanged Talons cancelled with them) may not be reissued or resold.

## 11. Payments

- (a) *Principal*: Payments of principal shall be made only against (i) presentation and (in the case of final redemption, provided that payment is made in full) surrender of Notes and (ii) in respect of any Instalment which becomes due in accordance with the relevant Pricing Supplement, presentation and (provided that payment is made in full) surrender of the relevant Receipts, at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London).
- (b) *Interest*: Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) *Payments in New York City*: Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) *Payments subject to fiscal laws*: All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12. No commissions or expenses shall be charged to the Noteholders, Receiptholders or Couponholders in respect of such payments.
- (e) *Deductions for unmatured Coupons*: If the relevant Pricing Supplement specifies that the Fixed Rate Note Provisions are applicable and a Note is presented without all unmatured Coupons relating thereto:
  - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
  - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
    - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the “**Relevant Coupons**”) being equal to the amount of principal due for payment; *provided, however, that* where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
    - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that*, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the

aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.

- (f) *Unmatured Coupons void*: If the relevant Pricing Supplement specifies that this Condition 11(f) is applicable or that the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are applicable, on the due date for final redemption of any Note or early redemption of such Note pursuant to Condition 10(b), Condition 10(c), Condition 10(e) or Condition 13, all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) *Unmatured Receipts Void*: On the due date for final redemption of any Instalment Note pursuant to Condition 10(a) or early redemption of such Instalment Note pursuant to Condition 10(b), Condition 10(c), Condition 10(e) or Condition 13, all unmatured Receipts relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (h) *Payments on business days*: If the due date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (i) *Payments other than in respect of matured Coupons*: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).
- (j) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Note, Receipt or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (k) *Exchange of Talons*: On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14. Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

## **12. Taxation**

- (a) *Gross up*: All payments of principal and interest in respect of the Notes, the Receipts and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the Republic of Finland or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders, the Receiptholders and the Couponholders of such amounts as would have been received by them if no such withholding or deduction had been required, except that no such additional amounts shall be payable in respect of any Note, Receipt or Coupon presented for payment:
  - (i) in the Republic of Finland; or
  - (ii) by a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of its having some connection with the Republic of Finland other than the mere holding of such Note, Receipt or Coupon; or
  - (iii) more than 30 days after the Relevant Date except to the extent that the relevant Holder would have been entitled to such additional amounts if it had presented such Note, Receipt or Coupon on the last day of such period of 30 days; or

- (iv) where such withholding or deduction is imposed on a payment to a Holder of a Note or Coupon and is required to be made pursuant to any European Union Directive (“Directive”) on the taxation of other savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or
  - (v) by or on behalf of a Holder of a Note, Receipt or Coupon who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a member state of the European Union.
- (b) *Taxing jurisdiction:* If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Finland, references in these Conditions to the Republic of Finland shall be construed as references to the Republic of Finland and/or such other jurisdiction.

### 13. Events of Default

If any of the following events occurs:

- (a) *Non-payment:* the Issuer fails to pay any amount of principal in respect of the Notes on the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 7 days of the due date for payment thereof; or
- (b) *Breach of other obligations:* the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Fiscal Agency Agreement and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer or to the Specified Office of the Fiscal Agent; or
- (c) *Cross-default of Issuer or Material Subsidiary:*
  - (i) any Indebtedness of the Issuer or any of its Material Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
  - (ii) any such Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer or (as the case may be) the relevant Material Subsidiary or (provided that no event of default, howsoever described, has occurred) any Person entitled to such Indebtedness; or
  - (iii) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Indebtedness;

provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds euro 15,000,000 (or its equivalent in any other currency or currencies); or
- (d) *Unsatisfied judgment:* one or more judgment(s) or order(s) for the payment of an aggregate amount in excess of euro 15,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer or any of its Material Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) *Security enforced:* a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries; or
- (f) *Insolvency etc:* (i) the Issuer, or any of its Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer or any of its Material Subsidiaries or the whole or any part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries is appointed (or application for any such appointment is made), (iii) the Issuer or any of its Material Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it or (iv) the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on all or any substantial part of its business (otherwise than, in the case of a Material Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or

- (g) *Winding up etc*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Material Subsidiaries (otherwise than, in the case of a Material Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or
- (h) *Analogous event*: any event occurs which under the laws of the Republic of Finland has an analogous effect to any of the events referred to in paragraphs (d) to (g) above; or
- (i) *Failure to take action etc*: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes, the Receipts and the Coupons admissible in evidence in the courts of the Republic of Finland is not taken, fulfilled or done; or
- (j) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes,

then any Note may, by written notice addressed by the Holder thereof to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its Early Termination Amount together with accrued interest (if any) without further action or formality.

#### **14. Prescription**

Claims for principal shall become void unless the relevant Notes (and, in the case of any Instalment which became due, the relevant Receipts) are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

#### **15. Replacement of Notes, Receipts and Coupons**

If any Note, Receipt or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent (and, if the Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such listing authority, stock exchange and/or quotation system), subject to all applicable laws and listing authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts or Coupons must be surrendered before replacements will be issued.

#### **16. Agents**

In acting under the Agency Agreement and in connection with the Notes, the Receipts and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders, Receiptholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent or Calculation Agent and additional or successor paying agents; *provided, however, that*:

- (a) the Issuer shall at all times maintain a Fiscal Agent; and
- (b) if any EU Directive on the taxation of other savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive is introduced, the Issuer will insure that it maintains a Paying Agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to the Directive; and
- (c) if a Calculation Agent is specified in the relevant Pricing Supplement, the Issuer shall at all times maintain a Calculation Agent; and
- (d) if and for so long as the Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Issuer shall maintain a Paying Agent having its Specified Office in the place required by the rules of such listing authority, stock exchange and/or quotation system.

Notice of any change in any of the Paying or Calculation Agents or in their Specified Offices shall promptly be given to the Noteholders.

#### **17. Meetings of Noteholders; Modification and Waiver**

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by them upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing more than one half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however, that* Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, Receiptholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification:* The Notes and these Conditions may be amended without the consent of the Noteholders, Receiptholders or Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of the Issuer, not materially prejudicial to the interests of the Noteholders.

#### **18. Further Issues**

The Issuer may from time to time, without the consent of the Noteholders, the Receiptholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

#### **19. Notices**

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper published in the United Kingdom (which is expected to be the *Financial Times*) and, if the Notes which are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Receiptholders and Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

#### **20. Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

## 21. Redenomination, Renominalisation and Reconventioning

- (a) *Application:* This Condition 21 is applicable to the Notes only if it is specified in the relevant Pricing Supplement as being applicable.
- (b) *Notice of redenomination:* If the country of the Specified Currency becomes or, announces its intention to become, a Participating Member State, the Issuer may, without the consent of the Noteholders, Receiptholders and Couponholders, on giving at least 30 days' prior notice to the Noteholders and the Paying Agents, designate a date (the "**Redenomination Date**"), being an Interest Payment Date under the Notes falling on or after the date on which such country becomes a Participating Member State.
- (c) *Redenomination:* Notwithstanding the other provisions of these Conditions, with effect from the Redenomination Date:
- (i) the Notes shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Specified Currency, converted into euro at the rate for conversion of such currency into euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Community regulations); *provided, however, that*, if the Issuer determines, with the agreement of the Fiscal Agent then market practice in respect of the redenomination into euro 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, Receiptholders and Couponholders, each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the Paying Agents of such deemed amendments;
- (ii) if Notes have been issued in definitive form:
- (A) all unmatured Receipts and Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date (the "**Euro Exchange Date**") on which the Issuer gives notice (the "**Euro Exchange Notice**") to the Noteholders that replacement Notes, Receipts and Coupons denominated in euro are available for exchange (provided that such Notes, Receipts and Coupons are available) and no payments will be made in respect thereof;
- (B) the payment obligations contained in all Notes denominated in the Specified Currency will become void on the Euro Exchange Date but all other obligations of the Issuer thereunder (including the obligation to exchange such Notes in accordance with this Condition 21) shall remain in full force and effect; and
- (C) new Notes, Receipts and Coupons denominated in euro will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Fiscal Agent may specify and as shall be notified to the Noteholders in the Euro Exchange Notice; and
- (iii) all payments in respect of the Notes (other than, unless the Redenomination Date is on or after such date as the Specified Currency ceases to be a sub-division of the euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in euro by cheque drawn on, or by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Communities.
- (d) *Interest:* Following redenomination of the Notes pursuant to this Condition 21, where Notes have been issued in definitive form, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate outstanding principal amount of the Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant Holder.
- (e) *Interest Determination Date:* If the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable and Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, with effect from the Redenomination Date the Interest Determination date shall be deemed to be the second TARGET Settlement Day before the first day of the relevant Interest Period.

## 22. Third Party Rights

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

## 23. Governing Law and Jurisdiction

- (a) *Governing law*: The Notes are governed by, and shall be construed in accordance with, English law.
- (b) *Jurisdiction*: The Issuer agrees for the benefit of the Noteholders that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Notes (respectively, “**Proceedings**” and “**Disputes**”) and, for such purposes, irrevocably submits to the jurisdiction of such courts.
- (c) *Appropriate forum*: The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.
- (d) *Process agent*: The Issuer agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to Metso Minerals (UK) Limited at PO Box 8, Bardon 22, Coalville, Leicestershire LE6 1ZY or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Part XXIII of the Companies Act 1985. If such Person is not or ceases to be effectively appointed to accept service of process on the Issuer’s behalf, the Issuer shall, on the written demand of any Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, appoint a further Person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a Person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law.
- (e) *Non-exclusivity*: The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of any Noteholder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

## FORM OF PRICING SUPPLEMENT

**Pro Forma Pricing Supplement** for an issue by Metso Corporation under the Euro Medium Term Note Programme

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*The Pricing Supplement in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Pricing Supplement but denotes directions for completing the Pricing Supplement.*

Pricing Supplement dated [●]

### **METSO CORPORATION**

*(incorporated with limited liability in the Republic of Finland)*

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the euro 1,000,000,000

### **Euro Medium Term Note Programme**

[The Notes constitute [commercial paper] [shorter/longer]<sup>1</sup> term debt securities issued in accordance with regulations made under Section 4 of the Banking Act 1987.

The Issuer of the Notes is Metso Corporation, which is not an authorised institution or a European authorised institution (as such terms are defined in the Banking Act 1987 (Exempt Transactions) Regulations 1997). Repayment of the principal and payment of any interest or premium in connection with the Notes has not been guaranteed.]<sup>2</sup>

[The Issuer (a) has complied with its obligations under the listing rules of the Luxembourg Stock Exchange in relation to the admission to and continuing listing of any Notes issued under the Programme and of any previous issues made by it under the Programme and listed on the same exchange; (b) confirms that it will have complied with its obligations under the listing rules of the Luxembourg Stock Exchange in relation to the admission to listing of the Notes by the time when the Notes are so admitted; [and] (c) has not, since the last publication of information in compliance with the listing rules of the Luxembourg Stock Exchange about the Programme, any previous issues made by it under the Programme and listed on the Luxembourg Stock Exchange, or the Notes, having made all reasonable enquiries, become aware of any change in circumstances which could reasonably be regarded as significantly and adversely affecting its ability to meet its obligations as Issuer in respect of the Notes as they fall due; and (d) has complied and will continue to comply with its obligations under the Banking Act 1987 (Exempt Transactions) Regulations 1997 to lodge all relevant information in relation to the Notes with the Financial Services Authority]<sup>3</sup>.]<sup>4</sup>

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 12 November 2001. This Pricing Supplement is supplemental to and must be read in conjunction with such Information Memorandum.

1 Include (a) “commercial paper” if Notes must be redeemed before their first anniversary; (b) “shorter” if Notes may not be redeemed before their first anniversary but must be redeemed before their third anniversary; or (c) “longer” if Notes may not be redeemed before their third anniversary.

2 Unless otherwise permitted and before section 19 (the general prohibition) of the FSMA comes into force, text to be included for all Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are accepted by the Issuer in the U.K.

3 Wording only applies where the Issuer, prior to the coming into force of section 19 (the general prohibition) of the Financial Services and Markets Act 2000, is relying on Regulation 13(4)(b).

4 Unless otherwise permitted, and before section 19 (the general prohibition) of the FSMA comes into force, text to be included for all Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are accepted by the Issuer in the UK and which are to be listed on the Luxembourg or other EEA Stock Exchange. The text would not be required if the Issuer is relying on Regulation 13(4)(c) to (g) of the Regulations.

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]*

1. Issuer: Metso Corporation
2. [(i)] Series Number: [ ]  
 [(ii)] Tranche Number: [ ]  
 (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount:  
 [(i)] Series: [ ]  
 [(ii)] Tranche: [ ]
5. [(i)] Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (in the case of fungible issues only, if applicable)]  
 [(ii)] Net proceeds: [ ] (*Required only for listed issues*)
6. Specified Denominations: [ ]
7. [(i)] Issue Date: [ ]  
 [(ii)] Interest Commencement Date (if different from the Issue Date): [ ]
8. Maturity Date: [*Specify date or (for Floating Rate Notes) Interest Payment Date falling in the relevant month and year.*]
9. Interest Basis: [ % Fixed Rate]  
 [*specify reference rate*] +/-  % Floating Rate  
 [Zero Coupon]  
 [Index-Linked Interest]  
 [Other (*specify*)]  
 (further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
 [Index-Linked Redemption]  
 [Dual Currency]  
 [Instalment]  
 [Other (*specify*)]
11. Change of Interest or Redemption/Payment Basis: [*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis*]
12. Put/Call Options: [Noteholder Put Option]  
 [Issuer Call Option]  
 [(further particulars specified below)]
13. Status of the Notes: Senior
14. Listing: [Luxembourg/other (*specify*)/None]
15. Method of distribution: [Syndicated/Non-syndicated]

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 16. Fixed Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate(s) of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [ ] in each year
- (iii) Fixed Coupon Amount(s): [ ] [per Note of [ ] Specified Denomination and per Note of [ ] Specified Denomination]
- (iv) Day Count Fraction: [30/360]/[Actual/Actual(ISMA)]/[Actual/Actual – ISDA]/[Actual/365]/[Actual/365(Fixed)]/[Actual/360]/[30E/360]
- (v) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]  
*(Consider if day count fraction, particularly for Euro denominated issues, should be on an Actual/Actual (ISMA) or Actual/Actual basis. Also consider what should happen to unmatured Coupons in the event of early redemption of the Notes.)*
- 17. Floating Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate)*
- (i) Specified Period(s)/Interest Payment Dates: [ ]
- (ii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Convention/ Preceding Business Day Convention/No Adjustment/ other (give details)]
- (iii) Additional Business Centre(s): [Not Applicable/give details]
- (iv) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]
- (v) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent): [[Name] shall be the Calculation Agent (no need to specify if the Fiscal Agent is to perform this function)]
- (vi) Screen Rate Determination:
- Reference Rate: [For example, LIBOR or EURIBOR]
  - Reference Price: [ ]
  - Relevant Screen Page: [For example, Telerate page 3750/248]
  - Interest Determination Date(s): [ ]
  - Relevant Time: [For example, 11.00 a.m. London time/ Brussels time]
  - Relevant Financial Centre: [For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)]
- (vii) ISDA Determination:
- Floating Rate Option: [ ]

- Designated Maturity: [     ]
- Reset Date: [     ]
- (viii) Margin(s): [+/-][     ] per cent. per annum
- (ix) Minimum Rate of Interest: [     ] per cent. per annum
- (x) Maximum Rate of Interest: [     ] per cent. per annum
- (xi) Day Count Fraction: [     ]
- (xii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [     ]
- 18. Zero Coupon Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Accrual Yield: [     ] per cent. per annum
- (i) Reference Price: [     ]
- (ii) Any other formula/basis of determining amount payable: [*Consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition 10(g)*]
- 19. Index-Linked Interest Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Index/Formula: [*Give or annex details*]
- (ii) Calculation Agent responsible for calculating the interest due: [     ]
- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [     ]
- (iv) Specified Period(s)/Interest Payment Dates: [     ]
- (v) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Convention/Preceding Business Day Convention/other (*give details*)]
- (vi) Additional Business Centre(s): [     ]
- (vii) Minimum Rate of Interest: [     ] per cent. per annum
- (viii) Maximum Rate of Interest: [     ] per cent. per annum
- (ix) Day Count Fraction: [     ]
- 20. Dual Currency Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: [*Give details*]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: [     ]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [     ]

(iv) Person at whose option Specified [ ]  
Currency(ies) is/are payable:

## PROVISIONS RELATING TO REDEMPTION

### 21. Call Option

[Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(ii) Optional Redemption Date(s) (Call): [ ]

(iii) Optional Redemption Amount(s) (Call) and method, if any, of calculation of such amount(s): [ ]

(iv) If redeemable in part:

(a) Minimum Redemption Amount: [ ]

(b) Maximum Redemption Amount: [ ]

(v) Notice period (if other than as set out in the Conditions): [ ]

### 22. Put Option

[Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Optional Redemption Date(s) (Put): [ ]

(ii) Optional Redemption Amount(s) (Put) and method, if any, of calculation of such amount(s):

(iii) Notice period (if other than as set out in the Conditions): [ ]

### 23. Final Redemption Amount

[Par/other/see Appendix]

### 24. Early Redemption Amount

Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):

[Not Applicable *(if both the Early Redemption Amount (Tax) and the Early Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount (Tax) and/or the Early Termination Amount if different from the principal amount of the Notes)*]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

### 25. Form of Notes:

Bearer:

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on [ ] days' notice or] in the limited circumstances specified in the Permanent Global Note]

[Temporary Global Note exchangeable for Definitive Notes on [ ] days' notice]

[Permanent Global Note exchangeable for Definitive Notes [on [ ] days' notice or] in the limited circumstances specified in the Permanent Global Note]]

- 26. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details. Note that this item relates to the place of payment, and not interest period end dates, to which item 17(iii) relates]
- 27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
- 28. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
- 29. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition 21)] [annexed to this Pricing Supplement] apply]
- 30. Consolidation provisions: [Not Applicable/The provisions [in Condition 18)] [annexed to this Pricing Supplement] apply]
- 31. Other terms or special conditions: [Not Applicable/give details]

**DISTRIBUTION**

- 32. (i) If syndicated, names of Managers: [Not Applicable/give names]
- (ii) Stabilising Manager (if any): [Not Applicable/give name]
- 33. If non-syndicated, name of Dealer: [Not Applicable/give name]
- 34. TEFRA: [Not Applicable/The [C/D] Rules are applicable]
- 35. Additional selling restrictions: [Not Applicable/give details]

**OPERATIONAL INFORMATION**

- 36. ISIN Code: [       ]
- 37. Common Code: [       ]
- 38. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- 39. Delivery: [Not Applicable/Delivery [against/free of] payment]
- 40. Additional Paying Agent(s) (if any): [       ]

**[LISTING APPLICATION**

This Pricing Supplement comprises the details required to list the issue of Notes described herein pursuant to the listing of the euro 1,000,000,000 Euro Medium Term Note Programme of Metso Corporation]

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in this Pricing Supplement.  
Signed on behalf of the Issuer:

By:.....  
Duly authorised

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### Clearing System Accountholders

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to “Noteholder” are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depository or common depository.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an “**Accountholder**”) must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder’s share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the bearer of the Global Note.

### Exchange of Temporary Global Notes

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure:

- (a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated, to the bearer of the Temporary Global Note; or
- (b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Fiscal Agent against presentation and (in the case of final exchange) surrender of the Temporary Global Note at the Specified Office of the Fiscal Agent within 7 days of the bearer requesting such exchange.

Whenever a Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Receipts, Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note at the Specified Office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) a Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of a Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Temporary Global Note has requested exchange of the Temporary Global Note for Definitive Notes; or
- (c) a Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of a Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note or increase the principal amount thereof or deliver Definitive Notes, as the case may be) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such thirtieth day (in the case of (b) above) or at 5.00 p.m. (London time) on such due date (in the case of (c)

above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under a deed of covenant dated 12 November 2001 (the “**Deed of Covenant**”) executed by the Issuer). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

### **Exchange of Permanent Global Notes**

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Receipts, Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Permanent Global Note has duly requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) a Permanent Global Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Permanent Global Note in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Permanent Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

### **Conditions applicable to Global Notes**

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

*Payments:* All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note at the Specified Office of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that the same is noted in a schedule thereto.

*Exercise of put option:* In order to exercise the option contained in Condition 10(e) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

*Partial exercise of call option:* In connection with an exercise of the option contained in Condition 10(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions.

*Notices:* Notwithstanding Condition 19 (*Notices*), while all the Notes are represented by a Permanent Global Note and/or a Temporary Global Note and the Permanent Global Note is and/or the Temporary Global Note is/are deposited with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 19 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

*Redenomination:* If the Notes are redenominated pursuant to Condition 21 (*Redenomination, Renominalisation and Reconventioning*), then following redenomination:

- (a) if Definitive Notes are required to be issued, they shall be issued at the expense of the Issuer in the denominations of euro 0.01, euro 1,000, euro 10,000, euro 100,000 and such other denominations as the Fiscal Agent shall determine and notify to the Noteholders; and
- (b) the amount of interest due in respect of Notes represented by a Permanent Global Note and/or a Temporary Global Note will be calculated by reference to the aggregate principal amount of such Notes and the amount of such payment shall be rounded down to the nearest euro 0.01.

# METSO CORPORATION

## Introduction

Metso Corporation (“Metso” or the “Company”) is incorporated as a public limited liability company in Finland under the Finnish Companies Act with business identity code 1538032-5. Its registered office is situated at Fabianinkatu 9 A, FIN-00130, Helsinki, Finland.

Metso is a multinational engineering and process automation company with its operations organised into the four business areas of (i) Metso Paper, (ii) Metso Minerals, (iii) Metso Automation and (iv) Metso Ventures, each of which has a leading market position in its respective area of operation. See “Business Areas” below.

Metso’s businesses are global in scope with operations in over 40 countries. Its principal production plants are located in Finland, Sweden, the United Kingdom, Germany, Italy, the United States of America, Canada, France, Brazil, South Africa and China. At the end of September 2001 Metso had 30,875 employees worldwide, approximately 37 per cent of which were based in Finland.

In 2000, Metso had total net sales of euro 3,891 million, of which approximately 91 per cent were accounted for by exports from Finland and sales by international operations. Metso’s operating profit in 2000 was euro 200 million. At 31 December 2000, Metso’s total assets amounted to euro 3,564 million and on 30 September 2001, after consolidating Svedala, the total assets amounted to euro 5,211 million. For information on the relative sizes of the operating results of Metso and Svedala, please refer to the table “Summary Combined Financials for Metso and Svedala” on page [43].

## History

Metso is the result of the 1999 merger (the “Merger”) between Valmet Corporation and Rauma Corporation. The Merger was approved by the shareholders of the companies in separate extraordinary meetings held on 31 January 1999 and the new combined company was initially given the name Valmet-Rauma Corporation. On 18 August 1999, at the extraordinary shareholders meeting of Valmet-Rauma, the shareholders approved the Board of Directors’ proposal to amend the corporation’s business name to Metso Corporation.

On 21 June 2000 Metso announced that it is making a cash offer to acquire Svedala Industri AB (“Svedala”), a global supplier of products and services for rock and mineral processes based in Sweden, which had annual net sales of euro 1,714 million for the year ended 31 December 2000. Metso’s plan is to combine its Rock and Mineral Processing business group Nordberg with Svedala to form Metso Minerals.

Svedala is a global market leader in equipment and systems for the construction, mining and mineral processing industries, producing a wide range of products: crushing and screening equipment, grinding mills, pelletising plants, conveyors, compactors and asphalt pavers. A substantial portion of total sales consists of after-market activities, including maintenance and spare parts.

On 14 September 2001, having obtained approval from the US Federal Trade Commission and the European Commission, Metso completed its acquisition of Svedala for euro 942 million. Including Svedala’s net debt, the transaction was valued at euro 1,368 million.

## Business Areas

Metso’s operations are organised into the following four business areas:

*Metso Paper (42% of the combined net sales of Metso and Svedala).* Metso Paper develops, designs and manufactures:

- machinery and equipment for the pulp and paper industry
- complete production lines for pulping and papermaking
- machinery and equipment for the panelboard industry
- machinery and equipment for the packaging and converting industries

*Metso Minerals (39% of the combined net sales of Metso and Svedala).* Metso Minerals develops, designs and supplies:

- equipment and total solutions for the crushing, grinding, screening transportation of rock and other minerals
- equipment and systems for the mining industry processes
- compaction and asphalt paving equipment
- wear protection and conveying equipment

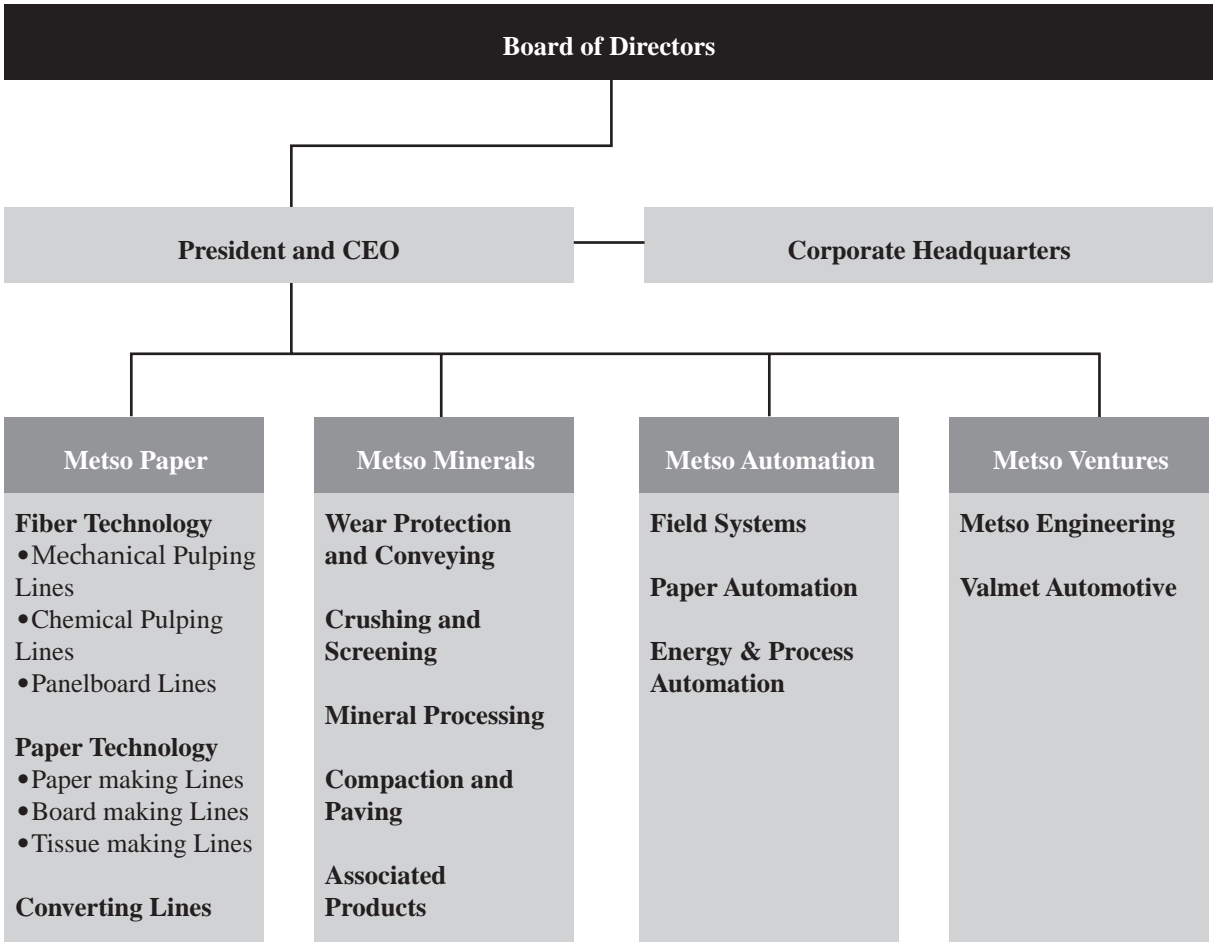
*Metso Automation (12% of the combined net sales of Metso and Svedala).* Metso Automation develops, designs and supplies:

- process industry automation and information management application networks and systems
- field control solutions

*Metso Ventures (7% of the combined net sales of Metso and Svedala).* Metso Ventures includes Metso Engineering and Valmet Automotive. Metso Engineering develops, manufactures and supplies wind turbine gears, paper machine and other industrial drives, hydraulic motors, and maintenance, product and know-how services related to machine building. Valmet Automotive is an independent contract manufacturer of specialty cars.

In addition to delivering machinery and equipment the offering of expert services for developing customers’ production processes is a strategically important focus area for all the businesses.

The following chart sets out an organisational overview of the four business areas of the Company:



The following tables show certain information on the relative size of the business areas in terms of net sales and operating profit:

### Net Sales by Business Area

	<u>2000</u>	<u>1999</u>
	<i>(in millions of euro)</i>	
Metso Paper .....	2,286	1,711
Metso Minerals <sup>(1)</sup> .....	561	469
Metso Automation .....	644	599
Metso Ventures .....	313	217
Intracompany sales .....	(92)	(80)
<b>Net sales to unaffiliated customers, continuing operations</b> .....	<u>3,712</u>	<u>2,916</u>
Forest Machines <sup>(2)</sup> .....	179	471
<b>TOTAL</b> .....	<u><u>3,891</u></u>	<u><u>3,387</u></u>

(1) Not inclusive of Svedala, acquired in September 2001.

(2) Forest Machines comprises Timberjack, which was divested in April 2000.

### Operating Profit (Loss) by Business Area

	<u>2000</u>	<u>1999</u>
	<i>(in millions of euro)</i>	
Metso Paper .....	106	(75)
Metso Minerals <sup>(1)</sup> .....	28	22
Metso Automation .....	45	6
Metso Ventures .....	26	28
Corporate Headquarters and other .....	(18)	(19)
<b>Operational Profit from continuing operations</b> .....	<u>187</u>	<u>(38)</u>
Forest Machines <sup>(2)</sup> .....	13	28
<b>Total</b> .....	<u><u>200</u></u>	<u><u>(10)</u></u>

(1) Not inclusive of Svedala, acquired in September 2001.

(2) Forest Machines represents Timberjack, which was divested in April 2000.

### Strategy

Metso's strategy is to focus on the three core business areas of Metso Paper, Metso Minerals and Metso Automation. Metso's goal is to create added value through growth, by continually improving profitability, and by reducing its susceptibility to business cycles. Metso strives to be a flexible and profitable know-how driven company, serving its customers in selected areas of process industry. It focuses particularly on the customers' core processes.

The Company seeks to grow its core businesses by exploiting the innovation potential that is inherent in its combined areas of know-how. Metso's core operations are market leaders in their own sectors, and their current installed base provides a natural platform for future growth, particularly in modernisation and maintenance.

Metso also seeks to expand its service operations through its "Future Care" customer service concept. This concept ties together all of Metso's service know-how. It offers the customer a complete package of services, ranging from project design to process rebuilds and maintenance, from a single supplier. The innovative combination of automation and process expertise possessed by Metso brings a new dimension to service for all sectors – including those that are not core businesses – and seeks to develop new business areas and/or customer sectors in two main ways. On the one hand, the "Future Care" concept aims to generate natural growth. On the other hand, all innovations will be systematically screened to identify suitable new growth businesses for investment. The Company seeks to develop new business potential in areas with synergies with the core business structure and the potential for natural growth.

In addition, Metso aims to support organic growth through acquisitions, with a view to reducing its dependence on the investment cycles of its customers.

### Summary Combined Financials for Metso and Svedala

The summary financials provided below do not constitute any pro forma accounting, but are based upon the combined reported profit and loss account items for Metso and Svedala. No economic impacts as a consequence of the combination have been taken into account, such as costs and savings, including goodwill impact and financing costs, which arise or may be expected to arise as a result of the combination. The figures in the table below are (a), for the years ending December 1999 and December 2000, derived from audited financial statements and (b) for the period ending September 2001, derived from unaudited financial statements of Metso and Svedala respectively.

	Metso	Svedala <sup>(1)</sup>	Combined <sup>(2)</sup> (unaudited)
<i>(in millions of euro, except %)</i>			
<b>Income statement 1-12/1999</b>			
Net sales.....	3,387	1,607	4,994
Operating profit before non-recurring items.....	57	98	155
Non-recurring operating expenses .....	(67)	(5)	(72)
Operating profit .....	(10)	93	83
<b>Income statement 1-12/2000</b>			
Net sales.....	3,891	1,714	5,605
Operating profit before non-recurring items.....	200	61	261
Non-recurring operating expenses .....	0	(24)	(24)
Operating profit .....	200	37	237
<b>Income statement 1-9/2001 (unaudited)</b>			
Net sales.....	2,906	1,212	4,118
Operating profit before non-recurring items.....	182	12	194
Non-recurring operating expenses <sup>(3)</sup> .....	11	8	19
Operating profit .....	171	4	175

Source: Metso (Metso and Svedala 2000 annual and Metso 3Q2001 interim reports).

Notes:

- (1) SEK converted into euro at the following rates: 1999: 8.7100; 2000: 8.44593, 2001: 9.18199.
- (2) The combined accounts are based on unaudited accounts and are for illustrative purposes only.
- (3) Does not include cost items arising from the harmonisation of Metso's and Svedala's accounting principles.

### **Accounting for the Svedala acquisition**

A total of 99.6 per cent of Svedala shares were transferred into Metso's ownership on 14 September 2001. An accrual equal to the purchase price of the remaining shares has been booked into the balance sheet of Metso. The income statement of Svedala for the period 14 September – 30 September 2001 has not been consolidated into Metso's income statement for the period 1 January – 30 September 2001 since it is not considered to have a material effect on Metso. Svedala's balance sheet as of 30 September 2001 has been consolidated into Metso's balance sheet as of 30 September 2001 by using the purchase method.

The balance sheet items of certain businesses disposed of on 1 October 2001 to Sandvik (as a condition for the approvals by the competition authorities) have not been included in the consolidated balance sheet of Metso, but euro 66 million of the sales price of euro 70 million is included in the cash and cash equivalents of Metso. The corresponding gain on the sale is booked against the goodwill arising from the acquisition of Svedala. Inventory amounting to euro 32 million related to these sold businesses remained in the balance sheet of Metso and the result from selling these assets will affect the final goodwill.

The opening balance sheet includes euro 70 million of restructuring expenses, of which euro 8 million have been realised in Svedala under the review period. Expenses arising from the harmonisation of Metso and Svedala accounting principles have been booked into Svedala's balance sheet.

Certain existing businesses were sold to Outokumpu (as a condition for the approvals by the competition authorities) for euro 4 million and the gain on the sale, euro 0.5 million, is included in the third quarter operating profit of Metso Minerals.

**The purchase price of Svedala shares and preliminary goodwill as of 30 September 2001 were as follows:**

	<i>(in millions of euro) unaudited</i>
Shares (48,011,998 shares a SEK 184.39 = SEK 8,853 million / 9.59) .....	923
Premium on the convertible debenture loan .....	1
Other direct acquisition costs .....	18
<b>Acquisition cost</b> .....	<b>942</b>
Svedala's equity at acquisition .....	279
Goodwill included in the Svedala companies' balance sheets .....	71
<b>Goodwill attributable to Svedala acquisition</b> .....	<b>734</b>

The goodwill will be amortised over 20 years, starting from October 2001.

The fair market value calculations of Svedala balance sheet items at acquisition, required by the purchase method applied in the consolidation, are being processed. When completed, such calculations will affect the amount of goodwill.

### **Share Capital**

According to the Articles of Association, the share capital of Metso can be a minimum of euro 170 million and a maximum of euro 680 million. The Corporation has a single series of ordinary shares, the nominal value being euro 1.70. As at 30 September 2001, the issued share capital was euro 231,625,926.50, divided into 136,250,545 fully paid shares, of which 60,841 shares were held by the Company.

The Annual General Meeting of 28 March 2001 authorised the Board of Directors to decide on the acquisition and disposal of the Company's own shares within one year of the shareholders' meeting. The Board of Directors may acquire the Company's own shares with its distributable funds up to an amount where the combined par value of the shares thus acquired corresponds to no more than 5 per cent of the Company's total share capital at the moment of acquisition. The Board of Directors was also authorised to dispose of the Company's own shares for use as payment in future corporate acquisitions or to finance investments. The authorisation also allows the Board of Directors to decide upon cancelling the acquired shares by reducing the share capital.

In its meeting of 28th March 2001, the Annual General Meeting of Shareholders authorised the Board of Directors of the Company, within one year following the shareholders meeting, to increase the share capital of the Company by an aggregate maximum of Euro 21,250,000 through the issuance of new shares, stock options or convertible bonds.

Metso has currently two stock option programs in place designed to form part of the incentive system for key employees. The number of shares that may be subscribed for on the basis of the stock options is 6,000,000 as a result of which the share capital of the Company may be increased by a maximum of Euro 10,200,000.

### **Management**

#### *Board of Directors*

Pursuant to the Finnish Companies Act, the Board of Directors has ultimate responsibility for the management and proper arrangement of the operations of the Company. In addition, the Board of Directors seeks to assure good corporate governance in compliance with legislation and a code of ethical conduct. The Board of Directors is composed of no less than 5 and no more than 8 members. Currently, the Board of Directors has 7 members. Members are elected by the shareholders of the Company for a term of office which ends at the end of the first annual general meeting after the election at which new elections are held.

The present members of the Board of Directors are as follows:

Name	Year of Birth	Position
Pertti Voutilainen	1940	Chairman of the Board
Mikko Kivimäki	1939	Vice Chairman of the Board; President and Chief Executive Officer, Rautaruukki Oyj
Heikki Hakala	1941	Director; Previously President and Chief Executive Officer, Metso Corporation
Juhani Kuusi	1938	Director; Senior Vice President, Head of Nokia Research Centre
Pentti Mäkinen	1952	Director; Employee representative
Jaakko Rauramo	1941	Director; Chairman of the Board, Sanoma-WSOY Oyj
Markku Tapio	1948	Director; Director General, State Shareholdings Unit of the Finnish Ministry of Trade and Industry

*Pertti Voutilainen*

Chairman of the Board of the Company, having previously served as Chairman of the Boards of Rauma and Valmet. Mr Voutilainen also served as President of Merita Bank Plc and Executive Vice President of MeritaNordbanken Plc. until 30 June 2000. He is also Chairman of the Board of Innopoli Oy and a member of the Board of Directors of Fingrid Oyj. From 1964 until 1991, Mr Voutilainen was employed by Outokumpu Corporation, a Finnish mining and metals group, and served as its president from 1980 until 1991. He holds a Master of Science degree in Economics, as well as a Masters degree in Engineering.

*Mikko Kivimäki*

Vice Chairman of the Board of the Company, having previously served as Vice Chairman of the Boards of Rauma and Valmet. Currently, Mr Kivimäki also serves as President and Chief Executive Officer of Rautaruukki Oyj and a member of the Boards of Varma-Sampo Mutual Pension Insurance Company and YIT Corporation. Mr Kivimäki holds a Master of Arts degree in Law.

*Heikki Hakala*

Former President, Chief Executive Officer, and a member of the Board of Directors of the Company, having previously served as President and Chief Executive Officer of Rauma after joining its predecessor companies in 1986. Mr Hakala also serves as Chairman of the Board of Ilmarinen Mutual Pension Insurance Company, and a member of the Boards of Pohjola Group Insurance Corporation, Lassila & Tikanoja plc and Kuusakoski Oy. Mr Hakala holds a Master of Science degree in Economics and Business Administration.

*Juhani Kuusi*

A member of the Board of Directors of the Company and also serves as Senior Vice President, Head of Nokia Research Center. He is also a member of the Board of Directors of Instrumentarium Corporation. Prior to joining Nokia in 1995, Dr. Kuusi was Director General of the Technology Development Center (“TEKES”) for 12 years. He holds a Master of Science degree in Engineering, a Licentiate of Technology degree and a Doctor of Technology Degree.

*Pentti Mäkinen*

A member of the Board of Directors of the Company serving in the capacity of a representative Metso’s personnel. Mr Mäkinen was previously a mechanic at Metso’s Rautpohja unit.

*Jaakko Rauramo*

A member of the Board of Directors of the Company, having previously served as a member of the Boards of Rauma and Valmet. Mr Rauramo also serves as Chairman of the Board of Sanoma-WSOY Oyj. He is a member of the Supervisory Board of the Finnish Medical Foundation, and a member of the Boards of Rautakirja Oyj, B.V. Lastannet Holding, Svenska Dagbladets AB, and the Scandinavian International Management Institute, and also serves as a Trustee for Reuters Founders Share Company Limited. Mr Rauramo holds a Master of Science degree in Engineering.

*Markku Tapio*

A member of the Board of Directors of the Company and also serves as Director General of the State Shareholdings Unit of the Finnish Ministry of Trade and Industry, having previously served as a member of the Boards of Valmet and Rauma. Mr Tapio also serves as Chairman of the Boards of Altia Group Oy and Finnish Industry Investment Ltd. He holds a Master of Science degree in Economics.

*Corporate Executive Board*

The Corporate Executive Board of Metso is made up of the executive officers of Metso, including product group executives and certain other members of senior management. The Corporate Executive Board prepares proposals for strategic and operational issues for the Board of Directors of Metso, and assists the President and Chief Executive Officer of Metso in the day-to-day management of the Company.

The present members of the Corporate Executive Board are as follows:

Name	Year of Birth	Position
Tor Bergman	1948	President, Chief Executive Officer and Chairman of the Executive Board
Sakari Tamminen	1953	Vice Chairman of the Executive Board, Executive Vice President and Chief Financial Officer
Arto Aaltonen	1947	Executive Vice President, Metso Paper
Matti Kähkönen	1956	President, Metso Automation
Harri Luoto	1946	Senior Vice President, General Counsel
Juhani Pakkala	1945	President, Metso Paper
Olli Vaartimo	1950	President, Metso Minerals

*Tor Bergman*

President, Chief Executive Officer and Chairman of the Executive Board. Prior to his appointment to Metso at 1 January 2001, Tor Bergman was Chief Executive Officer of Raisio Group since 1999, and he has been working in several management positions in Raisio Group's management. Mr Bergman has wide experience in the international chemical, pulp, paper and engineering industries. He holds a Master of Science degree in Engineering.

*Sakari Tamminen*

Vice Chairman of the Executive Board, Executive Vice President and Chief Financial Officer, having joined Rauma in 1986 and having previously served as Rauma's Executive Vice President and Chief Financial Officer. Mr Tamminen has a Master of Science degree in Economics and Business Administration.

*Arto Aaltonen*

Executive Vice President, Metso Paper, having previously served as President of Metso Automation and as President and Chief Executive Officer of Rauma's Neles Controls group. Mr Aaltonen joined Sunds Defibrator in 1987. He holds a Master of Science degree in Engineering.

*Matti Kähkönen*

President, Metso Automation. Prior to his current position, Matti Kähkönen was President of Metso Automation's Field Systems division since 1995. He joined Rauma-Repola in 1980 and Neles in 1984. Mr Kähkönen holds a Master of Science degree in Technology.

*Harri Luoto*

Senior Vice President and General Counsel, having previously served as Valmet's General Counsel since 1985. Mr Luoto holds a Master of Arts degree in Law.

*Juhani Pakkala*

President, Metso Paper, having previously served as President of Valmet Inc. and Valmet Canada Inc., and having joined Valmet in 1970. Mr Pakkala holds a Master of Science degree in Engineering.

*Olli Vaartimo*

President, Metso Minerals. Mr Vaartimo joined Rauma in 1974, and served as Executive Vice President of both Rauma and the Nordberg Group prior to the merger. Mr Vaartimo holds a Master of Science degree in Economics and Business Administration.

## **Summary Financial Information relating to the Company**

The following tables set out in summary form balance sheet and income statement information relating to the Issuer. Such information is derived from the unaudited consolidated financial statements of the Issuer for the nine months ended 30 September 2001 and from the audited consolidated financial statements of the Issuer as at and for the years ended 31 December 2000 and 31 December 1999. Metso Corporation was formed in 1999 as a result of the merger between Rauma and Valmet. The merger was consummated on 1 July 1999 and has been accounted for by the pooling of interest method.

The financial statements are presented in millions of euros except for per share amounts.

The financial statements of Metso are prepared in accordance with Finnish GAAP, which differs in certain respects from International Accounting Standards. Such financial statements, together with the reports of SVH PricewaterhouseCoopers Oy and the accompanying notes, are incorporated by reference into this Information Memorandum. The financial information presented below should be read in conjunction with such financial statements, reports and the notes thereto.

## CONSOLIDATED STATEMENT OF INCOME – METSO

	For the period 1/1/2001 to 30/9/2001 (unaudited) <sup>1</sup>	For the period 1/1/2000 to 31/12/2000	For the period 1/1/1999 to 31/12/1999
	<i>(in millions of euro, except per share amounts)</i>		
Net sales.....	2,906	3,891	3,387
Cost of goods sold .....	(2,148)	(2,901)	(2,556)
<b>Gross profit</b> .....	758	990	831
Selling, general and administrative expenses.....	(576)	(790)	(774)
Nonrecurring operating expenses .....	(11)	—	(67)
<b>Operating profit (loss)</b> .....	171	200	(10)
Financial income and expenses, net .....	1	(20)	(19)
Share of profits of associated companies .....	0	0	1
<b>Income (loss) before extraordinary items and income taxes</b> .....	172	180	(28)
Extraordinary income and expenses, net.....	(5)	268	(59)
<b>Income (loss) before taxes</b> .....	167	448	(87)
Income taxes .....	(55)	(59)	0
Minority interests .....	(4)	0	(1)
<b>Net income (loss)</b> .....	108	389	(88)
Earnings (loss) per share .....	0.83	0.90	(0.22)

<sup>1</sup> The income statement of Svedala for the period 14 September 2001 to 30 September 2001 has not been consolidated into Metso's income statement for the period 1 January 2001 to 30 September 2001 since it is not considered to have a material effect on Metso.

## CONSOLIDATED BALANCE SHEET – METSO

	30/9/2001 (unaudited) <sup>1</sup>	31/12/2000	31/12/1999
	<i>(in millions of euro, except per share amounts)</i>		
<b>Fixed assets and financial assets</b>			
Intangible assets .....	1,000	262	216
Tangible assets .....	858	670	684
Financial assets .....	260	238	252
<b>Current assets</b>			
Inventories .....	1,072	699	661
Receivables .....	1,714	1,210	1,197
Cash and cash equivalents.....	307	485	159
<b>Total assets</b> .....	5,211	3,564	3,169
Share capital .....	232	230	228
Other shareholders' equity.....	1,211	1,195	857
Minority interests .....	11	8	9
Long-term liabilities .....	634	507	535
Current liabilities .....	3,123	1,624	1,540
<b>Total shareholders' equity and liabilities</b> .....	5,211	3,564	3,169

<sup>1</sup> Svedala's balance sheet as at 30 September 2001 has been consolidated into Metso's balance sheet as at 30 September 2001 by using the purchase method.

## CONSOLIDATED STATEMENT OF INCOME – METSO

	Year ended 31 December 2000	1999
	<i>(in millions of euro, except for per share amounts)</i>	
<b>Net sales</b> .....	3,891	3,387
Cost of goods sold .....	(2,901)	(2,556)
	990	831
<b>Gross profit</b> .....		
Selling, general and administrative expenses.....	(808)	(794)
Other income and expenses, net .....	18	20
Non recurring operating expenses .....	—	(67)
	200	(10)
<b>Operating profit (loss)</b> .....		
Financial income and expenses, net .....	(20)	(19)
Share of profits of associated companies .....	0	1
	180	(28)
<b>Income (loss) before extraordinary items and income taxes</b> .....		
Extraordinary income and expenses, net.....	268	(59)
	448	(87)
<b>Income (loss) before income taxes</b> .....		
Income taxes .....	(59)	0
Minority interests .....	0	(1)
	389	(88)
<b>Net income (loss)</b> .....		
Earnings (loss) per share .....	0.90	(0.22)

## CONSOLIDATED BALANCE SHEET – METSO

	<u>As at 31 December 2000</u>	<u>As at 31 December 1999</u>
<i>(in millions of euro)</i>		
<b>ASSETS</b>		
<b>Fixed assets and financial assets</b>		
<b>Intangible assets</b>		
Goodwill .....	208	170
Other intangible assets .....	54	46
	<u>262</u>	<u>216</u>
<b>Tangible assets</b>		
Land and water areas.....	55	56
Buildings .....	249	262
Machinery and equipment.....	282	296
Other tangible assets .....	29	19
Assets under construction .....	55	51
	<u>670</u>	<u>684</u>
<b>Financial assets</b>		
Shareholdings and other securities .....	138	124
Own shares .....	1	6
Loans receivable .....	4	10
Accounts receivable .....	38	57
Other long-term investments .....	57	55
	<u>238</u>	<u>252</u>
<b>Total fixed and financial assets .....</b>	<u>1,170</u>	<u>1,152</u>
<b>Current assets</b>		
<b>Inventories</b>		
Materials and supplies .....	135	198
Work in process .....	355	226
Finished products .....	209	237
	<u>699</u>	<u>661</u>
<b>Receivables</b>		
Accounts receivable .....	752	775
Costs and earnings of projects under construction in excess of billings .....	200	158
Loans receivable .....	9	6
Prepaid expenses and accrued income .....	129	151
Deferred tax assets .....	60	69
Other receivables.....	43	37
Other short-term investments .....	17	1
	<u>1,210</u>	<u>1,197</u>
<b>Cash and cash equivalents .....</b>	<u>485</u>	<u>159</u>
<b>Total current assets.....</b>	<u>2,394</u>	<u>2,017</u>
<b>Total assets .....</b>	<u>3,564</u>	<u>3,169</u>

	As at 31 December 2000	As at 31 December 1999
<i>(in millions of euro)</i>		
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Shareholders' equity</b>		
Share capital .....	230	228
Share premium reserve.....	8	7
Legal reserve .....	220	221
Revaluation reserve .....	0	0
Cumulative translation differences .....	46	(2)
Reserve for own shares .....	1	6
Other reserves .....	202	202
Retained earnings .....	329	511
Net income (loss) for financial year .....	389	(88)
<b>Total shareholders' equity</b> .....	<b>1,425</b>	<b>1,085</b>
<b>Minority interests</b> .....	<b>8</b>	<b>9</b>
<b>Liabilities</b>		
<b>Long-term debt</b>		
Bonds .....	242	240
Loans from financial institutions .....	82	116
Pension loans.....	69	79
Other long-term debt .....	35	51
	<b>428</b>	<b>486</b>
<b>Other long-term liabilities</b>		
Accrued expenses .....	47	47
Deferred tax liability .....	31	—
Other long-term loans .....	1	2
	<b>79</b>	<b>49</b>
<b>Current liabilities</b>		
Current portion of long-term debt .....	40	34
Other interest-bearing short-term debt .....	80	256
Advances received.....	153	118
Accounts payable .....	262	246
Billings in excess of cost and earnings of projects under construction .....	255	136
Accrued expenses and deferred income .....	765	669
Deferred tax liability .....	—	22
Other current liabilities .....	69	59
	<b>1,624</b>	<b>1,540</b>
<b>Total liabilities</b> .....	<b>2,131</b>	<b>2,075</b>
<b>Total shareholders' equity and liabilities</b> .....	<b>3,564</b>	<b>3,169</b>

## Capitalisation and Indebtedness of the Issuer

The following table sets out the capitalisation and indebtedness of the Company as at 30 September 2001, and is derived from the unaudited consolidated financial statements of the Company as at 30 September 2001. There has been no material change in the capitalisation or indebtedness of the Company since 30 September 2001.

	As at 30 September 2001 (unaudited) <sup>1</sup>
	<i>(in millions of euro)</i>
<b>Short-term interest bearing liabilities</b> .....	1,279
<b>Long-term interest bearing liabilities</b> .....	466
<b>Stockholders' equity</b>	
Share capital .....	232
Reserves .....	469
Retained earnings .....	742
Total stockholders' equity .....	1,443
<b>Total capitalisation and indebtedness</b> .....	3,188

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<sup>1</sup> Svedala's balance sheet as at 30 September 2001 has been consolidated into Metso's balance sheet as at 30 September 2001 by using the purchase method.

## TAXATION

The following is a general description of certain Finnish tax considerations relating to the Notes and the certain United Kingdom taxation issues in relation to payments of principal and interest in respect of the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. The comments relating to United Kingdom taxation do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes and relate only to the position of persons who are absolute beneficial owners of the Notes. Prospective Noteholders should be aware that the particular terms of issue of any series of notes as specified in the relevant Pricing Supplement may affect the tax treatment of that and other series of Notes.

Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments will be exempt from all Finnish taxes and/or may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

**The following is a general guide and should be treated with appropriate caution. Noteholders who are in any doubt as to their tax position should consult their professional advisers.**

This summary is based upon the law and, in the case of the summary of United Kingdom taxation, United Kingdom Inland Revenue practice as in effect on the date of this Information Memorandum and is subject to any change in law or practice that may take effect after such date.

### **Republic of Finland**

Under present Finnish law, payments of the principal of and interest (if any) on the Notes will be exempt from all taxes, duties, fees and imposts of whatever nature, imposed or levied by or within the Republic of Finland or by any province, municipality or other political sub-division or taxing authority thereof and therein, except when the Holder of the Note or Coupon to which any such payment relates is subject to such taxation thereon by reason of such Holder being connected with the Republic of Finland otherwise than solely by his holding of such Note or Coupon or the receipt of income therefrom.

Non-residents of Finland are not liable to pay Finnish capital gains tax on Notes that are not connected with a permanent or a fixed base in Finland.

Transfers of Notes by a non-resident by way of a gift or by reason of the death of the Holder may be subject to Finnish gift or inheritance tax, respectively.

### **United Kingdom**

#### **(A) Provision of Information**

Noteholders who are individuals should note that where any interest on Notes is paid to them (or to any person acting on their behalf) by any person in the United Kingdom acting on behalf of the Issuer (a "paying agent"), or is received by any person in the United Kingdom acting on behalf of the relevant Noteholder (other than solely by clearing or arranging the clearing of a cheque) (a "collecting agent"), then the paying agent or the collecting agent (as the case may be) may, in certain cases, be required to supply to the United Kingdom Inland Revenue details of the payment and certain details relating to the Noteholder (including the Noteholder's name and address). These provisions will apply whether or not the interest has been paid subject to withholding or deduction for or on account of United Kingdom income tax and whether or not the Noteholder is resident in the United Kingdom for United Kingdom taxation purposes. Where the Noteholder is not so resident, the details provided to the United Kingdom Inland Revenue may, in certain cases, be passed by the United Kingdom Inland Revenue to the tax authorities of the jurisdiction in which the Noteholder is resident for taxation purposes.

With effect from 6 April 2002 the provisions referred to above may also apply, in certain circumstances, to payment made on redemption of any Notes issued at an issue price of less than 100 per cent of their principal amount.

#### **(B) Proposed EU Savings Directive**

In July 2001 the European Commission presented a proposal for a new directive regarding the taxation of saving income. Subject to a number of important conditions being met, it is proposed that member states will be required to provide to the tax authorities of another member state details of

payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other member state, subject to the right of certain member states to opt instead for a withholding system for a transitional period in relation to such payments and subject to the proposals not being required to be applied to Notes issued before 1 March 2001, or to Notes which are issued before 1 March 2002 and are fungible with Notes issued before 1 March 2001. The proposals are not yet final, and they may be subject to further amendment and/or clarification.

**(C) Other rules relating to UK Withholding Tax**

1. Notes may be issued at an issue price of less than 100 per cent of their principal amount. Any discount element may be subject to reporting requirements as outlined above.
2. Where Notes are issued with a redemption premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to reporting requirements as outlined above.
3. The references to “interest” in this United Kingdom Tax Section mean “interest” as understood in United Kingdom tax law. The statements in herein above do not take any account of any different definitions of “interest” or “principal” which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.
4. It is assumed for the purposes of this United Kingdom Taxation section that there will be no substitution of an issuer, and the tax consequences of any such substitution are not considered.

## SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Salomon Brothers International Limited, Barclays Bank PLC, Deutsche Bank AG London, HSBC Bank plc, Merrill Lynch International, Merita Bank plc, SEB Merchant Banking, Skandinaviska Enskilda Banken AB (publ) and UBS AG, acting through its business group UBS Warburg (the “Dealers”). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in an amended and restated dealer agreement dated 12 November 2001 (the “**Dealer Agreement**”) and made between the Issuer and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

### United States of America

*Regulation S Category 2: TEFRA D or TEFRA C as specified in the relevant Pricing Supplement or neither if TEFRA is specified as not applicable in the relevant Pricing Supplement.*

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Fiscal Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### United Kingdom

Each Dealer has represented and agreed that:

- (a) **No offer to public:** with respect to Notes which have a maturity of one year or more, it has not offered or sold and will not offer or sell any such Notes to persons in the United Kingdom prior to the expiry of the period of six months from the issue date of such Notes except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended);
- (b) **General compliance:** it has complied and will comply with all applicable provisions of the Financial Services Act 1986 (the “**Act**”) (and, after they come into force, all applicable provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”)) with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom;

- (c) **Investment advertisements:** it has only issued or passed on and will only issue or pass on, in the United Kingdom, before the repeal of section 57 of the Act, any document received by it in connection with the issue of such Notes to a person who is of a kind described in article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 (as amended) or is a person to whom such document may otherwise lawfully be issued or passed on.

After the repeal of section 57 of the Act it will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of such Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

- (d) **Accepting Deposits in the United Kingdom:** with respect to any Tranche of Notes which is issued after section 19 (the general prohibition) of the FSMA is brought into force and which must be redeemed before the first anniversary of the date of their issue, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business, and (b) it has not offered or sold and will not offer or sell any such Notes other than to persons:
- (i) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
  - (ii) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer.

## Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, “**Japanese Person**” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## Switzerland

Each Dealer has agreed that any issue of Notes denominated in Swiss Francs will be in compliance with the guidelines of the Swiss National Bank regarding issues of Swiss Franc denominated debt securities.

## Germany

Each Dealer has confirmed that it is aware of the fact that no German selling prospectus (*Verkaufsprospekt*) has been or will be published with respect to the Programme and that such Dealer will comply with the Securities Selling Prospectus Act (the “SSPA”) of Germany (*Wertpapierverkaufsprospektgesetz*). In particular, each Dealer has undertaken not to engage in public offering (*öffentliches Anbieten*) or other selling activities in Germany with respect to any Notes issued under the Programme otherwise than in accordance with the SSPA and any other legislation replacing or supplementing the SSPA and all other applicable laws and regulations.

## France

Each Dealer has represented and agreed that the Notes are being issued outside France and that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France, and that it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France the Information Memorandum or any other offering material relating to the Notes and that such offers, sales and distributions have been and shall be made in France only to (i) qualified investors (*investisseurs qualifiés*) and/or (ii) a restricted group of investors (*cercle restreint d'investisseurs*), all as defined in and in accordance with L411-2 of the Code Monétaire et Financier (“the Code”) and décret no. 98-880 dated 1 October, 1998.

Notes may only be issued, offered or sold, directly or indirectly, in France in accordance with the Code. Where an issue, offer or sale of the Notes is effected as an exception to the public offer rules (*appel public à l'épargne*) in France by way of an offer or sale to (i) qualified investors (*investisseurs qualifiés*)

and/or (ii) a restricted circle of investors (*cercle restreint d'investisseurs*) all as defined in, and in accordance with, the Code and *décret* no. 98-880 dated 1 October, 1998, such qualified investors or investors of a restricted circle must be informed that:

- (a) the issue, offer or sale of the Notes does not require an information document to be submitted to the approval of the *Commission des Opérations de Bourse*;
- (b) they can only invest in the Notes for their own account;
- (c) the direct or indirect offer or sale, to the public in France, of the Notes so purchased can only be made in accordance with the Code; and
- (d) if the offer or sale is made to a restricted circle of investors comprising 100 or more of such investors, the latter must provide a certification as to their personal relationship from a professional or family standpoint, with a member of the management of the Issuer.

### **Finland**

Each Dealer has represented and agreed that it will not publicly offer the Notes or bring the Notes into general circulation in the Republic of Finland other than in compliance with all applicable provisions of the laws of the Republic of Finland and especially in compliance with the Finnish Securities Market Act (1989/495) and any regulation made thereunder, as supplemented and amended from time to time.

### **General**

Other than with respect to the admission to listing, trading and/or quotation of the Notes by such one or more listing authorities, stock exchanges and/or quotation systems as may be specified in the Pricing Supplement, no action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Information Memorandum or any Pricing Supplement comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "General" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in the relevant Pricing Supplement (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or (in any other case) in a supplement to this document.

## GENERAL INFORMATION

### Listing

Application has been made to list Notes issued under the Programme on the Luxembourg Stock Exchange and, in connection therewith, the Luxembourg Stock Exchange has allocated to the Programme the number 12464 for listing purposes. Prior to the listing of any Notes, the constitutional documents of the Issuer and the legal notice relating to the issue will be registered with the Registrar of the District Court in Luxembourg (*Greffier en Chef du Tribunal d'Arrondissement de et à Luxembourg*), where copies of these documents may be obtained upon request.

However, Notes may be issued pursuant to the Programme which will not be listed on the Luxembourg Stock Exchange or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system or which will be admitted to listing, trading and/or quotation by such listing authority, stock exchange and/or quotation system as the Issuer and the relevant Dealer(s) may agree.

### Authorisations

The establishment and the 2001 update of the Programme were authorised by resolutions of the Board of Directors of the Issuer dated 30 October 2000 and 31 October 2001, respectively. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

### Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Series will be specified in the Pricing Supplement relating thereto. The relevant Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

### Banking Act 1987 (Exempt Transactions) Regulations 1997

Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom before section 19 (the general prohibition) of the Financial Services and Markets Act 2000 comes into force and which are issued pursuant to an exempt transaction under regulation 13(1) or (3) of the Banking Act 1987 (Exempt Transactions) Regulations 1997 (the “**Regulations**”) will constitute commercial paper, shorter term debt securities or longer term debt securities (in each case, as defined in the Regulations), as specified in the applicable Pricing Supplement, in each case issued in accordance with regulations made under Section 4 of the Banking Act 1987. The Issuer is not an authorised institution or a European authorised institution (as such terms are defined in the Regulations). Payments in respect of the Notes are not guaranteed.

In relation to any Notes which are issued pursuant to an exempt transaction under regulation 13(3) of the Regulations where such Notes would fall within regulation 13(4)(a) or (b) of the Regulations the Issuer confirms that:

- (a) as at the date hereof, it has complied with its obligations under the relevant rules (as defined in the Regulations) in relation to the admission to and continuing listing of the Notes issued under the Programme and of any previous issues made under it and listed on the same exchange as the Programme;
- (b) it will have complied with its obligations under the relevant rules in relation to the admission to listing of such Notes by the time when such Notes are so admitted; and
- (c) as at the date hereof, it has not, since the last publication, if any, in compliance with the relevant rules of information about the Programme, any previous issues made under it and listed on the same exchange as the Programme, or any Notes falling within regulation 13(4)(a) or (b) of the Regulations, having made all reasonable enquiries, become aware of any change in circumstances which could reasonably be regarded as significantly and adversely affecting its ability to meet its obligations as issuer in respect of such Notes as they fall due.

In relation to Notes which are to be exempt transactions under regulation 13(3) of the Regulations and fall within regulations 13(4)(b) of the Regulations, the Issuer confirms that, as at the date hereof, it has complied and will continue to comply with its obligations under the Regulations to lodge all relevant information (as defined in the Regulations) in relation to any such Notes with the Financial Services Authority in its capacity as competent authority pursuant to Part IV of the Financial Services Act 1986.

#### **Use of proceeds**

The net proceeds of the issue of each Tranche of Notes will be applied by the Issuer to meet part of its general financing requirements.

#### **Litigation**

Save as disclosed in this Information Memorandum, there are no litigation or arbitration proceedings against or affecting the Issuer, any of its subsidiaries or any of their respective assets or revenues, nor is the Issuer aware of any pending or threatened proceedings of such kind, which are or might be material in the context of the Programme or the issue of the Notes thereunder.

#### **No significant change**

Save as disclosed in this Information Memorandum, there has been no significant change in the financial or trading position of the Issuer and its subsidiaries, taken as a whole, since 30 September 2001 and there has been no material adverse change in the financial position or prospects of the Issuer and its subsidiaries, taken as a whole, since 31 December 2000.

#### **Independent Accountants**

The consolidated financial statements of the Issuer as at and for the year ended 31 December 2000 and 31 December 1999 have been audited in accordance with generally accepted auditing standards in Finland by SVH PricewaterhouseCoopers Oy.

#### **Documents available for inspection**

For so long as the Programme remains in effect or any Notes shall be outstanding, copies and (where applicable) English translations of the following documents may be inspected during normal business hours at the Specified Office of the Fiscal Agent and the Paying Agent in Luxembourg, and copies of the documents referred to in paragraphs (e) and (f) below can be obtained free of charge from such Specified Office of the Paying Agent in Luxembourg during normal business hours and Conformed Copies of the document referred to in (b) below can be obtained at the cost of the Noteholders from the specified office of the Issuer during normal business hours:

- (a) the Fiscal Agency Agreement;
- (b) the Deed of Covenant;
- (c) the Dealer Agreement;
- (d) the constituting documents of the Issuer;
- (e) the most recent publicly available audited consolidated and unconsolidated financial statements of the Issuer beginning with such financial statements for the financial years ended 31 December 2000 and 31 December 1999 and the most recent publicly available unaudited interim quarterly financial statements of the Issuer;
- (f) a copy of this Information Memorandum together with any supplement to this Information Memorandum or further Information Memorandum; and
- (g) any Pricing Supplement relating to Notes which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system. (In the case of any Notes which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Pricing Supplement will only be available for inspection by the relevant Noteholders.)

**REGISTERED OFFICE OF THE ISSUER**

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