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Interim Review
January 1–June 30, 2000

Linking Innovations

Metso is a globally-leading supplier of processes, machinery and systems for the pulp and paper industry. The Corporation is also a strong supplier in automation and flow control solutions, and one of the world's leading suppliers of rock and mineral processing systems. The main customer sectors are the pulp and paper industry, construction and civil engineering, mining and the energy industry.

- **Metso's net sales for January-June were EUR 1,825 million (EUR 1,583 million in January-June, 1999).**
- **The operating profit was EUR 69 million (EUR 1 million).**
- **The income before extraordinary items and income taxes was EUR 58 million (EUR 5 million).**
- **Earnings per share were EUR 0.30 (EUR 0.02).**
- **New orders worth EUR 2,525 million were received (EUR 1,705 million).**
- **The order backlog at the end of June was EUR 2,225 million (EUR 1,586 million on Dec. 31, 1999)**

Markets

The demand for Metso's products continued to strengthen in the January-June period, and showed a clear improvement over the corresponding period last year.

The improved market situation in the pulp and paper industry affected Metso's market situation in the period under review. The demand for fiber and paper technology products picked up particularly in Europe and in North America. The demand for automation and control technology products was also brisk in Europe, but remained at the same level as in the early part of the year in North America. The economic situation in the Asia-Pacific area has improved since last year, which has increased the willingness of many Asian countries to invest. The demand for rebuilds, spare parts and services continued to be strong. The demand for products supplied for construction and civil engineering was good in Europe and improved in North America. Demand also improved slightly in Southeast Asia. The demand for mining equipment began to pick up due to a recovery in the mining sector.

Orders received and order backlog

In January-June, new orders worth EUR 2,525 million (EUR 1,705 million in January-June, 1999) were received, representing a 48 percent increase over the corresponding period last year. The orders received by fiber and paper technology increased by 85 percent. The new orders gained by automation and control technology were 13 percent up on the same period last year. The new orders of the machinery business area also increased by 11 percent over the corresponding period last year, which mainly resulted from a 23 percent increase in orders received by the rock and mineral processing group. At the end of June, Metso's order backlog was 40 percent higher than at the end of last year, totaling EUR 2,225 million (EUR 1,586 million on Dec. 31, 1999).

Net sales

Metso's net sales for January-June totaled EUR 1,825 million (EUR 1,583 million). Net sales increased by 15 percent compared with the corresponding period in 1999 as a result of the increase in delivery volumes of all business areas. The deliveries of fiber and paper, automation and control technology, and machinery accounted for 53, 15 and 32 percent respectively of the Corporation's net sales.

In January-June, 48 percent of the net sales were from Europe, 34 percent from North America, 11 percent from Asia-Pacific, 5 percent from South America and 2 percent from the rest of the world.

Profitability

The operating profit for January-June was EUR 69 million (EUR 1 million). Compared with the corresponding period last year, profitability was clearly better in all business areas and strengthened particularly in fiber and paper technology. The converting equipment business also continued to improve its profitability, but still operated at a slight loss. The profitability of automation and control technology and machinery improved considerably on the corresponding period last year.

Income before extraordinary items and income taxes was EUR 58 million (EUR 5 million). Net financing expenses were EUR 11 million including received dividends of EUR 11 million and foreign exchange losses of EUR 1 million. The net income for the period under review,

excluding extraordinary items, was EUR 40 million (EUR 3 million). Earnings per share were EUR 0.30 (EUR 0.02). The return on capital employed (ROCE) was 9.5 percent (2.2%), and the return on equity (ROE) was 7.0 percent (0.5%).

The taxes corresponding to the income for the period under review were entered as taxes.

Cash flow and balance sheet

Metso's net cash provided by operating activities was EUR 140 million (EUR 74 million negative). On June 30, 2000, the Corporation was debt free (net of cash and interest-bearing receivables) after the sale of Timberjack and the acquisition of Beloit. The Corporation's net interest-bearing receivables totaled EUR 40 million (net interest-bearing liabilities EUR 451 million). Gearing, i.e. the ratio of net interest-bearing liabilities to shareholders' equity, was -2.9 percent (38.2%). The Corporation's equity to assets ratio was 44.8 percent (42.0%).

Capital expenditure

The gross capital expenditure for January-June, including acquisitions, amounted to EUR 225 million (EUR 78 million). Acquisitions accounted for EUR 172 million (EUR 30 million).

Changes in corporate structure

Metso sold its forest machine manufacturer Timberjack, which was included in the machinery business area, to the US company Deere & Company on April 28, 2000, on which date the worldwide operations of Timberjack were also transferred to the buyer. The final debt-free price was EUR 644 million. The deal created a profit before taxes of EUR 382 million. Taxes on the sales profit amounted to EUR 107 million. The sales profit minus taxes, EUR 275 million, was entered under extraordinary items.

The acquisition of the roll cover division, service and aftermarket business assets and paper machine technology of the American paper machine manufacturer Beloit was brought to a conclusion on May 11, 2000, on which date the business operations were transferred to Metso. The purchase price was EUR 167 million. The integration of the acquired Beloit units with Metso's fiber and paper technology business area has progressed as planned.

In January, Metso sold Sako Ltd to Beretta Holding, and also sold its 50 percent holding in Oy Saab-Auto Ab to Saab Automobile AB. In April, Metso's 51 percent holding in Oy Valmet Fisher-Rosemount Ab, a sales company specializing in field instrumentation for process industry automation, was sold to Rosemount Inc. In June, Metso acquired the last third of the share capital of Santasalo Powdermet Oy from Sitra, the Finnish National Fund for Research and Development. Metso already owned two-thirds of Santasalo Powdermet Oy.

Offer to acquire Svedala Industri AB

On June 21, 2000, the Board of Directors of Metso Corporation decided to make an offer to acquire the entire stock of Svedala Industri AB (listed on the OM Stockholm Stock Exchange). Svedala is a global supplier of products and services for rock and mineral processes, with net sales of EUR 1.6 billion for 1999 and approximately 11,000 employees. The acquisition of Svedala represents a further step in Metso's strategy and further increases the service element of Metso's business mix in line with the Future Care concept. If realized, the acquisition will make Metso's business portfolio better balanced and less vulnerable to demand cycles. The combination of the companies will result in synergy benefits, which are expected to amount to more than EUR 70 million when fully implemented. Metso estimates that the transaction will enhance earnings per share during the fiscal year 2001. The acquisition is subject to approval by relevant competition authorities and to Metso's offer being accepted by Svedala shareholders representing 90 percent of Svedala's share capital. The share settlement is expected to take place at the end of September/early October.

Partnerships

During the period under review, the product portfolio and market position of Metso's automation and control technology business area were strengthened by various partnership agreements. An agreement on partnership was made with Aspen Technology Inc. from the USA to strengthen the market position of Neles Automation as a supplier of information management solutions related to process automation. Neles Automation also decided to form an alliance with the Swiss company Endress+Hauser for joint field control solutions development and sales activities. In addition, earlier in the spring, an agreement was signed with V.I.B. Systems to establish a joint venture specializing in paper machine moisture profile products and technology. An agreement was also signed with Parsytec AG from Germany concerning the distribution, service and development of web inspection systems.

E-Metso

In June, in order to meet the requirements of rapidly changing process industry markets, Metso established e-Metso, an independent company focusing on the development and implementation of electronic trading. The objective of e-Metso is to support the combination of new and conventional technology in Metso. E-Metso will also optimize the development and use of resources related to electronic trading, support projects of the business areas, and adapt the most recently developed solution models for use by the Corporation. The aim is to make Metso one of the leading companies applying e-business in conventional industry during 2001.

Research and development

Metso's research and development expenses for the January-June period totaled EUR 65 million (EUR 68 million), equivalent to 3.6 percent of the Corporation's net sales.

Shares

In January-June, 21 million Metso Corporation shares were traded in the Helsinki Exchanges, corresponding to a turnover of EUR 296 million. On June 30, 2000, the share price was EUR 12.60. The highest quotation of the period was EUR 16.20 and the lowest EUR 11.10. On June 30, 2000, the Corporation's market capitalization was EUR 1,706 million. Trading of Metso's ADRs in the New York Stock Exchange amounted to USD 5.3 million. The price of an ADR was USD 11.75 on June 30, 2000. The highest price was USD 16.25 and the lowest USD 11.25.

Personnel

Metso employed 22,138 persons (23,317) at the end of June. Due to acquisitions made during the last 12 months, the Corporation's personnel grew by 1,846. Correspondingly, due to divestments, the number of personnel was reduced by 2,066.

Synergy benefits and cost savings

The annual synergy benefits of the merger of Valmet and Rauma, as well as the benefits arising from measures taken in 1999 to adapt to the market situation and restructuring, are estimated to exceed EUR 100 million. The synergy benefits mainly consist of cost savings and will be realized in the fiber and paper technology business area. Over half of the synergy benefits and cost savings are expected to be achieved this year, and the benefits in full in 2001.

Short-term outlook

The demand for the products of Metso's customer industries has been good, which is expected to have a positive effect on these sectors' willingness to invest. The demand for Metso's products is expected to continue at a good level.

The prices of market pulp and paper grades have strengthened further. The investments of the pulp and paper industry are expected to continue and to maintain strong demand for the products of fiber and paper technology, and automation and control technology in Europe and North America. The demand for rebuilds, spare parts and services is likewise estimated to remain good. The conditions for investment are expected to further improve in the Southeast Asian and South American markets.

Investments by the construction and civil engineering industries are estimated to remain at the same level as in the early part of the year in Europe and North America, and thus to maintain strong demand. The recovery of the mining sector is anticipated to increase the demand for mining products.

A clear improvement is expected in the Corporation's profitability in 2000 compared with the last year, due to the effect of restructuring measures and the improved market situation.

BUSINESS AREAS

Fiber and paper technology

The fiber and paper technology business area (Valmet) develops, designs and manufactures processes, machines and equipment for the pulp, paper, panelboard and packaging industries.

The net sales of the business area for the January-June period were 23 percent up on the corresponding period last year, and totaled EUR 967 million (EUR 784 million). The increase in net sales was due to the growth in delivery volumes. The net sales of fiber technology grew by 63 percent, totaling EUR 269 million (EUR 165 million), while the net sales of paper technology grew by 20 percent, totaling EUR 662 million (EUR 552 million). The net sales of converting equipment grew by 4 percent and totaled EUR 70 million (EUR 67 million). The integration of the Beloit businesses with fiber and paper technology on May 11, 2000 did not yet significantly affect the net sales of the business area for the January-June period.

The operating profit of the business area improved to EUR 28 million (operating loss EUR 15 million). The operating profit of fiber technology was EUR 13 million (operating profit EUR 4 million) and the operating profit of paper technology, EUR 17 million (operating loss EUR 8 million). The operating loss of converting equipment contracted to EUR 3 million (operating loss EUR 10 million). The increased operating profit of the business area was mainly due to the rationalization measures decided on in 1999, as well as to the synergy benefits arising from the combination of operations and a higher capacity utilization rate.

New orders were received to a value of EUR 1,607 million (EUR 867 million), which was 85 percent more than in the corresponding period last year. The new orders received by fiber technology grew to EUR 300 million (EUR 192 million) mainly due to orders for panelboard lines and several pulp line modernizations. The new orders received by paper technology grew considerably on the corresponding period last year, and totaled EUR 1,213 million (EUR 610 million). The orders were mainly for paper machine rebuilds and paper finishing systems. Orders were received for a total of nine completely new tissue and fine paper machines. The new orders received

by converting equipment also showed a clear improvement and totaled EUR 114 million (EUR 65 million). Service operations grew steadily in all market areas, orders received being at a good level in the Beloit units too, during the weeks following the integration in May-June.

The order backlog of the fiber and paper technology business area improved by 53 percent over the situation at the end of 1999, and stood at EUR 1,879 million (EUR 1,226 million on Dec. 31, 1999). The order backlog of fiber technology was EUR 384 million (EUR 342 million), while that of paper technology was EUR 1,482 million (EUR 924 million). The order backlog for converting equipment was EUR 101 million (EUR 58 million).

Automation and control technology

The automation and control technology business area (Neles Automation) develops, designs and delivers process industry automation and information management application networks and systems, and field control solutions. The main customers are the pulp and paper industry, other process industries and the energy industry.

The net sales of the business area for the January-June period were almost at the same level as in the corresponding period last year, and totaled EUR 289 million (EUR 279 million). Service operations developed favorably, compared with the corresponding period last year. The low demand for field equipment for the process industry during the first quarter of the year was reflected in reduced delivery volumes during the second quarter of the year.

The operating profit for January-June more than doubled on the corresponding period last year, totaling EUR 13 million (EUR 5 million). The increase in the operating profit was due to growth in demand and the restructuring and rationalization of operations implemented during the merger.

The market situation for the products of automation and control technology strengthened during January-June. The demand for pulp and paper industry continued to liven up and also increased the demand for automation systems and field equipment. The demand for SCADA systems was somewhat lower than in the corresponding period last year, mainly due to postponed customer projects. Demand picked up particularly in Asia.

The new orders received were 13 percent up on the corresponding period last year, and amounted to EUR 333 million (EUR 294 million). In addition to the improved market situation, the intake of new orders increased due to the launch of automation and control solutions applying the latest technology and to the diversified product and service portfolio. The order backlog grew by 27 percent from the end of the year, and stood at EUR 229 million (EUR 181 million on Dec. 31, 1999).

During the period under review, the automation and control tech-

nology business area signed various partnership agreements to strengthen its product portfolio and market position.

The automation and control technology business area continued its co-operation with the fiber and paper technology business area in research and development, marketing, sales, deliveries and service. The principal object of development is the OptiConcept paper making line and the automation technology embedded in it. There are also various ongoing service-related development projects, which apply the opportunities provided by remote diagnostics and worldwide information networks. Corresponding development work also continued with the rock and mineral processing group to integrate automation solutions in crushers and crushing plants.

Machinery

The machinery business area comprises Nordberg, a developer, manufacturer and supplier of rock and mineral processing plants and systems, Santasalo, a supplier of power transmission solutions and components, and Valmet Automotive, a specialty car manufacturer. The forest machine manufacturer Timberjack formed part of the machinery business area until April 28, 2000.

The net sales of rock and mineral processing grew by 21 percent on the corresponding period last year, and totaled EUR 286 million (EUR 237 million). The increase in net sales was due to both a strengthening of the market and to the acquired businesses. The group's operating profit was clearly higher than in the previous year, totaling EUR 16 million (EUR 10 million). Profitability was improved by increased delivery volumes and the rationalization measures implemented in 1999. Integration costs of the new businesses acquired in the last quarter of 1999 burdened profitability during the first six months of the year.

The demand for products and services delivered for construction and civil engineering continued good in Europe and improved in North America and Australia. Demand improved in Asia, owing to the new sales network. The mining sector showed signs of picking up particularly in the Southern Hemisphere, although the new projects will only be seen as possible orders during the latter part of the year. New orders were received to the value of EUR 291 million (EUR 237 million), which was 23 percent more than in the corresponding period last year. The demand for mobile products supplied to contractors and quarrying customers grew heavily. The order backlog was 10 percent higher than at the turn of the year, and stood at EUR 113 million at the end of June (EUR 103 million on Dec. 31, 1999).

In June, Metso made an offer to acquire the Swedish company Svedala. If the transaction is implemented, Metso plans to combine its rock and mineral processing group Nordberg with Svedala. The combination of operations will create a global market leader in the supply and service of processes and related equipment for the

civil engineering, construction and mineral processing industries. The large combined installed machine base of the companies, together with the strength and wide geographical reach of the combined distribution and service network, will significantly enhance Metso's growth prospects in rock and mineral processing. The integration of the considerable process automation expertise of Metso with rock and mineral processing technology offers new opportunities to develop new generation crushing solutions. 45 percent of Svedala's and Nordberg's business operations are in same areas, and 45 percent are complementary to Nordberg's business operations. The combination will provide synergy benefits in production, distribution, service operations, research and development, and administration.

The net sales of gears and components grew by 64 percent in January-June compared with the corresponding period last year, and totaled EUR 87 million (EUR 53 million). This increase in net sales was mainly due to restructuring. At the beginning of 2000, the gear operations of Santasalo, and the Parkano works that was earlier a part of Metso's rock and mineral processing group, were both integrated with the group. The net sales were also improved by the growth of deliveries. The group's operating profit was EUR 4 million (operating profit EUR 0.4 million). New orders were up by 117 percent over the same period last year, and amounted to EUR 113 million (EUR 52 million). At the end of June, the order backlog was 62 percent higher than at the

turn of the year, and stood at EUR 76 million (EUR 47 million on Dec. 31, 1999).

The net sales of specialty car manufacturing remained nearly at the same level as last year, totaling EUR 63 million (EUR 58 million). The demand for specialty cars manufactured by the group continued strong in the main market areas in Europe and North America. The operating profit was EUR 10 million (EUR 10 million). During January-June, 20,166 cars (18,371) were made. During the period, alteration work was launched at the car factory to improve the painting process. After completion of these alterations, the painting process will meet future environmental requirements and represent the state-of-the-art in the sector.

The forest machine manufacturer Timberjack was sold to Deere & Company on April 28, 2000, on which date the operations of Timberjack were also transferred to the buyer. The net sales of Timberjack for January-April were EUR 179 million, and operating profit EUR 13.3 million. The new orders received in January-April totaled EUR 187 million.

August 9, 2000

Board of Directors

CONSOLIDATED STATEMENTS OF INCOME

(The interim review is unaudited)

	4-6/2000	4-6/1999	1-6/2000	1-6/1999	1-12/1999
(Millions)	EUR	EUR	EUR	EUR	EUR
Net sales	965	852	1,825	1,583	3,387
Cost of goods sold	(718)	(633)	(1,365)	(1,188)	(2,556)
Gross profit	247	219	460	395	831
Selling, general and administrative expenses	(195)	(209)	(391)	(394)	(841)
Operating profit (loss)	52	10	69	1	(10)
Financial income and expenses	(9)	(4)	(11)	2	(19)
Share of profits of associated companies	0	2	0	2	1
Income before extraordinary items and income taxes	43	8	58	5	(28)
Extraordinary income and expenses	275	0	275	4	(59)
Income before taxes	318	8	333	9	(87)
Income taxes	(12)	(2)	(17)	(2)	0
Minority interests	(1)	1	(1)	0	(1)
Net income	305	7	315	7	(88)

CONSOLIDATED BALANCE SHEETS

	June 30,2000	June 30,1999	Dec 31,1999
(Millions)	EUR	EUR	EUR
Fixed assets and financial assets			
Intangible assets	245	250	216
Tangible assets	688	643	684
Financial assets	211	233	252
Current assets			
Inventories	690	448	661
Receivables	1,149	1,252	1,197
Cash and cash equivalents	477	155	159
Total assets	3,460	2,981	3,169
Share capital	230	228	228
Other shareholders' equity	1,145	944	857
Minority interests	7	9	9
Long-term liabilities	486	506	535
Current liabilities	1,592	1,294	1,540
Total shareholders' equity and liabilities	3,460	2,981	3,169
Net interest-bearing liabilities			
Long-term interest-bearing liabilities	433	464	486
Short-term interest-bearing liabilities	115	297	290
Cash and cash equivalents	(477)	(155)	(159)
Other interest-bearing assets	(111)	(155)	(152)
Total	(40)	451	465

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions)	4-6/2000 EUR	4-6/1999 EUR	1-6/2000 EUR	1-6/1999 EUR	1-12/1999 EUR
Cash flows from operating activities:					
Net income	305	7	315	7	(88)
Adjustments to reconcile net income to net cash provided by operating activities					
Depreciation and amortization	31	31	64	65	130
Gain on sale of Timberjack, net of tax	(275)	-	(275)	-	-
Write-offs of intangible assets	-	-	-	-	58
Other	1	5	1	11	31
Change in net working capital	23	(69)	35	(157)	(133)
Net cash provided by (used in) operating activities	85	(26)	140	(74)	(2)
Cash flows from investing activities:					
Capital expenditures on fixed assets	(37)	(23)	(53)	(48)	(121)
Proceeds from sale of fixed assets	12	3	17	5	31
Business acquisitions, net of cash acquired	(172)	(20)	(172)	(30)	(116)
Investments in associated companies	0	0	0	0	(3)
Proceeds from sale of subsidiaries and associated companies	0	1	7	1	21
Proceeds from sale of Timberjack, net of tax	502	-	502	-	-
Tax payable on gain of Timberjack sale	107	-	107	-	-
(Investments in) proceeds from sale of marketable securities	(8)	11	(6)	24	42
Net cash provided by (used in) investing activities	404	(28)	402	(48)	(146)
Cash flows from financing activities:					
Dividends paid	(51)	(80)	(51)	(80)	(80)
Net funding	(189)	106	(218)	122	150
Proceeds from Timberjack installment credit receivables	35	-	35	-	-
Other	(4)	(4)	7	(2)	(7)
Net cash provided by (used in) financing activities	(209)	22	(227)	40	63
Effect of changes in exchange rates on cash and cash equivalents	(2)	4	3	12	19
Net increase (decrease) in cash and cash equivalents	278	(28)	318	(70)	(66)
Cash and cash equivalents at beginning of period	199	183	159	225	225
Cash and cash equivalents at end of period	477	155	477	155	159

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Millions)	Number of shares (thousands)	Share capital (par value EUR 1.70 per share)	Share premium reserve EUR	Legal reserve EUR	Cumulative translation adjustments EUR	Reserve for own shares EUR	Other reserves EUR	Retained earnings EUR	Total EUR
Balance at Dec 31, 1999	135,817	228	7	221	(2)	6	202	423	1,085
Dividends	-	-	-	-	-	-	-	(54)	(54)
Transfer from share premium reserve	-	3	(3)	-	-	-	-	-	0
Cancellation of own shares	(500)	(1)	1	-	-	(5)	-	-	(5)
Translation adjustments	-	-	-	-	25	-	-	-	25
Other	102	-	2	1	-	-	-	6	9
Net income	-	-	-	-	-	-	-	315	315
Balance at June 30, 2000	135,419	230	7	222	23	1	202	690	1,375

The distributable funds of Metso Corporation at June 30, 2000 consist of retained earnings (EUR 690 million) excluding accelerated depreciation and untaxed reserves (EUR 42 million), and other reserves (EUR 202 million), totaling EUR 850 million.

At the end of the period Metso Corporation possessed 61 thousand of its own shares.

ASSETS PLEDGED AND CONTINGENT LIABILITIES

	June 30, 2000	Dec 31, 1999
(Millions)	EUR	EUR
Mortgages on corporate debt	2	3
Other pledges and contingencies		
Mortgages	2	7
Pledged assets	1	1
Guarantees on behalf of associated company obligations	0	0
Other guarantees	3	4
Repurchase and other commitments	6	9
Leasing commitments	116	120

NOTIONAL AMOUNTS, CARRYING AMOUNTS AND FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

(Millions)	Notional amount		Carrying amount		Fair value	
	June 30, 2000	Dec 31, 1999	June 30, 2000	Dec 31, 1999	June 30, 2000	Dec 31, 1999
	EUR	EUR	EUR	EUR	EUR	EUR
Forward exchange rate contracts	1,229	647	(1)	(5)	(17)	(9)
Interest rate and currency swaps	57	74	1	(4)	2	(4)
Currency swaps	131	206	(6)	(26)	(6)	(25)
Interest rate swaps	41	121	1	(0)	1	(0)
Option agreements	119	40	2	4	1	4

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

KEY RATIOS

	June 30, 2000	June 30, 1999	Dec 31, 1999
Earnings/share, EUR	0.30	0.02	(0.22)
Equity/share, EUR	10.15	8.63	7.98
Return on equity (ROE), %	7.0	0.5	(2.4)
Return on capital employed (ROCE), %	9.5	2.2	1.6
Equity to assets ratio, %	44.8	42.0	37.3
Gearing, %	(2.9)	38.2	42.8
Average number of shares (thousands)	135,333	135,826	135,632

EXCHANGE RATES USED

	1-6/2000	1-6/1999	1-12/1999	June 30, 2000	June 30, 1999	Dec 31, 1999
USD (US dollar)	0.9606	1.0864	1.0650	0.9556	1.0328	1.0046
SEK (Swedish krona)	8.3871	8.9071	8.7100	8.4210	8.7470	8.5625
GBP (Pound sterling)	0.6121	0.6718	0.6587	0.6323	0.6563	0.6217
CAD (Canadian dollar)	1.4083	1.6212	1.5825	1.4157	1.5262	1.4608

FORMULAS FOR CALCULATION OF KEY RATIOS

Earnings / share:

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

Return on equity (ROE), %:

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

Equity / share:

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

Equity to assets ratio, %:

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

Return on capital employed (ROCE), %:

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

Gearing, %:

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

NET SALES BY BUSINESS AREA

	4-6/2000	4-6/1999	1-6/2000	1-6/1999	7/1999-6/2000	1-12/1999
(Millions)	EUR	EUR	EUR	EUR	EUR	EUR
Fiber Technology	172	107	269	165	492	388
Paper Technology	372	277	662	552	1,313	1,203
Converting Equipment	39	38	70	67	139	136
Intra-group net sales	(23)	0	(34)	0	(50)	(16)
Fiber and Paper Technology	560	422	967	784	1,894	1,711
Automation and Control Technology	158	156	289	279	609	599
Rock and Mineral Processing	155	126	286	237	518	469
Gears and Components	45	28	87	53	137	103
Forest Machines*	45	115	179	209	441	471
Manufacture of Specialty Cars	33	28	63	58	119	114
Intra-group net sales	(8)	0	(8)	0	(10)	(2)
Machinery	270	297	607	557	1,205	1,155
Intra-business area net sales	(23)	(23)	(38)	(37)	(79)	(78)
Metso total	965	852	1,825	1,583	3,629	3,387

OPERATING PROFIT (LOSS) BY BUSINESS AREA

	4-6/2000	4-6/1999	1-6/2000	1-6/1999	7/1999-6/2000	1-12/1999
(Millions)	EUR	EUR	EUR	EUR	EUR	EUR
Fiber Technology	15.1	8.9	13.2	3.7	(2.8)	(12.3)
Paper Technology	9.2	(10.2)	17.2	(8.3)	(12.6)	(38.1)
Converting Equipment	(0.5)	(5.5)	(2.6)	(10.3)	(17.1)	(24.8)
Fiber and Paper Technology	23.8	(6.8)	27.8	(14.9)	(32.5)	(75.2)
Automation and Control Technology	10.2	7.7	12.5	5.4	13.1	6.0
Rock and Mineral Processing	10.9	6.1	16.2	10.1	28.1	22.0
Gears and Components	2.7	1.1	4.3	0.4	5.1	1.2
Forest Machines*	4.6	6.8	13.3	8.5	33.0	28.2
Manufacture of Specialty Cars	6.1	4.4	9.9	10.0	26.7	26.8
Machinery	24.3	18.4	43.7	29.0	92.9	78.2
Corporate Headquarters and other	(6.2)	(8.5)	(14.8)	(18.1)	(15.5)	(18.8)
Metso total	52.1	10.8	69.2	1.4	58.0	(9.8)

ORDERS RECEIVED BY BUSINESS AREA

	4-6/2000	4-6/1999	1-6/2000	1-6/1999	7/1999-6/2000	1-12/1999
(Millions)	EUR	EUR	EUR	EUR	EUR	EUR
Fiber Technology	140	90	300	192	650	542
Paper Technology	606	369	1,213	610	1,907	1,304
Converting Equipment	75	30	114	65	171	122
Intra-group orders received	(10)	0	(20)	0	(122)	(102)
Fiber and Paper Technology	811	489	1,607	867	2,606	1,866
Automation and Control Technology	170	137	333	294	612	573
Rock and Mineral Processing	143	112	291	237	529	475
Gears and Components	53	23	113	52	162	101
Forest Machines*	41	97	187	213	459	485
Manufacture of Specialty Cars	32	47	62	77	99	114
Intra-group orders received	(4)	0	(8)	0	(10)	(2)
Machinery	265	279	645	579	1,239	1,173
Intra-business area orders received	(35)	(14)	(60)	(35)	(109)	(84)
Metso total	1,211	891	2,525	1,705	4,348	3,528

PERSONNEL BY BUSINESS AREA

	June 30, 2000	June 30, 1999	Dec 31, 1999
Fiber Technology	2,664	2,266	2,657
Paper Technology	7,734	7,888	7,091
Converting Equipment	795	906	849
Fiber and Paper Technology	11,193	11,060	10,597
Automation and Control Technology	4,493	4,548	4,352
Rock and Mineral Processing	3,328	3,311	3,591
Gears and Components	1,531	882	1,254
Forest Machines*	-	1,811	1,954
Manufacture of Specialty Cars	1,470	1,470	1,408
Machinery	6,329	7,474	8,207
Corporate Headquarters and other	123	235	118
Metso total	22,138	23,317	23,274

QUARTERLY INFORMATION

NET SALES BY BUSINESS AREA

(Millions)	4-6/1999	7-9/1999	10-12/1999	1-3/2000	4-6/2000
	EUR	EUR	EUR	EUR	EUR
Fiber Technology	107	85	138	97	172
Paper Technology	277	242	409	290	372
Converting Equipment	38	33	36	31	39
Intra-group net sales	0	(6)	(10)	(11)	(23)
Fiber and Paper Technology	422	354	573	407	560
Automation and Control Technology	156	136	184	131	158
Rock and Mineral Processing	126	108	124	131	155
Gears and Components	28	26	24	42	45
Forest Machines*	115	109	153	134	45
Manufacture of Specialty Cars	28	18	38	30	33
Intra-group net sales	0	(2)	0	0	(8)
Machinery	297	259	339	337	270
Intra-business area net sales	(23)	(17)	(24)	(15)	(23)
Metso total	852	732	1,072	860	965

OPERATING PROFIT (LOSS) BY BUSINESS AREA

(Millions)	4-6/1999	7-9/1999	10-12/1999	1-3/2000	4-6/2000
	EUR	EUR	EUR	EUR	EUR
Fiber Technology	8.9	(1.5)	(14.5)	(1.9)	15.1
Paper Technology	(10.2)	(4.9)	(24.9)	8.0	9.2
Converting Equipment	(5.5)	(4.3)	(10.2)	(2.1)	(0.5)
Fiber and Paper Technology	(6.8)	(10.7)	(49.6)	4.0	23.8
Automation and Control Technology	7.7	2.8	(2.2)	2.3	10.2
Rock and Mineral Processing	6.1	6.3	5.6	5.3	10.9
Gears and Components	1.1	1.8	(1.0)	1.6	2.7
Forest Machines*	6.8	3.9	15.8	8.7	4.6
Manufacture of Specialty Cars	4.4	(2.1)	18.9	3.8	6.1
Machinery	18.4	9.9	39.3	19.4	24.3
Corporate Headquarters and other	(8.5)	(12.1)	11.4	(8.6)	(6.2)
Metso total	10.8	(10.1)	(1.1)	17.1	52.1

ORDERS RECEIVED BY BUSINESS AREA

(Millions)	4-6/1999	7-9/1999	10-12/1999	1-3/2000	4-6/2000
	EUR	EUR	EUR	EUR	EUR
Fiber Technology	90	117	233	160	140
Paper Technology	369	147	547	607	606
Converting Equipment	30	32	25	39	75
Intra-group orders received	0	(8)	(94)	(10)	(10)
Fiber and Paper Technology	489	288	711	796	811
Automation and Control Technology	137	128	151	163	170
Rock and Mineral Processing	112	98	140	148	143
Gears and Components	23	19	30	60	53
Forest Machines*	97	128	144	146	41
Manufacture of Specialty Cars	47	27	10	30	32
Intra-group orders received	0	(2)	0	(4)	(4)
Machinery	279	270	324	380	265
Intra-business area orders received	(14)	(19)	(30)	(25)	(35)
Metso total	891	667	1,156	1,314	1,211

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

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