


## Metso breakfast following Q1/09

Helsinki, April 30, 2009

Jorma Eloranta, President and CEO  
Olli Vaartimo, Executive Vice President and CFO

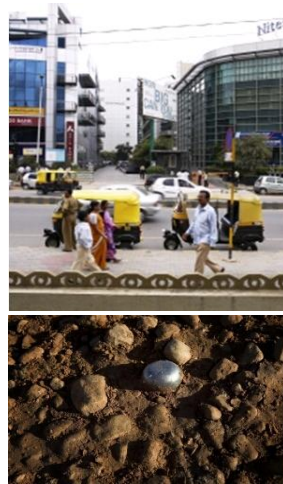


## Forward looking statements

- It should be noted that certain statements herein which are not historical facts, including, without limitation, those regarding expectations for general economic development and the market situation, expectations for customer industry profitability and investment willingness, expectations for company growth, development and profitability and the realization of synergy benefits and cost savings, and statements preceded by "expects", "estimates", "forecasts" or similar expressions, are forward-looking statements. These statements are based on current decisions and plans and currently known factors. They involve risks and uncertainties which may cause the actual results to materially differ from the results currently expected by the company.
- Such factors include, but are not limited to:
  - (1) general economic conditions, including fluctuations in exchange rates and interest levels which influence the operating environment and profitability of customers and thereby the orders received by the company and their margins
  - (2) the competitive situation, especially significant technological solutions developed by competitors
  - (3) the company's own operating conditions, such as the success of production, product development and project management and their continuous development and improvement
  - (4) the success of pending and future acquisitions and restructuring.

## Presentation contents

- Q1 financial performance
- Financial position
- Outlook and focus areas



## Q1 financial performance

## Highlights of the first quarter

EUR million	Q1 2009	Q1 2008	Change, %
Net sales	1,220	1,400	-13
EBITA before one-time capacity adjustment costs	90.8	133.7	-32
% of net sales	7.4	9.6	
EBITA	68.8	133.7	-49
% of net sales	5.6	9.6	
EPS, EUR	0.18	0.55	-67
Orders received	942	1,509	-38
Free cash flow	120	-99	



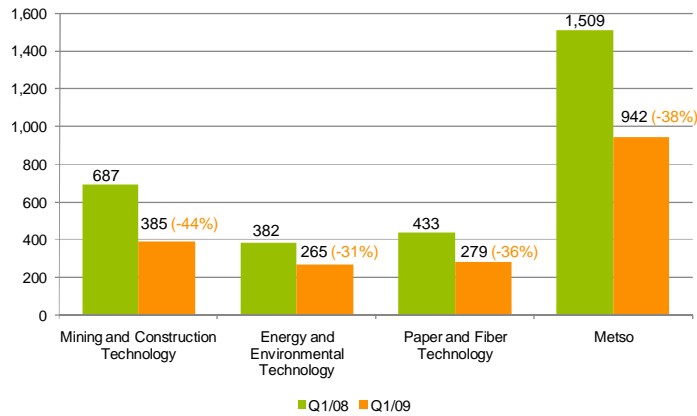
## Profitability declined

EUR million	Q1/09	Q1/08	Change, %
<b>Mining and Construction Technology</b>			
Net sales	528	534	-1
EBITA	55.6	78.9	-30
% of net sales	10.5	14.8	
<b>Energy and Environmental Technology</b>			
Net sales	397	373	+6
EBITA	32.3	32.4	0
% of net sales	8.1	8.7	
<b>Paper and Fiber Technology</b>			
Net sales	287	483	-41
EBITA	-14.0	29.9	n.a.
% of net sales	n.a.	6.2	

EBITA in Q1/09 includes non-recurring expenses: MCT close to EUR 4 million, EET close to EUR 2 million and PFT close to EUR 17 million.

## New orders declined in all segments

EUR million

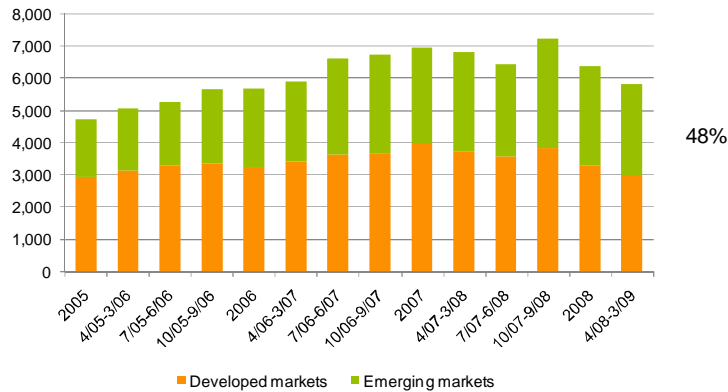


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## Share of new orders from emerging markets stable

EUR million



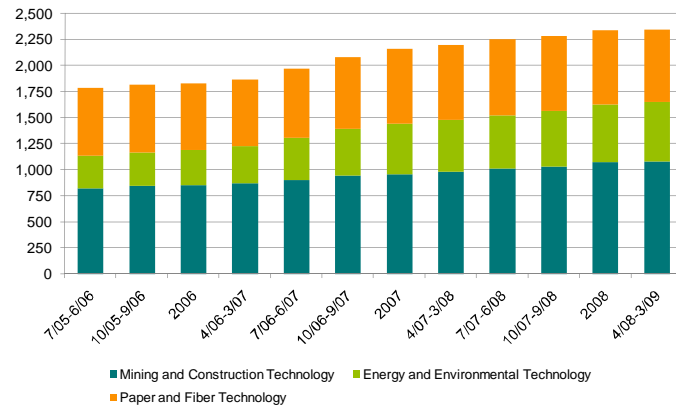
Emerging markets: Eastern Europe, South and Central America, Middle East and Africa, Asia Pacific (excl. Japan, Australia, New Zealand).

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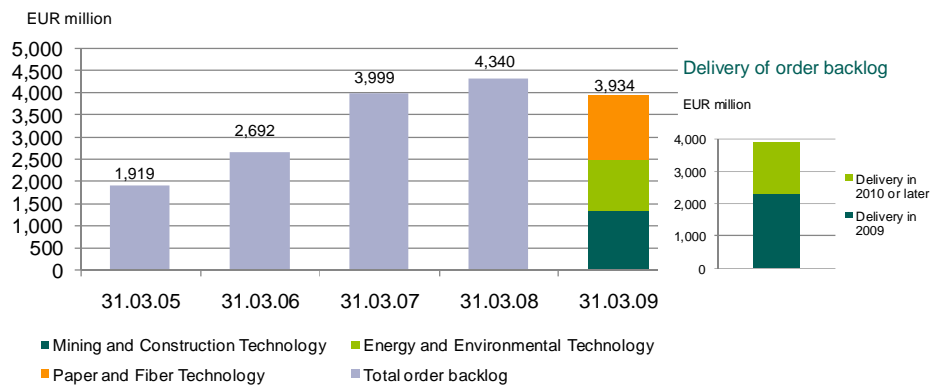


## Services' net sales on par with Q1/08

	Q1/09	Q1/08
Services' net sales, MEUR	506	501
% of total net sales	42	36



## Order backlog EUR 3.9 billion



## Guidance for 2009 intact

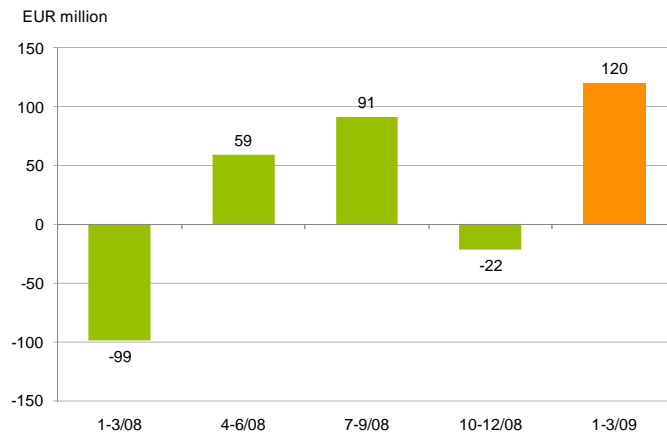
We estimate for 2009:

- Net sales to exceed EUR 5 billion
  - Order backlog EUR 3.9 billion, of which EUR 2.3 billion delivered in 2009
  - Satisfactory services business
- Profitability satisfactory
- Free cash flow to improve considerably on 2008



## Financial position

## Free cash flow was EUR 120 million



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## Metso's financial position continues to be satisfactory

Financing facilities, March 31, 2009	EUR million
Cash and liquid assets	436
Revolving credits	500
Pension loans supported by committed bank guarantees	100

> EUR 1 billion

Maturities in next 12 months	
Finnish commercial papers	127
Local export credits (mainly Brazil)	83
Maturities of long-term debt	189

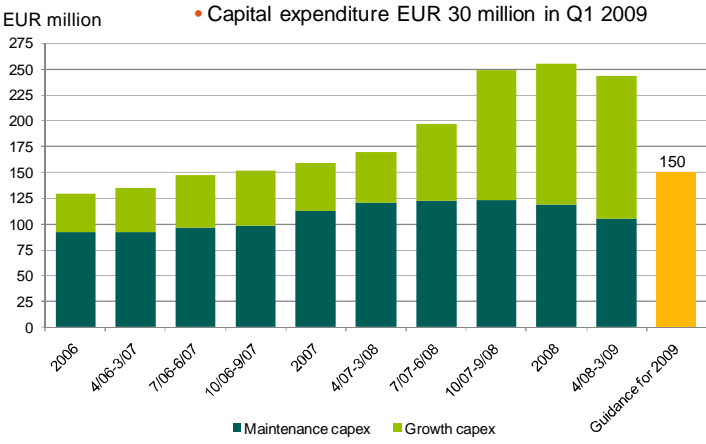
To be renewed

Maturities in Q2-Q4 2010	
Long-term debt	90

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## Capital expenditure coming down



EUR 64 million of technology & capacity acquisitions (i.e. MHI, Lachine, Lignoboost) included in 2008 growth capex.



## Outlook and focus areas



## Managing short-term risks

### Lower demand

Ø Adjusting capacity, cost and operational structure to demand to ensure competitiveness



### Extended project schedules

Ø Customer advances and progress payments  
 Ø Negotiating delivery schedules and cost escalation effects  
 Ø As a rule, Metso does not finance customer projects

### Tied-up net working capital

Ø No particularly large-scale investment projects underway.  
 Ø We estimate that we are well positioned to keep capital expenditure at a moderate level in coming years

### Exchange rate fluctuations

Ø Geographical diversity of our operations decreases the significance of any individual currency  
 Ø Hedging

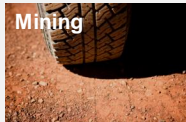
### Availability of funding

Ø Metso's financial assets and available credit facilities sufficient to secure short-term liquidity  
 Ø Credit ratings  
 - Standard & Poor's: BBB, outlook negative  
 - Moody's: Baa2, outlook negative



## Market outlook

Metso's operating environment is expected to be demanding in 2009



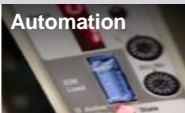
Mining  
 -Satisfactory



Construction  
 -Weak



Power  
 -Satisfactory



Automation  
 -Satisfactory



Recycling  
 -Weak



Paper & board  
 -Weak



Fiber  
 -Weak

# Focus on short-term – Without forgetting the future

