Interim Review
January – June 2010

Jorma Eloranta, President and CEO

July 29, 2010 at 3:00 pm Finnish time
(1:00 pm UK time)

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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

- Performance in Q2 2010
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Performance in Q2 2010

Financial highlights

EUR million	Q2 2010	Q2 2009	Change	Q1-Q2 2010	Q1-Q2 2009	Change
Net sales	1,370	1,247	+10%	2,540	2,467	+3%
EBITA before non-recurring items	125.0	84.9	+47%	212.6	176.7	+20%
% of net sales	9.1	6.8		8.4	7.2	
EBITA	154.2	74.7	+106%	238.0	143.5	+66%
% of net sales	11.3	6.0		9.4	5.8	
EPS, EUR	0.56	0.26	+115%	0.76	0.44	+73%
Orders received	1,671	1,020	+64%	3,037	1,962	+55%
Free cash flow	164	80	+105%	199	200	-1%
Gearing at end of period, %	28.5	70.2		28.5	70.2	

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Profitability by segment (before non-recurring items)

EUR million	Q2 2010	Q2 2009	Change	Q1-Q2 2010	Q1-Q2 2009	Change
MCT						
Net sales	541	531	+2%	1,013	1,059	-4%
EBITA before non-recurring items	64.8	42.3	+53%	104.3	101.7	+3%
% of net sales	12.0	8.0		10.3	9.6	
EET						
Net sales	334	357	-6%	666	754	-12%
EBITA before non-recurring items	29.3	35.5	-17%	61.1	69.2	-12%
% of net sales	8.8	9.9		9.2	9.2	
PFT						
Net sales	494	359	+38%	858	646	+33%
EBITA before non-recurring items	36.0	14.8	+143%	54.9	18.6	+195%
% of net sales	7.3	4.1		6.4	2.9	

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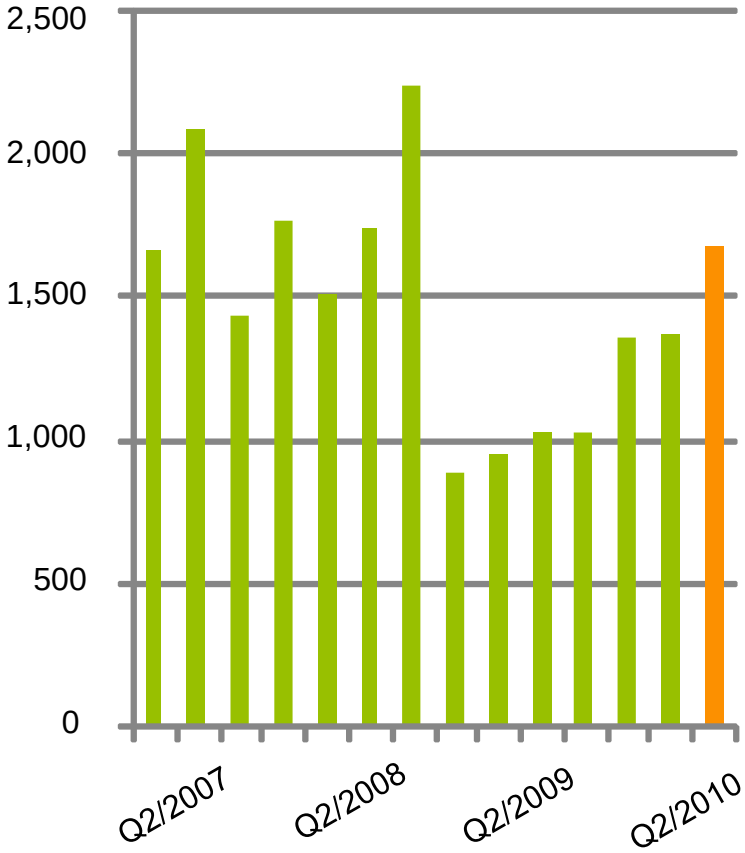
Positive trend in quarterly orders received in all segments

EUR million



EUR million	Q2 2010	Q2 2009	Change
MCT	604	398	+52%
EET	384	278	+38%
PFT	682	335	+104%
Metso	1,671	1,020	+64%

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Services continue to pick up

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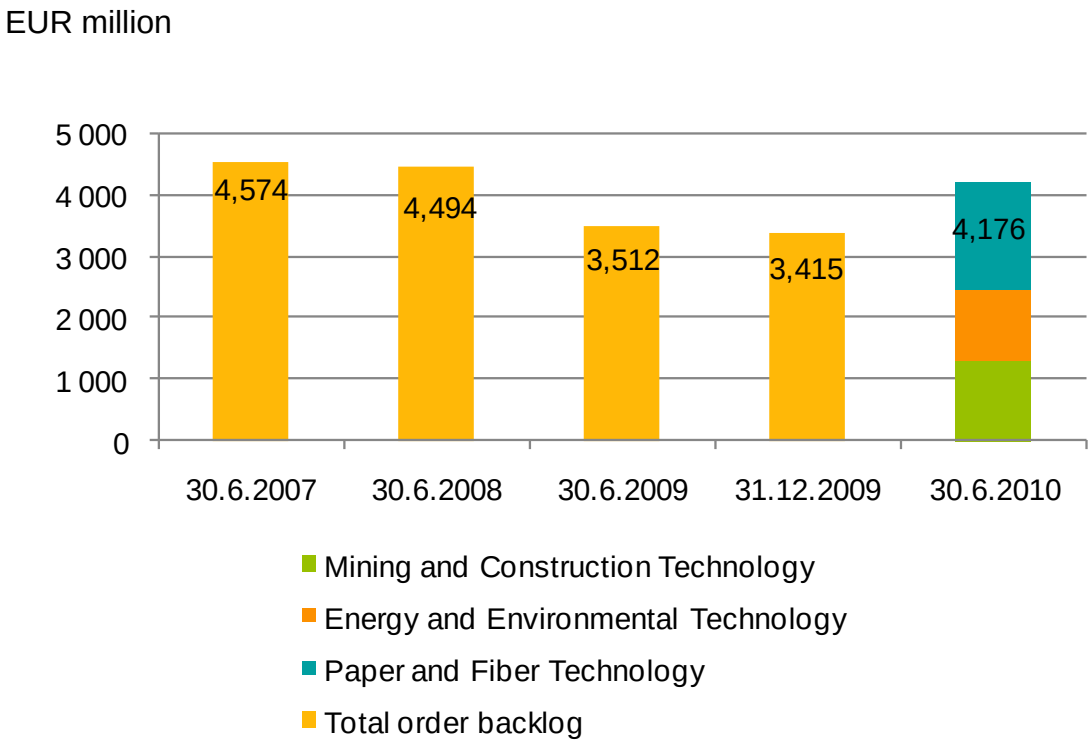
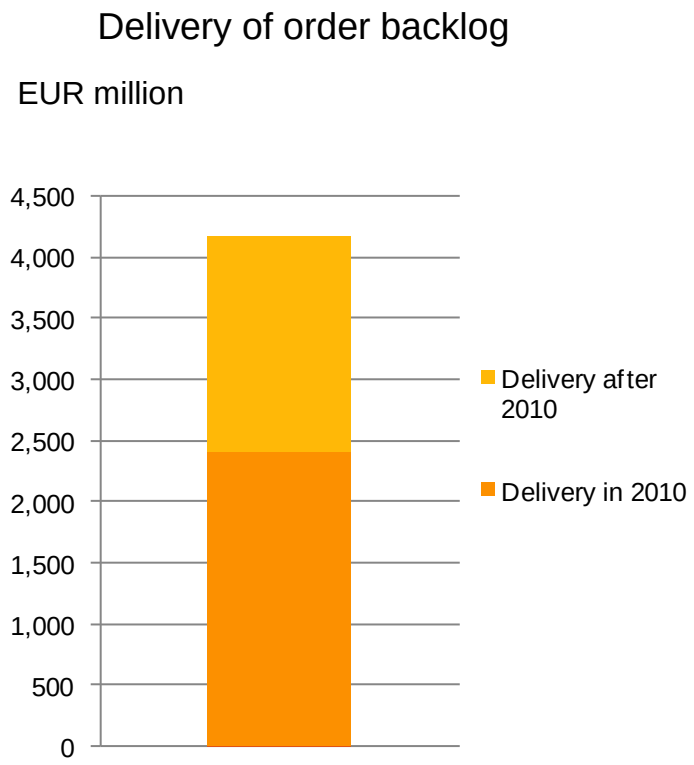
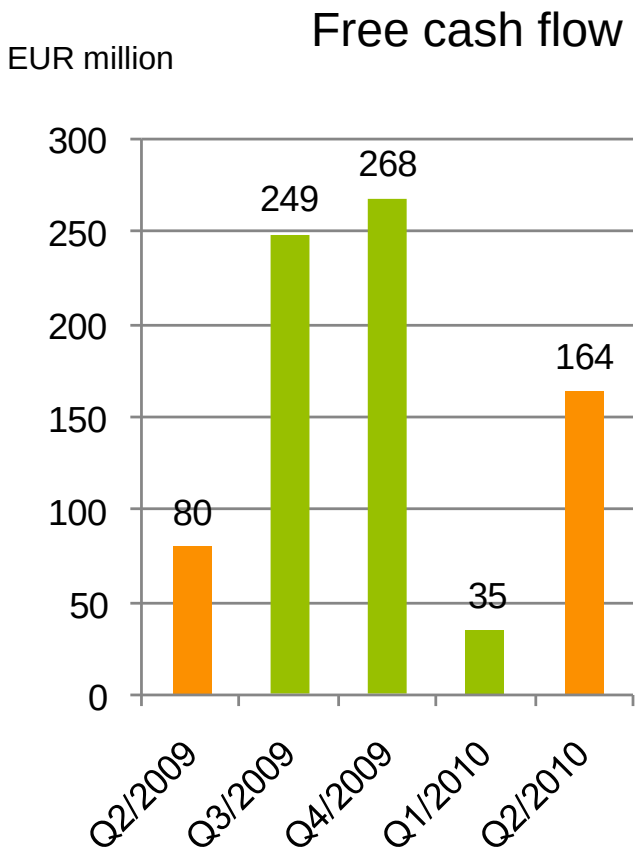
Order backlog EUR 4.2 billion

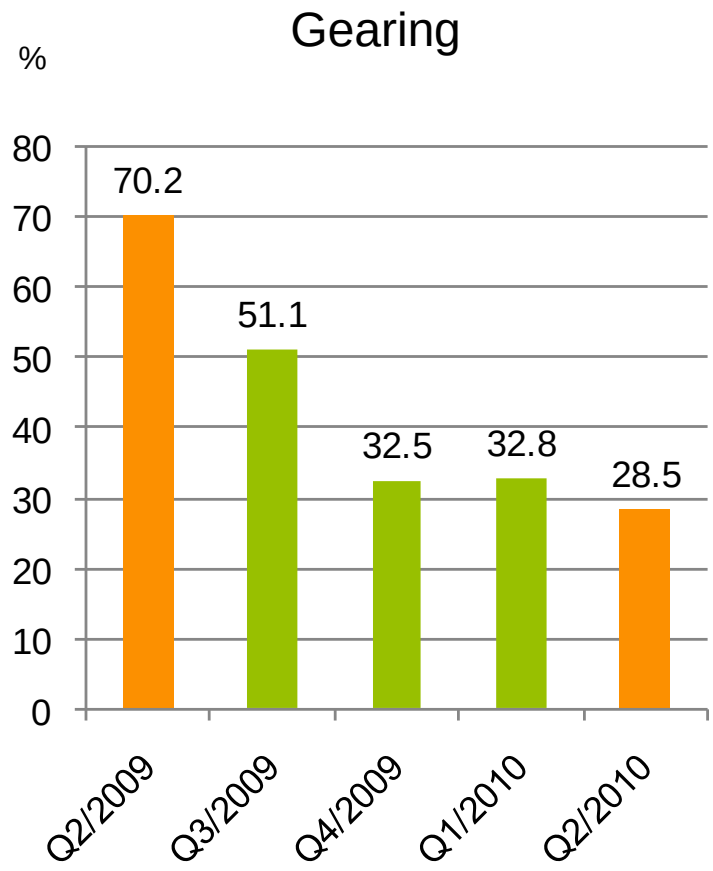




Financial position

Free cash flow and gearing





Outlook

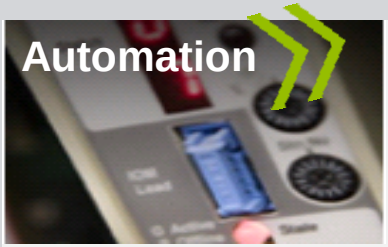
Short-term market outlook (Q2: July 29, 2010)

Most customer industries continue recovering

- Both equipment and project business as well as services continuing to improve.

- Weak demand in Europe and North America. In Asia-Pacific and Brazil good demand.

- Markets to be good in 2010 in Europe and in North America with increasing investments in renewable energy.



- Markets expected to get stronger as oil, gas and petro-chemical industries are expected to increase investments.

- Demand continues to improve for metal recycling and be satisfactory for solid waste recycling.

-Satisfactory demand for new lines and rebuilds, services demand to improve.

-Markets for new fiber lines, rebuilds and services continue active.

Arrows describe the development on various customer industries since the publication of Metso's previous Interim review.

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Guidance for 2010 (Q2: July 29, 2010)

- We estimate that our net sales in 2010 will grow about 10 percent from the EUR 5 billion level of 2009, and that our profitability will be satisfactory.

- Our estimate is based on our end- June order backlog, which contains about EUR 2.4 billion worth of deliveries for 2010, and on the expectation that the recovery of the global economy will continue.

Previous guidance (from Q1/2010 Interim Review published on April 29, 2010):
We estimate that our net sales in 2010 will exceed EUR 5 billion and that profitability will be satisfactory.

Focus back on profitable growth

- To make the most of the recovering activity, we have
  - Continued ramping up our engineering and manufacturing capacity
  - Increased resources also in sales and marketing
- We are continuing to further develop our:
  - services business
  - global presence
  - environmental business

We are building a sustainable future for Metso

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Expect results