

ME01V.HEX
MX.NYSE



Interim Review
January 1– March 31, 2000

Linking Innovations

Metso is a globally-leading supplier of processes, machinery and systems for the pulp and paper industry and a foremost expert in the key technologies of this sector. 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-March were EUR 860 million (EUR 731 million in January-March, 1999).**
- **The operating profit was EUR 17 million (operating loss EUR 9 million).**
- **The income before extraordinary items and income taxes was EUR 15 million (EUR 3 million negative).**
- **New orders worth EUR 1,314 million were received (EUR 814 million).**
- **The order backlog at the end of March was EUR 2,082 million (EUR 1,586 million on Dec. 31, 1999).**

Markets

The demand for Metso's products in the January-March period was good, being stronger than at the end of 1999 and appreciably better than in the corresponding period last year.

The improved market situation in the pulp and paper industry towards the end of 1999 positively affected Metso's market situation in the period under review. Demand for both Fiber and Paper Technology products and Automation and Control Technology products grew particularly in Europe and to some extent in North America. Slight signs of economic recovery and a revival in demand were also to be seen in the Asian markets. The demand for replacement investments, process modernizations, spare parts and services continued to be strong.

The slightly more positive market situation in other process and energy industries still did not significantly affect demand for Automation and Control Technology products during the period.

The demand for products supplied for construction and civil engineering was good in Europe and improved in North America. In Southeast Asia, demand improved slightly. The demand for mining equipment was still modest in the mining market.

Orders received and order backlog

In January-March, new orders worth EUR 1,314 million were received (EUR 814 million in January-March, 1999), or 61 percent more than in the corresponding period last year. The orders received by Fiber and Paper Technology increased by 111 percent, mainly due to growth in orders for paper machine modernizations and especially for finishing machines. The new orders of the Machinery business area also increased by 27 percent on the corresponding period last year. This resulted from an 18 percent growth in orders for rock crushers and a 26 percent growth in orders for forest machines. The new orders gained by Automation and Control Technology were 4 percent higher than the corresponding period last year. At the end of March, Metso's order backlog was 31 percent higher than at the end of last year, totaling EUR 2,082 million (EUR 1,586 million on Dec. 31, 1999).

Net sales

Metso's net sales for January-March totaled EUR 860 million (EUR 731 million). Net sales increased by 18 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 Technology, Automation and Control Technology, and Machinery accounted for 47, 15 and 38 percent respectively of the Corporation's net sales.

In January-March, 49 percent of the net sales were from Europe, 34 percent from North America, 11 percent from Asia-Pacific, 4 percent from South America and the remaining 2 percent from the rest of the world.

Profitability

The operating profit for January-March was EUR 17 million (operating loss EUR 9 million). Compared with the corresponding period last year, profitability was better in all business areas and strengthened particularly in Fiber and Paper Technology. The profitability of Automation and Control Technology improved slightly on the comparison period. The Converting Equipment business also improved its profitability on the corresponding period last year, but still operated at a slight loss.

Income before extraordinary items and income taxes was EUR 15 million (EUR 3 million negative). Financial income and expenses include received dividends of EUR 8 million and foreign exchange losses of EUR 2 million. The net income for the period under review, excluding

extraordinary items, was EUR 10 million (EUR 4 million negative). Earnings per share were EUR 0.07 (EUR 0.03 negative). The return on capital employed (ROCE) was 6.2 percent (0.2% negative), and the return on equity (ROE) was 3.5 percent (1.2% negative).

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

Cash flow and balance sheet

Metso's net cash provided by operating activities was EUR 55 million (EUR 48 million negative). Metso's net interest-bearing liabilities totaled EUR 427 million (EUR 284 million). Gearing, i.e. the ratio of net interest-bearing liabilities to shareholders' equity, was 39.8 percent (24.6%). The Corporation's equity to assets ratio was 36.2 percent (42.3%).

Capital expenditure

The gross capital expenditure for January-March, including acquisitions, amounted to EUR 16 million (EUR 35 million).

Changes in corporate structure

During the period under review, an offer was made on the acquisition of the roll cover division, paper machine after-market business assets and related paper machine technology of the American paper machine manufacturer, Beloit. The price offered was USD 160 million (EUR 167 million). The offer was approved by the Bankruptcy Court under the Chapter 11 process of Beloit owner, Harnischfeger, in February. The US competition authorities approved the acquisition on April 18. The business will be transferred to Metso at the beginning of May.

On April 19, the competition authorities also approved the sale of Metso's Forest Machines group, Timberjack, to Deere & Company in the USA. The operations were transferred to the buyer on April 28.

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 March, an agreement was signed with V.I.B Systems to establish a joint venture specializing in paper machine moisture profile products and technology. Metso's Fiber and Paper Technology and Automation and Control Technology business areas will be involved in the company.

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 February, Metso signed an agreement to sell all the shares of Valmet Hydraulics Oy, a manufacturer of hydraulic motors, to Denison International plc. The parties failed to close the transaction.

Research and development

Metso's research and development expenses for the January-March

period totaled EUR 29 million (EUR 31 million), equivalent to 3.4 percent of the Corporation's net sales.

Shares

In January-March, 14.5 million Metso Corporation shares were traded in the Helsinki Exchanges, corresponding to a turnover of EUR 202.4 million. On March 31, 2000, the share price was EUR 14.10. The highest quotation of the period was EUR 16.20 and the lowest EUR 11.10. On March 31, 2000, the Corporation's market capitalization was EUR 1,915 million. Trading of Metso's ADRs in the New York Stock Exchange amounted to USD 2.7 million. The price of an ADR was USD 13.50 on March 31, 2000. The highest price was USD 16.25 and the lowest USD 11.38.

Personnel

Metso employed 22,853 persons (22,925) at the end of March. Due to corporate acquisitions made during the last 12 months, the Corporation's personnel grew by 1,310 persons.

Board of Directors, Auditors and Management

Metso Corporation's Annual General Meeting re-elected Pertti Voutilainen as Chairman of the Board. Mikko Kivimäki continues as Vice Chairman, and Jaakko Rauramo and Markku Tapio as Members of the Board. The new Members of the Board elected were Heikki Hakala, Juhani Kuusi and, representing the personnel, Pentti Mäkinen. The auditing company, Authorized Public Accountant SVH Pricewaterhouse Coopers Ltd, was re-elected as the Corporation's Auditor, with the Auditors of main responsibility being Tauno Haataja and Lars Blomquist.

Metso Corporation's Board of Directors appointed Tor Bergman as President and CEO of Metso Corporation as of January 1, 2001. Heikki Hakala will continue as President and CEO as earlier announced until the end of year 2000, after which he will retire. Sakari Tamminen, Senior Vice President and CFO, was appointed Executive Vice President, CFO and Deputy to the CEO as of March 1, 2000.

Annual General Meeting on March 29, 2000

The Annual General Meeting of Metso Corporation decided to amend articles 3, 4 and 6 of the Articles of Association restating the minimum and maximum capital in euros and changing the par value of the shares to EUR 1.70. The amendments to the Articles of Association were registered in the Finnish Trade Register on April 25, 2000.

The Annual General Meeting approved the Board's proposal to cancel 500,000 of the Corporation's own shares and to decrease the share capital.

The Annual General Meeting authorized the Board of Directors to decide on the acquisition and disposal of the Corporation's own shares within one year of the shareholders' meeting. The Board of Directors

may acquire the Corporation's own shares to an amount where the combined par value of the shares thus acquired corresponds to no more than 5 percent of the Corporation's total shares at the moment of acquisition. The Board of Directors was also authorized to dispose of the Corporation's own shares for use as payment in future corporate acquisitions.

The Annual General Meeting also decided to issue options to key personnel of Metso Corporation and to a wholly owned subsidiary of Metso Corporation as part of the incentive program for key personnel. The purpose of the options is also to standardize the incentive programs of the Corporation in such a manner that the warrants and options transferred from Valmet Corporation and Rauma Corporation to Metso Corporation may be converted to the options now being issued. The number of shares to be subscribed for on the basis of the options is 5,000,000. This number corresponds to the aggregate dilutive effect of the shares that can be subscribed for on the basis of the previous incentive programs.

The Annual General Meeting authorized the Board to decide on raising the share capital by issuing new shares, by issuing convertible bonds, and/or issuing share options within one year of the shareholders' meeting, provided that in the subscription issue or convertible bonds issue or issue of options at most 12,500,000 new shares of the Corporation with a par value of EUR 1.70 may be subscribed, and that the Corporation's share capital may be raised by no more than EUR 21,250,000. The shareholders' pre-emptive rights to subscribe can be deviated from provided that the Corporation has substantial financial grounds for doing so, such as financing corporate acquisitions, enabling joint operation arrangements or other development of the Corporation's business operations.

Distribution of dividends

The Annual General Meeting confirmed the amount of the dividends to be paid for the year 1999 as EUR 0.40 per share, or a total of EUR 54 million. The dividends have been recorded in the balance sheet under short-term liabilities. The dividend payment date was April 10, 2000.

Synergy benefits and cost savings

The annual synergy benefits, 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.

As a result of these measures, the number of personnel in Metso was reduced by 1,438 persons. The reductions will be made by the end of June, in accordance with the schedule agreed on in negotiations required by co-operation legislation last year.

Short-term outlook

Metso's customer industries have experienced buoyant demand for their products in the early part of the year, which is expected to lead to an increase in investments in these sectors. The demand for Metso's products is expected to continue at a good level.

The price of market pulp has continued to rise and the prices of some paper grades have strengthened further. The investments of the pulp and paper industry are estimated to grow, and to increase the demand for the products of Fiber and Paper Technology, and Automation and Control Technology in Europe and North America. The demand for process modernizations, spare parts and services is estimated to remain good. The conditions for investment are expected to improve in the Southeast Asian and South American markets.

The investments of 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 strengthening of basic metal prices is expected to create better conditions for mining investments and to gradually increase the demand for mining products.

A clear improvement is expected in the Corporation's profitability in 2000, 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-March period were 12 percent higher than for the corresponding period last year, and totaled EUR 407 million (EUR 362 million). The increase in net sales was due to the growth in delivery volumes. The net sales of Fiber Technology grew by 67 percent, totaling EUR 97 million (EUR 58 million), while the net sales of Paper Technology grew by 5 percent, totaling EUR 290 million (EUR 275 million). The net sales of Converting Equipment grew by 7 percent and totaled EUR 31 million (EUR 29 million).

The operating profit of the business area was EUR 4 million (operating loss EUR 8 million). The operating loss of Fiber Technology was EUR 2 million (operating loss EUR 5 million) and the operating profit of Paper Technology, EUR 8 million (operating profit EUR 2 million). Profitability was improved by a higher capacity utilization rate and better project

cost effectiveness. The operating loss of Converting Equipment contracted to EUR 2 million (operating loss EUR 5 million).

The demand for the products of Fiber and Paper Technology improved in the period under review due to the good market situation of customer industries. Paper mill capacity utilization rates rose and the prices of market pulp and some paper grades continued to strengthen during January-March. The demand for Fiber and Paper Technology products in European markets continued at a good level and also improved in North America.

New orders were received to the value of EUR 796 million (EUR 378 million) which was 111 percent more than in the corresponding period last year. The new orders received by Fiber Technology grew to EUR 160 million (EUR 102 million) mainly due to orders for panelboard lines. The new orders received by Paper Technology also grew compared with the corresponding period last year, and totaled EUR 607 million (EUR 241 million). The demand for paper finishing machines in particular was strong. Orders for several tissue machines and one MDF fiber board line were received in January-March. Other orders gained during the period were for modernizations of production lines, paper finishing machines and air systems, as well as service products and operations. The new orders received by Converting Equipment grew by 11 percent and totaled EUR 39 million (EUR 35 million). The order backlog of the Fiber and Paper Technology business area grew by 34 percent on the situation at the end of 1999, and stood at EUR 1,640 million on March 31 (EUR 1,226 million on Dec. 31, 1999). The order backlog of Fiber Technology was EUR 416 million (EUR 342 million), while that of Paper Technology was EUR 1,252 million (EUR 924 million). The order backlog of Converting Equipment was EUR 68 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-March period grew by 6 percent on the corresponding period last year, and totaled EUR 131 million (EUR 123 million). Deliveries of automation and SCADA systems continued at the good level of the end of 1999, but deliveries of field equipment, i.e. control valves and process measurement systems, for the process and energy industries decreased due to the exceptionally low order intake at the end of last year. The operating profit for January-March improved slightly compared with the corresponding period last year, totaling EUR 2 million (operating loss EUR 2 million). The improvement in profitability was mainly due to the growth in deliveries to the pulp and paper industry.

The total market situation for the products of Automation and Control Technology strengthened during January-March. Improved business conditions for the pulp and paper industry led to greater willingness to invest and increased the overall demand for automation systems and field equipment. While demand continued at the same level as at the end of 1999 in Europe and North America, it livened up in Asia and also increased a little in South America. There was modest demand for SCADA systems in North America. Demand continued at a steady level for power plant automation systems and remained low for process industry field equipment.

The new orders received were 4 percent up on the corresponding period last year, and amounted to EUR 163 million (EUR 157 million). Orders for automation systems increased, but orders for field equipment remained at the low level of last year. Orders of SCADA systems decreased compared with the comparison period. The nelesDNA open automation application network launched in 1999 was well-received by pulp and paper industry customers and demand for the product is also growing in other customer industries. The order backlog strengthened by 21 percent from the end of the year, and stood at EUR 219 million on March 31 (EUR 181 million on Dec. 31, 1999).

An agreement was signed with Parsytec AG from Germany concerning the distribution, service and development of the paper industry web inspection systems made by Parsytec. This arrangement will strengthen the product portfolio and market position as a leading automation supplier for the paper industry.

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, Timberjack, a manufacturer of forest machines, and Valmet Automotive, a specialty car manufacturer.

The net sales of Rock and Mineral Processing grew by 18 percent compared with the corresponding period last year, and totaled EUR 131 million (EUR 111 million). The increase in net sales was due both to a strengthening of the market and to the acquired businesses. The group's operating profit was at the same level as in January-March last year, totaling EUR 5 million (EUR 4 million). The low volumes of mining deliveries and the costs of integrating the operations of W.S.Tyler and Helser acquired in the last quarter of 1999 burdened profitability. The new orders received were 18 percent up on the corresponding period last year, and amounted to EUR 148 million (EUR 125 million). The demand for products and services delivered for construction and civil engineering continued good in Europe and improved considerably in North America compared with the second half of last year. Growth occurred particularly in the demand for mobile products supplied to contractors and quarrying customers. The de-

mand for mining products continued to be weak, although the strengthening of basic metal prices has livened up the markets to some extent. The order backlog at the end of March was 22 percent higher than at the turn of the year, and stood at EUR 126 million (EUR 103 million on Dec. 31, 1999).

The net sales of Gears and Components grew by 68 percent in January-March compared with the corresponding period last year, and totaled EUR 42 million (EUR 25 million). This increase in net sales was mainly due to restructuring. At the beginning of 2000, the gear operations of Santasalo, and the Parkano unit which was earlier a part of Metso's Rock and Mineral Processing group, were both integrated with the group. The group's operating profit was EUR 2 million (operating loss EUR 1 million). New orders were up by 107 percent compared with the same period last year, and amounted to EUR 60 million (EUR 29 million). Orders of wind turbine and industrial gears and machine building services grew. The order backlog was EUR 67 million on March 31 (EUR 47 million on Dec. 31, 1999).

The net sales of Forest Machines grew by 43 percent to EUR 134 million (EUR 94 million). The increase in net sales compared with the corresponding period last year was due to strong growth in deliveries because of a revival in the North-American markets, and a demand peak due to storm-damaged areas in Europe. The group's operating profit was EUR 9 million (EUR 2 million). The improvement in operating profit was influenced by higher de-

livery volumes and the efficiency measures implemented in the Forest Machines group's North American production plants last year. The growth in net sales and operating profit compared with the same period last year was also influenced by the acquisition of the business operations of the Waratah Group and Woodlans Engineering Ltd. The new forest machine orders received were 26 percent up on the comparison period, and totaled EUR 146 million (EUR 116 million). The demand for forest machines in Europe continued to be good, but the revival that began in the North American forest machine markets at the end of last year did not continue according to expectations. The order backlog strengthened by 23 percent compared with the situation at the turn of the year, and stood at EUR 87 million on March 31 (EUR 71 million on Dec. 31, 1999).

The net sales of specialty car manufacturing remained at the same level as for the January-March period in 1999, totaling EUR 30 million (EUR 30 million). The demand for specialty cars manufactured by the group has continued strong in Europe and North America. The operating profit was EUR 4 million (EUR 6 million). During January-March, 9,797 cars were made (9,018).

May 3, 2000

Board of Directors

CONSOLIDATED STATEMENTS OF INCOME

(The interim review is unaudited)

	1-3/2000	1-3/1999	1-12/1999
(Millions)	EUR	EUR	EUR
Net sales	860	731	3,387
Cost of goods sold	(647)	(555)	(2,556)
Gross profit	213	176	831
Selling, general and administrative expenses	(196)	(185)	(841)
Operating profit (loss)	17	(9)	(10)
Financial income and expenses	(2)	6	(19)
Share of profits of associated companies	0	0	1
Income before extraordinary items and income taxes	15	(3)	(28)
Extraordinary income and expenses	0	4	(59)
Income before taxes	15	1	(87)
Income taxes	(5)	0	0
Minority interests	0	(1)	(1)
Net income	10	(0)	(88)

CONSOLIDATED BALANCE SHEETS

	March 31,2000	March 31,1999	Dec 31,1999
(Millions)	EUR	EUR	EUR
Fixed assets and financial assets			
Intangible assets	216	237	216
Tangible assets	684	640	684
Financial assets	205	253	252
Current assets			
Inventories	769	458	661
Receivables	1,237	1,103	1,197
Cash and cash equivalents	199	183	159
Total assets	3,310	2,874	3,169
Share capital	230	228	228
Other shareholders' equity	838	922	857
Minority interests	4	9	9
Long-term liabilities	549	497	535
Current liabilities	1,689	1,218	1,540
Total shareholders' equity and liabilities	3,310	2,874	3,169
Net interest-bearing liabilities			
Long-term interest-bearing liabilities	491	453	486
Short-term interest-bearing liabilities	273	183	290
Cash and cash equivalents	(199)	(183)	(159)
Other interest-bearing assets	(138)	(169)	(152)
Total	427	284	465

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions)	1-3/2000 EUR	1-3/1999 EUR	1-12/1999 EUR
Cash flows from operating activities:			
Net income	10	(0)	(88)
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	18	34	130
Write-offs of intangible assets	0	0	58
Other	15	6	31
Change in net working capital	12	(88)	(133)
Net cash provided by (used in) operating activities	55	(48)	(2)
Cash flows from investing activities:			
Capital expenditures on fixed assets	(16)	(25)	(121)
Proceeds from sale of fixed assets	5	2	31
Business acquisitions, net of cash acquired	0	(10)	(116)
Investments in associated companies	0	0	(3)
Proceeds from sale of subsidiaries and associated companies	7	0	21
Proceeds from sale of marketable securities	2	13	42
Net cash used in investing activities	(2)	(20)	(146)
Cash flows from financing activities:			
Dividends paid	0	0	(80)
Net funding	(29)	16	150
Other	11	2	(7)
Net cash provided by (used in) financing activities	(18)	18	63
Effect of changes in exchange rates on cash and cash equivalents	5	8	19
Net increase (decrease) in cash and cash equivalents	40	(42)	(66)
Cash and cash equivalents at beginning of period	159	225	225
Cash and cash equivalents at end of period	199	183	159

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Millions)	Number of shares (thousands)	Share capital (par value EUR1.70 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	-	1	6	-	-	-	-	7
Net income	-	-	-	-	-	-	-	10	10
Balance at March 31, 2000	135,419	230	6	227	23	1	202	379	1,068

The distributable funds of Metso Corporation at March 31, 2000 consist of retained earnings (EUR 379 million) excluding accelerated depreciation and untaxed reserves (EUR 46 million), and other reserves (EUR 202 million), totaling to EUR 535 million.

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

ASSETS PLEDGED AND CONTINGENT LIABILITIES

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

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

(Millions)	Notional amount		Carrying amount		Fair value	
	March 31,2000	Dec 31,1999	March 31,2000	Dec 31,1999	March 31,2000	Dec 31,1999
	EUR	EUR	EUR	EUR	EUR	EUR
Forward exchange rate contracts	896	647	(17)	(5)	(22)	(9)
Interest rate and currency swaps	77	74	6	(4)	6	(4)
Currency swaps	133	206	(5)	(26)	(4)	(25)
Interest rate swaps	61	121	0	(0)	0	(0)
Option agreements	0	40	0	4	0	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

	March 31,2000	March 31,1999	Dec 31,1999
Earnings/share, EUR	0.07	(0.03)	(0.22)
Equity/share, EUR	7.89	8.47	7.98
Return on equity (ROE), %	3.5	(1.2)	(2.4)
Return on capital employed (ROCE), %	6.2	(0.2)	1.6
Equity to assets ratio, %	36.2	42.3	37.3
Gearing, %	39.8	24.6	42.8
Average number of shares (thousands)	135,308	135,826	135,632

EXCHANGE RATES USED

	1-3/2000	1-3/1999	1-12/1999	March 31,2000	March 31, 1999	Dec 31, 1999
USD (US dollar)	0.9871	1.1158	1.0650	0.9553	1.0742	1.0046
SEK (Swedish krona)	8.4989	8.9093	8.7100	8.2825	8.8870	8.5625
GBP (Pound sterling)	0.6145	0.6836	0.6587	0.5985	0.6663	0.6217
CAD (Canadian dollar)	1.4346	1.6852	1.5825	1.3879	1.6211	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), %:

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

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

	1-3/2000	1-3/1999	4/1999-3/2000	1-12/1999
(Millions)	EUR	EUR	EUR	EUR
Fiber Technology	97	58	427	388
Paper Technology	290	275	1,218	1,203
Converting Equipment	31	29	138	136
Intra-group net sales	(11)	0	(27)	(16)
Fiber and Paper Technology	407	362	1,756	1,711
Automation and Control Technology	131	123	607	599
Rock and Mineral Processing	131	111	489	469
Gears and Components	42	25	120	103
Forest Machines	134	94	511	471
Manufacture of Specialty Cars	30	30	114	114
Intra-group net sales	0	0	(2)	(2)
Machinery	337	260	1,232	1,155
Intra-business area net sales	(15)	(14)	(79)	(78)
Metso total	860	731	3,516	3,387

OPERATING PROFIT (LOSS) BY BUSINESS AREA

	1-3/2000	1-3/1999	4/1999-3/2000	1-12/1999
(Millions)	EUR	EUR	EUR	EUR
Fiber Technology	(1.9)	(5.2)	(9.0)	(12.3)
Paper Technology	8.0	1.9	(32.0)	(38.1)
Converting Equipment	(2.1)	(4.8)	(22.1)	(24.8)
Fiber and Paper Technology	4.0	(8.1)	(63.1)	(75.2)
Automation and Control Technology	2.3	(2.3)	10.6	6.0
Rock and Mineral Processing	5.3	4.0	23.3	22.0
Gears and Components	1.6	(0.7)	3.5	1.2
Forest Machines	8.7	1.7	35.2	28.2
Manufacture of Specialty Cars	3.8	5.6	25.0	26.8
Machinery	19.4	10.6	87.0	78.2
Corporate Headquarters and other	(8.6)	(9.6)	(17.8)	(18.8)
Metso total	17.1	(9.4)	16.7	(9.8)

ORDERS RECEIVED BY BUSINESS AREA

	1-3/2000	1-3/1999	4/1999-3/2000	1-12/1999
(Millions)	EUR	EUR	EUR	EUR
Fiber Technology	160	102	600	542
Paper Technology	607	241	1,670	1,304
Converting Equipment	39	35	126	122
Intra-group orders received	(10)	0	(112)	(102)
Fiber and Paper Technology	796	378	2,284	1,866
Automation and Control Technology	163	157	579	573
Rock and Mineral Processing	148	125	498	475
Gears and Components	60	29	132	101
Forest Machines	146	116	515	485
Manufacture of Specialty Cars	30	30	114	114
Intra-group orders received	(4)	0	(6)	(2)
Machinery	380	300	1,253	1,173
Intra-business area orders received	(25)	(21)	(88)	(84)
Metso total	1,314	814	4,028	3,528

PERSONNEL BY BUSINESS AREA

	March 31, 2000	March 31, 1999	Dec 31, 1999
Fiber Technology	2,601	2,307	2,657
Paper Technology	6,894	7,569	7,091
Converting Equipment	809	951	849
Fiber and Paper Technology	10,304	10,827	10,597
Automation and Control Technology	4,307	4,417	4,352
Rock and Mineral Processing	3,288	3,282	3,591
Gears and Components	1,440	848	1,254
Forest Machines	1,932	1,837	1,954
Manufacture of Specialty Cars	1,474	1,467	1,408
Machinery	8,134	7,434	8,207
Corporate Headquarters and other	108	247	118
Metso total	22,853	22,925	23,274

QUARTERLY INFORMATION

NET SALES BY BUSINESS AREA

(Millions)	1-3/1999 EUR	4-6/1999 EUR	7-9/1999 EUR	10-12/1999 EUR	1-3/2000 EUR
Fiber Technology	58	107	85	138	97
Paper Technology	275	277	242	409	290
Converting Equipment	29	38	33	36	31
Intra-group net sales	0	0	(6)	(10)	(11)
Fiber and Paper Technology	362	422	354	573	407
Automation and Control Technology	123	156	136	184	131
Rock and Mineral Processing	111	126	108	124	131
Gears and Components	25	28	26	24	42
Forest Machines	94	115	109	153	134
Manufacture of Specialty Cars	30	28	18	38	30
Intra-group net sales	0	0	(2)	0	0
Machinery	260	297	259	339	337
Intra-business area net sales	(14)	(23)	(17)	(24)	(15)
Metso total	731	852	732	1,072	860

OPERATING PROFIT (LOSS) BY BUSINESS AREA

(Millions)	1-3/1999 EUR	4-6/1999 EUR	7-9/1999 EUR	10-12/1999 EUR	1-3/2000 EUR
Fiber Technology	(5.2)	8.9	(1.5)	(14.5)	(1.9)
Paper Technology	1.9	(10.2)	(4.9)	(24.9)	8.0
Converting Equipment	(4.8)	(5.5)	(4.3)	(10.2)	(2.1)
Fiber and Paper Technology	(8.1)	(6.8)	(10.7)	(49.6)	4.0
Automation and Control Technology	(2.3)	7.7	2.8	(2.2)	2.3
Rock and Mineral Processing	4.0	6.1	6.3	5.6	5.3
Gears and Components	(0.7)	1.1	1.8	(1.0)	1.6
Forest Machines	1.7	6.8	3.9	15.8	8.7
Manufacture of Specialty Cars	5.6	4.4	(2.1)	18.9	3.8
Machinery	10.6	18.4	9.9	39.3	19.4
Corporate Headquarters and other	(9.6)	(8.5)	(12.1)	11.4	(8.6)
Metso total	(9.4)	10.8	(10.1)	(1.1)	17.1

ORDERS RECEIVED BY BUSINESS AREA

(Millions)	1-3/1999 EUR	4-6/1999 EUR	7-9/1999 EUR	10-12/1999 EUR	1-3/2000 EUR
Fiber Technology	102	90	117	233	160
Paper Technology	241	369	147	547	607
Converting Equipment	35	30	32	25	39
Intra-group orders received	0	0	(8)	(94)	(10)
Fiber and Paper Technology	378	489	288	711	796
Automation and Control Technology	157	137	128	151	163
Rock and Mineral Processing	125	112	98	140	148
Gears and Components	29	23	19	30	60
Forest Machines	116	97	128	144	146
Manufacture of Specialty Cars	30	47	27	10	30
Intra-group orders received	0	0	(2)	0	(4)
Machinery	300	279	270	324	380
Intra-business area orders received	(21)	(14)	(19)	(30)	(25)
Metso total	814	891	667	1,156	1,314

