Attachment to Stock Exchange Release published on November 12, 2013: Carve-out and Pro Forma Financial Information for Valmet Corporation

Carve-out financial information

COMBINED STATEMENT OF INCOME

EUR million	**1-9/2013**	1-9/2012	restated 1-12/2012
Net sales	**1,936**	2,082	3,005
Net sales, Metso Group	**10**	7	9
Net sales, total	**1,946**	2,089	3,014
Cost of goods sold	**-1,534**	-1,597	-2,345
Cost of goods sold, Metso Group	**-46**	-38	-60
Cost of goods sold	**-1,580**	-1,635	-2,405
Gross profit	**366**	454	609
Selling, general and administrative expenses	**-343**	-335	-457
Other operating income and expenses, net	**-17**	-3	-14
Share in profits of associated companies	**1**	0	0
Operating profit	**7**	116	138
Financial income and expenses, net	**-6**	7	0
Financial income and expenses, Metso Group, net	**-2**	-17	-23
Financial income and expenses, net	**-8**	-10	-23
Profit before taxes	**-1**	106	115
Income taxes	**0**	-36	-39
Profit	**-1**	70	76
Attributable to:			
Equityholders of Valmet Group	**-2**	70	76
Non-controlling interests	**1**	0	0
Profit	**-1**	70	76

COMBINED STATEMENT OF COMPREHENSIVE INCOME

EUR million	**1-9/2013**	1-9/2012	1-12/2012
Profit	**-1**	70	76
Items that may be reclassified to profit or loss in subsequent periods:			
Cash flow hedges, net of tax	**-2**	-1	-3
Available-for-sale equity investments, net of tax	**0**	0	0
Currency translation on subsidiary net investments	**-14**	4	-2
Net investment hedge gains (+) / losses (-), net of tax	-	-	-
	-16	3	-5
Items that will not be reclassified to profit or loss:			
Defined benefit plan actuarial gains (+) / losses (-), net of tax	-	-	-7
Other comprehensive income (+) / expense (-)	**-16**	3	-12
Total comprehensive income (+) / expense (-)	**-17**	73	64
Attributable to:			
Equityholders of Valmet Group	**-18**	73	64
Non-controlling interests	**1**	0	0
Total comprehensive income (+) / expense (-)	**-17**	73	64

COMBINED BALANCE SHEET

Assets

EUR million	**Sep 30, 2013**	Sep 30, 2012	Dec 31, 2012
Non-current assets			
Intangible assets			
Goodwill	**446**	447	445
Other intangible assets	**118**	139	133
	564	586	578
Property, plant and equipment			
Land and water areas	**21**	21	21
Buildings and structures	**140**	162	155
Machinery and equipment	**225**	247	246
Assets under construction	**21**	27	19
	407	457	441
Financial and other non-current assets			
Investments in associated companies	**4**	4	4
Available-for-sale equity investments	**4**	4	4
Loan and other interest-bearing receivables	**1**	5	4
Other receivables, Metso Goup	**20**	132	119
Deferred tax asset	**70**	58	70
Other non-current assets	**8**	11	12
	107	214	213
Total non-current assets	**1,078**	1,257	1,232
Current assets			
Inventories	**472**	845	554
Receivables			
Trade and other receivables	**450**	489	530
Trade and other receivables, Metso Group	**13**	7	42
Cost and earnings of projects under construction in excess of advance billings	**187**	158	170
Loan and other interest bearing receivables	**0**	0	0
Loan receivables, Metso Group	**-**	28	17
Cash pooling receivables, Metso Group	**109**	220	184
Available-for-sale financial assets	**1**	1	1

Derivative financial instruments	**7**	5	6
Income tax receivables	**34**	10	14
Receivables total	**801**	918	964
Cash and cash equivalents	**200**	272	158
Total current assets	**1,473**	2,035	1,676
TOTAL ASSETS	**2,551**	3,292	2,908

COMBINED BALANCE SHEET

Equity and liabilities

EUR million	Sep 30, 2013	Sep 30, 2012	Dec 31, 2012
Equity			
Cumulative translation adjustments	**10**	30	24
Fair value and other reserves	**1**	5	3
Invested equity and retained earnings	**829**	383	389
Equity attributable to equityholders of Valmet Group	**840**	418	416
Non-controlling interests	**5**	8	7
Total equity	**845**	426	423
Liabilities			
Non-current liabilities			
Long-term debt	**92**	158	132
Long-term debt, Metso Group	**-**	574	550
Post employment benefit obligations	**120**	117	121
Provisions	**31**	34	30
Derivative financial instruments	**1**	1	1
Deferred tax liability	**32**	37	36
Other long-term liabilities	**1**	1	1
Total non-current liabilities	**277**	922	871
Current liabilities			
Current portion of long-term debt	**63**	62	64
Current portion of long-term debt, Metso Group	**-**	8	28
Short-term debt	**-**	3	-
Cash pooling liabilities, Metso Group	**156**	93	93
Trade and other payables	**646**	687	643
Trade and other payables, Metso Group	**24**	41	41
Provisions	**102**	134	117
Advances received	**150**	327	182
Advances received, Metso Group	**6**	3	3
Billings in excess of cost and earnings of projects under construction	**249**	552	402
Derivative financial instruments	**8**	2	6
Income tax liabilities	**25**	32	35

Total current liabilities	**1,429**	1,944	1,614
Total liabilities	**1,706**	2,866	2,485
TOTAL EQUITY AND LIABILITIES	**2,551**	3,292	2,908

NET INTEREST BEARING LIABILITIES

EUR million	**Sep 30, 2013**	Sep 30, 2012	Dec 31, 2012
Long-term interest bearing debt	**92**	732	682
Short-term interest bearing debt	**219**	166	185
Cash and cash equivalents	**-200**	-272	-158
Other interest bearing assets	**-111**	-226	-188
Net interest bearing liabilities	**0**	400	521

CONDENSED COMBINED STATEMENT OF CASH FLOWS

EUR million	**1-9/ 2013**	1-9/ 2012	1-12/ 2012
Cash flows from operating activities:			
Profit	**-1**	70	76
Adjustments to reconcile profit to net cash provided by operating activities:			
Depreciation and amortization	**63**	67	90
Interests and dividend income	**6**	12	21
Income taxes	**7**	36	40
Other	**22**	1	14
Change in net working capital	**-54**	-122	-240
Cash flows from operations	**43**	64	1
Interest paid and interest and dividends received	**-15**	-14	-22
Income taxes paid	**-33**	-22	-32
Net cash provided by operating activities	**-5**	28	-53
Cash flows from investing activities:			
Capital expenditures on fixed assets	**-41**	-41	-59
Proceeds from sale of fixed assets	**1**	5	6
Business acquisitions, net of cash acquired	**-3**	-	-
Proceeds from sale of businesses, net of cash sold	**-1**	-	-
Investments in (-) / proceeds from (+) sale of financial assets	**-**	-	-
Other	**0**	0	0
Net cash provided by (+) / used in (-) investing activities	**-44**	-36	-53
Cash flows from financing activities:			
Changes in ownership interests in subsidiaries	**-5**	-	-
Net borrowings (+) / payments (-) on debt	**-40**	-59	-86
Net borrowings (+) / payments (-) on Metso Group financing	**-320**	96	89
Dividends paid, Metso Group	**-**	-56	-70
Equity financing with Metso Group	**467**	0	37
Other	**0**	0	-1
Net cash provided by (+) / used in (-) financing activities	**102**	-19	-31
Net increase (+) / decrease (-) in cash and cash equivalents	**53**	-27	-137
Effect from changes in exchange rates	**-11**	-9	-13
Cash and cash equivalents at beginning of period	**158**	308	308
Cash and cash equivalents at end of period	**200**	272	158

COMBINED STATEMENT OF CHANGES IN EQUITY

EUR million	Cumulative translation adjustments	Fair value and other reserves	Invested equity and retained earnings	**Equity attributable to equity-holders of Valmet**	Non-controlling interests	**Total equity**
Balance at Jan 1, 2012	**26**	**5**	**370**	**401**	**8**	**409**
Profit	-	-	70	70	0	70
Other comprehensive income (+) / expense (-)						
Cash flow hedges, net of tax	-	-1	-	-1	-	-1
Available-for-sale equity investments, net of tax	-	0	-	0	-	0
Currency translation on subsidiary net investments	4	-	-	4	-	4
Net investment hedge gains (losses), net of tax	-	-	-	-	-	-
Defined benefit plan acturial gains (+) / losses (-), net of tax	-	-	-	-	-	-
Total comprehensive income (+) / expense (-)	4	-1	70	73	0	73
Dividends	-	-	-56	-56	0	-56
Share-based payments, net of tax	-	-	-1	-1	-	-1
Changes in invested equity	-	-	0	0	-	0
Other	-	1	0	1	-	1
Changes in non-controlling interests	-	-	0	0	0	0
Balance at September 30, 2012	**30**	**5**	**383**	**418**	**8**	**426**
Balance at Jan 1, 2013	**24**	**3**	**389**	**416**	**7**	**423**
Profit	-	-	-2	-2	1	-1
Other comprehensive income (+) / expense (-)						
Cash flow hedges, net of tax	-	-2	-	-2	-	-2
Available-for-sale equity investments, net of tax	-	0	-	0	-	0
Currency translation on subsidiary net investments	-14	-	-	-14	-	-14
Net investment hedge gains (losses), net of tax	-	-	-	-	-	-
Defined benefit plan acturial gains (+) / losses (-), net of tax	-	-	-	-	-	-
Total comprehensive income (+) / expense (-)	-14	-2	-2	-18	1	-17

Dividends	-	-	0	0	-	0
Share-based payments, net of tax	-	-	-1	-1	-	-1
Changes in invested equity [1]	-	-	447	447	-	447
Other	-	0	0	0	-	0
Changes in non-controlling interests	-	-	-4	-4	-3	-7
Balance at September 30, 2013	**10**	**1**	**829**	**840**	**5**	**845**

1) Includes EUR 468 million of Metso Svenska AB's long term debt to Metso Group which was converted into equity in January 2013

Accounting Principles for the Carve-out Financial Information

Background

Metso's Extraordinary General Meeting approved a demerger plan on October 1, 2013, pursuant to which Metso's Pulp, Paper and Power businesses will transfer from Metso to Valmet Corporation to be incorporated in connection with the Demerger.

Valmet has not formed a separate legal group in the past. As part of the proposed demerger Metso will carve out and transfer the assets and liabilities of its Pulp, Paper and Power segment's entities to Valmet Corporation. The interim carve-out financial information presented herein reflect the entities, results of operations, assets and liabilities and cash flows that will be carved out from Metso in the demerger process. Collectively these entities will form a separate legal group after the demerger and are referred to as "Valmet Group" or "Valmet" in the interim carve-out financial information.

Basis of Preparation

The interim carve-out financial information for the nine month period ended September 30, 2013 has been prepared by combining the income statements, comprehensive income statements, balance sheets, and cash flows of the legal entities and operating units attributable to the Pulp, Paper and Power businesses in Metso's historical consolidated financial statements and that will be carved out from Metso to form the Valmet Group. This includes the income, expenses, assets, liabilities, and cash flows of certain overseas holding companies owned by the Parent Company and Metso will either be transferred to Valmet or that have been allocated to Valmet for the purpose of preparing the carve-out financial statements and interim carve-out financial information. As the Valmet Group does not comprise a group of entities under the control of a parent as defined by IAS 27, "Consolidated and Separate Financial Statements", consolidated financial statements for these businesses have not been prepared historically for internal or external reporting purposes.

The interim carve-out financial information for the nine month period ended September 30, 2013 has been prepared in compliance with the recording and valuation principles of the IFRS standards as adopted by the European Union and take account of the accounting basis and accounting principles used in preparing the carve-out financial statements for the years ended December 31, 2012, December 31, 2011, and December 31, 2010 and the carve-out financial information for the six- month period ended June 30, 2013.

The interim carve-out financial information is unaudited and should be read together with the audited carve-out financial statements for the years ended December 31, 2012, 2011 and 2010, together with the unaudited carve-out financial information for the six month period ended June 30, 2013 included in the demerger prospectus dated September 20, 2013 and released on September 23, 2013.

The Valmet interim carve-out financial information does not necessarily reflect what the combined results of operations and financial position would have been had Valmet existed as a separate independent legal group and had it therefore presented stand-alone consolidated interim financial information during the periods presented. Further, this interim carve-out financial information may not be indicative of Valmet's future performance, financial position or cash flows.

The interim carve-out financial information is presented in millions of euros (EUR million) except when otherwise indicated.

The carve-out financial statements of Valmet as at and for the nine months ended September 30, 2013 include the legal entities and associated companies included in the carve-out financial information of Valmet as at and for the six months ended June 30, 2013 with the following exceptions:

- Metso Foundries Oy was merged into Metso Paper Oy on September 30, 2013

Critical Accounting Estimates and Judgments

The preparation of this interim carve-out financial information has required management to make estimates and judgments affecting the amounts reported in this carve-out interim financial information and the accompanying notes. These estimates and judgments have an impact on the accounting principles applied to this interim carve-out financial information and on the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and assumptions.

Estimates, judgments and assumptions have been used for example for inventory, trade receivables, revenue recognition, hedging of foreign currency denominated firm commitments, impairment testing and reserves for warranty and guarantee costs. A more detailed analysis of areas involving estimation and management judgment is included in Note 1.4 to the audited carve-out financial statements for the periods ended December 31, 2012, December 31, 2011 and December 31, 2010. Estimates made for previous periods have not changed.

Exchange Rates Used in the Preparation of the Interim Carve-out Financial Information

	1–9/2013	1–9/2012	1–12/ 2012	September 30, 2013	September 30, 2012	December 31, 2012
USD (US dollar)	1,3185	1,2895	1,2932	1,3505	1,2930	1,3194
SEK (Swedish krona)	8,6040	8,8275	8,7015	8,6575	8,4498	8,5820
GBP (Pound sterling)	0,8500	0,8145	0,8137	0,8361	0,7981	0,8161
CAD (Canadian dollar)	1,3507	1,2904	1,2930	1,3912	1,2684	1,3137
BRL (Brazilian real)	2,8016	2,4704	2,5220	3,0406	2,6232	2,7036
CNY (Chinese yuan)	8,1345	8,1485	8,1462	8,2645	8,1261	8,2207
AUD (Australian dollar)	1,3523	1,2437	1,2468	1,4486	1,2396	1,2712

Related Party Information

Valmet Group’s related parties include the parent company of Metso Corporation, Metso Group companies other than Valmet Group companies and associated companies as well as key employees belonging to the management.

Valmet’s Transactions with Metso Group Companies

Valmet Group’s sales to Metso Group companies comprise of sales of filtration products and assembly services to Mining and Construction. Valmet Group’s purchases from Metso Group companies in its ordinary course of business comprise of purchases of Process Automation Systems related to Valmet’s project sales.

In addition to the above, Metso Corporation and other Metso Group companies have equity and financing transactions with Valmet Group which have lead into the recognition of receivables and payables with Metso Group companies as presented in the table below. Receivables of short term nature include trade receivables and advances paid for inventories arising in the ordinary course of business as well as positive cash pool balances resulting from the centralized cash pool arrangements. Other receivables comprise non-interest-bearing receivables from Metso Corporation.

Short-term and long-term interest-bearing loans represent loan balances owed by Valmet to Metso Group companies that have been arranged for Valmet to meet its financing needs. Trade and other payables and advances received comprise of items arising in the ordinary course of business including group contribution payables. Cash pooling liabilities represent cash owed to Metso Group companies as part of the centralized cash pool arrangements. Interest income relates to interest earned on positive cash pool accounts and loan receivables and interest expenses comprise of interest on Metso’s financing to Valmet and interest costs on cash owed through the cash pooling arrangements.

Valmet entities have not had significant lease agreements between Metso group companies for the periods presented.

	For the nine months ended September 30, 2013	For the nine months ended September 30, 2012	For the year ended December 31, 2012
		(EUR in millions)	
Net sales	10	7	9
Cost of goods sold	-46	-38	-60
Interest income on cash and cash equivalents	1	3	4
Interest expenses on financial liabilities	-3	-20	-27

	As at September 30, 2013	As at September 30, 2012	As at December 31, 2012
		(EUR in millions)	
Other receivables	20	132	119
Advances paid for inventories	3	3	6
Trade and other receivables	13	7	42
Loan receivables	–	28	17
Cash pooling receivables	109	220	184
Long-term debt	–	574	550
Current portion of long-term debt	–	8	28
Cash pooling liabilities	156	93	93
Trade and other payables	24	41	41
Advances received	6	3	3

Segment Information

The performance of the Group is reviewed by the chief operating decision maker. One key indicator of performance is EBITA (Earnings before interest, taxes and amortization). The performance is also analyzed by excluding from EBITA items qualifying as non-recurring, such as capacity adjustment costs, gains and losses on business disposals, and other infrequent events, as these items reduce the comparability of the Group's performance from one period to another.

	As at and for the nine months ended September 30, 2013	As at and for the nine months ended September 30, 2012	As at and for the year ended December 31, 2012
		(EUR in millions)	
Net sales	1,946	2,089	3,014
EBITA before non-recurring items	78.8	138.8	192.0
%of net sales	4.1	6.6	6.4
Operating profit	7.0	116.4	138.3
% of net sales	0.4	5.6	4.6
Non-recurring items:			
Capacity adjustment expenses			
in cost of goods sold	-21.9	–	-8.5
in selling, general and administrative expenses	-9.2	–	-2.1
in other operating income and expenses, net	-15.1	–	-13.1
Cost related to demerger process			
in selling, general and administrative expenses	-5.6	–	–
Total non-recurring items	-51.8	–	-23.7
Amortization	-20.0	-22.4	-30.0
Depreciation	-43.0	-44.1	-59.5
Gross capital expenditure (including acquisitions)	-44	-41	-64
Non-cash write-downs	-27	-4	-17
Capital employed	1,155	1,324	1,290

Orders received	1,754	1,767	2,445
Order backlog at end of period	1,658	2,534	2,249

Geographic Information

Net sales to unaffiliated customers by destination:

	Finland	Other Nordic Count-ries	Other Euro-pean Count-ries	North America	South and Central America	China	Asia-Pacific	Africa and Middle East	Valmet total
					(EUR in millions)				
Q1-Q3/2012	182	192	416	418	317	318	183	63	2,089
Q1-Q3/2013	144	227	393	299	300	317	200	66	1,946

Valmet's exports, including sales to unaffiliated customers and intra-group sales from Finland, by destination:

	Other Nordic Count-ries	Other Euro-pean Count-ries	North America	South and Central America	China	Asia-Pacific	Africa and Middle East	Valmet total
				(EUR in millions)				
Q1-Q3/2012	126	297	66	115	125	65	5	799
Q1-Q3/2013	115	227	38	66	142	117	10	715

Long-term assets by location:

	Finland	Other Nordic Count-ries	Other Euro-pean Count-ries	North America	South and Central America	China	Asia-Pacific	Africa and Middle East	Non-allo-cated	Valmet total
					(EUR in millions)					
Sept.30, 2012	289	48	25	68	30	105	9	2	486	1,062
Sept.30, 2013	234	51	24	64	30	102	8	0	475	988

Long-term assets comprise intangible assets, property, plant and equipment, investments in associated companies, available-for-sale equity investments and other non-interest-bearing non-current assets. Non-allocated assets include mainly goodwill and other allocated assets arising from business acquisitions.

Gross capital expenditure (excluding business acquisitions) by location:

	Finland	Other Nordic Count-ries	Other Euro-pean Count-ries	North America	South and Central America	China	Asia-Pacific	Africa and Middle East	Valmet total
					(EUR in millions)				
Q1-Q3/2012	18	3	3	2	7	6	2	0	41
Q1-Q3/2013	14	10	2	2	5	6	2	0	41

Analysis of net sales by category:

	Q1-Q3/2013	Q1-Q3/2012
	(EUR in millions)	
Sale of services	809	787
Sale of projects, equipment and goods	1,137	1,302
Total	1,946	2,089

Basis of Compilation of Unaudited Pro Forma Financial Information

The following unaudited pro forma financial information is presented to illustrate the financial impact of the demerger and certain transactions related to the formation of Valmet on Valmet's results of operations and financial position had the demerger taken place at an earlier point in time. This unaudited pro forma financial information is presented for illustrative purposes only. Because of its nature, this unaudited information illustrates what the hypothetical impact would have been if the demerger and certain transactions related to the formation of Valmet had taken place at the dates assumed in the pro forma financial information and does not represent Valmet's actual results of operations or financial position. This information is not intended to project Valmet's results of operations or financial position for any future period or as at any future date and does not represent the results of operations or financial position had Valmet been an independent publicly traded company during the periods presented. In addition, it should be noted that the corporate headquarter costs allocated to Valmet for historical carve-out pusposes may not necessarily represent what these costs would have been if Valmet had operated as an independent legal entity. Additional costs may be incurred by Valmet following the effective date to enable it to operate as an independent listed company and as a result of reorganizing its administrative and headquarter functions.

The pro forma adjustments are based upon available information and assumptions, which are described in the accompanying unaudited pro forma notes. There can be no assurance that the assumptions used in the preparation of the unaudited pro forma financial information will prove correct.

The pro forma adjustments that have been made to reflect the effects of the demerger and certain transactions related to the information of Valmet are based on Valmet's unaudited interim carve-out financial information as at and for the nine months ended September 30, 2013, unaudited carve-out financial information as at and for the year ended December 31, 2012, and management's estimate of the transactions that have been completed or are to be completed to effect the demerger and form Valmet in accordance with the demerger plan. The final amounts of assets and liabilities transferred to Valmet in the demerger may materially differ from those presented in the pro forma financial information as such balances will be determined on the effective date. This could result in a significant variation from the results of operations and financial position presented for Valmet in the pro forma financial information.

Pro Forma Periods

The pro forma statement of income and pro forma statement of comprehensive income for the year ended December 31, 2012 and for the nine months ended September 30, 2013 have been compiled assuming that the demerger and certain transactions related to the formation of Valmet had been completed on January 1, 2012, while the pro forma balance sheet as at September 30, 2013 has been compiled assuming that the demerger and certain transactions related to the formation of Valmet had been completed on September 30, 2013.

Effects of the Demerger and Certain Valmet Formation Related Transactions

As Valmet's business operations will be separated to form an independent separate group only at the effective date, the historical financial information of Valmet has been presented as carve-out financial information extracted from Metso's consolidated financial statements. The pro forma financial information has been compiled to illustrate the impacts of the demerger, which are not included in the historical carve-out financial information.

The pro forma financial information takes into account the effects of certain intra-group arrangements that have been or will be undertaken by Metso prior to the demerger in order to achieve the planned legal group structure of Valmet and the effects of certain refinancing measures including a settlement of intra-group net debt items between Valmet and Metso that are planned to take place prior to the demerger. This pro forma financial information also includes adjustments made to equity to reflect the contemplated equity structure of Valmet Corporation as described in the demerger plan.

The pro forma financial information also takes into account the estimated direct costs related to the demerger and the listing.

Historical Financial Information

The pro forma financial information has been compiled on a basis consistent with the IFRS accounting policies of Valmet. The pro forma financial information is based on the unaudited carve-out financial information as at and for the nine months ended September 30, 2013 and the audited carve-out financial statements as at and for the year ended December 31, 2012. Valmet adopted the revised "*IAS 19 – Employee Benefits*" standard on January 1, 2013. Accordingly, Valmet's audited carve-out financial information for the year ended December 31, 2012 has been restated to correspond to the accounting principles of the revised "*IAS 19 – Employee Benefits*" standard and due to the restatement is unaudited. More information on the impact of the revised "*IAS 19 – Employee Benefits*" standard on the carve-out financial information for the year ended December 31, 2012 is presented in the notes to the unaudited interim carve-out financial information as at and for the six months ended June 30, 2013, which is included in the F-pages to the demerger prospectus dated September 20, 2013 and released on September 23, 2013.

The pro forma financial information presented here should be read in conjunction with the unaudited carve-out financial information for the nine month period ended September 30, 2013, the historical carve-out financial information for Valmet, and other information included in the demerger prospectus mentioned above.

	For the year ended December 31, 2012					
	Valmet restated[1] carve-out	Pro forma adjustment I	Pro forma adjustment II	Pro forma adjustment III	Pro forma adjustment IV	Pro forma
	(unaudited)					(unaudited)
	(EUR in millions)					
PRO FORMA STATEMENT OF INCOME						
Net sales	3,014	–	–	–	–	3,014
Cost of goods sold	-2,405	–	–	–	–	-2,405
Gross profit	609	–	–	–	–	609
Selling, general and administrative expenses	-457	–	–	-16	–	-473
Other operating income and expenses, net	-14	–	–	–	–	-14
Share in profits and losses of associated companies	0	–	–	–	–	0
Operating profit	138	–	–	-16	–	122
Financial income and expenses, net	-23	–	23	-4	–	-4
Profit before taxes	115	–	23	-20	–	118
Income taxes	-39	–	-6	5	–	-40
Profit	76	–	17	-15	–	78

	For the year ended December 31, 2012					
	Valmet restated[1] carve-out	Pro forma adjustment I	Pro forma adjustment II	Pro forma adjustment III	Pro forma adjustment IV	Pro forma
	(unaudited)					(unaudited)
	(EUR in millions)					
PRO FORMA STATEMENT OF COMPREHENSIVE INCOME						
Profit	76	–	17	-15	–	78
Items that may be later transferred to profit or loss:						
Cash flow hedges, net of tax	-3	–	–	–	–	-3
Available-for-sale equity investments, net of tax	0	–	–	–	–	0
Currency translation on subsidiary net investments	-2	–	–	–	–	-2
Net investment hedge gains (+) / losses (–), net of tax	–	–	–	–	–	–
Total items that may be later transferred to profit or loss	-5	–	–	–	–	-5
Items that will not be transferred to profit or loss:						
Defined benefit plan actuarial gains (+) / losses (–), net of tax	-7	–	–	–	–	-7
Other comprehensive income (+) / expense (–)	-12	–	–	–	–	-12
Total comprehensive income (+) / expense (–)	64	–	17	-15	–	66

1) Restated due to the adoption of the revised *"IAS 19 – Employee Benefits"* on January1, 2013.

	For the nine months ended September 30, 2013					
	Valmet carve-out	Pro forma adjustment I	Pro forma adjustment II	Pro forma adjustment III	Pro forma adjustment IV	Pro forma
	(unaudited)					(unaudited)
	(EUR in millions)					
PRO FORMA STATEMENT OF INCOME						
Net sales	1,946	–	–	–	–	1,946
Cost of goods sold	-1,580	–	–	–	–	-1,580
Gross profit	366	–	–	–	–	366
Selling, general and administrative expenses	-343	–	–	6	–	-337
Other operating income and expenses, net	-17	–	–	–	–	-17
Share in profits and losses of associated companies	1	–	–	–	–	1
Operating profit	7	–	–	6	–	13
Financial income and expenses, net	-8	–	1	2	–	-5
Profit before taxes	-1	–	1	8	–	8
Income taxes	0	–	0	-2	–	-2
Profit	-1	–	1	6	–	6

	Valmet carve-out (unaudited)	Pro forma adjustment I	Pro forma adjustment II	Pro forma adjustment III	Pro forma adjustment IV	Pro forma (unaudited)
	For the nine months ended September 30, 2013					
	(EUR in millions)					
PRO FORMA STATEMENT OF COMPREHENSIVE INCOME						
Profit	-1	–	1	6	–	6
Items that may be later transferred to profit or loss:					–	
Cash flow hedges, net of tax	-2	–	–	–	–	-2
Available-for-sale equity investments, net of tax	0	–	–	–	–	0
Currency translation on subsidiary net investments	-14	–	–	–	–	-14
Net investment hedge gains (+) / losses (–), net of tax	–	–	–	–	–	–
Total items that may be reclassified as profit or loss in subsequent periods	-16	–	–	–	–	-16
Items that will not be transferred to profit or loss:						
Defined benefit plan actuarial gains (+) / losses (–), net of tax	–	–	–	–	–	–
Other comprehensive income (+) / expense (–)	-16	–	–	–	–	-16
Total comprehensive income (+) / expense (–)	-17	–	1	6	–	-10

	Valmet carve-out (unaudited)	Pro forma adjustment I	Pro forma adjustment II	Pro forma adjustment III	Pro forma adjustment IV	Pro forma (unaudited)
	As at September 30, 2013					
	(EUR in millions)					
PRO FORMA BALANCE SHEET						
ASSETS						
Non-current assets						
Intangible assets						
Goodwill	446	–	–	–	–	446
Other intangible assets	118	–	–	–	–	118
Intangible assets, total	564	–	–	–	–	564
Property, plant and equipment						
Land and water areas	21	–	–	–	–	21
Buildings and structures	140	–	–	–	–	140
Machinery and equipment	225	–	–	–	–	225
Assets under construction	21	–	–	–	–	21
Property, plant and equipment, total	407	–	–	–	–	407
Financial and other non-current assets						
Investments in associated companies	4	–	–	–	–	4
Available-for-sale equity investments	4	–	–	–	–	4
Loan and other interest-bearing receivables	1	–	–	–	–	1
Other receivables, Metso Group	20	-20	–	–	–	–
Deferred tax asset	70	–	–	4	–	74
Other non-current assets	8	–	–	–	–	8
Financial and other non-current assets, total	107	-20	–	4	–	91
Total non-current assets	1,078	-20	–	4	–	1,062
Current assets				–	–	
Inventories	472	–	–	–	–	472
Receivables				–	–	
Trade and other receivables	450	–	–	–	–	450
Trade and other receivables, Metso Group	13	–	–	–	–	13
Cost and earnings of projects under construction in excess of advance billings	187	–	–	–	–	187
Loan and other interest-bearing receivables	0	–	–	–	–	0
Loan receivables, Metso Group	–	45	-45	–	–	–
Cash pooling receivables, Metso Group	109	–	-109	–	–	–
Available-for-sale financial assets	1	–	–	–	–	1
Derivative financial instruments	7	–	–	–	–	7
Income tax receivables	34	–	–	–	–	34
Receivables, total	801	45	-154	–	–	692
Cash and cash equivalents	200	–	18	-17	–	201
Total current assets	1,473	45	-136	-17	–	1,365
Total assets	2,551	25	-136	-13	–	2,427

	Valmet carve-out (unaudited)	Pro forma adjustment I	Pro forma adjustment II	Pro forma adjustment III	Pro forma adjustment IV	Pro forma (unaudited)
	As at September 30, 2013					
	(EUR in millions)					
EQUITY AND LIABILITIES						
Equity						
Share capital	–	–	–	–	100	100
Reserve for invested unrestricted equity	–	–	–	–	295	295
Cumulative translation adjustments	10	–	–	–	–	10
Fair value and other reserves	1	–	–	–	–	1
Retained earnings	–	–	–	–	413	413
Invested equity and retained earnings	829	-8	–	-13	-808	–
Equity attributable to equityholders of Valmet Group	840	-8	–	-13	–	819
Non-controlling interests	5	–	–	–	–	5
Total equity	845	-8	–	-13	–	824
Liabilities						
Non-current liabilities						
Long-term debt	92	–	52	–	–	144
Long-term debt, Metso Group	–	–	–	–	–	–
Post-employment benefit obligations	120	–	–	–	–	120
Provisions	31	–	–	–	–	31
Derivative financial instruments	1	–	–	–	–	1
Deferred tax liability	32	–	–	–	–	32
Other long-term liabilities	1	–	–	–	–	1
Total non-current liabilities	277	–	52	–	–	329
Current liabilities				–	–	
Current portion of long-term debt	63	–	–	–	–	63
Current portion of long-term debt, Metso Group	–	–	–	–	–	–
Short-term debt, Metso Group	–	32	-32	–	–	–
Cash pooling liabilities, Metso Group	156	–	-156	–	–	–
Trade and other payables	646	–	–	–	–	646
Trade and other payables, Metso Group	24	–	–	–	–	24
Provisions	102	–	–	–	–	102
Advances received	150	–	–	–	–	150
Advances received, Metso Group	6	–	–	–	–	6
Billings in excess of cost and earnings of projects under construction	249	–	–	–	–	249
Derivative financial instruments	8	–	–	–	–	8
Income tax liabilities	25	1	–	–	–	26
Total current liabilities	1,429	33	-188	–	–	1,274
Total liabilities	1,706	33	-136	–	–	1,603
Total equity and liabilities	2,551	25	-136	-13	–	2,427

Unaudited pro forma notes

Pro forma adjustments

The following adjustments have been made to the carve-out financial information to reflect the effects of the demerger and certain Valmet formation related transactions.

Pro forma adjustment I

Metso will undertake certain intra-group arrangements related to the demerger before the effective date. The purpose of these arrangements is to align the legal group structures of both Valmet and Metso to reflect the contemplated legal structures of both Valmet and Metso after the demerger.

The impacts of these intra-group arrangements on the pro forma balance sheet as at September 30, 2013 have been reflected under pro forma adjustment I. This adjustment does not have an impact on the pro forma statement of income for the nine months ended September 30, 2013 or for the year ended December 31, 2012.

Pro forma adjustment II

The existing interest-bearing intra-group receivables and liabilities among Valmet and Metso are planned to be settled on the effective date. These intra-group balances consist of non-current and current receivables and liabilities, including debt balances to Metso as well as cash pool receivable and liability balances. In the pro forma balance sheet as at September 30, 2013, the net settlement of these intra-group balances results in an increase to cash and cash equivalents of EUR 18 million, reflecting the cash amount to be paid by Metso to Valmet to settle the balances.

The pro forma financial information assumes that an intra-group debt balance of EUR 52 million granted by Metso's subsidiary Metso Belgium NV to Valmet has been repaid by Valmet to Metso and financed by drawing funds from the EUR 200 million term loan facility with SEB. The impact on Valmet's interest expenses and the related tax impact are reflected in the pro forma statements of income for the nine months ended September 30, 2013 and for the year ended December 31, 2012.

EUR 468 million of the EUR 482 million long-term debt from Metso to Metso Svenska AB (Valmet entity) was converted into equity in January 2013. The interest expenses (EUR 22 million) and the related tax impact (negative EUR 6 million) related to this intra-group long-term debt balance included in the combined statement of income for the year ended December 31, 2012 have been eliminated from the pro forma statement of income for that period.

Pro forma adjustment III

The estimated direct costs to be incurred by Valmet in connection with the demerger and the listing related to establishing the new company and listing the shares in Valmet on the Helsinki Stock Exchange have been accounted for under pro forma adjustment III.

Of these estimated direct costs related to the demerger, EUR 16 million have been recorded as selling, general and administrative expenses, EUR 4 million as financial expenses and EUR 5 million as the related income tax impact in the pro forma statement of income for the year ended December 31, 2012. The direct costs related to the demerger of EUR 8 million already recognized in Valmet's combined statement of income for the nine months ended September 30, 2013 are eliminated in the pro forma statement of income for that period.

In the pro forma balance sheet, the direct costs related to the demerger to be expensed, EUR 13 million net of tax, have been deducted from the invested equity and retained earnings. The estimate for the total share issuance and listing costs deducted from invested equity and retained earnings in the pro forma balance sheet as at September 30, 2013 amounted to EUR 5 million, net of taxes EUR 4 million.

Cash and cash equivalents have been reduced by the amount of EUR 17 million, reflecting the unpaid portion of the before-mentioned estimated direct costs related to the demerger and the listing.

The direct costs related to the demerger and the listing are considered to be non-recurring costs and as such, they do not have a continuing impact on Valmet's results of operations.

Pro forma adjustment IV

The formation of Valmet's equity structure in accordance with the demerger plan has been treated as an adjustment in the pro forma balance sheet as at September 30, 2013. The presentation of equity in the carve-out balance sheet as at September 30, 2013 has been adjusted under pro forma adjustment IV by splitting the line item "Invested equity and retained earnings" into the line items "Share capital," "Reserve for invested unrestricted equity" and "Retained earnings" in the pro forma presentation of equity.
The final amounts of assets and liabilities transferred to and the composition of equity items of Valmet in the demerger may materially differ from those presented in this pro forma financial information as such asset and liability balances and the equity structure will be determined as at the effective date.

	As at and for the nine months ended September 30, 2013	**As at and for the year ended December 31, 2012**
	(unaudited)	
	(EUR in millions, unless otherwise indicated)	
KEY PRO FORMA DATA		
Net sales	1,946	3,014
Operating profit	13	128
Profit before taxes	8	118
Amortization	-20	-30
Depreciation	-43	-60
Non-recurring items:		
Capacity adjustment expenses	-46	-24
Costs related to the demerger	0	-16
EBITA(1)	33	152
EBITA before non-recurring items(2)	79	192
percent of net sales	4.1	6.4
Earnings per share,(3) EUR	0.04	0.52
Shares (outstanding shares of Metso as at September 30, 2013)	149,864,206	149,756,034
Balance sheet total	2,427	n/a
Equity	824	n/a
Interest-bearing liabilities	207	n/a
Net debt	4	n/a
Net gearing,(4) %	0.5	n/a
ROCE before taxes,(5) %	2.5	n/a
ROCE after taxes,(6) %	2.2	n/a
Equity to asset ratio,(7) %	40.8	n/a

(1) EBITA = operating profit + amortization

(2) EBITA before non-recurring items = operating profit + amortization + non-recurring items

(3) Earnings per share $= \dfrac{\text{Profit}}{\text{Number of outstanding shares in Metso}}$

(4) Net gearing $= \dfrac{\text{Net interest-bearing liabilities}}{\text{Total equity}} \times 100$

(5) Return on capital employed (ROCE) before taxes $= \dfrac{\text{Profit before taxes + interest and other financial expenses}}{\text{Balance sheet total – non-interest-bearing liabilities}} \times 100$

(6) Return on capital employed (ROCE) after taxes $= \dfrac{\text{Profit + interest and other financial expenses}}{\text{Balance sheet total – non-interest-bearing liabilities}} \times 100$

(7) Equity to asset ratio $= \dfrac{\text{Total equity}}{\text{Balance sheet total – advances received}} \times 100$

Non-IFRS measures on a pro forma basis

Valmet has included in this pro forma financial information certain non-IFRS financial measures on a pro forma basis. Such non-IFRS financial measures are pro forma EBITA, pro forma EBITA before non-recurring items and pro forma EBITA-margin before non-recurring items and such measures are not accounting measures defined under IFRS or applicable pro forma guidance.

The following tables reconcile the operating profit to EBITA and EBITA before non-recurring items on a pro forma basis for the periods indicated:

	For the nine months ended September 30, 2013[1]			For the year ended December 31, 2012[1]		
	Carve-out	Pro forma adjustments	Pro forma	Carve-out	Pro forma adjustments	Pro forma
				(restated)[2]		
	(unaudited) (EUR in million)					
Operating profit	7	6	13	138	-16	122
Total amortization	20	–	20	30	–	30
EBITA	27	6	33	168	-16	152
Capacity adjustment expenses	46	–	46	24	–	24
Costs related to the Demerger	6	-6	–	–	16	16
EBITA before non-recurring items	79	–	79	192	–	192

(1) The figures presented have been rounded and, therefore, the sum of individual figures may differ from the presented sum total.

(2) Restated due to the adoption of the revised "*IAS 19 – Employee Benefits*" on January 1, 2013.