

DEMERGER PLAN

The board of directors of Metso Corporation proposes that Metso Corporation (“**Metso Corporation**” or the “**Demerging Company**”) shall demerge in a partial demerger to the effect that all such assets, debts and liabilities of Metso Corporation which relate to Metso Corporation’s Pulp, Paper and Power businesses (“**PPP Business**”) shall transfer, without liquidation, to a company to be incorporated in the demerger (“**Valmet Corporation**” or the “**Receiving Company**”), in the manner set forth in this demerger plan (the “**Demerger Plan**” including appendices) (the “**Demerger**”).

As demerger consideration, Metso Corporation’s shareholders shall receive shares of Valmet Corporation in proportion to their existing shareholdings. Metso Corporation shall not dissolve as a result of the Demerger.

The Demerger shall be carried out in compliance with the provisions of Chapter 17 of the Finnish Companies Act (624/2006, as amended) (the “**Finnish Companies Act**”), and Section 52 c of the Finnish Business Income Tax Act (360/1968, as amended).

1. Companies Participating in Demerger

Demerging Company:

Trade name: Metso Corporation
Business ID: 1538032-5
Address: PL 1220, 00101 Helsinki
Domicile: Helsinki

Metso Corporation is a public limited liability company, the shares of which are publicly traded on the official list of NASDAQ OMX Helsinki Ltd (the “**Helsinki Stock Exchange**”).

Receiving Company:

Trade name: Valmet Corporation
Business ID: To be issued after the registration of the Demerger Plan
Address: c/o Metso Corporation, PL 1220, 00101 Helsinki
Domicile: Helsinki

Valmet Corporation is a public limited liability company to be incorporated in connection with the Demerger, the shares of which are intended to be applied for public trading on the official list of the Helsinki Stock Exchange.

Below, Metso Corporation and Valmet Corporation jointly, the “**Companies Participating in Demerger**” and, each individually, a “**Company Participating in Demerger**”.

2. Reasons for Demerger

The purpose of the Demerger is to execute the separation of Metso Corporation’s businesses to the effect that PPP Business is separated to Valmet Corporation and Metso Corporation’s other businesses, including, among others, Mining and Construction as well as Automation businesses (“**MCA Business**”), remain with Metso Corporation.

The purpose of the Demerger is to offer the best potential for PPP Business and MCA Business to utilize faster and more efficiently their respective strengths in their customer industries. Metso Corporation has developed its businesses actively during the past decade through investing in the development of their global service capabilities, broadening their technology offering through substantial R&D and building their market positions through acquisitions. Both new entities would be globally leading companies in their respective markets and the next steps in their strategic development would be taken most efficiently as two separate companies, enabling more focused and crystallized strategies and operations. The increased focus of the management and board of directors should also help the two independent companies in achieving stronger growth and improved profitability. The Demerger would also be expected to result in increased value for shareholders inasmuch as both companies would have their own distinct characteristics and would offer different investment profiles.

3. Articles of Association and Administrative Bodies of Companies Participating in Demerger

3.1 Articles of Association of Receiving Company

A proposal for the articles of association of Valmet Corporation is appended (Appendix 1) to this Demerger Plan.

3.2 Board of Directors and Auditor of Receiving Company and Their Remuneration

According to the proposed articles of association of Valmet Corporation, Valmet Corporation shall have a board of directors consisting of a minimum of five (5) and a maximum of eight (8) members. According to the proposed articles of association of Valmet Corporation, the term of members of the board of directors shall expire at the end of the next annual general meeting of shareholders following the election.

The number of the members of the board of directors of Valmet Corporation shall be confirmed, and the members of the board of directors as well as the chairman and the vice chairman shall be elected, by the general meeting of shareholders of Metso Corporation resolving on the Demerger.

According to the proposed articles of association of Valmet Corporation, the company shall have one auditor that shall be an auditing firm approved by the Finland Chamber of Commerce. The auditor of Valmet Corporation shall be elected by the general meeting of shareholders of Metso Corporation resolving on the Demerger.

Resolutions on the remuneration of the board of directors and the auditor of Valmet Corporation shall be passed in the general meeting of shareholders of Metso Corporation resolving on the Demerger. Valmet Corporation shall be solely responsible for paying the remuneration of the board of directors and the auditor of Valmet Corporation and all other costs and liabilities related thereto also as regards the remuneration, cost or liability that may potentially pertain wholly or partially to the time period preceding the registration of the completion of the Demerger.

The board of directors of Metso Corporation shall make proposals to the general meeting of shareholders of Metso Corporation resolving on the Demerger concerning the confirmation of the number of the members of the board of directors, the election of the members of the board

of directors and the auditor of Valmet Corporation as well as their remuneration following consultation with the following shareholders the representatives of which formed the shareholders' nomination committee of Metso Corporation that prepared the proposals for the general meeting of shareholders of Metso Corporation held on March 28, 2013 concerning the confirmation of the number of the members of the board of directors of Metso Corporation, the election of the members of the board of directors as well as their remuneration: Solidium Oy, Cevian Capital, Varma Mutual Pension Insurance Company and Ilmarinen Mutual Pension Insurance Company. The above-mentioned proposals shall not be binding on the general meeting of shareholders of Metso Corporation resolving on the Demerger.

The board of directors of Metso Corporation intends to propose that a part of the current members of the board of directors of Metso Corporation would be elected as members of the board of directors of Valmet Corporation for a term expiring at the closing of the first annual general meeting of shareholders of Valmet Corporation. Upon the registration of the completion of the Demerger, the directorship in Metso Corporation of such current members of the board of directors of Metso Corporation would end. Furthermore, the board of directors of Metso Corporation intends to propose that one (1) or more other members in addition to such current members of the board of directors of Metso Corporation would be elected to the board of directors of Valmet Corporation for a term expiring at the closing of the first annual general meeting of shareholders of Valmet Corporation.

Inasmuch as the remuneration of the current members of the board of directors of Metso Corporation has already been paid in full for their current term, the board of directors of Metso Corporation intends to propose that no remuneration for the above-mentioned term would be paid by Valmet Corporation in respect of the directorship in Valmet Corporation to those current members of the board of directors of Metso Corporation who would be elected to the board of directors of Valmet Corporation. Furthermore, Valmet Corporation would reimburse Metso Corporation for such portion of the remuneration already paid to such current members by Metso Corporation that relates to the time period following the registration of the completion of the Demerger. A detailed proposal regarding the members of the board of directors of Valmet Corporation and their remuneration will be included in the notice to the general meeting of shareholders of Metso Corporation resolving on the Demerger.

A general meeting of shareholders of Metso Corporation, which may be convened as necessary after the general meeting of shareholders of Metso Corporation resolving on the Demerger, may decide to supplement or amend the composition of the board of directors of Valmet Corporation or replace the auditor of Valmet Corporation prior to the registration of the completion of the Demerger.

3.3 President and CEO of Receiving Company

The President and CEO of Valmet Corporation shall be appointed by the board of directors of Metso Corporation prior to the registration of the completion of the Demerger.

A President and CEO's agreement, which will be consistent with customary practice, shall be entered into with the person appointed as the President and CEO of Valmet Corporation. Such President and CEO's agreement shall become effective at the registration time of the completion of the Demerger. The said President and CEO's agreement, together with all of its rights and obligations, shall transfer to Valmet Corporation at the registration time of the

completion of the Demerger. Valmet Corporation shall be solely responsible for paying the remuneration set out in this President and CEO's agreement and all other costs and liabilities related to the President and CEO, also as regards the remuneration, cost or liability that may potentially pertain wholly or fully to the time period preceding the registration of the completion of the Demerger.

In the event that the President and CEO of Valmet Corporation resigns or otherwise must be replaced by another person prior to the registration of the completion of the Demerger, the board of directors of Metso Corporation shall have the right to appoint a new President and CEO of Valmet Corporation until the registration of the completion of the Demerger. Thereafter, the board of directors of Valmet Corporation shall have the right to appoint the President and CEO of Valmet Corporation.

3.4 Articles of Association of Demerging Company

It is not proposed to amend the articles of association of Metso Corporation in connection with the Demerger.

3.5 Board of Directors of Demerging Company and Their Remuneration

The intention of the board of directors of Metso Corporation is that those of the current members of the board of directors of Metso Corporation, who are not elected to the board of directors of Valmet Corporation, would continue in their positions as members of the board of directors of Metso Corporation until the closing of the next annual general meeting of shareholders of Metso Corporation. In addition, one (1) or more new members, whose term would begin upon the registration of the completion of the Demerger and expire at the closing of the next annual general meeting of shareholders of Metso Corporation following their election, would be proposed to be elected to the board of directors of Metso Corporation. The Demerger will not impact the remuneration of the members of the board of directors of Metso Corporation.

A detailed proposal regarding the members of the board of directors of Metso Corporation and their remuneration will be included in the notice to the general meeting of shareholders of Metso Corporation resolving on the Demerger. The board of directors of Metso Corporation shall make its proposal following a consultation with the four shareholders of Metso Corporation mentioned in Section 3.2 of this Demerger Plan, namely, Solidium Oy, Cevian Capital, Varma Mutual Pension Insurance Company and Ilmarinen Mutual Pension Insurance Company.

3.6 President and CEO and Auditor of Demerging Company and Their Remuneration

The President and CEO and the auditor of Metso Corporation will continue in their positions and the Demerger will not impact their remuneration.

4. Demerger Consideration and Timing of Its Issue

4.1 Demerger Consideration

The shareholders of Metso Corporation shall receive as demerger consideration one (1) share issued by Valmet Corporation for each share owned in Metso Corporation (the "**Demerger Consideration**"), that is, the Demerger Consideration shall be issued to the shareholders of

Metso Corporation in proportion to their existing shareholding with a ratio of 1:1. There shall be only one (1) share class in Valmet Corporation, and the shares of Valmet Corporation shall not have a nominal value.

In the United States, Metso Corporation's shares are quoted in the form of American Depositary Receipts ("ADRs") and are traded in the over-the-counter market. One (1) ADR represents one (1) share in Metso Corporation. The Bank of New York Mellon acts as the depositary bank for the American Depositary Shares ("ADSs") created on the basis of the deposit of ordinary shares, and evidenced by ADRs, and is responsible for the distribution of the Demerger Consideration to the holders of the ADSs in accordance with the terms and conditions of the deposit agreement entered into with Metso Corporation.

No other consideration shall be issued to the shareholders of Metso Corporation in addition to the above-mentioned Demerger Consideration to be issued in the form of shares of Valmet Corporation.

In accordance with Chapter 17, Section 16, Subsection 3 of the Finnish Companies Act, no Demerger Consideration shall be issued with regard to any treasury shares held by Metso Corporation.

4.2 Timing of Issue of Demerger Consideration

The Demerger Consideration shall be issued to Metso Corporation's shareholders on the next business day following the registration date of the completion of the Demerger or as soon as possible thereafter. The Demerger Consideration shall be issued through the book-entry securities system maintained by Euroclear Finland Ltd. in such a manner that the shares issued by Valmet Corporation shall be issued using the ratio specified in this Demerger Plan based on the number of shares issued by Metso Corporation and registered in the book-entry accounts of Metso Corporation's shareholders on the registration date of the completion of the Demerger. The Demerger Consideration shall be issued automatically and no action is required from Metso Corporation's shareholders in order to receive it.

The allocation of the Demerger Consideration is based on the shareholding in Metso Corporation on the registration date of the completion of the Demerger. The final total number of shares in Valmet Corporation issued as Demerger Consideration shall be determined on the basis of the number of shares in Metso Corporation held by shareholders, other than Metso Corporation itself, on the registration date of the completion of the Demerger. On the date of this Demerger Plan, Metso Corporation holds 592,222 treasury shares. According to the situation on the date of this Demerger Plan, the total number of shares in Valmet Corporation to be issued as Demerger Consideration would therefore be 149,756,034 shares. The final total number of shares may be affected by, among others, any change concerning the shares issued by Metso Corporation, for example, Metso Corporation issuing new shares (including share issues in accordance with the share-based incentive plans referred to in Section 6 of this Demerger Plan) or acquiring its own shares prior to the registration of the completion of the Demerger.

5. Stock Options and Other Special Rights Entitling to Shares

Metso Corporation has not issued any stock options or other special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act, which would entitle to the subscription of Metso Corporation's shares.

6. Metso Corporation's Share-Based Incentive Plans

Metso Corporation has three (3) share-based incentive plans under which share rewards have not been paid in their entirety by the execution date of this Demerger Plan: Metso Share Ownership Plan 2011-2013 (2010), Metso Long-Term Incentive Plan 2012-2014 (2012) and Metso Long-Term Incentive Plan 2012-2014 (2013). The board of directors of Metso Corporation shall resolve on the impact of the Demerger on such incentive plans in accordance with their terms and conditions prior to the registration of the completion of the Demerger.

The board of directors of Metso Corporation shall also resolve on any potential new share-based incentive plans directed at Valmet Corporation's key personnel until the registration of the completion of the Demerger, after which such plans shall be resolved upon by the board of directors of Valmet Corporation.

7. Share Capital of Receiving Company

The share capital of Valmet Corporation shall be 100,000,000 euro.

8. Assets, Debts and Equity of Demerging Company and Circumstances Impacting Their Valuation

The assets, debts and equity of Metso Corporation as at December 31, 2012 are set out in the audited financial statements of Metso Corporation, which have been adopted by the general meeting of shareholders of Metso Corporation on March 28, 2013, and which are appended (Appendix 2) to this Demerger Plan. In the financial statements, the assets and debts of Metso Corporation have been booked and valued in compliance with the provisions of the Finnish Accounting Act (1336/1997, as amended) (the "**Finnish Accounting Act**"). Between the date of the financial statements and the execution date of this Demerger Plan, there have been no substantial changes in the financial status or the liabilities of Metso Corporation, other than the payment of a dividend on April 11, 2013 in accordance with a resolution passed by the general meeting of shareholders of Metso Corporation on March 28, 2013, a conditional equity investment (*villkorat aktieägartillskott*) made by Metso Corporation into Metso Svenska AB as well as the intra-group arrangements related to the Demerger to the extent such arrangements have been completed by the execution date of this Demerger Plan.

9. Allocation of Demerging Company's Assets and Debts between Companies Participating in Demerger, Intended Effect of Demerger on Balance Sheet of Receiving Company and Accounting Methods Applied to Demerger

9.1 Assets and Debts Transferring to Receiving Company

In the Demerger, PPP Business, that is, all such (including known, unknown and conditional) assets, debts and liabilities (including agreements, offers, offer requests and undertakings) of Metso Corporation existing at the registration time of the completion of the Demerger that relate to Metso Corporation's PPP Business, shall transfer to Valmet Corporation.

A proposal on the allocation of Metso Corporation's assets, debts and liabilities to the Receiving Company in accordance with this Demerger Plan has been described in the preliminary presentation of the balance sheets of Metso Corporation and Valmet Corporation appended (Appendix 3) to this Demerger Plan.

The assets, debts and liabilities transferring to Valmet Corporation include, among others, the following most significant items:

- (a) Entire share capitals of Metso Corporation's directly owned subsidiaries related to PPP Business, that is, among others the following companies including their subsidiaries:
 - Metso Paper Oy, business identity code 1539180-9;
 - Metso Fabrics Oy, business identity code 0155101-5; and
 - Metso Svenska AB, registration code 556339-5382;
- (b) Trademarks and other registered intellectual property rights (including domain names) owned by Metso Corporation to the extent they include the name "VALMET";
- (c) Metso Corporation's guarantee obligations and liabilities arising out of counterindemnities given to the guarantors related to PPP Business. For the sake of clarity, it is noted that out of Metso Corporation's guarantee obligations and liabilities arising out of counterindemnities given to the guarantors which cover also Metso Corporation's businesses other than PPP Business, only such portions which are directly related to PPP Business shall transfer to Valmet Corporation. The total amount of such guarantee obligations and liabilities arising out of counterindemnities given to the guarantors related to PPP Business amounted to approximately 1,102 million euro as at December 31, 2012;
- (d) Receivables of Metso Corporation from its subsidiaries transferring to Valmet Corporation and their direct or indirect subsidiaries related to the cash pool agreements and arrangements between Metso Corporation and its subsidiaries, as well as Metso Corporation's debts to such subsidiaries. Valmet Corporation shall receive such portion of the cash and cash equivalents of Metso Corporation which, according to Metso Corporation's understanding, corresponds to the amount required for conducting Valmet Corporation's operations;
- (e) Other receivables of Metso Corporation from the subsidiaries transferring to Valmet Corporation and their direct and indirect subsidiaries, including any dividend receivables, as well as Metso Corporation's other debts to such subsidiaries. As at December 31, 2012, the amount of such other receivables was approximately 63 million euro and the amount of such other debts was approximately 7 million euro;
- (f) Such debts of Metso Corporation which relate to PPP Business or where it has been agreed with the creditors that the debts or parts thereof shall benefit Valmet Corporation or the directly or indirectly owned subsidiaries transferring to it. Such debts include, in particular, the loan agreement entered into between Metso Corporation and the Nordic Investment Bank and the loan agreements entered into between Metso Corporation and the European Investment Bank. On the date of this Demerger Plan, Metso Corporation is in negotiations concerning these debts and the intention is that the debts from the Nordic Investment Bank and the European Investment Bank would, in their entirety, comprise debt transferring to Valmet Corporation. On the date of this Demerger Plan, the aggregate principal amount of such debts transferring to Valmet Corporation is 180 million euro. In addition, such

debts of Metso Corporation also include an up to 200 million euro loan agreement, dated May 30, 2013, which may be used for the repayment, partial repayment or replacement of Metso Corporation's loans or other liabilities, which benefit PPP Business and the amount of which will decrease in proportion to the debts of the Nordic Investment Bank and/or the European Investment Bank transferring to Valmet Corporation. In addition, Metso Corporation has negotiated a 200 million euro syndicated revolving credit facility agreement, dated May 30, 2013, for working capital purposes transferring to Valmet Corporation in connection with the registration of the completion of the Demerger;

- (g) Obligations under such other potential loan agreements of Metso Corporation, if any, wherein it is stated that the purpose of the use of the loan is related to PPP business or the business of the direct or indirect subsidiaries transferring to Valmet Corporation. On the execution date of this Demerger Plan, Metso Corporation is not aware of any such obligations;
- (h) Forward exchange agreements and other derivatives agreements or arrangements entered into between Metso Corporation and directly or indirectly owned subsidiaries transferring to Valmet Corporation, external derivative agreements related to these transferring intra-group agreements or arrangements as well as other external derivatives agreements and arrangements related to PPP Business;
- (i) Share-based incentive plans concerning the management and key personnel of Metso Corporation and its group, which include Metso Share Ownership Plan 2011-2013 (2010), Metso Long-Term Incentive Plan 2012-2014 (2012) and Metso Long-Term Incentive Plan 2012-2014 (2013), and the rights and obligations related to and resulting from their terms and conditions as well as agreements to the extent they relate to personnel who transfer to the service of Valmet Corporation in accordance with Section 17.2 of this Demerger Plan or who have a valid employment or service relationship on the registration time of the completion of the Demerger with a subsidiary of Metso Corporation transferring to Valmet Corporation or with a direct or indirect subsidiary of such transferring subsidiary. This Demerger Plan in no way limits the right of the board of directors of Metso Corporation to amend the terms and conditions of the incentive plans in accordance with the same prior to the registration of the completion of the Demerger;
- (j) Potential tax receivables, tax debts and tax liabilities of Metso Corporation related to PPP Business and its assets, debts and liabilities;
- (k) Items that have replaced the above-mentioned assets, debts and liabilities (insofar as such replacement items have not been specifically allocated to Metso Corporation pursuant to Section 9.2 of this Demerger Plan) as well as assets, debts and liabilities created for, or otherwise allocated to, Metso Corporation after the date of this Demerger Plan, which relate to PPP Business (including any potential new agreements, offers, offer requests and undertakings); and
- (l) Potential other known and unknown assets, debts and liabilities of Metso Corporation related to PPP Business (including agreements, offers, offer requests and undertakings).

Metso Corporation shall be subject to only secondary liability, as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, for known, unknown and conditional debts transferring to Valmet Corporation, except where there is an agreement or will be an agreement with a creditor regarding the limitation of even such secondary liability (including elimination of such liability), in which case such agreed limitation of liability (or elimination of such liability) shall be applied to Metso Corporation's liability towards the creditor in question. Metso Corporation shall not be subject to secondary liability, as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, for any guarantee obligation transferring to Valmet Corporation other than such guarantee obligation which is considered debt pursuant to the above-mentioned provision at the registration time of the completion of the Demerger.

9.2 Assets and Debts Remaining with Demerging Company in Demerger

In the Demerger, MCA Business, that is, all such (including known, unknown and conditional) assets, debts and liabilities (including agreements, offers, offer requests and undertakings) of Metso Corporation existing at the registration time of the completion of the Demerger that relate to MCA Business, shall remain with Metso Corporation, including, among others, the following most significant assets, debts and liabilities:

- (a) Entire share capitals of Metso Corporation's directly owned subsidiaries, including their subsidiaries, not belonging to PPP Business;
- (b) Guarantee obligations and liabilities arising out of counterindemnities given to the guarantors insofar as they have not been specifically allocated to Valmet Corporation as set out in Section 9.1 of this Demerger Plan as well as such new guarantee obligations and liabilities arising out of counterindemnities given to the guarantors that Metso Corporation will undertake or has undertaken and that relate to MCA Business;
- (c) All loan agreements entered into by Metso Corporation or its directly or indirectly owned subsidiaries with financial institutions and pension insurance companies, which agreements are not related to PPP Business and are, therefore, not specifically allocated to Valmet Corporation under Section 9.1 of this Demerger Plan;
- (d) All bonds issued by Metso Corporation;
- (e) All commercial paper, if any, issued by Metso Corporation;
- (f) All derivative agreements or arrangements entered into by Metso Corporation and the rights and obligations pertaining thereto, insofar as they have not been specified to be transferring to Valmet Corporation in Section 9.1 of this Demerger Plan;
- (g) Metso Corporation's receivables from the subsidiaries that remain in its ownership, and from their direct and indirect subsidiaries, including any dividend receivables as well as Metso Corporation's debts to such subsidiaries insofar as they have not been specified to be transferring to Valmet Corporation in Section 9.1 of this Demerger Plan;
- (h) Share-based incentive plans concerning the management and key personnel of Metso Corporation and its group, which include Metso Share Ownership Plan 2011-2013

(2010), Metso Long-Term Incentive Plan 2012-2014 (2012) and Metso Long-Term Incentive Plan 2012-2014 (2013), and the rights and obligations related to and resulting from their terms and conditions as well as agreements to the extent they relate to personnel at the service of Metso Corporation at the registration time of the completion of the Demerger other than those who transfer to the service of Valmet Corporation in accordance with Section 17.2 of this Demerger Plan or who have a valid employment or service relationship at the registration time of the completion of the Demerger with a subsidiary of Metso Corporation transferring to Valmet Corporation or with a direct or indirect subsidiary of such transferring subsidiary. This Demerger Plan in no way limits the right of the board of directors of Metso Corporation to amend the terms and conditions of the incentive plans in accordance with the same prior to the registration of the completion of the Demerger;

- (i) Known and unknown assets, debts and liabilities (including agreements, offers, offer requests and undertakings) not related to PPP Business, such as joint venture agreements with third parties regarding ownership of subsidiaries belonging to Metso group; and
- (j) Items that have replaced the above-mentioned assets, debts and liabilities (including agreements, offers, offer requests and undertakings) (insofar as these replacement items are not related to PPP Business and have not been specifically allocated to Valmet Corporation under Section 9.1 of this Demerger Plan) as well as assets, debts and liabilities created for, or otherwise allocated to, Metso Corporation after the date of this Demerger Plan (including any new agreements, offers, offer requests and undertakings), which are not related to PPP Business.

Valmet Corporation shall be subject only to secondary liability, as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, for known, unknown and conditional debts remaining with Metso Corporation, except where there is an agreement or will be an agreement with a creditor regarding the limitation of even such secondary liability (including elimination of such liability), in which case such agreed limitation of liability (or elimination of such liability) shall be applied to Valmet Corporation's liability towards the creditor in question. Valmet Corporation shall not be subject to secondary liability, as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, for any guarantee obligation remaining with Metso Corporation other than such guarantee obligation which is considered debt pursuant to the above-mentioned provision at the registration time of the completion of the Demerger.

9.3 Valuation of Assets and Debts in Demerger

At the registration time of the completion of the Demerger, Metso Corporation's assets, debts and liabilities related to PPP Business allocated to Valmet Corporation in this Demerger Plan shall transfer to Valmet Corporation. The assets and debts of Metso Corporation have been booked and valued in accordance with the Finnish Accounting Act. In the Demerger, Valmet Corporation shall record the transferring assets and debts in its balance sheet at the book values used by Metso Corporation on the registration date of the completion of the Demerger in compliance with the provisions of the Finnish Accounting Act.

The equity to be formed in Valmet Corporation in the Demerger, insofar as it exceeds the amount to be recorded into the share capital in accordance with Section 7, shall be recorded

as an increase in retained earnings insofar as retained earnings will be transferred to Valmet Corporation and otherwise as an increase of the reserve for invested unrestricted equity.

The decrease of Metso Corporation's net book assets caused by the Demerger, insofar as it exceeds the amount of the decrease of Metso Corporation's share capital referred to in Section 10, shall be recorded as a decrease in Metso Corporation's reserve for invested unrestricted equity and other reserves up to the amount that corresponds to the aggregate amount recorded in the balance sheet of Valmet Corporation as an increase of the reserve for invested unrestricted equity in accordance with Sections 7 and 9 of this Demerger Plan as well as a decrease in Metso Corporation's retained earnings, insofar as retained earnings will be transferred to Valmet Corporation.

The proposal on the impacts of the proposed allocation of Metso Corporation's assets and debts in accordance with this Demerger Plan on the balance sheets of Metso Corporation and Valmet Corporation, and the accounting principles applied to the Demerger, have been described in the preliminary presentation of the balance sheets of Metso Corporation and Valmet Corporation appended (Appendix 3) to this Demerger Plan. These figures are based on the audited financial statements of Metso Corporation, which have been adopted by the general meeting of shareholders of Metso Corporation on March 28, 2013 and which are appended (Appendix 2) to this Demerger Plan.

The effects of the Demerger on the balance sheets of the Companies Participating in Demerger will, however, be determined according to the situation as per the registration date of the completion of the Demerger.

10. Share Capital of Demerging Company

On the date of execution of this Demerger Plan, the share capital of Metso Corporation is 240,982,843.80 euro. A decrease in the share capital of Metso Corporation is proposed in connection with the Demerger by an amount equaling Valmet Corporation's share capital, or 100,000,000 euro, to 140,982,843.80 euro. The amount by which the share capital of Metso Corporation is decreased will be used to distribute funds to Valmet Corporation.

11. Arrangements Outside Ordinary Business Operations

The Demerger process shall not limit Metso Corporation's right to decide on matters of Metso Corporation and/or, until the registration time of the completion of the Demerger, of Valmet Corporation (regardless of whether such matters are within the ordinary course of business or not), including, without limitation, sale and purchase of shares and businesses, corporate reorganizations, payment of dividend and distribution of other unrestricted equity, share issuances, acquisition or transfer of treasury shares, changes in the amount of share capital, making revaluations, internal group transactions and reorganizations, listing of shares of Valmet Corporation on the Helsinki Stock Exchange and other preparatory actions in relation to the Demerger as referred to in Section 17 of this Demerger Plan as well as other similar actions.

12. Capital Loans

Metso Corporation has not issued any capital loans, as referred to in Chapter 17, Section 3, Subsection 2, Item 12 of the Finnish Companies Act.

13. Cross Ownership and Treasury Shares

On the date of this Demerger Plan, Metso Corporation or its subsidiaries do not hold any shares in Valmet Corporation, because Valmet Corporation shall only be incorporated upon the registration of the completion of the Demerger. Therefore, on the date of this Demerger Plan, Valmet Corporation does not have a parent company either.

On the date of this Demerger Plan, Metso Corporation holds 592,222 treasury shares.

14. Floating Charges

In accordance with an appendix (Appendix 4) to this Demerger Plan, Metso Corporation's assets capable of being subject to floating charges are encumbered by a floating charge registered on August 20, 1986 in accordance with the Finnish Act on Floating Charges (634/1984, as amended) and the related floating charge notes. The floating charge notes have been in Metso Corporation's possession and Metso Corporation has taken appropriate steps to annul the floating charge prior to the completion of the Demerger. Therefore, Metso Corporation is not required to agree with the holder of the floating charge on the division of the floating charge between Metso Corporation and Valmet Corporation.

15. Special Benefits and Rights in Connection with Demerger

No special benefits or rights shall be granted in connection with the Demerger to the members of the board of directors, the President and CEOs or the auditors of either Metso Corporation or Valmet Corporation, or to the auditor issuing a statement on this Demerger Plan.

The remuneration of the auditor issuing a statement on this Demerger Plan is proposed to be paid in accordance with a reasonable invoice approved by the board of directors of Metso Corporation. Metso Corporation shall be solely responsible for the remuneration to be paid for the issuance of such statement.

16. Planned Registration Time for Completion of Demerger

The contemplated registration time of the completion of the Demerger is December 31, 2013. The registration time of the completion of the Demerger may change, for example, if the circumstances relating to the Demerger require changes with respect to the above-mentioned contemplated timing or if the board of directors of Metso Corporation otherwise decides to apply for the Demerger to be registered prior to, or after, the planned registration time.

17. Other Matters

17.1 Listing of Receiving Company

The shares issued by Valmet Corporation are intended to be applied for public trading on the official list of the Helsinki Stock Exchange. The shares are planned to be admitted for public trading as soon as possible after the registration of the completion of the Demerger.

The board of directors of Metso Corporation has the right to take the decisions relating to the listing of Valmet Corporation and to take the measures necessary for the listing, including entering into agreements concerning the listing.

The Demerger will not affect the listing of, or public trading in, the shares of Metso Corporation.

17.2 Transfer of Employees

Part of the personnel in the administration and service operations of Metso Corporation and its subsidiaries shall transfer to the service of Valmet Corporation at the registration time of the completion of the Demerger in accordance with the decisions of the board of directors and/or the President and CEO of Metso Corporation made prior to the registration of the completion of the Demerger. Valmet Corporation shall assume the obligations arising out of the employment and service relationships of the transferring personnel in force at the registration time of the completion of the Demerger as well as the obligations resulting from the related benefits. The personnel shall transfer to the service of Valmet Corporation as existing employees.

The obligations of group agreements binding Metso Corporation shall transfer to Valmet Corporation insofar as they concern the employees of Valmet Corporation or its directly or indirectly owned subsidiaries.

Valmet Corporation shall be responsible for all obligations relating to the personnel transferring to it, such as any wages and fees, tax withholding, accumulated holidays, daily allowances, pension contributions and expense compensations, also to the extent the grounds for such obligations have wholly or partially arisen during the time period preceding the registration of the completion of the Demerger, but which remain unfulfilled on the registration time of the completion of the Demerger.

17.3 Preparatory Actions

The board of directors and the President and CEO of Metso Corporation may take any decisions that fall within their competence under the applicable law and concern MCA Business and PPP Business as well as take care of the actions in relation to the completion of the Demerger until the completion of the Demerger has been registered.

17.4 Right of Board of Directors and President and CEO of Demerging Company to Act on Behalf of Receiving Company

As set out in Section 17.3 of this Demerger Plan, prior to the registration of the completion of the Demerger, the President and CEO of Metso Corporation may enter into agreements facilitating the separation and commencement of PPP Business.

The President and CEO of Metso Corporation may take the above-mentioned decisions, enter into agreements and take other actions also on behalf of Valmet Corporation. The rights and obligations of Valmet Corporation based on such decisions, agreements and other actions shall transfer to Valmet Corporation at the registration time of the completion of the Demerger.

Prior to the registration of the completion of the Demerger, the board of directors of Metso Corporation may also take decisions, enter into agreements and take actions designated to the President and CEO of Metso Corporation under this Section 17.4 as well as take all such decisions, enter into agreements and take actions concerning PPP Business that fall within its competence under the applicable law.

17.5 Capacity and Competence of Receiving Company's Board of Directors and President and CEO prior to Completion of Demerger

Prior to the registration time of the completion of the Demerger, the board of directors and the President and CEO of Valmet Corporation may only take such decisions that are separately assigned in this Demerger Plan to be made by the board of directors or the President and CEO of Valmet Corporation or such decisions as the board of directors of Metso Corporation designates.

Prior to the registration time of the completion of the Demerger, the board of directors of Valmet Corporation may, however, take, without separate direction from the board of directors of Metso Corporation, such decisions, which concern the rights to represent Valmet Corporation (authorizations to sign for the company, rights of representation *per procuram* and other authorizations), bank accounts and the necessary agreements and documents relating to the administration of a listed company, such as the working order of the board of directors and the insider guidelines. Also, the board of directors of Metso Corporation may take these decisions prior to the registration of the completion of the Demerger. The rights and obligations under these decisions shall transfer to Valmet Corporation at the registration time of the completion of the Demerger.

17.6 Agreements and Undertakings and Cooperation in Transfer of Rights and Obligations; Intra-Group Arrangements

All agreements and undertakings, given and received offers and offer requests and the rights and obligations pertaining thereto related to PPP Business shall transfer to Valmet Corporation in accordance with this Demerger Plan at the registration time of the completion of the Demerger. If the transfer of a certain agreement and/or undertaking is subject to the consent of the contracting party or a third party, the Companies Participating in Demerger shall use their best efforts to obtain such consent. If any consent has not been obtained by the registration time of the completion of the Demerger, Metso Corporation shall remain as the party to the relevant agreement and/or undertaking, but Valmet Corporation shall fulfill the obligations related to such agreement and/or undertaking on its own behalf, at its own responsibility and at its own risk in Metso Corporation's name and, correspondingly, Valmet Corporation shall receive the benefits related to such agreement and/or undertaking in a manner separately agreed by the Companies Participating in Demerger.

Metso Corporation and Valmet Corporation are both obligated to provide to each other all the reports and confirmations, as requested by the other company, which are necessary for the confirmation and recording of the transfer of rights and obligations under this Demerger Plan, such as reports on the transfer of assets, debts and liabilities potentially required by authorities or financial institutions.

Metso Corporation will undertake certain intra-group arrangements related to the Demerger before the registration time of the completion of the Demerger. As a part of these intra-group arrangements, shares of indirect subsidiaries of Metso Corporation which are owned by direct or indirect subsidiaries of Metso Corporation will be transferred within the group. If such intra-group arrangements cannot be completed in all respects before the registration time of the completion of the Demerger due to requirements or actions of foreign authorities or other similar reasons, the Companies Participating in Demerger undertake to cause the completion of the said arrangements as soon as practically possible after the registration time of the completion of the Demerger.

17.7 Intellectual Property Rights of Metso Corporation

Valmet Corporation shall procure that none of its directly or indirectly owned subsidiary shall use any trade name, trademark or other intellectual property right, which includes the word “Metso” or which may otherwise be confused with Metso Corporation’s trade name, trademark or other intellectual property right and that the said subsidiaries shall cause the removal of such elements immediately and in any event no later than within six (6) months from the registration time of the completion of the Demerger.

17.8 Costs

Unless the Companies Participating in Demerger separately agree otherwise or unless it is stipulated otherwise in this Demerger Plan (including Section 9), the following shall be applied to the allocation of the costs and remuneration related to the Demerger between the Companies Participating in Demerger:

- (a) Metso Corporation shall be responsible for the costs and remuneration directly relating to the Demerger process and completion;
- (b) Valmet Corporation shall be responsible for the costs relating to the listing of the shares of Valmet Corporation and creation of the shares in the book-entry securities system, regardless of when the cost may arise. If such costs arise prior to the registration of the completion of the Demerger, Metso Corporation shall invoice these costs from Valmet Corporation after the completion of the Demerger;
- (c) Valmet Corporation shall be responsible for the costs related to the commencement of Valmet Corporation’s operations regardless of when the costs may arise. If such costs arise prior to the registration of the completion of the Demerger, Metso Corporation shall invoice such costs from Valmet Corporation after the registration of the completion of the Demerger;
- (d) To the extent current members of the board of directors of Metso Corporation will be elected to the board of directors of Valmet Corporation as described in Section 3.2 of this Demerger Plan, Valmet Corporation shall be responsible for reimbursing Metso Corporation for such portion of the remuneration of such current members of the board of directors of Metso Corporation that has already been paid by Metso Corporation to them and that relates to the time period following the registration of the completion of the Demerger. Metso Corporation shall invoice such portion of their remuneration from Valmet Corporation after the registration of the completion of the Demerger; and
- (e) The Companies Participating in Demerger shall each be responsible for one-half of the costs and fees, which cannot be allocated based on Subsections (a)-(c) above or which are not directly related to the operations of either of the companies.

17.9 Accounting Material

The accounting material of Metso Corporation shall remain in the ownership of Metso Corporation. However, Valmet Corporation shall have the right to obtain access to the said accounting material free of separate charge, including the right to make notes based on the

documentation, make copies thereof and save it in electronic media, within the ordinary office hours insofar as the request concerns the business of Valmet Corporation.

17.10 Language of Demerger Plan

This Demerger Plan has been prepared in the Finnish language. Any possible translations of this Demerger Plan have been made for information purposes only and the Finnish language version shall prevail in all situations.

17.11 Dispute Resolution

Any dispute, controversy or claim between the Companies Participating in Demerger arising out of or relating to this Demerger Plan, or the breach, termination or validity thereof shall be finally settled by arbitration in accordance with the Rules of the Arbitration Institute of the Finland Chamber of Commerce. The seat of arbitration is Helsinki. For the sake of clarity, it is noted that this arbitration clause has been made also on behalf of, and is binding upon, Valmet Corporation.

17.12 Other Issues

The board of directors of Metso Corporation is authorized to decide on technical amendments to this Demerger Plan as may be required by the authorities or otherwise considered appropriate by the board of directors of Metso Corporation. The board of directors of Metso Corporation may decide not to complete the Demerger, if material grounds for such non-completion exist prior the general meeting of shareholders of Metso Corporation resolving upon the Demerger or thereafter.

[Signature page to follow]

In Helsinki, on May 31, 2013

Authorized by the board of directors of
Metso Corporation

By: /S/ JUKKA VIINANEN
Name: Jukka Viinanen
Title: Chairman of the board of directors

By: /S/ MATTI KÄHKÖNEN
Name: Matti Kähkönen
Title: President and CEO

VALMET CORPORATION ARTICLES OF ASSOCIATION

1 § Trade name and domicile

The company's trade name is Valmet Oyj in Finnish, Valmet Abp in Swedish and Valmet Corporation in English. The company's domicile is Helsinki.

2 § Field of business

The company's field of business is, either directly or through its subsidiaries or affiliated companies, to engage globally in designing, developing, manufacturing, building and trading machines, instruments, equipment, production plants and spare parts in the field of technology industry, mainly pulp, paper and power industries, producing and selling services related to this field of business and other industrial or commercial activities related to this field of business.

As the parent company, the company may also attend to the group's organization, financing, purchases and other similar joint tasks as well as own real estate, shares and interests, carry out securities trading and other investment operations.

3 § Book-entry system

The company's shares belong to the book-entry securities system.

4 § Board of Directors and President

The company has a Board of Directors, a President and, if necessary, one or more Executive Vice Presidents.

The Board of Directors comprises no less than five (5) and no more than eight (8) members. The term of office of each member of the Board of Directors expires at the closing of the first Annual General Meeting of shareholders following the election. The General Meeting of shareholders elects the chairman, the vice chairman and other members of the Board of Directors.

The Board of Directors elects the company's President and, if necessary, one or more Executive Vice Presidents.

The Board of Directors meets when a meeting is convened by the chairman or, if he/she is unavailable, the vice chairman. The Board of Directors constitutes a quorum when more than one-half of its members are present and one of them is the chairman or the vice chairman.

The resolution of the Board of Directors shall be the opinion which is supported by more than one-half of the members present or, in case of a tie vote, the opinion with which the chairman of the meeting concurs.

5 § Representation right

The right to represent the company shall be vested with the chairman of the Board of Directors, a member of the Board of Directors and the President, two of them acting jointly, as well as the persons authorized by the Board of Directors to represent the company, two of them acting jointly, or each such person acting together with the chairman of the Board of Directors, a member of the Board of Directors or the President.

6 § Accounting period

The company's accounting period is a calendar year. The company's first accounting period ends on December 31, 2013.

7 § Auditor

The company has one (1) auditor, which must be an auditing firm certified by the Finland Chamber of Commerce.

The term of office of the auditor expires at the closing of the Annual General Meeting of shareholders following the election.

8 § Notice convening a meeting

The notice convening a General Meeting of shareholders must be delivered to the shareholders by publishing the notice on the company's website or in one or more widely circulated daily newspapers designated by the Board of Directors or otherwise in a verifiable manner no more than three (3) months and no less than three (3) weeks prior to the General Meeting of shareholders, however, in any case, at least nine (9) days prior to the record date of the General Meeting of shareholders referred to in Chapter 4, Section 2, Subsection 2 of the Finnish Companies Act.

In order to participate in the General Meeting of shareholders, a shareholder must register with the company at the latest on the date referred to in the notice convening the meeting, which may be at the earliest ten (10) days prior to the General Meeting of shareholders.

9 § Annual General Meeting of shareholders

The Annual General Meeting of shareholders shall be held each year within six (6) months from the end of the company's accounting period.

At the meeting:

the following are presented

1. the financial statements, which include the consolidated financial statements, and the report of the Board of Directors;
2. the auditor's report;

the following are resolved upon

3. the adoption of the financial statements;
4. the use of profits shown in the balance sheet;
5. the discharge of members of the Board of Directors and the President from liability;
6. the remuneration of the members of the Board of Directors and the auditor;
7. the number of the members of Board of Directors;

the following are elected

8. the chairman, vice chairman and members of the Board of Directors, and
9. the auditor.

If a vote is held at the company's General Meeting of shareholders, the chairman of the General Meeting of shareholders shall determine the voting procedure.

METSO CORPORATION

	31.12.2012	31.12.2012	31.12.2012
ASSETS	Metso Corporation	Receiving company	Metso Corporation after the demerger
NON-CURRENT ASSETS			
Intangible assets	282 740	306	282 435
Other capitalized long-term expenses	177 684	0	177 684
Intangible assets total	460 424	306	460 119
Land and water areas	796 313	685 217	111 096
Buildings	181 240	180 803	438
Machinery and equipment	226 281	28 093	198 188
Other tangible assets	871 339	522 917	348 422
Tangible assets total	2 075 173	1 417 029	658 144
Subsidiary shares	2 940 247 283	1 058 974 428 *	1 881 272 855
Other shares and similar rights of ownership	2 292 904	1 238 147	1 054 757
Investments total	2 942 540 187	1 060 212 575	1 882 327 611
NON-CURRENT ASSETS TOTAL	2 945 075 784	1 061 629 910	1 883 445 874
CURRENT ASSETS			
Long-term loans receivables	152 704 759	5 195 000	147 509 759
Other long-term receivables	2 002 445	285 186	1 717 259
Long-term receivables total	154 707 203	5 480 186	149 227 017
Accounts receivables	2 362 630	874 000	1 488 630
Loans receivables	561 173 278	162 711 000	398 462 278
Other receivables	35 282 733	5 079 751	30 202 982
Accrued income and prepaid expenses	119 349 811	43 335 000	76 014 811
Short-term receivables total	718 168 452	211 999 751	506 168 701
Other investments total	161 844 832	0 *	161 844 832
Investments total	161 844 832	0	161 844 832
Cash in hand and at banks total	117 405 043	20 000 000	97 405 043
CURRENT ASSETS TOTAL	1 152 125 531	237 479 937	914 645 594
ASSETS TOTAL	4 097 201 315	1 299 109 847	2 798 091 468

* Please see the explanation on the liabilities side

METSO CORPORATION

	31.12.2012	31.12.2012	31.12.2012
LIABILITIES	Metso Corporation	Receiving company	Metso Corporation after the demerger
SHAREHOLDERS' EQUITY			
Share capital	240 982 844	100 000 000	140 982 844
Reserve of non-restricted equity	194 210 759		194 210 759
Reserve of invested non-restricted equity	573 236 542	294 711 475	278 525 067
Other reserve total	767 447 300	294 711 475	472 735 825
Retained earnings	629 471 903	468 395 044 *	161 076 858
Dividends paid	-277 048 663	*	-277 048 663
Retained earnings total	352 423 240	468 395 044	-115 971 805
Net income for the year	266 335 291		266 335 291
SHAREHOLDERS' EQUITY TOTAL	1 627 188 675	863 106 519	764 082 156
LONG-TERM LIABILITIES			
Bonds	1 017 938 912	0	1 017 938 912
Loans from financial institutions	148 324 428	125 681 567	22 642 861
Pension loans	5 000 000	0	5 000 000
LONG-TERM LIABILITIES TOTAL	1 171 263 341	125 681 567	1 045 581 774
SHORT-TERM LIABILITIES			
Bonds	51 746 011	0	51 746 011
Loans from financial institutions	66 554 583	61 554 583	5 000 000
Pension loans	10 000 000	0	10 000 000
Accounts payable	3 321 538	592 000	2 729 538
Other short-term liabilities	1 141 779 525	245 438 573	896 340 951
Accrued expenses and prepaid income	25 347 642	2 736 604	22 611 038
SHORT-TERM LIABILITIES TOTAL	1 298 749 299	310 321 760	988 427 539
LIABILITIES TOTAL	4 097 201 315	1 299 109 847	2 798 091 468

* The starting point of this illustrative balance sheet is the audited financial statements of Metso Oyj as per December 31, 2012. In addition, this illustrative balance sheet takes into account following events which have taken place before the execution date of the demerger plan: the 468 MEUR conditional capital increase of Metso Svenska AB and the 277 MEUR dividend payment resolved upon by the AGM on April 11, 2013. The profit of 2013 has not been taken into account. The final demerger will take place based on balance sheet values of the registration date of the completion of the demerger, which means that the numbers will change and are therefore only indicative. This illustrative balance sheet is unaudited.