Q2/11

Interim Review

January 1 – June 30, 2011

metso

Metso Corporation's Interim Review January 1 – June 30, 2011

Metso successful in new orders

Figures in brackets, unless otherwise stated, refer to the comparison period, i.e. the same period in the previous year.

Highlights of the second quarter of 2011

- All-time-high quarter in order intake due to strong demand in all our segments in both capital equipment and in the services business.
- New orders worth EUR 2,883 million were received in April–June, i.e. 73 percent more than in the comparison period (EUR 1,671 million). Orders received from the services business increased and were EUR 866 million, i.e. 31 percent of all orders received (EUR 680 million and 41%).
- Net sales increased 14 percent on the comparison period, and were EUR 1,567 million (EUR 1,370 million). Our services business net sales totaled EUR 691 million and accounted for 46 percent of total net sales (EUR 612 million and 45%).
- Earnings before interest, tax and amortization (EBITA), before non-recurring items increased 12 percent and were EUR 139.8 million, i.e. 8.9 percent of net sales (EUR 125.0 million and 9.1%).
- Earnings per share were EUR 0.45 (EUR 0.56).
- Free cash flow was EUR 49 million (EUR 164 million).

Metso's President and CEO Matti Kähkönen comments on the second quarter:

"Metso continued to make strong progress in the second quarter; we received more new orders in April-June than ever before. Demand in all of our customer industries was at a good or satisfactory level, both in capital equipment and in the services business. Emerging markets continued to account for an impressive share of orders received, at 60 percent. However, in spite of healthy demand, there is increased uncertainty in the global economy.

Our comparable EBITA increased by 12 percent. The higher delivery volumes improved our capacity utilization and increased our net sales giving a positive impact on our profitability development. As a result of clearly higher business activity we have recruited about 700 new employees since the beginning of the year in order to respond to strong order intake and increased delivery volumes. This has to some extent hit our good profitability in the short-term. Furthermore the pricing environment was challenging in some product categories.

We have a very solid base for the future, and we will now further increase our focus on successful and cost-effective delivery, while continuing to win profitable orders. We expect the level of good business activity in our customer industries to continue for the rest of 2011 despite the economic and financial uncertainties.

Thanks to the favorable market development and strong order backlog, the outlook for the rest of the year is good. As a result, our guidance for the current year remains unchanged. It is estimated that our net sales for 2011 will grow by approximately 15 percent compared to 2010 and profitability (EBITA margin before non-recurring items) will improve."

Metso's key figures

EUR million	Q2/11	Q2/10	Change %	Q1-Q2/11	Q1-Q2/10	Change %	2010
Net sales	**1,567**	1,370	14	**3,011**	2,540	19	5,552
Net sales of services business	**691**	612	13	**1,331**	1,123	19	2,453
% of net sales	**46**	45		**46**	45		45
Earnings before interest, tax and amortization (EBITA) and non-recurring items	**139.8**	125.0	12	**263.4**	212.6	24	491.0
% of net sales	**8.9**	9.1		**8.7**	8.4		8.8
Operating profit	**121.0**	140.0	-14	**233.9**	209.5	12	445.2
% of net sales	**7.7**	10.2		**7.8**	8.2		8.0
Earnings per share, EUR	**0.45**	0.56	-20	**0.94**	0.76	24	1.71
Orders received	**2,883**	1,671	73	**4,730**	3,037	56	5,944
Orders received of services business	**866**	680	27	**1,714**	1,328	29	2,637
Order backlog at end of period				**5,593**	4,176	34	4,023
Free cash flow	**49**	164	-70	**117**	199	-41	435
Return on capital employed (ROCE) before taxes, annualized, %				**15.3**	12.6		13.5
Equity to assets ratio at end of period, %				**37.4**	35.6		38.1
Gearing at end of period, %				**23.9**	28.5		15.0

Metso's second quarter 2011 review

Operating environment and demand in April-June

Despite the political unrest in the Middle East and North Africa, and the economic uncertainty in Europe and North America, there were no major changes in our operating environment or market activity in the second quarter. Mining business activity continued to improve and was excellent. Demand continued healthy in most of our other customer industries. Our operating environment in the emerging markets remained strong. Our customers' good capacity utilization rates and strengthened profitability had a clear positive impact on our services business.

Metal prices have remained high, mostly due to the high demand in China and India and the general momentum in the global economy. At the same time, demand for copper and iron ore has exceeded supply. The number of quotations for equipment and projects from mining companies has stayed at a good level. This has had a positive impact on the new orders received. Since several mining companies have confirmed significant capital investment programs for the coming years, activity has tended to be around larger project orders. As a result of the good demand for minerals and our large installed equipment base, the demand for our services for mining equipment was excellent.

In the Asia-Pacific region and Brazil, economic growth continued and infrastructure construction projects kept the demand for construction equipment at a good level. The demand for aggregates processing equipment by the construction industry in Europe and in North America was satisfactory, even while the economic uncertainty delayed construction projects. Demand for our services for the construction industry continued satisfactory.

Demand for power plants utilizing renewable energy sources improved and was satisfactory in Europe and North America. Several European countries and the United States have published targets to increase the use of renewable energy and this is expected to support demand for our power plant solutions fuelled by biomass and recycled waste. Uncertainties relating to the subsidy mechanisms for renewable energy will play a key role in final investment decisions. Demand for our power plant services business remained good.

The demand for our automation products was good during the quarter, as the oil, gas and petrochemical industries continue investing due to increasing energy prices and growing demand. Demand by the pulp and paper customer industry for process and flow control solutions was also good during the second quarter. Demand for automation product services was excellent.

The demand for metal and solid waste recycling equipment developed favorably during the quarter and was good. Demand for our recycling equipment services improved as the capacity utilization rates of our customers' plants and equipment increased.

Demand for paper and board lines was satisfactory, even though some of our customers in China have faced challenges with the availability of financing. Demand for tissue lines was good during the second quarter. Continuing high capacity utilization rates in the paper and board industry kept the demand for our services business at a good level.

Demand for new fiber lines, rebuilds and pulp mill services was good. The market for large pulp mills slowed down following recent large project orders.

Orders received in April–June

In April–June, we received new orders worth EUR 2,883 million, making this the all-time-high quarter in orders received, i.e. 73 percent more than in the comparison period (EUR 1,671 million). New orders increased in all business segments, particularly in Mining and Construction Technology and in Energy and Environmental Technology, and in all geographical regions, except for Asia-Pacific. The share of emerging markets in our orders received was 60 percent (60%). Services orders grew 27 percent in euro terms and accounted for 31 percent of the total orders (41%). Services orders increased in all segments, most notably in our Power business. The share of emerging markets in our services orders received was 46 percent (41%).

Orders received by Mining and Construction Technology in April–June amounted to EUR 1,185 million, which was 96 percent more than in the comparison period (EUR 604 million). Strong increase in new orders was due to increased operating activity within customer industries along with the timing of larger mining project orders. Orders from mining customers increased by 141 percent, while orders from construction customers stayed at the comparison period's level. Services orders grew 38 percent and accounted for 35 percent of all orders received by the segment; the growth came from the mining industry. Among the most significant orders received by the segment were minerals processing equipment and a multi-year service contract for both Northland Resources' Kaunisvaara iron-ore project in Sweden and Russian Copper Company's copper operation in Russia, and a large conveyor system delivery to South America.

Orders received by Energy and Environmental Technology increased 127 percent and totaled EUR 872 million (EUR 384 million). Orders received by the Power business increased 281 percent. In the Automation and Recycling businesses the increase in new orders was about 30 percent. Services orders grew 37 percent and accounted for 25 percent of all orders received by the segment. Orders received included key technology for the world's largest pulp mill for Suzano Papel e Celulose in Brazil, two boiler plants for combined heat and power production for Fortum in Finland and Latvia and automation technology to control Dalkia's five power plants in France.

Orders received by Paper and Fiber Technology in April–June increased by 17 percent and totaled EUR 798 million (EUR 682 million). Growth came particularly from the Fiber business where new orders grew by 64 percent. Services orders grew 6 percent and accounted for 30 percent of all orders received by the segment. Orders received by the Paper business line were at the level of the comparison period. Tissue business orders were below the comparison period. Orders received during the period include complete woodyard and defibrator systems for the Brazilian company Duratex, key technology for the world's largest pulp mill for Suzano Papel e Celulose in Brazil, as well as a containerboard production line for Greenpac Mill in the United States.

Financial performance in April–June

Our net sales in April–June totaled EUR 1,567 million, which is 14 percent more than a year earlier (EUR 1,370 million). Services business net sales increased 13 percent on the comparison period, and accounted for 46 percent of total net sales (45%).

In the second quarter, our earnings before interest, tax and amortization and before non-recurring items (EBITA before non-recurring items), were EUR 139.8 million, i.e. 8.9 percent of net sales (EUR 125.0 million and 9.1%). The profitability (EBITA margin before non-recurring items) improved in Energy and Environmental Technology and in Paper and Fiber Technology whereas Mining and Construction Technology had lower profitability than in the comparison period. Lower profitability in Mining and Construction Technology was due to lower margins for wear parts and due to cost issues in a few delivery projects.

Group Head Office´s EBITA before non-recurring items included foreign exchange losses of EUR 1 million from foreign exchange hedge contracts made by reporting segments with Group Treasury (EUR 4 million gains). Corresponding foreign exchange gains were included in the operating results of the reporting segments.

Metso's operating profit (EBIT) was EUR 121.0 million, i.e. 7.7 percent of net sales (EUR 140.0 million and 10.2%). Our EBIT for April–June included the following non-recurring items, which had a total negative impact on our performance of EUR 6.4 million (positive impact of EUR 29.2 million):

Non-recurring items and amortization of intangible assets in April-June

Q2/2011 EUR million	Mining and Construction Technology	Energy and Environmental Technology	Paper and Fiber Technology	Metso total
EBITA before non-recurring items	**68.9**	**38.0**	**41.2**	**139.8**
% of net sales	**10.4**	**9.9**	**8.7**	**8.9**
Intellectual property related items	-0.3	-	-	**-0.3**
Costs related to bankruptcy of THINK Global A/S	-	-	-	**-6.1**
Amortization of intangible assets *)	-2.1	-4.4	-5.2	**-12.4**
Operating profit (EBIT)	66.5	33.6	36.0	**121.0**

*) Includes EUR 5.9 million amortization of intangible assets acquired through business acquisitions.

Q2/2010 EUR million	Mining and Construction Technology	Energy and Environmental Technology	Paper and Fiber Technology	Metso total
EBITA before non-recurring items	**64.8**	**29.3**	**36.0**	**125.0**
% of net sales	**12.0**	**8.8**	**7.3**	**9.1**
Capacity adjustment expenses	-	-1.6	-1.6	**-3.2**
Gain on sale of Talvivaara shares	1.1	-	-	**1.1**
Gain on Intellectual Property settlements in the United States and in Australia	32.1	-	-	**32.1**
Gain on business disposal	2.5	-	-	**2.5**
Provision for prior years' ICMS (VAT) tax credit in Brazil	-3.3	-	-	**-3.3**
Amortization of intangible assets *)	-1.5	-5.0	-7.4	**-14.2**
Operating profit (EBIT)	95.7	22.7	27.0	**140.0**

*) Includes EUR 8.3 million amortization of intangible assets acquired through business acquisitions.

Metso's January–June 2011 Interim Review

Orders received and order backlog

In January–June, we received new orders worth EUR 4,730 million, i.e. 56 percent more than in the comparison period. Excluding the effect of exchange rate translation, the growth would have been 53 percent. The growth in demand was strong both in Mining and Construction Technology and in Energy and Environmental Technology, where orders received increased more than 70 percent. New orders also increased in Paper and Fiber Technology, by 19 percent. Services orders grew 29 percent and totaled EUR 1,714 million. Emerging markets accounted for 46 percent of our services orders received (39%).

The three countries with the highest value of orders received were Brazil, the United States and Sweden, which together accounted for 43 percent of all orders received. All four BRIC countries (Brazil, Russia, India and China) were among the 10 largest countries measured in terms of orders received. The share of emerging markets in our new orders was 53 percent (52%).

At the end of June, our order backlog was EUR 5,593 million, which is 39 percent stronger than at the end of 2010 (EUR 4,023 million). Around EUR 2.7 billion of the deliveries in our order backlog are expected to be recognized as net sales this year, and around EUR 0.9 billion of these are services business orders. At the end of June, our order backlog included some EUR 335 million worth of orders with uncertain delivery schedules (about EUR 400 million at the end of March 2011) and which will, according to present estimates, be delivered after 2011. The uncertainties in the order backlog concern the Fibria pulp mill project in Brazil. The uncertainty was decreased during the quarter by one reactivated mining order and by exchange rate changes.

Orders received by reporting segment

	Q1-Q2/2011		Q1-Q2/2010	
	EUR million	% of orders received	EUR million	% of orders received
Mining and Construction Technology	2,026	42	1,163	38
Energy and Environmental Technology	1,264	26	740	24
Paper and Fiber Technology	1,363	29	1,143	37
Valmet Automotive	134	3	28	1
Intra-Metso orders received	-57		-37	
Metso total	4,730	100	3,037	100

Orders received by market area

	Q1-Q2/2011		Q1-Q2/2010	
	EUR million	% of orders received	EUR million	% of orders received
Europe	1,571	33	1,163	38
North America	757	16	436	14
South and Central America	1,319	28	392	13
Asia-Pacific	893	19	901	30
Africa and Middle East	190	4	145	5
Metso total	4,730	100	3,037	100

Net sales

Our net sales for the first half of the year increased 19 percent on the comparison period and were EUR 3,011 million (EUR 2,540 million). Excluding the effect of exchange rate translation, the growth in net sales would have been 17 percent. The growth was strongest in Mining and Construction Technology, which recorded growth of 21 percent. In Energy and Environmental Technology as well as in Paper and Fiber Technology growth was around 10 percent. Net sales for our services business increased 19 percent and its share of the total net sales increased to 46 percent (45%). Emerging markets accounted for 44 percent of our services business net sales (39%).

Measured by net sales, the largest countries were the United States, China and Brazil, which together accounted for 35 percent of our total net sales. The share of emerging markets in our net sales was 48 percent (48%).

Net sales by reporting segment

	Q1-Q2/2011		Q1-Q2/2010	
	EUR million	% of net sales	EUR million	% of net sales
Mining and Construction Technology	1,224	40	1,013	40
Energy and Environmental Technology	729	24	666	26
Paper and Fiber Technology	955	32	858	33
Valmet Automotive	134	4	28	1
Intra-Metso net sales	-31		-25	
Metso total	3,011	100	2,540	100

Net sales by market area

	Q1-Q2/2011		Q1-Q2/2010	
	EUR million	% of net sales	EUR million	% of net sales
Europe	1,085	36	953	37
North America	532	18	432	17
South and Central America	498	16	333	13
Asia-Pacific	748	25	681	27
Africa and Middle East	148	5	141	6
Metso total	3,011	100	2,540	100

Financial result

In January–June, our earnings before interest, tax and amortization and before non-recurring items (EBITA before non-recurring items), were EUR 263.4 million, i.e. 8.7 percent of net sales (EUR 212.6 million and 8.4%). Our EBITA before non-recurring items improved 24 percent on the comparison period. The improvement in our profitability resulted from increased delivery volumes and improved capacity utilization rates. As a result of higher business activity, selling, general and administrative expenses increased 10 percent on the comparison period (excluding the effect of exchange rate translation and non-recurring items). Profitability improved in both Energy and Environmental Technology and Paper and Fiber Technology and stayed at the level of the comparison period in Mining and Construction Technology.

Group Head Office´s EBITA before non-recurring items included foreign exchange losses of EUR 3 million from foreign exchange hedge contracts made by reporting segments with Group Treasury (gains of EUR 12 million). Corresponding foreign exchange gains were included in the operating results of the reporting segments.

In the first half of 2011, our operating profit (EBIT) was EUR 233.9 million, i.e. 7.8 percent of net sales (EUR 209.5 million and 8.2%). The EBIT included EUR 4.6 million in non-recurring expenses (EUR 25.4 million in non-recurring income). Non-recurring items are specified in the following tables.

Non-recurring items and amortization of intangible assets in January-June

Q1-Q2/2011 EUR million	Mining and Construction Technology	Energy and Environmental Technology	Paper and Fiber Technology	Metso total
EBITA before non-recurring items	125.6	74.5	81.1	263.4
% of net sales	10.3	10.2	8.5	8.7
Intellectual property related items	-0.7	-	-	-0.7
Gain on sale of production plant in Sweden	-	-	2.6	2.6
Cost related to business acquisition projects	-	-	-	-0.4
Costs related to bankruptcy of THINK Global A/S	-	-	-	-6.1
Amortization of intangible assets *)	-4.1	-8.9	-10.4	-24.9
Operating profit (EBIT)	120.8	65.6	73.3	233.9

*) Includes EUR 11.9 million amortization of intangible assets acquired through business acquisitions.

Q1-Q2/2010 EUR million	Mining and Construction Technology	Energy and Environmental Technology	Paper and Fiber Technology	Metso total
EBITA before non-recurring items	104.3	61.1	54.9	212.6
% of net sales	10.3	9.2	6.4	8.4
Capacity adjustment expenses	-	-5.0	-2.9	-7.9
Gain on sale of Talvivaara shares	1.1	-	-	1.1
Intellectual property related items	32.1	-	-	32.1
Gain on business disposal	2.5	-	-	2.5
Credit loss reserve related to two paper machine customers	-	-	0.9	0.9
Provision for prior years' ICMS (VAT) tax credits in Brazil	-3.3	-	-	-3.3
Amortization of intangible assets *)	-2.9	-9.9	-14.6	-28.5
Operating profit (EBIT)	133.8	46.2	38.3	209.5

*) Includes EUR 16.6 million amortization of intangible assets acquired through business acquisitions.

2010 EUR million	Mining and Construction Technology	Energy and Environmental Technology	Paper and Fiber Technology	Metso total
EBITA before non-recurring items	264.8	139.0	107.6	491.0
% of net sales	11.8	9.7	5.8	8.8
Capacity adjustment expenses	-1.8	-7.9	-7.3	-17.0
Gain on sale of Talvivaara shares	8.4	-	-	8.4
Intellectual property related items	27.6	-	-	27.6
Gain on business disposal	0.9	-	-	0.9
Credit loss reserve related to two paper machine customers	-	-	0.9	0.9
Net effect for prior years' ICMS (VAT) tax credits in Brazil	-2.8	-	-2.0	-4.8
Costs related to business acquisition projects	-	-	-	-4.2
Amortization of intangible assets *)	-6.7	-19.7	-28.9	-57.6
Operating profit (EBIT)	290.4	111.4	70.3	445.2

*) Includes EUR 32.9 million amortization of intangible assets acquired through business acquisitions.

Net financing expenses in January–June were EUR 27 million (EUR 45 million). These include EUR 36 million in interest expenses (EUR 35 million), EUR 12 million in interest income (EUR 8 million), EUR 4 million in foreign exchange gains (losses EUR 14 million), and EUR 7 million in other net financial expenses (EUR 4 million).

Our profit before taxes was EUR 207 million (EUR 165 million), and we estimate our tax rate for 2011 to be 31 percent (30% in 2010).

The profit attributable to shareholders was EUR 141 million (EUR 114 million) in January–June, corresponding to earnings per share (EPS) of EUR 0.94 (EUR 0.76 per share).

The return on capital employed (ROCE) before taxes was 15.3 percent (12.6%) and the return on equity (ROE) was 14.7 percent (13.6%).

Cash flow and financing

In January–June, our net cash generated by operating activities was EUR 158 million (EUR 230 million). As a result of increasing delivery volumes, net working capital increased by EUR 70 million.

Free cash flow in January–June was EUR 117 million (EUR 199 million).

Net interest-bearing liabilities increased due to dividend payment and totaled EUR 462 million at the end of June (EUR 310 million at December 31, 2010).

Our total cash assets at the end of June were EUR 811 million, EUR 321 million of which had been invested in financial instruments with an initial maturity exceeding three months. The remaining EUR 490 million has been accounted for as cash and cash equivalents. In December 2010 we renewed our syndicated five-year EUR 500 million revolving credit facility. The facility is primarily to support short-term funding. Our liquidity position is good.

Metso's gearing at the end of June was 23.9 percent (28.5% on June 30, 2010) and our equity to assets ratio was 37.4 percent (35.6%). In April, following the Annual General Meeting, we paid EUR 232 million in dividends for 2010.

Capital expenditure and R&D

Our gross capital expenditure in January–June, excluding business acquisitions, was EUR 72 million (EUR 58 million). The share of maintenance investments was 64 percent, i.e. EUR 46 million (60% and EUR 35 million). We estimate capital expenditure in 2011 to increase 10–20 percent on the 2010 level (EUR 135 million).

In the first half of the year, a new facility was completed in Vantaa, Finland to strengthen our global industrial valve production chain. The investment was accounted as an operating lease. In Massachusetts, in the United States we are expanding our valve production facilities. The investment is about EUR 4 million. In South America, in Peru and Chile, we are investing in new services workshops for Mining and Construction Technology. The second phase of construction on Metso's largest single investment so far in India, Metso Park, is currently under way. In Araucaria, Brazil, construction work on a new facility for our regional pulping and power operations is under way. The investment project in global enterprise resource planning (ERP) systems continues in the Automation business. In Mining and Construction Technology the extensive ERP project has been finalized.

Our research and development expenses increased in January–June 19 percent on the comparison period and totaled EUR 62 million, i.e. 2.1 percent of Metso's net sales (EUR 52 million and 2.0%). Focus areas in our research and development activities were new services business solutions and cost competitiveness, i.e. energy and raw material efficiency. We have been focusing on areas that are important in terms of sustainability, such as utilization of recycled raw material and energy.

Acquisitions, divestments and joint ventures

In the first half of 2011, Metso didn't make any acquisitions, divestments or joint venture arrangements.

Personnel

At the end of June, we had 30,072 employees, which was 5 percent more than at the end of 2010 (28,593 employees on December 31, 2010). During the first half of this year, the number of employees increased by 1,479 people in all our segments. The increase was mainly in Finland due to around 800 seasonal workers, but also in Mining and Construction Technology in India, Brazil and the United States to handle our increased delivery volumes. Excluding the impact of seasonal workers, the comparable change in the number of employees since the start of the year was about 700. The proportion of our personnel in the emerging markets increased and was 34 percent (31%) of Metso's total personnel. During January–June, we had an average of 29,177 employees.

Personnel by area

	June 30, 2011	% of total personnel	June 30, 2010	% of total personnel	Change %	Dec 31, 2010
Finland	9,413	31	9,286	34	1	8,748
Other Nordic countries	2,885	10	2,857	10	1	2,880
Rest of Europe	4,336	14	3,424	12	27	4,183
North America	3,655	12	3,393	12	8	3,491
South and Central America	3,269	11	2,890	11	13	3,166
Asia-Pacific	5,073	17	4,444	16	14	4,700
Africa and Middle East	1,441	5	1,371	5	5	1,425
Metso total	30,072	100	27,665	100	9	28,593

Changes in top management

Matti Kähkönen started as Metso's President and CEO on March 1, 2011, and at the same time, Metso's new Executive Team took office.

Reporting Segments

Mining and Construction Technology

EUR million	Q2/11	Q2/10	Change %	Q1-Q2/11	Q1-Q2/10	Change %	2010
Net sales	**664**	541	23	**1,224**	1,013	21	2,235
Net sales of services business	**341**	293	16	**646**	535	21	1,139
% of net sales	**52**	54		**53**	53		51
Earnings before interest, tax and amortization (EBITA) and non-recurring items	**68.9**	64.8	6	**125.6**	104.3	20	264.8
% of net sales	**10.4**	12.0		**10.3**	10.3		11.8
Operating profit	**66.5**	95.7	-31	**120.8**	133.8	-10	290.4
% of net sales	**10.0**	17.7		**9.9**	13.2		13.0
Orders received	**1,185**	604	96	**2,026**	1,163	74	2,457
Orders received of services business	**414**	301	38	**804**	604	33	1,223
Order backlog at end of period				**2,070**	1,310	58	1,356
Personnel at end of period				**10,817**	9,787	11	10,206

The net sales of Mining and Construction Technology grew 21 percent on the comparison period and were EUR 1,224 million. Net sales from mining customers were up 25 percent and from construction customers 13 percent. The services business net sales increased 21 percent and accounted for 53 percent of the segment's net sales.

Mining and Construction Technology's EBITA before non-recurring items was EUR 125.6 million (non-recurring items are analyzed in the 'Financial result' section), i.e. 10.3 percent of net sales. In general, profitability developed well and the investments in increased sales and marketing efforts paid off in higher volumes. Profitability development was impacted by the challenging pricing situation in wear products, especially in the Construction business, and by cost issues in some project deliveries.

Operating profit (EBIT) for January–June was EUR 120.8 million, i.e. 9.9 percent of net sales. The EBIT includes non-recurring expenses of EUR 0.7 million, whereas the non-recurring income was EUR 32.4 million in the comparison period.

Orders received by Mining and Construction Technology in January–June grew 74 percent from the comparison period and totaled EUR 2,026 million. Orders received increased in all geographical regions except for Western Europe. Growth was strong especially in the Nordic countries and in Eastern Europe. Orders from mining customers increased 100 percent and from construction customers 20 percent on the comparison period. Orders received grew strongly both in developed countries and in emerging markets, where they totaled 55 percent of the segment's orders received. Major orders received in the first half of the year included minerals processing equipment and the multi-year service contract for both Northland Resources in Sweden and Russian Copper Company in Russia, and a large conveyor system delivery to South America.The increase in service orders came mostly from the mining industry and was 33 percent.

The order backlog strengthened 53 percent during the first half of the year and totaled EUR 2,070 million at the end of June (EUR 1,356 million at the end of 2010). There were no uncertainties included in the segment's order backlog at the end of June.

Energy and Environmental Technology

EUR million	Q2/11	Q2/10	Change %	Q1-Q2/11	Q1-Q2/10	Change %	2010
Net sales	**382**	334	14	**729**	666	9	1,435
Net sales of services business	**143**	133	8	**288**	243	19	547
% of net sales	**38**	41		**40**	38		39
Earnings before interest, tax and amortization (EBITA) and non-recurring items	**38.0**	29.3	30	**74.5**	61.1	22	139.0
% of net sales	**9.9**	8.8		**10.2**	9.2		9.7
Operating profit	**33.6**	22.7	48	**65.6**	46.2	42	111.4
% of net sales	**8.8**	6.8		**9.0**	6.9		7.8
Orders received	**872**	384	127	**1,264**	740	71	1,528
Orders received of services business	**217**	158	37	**423**	297	42	599
Order backlog at end of period				**1,672**	1,159	44	1,158
Personnel at end of period				**6,357**	6,114	4	6,073

The net sales of Energy and Environmental Technology grew 9 percent from the comparison period, and were EUR 729 million. Net sales increased some 10 percent in the Power and Automation businesses and stayed on par with the comparison period in the Recycling business. Net sales from services business increased 19 percent and accounted for 40 percent of the segment's net sales.

EBITA before non-recurring items was EUR 74.5 million, i.e. 10.2 percent of net sales. The improved profitability is due to increased volumes and favorable product mix as well as successful project execution.

Operating profit (EBIT) for January–June increased 42 percent and was EUR 65.6 million, i.e. 9.0 percent of net sales. The EBIT of the comparison period included EUR 5.0 million in non-recurring expenses, primarily related to capacity adjustment actions.

Orders received by the segment increased 71 percent on the comparison period and totaled EUR 1,264 million. Orders received increased in all businesses, especially in the Power business. Major orders during the first half of the year in our Power business included the key technology for the world's largest pulp mill for Suzano Papel e Celulose in Brazil and two boiler plants for combined heat and power production for Fortum providing district heat and electricity in Finland and Latvia. Automation business orders included an extensive electrification and automation delivery to Outokumpu's new ferrochrome plant in Tornio, Finland and a service contract covering 11 refineries for the Brazilian energy company Petrobras. In the Recycling business we received several sizable metal and solid waste recycling equipment orders. The increase in services orders was 42 percent, and came from all businesses. Services orders accounted for 34 percent of all the segment's orders.

The order backlog at the end of June, EUR 1,672 million, was 44 percent higher than at the end of 2010 (EUR 1,158 million at the end of 2010). The order backlog includes projects worth about EUR 90 million with uncertain delivery schedules. The uncertainty is related to the deliveries of power boiler and automation technology for Fibria's pulp mill project in Brazil.

Paper and Fiber Technology

EUR million	Q2/11	Q2/10	Change %	Q1-Q2/11	Q1-Q2/10	Change %	2010
Net sales	**473**	494	-4	**955**	858	11	1,856
Net sales of services business	**207**	186	11	**398**	345	15	766
% of net sales	**44**	38		**42**	40		41
Earnings before interest, tax and amortization (EBITA) and non-recurring items	**41.2**	36.0	14	**81.1**	54.9	48	107.6
% of net sales	**8.7**	7.3		**8.5**	6.4		5.8
Operating profit	**36.0**	27.0	33	**73.3**	38.3	91	70.3
% of net sales	**7.6**	5.5		**7.7**	4.5		3.8
Orders received	**798**	682	17	**1,363**	1,143	19	1,947
Orders received of services business	**235**	221	6	**487**	426	14	814
Order backlog at end of period				**1,924**	1,759	9	1,559
Personnel at end of period				**10,789**	10,526	2	10,362

The net sales of Paper and Fiber Technology grew 11 percent in January–June, and were EUR 955 million. The growth in net sales came from the Fiber and Tissue businesses. The net sales of the services business increased 15 percent and accounted for 42 percent of the segment's net sales.

Paper and Fiber Technology's EBITA before non-recurring items was EUR 81.1 million, i.e. 8.5 percent of net sales. Profitability improved in both services and project business, mostly as a result of strong net sales, better capacity utilization and successful project execution.

Operating profit (EBIT) in January-June was EUR 73.3 million, i.e. 7.7 percent of net sales. The EBIT included non-recurring income (non-recurring items are analyzed in the 'Financial result' section) that improves the result by a total of EUR 2.6 million (non-recurring expenses weakened the EBIT by EUR 2.0 million).

The value of orders received by Paper and Fiber Technology increased 19 percent and totaled EUR 1,363 million. New orders from paper and board customers decreased 7 percent and from tissue customers 5 percent in January–June and orders from the pulp industry were up 69 percent. The growth in orders was strong in both capital equipment and services business. Major orders received in the first half of the year included installation and commissioning services as part of an add-on order for a new containerboard line previously delivered by Metso to Amcor Packaging in Sydney, Australia, the key technology for the world's largest pulp mill for Suzano Papel e Celulose in Brazil and a containerboard production line for Greenpac mill in the United States. Services orders increased 14 percent on the comparison period and accounted for 36 percent of the segment's total orders.

The order backlog at the end of June was EUR 1,924 million. Around EUR 245 million relates to the pulp mill project for Fibria in Brazil, for which the delivery schedule is still open.

Valmet Automotive

Valmet Automotive's net sales increased in January–June mainly as a result of the roof business acquired in the fourth quarter of 2010 and were EUR 134 million (EUR 28 million). EBITA before non-recurring items was EUR 5.5 million positive (EUR 8.5 million negative). In the second quarter, EUR 6.1 million non-recurring expenses were booked as a result of petition for bankruptcy filed in June by THINK Global AS. Due to the write-down, we recorded an operating loss of EUR 1.3 million in January-June.

Valmet Automotive employed 1,421 people (1,425 employees on December 31, 2010), of which about half were employed in Finland and the rest mainly in Germany and Poland.

In March, the ramp-up of series production of the hybrid car Fisker Karma was started in Finland. The production volume will increase towards the end of the year.

Events after the review period

Electric Mobility Solutions AS to relaunch electric car THINK City

In July, an investor group, of which Valmet Automotive is a member, acquired the assets of THINK Global AS following the bankruptcy proceeding, to restart the sales and manufacturing of THINK City as a new company, Electric Mobility Solutions AS. As a result of debt restructuring, Valmet Automotive received 10 percent stake of the new company.

Short-term risks of business operations

The uncertainty in the euro zone and budget deficit in the United States are creating potential negative impact on funding from capital markets coupled with fluctuations in exchange rates. Political unrest in recent months in the Middle East and North Africa, as well as the natural disaster in Japan and subsequent nuclear power plant accident, have also contributed to the uncertainty. We estimate that the high share of our business derived from services and emerging markets will diminish the potential negative effects that market uncertainties may have.

If the growth in the global economy is disturbed, it might have adverse effects on new projects under negotiation or on projects in our order backlog. Some projects may be postponed or they may be suspended or canceled. At the end of June, our order backlog included about 6 percent of uncertain orders, which relate to the pulp mill project for Fibria in Brazil, of which the delivery schedule is still open. In long-term delivery projects the initial customer down payments are typically 10–30 percent of the value of the project, in addition to which the customer makes progress payments during the project execution. This significantly decreases our risk and financing requirements related to these projects. We continually assess our customers' creditworthiness and ability to meet their obligations. As a rule, we do not finance customer projects. If the growth in the global economy slows down significantly, the markets for our products may shrink, which may lead to tightening price competition.

Securing the continuity of our operations requires that we have sufficient funding available under all circumstances. We estimate that our cash assets totaling EUR 811 million and available credit facilities are sufficient to secure short-term liquidity and overall financial flexibility. The average maturity for our long-term debt, current portions included, is 2.9 years. There are no prepayment covenants in our debt facilities that would be triggered by changes in credit ratings. Some of our debt facilities include financial covenants related to capital structure. We fully meet the covenants and other terms related to our financing agreements.

The levels of net working capital and capital expenditure have a key impact on the adequacy of financing. We have developed our practices and the supporting information systems relating to the management of net working capital. We expect that these will help us to control movements in our net working capital. We estimate that we are well positioned to keep our capital expenditure at the level of total amortization and depreciation.

At the end of June, we had EUR 872 million of goodwill on our balance sheet which is mainly related to business acquisitions made over the last 10 years. We conduct impairment tests regularly once a year and more frequently if needed, and have not detected any impairment. The principles for the impairment testing are presented in our Annual Report.

Changes in labor costs and in the prices of raw materials and components can affect our profitability. Currently there are also high inflationary pressures. Our policy is to pass the cost increases to our sales prices but there's a risk that tight competition doesn't allow us targeted cost compensation in all product categories. On the other hand, some of our customers are raw material producers whose ability to operate and invest may be enhanced by strengthening raw material prices and hampered by declining raw material prices.

Currency exchange rate risks are among the most substantial financial risks to Metso. Exchange rate changes can affect our business, although the wide geographical scope of our operations decreases the impact of any individual currency. In general, uncertainty in the economy is likely to increase exchange rate fluctuations. We hedge the currency exposures that arise from firm delivery and purchase agreements.

Short-term outlook

Demand in most of our customer industries is healthy with some variability by customer industry and geographic area. We estimate, in the emerging markets the operating environment will continue strong and the outlook in the mining business is excellent. The uncertainty in the euro zone, the budget deficit in the United States, the availability of financing and fluctuations in the exchange rates may, however, slow down market activity. Political unrest in recent months in the Middle East and North Africa, as well as the natural disaster in Japan, have also contributed to the overall uncertainty. However, we anticipate that our customer industries will continue to utilize their capacity at a good level supporting our services business. Furthermore most of our customers are expected to invest in existing and new capacity.

Metal prices have been at a high level primarily due to strong demand in China and India and to the momentum in the global economy. At the same time, copper and iron ore production has fallen short of demand. The activity for quotations for equipment and projects from mining companies has stayed at a good level. This has had a clearly positive impact on our orders received and we expect the mining market to stay at the current high level for the remainder of the year. Since several mining companies have confirmed significant capital investment programs for the coming years, we expect good quoting activity in larger projects this year. Due to the strengthening demand for minerals and our large installed equipment base, we expect demand for our mining services to be excellent.

In the Asia-Pacific region and Brazil, economic growth continues and infrastructure construction projects are maintaining demand for construction equipment at a good level. We anticipate that demand for equipment used in aggregates processing by the construction industry in Europe and in North America will stay at the current satisfactory level during the second half of 2011. We estimate that demand for our services for the construction industry will remain satisfactory.

Demand for power plants that utilize renewable energy sources is expected to continue satisfactory in 2011. Several European countries and the United States have published targets to increase the use of renewable energy and this is expected to support demand for our power plant solutions fuelled by biomass and recycled waste. However, the pending policies over subsidy mechanisms for renewable energy are estimated to have a key impact on investment decisions. Demand for the power plant services business is expected to be good.

We estimate that demand for our automation products will continue good this year, as the oil, gas and petrochemical industries continue investing due to the improvement in energy prices and demand. Demand for automation products in the pulp and paper industry is also expected to be good and for automation solutions services excellent.

We expect the demand for metal and solid waste recycling equipment to be good. Demand for recycling equipment services is expected to continue improving over the coming quarters as the capacity utilization rates of our customers' plants and equipment improve.

Demand for paper, board and tissue lines is expected to be satisfactory in 2011. We expect the high capacity utilization rates of the paper and board industry to keep the demand for our services at a good level.

Demand for new pulp mills, rebuilds and services continues to be good. However, we expect the market for pulp mills to slow down after recent large project orders and the market for pulp mill services and rebuilds to continue to be healthy.

As earlier, we estimate that our net sales in 2011 will grow by around 15 percent and that our profitability (EBITA margin before non-recurring items) will improve, both compared to 2010. Our estimate is based on Metso's development in January–June and on our order backlog, which contains orders worth about EUR 2.7 billion for delivery in 2011.

The estimates for our financial performance in 2011 are based on Metso's current market outlook and business scope, as well as on foreign exchange rates similar to the first half of this year.

Helsinki, July 28, 2011

Metso Corporation's Board of Directors

It should be noted that certain statements herein which are not historical facts, including, without limitation, those regarding expectations for general economic development and the market situation, expectations for customer industry profitability and investment willingness, expectations for company growth, development and profitability and the realization of synergy benefits and cost savings, and statements preceded by "expects", "estimates", "forecasts" or similar expressions, are forward-looking statements. These statements are based on current decisions and plans and currently known factors. They involve risks and uncertainties which may cause the actual results to materially differ from the results currently expected by the company.

Such factors include, but are not limited to:
(1) general economic conditions, including fluctuations in exchange rates and interest levels which influence the operating environment and profitability of customers and thereby the orders received by the company and their margins
(2) the competitive situation, especially significant technological solutions developed by competitors
(3) the company's own operating conditions, such as the success of production, product development and project management and their continuous development and improvement
(4) the success of pending and future acquisitions and restructuring.

Consolidated statement of income

EUR million	4-6/2011	4-6/2010	1-6/2011	1-6/2010	1-12/2010
Net sales	1,567	1,370	3,011	2,540	5,552
Cost of goods sold	-1,157	-1,009	-2,222	-1,888	-4,130
Gross profit	410	361	789	652	1,422
Selling, general and administrative expenses	-284	-260	-553	-493	-1,028
Other operating income and expenses, net	-5	39	-2	51	50
Share in profits of associated companies	0	0	0	0	1
Operating profit	121	140	234	210	445
Financial income and expenses, net	-21	-18	-27	-45	-75
Profit before taxes	100	122	207	165	370
Income taxes	-31	-37	-64	-50	-112
Profit	69	85	143	115	258
Attributable to:					
Shareholders of the company	68	84	141	114	257
Non-controlling interests	1	1	2	1	1
Profit	69	85	143	115	258
Earnings per share, EUR	0.45	0.56	0.94	0.76	1.71
Diluted earnings per share, EUR	0.45	0.56	0.94	0.76	1.71

Consolidated statement of comprehensive income

EUR million	4-6/2011	4-6/2010	1-6/2011	1-6/2010	1-12/2010
Profit	69	85	143	115	258
Cash flow hedges, net of tax	-9	-14	-1	-20	24
Available-for-sale equity investments, net of tax	0	-1	0	0	-4
Currency translation on subsidiary net investments	-6	77	-55	139	121
Net investment hedge gains (+) / losses (-), net of tax	1	-16	10	-27	-13
Defined benefit plan actuarial gains (+) / losses (-), net of tax	-	-	-	-	-11
Other comprehensive income (+) / expense (-)	-14	46	-46	92	117
Total comprehensive income (+) / expense (-)	55	131	97	207	375
Attributable to:					
Shareholders of the company	54	130	95	206	374
Non-controlling interests	1	1	2	1	1
Total comprehensive income (+) / expense (-)	55	131	97	207	375

Consolidated balance sheet

ASSETS

EUR million	June 30, 2011	June 30, 2010	Dec 31, 2010
Non-current assets			
Intangible assets			
Goodwill	**872**	881	880
Other intangible assets	**270**	299	287
	1,142	1,180	1,167
Property, plant and equipment			
Land and water areas	**63**	64	64
Buildings and structures	**276**	281	283
Machinery and equipment	**423**	474	459
Assets under construction	**65**	37	43
	827	856	849
Financial and other assets			
Investments in associated companies	**13**	13	14
Available-for-sale equity investments	**6**	15	9
Loan and other interest bearing receivables	**8**	6	6
Available-for-sale financial investments	**35**	228	169
Financial instruments held for trading	**-**	45	-
Derivative financial instruments	**1**	0	2
Deferred tax asset	**159**	195	168
Other non-current assets	**35**	29	42
	257	531	410
Total non-current assets	**2,226**	2,567	2,426
Current assets			
Inventories	**1,528**	1,310	1,305
Receivables			
Trade and other receivables	**1,300**	1,164	1,242
Cost and earnings of projects under construction in excess of advance billings	**306**	315	287
Loan and other interest bearing receivables	**2**	7	6
Available-for-sale financial assets	**162**	65	178
Financial instruments held for trading	**124**	-	59
Derivative financial instruments	**39**	24	55
Income tax receivables	**21**	39	29
	1,954	1,614	1,856
Cash and cash equivalents	**490**	568	645
Total current assets	**3,972**	3,492	3,806
TOTAL ASSETS	**6,198**	6,059	6,232

SHAREHOLDERS' EQUITY AND LIABILITIES

EUR million	June 30, 2011	June 30, 2010	Dec 31, 2010
Equity			
Share capital	241	241	241
Cumulative translation adjustments	1	50	46
Fair value and other reserves	725	684	726
Retained earnings	945	902	1,036
Equity attributable to shareholders	1,912	1,877	2,049
Non-controlling interests	23	11	22
Total equity	1,935	1,888	2,071
Liabilities			
Non-current liabilities			
Long-term debt	842	1,266	956
Post employment benefit obligations	190	198	195
Provisions	70	57	59
Derivative financial instruments	1	5	3
Deferred tax liability	45	52	50
Other long-term liabilities	5	8	6
Total non-current liabilities	1,153	1,586	1,269
Current liabilities			
Current portion of long-term debt	380	144	388
Short-term debt	61	47	29
Trade and other payables	1,334	1,286	1,377
Provisions	252	217	230
Advances received	638	456	503
Billings in excess of cost and earnings of projects under construction	386	300	299
Derivative financial instruments	28	101	30
Income tax liabilities	31	34	36
Total current liabilities	3,110	2,585	2,892
Total liabilities	4,263	4,171	4,161
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	6,198	6,059	6,232

NET INTEREST BEARING LIABILITIES

EUR million	June 30, 2011	June 30, 2010	Dec 31, 2010
Long-term interest bearing debt	842	1,266	956
Short-term interest bearing debt	441	191	417
Cash and cash equivalents	-490	-568	-645
Other interest bearing assets	-331	-351	-418
Total	462	538	310

Condensed consolidated cash flow statement

EUR million	**4-6/2011**	4-6/2010	**1-6/2011**	1-6/2010	1-12/2010
Cash flows from operating activities:					
Profit	**69**	85	**143**	115	258
Adjustments to reconcile profit to net cash provided by operating activities					
Depreciation and amortization	**41**	44	**84**	87	178
Interests and dividend income	**16**	14	**24**	27	51
Income taxes	**31**	37	**64**	50	112
Other	**5**	17	**5**	27	38
Change in net working capital	**-22**	44	**-70**	7	25
Cash flows from operations	**140**	241	**250**	313	662
Interest paid and dividends received	**-27**	-29	**-30**	-35	-58
Income taxes paid	**-39**	-33	**-62**	-48	-98
Net cash provided by operating activities	**74**	179	**158**	230	506
Cash flows from investing activities:					
Capital expenditures on fixed assets	**-41**	-30	**-72**	-58	-134
Proceeds from sale of fixed assets	**0**	3	**5**	4	7
Business acquisitions, net of cash acquired	**-**	-2	**-10**	-5	-21
Proceeds from sale of businesses, net of cash sold	**-**	10	**-**	10	8
Investments in (-) / proceeds from (+) sale of financial assets	**39**	19	**83**	-90	-147
Other	**0**	1	**1**	4	5
Net cash provided by (+) / used in (-) investing activities	**-2**	1	**7**	-135	-282
Cash flows from financing activities:					
Redemption of own shares	**-**	-	**-**	-7	-7
Dividends paid	**-232**	-105	**-232**	-105	-105
Changes in ownership interests in subsidiaries	**-**	-	**-**	-	20
Net funding	**-57**	-62	**-74**	-177	-243
Other	**-2**	-1	**-2**	-1	-4
Net cash provided by (+) / used in (-) financing activities	**-291**	-168	**-308**	-290	-339
Net increase (+) / decrease (-) in cash and cash equivalents	**-219**	12	**-143**	-195	-115
Effect from changes in exchange rates	**0**	21	**-12**	36	33
Cash and cash equivalents at beginning of period	**709**	535	**645**	727	727
Cash and cash equivalents at end of period	**490**	568	**490**	568	645

FREE CASH FLOW

EUR million	**4-6/2011**	4-6/2010	**1-6/2011**	1-6/2010	1-12/2010
Net cash provided by operating activities	**74**	179	**158**	230	506
Capital expenditures on maintenance investments	**-25**	-18	**-46**	-35	-78
Proceeds from sale of fixed assets	**0**	3	**5**	4	7
Free cash flow	**49**	164	**117**	199	435

Consolidated statement of changes in shareholders' equity

EUR million	Share capital	Cumulative translation adjustments	Fair value and other reserves	Retained earnings	Equity attributable to shareholders	Non-controlling interests	Total equity
Balance at Jan 1, 2010	**241**	**-62**	**710**	**894**	**1,783**	**9**	**1,792**
Profit	-	-	-	114	114	1	115
Other comprehensive income (+) / expense (-)							
Cash flow hedges, net of tax	-	-	-20	-	-20	-	-20
Available-for-sale equity investments, net of tax	-	-	0	-	0	-	0
Currency translation on subsidiary net investments	-	139	-	-	139	-	139
Net investment hedge gains (losses), net of tax	-	-27	-	-	-27	-	-27
Total comprehensive income (+) / expense (-)	-	112	-20	114	206	1	207
Dividends	-	-	-	-105	-105	-	-105
Redemption of own shares	-	-	-7	-	-7	-	-7
Share-based payments, net of tax	-	-	1	0	1	-	1
Other	-	-	-	-1	-1	1	0
Balance at June 30, 2010	**241**	**50**	**684**	**902**	**1,877**	**11**	**1,888**
Balance at Jan 1, 2011	**241**	**46**	**726**	**1,036**	**2,049**	**22**	**2,071**
Profit	-	-	-	141	141	2	143
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	-	-55	-	-	-55	-	-55
Net investment hedge gains (losses), net of tax	-	10	-	-	10	-	10
Total comprehensive income (+) / expense (-)	-	-45	-1	141	95	2	97
Dividends	-	-	-	-232	-232	-	-232
Redemption of own shares	-	-	-	-	-	-	-
Share-based payments, net of tax	-	-	0	0	0	-	0
Other	-	-	-	0	0	-1	-1
Balance at June 30, 2011	**241**	**1**	**725**	**945**	**1,912**	**23**	**1,935**

Acquisitions

Metso made no acquisitions during the first half of 2011. The Karmann convertible roof business was acquired in November 2010, and a purchase price adjustment thereon, amounting to EUR 10 million, was paid in the first quarter of 2011.

Assets pledged and contingent liabilities

EUR million	June 30, 2011	June 30, 2010	Dec 31, 2010
Mortgages on corporate debt	2	3	2
Other pledges and contingencies			
Mortgages	2	1	2
Pledged assets	-	-	-
Guarantees on behalf of associated company obligations	-	-	-
Other guarantees	5	4	4
Repurchase and other commitments	5	6	5
Lease commitments	234	238	242

Notional amounts of derivative financial instruments

EUR million	June 30, 2011	June 30, 2010	Dec 31, 2010
Forward exchange rate contracts	2,812	1,949	2,137
Interest rate swaps	100	178	163
Cross currency swaps	33	-	-
Option agreements			
Bought	1	2	2
Sold	10	10	10

The notional amount of electricity forwards was 692 GWh as of June 30, 2011 and 662 GWh as of June 30, 2010.
The notional amount of nickel forwards to hedge stainless steel prices was 540 tons as of June 30, 2011 and 360 tons as of June 30, 2010.
The notional amounts indicate the volumes in the use of derivatives, but do not indicate the exposure to risk.

Key ratios

	1-6/2011	1-6/2010	1-12/2010
Earnings per share, EUR	**0.94**	0.76	1.71
Diluted earnings per share, EUR	**0.94**	0.76	1.71
Equity/share at end of period, EUR	**12.78**	12.54	13.69
Return on equity (ROE), % (annualized)	**14.7**	13.6	13.6
Return on capital employed (ROCE) before tax, % (annualized)	**15.3**	12.6	13.5
Return on capital employed (ROCE) after tax, % (annualized)	**11.4**	9.6	10.2
Equity to assets ratio at end of period, %	**37.4**	35.6	38.1
Gearing at end of period, %	**23.9**	28.5	15.0
Free cash flow, EUR million	**117**	199	435
Free cash flow/share, EUR	**0.78**	1.33	2.91
Cash conversion, %	**82**	173	169
Gross capital expenditure (excl. business acquisitions), EUR million	**72**	58	135
Business acquisitions, net of cash acquired, EUR million	**10**	5	21
Depreciation and amortization, EUR million	**84**	87	178
Number of outstanding shares at end of period (thousands)	**149,630**	149,631	149,630
Average number of shares (thousands)	**149,630**	149,735	149,683
Average number of diluted shares (thousands)	**149,830**	149,838	149,837

Exchange rates used

		1-6/2011	1-6/2010	1-12/2010	June 30, 2011	June 30, 2010	Dec 31, 2010
USD	(US dollar)	**1.4113**	1.3331	1.3299	**1.4453**	1.2271	1.3362
SEK	(Swedish krona)	**8.9273**	9.8144	9.5510	**9.1739**	9.5259	8.9655
GBP	(Pound sterling)	**0.8749**	0.8677	0.8585	**0.9026**	0.8175	0.8608
CAD	(Canadian dollar)	**1.3766**	1.3894	1.3773	**1.3951**	1.2890	1.3322
BRL	(Brazilian real)	**2.2850**	2.3895	2.3379	**2.2601**	2.2082	2.2177
CNY	(Chinese renminbi)	**9.2220**	9.0922	8.9975	**9.3416**	8.3215	8.8220
AUD	(Australian dollar)	**1.3541**	1.4986	1.4514	**1.3485**	1.4403	1.3136

Formulas for calculation of indicators

EBITA before non-recurring items:
Operating profit + amortization + goodwill impairment + non-recurring items

Earnings/share:

$$\frac{\text{Profit attributable to shareholders of the company}}{\text{Average number of outstanding shares during period}}$$

Equity/share:

$$\frac{\text{Equity attributable to shareholders}}{\text{Number of outstanding shares at end of period}}$$

Return on equity (ROE), %:

$$\frac{\text{Profit}}{\text{Total equity (average for period)}} \times 100$$

Return on capital employed (ROCE) before tax, %:

$$\frac{\text{Profit before tax + interest and other financial expenses}}{\text{Balance sheet total - non-interest bearing liabilities (average for period)}} \times 100$$

Return on capital employed (ROCE) after tax, %:

$$\frac{\text{Profit + interest and other financial expenses}}{\text{Balance sheet total - non-interest bearing liabilities (average for period)}} \times 100$$

Gearing, %:

$$\frac{\text{Net interest bearing liabilities}}{\text{Total equity}} \times 100$$

Equity to assets ratio, %:

$$\frac{\text{Total equity}}{\text{Balance sheet total – advances received}} \times 100$$

Free cash flow:
Operating cash flow
- capital expenditures on maintenance investments
+ proceeds from sale of fixed assets
= Free cash flow

Cash conversion, %:

$$\frac{\text{Free cash flow}}{\text{Profit}} \times 100$$

Segment information

NET SALES

EUR million	4-6/2011	4-6/2010	1-6/2011	1-6/2010	7/2010-6/2011	1-12/2010
Mining and Construction Technology	**664**	541	**1,224**	1,013	2,446	2,235
Energy and Environmental Technology	**382**	334	**729**	666	1,498	1,435
Paper and Fiber Technology	**473**	494	**955**	858	1,953	1,856
Valmet Automotive	**66**	17	**134**	28	190	84
Group Head Office and other	**-**	-	**-**	-	-	-
Group Head Office and others total	**66**	17	**134**	28	190	84
Intra Metso net sales	**-18**	-16	**-31**	-25	-64	-58
Metso total	**1,567**	1,370	**3,011**	2,540	6,023	5,552

EBITA BEFORE NON-RECURRING ITEMS

EUR million	4-6/2011	4-6/2010	1-6/2011	1-6/2010	7/2010-6/2011	1-12/2010
Mining and Construction Technology	**68.9**	64.8	**125.6**	104.3	286.1	264.8
Energy and Environmental Technology	**38.0**	29.3	**74.5**	61.1	152.4	139.0
Paper and Fiber Technology	**41.2**	36.0	**81.1**	54.9	133.8	107.6
Valmet Automotive	**2.8**	-1.4	**5.5**	-8.5	9.4	-4.6
Group Head Office and other	**-11.1**	-3.7	**-23.3**	0.8	-39.9	-15.8
Group Head Office and others total	**-8.3**	-5.1	**-17.8**	-7.7	-30.5	-20.4
Metso total	**139.8**	125.0	**263.4**	212.6	541.8	491.0

EBITA BEFORE NON-RECURRING ITEMS, % OF NET SALES

%	4-6/2011	4-6/2010	1-6/2011	1-6/2010	7/2010-6/2011	1-12/2010
Mining and Construction Technology	**10.4**	12.0	**10.3**	10.3	11.7	11.8
Energy and Environmental Technology	**9.9**	8.8	**10.2**	9.2	10.2	9.7
Paper and Fiber Technology	**8.7**	7.3	**8.5**	6.4	6.9	5.8
Valmet Automotive	**4.2**	-8.2	**4.1**	-30.4	4.9	-5.5
Group Head Office and other	**n/a**	n/a	**n/a**	n/a	n/a	n/a
Group Head Office and others total	**n/a**	n/a	**n/a**	n/a	n/a	n/a
Metso total	**8.9**	9.1	**8.7**	8.4	9.0	8.8

NON-RECURRING ITEMS

EUR million	4-6/2011	4-6/2010	1-6/2011	1-6/2010	7/2010-6/2011	1-12/2010
Mining and Construction Technology	**-0.3**	32.4	**-0.7**	32.4	-0.8	32.3
Energy and Environmental Technology	**-**	-1.6	**-**	-5.0	-2.9	-7.9
Paper and Fiber Technology	**-**	-1.6	**2.6**	-2.0	-3.8	-8.4
Valmet Automotive	**-6.1**	-	**-6.1**	-	-7.9	-1.8
Group Head Office and other	**-**	-	**-0.4**	-	-2.8	-2.4
Group Head Office and others total	**-6.1**	-	**-6.5**	-	-10.7	-4.2
Metso total	**-6.4**	29.2	**-4.6**	25.4	-18.2	11.8

AMORTIZATION

EUR million	4-6/2011	4-6/2010	1-6/2011	1-6/2010	7/2010-6/2011	1-12/2010
Mining and Construction Technology	**-2.1**	-1.5	**-4.1**	-2.9	-7.9	-6.7
Energy and Environmental Technology	**-4.4**	-5.0	**-8.9**	-9.9	-18.7	-19.7
Paper and Fiber Technology	**-5.2**	-7.4	**-10.4**	-14.6	-24.7	-28.9
Valmet Automotive	**-0.4**	0.0	**-0.7**	0.0	-0.7	0.0
Group Head Office and other	**-0.3**	-0.3	**-0.8**	-1.1	-2.0	-2.3
Group Head Office and others total	**-0.7**	-0.3	**-1.5**	-1.1	-2.7	-2.3
Metso total	**-12.4**	-14.2	**-24.9**	-28.5	-54.0	-57.6

OPERATING PROFIT (LOSS)

EUR million	4-6/2011	4-6/2010	1-6/2011	1-6/2010	7/2010-6/2011	1-12/2010
Mining and Construction Technology	**66.5**	95.7	**120.8**	133.8	277.4	290.4
Energy and Environmental Technology	**33.6**	22.7	**65.6**	46.2	130.8	111.4
Paper and Fiber Technology	**36.0**	27.0	**73.3**	38.3	105.3	70.3
Valmet Automotive	**-3.7**	-1.4	**-1.3**	-8.5	0.8	-6.4
Group Head Office and other	**-11.4**	-4.0	**-24.5**	-0.3	-44.7	-20.5
Group Head Office and others total	**-15.1**	-5.4	**-25.8**	-8.8	-43.9	-26.9
Metso total	**121.0**	140.0	**233.9**	209.5	469.6	445.2

OPERATING PROFIT (LOSS), % OF NET SALES

%	4-6/2011	4-6/2010	1-6/2011	1-6/2010	7/2010-6/2011	1-12/2010
Mining and Construction Technology	**10.0**	17.7	**9.9**	13.2	11.3	13.0
Energy and Environmental Technology	**8.8**	6.8	**9.0**	6.9	8.7	7.8
Paper and Fiber Technology	**7.6**	5.5	**7.7**	4.5	5.4	3.8
Valmet Automotive	**-5.6**	-8.2	**-1.0**	-30.4	0.4	-7.6
Group Head Office and other	**n/a**	n/a	**n/a**	n/a	n/a	n/a
Group Head Office and others total	**n/a**	n/a	**n/a**	n/a	n/a	n/a
Metso total	**7.7**	10.2	**7.8**	8.2	7.8	8.0

ORDERS RECEIVED

EUR million	4-6/2011	4-6/2010	1-6/2011	1-6/2010	7/2010-6/2011	1-12/2010
Mining and Construction Technology	**1,185**	604	**2,026**	1,163	3,320	2,457
Energy and Environmental Technology	**872**	384	**1,264**	740	2,052	1,528
Paper and Fiber Technology	**798**	682	**1,363**	1,143	2,167	1,947
Valmet Automotive	**66**	17	**134**	28	190	84
Group Head Office and other	**-**	-	**-**	-	-	-
Group Head Office and others total	**66**	17	**134**	28	190	84
Intra Metso orders received	**-38**	-16	**-57**	-37	-92	-72
Metso total	**2,883**	1,671	**4,730**	3,037	7,637	5,944

Quarterly information

NET SALES

EUR million	4-6/2010	7-9/2010	10-12/2010	1-3/2011	**4-6/2011**
Mining and Construction Technology	541	563	659	560	**664**
Energy and Environmental Technology	334	312	457	347	**382**
Paper and Fiber Technology	494	443	555	482	**473**
Valmet Automotive	17	20	36	68	**66**
Group Head Office and other	-	-	-	-	**-**
Group Head Office and others total	17	20	36	68	**66**
Intra Metso net sales	-16	-13	-20	-13	**-18**
Metso total	1,370	1,325	1,687	1,444	**1,567**

EBITA BEFORE NON-RECURRING ITEMS

EUR million	4-6/2010	7-9/2010	10-12/2010	1-3/2011	**4-6/2011**
Mining and Construction Technology	64.8	74.9	85.6	56.7	**68.9**
Energy and Environmental Technology	29.3	31.7	46.2	36.5	**38.0**
Paper and Fiber Technology	36.0	31.8	20.9	39.9	**41.2**
Valmet Automotive	-1.4	0.7	3.2	2.7	**2.8**
Group Head Office and other	-3.7	-10.5	-6.1	-12.2	**-11.1**
Group Head Office and others total	-5.1	-9.8	-2.9	-9.5	**-8.3**
Metso total	125.0	128.6	149.8	123.6	**139.8**

EBITA BEFORE NON-RECURRING ITEMS, % OF NET SALES

%	4-6/2010	7-9/2010	10-12/2010	1-3/2011	**4-6/2011**
Mining and Construction Technology	12.0	13.3	13.0	10.1	**10.4**
Energy and Environmental Technology	8.8	10.2	10.1	10.5	**9.9**
Paper and Fiber Technology	7.3	7.2	3.8	8.3	**8.7**
Valmet Automotive	-8.2	3.5	8.9	4.0	**4.2**
Group Head Office and other	n/a	n/a	n/a	n/a	**n/a**
Group Head Office and others total	n/a	n/a	n/a	n/a	**n/a**
Metso total	9.1	9.7	8.9	8.6	**8.9**

NON-RECURRING ITEMS

EUR million	4-6/2010	7-9/2010	10-12/2010	1-3/2011	**4-6/2011**
Mining and Construction Technology	32.4	-4.9	4.8	-0.4	**-0.3**
Energy and Environmental Technology	-1.6	-2.9	0.0	-	**-**
Paper and Fiber Technology	-1.6	-2.7	-3.7	2.6	**-**
Valmet Automotive	-	-	-1.8	-	**-6.1**
Group Head Office and other	-	-	-2.4	-0.4	**-**
Group Head Office and others total	-	-	-4.2	-0.4	**-6.1**
Metso total	29.2	-10.5	-3.1	1.8	**-6.4**

AMORTIZATION

EUR million	4-6/2010	7-9/2010	10-12/2010	1-3/2011	**4-6/2011**
Mining and Construction Technology	-1.5	-1.8	-2.0	-2.0	**-2.1**
Energy and Environmental Technology	-5.0	-5.0	-4.8	-4.5	**-4.4**
Paper and Fiber Technology	-7.4	-7.2	-7.1	-5.2	**-5.2**
Valmet Automotive	0.0	0.0	0.0	-0.3	**-0.4**
Group Head Office and other	-0.3	-0.6	-0.6	-0.5	**-0.3**
Group Head Office and others total	-0.3	-0.6	-0.6	-0.8	**-0.7**
Metso total	-14.2	-14.6	-14.5	-12.5	**-12.4**

OPERATING PROFIT (LOSS)

EUR million	4-6/2010	7-9/2010	10-12/2010	1-3/2011	**4-6/2011**
Mining and Construction Technology	95.7	68.2	88.4	54.3	**66.5**
Energy and Environmental Technology	22.7	23.8	41.4	32.0	**33.6**
Paper and Fiber Technology	27.0	21.9	10.1	37.3	**36.0**
Valmet Automotive	-1.4	0.7	1.4	2.4	**-3.7**
Group Head Office and other	-4.0	-11.1	-9.1	-13.1	**-11.4**
Group Head Office and others total	-5.4	-10.4	-7.7	-10.7	**-15.1**
Metso total	140.0	103.5	132.2	112.9	**121.0**

OPERATING PROFIT (LOSS), % OF NET SALES

%	4-6/2010	7-9/2010	10-12/2010	1-3/2011	**4-6/2011**
Mining and Construction Technology	17.7	12.1	13.4	9.7	**10.0**
Energy and Environmental Technology	6.8	7.6	9.1	9.2	**8.8**
Paper and Fiber Technology	5.5	4.9	1.8	7.7	**7.6**
Valmet Automotive	-8.2	3.5	3.9	3.5	**-5.6**
Group Head Office and other	n/a	n/a	n/a	n/a	**n/a**
Group Head Office and others total	n/a	n/a	n/a	n/a	**n/a**
Metso total	10.2	7.8	7.8	7.8	**7.7**

CAPITAL EMPLOYED

EUR million	June 30, 2010	Sep 30, 2010	Dec 31, 2010	Mar 31, 2011	**June 30, 2011**
Mining and Construction Technology	1,100	1,100	1,151	1,147	**1,146**
Energy and Environmental Technology	496	515	491	506	**467**
Paper and Fiber Technology	680	635	598	609	**664**
Valmet Automotive	23	24	41	55	**43**
Group Head Office and other	1,045	1,085	1,163	904	**898**
Group Head Office and others total	1,068	1,109	1,204	959	**941**
Metso total	3,344	3,359	3,444	3,221	**3,218**

Capital employed includes only external balance sheet items.

ORDERS RECEIVED

EUR million	4-6/2010	7-9/2010	10-12/2010	1-3/2011	**4-6/2011**
Mining and Construction Technology	604	643	651	841	**1,185**
Energy and Environmental Technology	384	341	447	392	**872**
Paper and Fiber Technology	682	417	387	565	**798**
Valmet Automotive	17	20	36	68	**66**
Group Head Office and other	-	-	-	-	**-**
Group Head Office and others total	17	20	36	68	**66**
Intra Metso orders received	-16	-12	-23	-19	**-38**
Metso total	1,671	1,409	1,498	1,847	**2,883**

ORDER BACKLOG

EUR million	June 30, 2010	Sep 30, 2010	Dec 31, 2010	Mar 31, 2011	**June 30, 2011**
Mining and Construction Technology	1,310	1,329	1,356	1,562	**2,070**
Energy and Environmental Technology	1,159	1,159	1,158	1,182	**1,672**
Paper and Fiber Technology	1,759	1,703	1,559	1,611	**1,924**
Valmet Automotive	-	-	-	-	**-**
Group Head Office and other	-	-	-	-	**-**
Group Head Office and others total	-	-	-	-	**-**
Intra Metso order backlog	-52	-47	-50	-55	**-73**
Metso total	4,176	4,144	4,023	4,300	**5,593**

PERSONNEL	June 30, 2010	Sep 30, 2010	Dec 31, 2010	Mar 31, 2011	**June 30, 2011**
Mining and Construction Technology	9,787	9,974	10,206	10,387	**10,817**
Energy and Environmental Technology	6,114	6,015	6,073	6,071	**6,357**
Paper and Fiber Technology	10,526	10,388	10,362	10,397	**10,789**
Valmet Automotive	723	668	1,425	1,378	**1,421**
Group Head Office and other	515	507	527	633	**688**
Group Head Office and others total	1,238	1,175	1,952	2,011	**2,109**
Metso total	27,665	27,552	28,593	28,866	**30,072**

Notes to the Interim Review

We have prepared this Interim Review in accordance with IAS 34 'Interim Financial Reporting'. The same accounting policies have been applied as in the annual financial statements. This Interim Review is unaudited.

New accounting standards

IFRS 9

In November 2009, IASB published IFRS 9 'Financial instruments: Recognition and measurement'. The standard represents the first phase in the replacement of IAS 39. It simplifies classification of financial assets and requires them to be measured either at amortized cost or at fair value.

In October 2010, IASB published the second part of IFRS 9 'Financial Liabilities – Classification and Measurement' according to which the accounting and presentation for financial liabilities shall remain unchanged except for those financial liabilities for which fair value option is applied. The next steps will cover impairment of financial assets and development of hedge accounting.

The whole standard, once completed, can now be estimated to become effective for the financial periods beginning on or after January 1, 2015.

As long as the whole standard is not finalized we cannot assess its impact to our financial statements.

IAS 12, amendment

In December 2010, IASB published 'Deferred Tax: Recovery of underlying assets – Amendment to IAS 12' providing an exception to the general principle on measuring deferred tax assets and tax liabilities. The amendment concerns investment property and it becomes applicable on or after January 1, 2012.

The amendment will not impact our financial statements.

IFRS 10

In May 2011, IASB published IFRS 10 'Consolidated Financial Statements', which defines the principle of control, which is the basis for consolidation to be used to identify whether an investor controls an investee and therefore must consolidate it. The standard replaces IAS 27 and covers the principles for the presentation and preparation of consolidated financial statements. The standard is applicable to financial reporting periods beginning on or after January 1, 2013.

The standard is not expected to have material impact to our financial statements.

IFRS 11

In May 2011, IASB published IFRS 11 'Joint Arrangements' on how a party to a joint arrangement should account for its involvement in such an arrangement. The entity has to determine the type of joint arrangement in which it is involved by assessing its rights and obligations, and account for those rights and obligations accordingly. The joint arrangement can either be a joint operation or a joint venture. The standard is applicable to financial reporting periods beginning on or after January 1, 2013.

The standard is not expected to have material impact to our financial statements.

IFRS 12

In May 2011, IASB published IFRS 12 'Disclosure of Interests in Other Entities', which requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, the preparer's interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. The standard is applicable to financial reporting periods beginning on or after January 1, 2013.

We are assessing the impact of the standard to our financial statement disclosures.

IFRS 13

In May 2011, IASB published IFRS 13 'Fair Value Measurement', which defines fair value, sets out in one standard a framework for measuring fair value and sets disclosure requirements about fair value measurements. It increases consistency and comparability in fair value measurements and related disclosures through a 'fair value hierarchy'. The hierarchy categorizes the inputs used in valuation techniques into three levels giving the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The standard is applicable to financial reporting periods beginning on or after January 1, 2013.

We are assessing the impact of the standard to our financial statement disclosures.

IAS 1, amendment

In June 2011, IASB published an amendment to IAS 1 'Presentation of Financial Statements' The amendment to the standard continues to allow the entity to choose between the 'one or two income statement' presentations but revises the way other comprehensive income is presented. It requires separate subtotals for those elements, which may be 'recycled' at a future date such as translation differences on disposal of a subsidiary and for those elements that will not be 'recycled', such as investments at fair value through other comprehensive income as defined by IFRS 9. The amendment is effective for financial periods beginning on or after July 1, 2012.

We will continue to present the income statement and the statement of comprehensive income as separate statements.

IAS 19, amendment

In June 2011, IASB published an amendment to IAS 19 'Employee Benefits'. It requires recognition of changes in the net defined benefit liability (asset) including immediate recognition of defined benefit cost, eliminating the option to defer the recognition of gains and losses, known as the 'corridor method'. It requires disaggregation of the defined benefit cost into three components: service, net interest and remeasurement component, the last one being recognized under other comprehensive income. Net interest is calculated using high quality bond yield rate. The amendment requires enhanced disclosures about defined benefit plans.

The amendment is applicable to financial periods beginning on or after January 1, 2013.

The amendment will not impact the amount of the defined benefit liability (asset) reported in our balance sheet because we do not use the 'corridor method'. The calculation of net interest will impact the benefit cost reported in the profit or loss if the annual return calculated on assets has been higher than the discount rate applied to the benefit liability. We are assessing the impact of this change to our financial statements.

Provided these standards and amendments receive endorsement by the European Union, we will apply them when they become effective.

Decisions of the Annual General Meeting

Our Annual General Meeting (AGM) on March 30, 2011 approved the Financial Statements for 2010 and decided to discharge the members of the Board of Directors and the President and CEO from liability. The AGM approved the proposals of the Board of Directors to authorize the Board of Directors to resolve on a repurchase of Metso's own shares and on a share issue.

The AGM decided that a dividend of EUR 1.55 per share will be paid for 2010. The dividend was paid on April 12, 2011.

The AGM elected Jukka Viinanen Chairman of the Board and Maija-Liisa Friman Vice Chairman of the Board. Ozey K. Horton, Jr., was elected as a new member of the Board. Mikael von Frenckell, Christer Gardell, Yrjö Neuvo, Erkki Pehu-Lehtonen and Pia Rudengren were re-elected as Board members.

The AGM decided that the annual remunerations for Board members is EUR 92,000 for the Chairman, EUR 56,000 for the Vice Chairman and the Chairman of the Audit Committee, and EUR 45,000 for the members. In addition, it was decided that a meeting fee of EUR 600 is paid for members, whose residence is in the Nordic countries, EUR 1,200 for members whose residence is elsewhere in Europe and for those residing outside Europe, EUR 2,400 per meeting they attend, including committee meetings. Based on the decision of the AGM, the Board members have used 40 percent of their annual remuneration to buy Metso shares. The Board members acquired the shares from the market within two weeks after the publication of the first quarter Interim Review on April 28, 2011. In the beginning of May, altogether 4,308 shares were acquired.

The auditing company, Authorized Public Accountants PricewaterhouseCoopers Oy, was re-elected as our Auditor until the end of the next Annual General Meeting.

The AGM decided to establish a Nomination Board of the AGM to prepare proposals for the following AGM regarding the composition of the Board and director remuneration. Representatives of the four biggest shareholders are elected to the Nomination Board, and the Chairman of the Board of Directors serves as the Nomination Board's expert member.

Members of Board committees and personnel representative

Our Board elected members from among the Board for the Audit Committee and Remuneration and HR Committee at its assembly meeting on March 30, 2011. The Board's Audit Committee consists of Pia Rudengren (Chairman), Maija-Liisa Friman and Erkki Pehu-Lehtonen. The Remuneration and HR Committee consists of Jukka Viinanen (Chairman), Mikael von Frenckell, Christer Gardell and Yrjö Neuvo. The Board decided that the personnel representative participates in the Board meetings as an invited expert subject to the Finnish Act on the Personnel Representation in the Administration of Undertakings with no voting rights or legal liability for the Board's decisions. Metso's personnel groups in Finland have elected Jukka Leppänen as the personnel representative. His term of office is the same as the Board members' term.

Shares and share capital

At the end of June 2011, our share capital was EUR 240,982,843.80 and the number of shares was 150,348,256. The number of shares included 718,397 Metso shares held by the Parent Company, which represent 0.5 percent of all the shares and votes. The average number of shares outstanding in January–June, excluding Metso shares held by the Parent Company, was 149,629,859 and the average number of diluted shares was 149,829,815.

Metso's market capitalization, excluding the shares held by the Parent Company, was EUR 5,861 million on June 30, 2011 (EUR 3,968 million on June 30, 2010).

Metso is not aware of any shareholders' agreements regarding the ownership of Metso shares or voting rights.

Share-based incentive plans

Metso's share ownership plans are part of the remuneration and commitment program for Metso management. For further information, see www.metso.com/investors.

Share Ownership Plan for 2009–2011 (SOP 2009–2011)

In October 2008, the Board of Directors approved a share ownership plan for the years 2009–2011. The plan has one three-year earnings period and required participants' personal investment in Metso shares at the beginning of the program. Any possible reward from the plan requires continued employment with Metso and reaching the financial targets set for the plan. The plan has about 90 participants and the rewards that can be paid correspond to a maximum of about 370,000 Metso shares. Members of the 2011 Executive Team may receive a maximum of 54,600 shares as share rewards.

Share Ownership Plan for 2010–2012 (SOP 2010–2012)

In October 2009, the Board of Directors approved a similar kind of share ownership plan for the years 2010–2012. The plan has one three-year earnings period and required participants' personal investment in Metso shares at the beginning of the program. Any possible reward from the plan requires continued employment with Metso and reaching the financial targets set for the plan. The plan has about 90 participants and the rewards that can be paid correspond to a maximum of about 340,000 Metso shares. Members of the 2011 Executive Team may receive a maximum of 51,325 shares as share rewards.

Share Ownership Plan for 2011–2013 (SOP 2011–2013)

In September 2010, the Board of Directors approved a Metso Share Ownership Plan for 2011–2013. The plan includes one three-year earnings period and requires participants' personal investment in Metso shares at the beginning of the program. Any possible reward from the plan requires continued employment with Metso and reaching the financial targets set for the plan. The plan has about 75 participants and the rewards that can be paid correspond to a maximum of around 250,000 Metso shares. The shares for the plan are acquired in public trading and therefore the plan will not have a diluting effect on the share value. Members of the Executive Team may receive a maximum of 77,400 shares as share rewards.

Trading of Metso shares

The number of Metso Corporation shares traded on the NASDAQ OMX Helsinki Exchange during January–June was 84,081,601 shares, equivalent to a turnover of EUR 3,235 million. The price of the Metso share on June 30, 2011 was EUR 39.17 and the average trading price for the period was EUR 38.47. The highest quotation during the review period was EUR 43.27 and the lowest EUR 34.43.

Metso's ADSs (American Depositary Shares) are traded in the United States on the OTC market. On June 30, 2011, the closing price of an ADS was USD 56.85. Each ADS represents one share.

Disclosures of changes in holdings

During January-June, Metso did not receive any disclosures of changes in holdings in which ownership would have achieved, exceeded or decreased below the 5 percent limit or the other notification thresholds as set out in the Securities Markets Act.

Credit ratings

Metso's credit ratings remained unchanged during January-June 2011.

In September 2010, Moody's Investors Service confirmed our Baa2 long-term credit rating and raised the outlook from negative to stable, In August 2010, Standard and Poor's Rating Services affirmed Metso's BBB long-term credit rating and changed the outlook from negative to stable. At the same time, the short-term corporate credit rating was raised to A-2 from A-3.

Metso's Financial Reporting in 2011

The Interim Review for January–September 2011 will be published on October 27, 2011.

Metso Corporation, Group Head Office, Fabianinkatu 9 A, PO Box 1220, FIN-00101 Helsinki, Finland
Tel. +358 20 484 100 • Fax +358 20 484 101 • www.metso.com