Interim Review
January 1 - March 31, **2008**

metso
Expect results

Metso's Interim Review, January 1 – March 31, 2008

First-quarter profitability improved. Full-year growth and profitability guidance intact.

Highlights of the first quarter

- New orders worth EUR 1,509 million were received in January-March (EUR 1,664 million in Q1/07).
- At the end of March, the order backlog was EUR 4,340 million (EUR 4,341 million at December 31, 2007).
- Net sales totaled EUR 1,400 million (EUR 1,366 million in Q1/07).
- Earnings before interest, tax and amortization (EBITA) were EUR 133.7 million, i.e. 9.6 percent of net sales (EUR 121.9 million and 8.9% in Q1/07).
- Operating profit (EBIT) was EUR 119.6 million, i.e. 8.5 percent of net sales (EUR 108.4 million and 7.9% in Q1/07).
- Earnings per share were EUR 0.55 (EUR 0.50 in Q1/07).
- Free cash flow was EUR 99 million negative (EUR 106 million positive in Q1/07).
- Return on capital employed (ROCE) was 20.9 percent (20.9% in Q1/07).

"Our first quarter profitability improved across Metso despite currency headwinds and cost increases," says Jorma Eloranta, President and CEO of Metso Corporation. "Capacity constraints are still a fact in some of our units, and we have focused on projects and products with higher margins. We have also initiated several projects to meet the growing demand, especially in the emerging markets."

"Overall our markets continue to be active. Delays in the decision-making in some larger pulp and paper projects and timing issues in some new mining projects under negotiations led to a relative weak order intake in the first quarter. We expect a recovery in the coming quarters based on our strong prospects list and letters of intent," Eloranta says. He continues that he is not pleased with the cash flow development during the past couple of quarters but he is confident that the actions taken will turn the trend.

Eloranta also points out that at comparable exchange rates Metso's order backlog was 14 percent stronger than a year before, providing a solid basis for continued net sales growth. "The financial development in January-March supports our guidance for the full year 2008. Our target is to achieve, at comparable exchange rates, net sales growth of about 10 percent on the previous year, and to improve our operating profit margin level to about 10 percent."

Metso's key figures

EUR million	Q1/08	Q1/07	Change %	2007
Net sales	**1,400**	1,366	2	6,250
Earnings before interest, tax and amortization (EBITA)	**133.7**	121.9	10	635.4
% of net sales	**9.6**	8.9		10.2
Operating profit	**119.6**	108.4	10	579.8
% of net sales	**8.5**	7.9		9.3
Earnings per share, EUR	**0.55**	0.50	10	2.69
Orders received	**1,509**	1,664	(9)	6,965
Order backlog at end of period	**4,340**	3,999	9	4,341
Free cash flow	**(99)**	106		198
Return on capital employed (ROCE), annualized, %	**20.9**	20.9		26.1
Equity to assets ratio at end of period, %	**36.8**	36.8		37.7
Gearing at end of period, %	**39.1**	23.3		33.4

Metso's first quarter 2008 review

Operating environment and demand for products

The market situation for Metso's products and services continued to be favorable in the mining, construction and energy customer segments and satisfactory in the pulp and paper customer segment.

The demand for Metso Paper's new paper, board and tissue machines and fiber lines was satisfactory on the whole. Market activity remained at the previous year's level, but market uncertainty and factors related to project financing and environmental permit issues have delayed the decisions on some pulp and paper industry projects under negotiation. China was still the most important country for new equipment investments. In Europe and North America, demand focused mainly on machine rebuilds and the services business. Demand for power plants using renewable energy sources continued to be excellent in Metso's main market areas in Europe and North America. The demand for the services business was excellent in the power generation and satisfactory in the pulp and paper industry.

Metso Minerals' favorable market situation continued in the first quarter. The demand for mining products continued to be excellent, while that for construction and metals recycling equipment was good. The demand for services business was also excellent. The continuing fast growth of emerging economies kept the demand for and prices of minerals and metals at a high level, and mining industry investment activity continued to be strong. In the construction industry, the demand for Metso Minerals' aggregates production equipment continued to be good, sustained by road network and other transportation infrastructure development projects underway around the world.

The demand for Metso Automation's products was satisfactory in the paper and pulp industry in the first quarter. In the power, oil and gas industry the demand was good for process automation and excellent for flow control systems. The increased consumption of energy and high oil prices boosted investments in the energy industry.

Orders received and order backlog

The orders received by Metso in January-March totaled EUR 1,509 million. The value of orders was down by 9 percent from the comparison period. The value was 5 percent down at comparable rates.

The regions generating the largest total value of orders are Europe and the Asia-Pacific. Emerging markets accounted for 44 percent (36%) of the orders received. At the end of March Metso's order backlog was EUR 4,340 million, same level as at the end of 2007.

The value of orders received by Metso Paper decreased by 17 percent from the comparison period and totaled EUR 541 million. The decrease in orders received was attributable mainly to the delays of some pulp and paper industry projects under negotiation. The biggest orders received by Metso Paper in the first quarter included a coated board line for Shandong Bohui in China and Metso Power's evaporation plant for SCA Packaging's pulp and paper mill in Obbola, Sweden.

The orders received by Metso Minerals were down by 4 percent from the corresponding quarter in 2007 and totaled EUR 740 million. With comparable exchange rates, the value of orders received was at the level of the comparison period. Due to timing reasons no large orders were booked in the first quarter. Geographically, the growth of Metso Minerals' new orders continued to be strong in the Asia-Pacific region and South America. In the USA, the volume of orders remained at the level of the comparison period measured in US dollars. Major orders in the first quarter included a metals recycling plant for European Metal Recycling in the USA, a coke calcination plant for Seadrift in the USA and crushing and grinding equipment for Anglo American in Chile.

The orders received by Metso Automation in January-March were at the same strong level as in the comparison period for both process automation and flow control systems. The largest orders in the first quarter included valve deliveries for Qatar Petroleum and Shell GTL (gas-to-liquids) project in Qatar and an extensive automation package for Shandong Bohui's new board line in China.

Orders received by business area

	Q1/2008		Q1/2007	
	EUR million	**% of orders received**	EUR million	% of orders received
Metso Paper	**541**	**35**	653	39
Metso Minerals	**740**	**49**	771	46
Metso Automation	**220**	**14**	228	13
Valmet Automotive	**23**	**2**	28	2
Intra-Metso and other orders received	**(15)**		(16)	
Total	**1,509**	**100**	1,664	100

Orders received by market area

	Q1/2008		Q1/2007	
	EUR million	**% of orders received**	EUR million	% of orders received
Europe	**608**	**40**	722	43
North America	**300**	**20**	297	18
South and Central America	**150**	**10**	118	7
Asia-Pacific	**319**	**21**	406	25
Rest of the world	**132**	**9**	121	7
Total	**1,509**	**100**	1,664	100

Net sales

Net sales remained at the level of the comparison period, i.e. at EUR 1,400 million. At comparable exchange rates, growth would have been approximately 6 percent. In Metso Minerals and Metso Automation net sales grew by well over 10 percent and were at the level of the comparison period in Metso Paper, at comparable exchange rates. Net sales of the services business grew by 7 percent (at comparable exchange rates, the growth would have been about 12 percent), accounting for 34 percent of Metso's net sales (33% in Q1/07). The growth of the services business was strongest in Metso Minerals.

Measured by net sales, the largest countries in the first quarter were the USA, China and Brazil, which together accounted for about 30 percent of total net sales.

Net sales by business area

	Q1/2008		Q1/2007	
	EUR million	**% of net sales**	EUR million	% of net sales
Metso Paper	**648**	**46**	666	48
Metso Minerals	**583**	**41**	540	39
Metso Automation	**158**	**11**	146	11
Valmet Automotive	**23**	**2**	28	2
Intra-Metso net sales	**(12)**		(14)	
Total	**1,400**	**100**	1,366	100

Net sales by market area

	Q1/2008		Q1/2007	
	EUR million	**% of net sales**	EUR million	% of net sales
Europe	**569**	**40**	544	40
North America	**213**	**15**	259	19
South and Central America	**175**	**13**	218	16
Asia-Pacific	**365**	**26**	285	21
Rest of the world	**78**	**6**	60	4
Total	**1,400**	**100**	1,366	100

Financial result

Metso's earnings before interest, tax and amortization (EBITA) for January-March improved clearly and totaled EUR 133.7 million, or 9.6 percent of net sales (EUR 121.9 million and 8.9% in Q1/07). Profitability improved in all business areas despite increasing raw material costs and the rapid decline of the US dollar against the other key currencies for Metso since the first quarter of 2007. Large share of local production in Metso's cost structure partly offset the negative impact of the weakening US dollar. Thanks to solid demand, the rise in the prices of some raw materials, such as steel, could to a large extent be passed on to end-product prices.

Metso's operating profit was EUR 119.6 million in the first quarter, or 8.5 percent of net sales (EUR 108.4 million and 7.9% in Q1/07).

Metso's net financial expenses for January–March were EUR 9 million (EUR 8 million).

Metso's profit before taxes was EUR 111 million (EUR 100 million). Metso's tax rate is estimated to be at approximately 30 percent in 2008.

The profit attributable to shareholders for the first quarter was EUR 78 million (EUR 70 million), corresponding for earnings per share of EUR 0.55 (EUR 0.50 per share).

Metso's return on capital employed (ROCE) was 20.9 percent (20.9%) and return on equity (ROE) was 20.1 percent (20.3%).

Cash flow and financing

Metso's net cash generated by operating activities was EUR 69 million negative (EUR 123 million positive). The increase in net working capital of EUR 187 million was primarily due to inventories which grew in preparation for increased delivery volumes in the following quarters. Projects were commenced in Metso Minerals and Metso Automation aiming at improving the efficiency of the supply chain and inventory turnover. Metso's free cash flow was EUR 99 million negative (EUR 106 million positive).

Net interest-bearing liabilities totaled EUR 645 million at the end of March (EUR 353 million). Gearing was 39.1 percent and the equity-to-assets ratio 36.8 percent. Following the Annual General Meeting, Metso paid in April EUR 425 million in dividends, which increased gearing by approximately 48 percentage points and reduced the equity-to-assets ratio by approximately 7 percentage points compared to the end of first quarter.

Capital expenditure

Metso's gross capital expenditure for January-March was EUR 42 million excluding acquisitions (EUR 32 million in Q1/07). Nearly one-third of the capital expenditure comprised growth investments aimed at increasing capacity and strengthening Metso's global presence.

An investment decision was made in the first quarter to rebuild a pilot machine at Metso's Paper Technology Center in Jyväskylä, Finland, to strengthen our R&D capabilities.

Furthermore, Metso has several investment projects underway to expand production and service capacity. In China, Guangzhou, the expansion of a paper industry service unit is underway, and in Tianjin the production of crushing units is being expanded. In the USA, Metso is expanding its boiler service operations by establishing a new service center at Lancaster, South Carolina and extending the existing service center at Fairmont, West Virginia. In India, an assembly line for crushing equipment is being expanded at Bawal and a project to increase foundry capacity at Ahmedabad is nearing completion. In Lapua, Finland, Metso is completing the extension of power boiler rebuild and service capacity.

Investment projects are underway at Metso Minerals and Metso Automation concerning an enterprise resource planning (ERP) systems to enhance our global supply chain management. The systems are introduced in stages during 2007-2010.

Metso estimates that in 2008 gross capital expenditure excluding acquisitions will exceed EUR 200 million (EUR 159 million in 2007).

Metso's research and development expenses totaled EUR 29 million (EUR 29 million in Q1/07), representing 2.1 percent of Metso's net sales.

Acquisitions and divestments

Metso concluded the divestment of its Panelboard business in January. The German panelboard press business was divested to Siempelkamp in September 2007, and in January 2008 an agreement was concluded on the divestment of the panelboard operations in Nastola, Finland and Sundsvall, Sweden to Dieffenbacher GmbH & Co. KG of Germany. The refiner-related operations in Sundsvall, Sweden, remained in Metso's ownership. This unit with its 40 employees continues to supply fiber preparation technology to the global Medium Density Fiberboard (MDF) industry as part of Metso Paper. As a result of the two divestments, some 160 Panelboard employees were transferred to the acquiring companies. After the divestments, around EUR 20-30 million of the former Panelboard's total annual net sales of EUR 100-150 million remains with Metso. The Panelboard business line was discontinued as a separate business line in January 2008.

In February, Metso agreed with Mitsubishi Heavy Industries (MHI) on acquiring MHI's paper machine technology. MHI's installed equipment base is just over 200 machines, mostly in Japan. The acquisition aims at developing the services business for this equipment base and comprises the related drawings, patents and intellectual property rights. Metso estimates that the net sales of the acquired business will be about EUR 10 million during the first year. The deal is pending regulatory approval.

Personnel

At the end of March, Metso had 27,062 employees, which was 225 more than at the end of 2007 (26,837 employees). The biggest increase was in the Asia-Pacific region where the number of personnel increased by 544 employees. In the first quarter, Metso had an average of 26,950 employees.

Personnel by area

	2008		2007		
	March 31	**% of total personnel**	March 31	% of total personnel	Change %
Finland	**9,387**	**35**	9,275	36	1
Other Nordic countries	**3,477**	**13**	3,555	14	(2)
Other Europe	**3,251**	**12**	2,993	12	9
North America	**3,864**	**14**	3,708	15	4
South and Central America	**2,785**	**10**	2,410	9	16
Asia-Pacific	**2,885**	**11**	2,341	9	23
Rest of the world	**1,413**	**5**	1,334	5	6
Total	**27,062**	**100**	25,616	100	6

Share ownership plan

Metso has a share ownership plan for 2006–2008. The maximum number of shares to be allocated in the incentive plan is 360,000 Metso Corporation shares.

The 2007 share ownership plan comprised 90 Metso executives, including the entire Executive Team. At the end of March 2008, 70,949 shares were distributed as rewards, corresponding to approximately 0.05 percent of all Metso shares. Members of the Executive Team received 14,966 shares.

Metso's Board of Directors decided in February on the number of shares to be allocated for 2008 plan and the criteria for earning them. The potential reward from the plan will be based on the operating profit of Metso and its business areas in 2008. In 2008, the share ownership plan will cover a maximum of 130,000 Metso shares, corresponding to 0.09 percent of all Metso shares. Metso's entire Executive Team is covered by the 2008 plan, and a maximum of 26,000 shares has been allocated to Executive Team members. The maximum reward from the plan is limited to each person's annual salary. The payment of rewards will be decided during the first quarter of 2009.

Shares, options and share capital

At the end of March, Metso's share capital was EUR 240,982,843.80 and the number of shares was 141,754,614. The number of shares includes 60,841 Metso shares held by the parent company and 69,141 Metso shares held by a limited partnership consolidated in Metso's consolidated financial statements (the limited partnership sold 70,949 Metso shares during March). Together these represent 0.09 percent of all the shares and votes. The average number of shares outstanding in the first quarter of 2008, excluding Metso shares held by the company, was 141,506,461.

After cancellations and exercised options there remains a total of 100,000 year 2003A options under Metso's stock options program, all of which are held by Metso's subsidiary, Metso Capital Ltd.

Metso's market capitalization, excluding Metso shares held by the company, was EUR 4,844 million on March 31, 2008.

BUSINESSES

Metso Paper

EUR million	Q1/08	Q1/07	Change %	2007
Net sales	**648**	666	(3)	2,925
Earnings before interest, tax and amortization (EBITA)	**39.0**	37.1	5	184.5
% of net sales	**6.0**	5.6		6.3
Operating profit	**27.2**	25.4	7	136.9
% of net sales	**4.2**	3.8		4.7
Orders received	**541**	653	(17)	3,109
Order backlog at end of period	**2,241**	2,190	2	2,363
Personnel at end of period	**11,522**	11,469	0	11,694

Metso Paper's net sales in January-March were at the level of the comparison period, totaling EUR 648 million. Compared with the first quarter of 2007, net sales increased in the Power business line, stayed at the same level in the Paper and Board business line and somewhat decreased in the other business lines. Metso Paper's services business was at the level of the comparison period (at comparable exchange rates growth was 5%). Services business accounted for 27 percent of net sales (26% in Q1/07).

Metso Paper's EBITA for January-March was EUR 39.0 million, i.e. 6.0 percent of net sales (EUR 37.1 million and 5.6%).

Metso Paper's operating profit was EUR 27.2 million, i.e. 4.2 percent of net sales (EUR 25.4 million and 3.8%). The operating profit includes approximately EUR 8 million in amortization of intangible assets related to the acquisition of the Pulping and Power businesses. The amortization of intangible assets will decrease in the following quarters, after the acquired order backlog is amortized in full, and is estimated to be approximately EUR 19 million in 2008 (EUR 36 million in 2007).

The integration of the Pulping and Power businesses is estimated to create additional synergy benefits of about EUR 6-10 million this year, in addition to the synergy benefits of EUR 14 million already realized in 2007. The non-recurring integration expenses carried over to 2008 are expected to be EUR 1-2 million. As a result of the restructuring measures decided during 2007, the number of Metso Paper's employees will decrease by the end of the second quarter by approximately 700 persons. The positive impact on earnings related to the synergy benefits and decided cost streamlining measures will be realized primarily in the latter half of 2008.

The value of orders received by Metso Paper decreased by 17 percent from the comparison period and was EUR 541 million. Orders received by the Power and Tissue business lines increased on the comparison period. Orders received by the Paper and Board and Fiber business lines decreased due to delays of the some large projects. The order backlog at the end of March, EUR 2,241 million, was 5 percent lower than the order backlog at the end of 2007.

Metso Minerals

EUR million	Q1/08	Q1/07	Change %	2007
Net sales	**583**	540	8	2,607
Earnings before interest, tax and amortization (EBITA)	**84.4**	68.7	23	367.1
% of net sales	**14.5**	12.7		14.1
Operating profit	**83.1**	67.8	23	362.6
% of net sales	**14.3**	12.6		13.9
Orders received	**740**	771	(4)	3,075
Order backlog at end of period	**1,758**	1,497	17	1,690
Personnel at end of period	**10,762**	9,545	13	10,446

Metso Minerals' net sales for the first quarter grew by 8 percent on the comparison period and were EUR 583 million (at comparable exchange rates 13%). Net sales increased across all business lines, with the most substantial growth in the Construction business line. Metso Minerals' services business grew by 12 percent (at comparable exchange rates 18%), and it accounted for 46 percent of net sales (44% in Q1/07).

The operating profit of Metso Minerals increased to EUR 83.1 million, which was 14.3 percent of net sales (EUR 67.8 million and 12.6%). The operating profit increased due to the relatively higher share of services business. Profitability was also positively affected by the fact that scarce capacity was allocated on the projects and products with higher margins, especially in the Mining business line. The operating profit of the Construction business line also developed favorably, despite the substantial weakening of the US dollar.

The value of orders received by Metso Minerals was down by 4 percent from the comparison period, totaling EUR 740 million. With comparable exchange rates, the value of orders received was at the level of the comparison period. The volume of new orders received increased in the Construction business line. Orders received declined in the Mining and Recycling business lines in the first quarter mainly due to timing reasons. Based on the current prospect pipeline, order volumes are estimated to be at a materially higher level in the second quarter. The volume of orders received from emerging countries grew by 18 percent and their contribution to Metso Minerals' new orders rose to 49 percent (40%).

Geographically, growth was strongest in Asia-Pacific and South America. The order backlog was up by 4 percent on the end of 2007 and totaled EUR 1,758 million at the end of March.

Metso Automation

EUR million	Q1/08	Q1/07	Change %	2007
Net sales	**158**	146	8	698
Earnings before interest, tax and amortization (EBITA)	**17.8**	15.9	12	100.4
% of net sales	**11.3**	10.9		14.4
Operating profit	**17.4**	15.5	12	98.8
% of net sales	**11.0**	10.6		14.2
Orders received	**220**	228	(4)	763
Order backlog at end of period	**387**	356	9	332
Personnel at end of period	**3,628**	3,379	7	3,564

Metso Automation's net sales for January-March increased by 8 percent on the comparison period (at comparable exchange rates 15%) and were EUR 158 million. The growth stemmed mostly from deliveries of flow control systems for the energy industry. Deliveries of automation systems remained at the level of the comparison period. The services business grew by 6 percent, accounting for 21 percent of net sales (22% in Q1/07). Without the impact of exchange rate changes, the growth of the services business would have been around 10 percent.

Metso Automation's profitability remained at the level of the comparison period. The operating profit was EUR 17.4 million, or 11.0 percent of net sales (EUR 15.5 million and 10.6%). The growth in delivery volumes and the fact that Metso Automation has been able to transfer the cost increases from 2007 to the end-product prices contributed positively to the profitability.

The value of orders received by Metso Automation was at the level of the comparison period, totaling EUR 220 million. The volume of orders received from the power, oil and gas industry increased, and their contribution to Metso Automation's new orders rose to 60 percent (55%). Metso Automation's order backlog was 17 percent stronger than at the end of 2007 and totaled EUR 387 million.

Valmet Automotive and Corporate Office

Valmet Automotive's net sales in January-March totaled EUR 23 million. The operating profit was EUR 1.0 million, or 4.3 percent of net sales. During the first quarter, Valmet Automotive manufactured an average of 113 vehicles per day. At the end of March, the number of Valmet Automotive's personnel was 789.

Corporate Office's operating loss during January-March was EUR 9.1 million, including EUR 2 million nonrecurring expenses related to an insurance provision and an impairment of an available-for-sale equity investment.

Events after the review period

Metso to extend Valmet-Xi'an joint venture and increase ownership to 75%

In April, Metso announced that it will increase its ownership in the Chinese joint venture company Valmet-Xi'an Paper Machinery Co. Ltd. from 48.3 percent to 75 percent. The agreement is subject to regulatory approvals and is expected to be concluded by year-end. The number of employees in Valmet-Xi'an was about 1,000 at the end of March.

Metso to establish Metso Park in India

In April, Metso announced it was planning to invest approximately EUR 30 million to establish "Metso Park", a multi-functional industrial facility, in India. The new facility will host both Metso's own new operations and selected key suppliers. Metso Park will serve all Metso businesses, but in the initial stage it will mainly cater to the rapidly growing demand for Metso Minerals' products and services in India. With the investment, Metso aims to enhance its logistics, inventory control, operational quality and productivity as well as supplier relationships. The implementation of the Metso Park concept is subject to final regulatory approvals.

Operations at Metso Park are expected to commence in the second half of 2009, and the number of employees at the facility is expected to rise to 700 by 2012.

Decisions of the Annual General Meeting

The Annual General Meeting of Metso Corporation on April 2, 2008 approved the accounts for 2007 as presented by the Board of Directors and decided to discharge the members of the Board of Directors and the President and CEO of Metso Corporation from liability for the financial year 2007. In addition, the Annual General Meeting approved the proposals of the Board of Directors to authorize the Board to decide upon repurchasing the Corporation's own shares, arranging a share issue, granting special rights and decreasing the share premium reserve and the legal reserve.

The Annual General Meeting decided to establish a Nomination Committee of the Annual General Meeting to prepare proposals for the next Annual General Meeting in respect of the composition of the Board of Directors and director remuneration. The Nomination Committee consists of the representatives appointed by the four biggest shareholders and the Chairman of Metso's Board as an expert member.

Matti Kavetvuo was re-elected as the Chairman of the Board and Jaakko Rauramo was re-elected as the Vice Chairman. Jukka Viinanen and Arto Honkaniemi were elected as new members of the Board. Board members re-elected were Maija-Liisa Friman, Christer Gardell and Yrjö Neuvo. The term of office of Board members lasts until the end of the next Annual General Meeting.

The Annual General Meeting decided that the annual remunerations for Board members be EUR 92,000 for the Chairman, EUR 56,000 for the Vice Chairman and EUR 45,000 for the members and that the meeting fee including committee meetings be EUR 600 per meeting.

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

The Annual General Meeting decided that a dividend of EUR 3.00 per share be paid for the financial year which ended on December 31, 2007. The dividend comprises an ordinary dividend of EUR 1.65 per share and an extra dividend of EUR 1.35 per share. The dividend was paid on April 15, 2008.

Members of Metso's Board Committees

Metso Corporation's Board of Directors elected from its midst the members of the Audit Committee and Compensation Committee at its assembly meeting. The Board's Audit Committee consists of Maija-Liisa Friman (Chairman), Arto Honkaniemi and Jukka Viinanen. The Board's Compensation Committee consists of Matti Kavetvuo (Chairman), Christer Gardell, Yrjö Neuvo and Jaakko Rauramo.

Credit ratings

In April, Standard & Poor's affirmed the BBB long-term credit ratings for Metso and changed the outlook from stable to positive. At the same time, the senior unsecured debt ratings were raised from BBB- to BBB. The short-term A-2 ratings were affirmed.

In October 2007, Moody's Investor Service maintained in its long-term rating for Metso at Baa2 and estimated the rating outlook to be stable.

Metso to supply fine paper machine to Fujian Nanping Paper in China

Metso Paper will supply a fine paper machine to Fujian Nanping Paper Co., Ltd. in China. The start-up of the production is scheduled for the second half of 2009. The value of the order is around EUR 50 million. The order is included in the second quarter 2008 orders received.

Disclosures of changes in holdings

UBS AG announced that on April 18, 2008 the group holding in Metso shares fell below the 5 percent threshold. The holding amounted to 7,072,425 shares, which corresponds to 4.99 percent of the paid up share capital and votes in Metso Corporation.

On April 15, 2008 UBS AG announced that the funds they managed held 7,274,140 Metso shares corresponding to 5.13 percent of the paid up share capital and votes in Metso Corporation.

Short-term risks of business operations

Increased uncertainty about the global economy and the weakening of the financial markets may have an impact on the demand for Metso's products and services. In particular, uncertainty can affect the timing and implementation of larger customer projects.

China is the primary market for new paper and board machines and thus any substantial changes in demand on the Chinese market may have a material adverse effect on Metso Paper's profitability. Metso seeks to mitigate these risks by developing its global services business and increasing the flexibility of its delivery chain.

The delivery times for Metso's products have been lengthened because of strong growth in order intake and backlog. Therefore, there is a risk that material and other costs may rise significantly during the delivery time and have a greater impact on Metso's profitability than currently anticipated. In the current favorable demand situation, the scarcity of certain components and subcontractor resources, particularly at Metso Minerals and Metso Automation, may also lengthen delivery times. Long lead times may also impact Metso's capability to win orders.

Metso strives to manage and limit the potential adverse effects of these and other risks. However, if the risks materialize, they could have a significant adverse effect on Metso's business, financial position and results, or on the price of the Metso share.

Short-term outlook

The market situation for Metso's products and services is expected to continue favorable in the mining, construction and energy customer segments and satisfactory in the pulp and paper segment. However, uncertainty about the development of the global economy may have an impact on decision schedules of certain new customer projects and on the demand in certain geographical areas.

No significant changes are expected in Metso Paper's market situation in 2008. The demand for new paper, board and fiber lines is expected to remain at the current level, even though the timing of projects may, in some cases, be affected by factors relating to our customers' financing and permit issues. For tissue lines the demand is estimated to be good. Paper, board and tissue consumption growth in China is expected to continue driving investments in new production capacity. In Europe and North America, the demand is expected to focus mainly on machine rebuilds and the services business. The demand for power plants utilizing renewable energy sources is expected to continue at an excellent level in Metso's main market areas, Europe and North America. Metso Paper aims to substantially grow its services business, and the demand for services is expected to remain satisfactory.

Metso Minerals' favorable market situation is expected to continue in 2008. As a result of the continuing rapid growth of emerging economies, it is estimated that the demand and prices for metals and minerals will remain high and that the investment activity of Metso's mining customers will remain excellent. In construction, the demand for Metso Minerals' equipment relating to aggregates production is expected to continue to be good. Construction demand is sustained by road network and other transportation infrastructure development projects underway around the world. The demand for metals recycling equipment is expected to be at a good level. Demand for the services business is estimated to remain excellent.

The demand for Metso Automation's products is expected to be satisfactory in the pulp and paper industry in 2008. In the power, oil and gas industry, the demand for process automation systems is expected to be good and the demand for flow control systems excellent. The increasing consumption of energy and high oil prices will boost energy industry investments.

In 2008 Metso targets to achieve, at comparable exchange rates, net sales growth of about 10 percent compared to 2007, and to reach an operating profit margin level of about 10 percent.

The profit performance estimates are based on Metso's current market outlook, order backlog and business scope.

Helsinki, April 24, 2008

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 statements of income

EUR million	1-3/2008	1-3/2007	1-12/2007
Net sales	**1,400**	1,366	6,250
Cost of goods sold	**(1,038)**	(1,026)	(4,702)
Gross profit	**362**	340	1,548
Selling, general and administrative expenses	**(249)**	(238)	(972)
Other operating income and expenses, net	**6**	6	1
Share in profits of associated companies	**1**	0	3
Operating profit	**120**	108	580
% of net sales	**8.6%**	7.9%	9.3%
Financial income and expenses, net	**(9)**	(8)	(33)
Profit before taxes	**111**	100	547
Income taxes	**(33)**	(30)	(163)
Profit	**78**	70	384
Profit attributable to minority interests	**0**	0	3
Profit attributable to equity shareholders	**78**	70	381
Profit	**78**	70	384
Earnings per share, EUR			
Basic	**0.55**	0.50	2.69
Diluted	**0.55**	0.50	2.69

Consolidated statement of recognized income and expense

EUR million	1-3/2008	1-3/2007	1-12/2007
Cash flow hedges, net of tax	**4**	(2)	(2)
Available-for-sale equity investments, net of tax	**-**	-	22
Currency translation on subsidiary net investments	**(65)**	8	(29)
Net investment hedge gains (losses), net of tax	**13**	(8)	(2)
Defined benefit plan actuarial gains (losses), net of tax	**-**	-	(1)
Other	**0**	0	2
Net income (expense) recognized directly in equity	**(48)**	(2)	(10)
Profit	**78**	70	384
Total recognized income (expense) for the period	**30**	68	374
Total recognized income (expense) attributable to minority interests	**0**	0	3
Total recognized income (expense) attributable to equity shareholders	**30**	68	371
Total recognized income (expense) for the period	**30**	68	374

Consolidated balance sheet

ASSETS

EUR million	Mar 31, 2008	Mar 31, 2007	Dec 31, 2007
Non-current assets			
Intangible assets			
Goodwill	**764**	772	772
Other intangible assets	**241**	265	251
	1,005	1,037	1,023
Property, plant and equipment			
Land and water areas	**54**	54	54
Buildings and structures	**211**	217	216
Machinery and equipment	**309**	312	315
Assets under construction	**62**	29	49
	636	612	634
Financial and other assets			
Investments in associated companies	**19**	19	19
Available-for-sale equity investments	**44**	15	45
Loan and other interest bearing receivables	**11**	6	5
Available-for-sale financial investments	**5**	5	5
Deferred tax asset	**126**	228	144
Other non-current assets	**15**	29	22
	220	302	240
Total non-current assets	**1,861**	1,951	1,897
Current assets			
Inventories	**1,510**	1,276	1,410
Receivables			
Trade and other receivables	**1,394**	1,074	1,274
Cost and earnings of projects under construction in excess of advance billings	**357**	302	374
Loan and other interest bearing receivables	**2**	2	2
Available-for-sale financial assets	**-**	10	0
Tax receivables	**23**	20	30
	1,776	1,408	1,680
Cash and cash equivalents	**389**	371	267
Total current assets	**3,675**	3,055	3,357
Assets held for sale	**-**	-	-
TOTAL ASSETS	**5,536**	5,006	5,254

SHAREHOLDERS' EQUITY AND LIABILITIES

EUR million	Mar 31, 2008	Mar 31, 2007	Dec 31, 2007
Equity			
Share capital	**241**	241	241
Share premium reserve	**77**	77	77
Cumulative translation differences	**(128)**	(45)	(76)
Fair value and other reserves	**465**	436	456
Retained earnings	**989**	803	910
Equity attributable to shareholders	**1,644**	1,512	1,608
Minority interests	**7**	6	7
Total equity	**1,651**	1,518	1,615
Liabilities			
Non-current liabilities			
Long-term debt	**860**	590	700
Post employment benefit obligations	**168**	193	177
Deferred tax liability	**37**	54	41
Provisions	**32**	50	37
Other long-term liabilities	**2**	2	2
Total non-current liabilities	**1,099**	889	957
Current liabilities			
Current portion of long-term debt	**9**	107	22
Short-term debt	**183**	50	97
Trade and other payables	**1,265**	1,302	1,307
Provisions	**224**	203	222
Advances received	**653**	653	637
Billings in excess of cost and earnings of projects under construction	**401**	230	331
Tax liabilities	**51**	54	66
Total current liabilities	**2,786**	2,599	2,682
Liabilities held for sale	**-**	-	-
Total liabilities	**3,885**	3,488	3,639
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**5,536**	5,006	5,254

NET INTEREST BEARING LIABILITIES

Long-term interest bearing debt	**860**	590	700
Short-term interest bearing debt	**192**	157	119
Cash and cash equivalents	**(389)**	(371)	(267)
Other interest bearing assets	**(18)**	(23)	(12)
Total	**645**	353	540

Condensed consolidated cash flow statement

EUR million	1-3/2008	1-3/2007	1-12/2007
Cash flows from operating activities:			
Profit	**78**	70	384
Adjustments to reconcile profit to net cash provided by operating activities			
Depreciation	**37**	36	148
Interests and dividend income	**9**	6	32
Income taxes	**33**	30	163
Other	**0**	4	(4)
Change in net working capital	**(187)**	1	(286)
Cash flows from operations	**(30)**	147	437
Interest paid and dividends received	**(4)**	0	(29)
Income taxes paid	**(35)**	(24)	(114)
Net cash provided by (used in) operating activities	**(69)**	123	294
Cash flows from investing activities:			
Capital expenditures on fixed assets	**(42)**	(32)	(159)
Proceeds from sale of fixed assets	**1**	6	16
Business acquisitions, net of cash acquired	**-**	-	(55)
Proceeds from sale of businesses, net of cash sold	**2**	2	9
(Investments in) proceeds from sale of financial assets	**7**	3	13
Other	**(6)**	0	-
Net cash provided by (used in) investing activities	**(38)**	(21)	(176)
Cash flows from financing activities:			
Share options exercised	**-**	0	-
Dividends paid	**-**	-	(212)
Net funding	**240**	(85)	(5)
Other	**2**	-	15
Net cash provided by (used in) financing activities	**242**	(85)	(202)
Net increase (decrease) in cash and cash equivalents	**135**	17	(84)
Effect from changes in exchange rates	**(13)**	1	(2)
Cash and cash equivalents at beginning of period	**267**	353	353
Cash and cash equivalents at end of period	**389**	371	267

Free cash flow

EUR million	1-3/2008	1-3/2007	1-12/2007
Net cash provided by operating activities	**(69)**	123	294
Capital expenditures on maintenance investments	**(31)**	(23)	(112)
Proceeds from sale of fixed assets	**1**	6	16
Free cash flow	**(99)**	106	198

Consolidated statement of changes in shareholders' equity

EUR million	Share capital	Share premium reserve	Cumulative translation adjustments	Fair value and other reserves	Retained earnings	Equity attributable to shareholders	Minority interests	Total equity
Balance at Jan 1, 2007	**241**	**77**	**(45)**	**432**	**739**	**1,444**	**6**	**1,450**
Cash flow hedges, net of tax	-	-	-	(2)	-	(2)	-	(2)
Available-for-sale equity investments, net of tax	-	-	-	-	-	-	-	-
Currency translation on subsidiary net investments	-	-	8	-	-	8	-	8
Net investment hedge gains (losses), net of tax	-	-	(8)	-	-	(8)	-	(8)
Defined benefit plan actuarial gains (losses), net of tax	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Net income (expense) recognized directly in equity	-	-	-	(2)	-	(2)	-	(2)
Net profit for the period	-	-	-	-	70	70	0	70
Total recognized income (expense) for the period	-	-	-	(2)	70	68	0	68
Dividends	-	-	-	-	-	-	-	-
Share options exercised	0	0	-	-	-	-	-	-
Redemption of own shares	-	-	-	-	-	-	-	-
Share-based payments, net of tax	-	-	-	0	-	0	-	0
Other	-	-	-	6	(6)	-	-	-
Balance at Mar 31, 2007	**241**	**77**	**(45)**	**436**	**803**	**1,512**	**6**	**1,518**
Balance at Jan 1, 2008	**241**	**77**	**(76)**	**456**	**910**	**1,608**	**7**	**1,615**
Cash flow hedges, net of tax	-	-	-	4	-	4	-	4
Available-for-sale equity investments, net of tax	-	-	-	0	-	0	-	0
Currency translation on subsidiary net investments	-	-	(65)	-	-	(65)	-	(65)
Net investment hedge gains (losses), net of tax	-	-	13	-	-	13	-	13
Defined benefit plan actuarial gains (losses), net of tax	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Net income (expense) recognized directly in equity	-	-	(52)	4	-	(48)	-	(48)
Net profit for the period	-	-	-	-	78	78	-	78
Total recognized income (expense) for the period	-	-	(52)	4	78	30	-	30
Dividends	-	-	-	-	-	-	-	-
Share options exercised	-	-	-	-	-	-	-	-
Redemption of own shares	-	-	-	-	-	-	-	-
Share-based payments, net of tax	-	-	-	3	-	3	-	3
Other	-	-	-	2	1	3	-	3
Balance at Mar 31, 2008	**241**	**77**	**(128)**	**465**	**989**	**1,644**	**7**	**1,651**

Assets pledged and contingent liabilities

EUR million	Mar 31, 2008	Mar 31, 2007	Dec 31, 2007
Mortgages on corporate debt	**9**	14	9
Other pledges and contingencies			
Mortgages	**1**	2	2
Pledged assets	**0**	0	0
Guarantees on behalf of associated company obligations	**-**	-	-
Other guarantees	**4**	9	11
Repurchase and other commitments	**6**	9	8
Lease commitments	**131**	155	142

Notional amounts of derivative financial instruments

EUR million	Mar 31, 2008	Mar 31, 2007	Dec 31, 2007
Forward exchange rate contracts	**1,600**	1,459	1,387
Interest rate and currency swaps	**0**	1	0
Currency swaps	**-**	1	-
Interest rate swaps	**143**	143	143
Option agreements			
Bought	**17**	11	-
Sold	**17**	12	-

The notional amount of electricity forwards was 434 GWh as of Mar 31, 2008 and 463 GWh as of Mar 31, 2007.

The notional amount of nickel forwards to hedge stainless steel prices was 390 tons as of Mar 31, 2008. In the comparison period Metso had not entered into nickel forwards.

The notional amounts indicate the volumes in the use of derivatives, but do not indicate the exposure to risk.

Key ratios

	1-3/2008	1-3/2007	1-12/2007
Earnings per share, EUR	**0.55**	0.50	2.69
Equity/share at end of period, EUR	**11.61**	10.69	11.36
Return on equity (ROE), % (annualized)	**20.1**	20.3	25.4
Return on capital employed (ROCE), % (annualized)	**20.9**	20.9	26.1
Equity to assets ratio at end of period, %	**36.8**	36.8	37.7
Gearing at end of period, %	**39.1**	23.3	33.4
Free cash flow	**(99)**	106	198
Free cash flow/share	**(0.70)**	0.75	1.40
Gross capital expenditure (excl. business acquisitions)	**42**	32	159
Business acquisitions, net of cash acquired	**-**	-	55
Depreciation and amortization	**37**	36	148
Number of outstanding shares at end of period (thousands)	**141,625**	141,494	141,487
Average number of shares (thousands)	**141,506**	141,364	141,460
Average number of diluted shares (thousands)	**141,506**	141,364	141,460

Exchange rates used

		1-3/2008	1-3/2007	1-12/2007	Mar 31, 2008	Mar 31, 2007	Dec 31, 2007
USD	(US dollar)	**1.5283**	1.3161	1.3797	**1.5812**	1.3318	1.4721
SEK	(Swedish krona)	**9.4214**	9.2248	9.2647	**9.3970**	9.3462	9.4415
GBP	(Pound sterling)	**0.7696**	0.6722	0.6873	**0.7958**	0.6798	0.7334
CAD	(Canadian dollar)	**1.5322**	1.5370	1.4663	**1.6226**	1.5366	1.4449
BRL	(Brazilian real)	**2.6310**	2.7699	2.6623	**2.7554**	2.7195	2.5949

Formulas for calculation of indicators

Earnings/share:

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

Equity/share:

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

Return on equity (ROE), %:

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

Return on capital employed (ROCE), %:

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

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:

Net cash provided by (used in) operating activities
– capital expenditures on maintenance investments
+ proceeds from sale of fixed assets
= Free cash flow

Business area information

Net sales

EUR million	1-3/2008	1-3/2007	4/2007-3/2008	1-12/2007
Metso Paper	**648**	666	2,907	2,925
Metso Minerals	**583**	540	2,650	2,607
Metso Automation	**158**	146	710	698
Valmet Automotive	**23**	28	80	85
Corporate office and other	**-**	-	-	-
Corporate office and others total	**23**	28	80	85
Intra Metso net sales	**(12)**	(14)	(63)	(65)
Metso total	**1,400**	1,366	6,284	6,250

Other operating income (+) and expenses (-), net

EUR million	1-3/2008	1-3/2007	4/2007-3/2008	1-12/2007
Metso Paper	**(0.7)**	1.9	(14.1)	(11.5)
Metso Minerals	**6.1**	1.2	12.6	7.7
Metso Automation	**0.8**	0.5	2.7	2.4
Valmet Automotive	**0.0**	0.0	0.0	0.0
Corporate office and other	**(0.7)**	2.2	(0.4)	2.5
Corporate office and others total	**(0.7)**	2.2	(0.4)	2.5
Metso total	**5.5**	5.8	0.8	1.1

Share in profits of associated companies

EUR million	1-3/2008	1-3/2007	4/2007-3/2008	1-12/2007
Metso Paper	**0.4**	0.4	1.1	1.1
Metso Minerals	**0.0**	0.0	0.3	0.3
Metso Automation	**0.2**	0.0	1.6	1.4
Valmet Automotive	**-**	-	-	-
Corporate office and other	**-**	-	-	-
Corporate office and others total	**-**	-	-	-
Metso total	**0.6**	0.4	3.0	2.8

Operating profit (loss)

EUR million	1-3/2008	1-3/2007	4/2007-3/2008	1-12/2007
Metso Paper	**27.2**	25.4	138.7	136.9
Metso Minerals	**83.1**	67.8	377.9	362.6
Metso Automation	**17.4**	15.5	100.7	98.8
Valmet Automotive	**1.0**	4.4	4.6	8.0
Corporate office and other	**(9.1)**	(4.7)	(30.9)	(26.5)
Corporate office and others total	**(8.1)**	(0.3)	(26.3)	(18.5)
Metso total	**119.6**	108.4	591.0	579.8

Operating profit (loss), % of net sales

%	1-3/2008	1-3/2007	4/2007-3/2008	1-12/2007
Metso Paper	**4.2**	3.8	4.8	4.7
Metso Minerals	**14.3**	12.6	14.3	13.9
Metso Automation	**11.0**	10.6	14.2	14.2
Valmet Automotive	**4.3**	15.7	5.8	9.4
Corporate office and other	**n/a**	n/a	n/a	n/a
Corporate office and others total	**n/a**	n/a	n/a	n/a
Metso total	**8.5**	7.9	9.4	9.3

EBITA

EUR million	1-3/2008	1-3/2007	4/2007-3/2008	1-12/2007
Metso Paper	**39.0**	37.1	186.4	184.5
Metso Minerals	**84.4**	68.7	382.8	367.1
Metso Automation	**17.8**	15.9	102.3	100.4
Valmet Automotive	**1.0**	4.4	4.7	8.1
Corporate office and other	**(8.5)**	(4.2)	(29.0)	(24.7)
Corporate office and others total	**(7.5)**	0.2	(24.3)	(16.6)
Metso total	**133.7**	121.9	647.2	635.4

EBITA, % of net sales

%	1-3/2008	1-3/2007	4/2007-3/2008	1-12/2007
Metso Paper	**6.0**	5.6	6.4	6.3
Metso Minerals	**14.5**	12.7	14.4	14.1
Metso Automation	**11.3**	10.9	14.4	14.4
Valmet Automotive	**4.3**	15.7	5.9	9.5
Corporate office and other	**n/a**	n/a	n/a	n/a
Corporate office and others total	**n/a**	n/a	n/a	n/a
Metso total	**9.6**	8.9	10.3	10.2

Orders received

EUR million	1-3/2008	1-3/2007	4/2007-3/2008	1-12/2007
Metso Paper	**541**	653	2,997	3,109
Metso Minerals	**740**	771	3,044	3,075
Metso Automation	**220**	228	755	763
Valmet Automotive	**23**	28	80	85
Corporate office and other	**-**	-	-	-
Corporate office and others total	**23**	28	80	85
Intra Metso orders received	**(15)**	(16)	(66)	(67)
Metso total	**1,509**	1,664	6,810	6,965

Quarterly information

Net sales

EUR million	1-3/2007	4-6/2007	7-9/2007	10-12/2007	**1-3/2008**
Metso Paper	666	708	642	909	**648**
Metso Minerals	540	648	649	770	**583**
Metso Automation	146	174	165	213	**158**
Valmet Automotive	28	19	17	21	**23**
Corporate office and other	-	-	-	-	**-**
Corporate office and others total	28	19	17	21	**23**
Intra Metso net sales	(14)	(13)	(21)	(17)	**(12)**
Metso total	1,366	1,536	1,452	1,896	**1,400**

Other operating income (+) and expenses (-), net

EUR million	1-3/2007	4-6/2007	7-9/2007	10-12/2007	**1-3/2008**
Metso Paper	1.9	(3.3)	4.2	(14.3)	**(0.7)**
Metso Minerals	1.2	0.2	2.0	4.3	**6.1**
Metso Automation	0.5	(0.4)	0.2	2.1	**0.8**
Valmet Automotive	0.0	0.0	0.0	0.0	**0.0**
Corporate office and other	2.2	0.4	(0.1)	0.0	**(0.7)**
Corporate office and others total	2.2	0.4	(0.1)	0.0	**(0.7)**
Metso total	5.8	(3.1)	6.3	(7.9)	**5.5**

Operating profit (loss)

EUR million	1-3/2007	4-6/2007	7-9/2007	10-12/2007	**1-3/2008**
Metso Paper	25.4	35.7	36.2	39.6	**27.2**
Metso Minerals	67.8	95.7	85.2	113.9	**83.1**
Metso Automation	15.5	23.3	25.8	34.2	**17.4**
Valmet Automotive	4.4	1.0	1.7	0.9	**1.0**
Corporate office and other	(4.7)	(7.4)	(5.5)	(8.9)	**(9.1)**
Corporate office and others total	(0.3)	(6.4)	(3.8)	(8.0)	**(8.1)**
Metso total	108.4	148.3	143.4	179.7	**119.6**

EBITA

EUR million	1-3/2007	4-6/2007	7-9/2007	10-12/2007	**1-3/2008**
Metso Paper	37.1	47.7	48.2	51.5	**39.0**
Metso Minerals	68.7	96.9	86.3	115.2	**84.4**
Metso Automation	15.9	23.6	26.2	34.7	**17.8**
Valmet Automotive	4.4	1.0	1.7	1.0	**1.0**
Corporate office and other	(4.2)	(6.9)	(5.1)	(8.5)	**(8.5)**
Corporate office and others total	0.2	(5.9)	(3.4)	(7.5)	**(7.5)**
Metso total	121.9	162.3	157.3	193.9	**133.7**

Capital employed

EUR million	Mar 31, 2007	June 30, 2007	Sep 30, 2007	Dec 31, 2007	**Mar 31, 2008**
Metso Paper	558	637	593	674	**772**
Metso Minerals	965	1,030	1,045	1,106	**1,166**
Metso Automation	155	189	201	214	**210**
Valmet Automotive	23	23	29	21	**22**
Corporate office and other	564	419	444	419	**533**
Corporate office and others total	587	442	473	440	**555**
Metso total	2,265	2,298	2,312	2,434	**2,703**

Orders received

EUR million	1-3/2007	4-6/2007	7-9/2007	10-12/2007	**1-3/2008**
Metso Paper	653	1,103	515	838	**541**
Metso Minerals	771	798	745	761	**740**
Metso Automation	228	185	185	165	**220**
Valmet Automotive	28	19	17	21	**23**
Corporate office and other	-	-	-	-	**-**
Corporate office and others total	28	19	17	21	**23**
Intra Metso orders received	(16)	(15)	(22)	(14)	**(15)**
Metso total	1,664	2,090	1,440	1,771	**1,509**

Order backlog

EUR million	Mar 31, 2007	June 30, 2007	Sep 30, 2007	Dec 31, 2007	**Mar 31, 2008**
Metso Paper	2,190	2,584	2,455	2,363	**2,241**
Metso Minerals	1,497	1,673	1,728	1,690	**1,758**
Metso Automation	356	365	382	332	**387**
Valmet Automotive	-	-	-	-	**-**
Corporate office and other	-	-	-	-	**-**
Corporate office and others total	-	-	-	-	**-**
Intra Metso order backlog	(44)	(48)	(46)	(44)	**(46)**
Metso total	3,999	4,574	4,519	4,341	**4,340**

Personnel	Mar 31, 2007	June 30, 2007	Sep 30, 2007	Dec 31, 2007	**Mar 31, 2008**
Metso Paper	11,469	11,954	11,774	11,694	**11,522**
Metso Minerals	9,545	9,967	10,194	10,446	**10,762**
Metso Automation	3,379	3,564	3,523	3,564	**3,628**
Valmet Automotive	899	782	777	789	**789**
Corporate office and other	324	342	335	344	**361**
Corporate office and others total	1,223	1,124	1,112	1,133	**1,150**
Metso total	25,616	26,609	26,603	26,837	**27,062**

Notes to the Interim Review

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

New accounting standards

IFRS 8

In November 2006, IASB issued IFRS 8 'Operating Segments', which requires the company to adopt the 'management approach' to reporting on the financial performance of its operating segments. Thus, the information to be reported would be what management uses internally for evaluating segment performance. Metso is currently evaluating the effects on its financial statements. However, it does not expect the standard to affect its current segment structure.

IFRS 8 is effective for annual financial statements for periods beginning on or after January 1, 2009. Earlier adoption is permitted.

Metso will apply the standard for the financial year beginning on January 1, 2009.

IAS 1 (Revised)

IASB has published IAS 1 (Revised) 'Presentation of Financial Statements'. The revised standard is aimed at improving users' ability to analyze and compare the information given in financial statements by separating changes in the equity of an entity arising from transactions with owners from other changes in equity.

IAS 1 (Revised) is effective for annual financial statements for periods beginning on or after January 1, 2009. The standard is still subject to endorsement by the European Union.

Provided the standard is endorsed by the European Union before the end of 2008, Metso will apply the standard for the financial year beginning on January 1, 2009.

IFRS 3 (Revised)

IASB has published IFRS 3 (Revised), 'Business combinations'. The revised standard continues to apply the acquisition method to business combinations, with some significant changes such as expensing of transaction costs. In addition, all payments to purchase a business are to be recorded at fair value at the acquisition date, with some contingent payments subsequently remeasured at fair value through income. Goodwill may be calculated based on the parent's share of net assets or it may include goodwill related to the minority interest. Metso is currently evaluating the effects on its financial statements.

IFRS 3 (Revised) is effective for annual financial statements for periods beginning on or after July 1, 2009. The standard is still subject to endorsement by the European Union.

Provided the revision receives endorsement by the European Union, Metso will apply the standard for the financial year beginning on January 1, 2010.

IAS 23 (Amended)

IASB has published Amendment to IAS 23 'Borrowing Costs', which requires an entity to capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. A qualifying asset can be intended for its own use (self-constructed asset) or for sale. The option of immediately expensing these borrowing costs will be removed. The amendment does not change the accounting policy applied by the group to self-constructed assets and, therefore, should not have any material impact on the group's financial statements. However, the implementation of the amendment to qualifying assets for sale is under review and its effects are being evaluated by Metso.

The amendment is effective for annual periods beginning on or after January 1, 2009. The standard is still subject to endorsement by the European Union.

Provided the amendment receives endorsement by the European Union, Metso will apply the standard for the financial year beginning on January 1, 2009.

IAS 27 (Revised)

IASB has published IAS 27 (Revised), 'Consolidated and separate financial statements'. The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control. They will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value and a gain or loss is expensed. Metso is currently evaluating the effects on its financial statements.

IAS 27 (Revised) is effective for annual financial statements for periods beginning on or after July 1, 2009. The standard is still subject to endorsement by the European Union.

Provided the revision receives endorsement by the European Union, Metso will apply the standard for the financial year beginning on January 1, 2010.

IFRS 2 (Amended)

IASB published in January 2008 an amendment to IFRS 2 'Share-based payments' clarifying the accounting of vesting conditions and cancellations. Vesting conditions are limited to service and performance conditions, other features are not vesting conditions and only impact the grant date fair value. Cancellations, whether by the Company or by other parties, receive similar accounting treatment. Metso is currently evaluating the effects of the amendment to its financial statements.

The amendment is effective for annual financial statements for periods beginning on or after January 1, 2009. The standard is still subject to endorsement by the European Union.

Pending on the endorsement by the European Union, Metso will apply the standard for the financial year beginning on January 1, 2009.

Subpoena from the United States Department of Justice requiring Metso to produce documents

In November 2006, Metso Minerals Industries, Inc., which is Metso Minerals' U.S. subsidiary, received a subpoena from the Antitrust Division of the United States Department of Justice calling for Metso Minerals Industries, Inc. to produce certain documents. The subpoena relates to an investigation of potential antitrust violations in the rock crushing and screening equipment industry. Metso is cooperating fully with the Department of Justice.

Shares traded on the OMX Nordic Exchange in Helsinki

The number of Metso Corporation shares traded on the OMX Nordic Exchange Helsinki in January-March was 78,057,966 shares, equivalent to a turnover of EUR 2,571 million. The share price on March 31, 2008 was EUR 34.20, and the average trading price for the year was EUR 32.94. The highest quotation during the review period was EUR 38.56 and the lowest EUR 25.45.

The trading of Metso ADSs (American Depositary Shares) on the New York Stock Exchange was terminated on September 14, 2007, but the ADSs can still be traded on the OTC markets. On March 31, 2008, the closing price of an ADS was USD 54.45. Each ADS represents one share.

Metso's Financial Reporting in 2008

Interim review for January-June will be published on July 24, 2008 and
Interim review for January-September will be published on October 28, 2008.

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