



Annual

REVIEW 2003

Annual Review 2003

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Information to Shareholders

Annual General Meeting

The Annual General Meeting of Metso Corporation will be held on Tuesday, April 6, 2004 at 2.00 p.m. in the Marina Congress Center at Katajanokanlaituri 6, FI-00160 Helsinki. Registration of the shareholders participating in the meeting and distribution of ballots will begin at 1.00 p.m.

The shareholders who are entered as shareholders in the Corporation's shareholder register maintained by the Finnish Central Securities Depository Ltd. by March 26, 2004 shall have the right to participate in the Annual General Meeting.

Shareholders who wish to participate in the meeting should notify the Corporation of their intention to participate by no later than 4.00 p.m. on April 1, 2004, either by mail to Metso Corporation, PO Box 1220, FI-00101 Helsinki, or by phone at +358 10 808 300, or by fax at +358 20 484 3125, or by email to soili.i.johansson@metso.com. Notices of participation must be received by the above-mentioned deadline. Any powers-of-attorney should also be sent to the above address by the same deadline.

Payment of dividends

The Board of Directors has decided to propose to the Annual General Meeting that a dividend of EUR 0.20 per share be paid for 2003.

Dividends will be paid to those shareholders who are entered in the Corporation's shareholder register maintained by the Finnish Central Securities Depository Ltd. on the

record date for payment of dividends, i.e. on April 13, 2004. The actual payment of dividends will take place on April 20, 2004.

Symbols and units used in trading

Metso Corporation has one share series. Metso's shares are listed on the Helsinki Exchanges and are registered in the Finnish Book-Entry Register maintained by the Finnish Central Securities Depository. On the New York Stock Exchange Metso's shares are listed as American Depositary Shares (ADS). Each Metso ADS represents one Metso share. The Bank of New York acts as the depository for Metso ADSs. Metso's 2000 A options have been listed on the Helsinki Exchanges since June 29, 2001. The 2000 B options were made available for trading on the Helsinki Exchanges combined with the 2000 A options from April 1, 2003. The 2001 A and B options were also combined and made available for trading as a separate security from April 1, 2003.

Helsinki Exchanges

Share
Trading code MEO1V
Lot size 100 shares
Trading currency EUR
Options
2000 A/B options
Trading code MEO1VEW100
2001 A/B options
Trading code MEO1VEW101

New York Stock Exchange

ADS
Trading code MX
Trading currency USD

Indexes

Metso's shares are included in at least the following indexes:

HEX General Index
HEX Portfolio Index
HEX Metal Index
HEX 25
Bloomberg Europe Industrial Index
Bloomberg Europe Machinery Diversified Index
DJ STOXX 600
DJ STOXX Industrial Goods and Services
DJ World Sustainability Index
DJ STOXX Sustainability Index
FTSE4GOOD Index
Kempen/SNS Smaller Europe SRI Index
Nordic Sustainability Index
Ethibel Sustainability Index

Credit ratings

Metso's credit ratings are:
Standard & Poor's (on Credit Watch on February 4, 2004)
Long-term rating: BBB
Outlook: Negative
Short-term rating: A-3 (on Credit Watch on February 13, 2004)

Moody's (on February 17, 2004)
Long-term rating: Ba1
Outlook: Negative

Financial reviews in 2004

Financial statements release 2003
February 4, 2004
Interim review for January-March
April 28, 2004
Interim review for January-June
July 28, 2004
Interim review for January-September
October 28, 2004

The interim reviews will be published in Finnish, Swedish and English, and the releases in Finnish and English on Metso's Internet pages at www.metso.com. Webcasts of the related press conferences can also be viewed on Metso's Internet pages.

Metso publishes its Index investor magazine twice a year in Finnish and English.

Annual reports for 2003

Metso has published an annual report and a sustainability report for 2003. The reports are published in Finnish, English and Swedish and are also available on Metso's Internet pages. Web reports in Finnish and English are also available on the Internet pages.

Ordering of financial reviews

The annual reports, sustainability reports and interim reviews can be ordered from:

Metso Corporation
 Corporate Communications
 PO Box 1220
 FI-00101 Helsinki
 By phone: +358 20 484 100
 By fax: +358 20 484 3123
 By email: metso.info@metso.com

The financial reviews can also be ordered by using the order form available on Metso's Internet pages at: www.metso.com > Contact us > Order publications.



Corporate Profile

Metso Corporation is a global supplier of process industry machinery and systems, as well as know-how and aftermarket services. The Corporation's core businesses are fiber and paper technology (Metso Paper), rock and minerals processing (Metso Minerals) and automation and control technology (Metso Automation). Metso's fourth business area, Metso Ventures, comprises units that serve the Corporation's other businesses or are under strategic development.

In 2003, Metso's net sales amounted to EUR 4,250 million and the number of personnel totaled approximately 26,000.

The Corporation has business operations in over 50 countries. Metso's own production plants are located in Finland, Sweden, Norway, the UK, Germany, France, Belgium, Italy, the USA, Mexico, Canada, China, India, Australia, New Zealand, South Africa, Brazil, Chile and Peru.

The main markets of the Corporation are in Europe and North America. Asia, especially China, and South America are the growing market areas for Metso's products and services.

Metso's shares are listed on the Helsinki and New York Stock Exchanges.

Business Areas

Metso Paper

In 2003, net sales were EUR 1,651 million (38% of the Corporation's net sales) and the number of personnel was 9,085 (35% of the Corporation's personnel).

Customers

Mechanical and chemical pulp makers and paper and board producers.

Products

Paper machines, tissue machines, board machines, paper finishing systems, air systems, equipment and machinery for mechanical and chemical pulp production, know-how and aftermarket services.

Market position

The estimated value of the global pulp and paper machine market is EUR 8–10 billion. Metso Paper is the global market leader in paper and tissue making lines and one of the leading suppliers of board making lines and pulp lines. Metso supplies 40 percent of the global market for large paper machines and nearly one third of the global market for chemical pulping lines.

Metso Minerals

In 2003, net sales were EUR 1,637 million (37% of the Corporation's net sales) and the number of personnel was 10,332 (39% of the Corporation's personnel).

Customers

Quarries and contractors, mining and construction industries.

Products

Rock and minerals processing plants, crushers and related equipment, mobile crushing and screening units, grinding mills, enrichment plants, drilling equipment, recycling systems for minerals and metals, paving machines and rollers, as well as wear protection products, conveyor belts, wear and spare parts and aftermarket services.

Market position

The global markets in the rock and minerals processing segments where Metso Minerals operates are worth EUR 10–12 billion. Metso Minerals is the global market leader of rock and minerals processing systems. It supplies approximately one-fifth of the global markets for mineral crushing, grinding and screening systems.

Metso Automation

In 2003, net sales were EUR 531 million (12% of the Corporation's net sales) and the number of personnel was 3,314 (13% of the Corporation's personnel).

Customers

Mechanical and chemical pulp makers and paper and board producers, rock and minerals processing industries, power and process industries.

Products

Process industry automation and information management application networks and systems, production

process measurement systems and equipment, control valves and support and aftermarket services.

Market position

The annual global markets for automation solutions in the segments where Metso Automation operates total approximately EUR 5 billion. Metso Automation is the global market leader of pulp and paper industry special analyzers, consistency transmitters and automatic shut-off valves. It is the world's third largest supplier of pulp and paper industry automation solutions and the sixth largest supplier of power station automation.

Metso Ventures

In 2003, net sales were EUR 370 million (9% of the Corporation's net sales) and the number of personnel was 2,482 (9% of the Corporation's personnel).

Customers

Construction and furniture industries, producers of packaging material, mechanical and chemical pulp makers

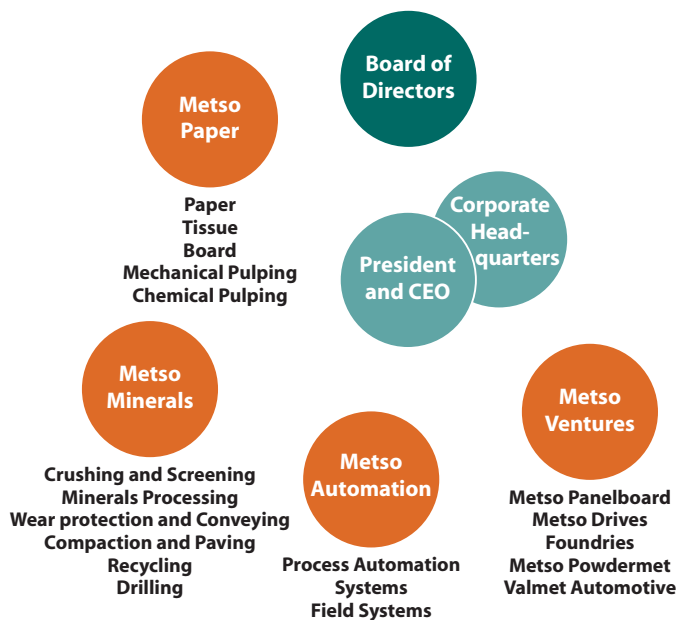
and paper and board producers, rock and minerals processing industries, energy, engineering and car makers.

Products

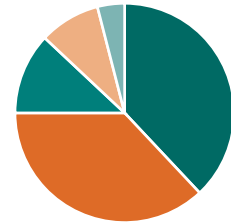
Production lines, equipment and aftermarket services for the panelboard industry, mechanical power transmission systems for the process and energy industry and rock and minerals processing, industrial castings, material technology expert services and the contract manufacture of specialty cars.

Market position

The market for panelboard industry equipment and machinery totals approximately EUR 1 billion. Metso Panelboard is among the three largest panelboard industry equipment suppliers. Metso Drives is the leading supplier of mechanical drives for the pulp and paper industry, and one of the four largest companies manufacturing wind turbine gears. Valmet Automotive is one of Europe's most significant manufacturers of convertibles.

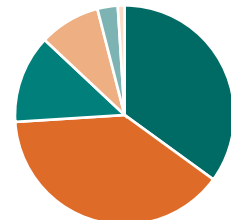


Net sales by business area



- Metso Paper 38% (2002: 37%)
- Metso Minerals 37% (38%)
- Metso Automation 12% (13%)
- Metso Ventures 9% (9%)
- Converting Equipment 4% (3%)

Personnel by business area



- Metso Paper 35% (2002: 33%)
- Metso Minerals 39% (37%)
- Metso Automation 13% (15%)
- Metso Ventures 9% (12%)
- Converting Equipment 3% (3%)
- Corporate Headquarters and other 1% (0%)

President's Review



To our shareholders

In 2003, Metso's net sales totaled EUR 4,250 million. The loss before taxes was EUR 303 million. The result was weakened by nonrecurring expenses and a goodwill impairment totaling EUR 311 million. Metso's cost structure was too heavy, considering the market situation.

There were also positive developments last year. For example, the automation and control technology business area, Metso Automation, improved its profitability by reacting to the deteriorated market situation. Moreover, in summer 2003, measures were initiated in all business areas to improve the cost structure.

In Asia and South America, Metso took its share of the rapid growth in the markets. In these areas our aim is to strengthen our network further so that we can offer know-how and services close to the customer.

Profitability improvement measures

Metso's profitability must be improved. The achievement of our long-term targets will require greater flexibility, a cost structure adjusted to the needs of the markets, the continuous improvement of competitiveness, further improved customer service and a decrease in gearing.

We will complete the efficiency improvement program started last year in the first half of 2004. In the current situation and in the light of the result for 2003, the completion of this program is essential. Operational excellency, cost awareness and the ability to react rapidly to changes in the operating environment with new innovative solutions must become a constant, inseparable part of our work. We will develop our manage-

ment system to support the transfer to this operating model. Thus we can create a solid foundation for our operations in all market conditions.

In order to take advantage of its potential Metso needs a stronger balance sheet. Therefore, we will review which non-core businesses we can divest. Our aim is to reduce gearing by improving also the cash flow from operating activities.

Added value for customers and shareholders

Since starting as the Corporation's President and CEO at the beginning of March, I have noticed that there is a lot of competence in Metso. Metso's core business areas have developed a wide range of products for customers in the pulp and paper industry, rock and minerals processing, and process automation. I consider it important that we renew this competence in dynamic interaction with customers.

This strong competence derives from Metso's employees, whom I would like to thank for their work in 2003. Improving efficiency and developing strengths in the midst of constant change has required determination and endurance. We will need these qualities this year, too, as we develop Metso in a climate of open interaction and mutual respect. The same uncompromising, goal-oriented approach that has helped us to achieve our technological position, must now be applied to the improvement of profitability. I believe that each Metso employee understands that we must achieve a better result than we did last year.

Backed by years of work, Metso has become a technology and market leader valued by its customers. Now

we must better utilize our competence cost-efficiently on behalf of our customers' success and in support of their competitiveness. Hence we will listen to our customers carefully in order to understand their true needs.

Metso aims to be a strong partner in all business related to the pulp and paper industry and rock and minerals processing. When our customers and shareholders are satisfied with our performance, we will have succeeded in our work.

Jorma Eloranta
President and CEO

The Year 2003 in Brief

Activities to streamline cost structure continued

In 2003, Metso Corporation began an extensive efficiency improvement program in all business areas to cut fixed costs. The aim is to improve operational flexibility and profitability. The program aims at an annual profit improvement of over EUR 100 million. The nonrecurring expenses of the efficiency improvement program, totaling EUR 103 million, were booked in the third quarter.

Synergy projects progressed

In order to achieve cost savings, Metso continued projects that take advantage of synergies between business areas. Administrative expenses were reduced by combining back office-related functions. New financial administration service centers, which serve all units in Finland, began their activities in Jyväskylä and Tampere, Finland. In North America the financial administration service center will be established in Montreal, Canada. In addition a materials management development program was launched in June. It aims at substantial savings in purchasing activities.

Life cycle business strengthened

The Metso Future Care business concept was refocused as life cycle business in the year under review. This comprehensive product and service offering covering the whole life cycle of customers' processes includes new installation investments, maintenance and service, process improvements, as well as modernizations and rebuilds. In 2003 the offering of aftermarket services was expanded and the global customer service network was strengthened.



For the past decade, new papermaking capacity has been built mainly in Asia. In China, for example, the consumption of paper and board is increasing by almost 5 percent annually.

Strategy backed by divestitures

In line with its strategy, Metso gave up activities and products not belonging to its core businesses. During the review year Metso Hydraulics, which produces hydraulic power transmission equipment, was sold to Sampo-Rosenlew, Finland; Network Management Solutions, which produces SCADA information management solutions, was sold to Telvent in Spain; and CPS Electronics, which produces electronic components, was sold to Scanfil of Finland. In October an agreement on the sale of the Converting Group to the Swiss Bobst Group was signed. After approval from the competition authorities the sale was completed in January 2004.

Business strengthened in China

Metso's business in China has grown by over ten percent annually. Products that Metso produces in China include paper machines, crushers, road construction equipment and valves. There are approximately 400 people working for the Corporation's own companies in China. In addition, Metso employs around 1,400 people in its joint ventures. In 2003, the share of the Corporation's net sales accounted for by China was 11 percent (6% in 2002).

Value of orders received from Asia grew

Of the orders received in 2003, 41 percent were from Europe, 21 percent were from North America, 27 percent were from Asia-Pacific, 6 percent were from South America and 5 percent were from the rest of the world. In 2003, 18 percent of the orders received were from China (4% in 2002).

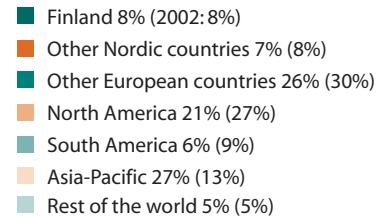
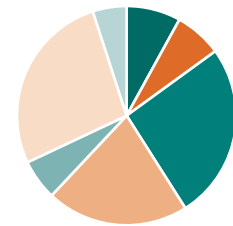
Changes in corporate management

In September, Metso Corporation's Board of Directors relieved Tor Bergman, President and CEO, of his duties, and temporarily appointed Executive Vice President and CFO Olli Vaartimo in his place. In December, the Board of Directors appointed Jorma Eloranta as the new President and CEO, as of March 1, 2004. Olli Vaartimo will continue as Metso's Executive Vice President, CFO and Deputy to the CEO. Vaartimo transferred to this position in April 2003 from the post of President of Metso Minerals. Metso Paper, Metso Minerals and Metso Ventures also saw changes in their leadership during the review year: Bertel Karlstedt started as the President of Metso Paper in March, Bertel Langenskiöld started as the President of Metso Minerals in May, and Vesa Kainu started as the President of Metso Ventures, also in May.

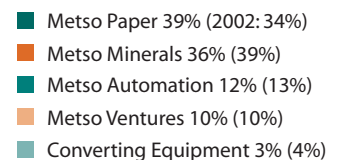
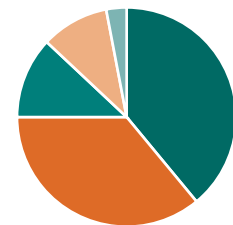
Metso in sustainability indexes

During the review year, Metso's share was chosen for three new sustainability indexes: the European Ethibel Sustainability and Kempen/SNS Smaller Europe SRI indexes, as well as the Nordic Sustainability Index. In addition, Metso has been listed on the Dow Jones Sustainability Indexes and on the FTSE4Good Index for several years.

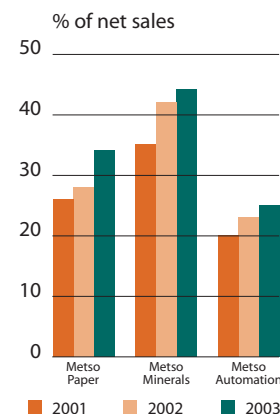
Orders received by market area



Orders received by business area



Aftermarket operations



Financial Review

Financial goals

Metso's primary short-term goal is to improve profitability and strengthen the balance sheet.

Metso's financial targets, calculated as 5-year averages, are:

- an operating profit of over 9 percent of net sales
- a return on capital employed (ROCE) of over 20 percent
- an annual dividend equivalent to at least one third of earnings per share

In the difficult market environment of 2003, Metso did not reach these targets. The operating loss was EUR 229 million, or 5.4 percent of net sales and the return on capital employed negative 8.7 percent.

Metso's dividend policy is founded on the Corporation's long-term profitability and financial position. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.20 per share be paid for 2003.

Factors affecting Metso's profitability

Metso's profitability is affected by economic cycles, customer industries' investments, the competitiveness of its products and services, and exchange rate fluctuations.

Metso Paper's business is affected by changes in paper consumption, paper product prices, and the investments of pulp and paper producers. Metso Minerals' business is affected by changes in the demand for metals and aggregates and mining industry investments.

The strong growth of China's GDP in 2003 supported growth in the pulp and paper industry and in rock and minerals processing. The low paper

product prices in Metso Paper's markets weakened the willingness of pulp and paper industry customers to invest, particularly in Europe and North America. The low level of investments in rock and minerals processing industries tightened Metso Minerals' markets in 2003, especially in crushing and screening products. Infrastructure investments remained at a low level in Europe and North America, while, on the other hand, the rising prices of base metals were not yet reflected in an increase in customer investments.

The strengthening of the euro in relation to the U.S. dollar weakened the competitiveness of Metso's products made in Europe compared with the products of competitors outside the euro zone, which weakened Metso's result.

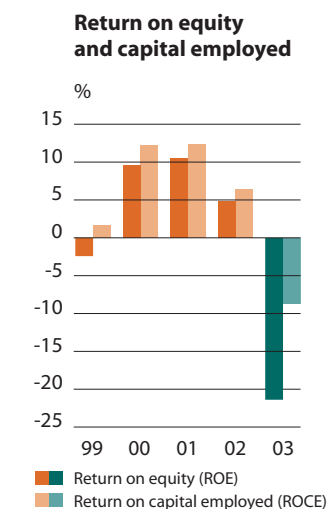
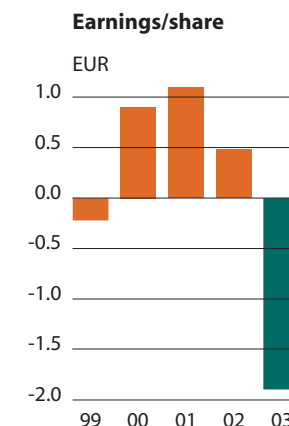
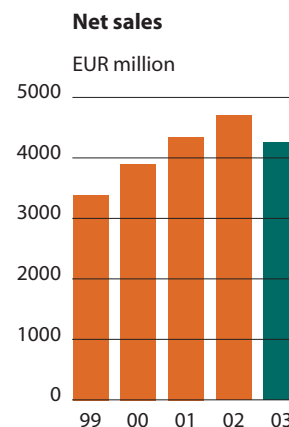
Net sales

Metso's net sales for 2003 were EUR 4,250 million. Calculated with the previous year's exchange rates, net sales decreased by 4 percent.

Rapid economic growth in China has generated a demand for paper, board, panelboard products, aggregates, minerals and concentrates that has in recent years transformed China into one of Metso's key market areas. In 2003, 11 percent of Metso's net sales derived from China.

Measures to improve profitability

Several programs aiming at streamlining the cost structure and improving profitability were underway in Metso in 2003. These were a Corporation-wide efficiency improvement program, a materials management development program, and projects for integrating administrative functions.



The efficiency improvement program aims to reduce fixed costs and improve the annual profit by over EUR 100 million. Of this Metso Paper will account for almost EUR 40 million, and Metso Minerals for just over EUR 50 million. Metso Automation will account for EUR 10 million and Metso Ventures for EUR 5 million. The re-evaluation of the role of Metso's Corporate Headquarters is expected to result in savings of around EUR 10 million.

The efficiency improvement program proceeded as planned in the second half of 2003. In 2003 Metso Paper decided to reduce jobs in Europe and North America by about 630. In certain units in Finland, outsourcing of components' manufacturing has either been decided on or is being reviewed. These arrangements will affect some 350 jobs. An organization previously oriented for new equipment production is being adapted for the prevailing market by emphasizing the aftermarket and maintenance business.

Metso Minerals commenced measures to reduce costs and overcapacity in Europe and the USA. The manufacture of some products will be relocated to China and Brazil, while the manufacture of other products will be discontinued. The global sales and service network was reorganized for more efficiency. In Metso Minerals these arrangements are estimated to affect approximately 600-670 jobs.

Metso Automation decided to reduce about 140 jobs in Finland, North America and in its global sales network.

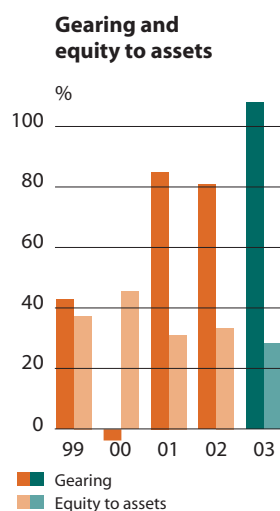
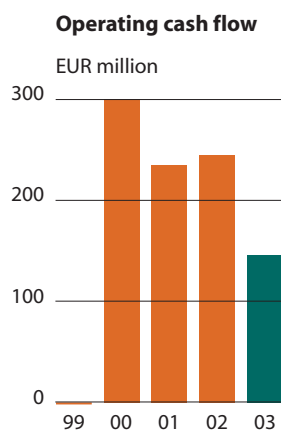
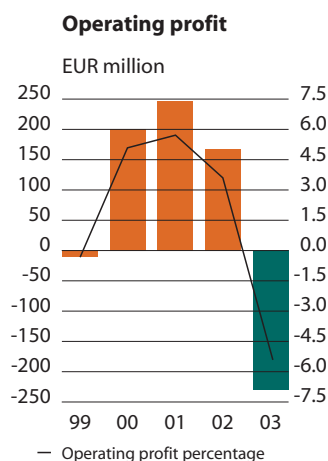
Metso Panelboard, which is a part of Metso Ventures, will combine the operations of its two German units.

KEY FIGURES			
	2001	2002	2003
(in millions, except for per share data)	EUR	EUR	EUR
Net sales	4,343	4,691	4,250
Aftermarket operations, % of net sales	27.0	33.0	37.0
Exports and international operations, % of net sales	86.7	92.1	87.6
Operating profit before nonrecurring items and amortization of goodwill	270	251	133
Operating profit (loss)	246	167	(229)
Income (loss) before extraordinary items and taxes	222	93	(303)
Net income (loss) for the year	141	65	(258)
Orders received	3,778	4,646	4,256
Order backlog, Dec. 31	1,772	1,589	1,505
Personnel, Dec. 31	30,242	28,489	26,240
Earnings/share	1.09	0.48	(1.89)
Dividend/share	0.60	0.60	0.20 *
Return on capital employed (ROCE), %	12.3	6.4	(8.7)
Return on equity (ROE), %	10.4	4.8	(21.3)
Research and development expenditure	150	156	129
Balance sheet total	5,042	4,399	3,823
Gearing, %	84.8	80.6	107.7
Equity to assets ratio, %	31.1	33.3	28.3

*) Proposal by the Board of Directors

In June 2003, Metso launched a materials management development program aimed at creating substantial cost savings in the next few years by rationalizing purchasing. Purchases amount to EUR 2.5 billion annually, which is more than half of Metso's net sales. Cost savings are targeted by taking advantage of volume benefits in the global markets, improving efficiency, increasing cooperation and transparency between businesses, and including purchasing in each business area's strategy and target setting.

The measures commenced in 2002 to reduce Metso's administrative costs were continued in 2003 by integrating back office-related functions. As a result, the Jyväskylä and Tampere service centers were opened in Finland in September. A North American financial administration service center in Montreal, Canada, is due to start in 2004.



Result

In 2003, Metso's operating profit before nonrecurring items and amortization of goodwill was EUR 133 million, or 3.1 percent of net sales. The decline in operating profit was primary due to the strengthening of the euro, the lower margins in Metso Paper's large projects than in the comparison period, and the continued tight competition faced by Metso Minerals' crushing and screening equipment.

Net nonrecurring expenses of EUR 106 million were recorded in 2003. The largest items were restructuring expenses related to the efficiency improvement program, which were booked in the third quarter of 2003.

In addition, a goodwill impairment of EUR 205 million was made in Metso Minerals. The impairment was based on a re-evaluation of the business area's outlook in the continued demanding market environment. It was decided to make a more cautious prognosis concerning market revival and exchange rate movements. The latter, particularly the rapid

strengthening of the euro against the U.S. dollar, has been unfavorable for Metso Minerals. The impairment will decrease Metso's annual amortization of goodwill by approximately EUR 10 million.

Most of the impairment, EUR 175 million, was accepted as tax-deductible. The corresponding tax benefit of EUR 51 million reduces the effect of the goodwill impairment on the net result. The tax benefit was booked in the final quarter of 2003.

Cash flow, capital expenditure and balance sheet

In 2003, Metso's net cash provided by operating activities was EUR 146 million. Gross capital expenditure totaled EUR 130 million and divestitures EUR 31 million. The net working capital increased by EUR 54 million.

During the past four years, Metso's investments have focused mainly on the aftermarket business, production capacity improvements and extensions, and information and communications technology.

NONRECURRING OPERATING INCOME AND EXPENSES

	2002 EUR million	2003 EUR million
Gain on sale of disposals of businesses	-	12
Gain on sale of listed and other shares	8	3
Nonrecurring operating income, total	8	15
Expenses related to the Metso efficiency improvement program	-	(103)
Restructuring expenses	(28)	(5)
Other expenses	(7)	(13)
Nonrecurring operating expenses, total	(35)	(121)
Nonrecurring operating income and expenses, total	(27)	(106)
Amortization of goodwill	(57)	(51)
Nonrecurring items and amortization of goodwill, total	(84)	(157)

At the end of 2003, Metso's net interest bearing liabilities totaled EUR 1,109 million, which is EUR 9 million less than at the end of 2002. Gearing, i.e. the ratio of net interest bearing liabilities to shareholders' equity, was 107.7 percent at the end of the year.

Metso's net liabilities increased with the acquisition of Svedala in 2001. Due to weaker than expected profit performance in 2003, net liabilities did not decrease according to plan. Further measures to decrease net liabilities will continue in 2004. Metso aims to dispose of non-core assets and operations and to continue releasing capital employed.

Metso finances its operations mainly through long-term debt, which accounted for 75 percent of total interest bearing debt at the end of 2003. The largest loan of EUR 500 million issued under the Euro Medium Term Note program will mature in December 2006.

On June 27, 2003 Standard & Poor's Rating Services lowered the outlook on the BBB long-term rating of Metso Corporation from stable to negative. At the same time, the short-term rating was lowered to A-3 from A-2. Standard & Poor's placed the long-term rating on Credit Watch on February 4, 2004 and the short-term rating on February 13, 2004. Moody's Investors Service lowered the long-term ratings of Metso Corporation to Ba1 from Baa3 on February 17, 2004. Ratings were also removed from credit review and the outlook on ratings is considered negative.

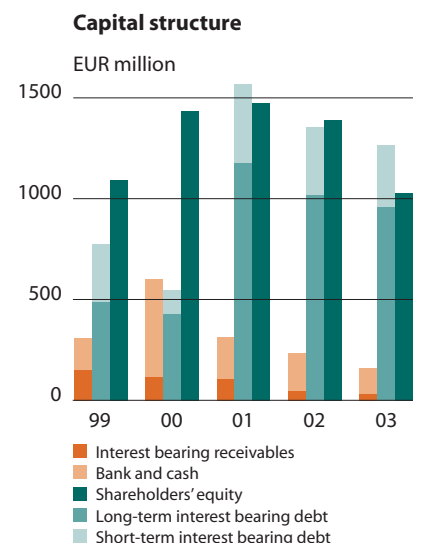
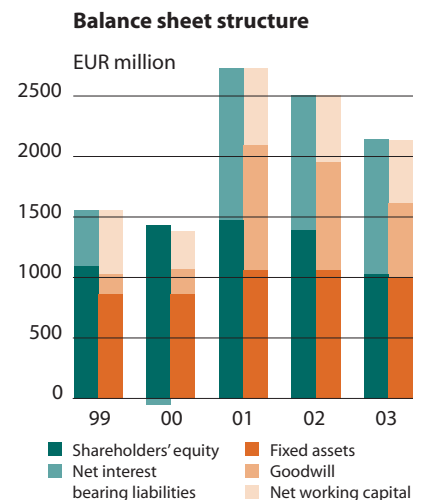
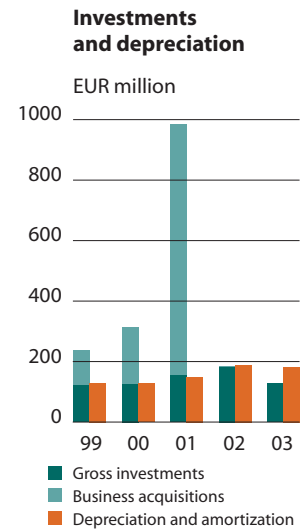
Research and development

In 2003, Metso's research and development expenditure totaled EUR 129 million, representing 3 percent of net sales. Most of Metso's R&D activities take place in Finland and Sweden, but Metso also has R&D units in North America and Central Europe. The focus is on improving efficiency, strengthening Metso's life cycle business and raising its share of net sales.

PREPARATION OF FINANCIAL STATEMENTS IN COMPLIANCE WITH IAS/IFRS

Metso will report in compliance with the IAS standards from January 1, 2005 and will also present the comparison figures in the same way. The Corporate Headquarters is preparing to transfer to IAS/IFRS reporting together with the business areas, and the project has advanced on schedule.

The effects of the transfer on Metso's statement of income, balance sheet and key figures cannot be evaluated before the standards are finally approved in the spring of 2004. The standards affecting Metso's income or the recognizing of income and expenses include IAS 10 (Events after the balance sheet date), IAS 19 (Employee benefits), IAS 37 (Provisions, contingent liabilities and contingent assets) and IAS 39 (Financial instruments: recognition and measurement). In addition, IASB (the International Accounting Standards Board) is preparing Exposure Draft 3 with amendments to standard IAS 22 (Business combinations). The draft proposes that instead of being amortized, goodwill and other intangible assets will be annually reviewed for impairment.



Metso's Vision and Strategy

Metso's vision is to transform from a machine supplier into a provider of competitiveness. We aim to improve the productivity and competitiveness of our customers' core industrial processes. We strive to do this through cooperation with customers for the entire life cycle of their processes.

We offer our customers solutions to improve their competitiveness that stem from our wide know-how in rebuilding and modernizing machines and equipment as well as optimizing and servicing the related processes. In our offering we take into account the differing needs of our customers.

Metso's operations are based on in-depth know-how of customer processes in the pulp and paper industry and rock and minerals processing industries, on the extensive installed base of machinery and equipment, and on automation knowledge. These cornerstones of our strategy have helped us to become the world's leading supplier for the pulp and paper industry and the rock and minerals processing industries. In Metso's products and services, control technology, process automation and advanced information and communications technology solutions are combined with process know-how.

Our customers are industrial companies in businesses where investments are large and have long life cycles.

Based on our customers' long-term perspectives, Metso has a solid foundation for developing cooperation with them that lasts for the entire life cycle. We cooperate with more and more customers on several continents.

Our target is to support the efficiency and competitiveness of our customers' investments and processes by producing increasingly competitive and efficient solutions, equipment and services founded on strong customer cooperation and our technology and process know-how.

In addition to a global network and wide-ranging know-how, our customers require that the equipment supplier takes wider responsibility for the processes delivered. We develop products and services on the basis of our extensive installed base of machinery and equipment, taking our customers' needs into account. Our objective is to further increase our share in the service, rebuild and process improvement of already installed as well as new machinery and equipment worldwide.

Business driven by the installed base of machinery and equipment is growing especially in Europe and North America, where our customers are focusing more on efficiency improvements for their processes than on new investments. Demand for new machinery and equipment focuses on China and South America, where we are strengthening our resources.

In order to be able to optimize processes and improve their efficiency over their life cycles, we are adding flexibility to our products already at the design stage. Automation is the foundation for remote monitoring and many optimization, maintenance and service solutions. Thanks to advanced

ICT solutions, we can offer the equipment and process know-how of Metso's experts cost-efficiently for our customers' production plants throughout the world.

Better competitiveness

The investment activity in our main customer industries has been below average for some years now. The prolongation of the challenging market situation has required and will continue to require that Metso takes rigorous action to streamline its cost structure and strengthen its competitiveness. We will increase the flexibility required by fluctuations in demand by adjusting our in-house capacity and expanding manufacturing cooperation with external partners.

The strategies of Metso's business areas and business lines are developed on the basis of their strengths, customer needs and the competitive situation. The Corporation's network and resources and cooperation between business areas is utilized wherever it strengthens competitiveness and cost-efficiency.

Our most important target in 2004 is the improvement of profitability. Our objective is also to strengthen the balance sheet by divesting non-core businesses. In order to reach our long-term profitability targets, we must ensure that our operations are competitive, we must develop our aftermarket activities and we must continuously improve our cost-efficiency and productivity.

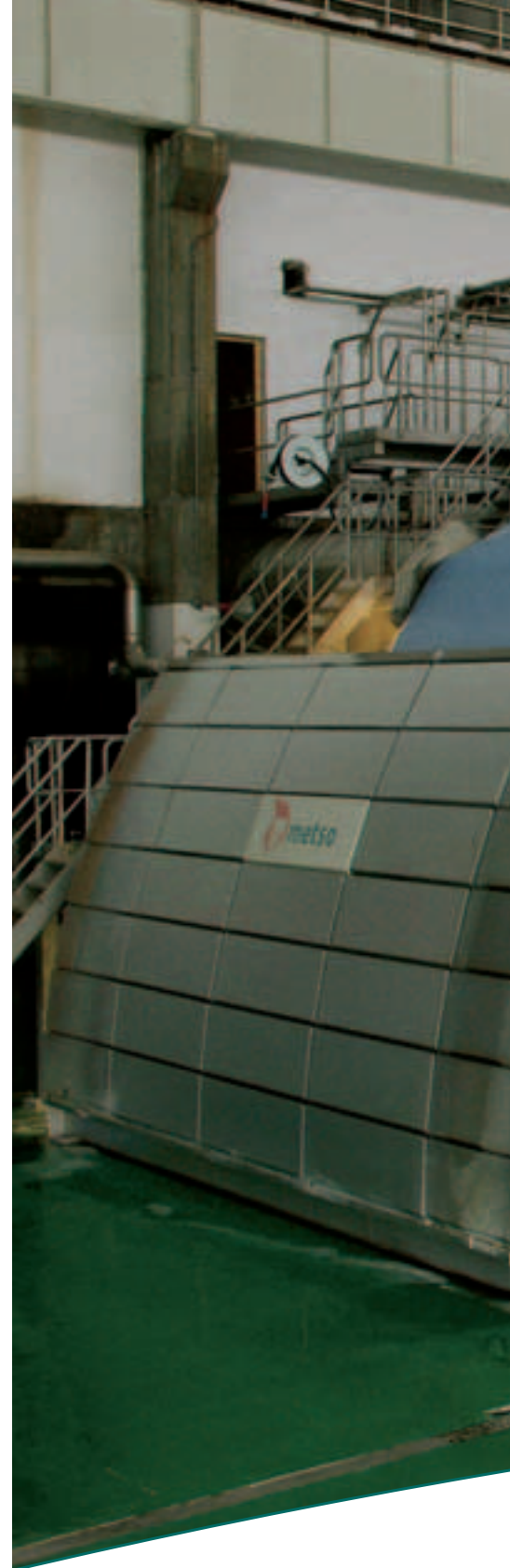


Life cycle business refers to the development of solutions that help customers to maximize the economic benefit from their processes throughout the life cycle of their machinery and equipment.



ABOVE: "Metso Paper's goal is to be the leading global supplier of processes and services for the pulp and paper industry. One of key focus areas in our strategy is the application of life cycle business and a new approach to customer relationship management. We are strongly developing our local operations so we can offer long-term partnerships close to our customers," says **Bertel Karlstedt**, President, Metso Paper.

RIGHT: Metso Paper has delivered to Yueyang Forest & Paper Group in Hunan Province, China, a papermaking line using recycled fiber. The OptiConcept paper machine was started up in July 2003 and it has an annual production capacity of 200,000 tons of newsprint and magazine paper.





Metso Paper

In 2003, Metso Paper refocused its operating strategy and transferred to a new operating model, which offers products, solutions and aftermarket services to customers' production processes throughout their entire life cycle. Metso Paper also continued measures to cut costs and improve profitability.

Metso Paper

Objectives and strategy

Metso Paper refocused its strategy in the spring of 2003. According to the strategy, Metso Paper's offering will in the future cover more comprehensively the services, process improvements, machine rebuilds and new installations required by customers' production processes throughout their life cycle. The objective is to develop in cooperation with customers the competitiveness and efficiency of their pulp and papermaking processes.

Since less new production capacity is being built in Europe and the USA, Metso Paper will refocus its operations in these areas on customers' process improvements, machine rebuilds and the service business. The demand for new production capacity is growing fastest in China and South America. Thus, in these areas, Metso Paper will strengthen its local capabilities and resources related to new installations.

At the same time, Metso Paper will enhance its flexibility in reacting to fluctuations in demand by increasing its manufacturing cooperation with external partners. Metso will develop its own assembly operations and in-house manufacture of key components, while increasing the share of contract manufacturing in its overall production.

Management models will be renewed in the board and tissue machine business, and the businesses will target a wider customer base than today. At the same time, the product offering will be expanded to aftermarket operations.

The share of the aftermarket business, comprising process improvements and service, will be strengthened in Metso Paper by developing

the new products and services needed by that business. The goal is to efficiently maintain Metso's own large installed machine base close to the customer.

Strengths

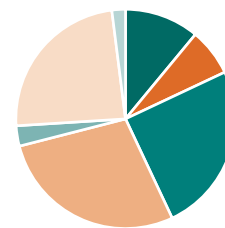
Metso Paper has in-depth knowledge of its customers' core industrial processes. Metso Paper's strengths are its large base of installed machinery and its leading market position in many products. About 1,300 paper machines delivered by Metso Paper are in operation around the world. In addition, Metso Paper has delivered machinery, equipment and parts of the process to approximately every third pulping line in operation.

In addition to its extensive product and service offering, technological and process automation know-how are Metso Paper's strengths. Together with Metso Automation and Metso Drives, Metso Paper can provide its customers with a unique combination of process know-how.

Business organization

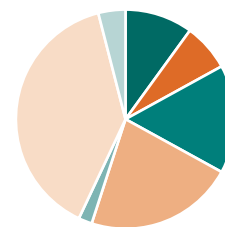
Metso Paper is organized into five business lines according to customer processes. They are Paper, Board, Tissue, Mechanical Pulping and Chemical Pulping. The first three of these provide complete production lines needed in the manufacture of paper, board and tissue, their rebuilds, individual machines and equipment, paper finishing systems and air systems. The Mechanical Pulping and Chemical Pulping business lines produce processes and production lines for wood handling, mechanical, chemical and recycled fiber pulping, pulp drying and baling, and stock preparation.

Net sales by market area



- Finland 11% (2002: 10%)
- Other Nordic countries 7% (10%)
- Other European countries 25% (26%)
- North America 28% (28%)
- South America 3% (9%)
- Asia-Pacific 24% (15%)
- Rest of the world 2% (2%)

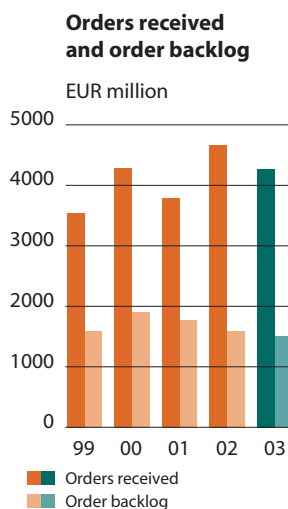
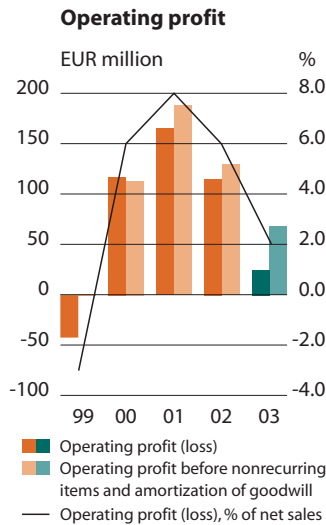
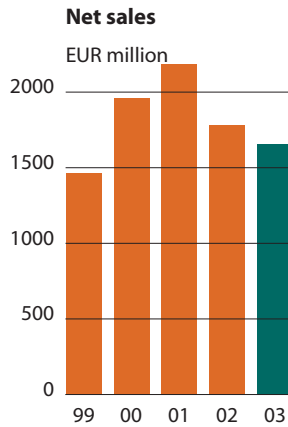
Orders received by market area



- Finland 10% (2002: 12%)
- Other Nordic countries 7% (6%)
- Other European countries 16% (27%)
- North America 22% (36%)
- South America 2% (8%)
- Asia-Pacific 39% (10%)
- Rest of the world 4% (1%)

Key figures

	2002	2003
	EUR million	
Net sales	1,778	1,651
Operating profit before nonrecurring items and amortization of goodwill	129.3	68.3
Operating profit	115.2	24.6
Capital employed, Dec. 31	498	538
Gross capital expenditure	72	54
Research and development expenditure	72	56
Orders received	1,611	1,710
Order backlog, Dec. 31	735	784
Personnel, Dec. 31	9,357	9,085



The business lines, organized according to customer processes, have comprehensive responsibility for new installations, process improvements, machine rebuilds and service. Each line has extensive aftermarket service know-how, including maintenance, spare parts, and roll services, as well as service centers, logistics networks and remote monitoring networks.

Metso Paper has its own operations and production in 25 countries, and its products and services are sold by 22 sales units and over 40 service centers, complemented by the logistics centers in Finland, the USA and China. Most products are sold through the company's own sales network. Metso Paper also has 13 technology centers in Finland, Sweden, Italy and the USA.

Operating environment

During the last 10 years, new paper-making capacity has mostly been built in Asia. South American customers have primarily invested in new chemical pulping capacity. The European pulp and paper industry has to some extent invested in new capacity, but has focused mainly on machine rebuilds. There have been very few new investments in North America.

Metso Paper's customers are globally operating companies making pulp, paper and board. The pulp industry accounts for about 25 percent of Metso Paper's net sales, while the paper and board industry accounts for about 75 percent.

Metso Paper's main competitors are Voith Paper (Germany), Andritz (Austria) and Kvaerner Pulping (Norway).

Markets in 2003

The demand for Metso Paper's products and services was satisfactory in 2003, although customers' willingness to commit themselves to large projects, particularly in Europe and North America, was still at a low level due to the uncertainty of the world economy. The SARS epidemic temporarily weakened the market in China, but by the end of the year demand had recovered to the good level experienced earlier.

In 2003, Metso Paper's deliveries in Asia-Pacific increased by 52 percent from the previous year and the value of new orders received quadrupled.

Orders received

In 2003, the value of new orders received by Metso Paper was 6 percent higher than in the comparison year and the order backlog at year end was 7 percent higher than a year earlier. During the year under review, Metso Paper received eight orders for paper, tissue or board machines and eight orders of pulping lines.

The most significant orders of paper machines in 2003 were UPM-Kymmene's order of a fine papermaking line for its Changshu mill, Ning Shing Development Co's order of the world's largest board line for its Ningbo mill, Hebei PanAsia Long-Teng Paper's order of a newsprint machine for its Hebei mill, and Jiangxi Chenming Paper's order of a complete LWC production line, all in China. Other major orders were from Procter & Gamble in the USA for a tissue machine, and from SARL Ouate-Industries in Algeria for a tissue production line. Many orders for process improvements and machine rebuilds were received, the largest being the re-

build of a magazine paper machine at Stora Enso's Corbehem mill in France and the rebuild of coated paper grade machines at Stora Enso's Kimberly and Biron mills, both in the USA. Major orders also included the rebuild of JSC Segezha's kraft paper machine in Russia, Norske Skog's paper machine rebuilds in Bruck, Austria and Halden, Norway, and a paper machine rebuild at UPM-Kymmene's Rauma mill in Finland.

The most important pulping line orders were received from Shandong Bohui Paper for a BCTMP production line in China and from Veracel Celulose S.A. for a complete woodyard system for its Eunápolis mill in Bahia, Brazil. Stora Enso's order of TMP plants to Finland and Canada was also significant.

During the year under review, eleven paper machines delivered by Metso Paper were started up. Among these were Stora Enso's newsprint machine, the world's largest in terms of wire width, using recycled fiber delivered at its Langerbrugge mill in Belgium, and Yueyang Forest & Paper Group's newsprint and magazine paper machine using recycled fiber delivered to its mill in Hunan Province, China. In November, a magazine paper machine that is one of the technologically most advanced in North America was started up at Kruger's Wayagamack mill in Trois-Rivières, Quebec, Canada.

In 2003 five large Metso pulping deliveries were also started-up: an extensive woodyard and pulp bleaching plant for the Suzano Bahia Sul company's Suzano mill in São Paulo province in Brazil, a fiber line and pulp drying and baling lines for Celulosa Arauco y Constitución's new

mill in the Valdivia province in Chile, a woodyard for Sappi in Gratkorn, Austria and de-inking plants for P.T. Adiprima Suraprinta in Gresik, Indonesia and Yueyang Forest & Paper Group in Hunan Province, China.

Aftermarket operations

Aftermarket operations accounted for 34 percent of Metso Paper's deliveries, compared to 28 percent in the comparison year 2002. The increase was mainly due to the redefined scope of the aftermarket during the year under review: process improvements are now also included in aftermarket operations.

In November, an agreement was signed with Frantschach Pulp & Paper Czech in which the company outsourced the mechanical maintenance of its Steti mill in the Czech Republic to Metso Paper. This constitutes the opening of a significant bridgehead for Metso Paper's maintenance operations in Central Europe.

In 2003, the service business was substantially strengthened by opening service technology centers for the pulp and paper industry in Järvenpää, Finland and Sorocaba, São Paulo, Brazil. In addition, during the year under review, a new service center was opened in Raisio, Finland, service logistics centers were inaugurated in Jyväskylä, Finland, and Shanghai, China, and a service unit was opened in Seoul, South Korea.

In April, a new composite roll facility was inaugurated in Oulu, Finland, for the development, production and service of composite spreader rolls and composite structures of paper machine rolls.

Business operations

Metso Paper's net sales were down on the previous year by 7 percent and profitability was clearly weaker than in the comparison year. The weakening of operating profit was due to the lower margins in large projects, the under-utilization of capacity and the effects of exchange rate changes.

Nonrecurring expenses resulting from the efficiency improvement program were EUR 36 million.

Efficiency improvement program

The cost saving target for Metso Paper through the Corporation's efficiency improvement program is almost EUR 40 million. Metso Corporation aims at an annual profit improvement of over EUR 100 million with the program.

In accordance with this program, Metso Paper will reduce about 340 jobs in Finland and Sweden and about 200 jobs in North America by the summer of 2004. In addition, Metso Paper initiated an analysis of various measures to decrease its in-house manufacturing capacity to correspond with the outlook for long-term demand in Europe. In some Metso Paper units in Finland decisions concerning the outsourcing of component manufacturing have already been made or are under review. These arrangements will affect approximately 350 jobs. Metso Paper will also reduce production capacity at its Como, Italy unit manufacturing paper and board machines. The arrangement will affect 90 jobs.

As part of the efficiency improvement program, Metso Paper's foundries in Jyväskylä, Finland and Karlstad, Sweden, were transferred operationally under the Metso Ventures business area on October 1, 2003.

In 2000, Metso Paper delivered a new cutter layboy and a new robo baling line to CMPC Celulosa S.A.'s Laja pulp mill in Chile. The picture shows Mario Villa, Regional Manager for Metso Paper and Pablo Moreno, cutter layboy and baling line operator at the Laja Mill.

Research and development

Metso Paper's research and development focuses on developing whole processes and their supporting after-market solutions for all the main pulp, paper and board grades. The key objective is to enhance the competitiveness of customer's processes by improving their efficiency, quality and environmental soundness and by optimizing their life cycle costs. According to the refocused strategy, research and development will be increasingly focused on the products and services that are needed in aftermarket operations, process improvements and machine rebuilds.

Metso Paper launched numerous new products, including a new debarking process known as Gentle-Barking, the next generation OptiFlo II headbox, the OptiLoad TwinLine online calender, new roll coverings for paper machine lines and the Bow-Master composite spreader roll.

A new TMP/CTMP (thermo/chemi-thermomechanical) pilot pulping line was inaugurated at the Mechanical Pulping Technology Center at Anjalankoski in Finland.

Outlook for 2004

The markets for new paper machines are in Asia, particularly in China. The construction of manufacturing capacity for printing papers and packaging board will focus increasingly on Asia. New pulping line investments, on the other hand, will be concentrated in South America due to the region's plentiful supply of raw materials. Although individual machine investments will be made in Europe and North America, these markets will mainly focus on process improvements, machine rebuilds and aftermarket services.





ABOVE: According to **Bertel Langenskiöld**, President of Metso Minerals, one of the key objectives for 2004 will be to streamline Metso Minerals' cost structure to correspond with the competitive situation. Other areas of focus in all operations will be sales and customer service.

RIGHT: Track-mounted crushing units are diverse and effective in both quarries and contract crushing operations. Metso Minerals is the world's leading manufacturer of such equipment. The two-stage crushing plant in the picture, equipped with jaw and gyratory crusher, crushes rock for construction purposes.

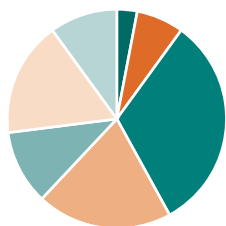




Metso Minerals

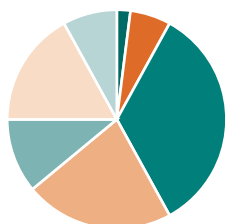
In 2003 Metso Minerals concentrated on improving its customer service, increasing cost efficiency and creating a flexible organization. These targets will be pursued also in 2004.

Net sales by market area



- Finland 3% (2002: 3%)
- Other Nordic countries 7% (7%)
- Other European countries 32% (32%)
- North America 20% (23%)
- South America 11% (12%)
- Asia-Pacific 17% (14%)
- Rest of the world 10% (9%)

Orders received by market area



- Finland 2% (2002: 4%)
- Other Nordic countries 6% (7%)
- Other European countries 34% (32%)
- North America 22% (22%)
- South America 11% (12%)
- Asia-Pacific 17% (15%)
- Rest of the world 8% (8%)

Key figures

	2002	2003
	EUR million	
Net sales	1,804	1,637
Operating profit before nonrecurring items and amortization of goodwill	105.7	74.5
Operating profit (loss)	49.2	(234.9)
Capital employed, Dec. 31	1,393	1,049
Gross capital expenditure	48	35
Research and development expenditure	21	22
Orders received	1,848	1,594
Order backlog, Dec. 31	468	397
Personnel, Dec. 31	10,553	10,332

Metso Minerals

Objectives and strategy

Metso Minerals' strategy is founded on enhancing customer-orientation in all operations. Its objective is to strengthen and utilize its strong global market position in order to provide quarries, mines and the construction industry with competitive solutions, ranging from drilling and crushing to the separation of minerals.

Metso Minerals wants to be a partner that supports customers' core processes throughout their entire life cycle. The purpose of the organizational change in 2003 was to clarify the cost and profit responsibilities globally so that business lines will be more clearly responsible for product development, manufacturing, and also for sales and marketing. This will enable quick reaction to changing market needs and will ensure that the focus is on customer service.

Tighter competition in Metso Minerals' markets, especially in crushing and screening equipment, has resulted in a need to cut production costs by transferring the manufacture of certain products to low cost areas, mainly to Metso's own plants in China and Brazil.

At the same time as it clarifies its organizational structures and operating models, Metso Minerals is strengthening the supply chain and intensifying cooperation with its business partners. The purpose is to increase the flexibility of production and purchasing.

Strengths

Metso Minerals is the global market leader in rock and minerals processing and recycling systems for metals and construction materials. Its global production and sales network enables

Metso Minerals to respond flexibly to customers' needs and the challenges of competition. Metso Minerals has the widest installed base in the industry. Customers operate 30,000 Metso Minerals crushers, 10,000 screening units, 3,000 grinding mills, 45,000 pavers and rollers and 1,000 units of metal recycling equipment.

Metso Minerals' strengths include strong technology know-how, in-depth knowledge of customer processes, global aftermarket operations and a comprehensive range of products and services.

Business organization

Metso Minerals renewed its organization in September. In the new organization the six business lines are each globally responsible for developing their operations, as well as for production, sales and customer service.

The largest of these, the crushing and screening business line, is responsible for equipment and solutions used in rock and minerals crushing and classifying. Metso Minerals specializes in the design of entire crushing and screening plants. In addition to stationary plants, Metso Minerals also supplies track and wheel-mounted mobile units and screens, feeders, conveyors, wear and spare parts.

The minerals processing business line accounts for about one-fifth of Metso Minerals' net sales. It is responsible for production processes for the mining industry and industrial minerals and related products such as grinding mills, enrichment and pyro processing equipment, slurry pumps and equipment for bulk materials handling, as well as related aftermarket services.

Products in the wear protection and conveying business line include grinding mill linings, screening media and other wear, impact, dust and noise protection products, and conveyor belts and components.

The compaction and paving business line accounts for about one-fifth of net sales. Its products include compaction and paving solutions for the construction industry and related products including rollers, pavers, planers and concrete equipment.

The recycling business line covers equipment and solutions needed for the recycling, crushing and sorting of metals and industrial and household waste, such as metal shredders, shears, scrap shears and scrap baling presses.

The drilling business line includes top hammer surface and underground jumbo drills and auger drills used in mines and quarries.

Metso Minerals has production in over 40 units around the world, as well as sales and service units, representatives and distributors in 150 countries. Sales are channeled through six regional sales organizations. Metso Minerals' largest research and product development centers are located in Europe and the USA.

Operating environment

Metso Minerals' customer businesses include the mining industry, mineral processing, aggregate, sand and gravel production, construction, crushing contracting and the recycling of metals and construction materials. Its customers include contractors, quarries and mining companies. Some two thirds of the deliveries go to the construction industry, and one third to the mining industry.

The share of Metso Minerals' net sales originating from Europe and North America has decreased in the last three years. Although these areas are major aggregate producers, the growth in demand for aggregates is moderate, and aggregates are used mainly to maintain existing infrastructure. In China, construction is on a strong upswing, which increases the demand for aggregates and investments in new production machines and equipment.

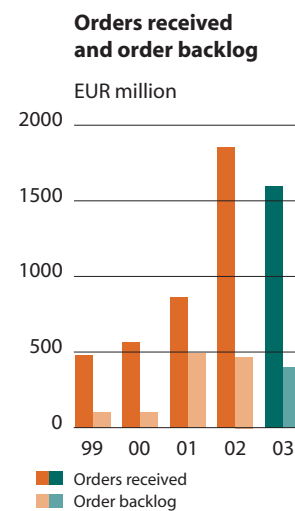
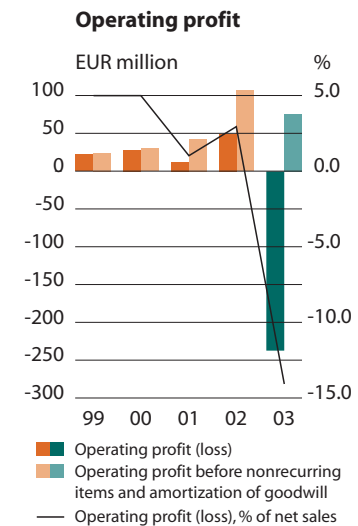
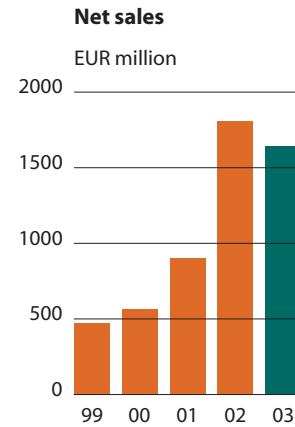
The focus in mining operations has moved to the southern hemisphere. The demand for new mining equipment has increased in South America, southern Africa, India and Australia, while the emphasis in mining operations in the northern hemisphere is on aftermarket and service operations.

The markets for metal processing equipment are growing in Asia, Eastern Europe and South America, where economic growth is also increasing the consumption and production of steel. In Western Europe and North America, the industry mainly focuses on rebuilding metal processing plants and process renewals. The recycling of steel and other metals is increasing at a fast rate also for environmental reasons.

The major competitors in different product segments include Terex, Ingersoll-Rand, Astec and Fuller (all from the USA), Sandvik (Sweden) and Bomag and Wirtgen (both from Germany).

Markets in 2003

Demand from the construction industry weakened in 2003. In North America demand was weak but started to recover in the final quarter. Competition was tight in crushing and



screening equipment. The situation was additionally affected by exchange rates unfavorable for Metso Minerals. Demand continued at a good level in China.

The prices of the most common base metals rose steadily during the entire year. Demand for mining industry products remained satisfactory, but towards the end of the year, the inquiries for equipment and projects increased in South America, South Africa and Australia.

Recycled metal prices began to rise in early 2003, which was reflected favorably in the market for metal recycling equipment.

Orders received

In the difficult market situation Metso Minerals' orders received fell by 14 percent from the comparison year. The order backlog was 15 percent lower at the end of the year than a year earlier. Part of the decrease was due to exchange rate fluctuations.

Metso Minerals received major crushing plant orders from the USA, Brazil, Australia, Spain, Austria, France and Italy. The biggest mining industry orders were received from Chile, Brazil, Australia and South Africa.

AK Alrosa's Nurba diamond mine was inaugurated in August in Yakutia, Siberia, Russia. Metso Minerals delivered a concentrator as well as equipment for the comminution, separation and screening of rock material. This was Metso Minerals' single most extensive delivery for the mining industry in 2003. Another major deal was the delivery of mining, crushing and screening equipment for the Aquarius Platinum platinum mine in Marikana, South Africa.

Metso Minerals' metals recycling equipment business grew by about a third in 2003.

Business operations

Metso Minerals' net sales were 9 percent down on the previous year and the operating profit before nonrecurring items and amortization of goodwill decreased to EUR 74.5 million. Profitability was weakened by the strengthening of the euro and the weak market situation for crushing and screening and minerals processing equipment. Aftermarket operations accounted for 44 percent of net sales, compared with 42 percent the year before.

Nonrecurring expenses were EUR 66 million, consisting of EUR 55 million expenses for the efficiency improvement program and EUR 11 million for other nonrecurring expenses. In addition, a EUR 205 million impairment of goodwill was made in Metso Minerals.

Efficiency improvement program

The cost saving target for Metso Minerals through the Corporation's efficiency improvement program is just over EUR 50 million.

As part of the program, Metso Minerals decided to close its Milwaukee plant in Wisconsin, USA, which manufactures heavy-duty mining crushers. It was also decided that a production plant for mining industry process equipment and pumps will be closed down in Colorado Springs, Colorado, USA, as well as a plant for mining and crushing industry screens in Ketsch, Germany. Operational efficiency was improved at the crusher plant in Tampere, Finland and the plant in Mâcon, France as well as at Metso

Minerals' headquarters. These arrangements will affect approximately 350 employees.

Metso Minerals has also initiated measures to adjust the wear protection business to correspond with demand at two units in Sweden. Metso Minerals also continues to adjust the resources of its global sales and service network to the market situation. These arrangements are estimated to affect approximately 250–320 employees.

In line with the efficiency improvement program Metso Minerals' foundry in Tampere, Finland, was operationally transferred under the Metso Ventures business area on October 1, 2003.

Research and development

In 2003, product development at Metso Minerals focused on enhancing the competitiveness of existing products by product improvements, and on strengthening the market position by launching new products.

Examples of new, innovative products include monitoring and optimization systems that improve the efficiency and quality of customer production processes, such as new applications of the Visio product family (VisioRock) based on Metso Minerals CISA's artificial vision. The world's largest track-mounted mobile crushing plant equipped with a detachable screen was also launched.

In accordance with its strategy, Metso Minerals' product development is directed at supporting the aftermarket business. Examples include the development of advanced wear part solutions in cooperation with Metso Powdermet and the development of automation to improve service in cooperation with Metso Automation.



Metso Minerals' High Fidelity Simulation Hub (HFS) operations and resources, which were acquired from Conveyor Dynamics Inc. in 2002, were concentrated in Colorado Springs, USA, in January 2003. The HFS Center provides simulation model-based expert services for Metso's customers and its own units.

Outlook for 2004

The construction and crushing business is expected to remain at the 2003 level in Europe, while demand is expected to continue to grow in China. In North America, markets are expected to recover in the latter half of 2004. Base metal prices are expected to continue to rise in the first half of 2004. The increasing investment activity in the mining industry is expected to lead to new orders in late 2004.

A continued weakening dollar challenges Metso Minerals' profitability performance. Operating efficiency must be further improved.

The Chilean mining company Codelco is the world's leading copper producer. Metso Minerals has delivered process equipment, including a fluid bed dryer for Codelco's copper mine in Potrerillos. On the left, Codelco's Cristián Lizana and Metso Minerals' Atilio Opazo.



ABOVE: "Metso Automation started wide-scale efficiency improvement measures already in early 2002. For two years now, we've cut costs and streamlined our organization, decreased the capital employed and reduced product costs. Our main focus now is on providing good customer service and developing a product offering that meets our customers' needs," says **Matti Kähkönen**, President of Metso Automation.

RIGHT: Paper quality management is one of Metso Automation's core competence areas. It has provided its customers with related products for 50 years already. In 2003, Metso Automation launched the new PaperIQ Plus quality management system that improves the performance of papermaking processes. The picture shows **Tuomas Repo**, Project Engineer (left) and **Thomas Giltig**, Supervisor, PaperIQ Testing and Installation.





Metso Automation

Metso Automation's goal is to develop automation solutions and services that improve the performance, productivity and eco-efficiency of its customers' processes throughout their life cycles.

Metso Automation

Strategy and strengths

Metso Automation's strategy is to grow as a global supplier of automation and field systems applications for the pulp and paper industry, as well as power and process industries.

Metso Automation's strength lies in its ability to combine its automation know-how with its knowledge of industrial processes. Close cooperation with Metso's other businesses creates new opportunities to apply automation solutions not only in the pulp and paper industry but also in rock and minerals processing. Together with Metso Paper, Metso Automation is the world's largest automation supplier for the pulp and paper industry.

Business organization

Process Automation Systems accounts for one-third of Metso Automation's net sales, while Field Systems accounts for two-thirds.

Metso Automation has production units in Finland, USA, Mexico and China, and customer service units in 37 countries. It has research and development units in Finland, USA and Canada.

Operating environment

The application of automation in industrial processes is growing, and automation is increasingly embedded in machines and equipment and integrated more fully in the overall information systems of mills and processes.

The main competitors are global suppliers such as ABB (Switzerland), Emerson, Honeywell and Flowserve (all from the USA), Invensys (UK) and Siemens (Germany).

Markets in 2003

The demand for Metso Automation's products in the North American market remained at the previous year's level. Investments by Metso's customer industries were at a low level in Europe, but demand was good in China. The demand in the power and process industry was satisfactory in their main market in Europe, brisk in Asia and stable in South America.

Aftermarket operations accounted for 25 percent of net sales in 2003, compared to 23 percent the previous year.

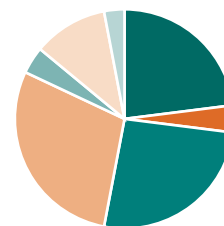
Orders received

Taking divestitures into account, the value of orders received in 2003 was at the previous year's level. At the end of 2003, the comparable order backlog was approximately the same as in the previous year.

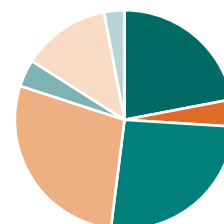
Major orders of automation and information systems included a quality control system for a fine paper machine at Sun Paper's mill at Yanzhou, China, and process automation, management and control systems for a new magazine paper machine at Jiangxi Chenming Paper's mill at Nanchang, China. Veracel Celulose S.A. ordered an information management system for its pulp mill to be built at Eunapolis, in Bahia, Brazil. Other major orders included Norske Skog's order of automation systems for its Albury paper mill in Australia, and MeadWestvaco's order for a quality management system for its Evadale mill in Texas, USA.

The largest field systems orders were received from China. China-Shell-Petrochemical Complex ordered all the rotary control valves for a new petrochemical plant, while Ning Shing

Net sales by market area

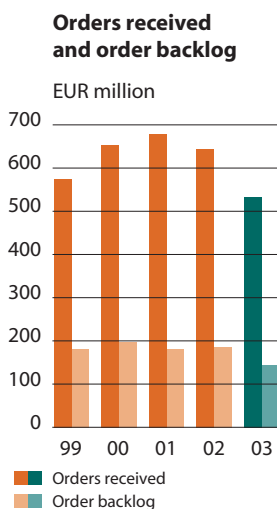
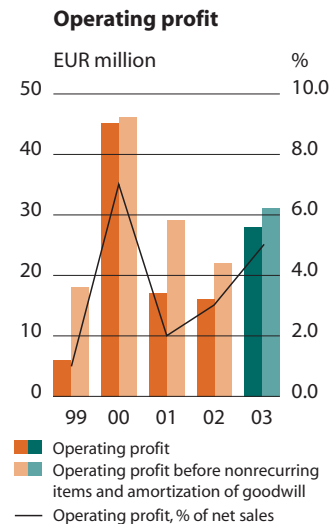
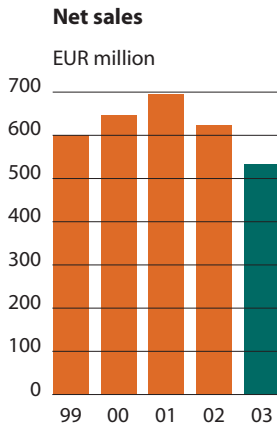


Orders received by market area



Key figures

	2002	2003
	EUR million	
Net sales	622	531
Operating profit before nonrecurring items and amortization of goodwill	21.9	31.4
Operating profit	16.3	28.4
Capital employed, Dec. 31	207	150
Gross capital expenditure	13	8
Research and development expenditure	44	33
Orders received	643	531
Order backlog, Dec. 31	185	145
Personnel, Dec. 31	4,150	3,314



Development Co ordered all the field systems for its new board production line in Ningbo.

The volume of new orders received by the power and process business increased towards the end of the year, and Metso Automation received several process automation orders, such as from Valio and Kuopio Energy, both in Finland, and Hellenic Petroleum in Greece.

Business

Net sales remained at approximately the same level as in 2002, if the effects of exchange rate changes and divestitures are included. Network Management Solutions, a supplier of SCADA control systems, was divested to Telvent from Spain, while CPS Electronics, a manufacturer of electronics components, was divested to Scanfil from Finland.

Operating profit improved substantially over the previous year due to the cost structure reduction measures implemented in 2002 and 2003. In particular, process automation systems and North American operations improved their profitability. The profitability of field systems was about the same as in the comparison year. The capital employed has been considerably reduced in the last two years.

Metso Automation accounts for approximately EUR 10 million of the Corporation-wide efficiency improvement program, targeting an annual result improvement of over EUR 100 million. Accordingly, Metso Automation decided to reduce about 140 employees in its Finnish and North American operations and global sales network.

In September, Metso Automation acquired the business and key re-

sources of the Total Quality Analyzer (TQA) line from ABB to be part of its analyzer business. During year, Metso Automation opened an Expert Center in Tampere, Finland, to serve power and process industry customers.

Research and development

Metso Automation launched a number of new products in 2003. The most significant were the metsoDNA (Dynamic Network of Applications) collection for 2004, including new tools, and DNAforesight, a new-generation open-architecture management system for paper machine runnability that can be linked with other mill automation and information systems. A new paper quality management system, PaperIQ Plus, was also launched. Another important launch was the Power Design concept, which supports the life cycle management of power plants, improving their competitiveness and profitability.

The major new field systems solution was the FieldCare software that substantially enhances and speeds up field device management in production process start-up, process operation and maintenance procedures.

Outlook for 2004

The competition on Metso Automation's markets is expected to remain tight in 2004. Except for China and South America, the pulp and paper industry is not expected to invest in new capacity to a greater extent than previously. Demand in the power and process industries is expected to remain brisk, especially in China.



ABOVE: According to its President **Vesa Kainu**, Metso Ventures' goal is to develop the companies forming the business area. Some of these companies supply strategic products for Metso's core businesses while increasingly serving external customers as well. In addition, Metso Ventures acts as a company incubator and a home for non-core business units.

RIGHT: Metso Panelboard, which is part of Metso Ventures, has supplied a continuous particleboard production line to Swedspan AB's Hultsfred plant in Sweden. The line was started up in mid-2003. Most of its products are used in the furniture industry.

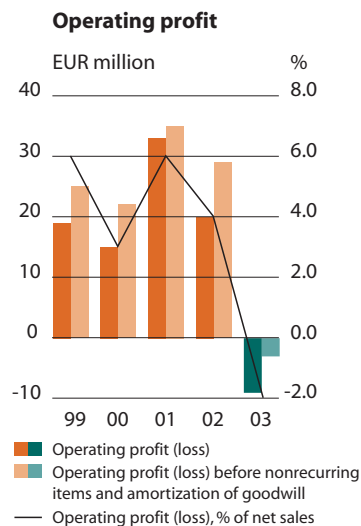
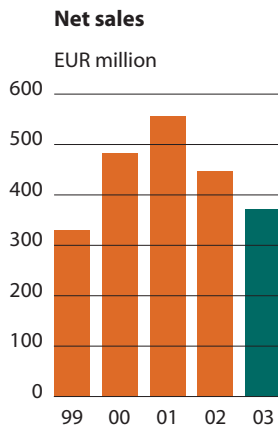




Metso Ventures

Metso Ventures consists of units that serve Metso's other businesses, and of businesses that are under strategic development.

Metso Ventures



The Metso Ventures business area comprises four business groups. They are Metso Panelboard, which supplies machines and equipment for the manufacture of panelboard, Metso Drives, which manufactures solutions for mechanical power transmission, Metso Powdermet, which specializes in materials technology, and Valmet Automotive, which is a contract manufacturer of cars. Metso Ventures also includes three foundries.

Metso Panelboard

Metso Panelboard is one of the world's largest suppliers of equipment and aftermarket services for the panelboard industry. It designs and supplies entire production lines and individual equipment for the panelboard industry for manufacturing fiberboard, particleboard and OSB (oriented strand board), and also provides aftermarket services. About 25 percent of Metso Panelboard's deliveries go to the construction industry and about 75 percent to the furniture industry.

Metso Panelboard's product units are located in Finland, Sweden and Germany. It also has a global sales and service network.

The orders received by Metso Panelboard in 2003 were approximately one-fifth down on the comparison year, but the order backlog on December 31 was 14 percent higher than the year before. The largest orders were received from China. The Fujian Furen Wood Industry ordered equipment for a new continuous particleboard plant in Fuzhou, while the Robin Group ordered a High Density Fiberboard (HDF) production line in Yichun. Another major order was received from the Jahad Tahghighat Group in Iran for an MDF production line.

Metso Panelboard's deliveries were clearly up on the comparison year and net sales increased by 41 percent. In particular, the growth in demand by the panelboard industry in Asia increased net sales compared with last year. To further increase efficiency, Metso Panelboard will combine its Willich and Hannover operations in Hannover, Germany. Metso Panelboard's operating profitability turned positive due to efficiency improvement measures carried out in 2002 and 2003.

The most significant product launch of 2003 was Metso Conti-press, a continuous press for MDF, particleboard and OSB production processes. In 2003, Metso Panelboard also delivered its 200th Classifier forming station for particleboard. The Uniformer II forming machine and the redeveloped P-series Defibrator refiner were launched for the MDF process.

Metso Drives

Metso Drives designs, manufactures and sells gears and related aftermarket services for the pulp and paper industry, power generation and rock and minerals processing. Process industry drives account for some 40 percent of deliveries, wind turbine gears for nearly one-third and service for the rest. Just under 25 percent of Metso Drives' net sales is derived from sales to other Metso businesses.

Metso Drives has production plants in Finland, Germany and Canada and service centers in five countries. A new service center was established in Portland, Oregon, USA in 2003.

In 2003, orders were down by 5 percent on the previous year. The order backlog at the end of 2003 increased by 13 percent compared with the end of 2002.

Key figures

Metso Ventures	2002	2003
	EUR million	
Net sales	446	370
Operating profit (loss) before nonrecurring items	28.6	(2.6)
Operating profit (loss)	20.1	(8.7)
Capital employed, Dec. 31	172	160
Gross capital expenditure	40	24
Research and development expenditure	12	10
Orders received	468	398
Order backlog, Dec. 31	154	175
Personnel, Dec. 31	3,466	2,482

The business group's comparable net sales were some 15 percent lower than in 2002 mainly because wind turbine gear deliveries were low in the first half of the year. The deliveries of industrial gears, on the other hand, were almost at the same level as the year before. Metso Drives' low volumes at the beginning of 2003 and the launching costs of new products resulted in low profitability.

Metso Hydraulics, which manufactures hydraulic power transmission equipment, was divested to Sampo-Rosenlew in January 2003.

The product launches of 2003 included new 2-megawatt wind turbine gears and new power transmission applications for rock and minerals processing.

Foundries

As part of Metso's efficiency improvement program, Metso Paper's Finnish and Swedish foundries and Metso Minerals' Finnish foundry were transferred operationally to the Metso Ventures business area on October 1.

Metso Paper's need for in-house casting products has decreased as its customer needs have changed and products have developed. On Metso Minerals' markets, on the other hand, casting and specialty foundry products are increasingly produced locally, closer to customers. The objective for Metso Ventures' foundries is to form a strong entity capable of seeking new customers outside Metso in Europe, Russia and North America. The possibility of cooperating with external foundries is also being explored.

The combined net sales of these three foundries totaled EUR 69 million in 2003, of which some 60 percent originated from external

invoicing. The foundries employed 580 people in all.

The foundries' main products are various components and castings, such as cylinders and rolls, marine engine blocks, crusher frames and wear parts, windmill hubs and propeller blades.

Metso Powdermet

Metso Powdermet designs materials technology and component solutions for the pulp and paper industry, the minerals and mining industry, and process and power industries.

Metso Powdermet has operations in Finland and Sweden and employs 24 people. Net sales totaled EUR 10 million in 2003.

Valmet Automotive

Valmet Automotive assembles Porsche Boxster sports cars for the German Porsche AG. The contract covers car production until 2008, with an option to continue until 2011. Valmet Automotive also produced Saab cars (mostly convertibles) until the end of April 2003. In 2003, 19,226 cars were produced (41,066 cars in 2002).

Valmet Automotive's net sales and operating profit decreased significantly on the previous year due to the reduction in production volumes. About half of the employees were laid off at the end of Saab production in April.

ThyssenKrupp Automotive AG from Germany owns 10 percent of Valmet Automotive. In December it announced that it will not exercise its option before the end of 2003 to buy the remaining 90 percent of Valmet Automotive shares. Metso and ThyssenKrupp Automotive have agreed to continue cooperation in 2004.

Key figures

Metso Panelboard	2002	2003
	EUR million	
Net sales	66	93
Operating profit (loss) before nonrecurring items	(11.8)	2.0
Operating profit (loss)	(20.6)	(3.3)
Capital employed, Dec. 31	2	10
Order backlog, Dec. 31	76	87
Personnel, Dec. 31	334	283

Key figures

Metso Drives	2002	2003
	EUR million	
Net sales	173	130
Operating profit before nonrecurring items	12.5	3.1
Operating profit	12.8	2.3
Capital employed, Dec. 31	98	91
Order backlog, Dec. 31	53	60
Personnel, Dec. 31	1,019	879

Key figures

Foundries	2002	2003
	EUR million	
Net sales	72	69
Operating profit (loss) before nonrecurring items	5.2	(0.1)
Operating profit (loss)	5.2	(0.1)
Capital employed, Dec. 31	27	26
Order backlog, Dec. 31	15	20
Personnel, Dec. 31	593	580

Key figures

Valmet Automotive	2002	2003
	EUR million	
Net sales	128	70
Operating profit (loss) before nonrecurring items	23.4	(7.4)
Operating profit (loss)	23.4	(7.4)
Capital employed, Dec. 31	42	31
Number of cars produced	41,066	19,226
Personnel, Dec. 31	1,496	716

Values and Ethical Principles

Metso's values and ethical principles guide our operations and the operations of the stakeholders we cooperate with. We use them to ensure that our operations are consistent and uniform in each country and business area and that they fulfil the criteria set for a good corporate citizen.

Values

Since the four values guiding Metso's operations were first defined in 2001, they have been a guideline in business operations and everyday work. Our personnel have been acquainted with these values through internal training sessions and information concerning them is available on Metso's Intranet pages in eight languages.

Customers' success

Profitable business is possible only through our customers' success. We develop solutions that predict our customers' future needs and take environmental factors into account. In serving customers we commit ourselves to high standards and professional performance.

Profitable innovation

We create added value for our customers and owners through innovation. We are ready to question current practices and abandon obsolete ones. We utilize and combine the vast and diverse knowledge of the entire organization. Metso's growth is based on creativity and healthy risk taking in a working environment which encourages and rewards innovation.

Personal commitment

As we finish what we undertake and accept ownership of and responsibility for our actions, we can always be trusted. We are direct and honest in our communication and respect

cultural differences. Even though we openly express our views, we work diligently to achieve mutually agreed targets.

Professional development

We are willing to learn – also from each other. We regard professional development as an integral part of our work. We welcome new challenges and tackle them to the best of our abilities. The wellbeing of our working community is of paramount importance to us.

Ethical principles

The ethical principles describe Metso's culture, commonly accepted practices and its commitment to comply with laws and regulations. Furthermore, the ethical principles should encourage thinking and discussion on how practices reflecting high ethical standards can be further developed and extended.

Since Metso's ethical principles were first published in 2002, they have been increasingly discussed and put into practice by employees with the aid of training programs and training material written in nine languages. The ethical principles have also been promoted on Metso's Intranet pages and in 2003 they received regular coverage in Metso's personnel magazine.

Integrity

Integrity is fundamental to all of Metso's dealings, actions, statements and reporting, and is an essential aspect of sustainable development. Metso respects its promises and commitments.

Compliance with laws and regulations

Metso is committed to full compliance with all applicable national and international laws, regulations and generally accepted practices.

Should these prove to be insufficient or open to interpretation, the best available expertise is consulted.

Transparency and openness

Metso is a public company whose shares are quoted on the Helsinki and New York Stock Exchanges.

Metso provides its stakeholders with information on its status and performance simultaneously and with the same content, transparently and openly, without preference or favor for any group or individual and in compliance with the law, the regulations of the said exchanges and the accepted practices of the equities market.

Metso considers it highly important to continuously interact with the authorities and non-governmental organizations in order to develop and sustain open and direct contact with society.

Respect for human rights

Metso supports and respects the protection of human rights as expressed in the UN Declaration of Human Rights.

As an employer, Metso accepts the basic labor rights stated by the Inter-



Metso's personnel familiarized themselves with the values and ethical principles guiding Metso's operations and daily work through internal training events and articles in the Corporation's personnel magazine. Anne Markkula (left), Kristiina Ahonen and Jukka Puhakka are shown in Metso Automation's office in Tampere, Finland. In the background Heikki Imeläinen and Hannu Kuoksa in discussion.



In 2003, Metso arranged seven Area Executive Seminars in Europe, North and South America and Asia. The main topics were Metso's changing operating environment and the challenges faced in change management. Professor J.B.M. Kassarian (left) from IMD and Pete Teh Kok Cing and Steven Ko from Metso Automation participated the seminar in Thailand in October 2003.

national Labor Organization (ILO): freedom of association, the right to organize, collective bargaining, abolition of forced labor, and equality of opportunity and treatment.

Metso neither uses child labor, nor engages subcontractors or suppliers that do so.

Metso does not allow behavior that is physically coercive, threatening, abusive or exploitative.

Equal opportunities and non-discrimination

Metso selects and appoints employees according to their personal qualifications and skills for the job.

Metso does not engage in or support discrimination in hiring, compensation, selection for training, promotion, termination of employment, or retirement based on e.g. race, caste, national origin, religion, disability, gender, sexual orientation, union membership or political affiliation.

Respect for intellectual property

Metso values the creation and protection of knowledge and intellectual property.

Accordingly, Metso's employees act to safeguard the company's intellectual property and do not allow unauthorized access to it by outsiders. Conversely, employees respect the intellectual property held by outsiders and do not try to obtain it by illegal means.

Metso encourages and supports its employees' commitment and efforts to increase the company's intellectual property and thus to contribute to the competitiveness and profitability of the company.

Rejection of corruption and bribery

Metso's management and personnel are expected to act in the corporation's best interests at all times.

Employees must not be involved in business relationships that may lead to conflicts of interest. Metso and its employees must not pay bribes or illegal payments to obtain or retain business.

Nor will Metso's employees accept gifts from business partners exceeding normal standards of hospitality. Should the acceptance of a gift or favor lead to a possible conflict of interest, the employee must clarify the situation with the management in advance.

Health and safety

Metso strives to provide a safe and healthy working environment.

To this end, it works to prevent accidents and injury to health by executing policies and actions that minimize, as far as is reasonably practicable, the causes of hazards inherent in the working environment.

Metso establishes and maintains systems to detect, avoid or respond to potential threats to the health and safety of all personnel.

Community involvement and sponsorship

Metso encourages its units and personnel to participate in community programs promoting the common good.

Metso's sponsorship policy is to primarily support programs related to youth activities, science, research, culture, and environmental protection and conservation.

Protection of the environment

Metso contributes to ecological sustainability in all its activities.

Metso anticipates the environmental concerns of customers and the expectations of the public.

Metso cooperates with customers and partners to develop best practices and processes for the efficient and sustainable use of energy and materials and the prevention of pollution.

Metso's Environmental Policy is available on Metso's Internet pages at: www.metso.com > About us > Environment.

Ethical standards of suppliers

Metso expects its suppliers and contractors to demonstrate similar high ethical standards and, accordingly, this criterion is of prime importance when establishing or continuing business relationships.

Application of ethical principles

These ethical principles govern the actions of Metso's management and all employees in their business operations and employment relationships. Metso ensures that these ethical principles are effectively communicated to all employees and requires that they are adopted and put into practice by everyone.

Corporate Governance

The corporate governance system in Metso Corporation aims at clarity and functionality. Corporate governance is based on Finland's Companies' Act and on Metso's Articles of Association. Metso is listed on the Helsinki and New York Stock Exchanges. The company complies with the regulations and guidelines concerning listed companies issued by HEX Plc and Finland's Financial Supervision Authority. The corporate governance system also observes the rules and corporate governance recommendations of the New York Stock Exchange concerning non-U.S. listed companies, and the Sarbanes-Oxley Act. The Corporation's general operating principles and responsibility relationships are described in the Corporate Governance principles. Metso's values and ethical principles create the foundation for corporate governance, personnel and management actions and cooperation with key stakeholders.

Annual General Meeting

The Annual General Meeting is the supreme decision-making body of Metso Corporation and it meets at least once a year. The Annual General Meeting must be held annually by the end of June. The Annual General Meeting decides on the matters stipulated in the Companies Act such as the acceptance of the financial statements and proposed dividend, the release from liability of members of the Board of Directors and the President and CEO, the election of the members of the Board of Directors and the Auditors, and the compensation paid to them.

The notice convening the Annual General Meeting must be published in at least two newspapers which

are chosen by the Board of Directors and published regularly in Helsinki, Finland, or it must be delivered to shareholders in some other verifiable way no more than two months and no less than 17 days before the meeting.

Board of Directors of Metso Corporation

The Board of Directors of Metso Corporation has ultimate responsibility for the management and proper arrangement of the operations of the Corporation, and for assuring good corporate governance in compliance with legislation. The Board of Directors decides upon matters, which, considering the scope and size of the operations of the Corporation, are of major importance. These include the acceptance of the goals of the Corporation and the main strategies for achieving them, the acceptance of action plans, the definition and acceptance of control policies, the acceptance of the organizational structure of the Corporation, and the nomination of the President and CEO, his deputy and the members of the Executive Board and the monitoring and evaluating of their performance.

The members of the Board of Directors of Metso Corporation are elected by the Annual General Meeting for a term of one year. In accordance with the Articles of Association, the Board of Directors consists of at least five and at most eight members. The Annual General Meeting held on April 15, 2003 elected seven members to the Board of Directors. Matti Kavetvuo was elected as Chairman of the Board and Mikko Kivimäki was re-elected as Vice Chairman. In addition to Matti Kavetvuo, Maija-Liisa Friman was elected as a new member

of the Board. The Board members re-elected were Heikki Hakala, Juhani Kuusi, Jaakko Rauramo and Pentti Mäkinen.

In 2003 Metso Corporation's Board of Directors met 11 times. The average attendance at the meetings was 95 percent. The Board of Directors is presented on pages 44–45.

The Committees of the Board of Directors

Metso Corporation's Board of Directors has two committees: an Audit Committee and a Compensation Committee.

The Audit Committee consists of a chairman and two members elected by the Board of Directors from among its members. From May 27, 2003, the Audit Committee consisted of Maija-Liisa Friman (Chairman), Heikki Hakala and Matti Kavetvuo. The Board of Directors assigned Heikki Hakala to be the financial expert of the Audit Committee. The Audit Committee reviews the financial reporting, its compliance with laws and regulations and its procedures, internal control, risk management and matters relating to auditing. Each year the Audit Committee draws up a working order for itself, subject to approval by the Board of Directors. In 2003 the Audit Committee met 5 times.

The Compensation Committee consists of the Chairman and Vice Chairman of the Board of Directors and one member elected by the Board from among its members. From April 29, 2003 the Compensation Committee consisted of Matti Kavetvuo (Chairman), Mikko Kivimäki and Jaakko Rauramo. The Compensation Committee makes proposals to the Board of Directors concerning the

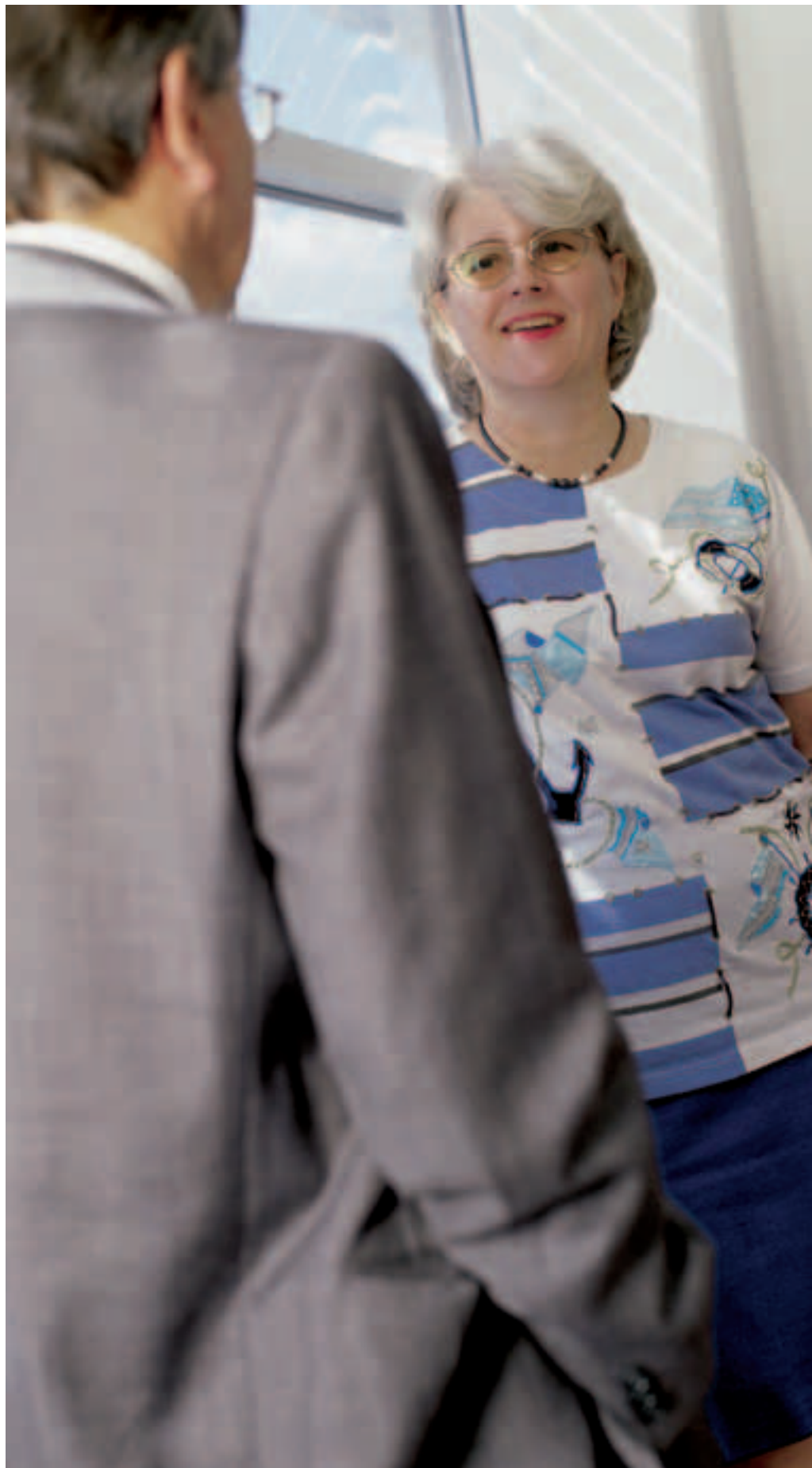
compensation of the management and personnel compensation systems. In 2003 the Compensation Committee met 10 times.

Fees and other benefits of the Board of Directors

Fees totaling EUR 264,600 were paid to the seven members of the Board of Directors in 2003. The Annual General Meeting of April 15, 2003 did not change the fees decided upon at the previous Annual General Meeting. The monthly fees paid are as follows: Chairman of the Board EUR 4,000, Vice Chairman EUR 3,000 and other Board members EUR 2,500. In addition, a fee of EUR 300 per meeting is paid to all members of the Board for the meetings they attend. Compensation for traveling expenses and daily allowances are paid in accordance with the general travel rules of Metso.

President and CEO

The President and CEO and his deputy are appointed by the Board of Directors of Metso Corporation. If required, the Board of Directors also elects one or more Executive Vice Presidents for the Corporation. The duties of the President and CEO are laid down by the law, Metso's Articles of Association and the instructions and orders given by the Board of Directors. The President and CEO acts as Chairman of the Executive Board and reports to the Board of Directors. Tor Bergman was Metso Corporation's President and CEO and Chairman of the Business Area Boards until September 25, 2003. On November 28, 2003, the Board of Directors decided to appoint Jorma Eloranta as the new President and CEO of Metso Corporation, and he



started on March 1, 2004. Metso's Executive Vice President and CFO, Olli Vaartimo, acted as President and CEO from September 25, 2003 to March 1, 2004.

Executive Board of Metso Corporation

The President and CEO acts as Chairman of the Executive Board while a member designated by the Board of Directors of Metso Corporation acts as Vice Chairman. The members are Presidents of the Business Areas and the executives of the Corporate Headquarters designated by the Board of Directors.

The Executive Board supports the President and CEO in matters on the agenda of meetings of the Board of Directors of Metso Corporation. It also considers all matters essential to corporate management, including strategies, issues related to corporate synergies and corporate-wide projects, acquisitions and divestitures, as well as matters related to corporate image, monthly reporting, interim reviews, the main principles of investor relations and human resources, and bonus plans. The Executive Board prepares matters relating to the capital expenditure that the Board of Directors of Metso Corporation approves. The Executive Board should strive to create additional value for the Corporation by working actively and coordinating various functions.

The Executive Board may have extended meetings, if necessary, in which other executives designated by the Board of Directors may also participate. Metso's Executive Board convenes once a month and when necessary. The Executive Board is presented on pages 46–47.

Business organization

Metso Corporation is divided into business areas and lines, which are accountable for business results and independently manage their duties as required by business operations.

Business Area Boards

The Board of Directors of Metso Corporation appoints the Boards of each business area and line. The members are chosen from the Corporate Staff and executives of these units. These Boards may be supplemented with external, non-executive members, chosen for their special knowledge and experience. The President and CEO of Metso Corporation acts as the Chairman of the Business Area Boards unless otherwise decided by the Board of Directors of Metso Corporation. The Business Area Boards convene at least every other month. Furthermore, the business areas have Executive Boards that convene as necessary. The members of the Boards of Directors of the various companies within each Business Area are designated by the respective Business Area Board.

Management salaries and other benefits

The salaries of all members of the Executive Board comprise a fixed basic salary and/or a bonus based on the result of the Corporation or of the business area in question. The salary may also be based on other development objectives central to the operation. Senior Corporate Management is also included in the option schemes. More detailed information is given on Metso's option programs on page 4 of the Financial Statements. The retirement age of the Executive Board members according to their contracts is 60 years.

The changes that took place in management's option holdings in 2003

were 30,000 options under the Metso 2000 A/B option program granted to Olli Vaartimo and 60,000 options under the Metso 2001 A/B option program granted to Bertel Langenskiöld.

In 2003 salaries and bonuses totaling EUR 2,231,870 were paid to the nine members of the Executive Board for the actual period they were members of the Executive Board. The performance bonuses for year 2002 accounted for EUR 257,198, which was 11.5 percent of the total compensation paid. During the year the Executive Board included Tor Bergman and Sakari Tamminen in addition to the members named in the table below.

The annual salary of Tor Bergman, who served as President and CEO until September 25, 2003, was EUR 420,475. He did not receive options during the financial year. In accordance with his contract Tor Bergman will receive compensation for termination of employment corresponding to 24 months' salary. The new President and CEO of Metso Corporation, Jorma Eloranta, started his duties on March 1, 2004. Eloranta's annual salary is EUR 438,000. In addition he has been granted a total of 130,000 Metso options of which 30,000 options are under the Metso 2001 A/B option program and 100,000 under the Metso 2003A option program. According to his contract, Jorma Eloranta's age of retirement is 60 years, and the full pension is 60 percent of the annual salary serving as the basis for pension calculation. If his contract is terminated, he is entitled

MANAGEMENT'S OPTION HOLDINGS ON DECEMBER 31, 2003

	2000 A/B	2001 A/B
Aaltonen Arto	100,000	
Kainu Vesa	65,000	25,000
Karlstedt Bertel	72,000	
Kähkönen Matti	90,000	
Langenskiöld Bertel		60,000
Luoto Harri	45,000	
Vaartimo Olli	130,000	

to compensation corresponding to 24 months' salary.

On December 31, 2003 no members of the Executive Board or of the Board of Directors of Metso Corporation had any loans outstanding from the Corporation or its subsidiaries.

Auditors

The task of the statutory audit is to check the financial statements and the information given in them on the result and financial position of the parent company and the Corporation for each fiscal year. The audit includes the fiscal year's accounting, the financial statements and corporate governance. According to the Articles of Association, Metso has no fewer than one and no more than three auditors. In addition, the Annual General Meeting may elect no more than two deputy auditors. The auditor and deputy auditor must be public accountants or a firm of public accountants certified by the Central Chamber of Commerce. The Annual General Meeting elects the auditors for a term of one year.

The Corporation's auditor since 1999 has been PricewaterhouseCoopers, Authorized Public Accountants,

with the responsible auditors being Lars Blomquist, APA, and Heikki Lassila, APA.

In 2003 PricewaterhouseCoopers was paid EUR 4,780 thousand in fees related to auditing and EUR 1,408 thousand for other services.

Internal audit

The goal of Metso's internal audit is to verify the efficiency and effectiveness of Metso's different operations, the reliability of the financial and operational reporting and the compliance with applicable laws and regulations. It also ensures that the Corporation's property is safeguarded. The internal audit supervises all units and operations of Metso.

The internal audit reviews the efficiency and effectiveness of business policies and procedures and tests internal control. Through these activities the internal audit proactively encourages the development of risk management in the various operations of Metso.

Insiders

Under the Finnish Securities Market Act, the permanent insiders in Metso Corporation based on their positions are the members of the Board of Directors, the President and CEO, the Deputy to the President and CEO, and the Auditor or the principally responsible auditor of a firm of public accountants. In addition, Metso Corporation's extended list of insiders includes the members of the Executive Board.

Metso complies with the Guidelines of the Helsinki Exchanges for Insiders, which recommend that insiders schedule the trading of company securities to the moment when the markets have as exact information as possible on the issues influencing the value of the security. Based on this, Metso's permanent insiders are not allowed to trade in securities issued by the company 14 days prior to the publication of the company's interim review or financial statement bulletin.

Metso Corporation's register of insider holdings is maintained by the Corporate Legal Department, which updates the information in the Central Securities Depository.

HOLDINGS OF METSO'S EXTENDED LIST OF INSIDERS			
INSIDER	POST IN METSO CORPORATION	NO. OF SHARES DEC. 31, 2003	NO. OF SHARES DEC. 31, 2002
Aaltonen Arto	Member of Executive Board	600	600
Blomquist Lars	Responsible auditor	No holdings	No holdings
Eloranta Jorma	President and CEO from March 1, 2004	(Not an insider)	(Not an insider)
Friman Maija-Liisa	Member of Board of Directors	1,500	(Not an insider)
Hakala Heikki	Member of Board of Directors	10,262	10,262
Kainu Vesa	Member of Executive Board	60	(Not an insider)
Karlstedt Bertel	Member of Executive Board	120	(Not an insider)
Kavetvuo Matti	Chairman of Board of Directors	No holdings	(Not an insider)
Kivimäki Mikko	Vice Chairman of Board of Directors	2,500	1,850
Kuusi Juhani	Member of Board of Directors	10,000	6,000
Kähkönen Matti	Member of Executive Board	No holdings	No holdings
Langenskiöld Bertel	Member of Executive Board	No holdings	(Not an insider)
Lassila Heikki	Responsible auditor	No holdings	No holdings
Luoto Harri	Member of Executive Board	564	564
Mäkinen Pentti	Member of Board of Directors	No holdings	No holdings
Rauramo Jaakko	Member of Board of Directors	4,205	4,205
Vaartimo Olli	Executive Vice President and CFO	1,144	1,144

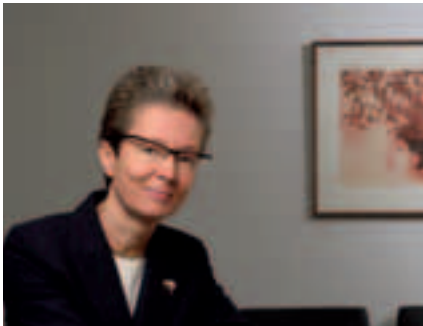
Board of Directors



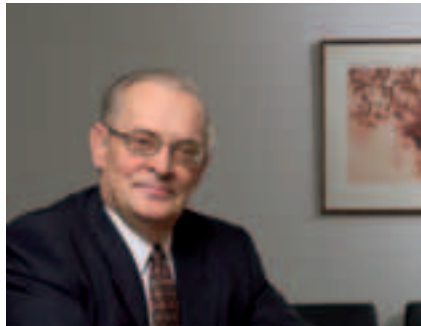
Matti Kavetvuo



Mikko Kivimäki



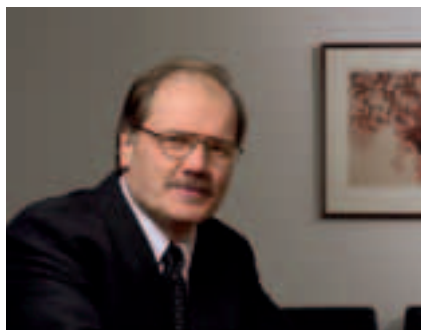
Maija-Liisa Friman



Heikki Hakala



Juhani Kuusi



Pentti Mäkinen



Jaakko Rauramo

Matti Kavetvuo born 1944.
 Metso Board member and Chairman of the Board since 2003.
 Chairman of Metso's Compensation Committee and member of the Audit Committee.
 Independent Board member.
 Finnish citizen.
 M.Sc. in Engineering and M.Sc. in Economics.
 Matti Kavetvuo was President and CEO of Pohjola Insurance Group until 2001, when he retired. Previously he was President and CEO of Valio Ltd. in 1992–1999, and President and CEO of Orion Corporation in 1985–1991. Kavetvuo was employed by Instrumentarium Corporation in 1971–1984, serving as President in 1979–1984.
 Chairman of the Board: Suominen Corporation, Workidea Ltd.
 Vice Chairman of the Board: Kesko Corporation.
 Board member: Alma Media Corporation, KCI Konecranes International Plc, Lännen Tehtaat Plc, Marimekko Corporation, Merivaara Oy, Perlos Corporation, Fair Foundation.
 Member of the Supervisory Board: The Finnish Fair Corporation, Finland's Post Corporation.
 Advisory Committee: IK Industri Kapital.
 No holdings.

Mikko Kivimäki born 1939.
Metso Board member and Vice Chairman of the Board since 1999. Member of Metso's Compensation Committee.
Independent Board member.
Finnish citizen.
Master of Laws.
Mikko Kivimäki was President and CEO of Rautaruukki in 1982–2003 and Chairman of the Board in 1985–2001.
Board member: YIT Corporation.
Chairman of the Executive Board: Finnish Maritime Administration Holdings: 2,500 Metso shares, votes in General Meeting: 2,500.

Maija-Liisa Friman born 1952.
Metso Board member since 2003. Chairman of Metso's Audit Committee. Independent Board member.
Finnish citizen.
M.Sc. in Engineering.
Managing Director: Vattenfall Oy.
Maija-Liisa Friman will take up her new position as President and CEO of Aspocomp Group Oyj no later than May 1, 2004.
She has been Managing Director of Vattenfall Oy since 2000.
Previously, she was President of Gyproc Oy in 1993–2000.
Board member:
Empower Oy, SYK Ltd., Rautaruukki Oyj, Sponda Plc, the Finnish Medical Foundation.
Holdings: 1,500 Metso shares, votes in General Meeting: 1,500.

Heikki Hakala born 1941.
Metso Board member since 2000. Member of Metso's Audit Committee.
Finnish citizen.
M.Sc. in Economics and Business Administration, D.Tech. (hon.).
Heikki Hakala was President and CEO of Metso Corporation in 1999–2000.
Previously he was President and CEO of Rauma Corporation in 1996–1999. He joined Rauma-Repola Oy in 1986.
Chairman of the Board: Juhani Mäkivirta Oy, Kuusakoski Group Oy.
Vice Chairman of the Board: Lassila & Tikanoja plc, Pohjola Group plc.
Board member:
Altia Corporation, Orion Corporation.
Holdings: 10,262 Metso shares, votes in General Meeting: 10,262.
Options: 150,000.

Juhani Kuusi born 1938.
Metso Board member since 2000. Independent Board member.
Finnish citizen.
D.Sc. (Tech.)
Juhani Kuusi was the Senior Vice President, Head of Nokia Research Center in 1995–2002.
Holdings: 10,000 Metso shares, votes in General Meeting: 10,000.

Pentti Mäkinen born 1952.
Metso Board member since 2000. Finnish citizen.
Employee of Metso since 1969. Plater-welder.
Pentti Mäkinen has been the Chief Shop Steward in Metso Paper, Jyväskylä, Finland since 1999. No holdings.

Jaakko Rauramo born 1941.
Metso Board member since 1999. Member of Metso's Compensation Committee.
Independent Board member.
Finnish citizen.
M.Sc. in Engineering.
Jaakko Rauramo was the President and CEO of SanomaWSOY in 1999–2001 and President of Sanoma Corporation in 1984–1999.
Chairman of the Board: SanomaWSOY Corporation.
Board member:
European Publishers Council, Stiftelsen Svenska Dagbladet.
Member of the International Council: The Museum of Television & Radio, New York.
Trustee: Reuters Founders Share Company Limited.
Holdings: 4,205 Metso shares, votes in General Meeting: 4,205.

Shareholdings and options on December 31, 2003.

Metso's Management



Jorma Eloranta



Olli Vaartimo



Arto Aaltonen



Vesa Kainu



Bertel Karlstedt



Matti Kähkönen



Bertel Langenskiöld



Harri Luoto

Metso's Executive Board as of March 1, 2004

Jorma Eloranta born 1951. Chairman of the Executive Board. President and CEO as of March 1, 2004. Finnish citizen. M.Sc. in Engineering. Jorma Eloranta was President and CEO of Kvaerner Masa-Yards Inc. in 2001–2004. Previously, he served as President and CEO of Patria Industries Group in 1997–2001, as Deputy Chief Executive of Finvest Group and Jaakko Pöyry Group in 1996–1997, and as President of Finvest Ltd in 1985–1995. Vice Chairman of the Board: Aspocomp Group Oyj. Board member: Kvaerner Masa-Yards Inc. Vice Chairman of the Supervisory Board: Sampo Life Insurance Company Ltd.

Tor Bergman was President and CEO of Metso Corporation until September 25, 2003. Jorma Eloranta was appointed as the new President and CEO on November 28, 2003, to start on March 1, 2004.

Olli Vaartimo born 1950. Vice Chairman of the Executive Board. Executive Vice President and CFO and Deputy to the President and CEO. Finnish citizen. M.Sc. in Economics and Business Administration. Joined the company in 1974. Member of the Executive Board since 1999. Olli Vaartimo has been Executive Vice President and CFO since 2003. He served as President and CEO of

Metso and as Chairman of the Boards of Directors of Metso's business areas from September 25, 2003 to March 1, 2004, after which he returned to his duties as Metso's Executive Vice President and CFO. In 1999–2003 Vaartimo had served as President of Metso Minerals and in 1993–1999 as President of Nordberg in the Rauma Group. From 1991 to 1998 he was also Executive Vice President of Rauma Corporation.

Arto Aaltonen born 1947. Executive Vice President, Metso Paper. Finnish citizen. M.Sc. in Engineering. Joined the company in 1987. Member of the Executive Board since 1999. Arto Aaltonen has been Executive Vice President of Metso Paper since 2001. In 1999–2001 he served as President of Metso Automation and, prior to that, as President of Neles Controls in the Rauma Group from 1995.

Vesa Kainu born 1947. President, Metso Ventures. Finnish citizen. Bachelor of Science in Engineering. Joined the company in 1971. Member of the Executive Board since 2003. Vesa Kainu has been President of Metso Ventures since 2003. In 2001–2003 he served as Executive Vice President of Metso Minerals, while in 1999–2001 he was President of Metso Paper Service. Prior to that, he headed Valmet's Service business line from 1994. Board Member: Exel Oyj.

Bertel Karlstedt born 1962. President, Metso Paper. Finnish citizen. M.Sc. in Engineering. Joined the company in 1988. Member of the Executive Board since 2003. Bertel Karlstedt has been President of Metso Paper since 2003. Prior to that, he headed Metso Paper's Paper Making business line in 1999–2003, and Valmet's pulp drying business unit from 1996.

Matti Kähkönen born 1956. President, Metso Automation. Finnish citizen. M.Sc. in Engineering. Joined the company in 1980. Member of the Executive Board since 2001. Matti Kähkönen has been President of Metso Automation since 2001. Prior to that, he headed the Metso Automation Field Systems division in 1999–2001, and served as Division President of Neles Controls in the Rauma Group from 1993.

Bertel Langenskiöld born 1950. President, Metso Minerals. Finnish citizen. M.Sc. in Engineering. Joined the company in 2003. Member of the Executive Board since 2003. Bertel Langenskiöld has been President of Metso Minerals since 2003. Previously, he was President and CEO of Fiskars Corporation in 2001–2003, and President of Tampella Oy/Kvaerner Pulping Oy in 1994–2000. Board member: Wärtsilä Corporation. Supervisory Board member: Rautaruukki Oyj.

Harri Luoto born 1946. Senior Vice President, General Counsel. Finnish citizen. Master of Laws. Joined the company in 1982. Member of the Executive Board since 1999. Harri Luoto has been Metso's General Counsel since 1999. Previously he served as General Counsel of Valmet from 1985.

Information concerning shareholdings and options is presented on pages 42–43.

Corporate Headquarters as of March 1, 2004

- President and CEO
- **Jorma Eloranta**
- Executive Vice President and CFO
- **Olli Vaartimo**
- Communications
- **Helena Aatinen**
- Corporate Development
- **Juhani Kyytsönen**
- Finance
- **Reijo Kostiainen**
- Human Resources
- **Mikko Luoma**
- Information Technology
- **Antti Kaunonen**
- Internal Audit
- **Jarmo Kääriäinen**
- Investor Relations
- **Eeva Mäkelä**
- Legal Matters
- **Harri Luoto**
- Technology
- **Markku A. Karlsson**
- Treasury
- **Pekka Hölttä**



Releases in 2003

January

- 1.2** Metso divests Hodge Foundry in the USA
- 1.13** Metso to sell Metso Hydraulics to Sampo-Rosenlew in Finland
- 1.13** Metso to supply complete OSB production line to Sovetskiy DOK in Russia
- 1.20** Metso Hydraulics sale to Sampo-Rosenlew has been closed
- 1.24** Metso to supply close to EUR 35 million paper machine to Sun Paper in China
- 1.28** Metso to supply tissue making line to Procter & Gamble in the USA
- 1.29** Bertel Langenskiöld to become President of Metso Minerals
- 1.31** Metso to sell its SCADA Network Management Solutions to Telvent in Spain

February

- 2.5** Bertel Karlstedt appointed President of Metso Paper
- 2.5** Metso renews the operating model of its fiber and paper technology business area
- 2.5** Metso Corporation's Financial Statements 2002
- 2.7** Metso closes the sale of SCADA Network Management Solutions to Telvent
- 2.13** Metso will deliver control valves for Shell's joint venture petrochemicals complex in China
- 2.18** Metso's contract for the Ningbo board machine becomes effective

March

- 3.5** President and CEO of Porsche is honored by Finns
- 3.11** Notice of Annual General Meeting

- 3.17** Metso opens a new pulping test line at its mechanical pulping technology center in Anjalankoski, Finland
- 3.19** Metso to supply a EUR 100 million papermaking line to China
- 3.25** Appointments to the Boards of Metso's business areas
- 3.25** Harris Associates L.P.'s holdings in Metso
- 3.26** Metso supplies TMP pulping lines to Stora Enso's Varkaus, Finland, and Port Hawkesbury, Canada, mills
- 3.31** Metso's series 2000 B and 2001 A and B stock options to main list

April

- 4.15** The Annual General Meeting of Metso Corporation, April 15, 2003: Dividend of EUR 0.60 per share
- 4.15** The Annual General Meeting of Metso Corporation: Annual review by Tor Bergman, President and CEO
- 4.17** Olli Vaartimo to start as Metso's Executive Vice President and CFO
- 4.22** Metso Annual Report on Form 20-F
- 4.23** Metso to supply a fluid bed dryer to Codelco copper mine in Chile
- 4.25** Mikko Luoma appointed as head of Metso's Human Resource Management
- 4.29** Metso's Interim Review, January-March 2003

May

- 5.6** Metso to rebuild a paper machine at Stora Enso's Nymölla mill in Sweden
- 5.9** Metso to supply fiberboard production equipment to Iran

- 5.13 Metso to rebuild Stora Enso's paper machine in France
- 5.13 Marita Jaatinen to lead Metso's materials management
- 5.14 Rating on Metso Corporation placed on review by Moody's
- 5.27 Vesa Kainu appointed President of Metso Ventures
- 5.27 Metso Paper plans to reduce its personnel in the Nordic countries by 300 people
- 5.27 Metso Corporation's Board sets earnings criteria for the distribution of stock options for 2003

June

- 6.2 Metso and Sumitomo Heavy Industries form a joint venture for pulp and paper machinery in Japan
- 6.6 Metso signs a five-year EUR 450 million revolving credit agreement
- 6.10 Metso rebuilds Norske Skog's paper machines in Austria and Norway
- 6.19 Metso strengthens its presence in China
- 6.23 Metso rebuilds a paper machine at UPM-Kymmene Rauma mill in Finland
- 6.24 Rating on Metso Corporation downgraded to Baa3 by Moody's
- 6.24 Metso targets EUR 100 million result improvement through increased efficiency
- 6.27 Outlook on Metso's rating changed negative by Standard & Poor's

July

- 7.3 Metso to rebuild a Slovakian pulp and paper mill
- 7.23 Metso to supply woodhandling technology to Veracel in Brazil

- 7.30 Metso's Interim Review, January-June 2003

August

- 8.6 Metso to rebuild Stora Enso Nymölla Mill's brown stock process
- 8.29 Metso's efficiency improvement program is proceeding in all businesses

September

- 9.2 Metso Minerals reorganizes its operations to improve profitability and strengthen customer focus
- 9.2 Metso to supply a kraft paper production line rebuild to Segezha in Russia
- 9.8 Metso to supply a EUR 100 million fine paper line to UPM-Kymmene, Changshu, in China
- 9.15 Metso to supply a newsprint line to a greenfield paper mill in Hebei, China
- 9.16 Metso's web report wins the WebAward Competition investor relations category
- 9.16 Metso's Chief Information Officer Ismo Platan to Rautaruukki
- 9.17 Metso to deliver a board coating machine to Shandong Chenming
- 9.25 Metso re-evaluates the goodwill in its rock and minerals processing business
- 9.25 New CEO at Metso Corporation
- 9.26 Metso supplies a BCTMP production line to China
- 9.30 Metso's efficiency improvement program is proceeding
- 9.30 Metso Automation sells CPS Electronics to Scanfil

October

- 10.1 Metso chosen for a new sustainability Index
- 10.7 Metso to supply a tissue machine to Nuqul Group in Jordan
- 10.22 Metso has reached an agreement of the sale of its Converting group to Bobst Group
- 10.23 Metso to supply a fiberboard production line to China
- 10.29 Metso continues to streamline its cost structure
- 10.29 Metso's Interim Review, January-September 2003
- 10.30 Metso to supply a particleboard line to China
- 10.30 Metso to deliver metal recycling orders worth EUR 23 million
- 10.30 Metso Minerals' goodwill impairment to a large extent tax-deductible

November

- 11.10 Metso's financial information in 2004
- 11.20 Metso's Risto Vääänen receives a prestigious industrial design prize in Finland

December

- 12.1 Jorma Eloranta appointed as new President and CEO of Metso Corporation
- 12.17 NALEDI completes a survey of Metso's South African operations
- 12.18 Frantschach Pulp & Paper Czech to outsource maintenance services to Metso Paper
- 12.18 Metso continues negotiations with ThyssenKrupp Automotive
- 12.18 Metso supplies tissue making line to Algeria
- 12.22 Metso to rebuild Stora Enso's LWC machine in Wisconsin, USA

Investor Relations

Principles

Mission and goals

The main mission of Investor Relations in Metso is to inform the capital markets on matters concerning Metso and its operating environment. Our goal is to provide correct, adequate and up-to-date information regularly and equally to all market participants. In our work we aim for promptness, openness and good service.

Mode of operation

Metso Investor Relations is responsible for investor communications and daily contacts. The Corporate executives actively participate in these activities and are regularly available for meetings with capital market representatives.

Silent period

Metso is not in contact with capital market representatives during a period of three weeks prior to the publication and announcement of its full year or interim results.

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Investor Relations email:
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Additional investment information on Metso is available at www.metso.com/investors.

Changes of address

Should your address have changed, you are requested to send written notification of this to the bank where your book-entry account is held. If your account is held at the Finnish Central Securities Depository Ltd., please send written notification to:

Finnish Central Securities
Depository Ltd.
PO Box 361
FI-00131 Helsinki, Finland
Fax: +358 9 6166 7656
Email: asiakastilipalautteet@hex.fi
(Free customer helpline Monday to Friday, 9 a.m. – 4 p.m. Finnish time, tel. +358 800 180 500)

Metso ADS holders are requested to contact the Bank of New York:

The Bank of New York
Investor Services
PO Box 11258
Church Street Station
New York, NY 10286-1258, USA
Tel. (national): 1-888-BNY-ADRs
Tel. (international): +1 610 382 7836
Email: shareowners@bankofny.com
Internet: www.stockbny.com

People other than shareholders are requested to notify Metso Corporate Headquarters of changed addresses.

Investment analysis

According to Metso's knowledge, analysts from the following banks and securities firms have regularly followed Metso Corporation during 2003. The analysts follow Metso on their own initiative. Metso is not responsible for their views.

Equity Analysts

ABG Sundal Collier
 Alfred Berg Finland
 CAI Cheuvreux
 Cazenove Global Equities
 Citigroup Global Markets
 Conventum Securities
 Credit Suisse First Boston
 D. Carnegie
 Danske Equities
 Deutsche Bank
 Dresdner Kleinwort Wasserstein
 Enskilda Securities
 Evli Bank
 FIM Securities
 Handelsbanken Capital Markets
 JP Morgan Securities
 Kaupthing Sofi
 Lehman Brothers
 Mandatum Stockbrokers
 Merrill Lynch
 Nordea Securities
 Opstock
 UBS

Credit Analysts

Citigroup Global Markets
 Deutsche Bank
 Dresdner Kleinwort Wasserstein
 Handelsbanken Capital Markets
 Merrill Lynch
 Nordea Debt Capital Markets
 SEB Merchant Banking

Updated information on the analysts following Metso is available on the Corporation's web site at: www.metso.com/investors.

Codes used for Metso by the news agencies

Bloomberg: MEO1V FH
 Reuters: MEO1V.HE
 Startel: MEO1V

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.*

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Business areas

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