



# Metso Corporation



# Forward looking statements

- 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.

# Metso - a global technology company

- We serve the pulp and paper industry, rock and minerals processing, the energy and selected other industries
- Net sales approx. EUR 6,250 million in 2007
- We operate in 50 countries with almost 27,000 employees
- Listed on the OMX Nordic Exchange in Helsinki
- Some 26,000 shareholders



# Three business areas

## Metso Paper

Pulp, paper and power generation technologies

Net sales ~EUR 2.9 billion

### Customers

- Mechanical and chemical pulp producers
- Paper, tissue and board producers
- Power producers
- Board industry

### Products and Services

- Paper, tissue and board machines, paper finishing systems
- Equipment and machinery for mechanical and chemical pulp production
- Equipment for the power generation industry
- Know-how, aftermarket services

### Division of Sales

- 55% Paper
- 26% Pulp
- 19% Power
- ~71% new equipment & rebuilds
- ~29% services business

## Metso Minerals

Rock and minerals processing systems

Net sales ~EUR 2.6 billion

### Customers

- Mining industry
- Quarries and contractors
- Construction industry
- Recycling of metals and construction materials industry

### Products and Services

- Crushers, screens and conveyors, grinding mills
- Mineral separation equipment
- Metal recycling systems
- Wear and spare parts and aftermarket services

### Division of Sales

- 54% Mining
- 35% Construction
- 11% Metal recycling
- ~60% new equipment
- ~40% services business

## Metso Automation

Machine and process automation

Net sales ~EUR 700 million

### Customers

- Mechanical and chemical pulp producers
- Paper and board producers
- Power, oil and gas industries

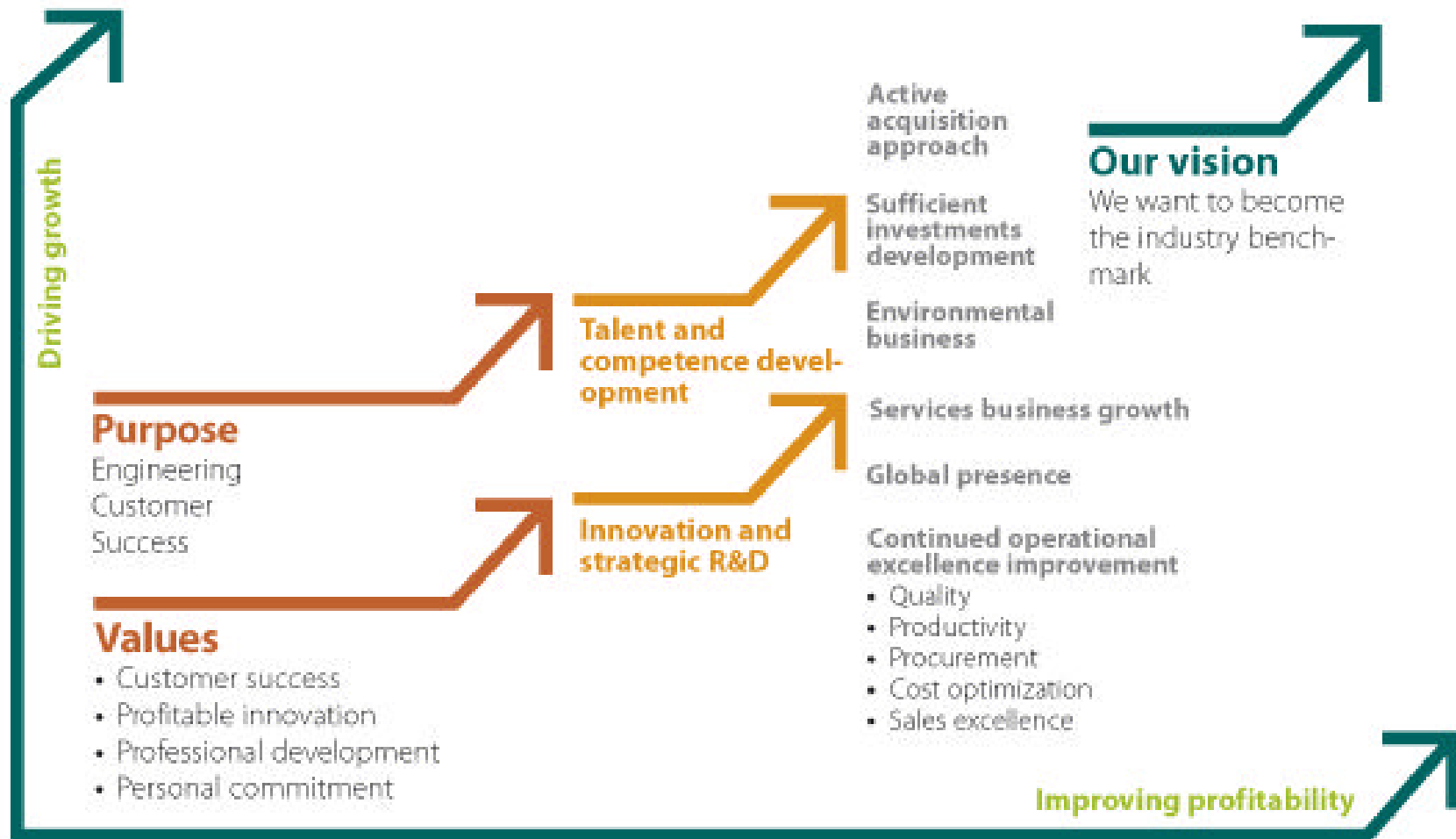
### Products and Services

- Process industry
- Automation and information management solutions and systems
- Production process measurement systems and equipment
- Control valves, aftermarket and support services

### Division of Sales

- 50% Pulp & Paper
- 50% Power, Oil & Gas
- ~78% new equipment
- ~22% services business

# Our vision and strategy





# Metso Paper



# Metso Paper

## In brief



- **Customers**
  - Pulp and paper industry
  - Power generation industry worldwide
- **Products**
  - Solutions for the customer industry
    - New installations
    - Rebuilds
    - Process services
- **Unique combination**
  - Process know-how
  - Machinery
  - Automation

# Our vision



- It is our vision that Metso Paper shall be recognized as the leading supplier of pulping, paper making and power generation processes and services globally.
- To achieve our vision we have defined the following objectives:

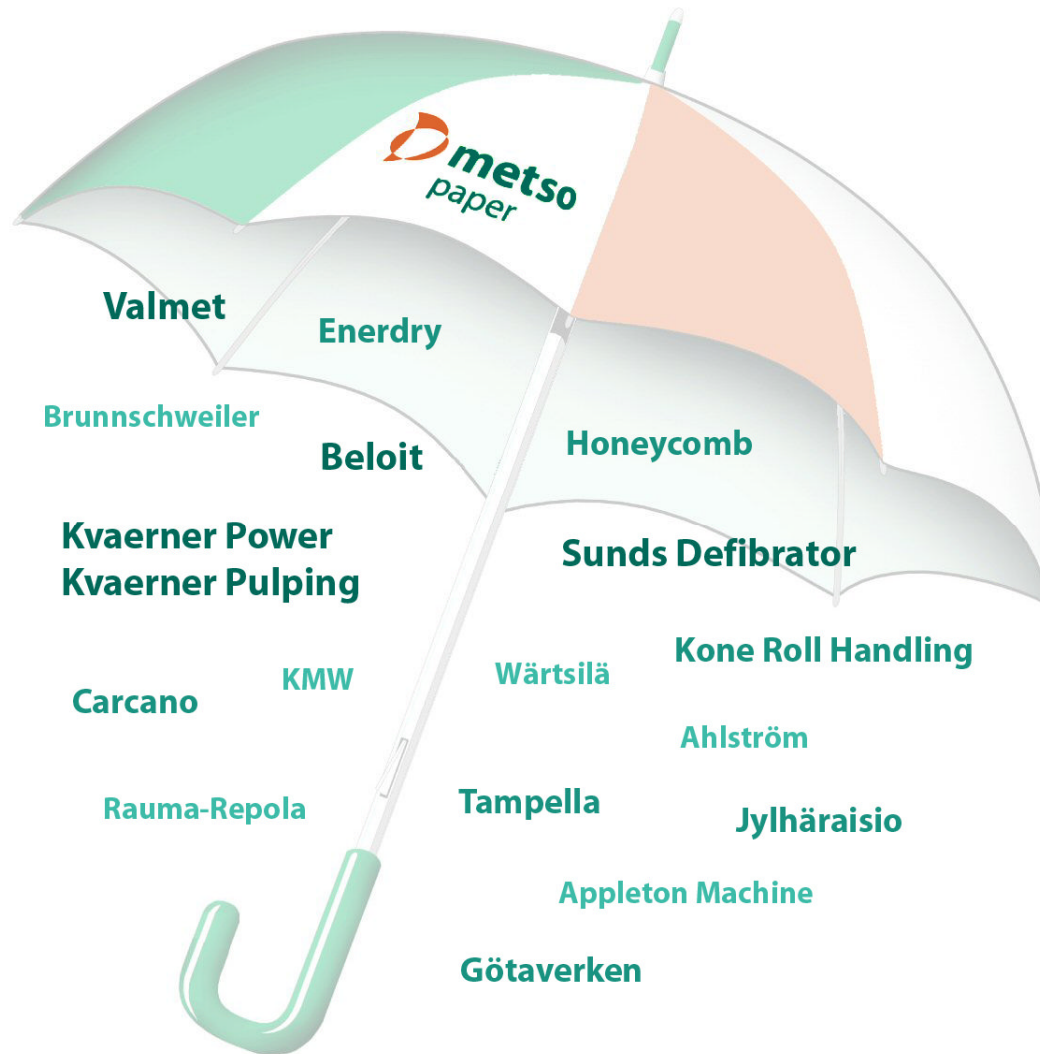
## 1. Preferred supplier status through

- Satisfied customers
- Repeat orders
- Strong market share

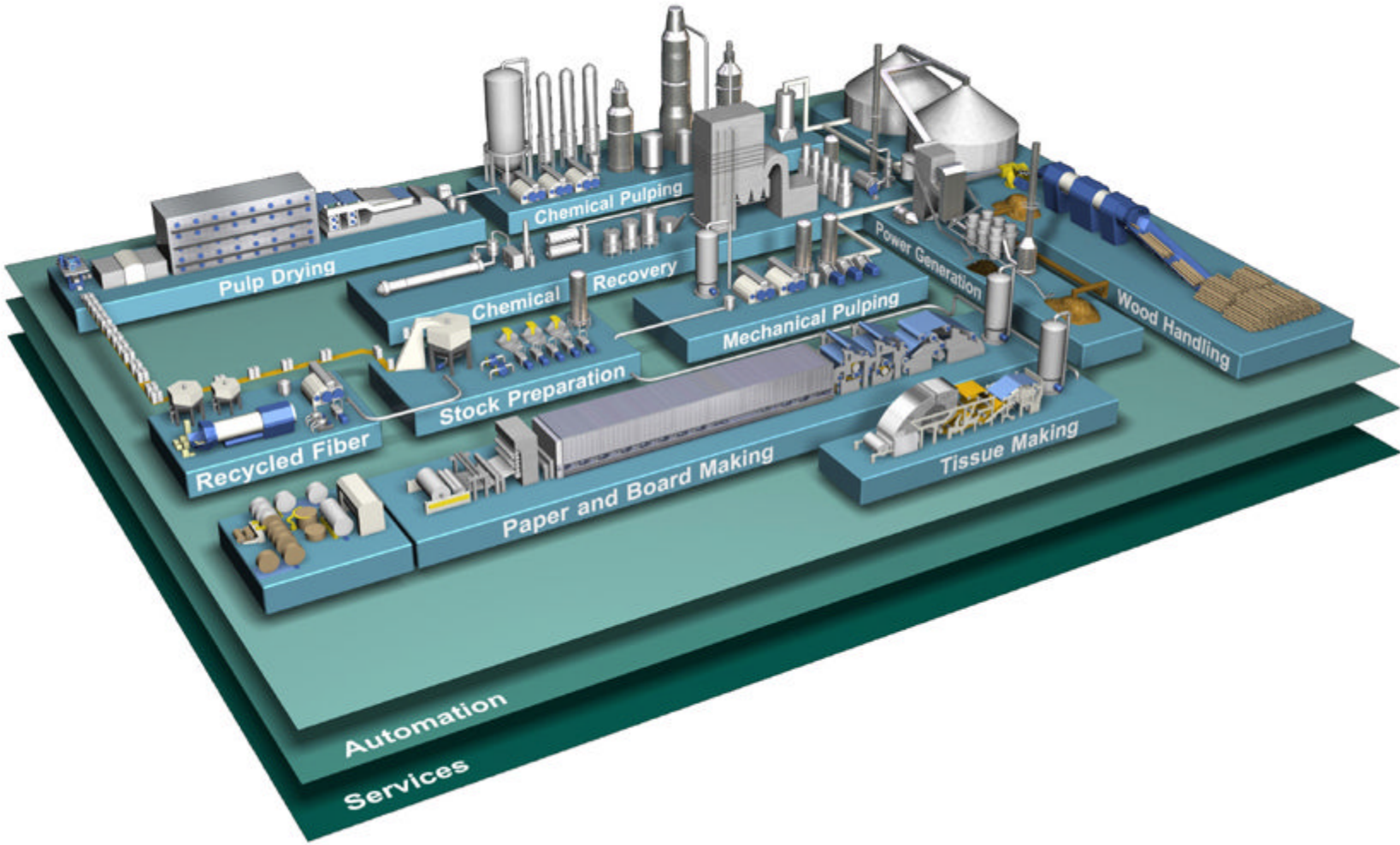
## 2. Good return and growth

# Consolidation and continuous development

## The keys to market leadership



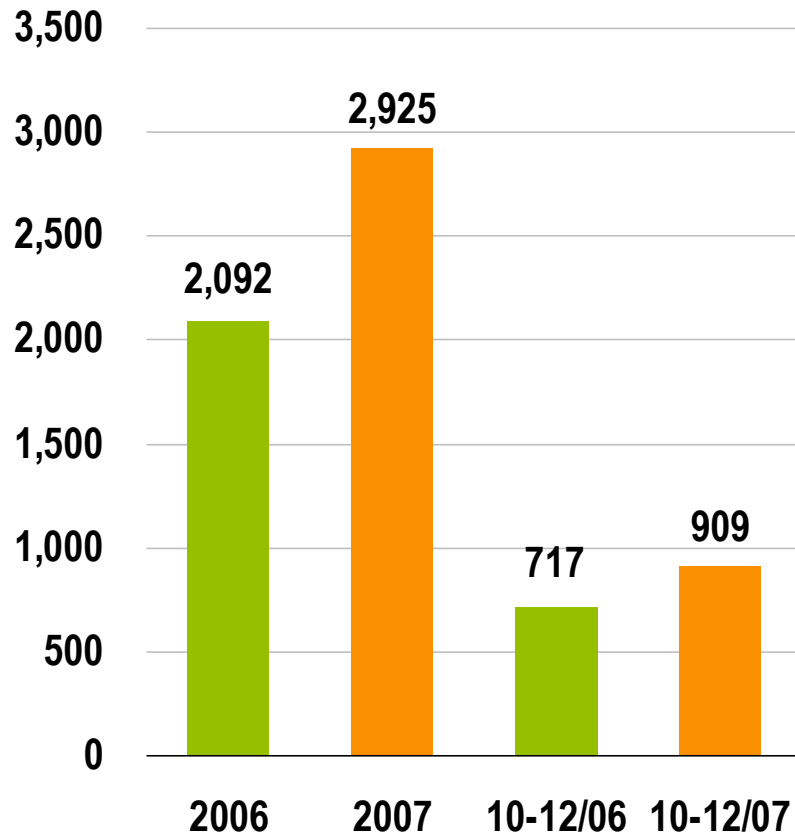
# Full scope supplier



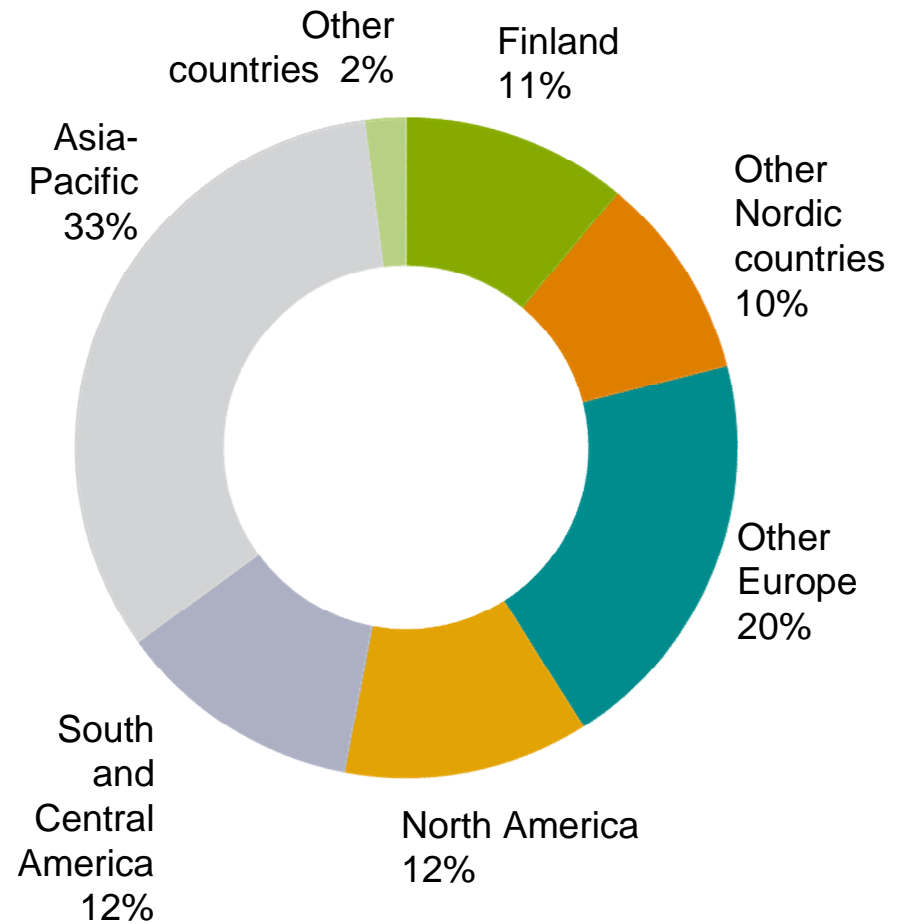
# Metso Paper

## Net sales

Million EUR

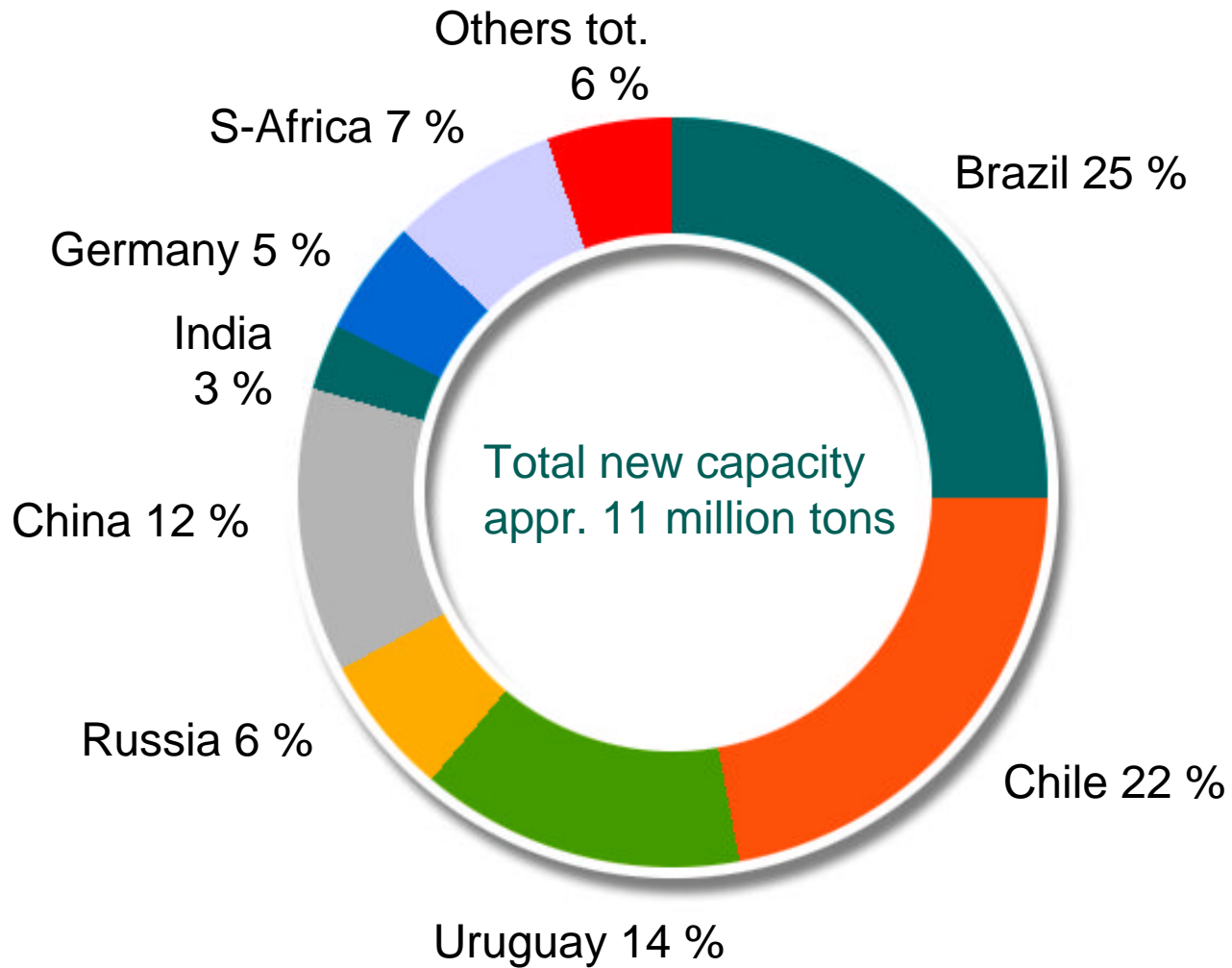


## Net sales by market area



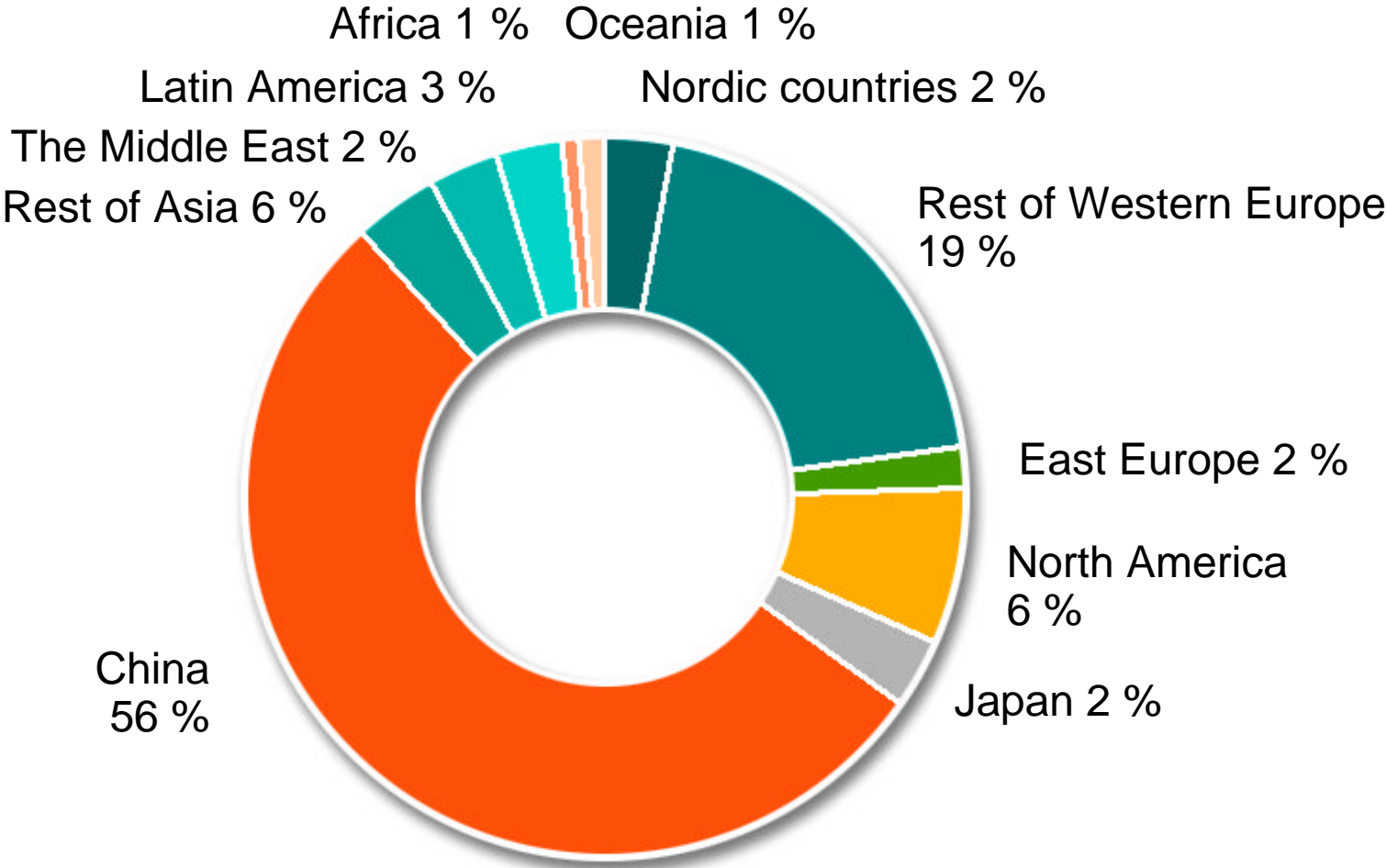
# New chemical pulp capacity

Projects started or decided during 2003 - 2006



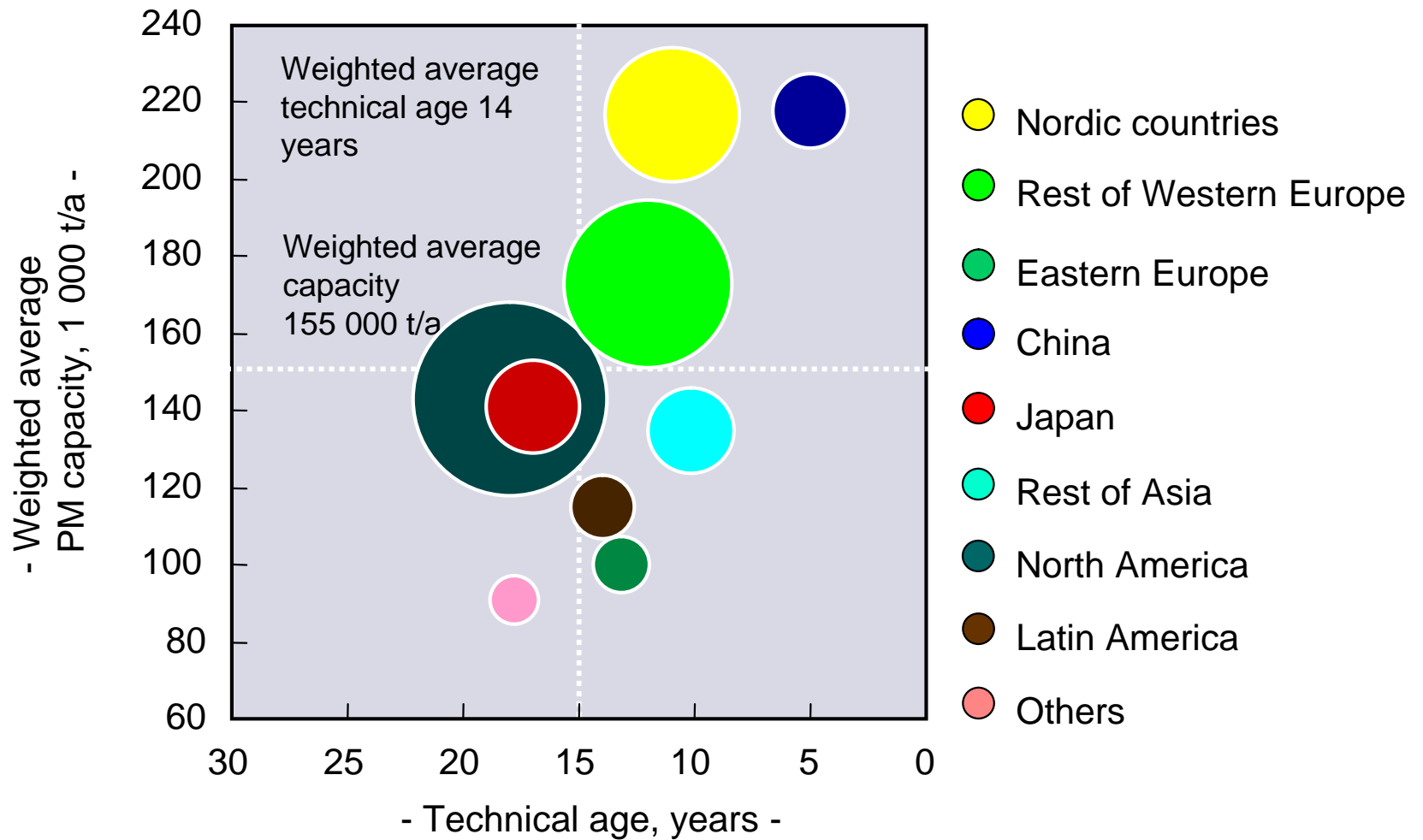
# New paper machine investments 2001-2006

Share of total new capacity (appr. 34 mtonnes)

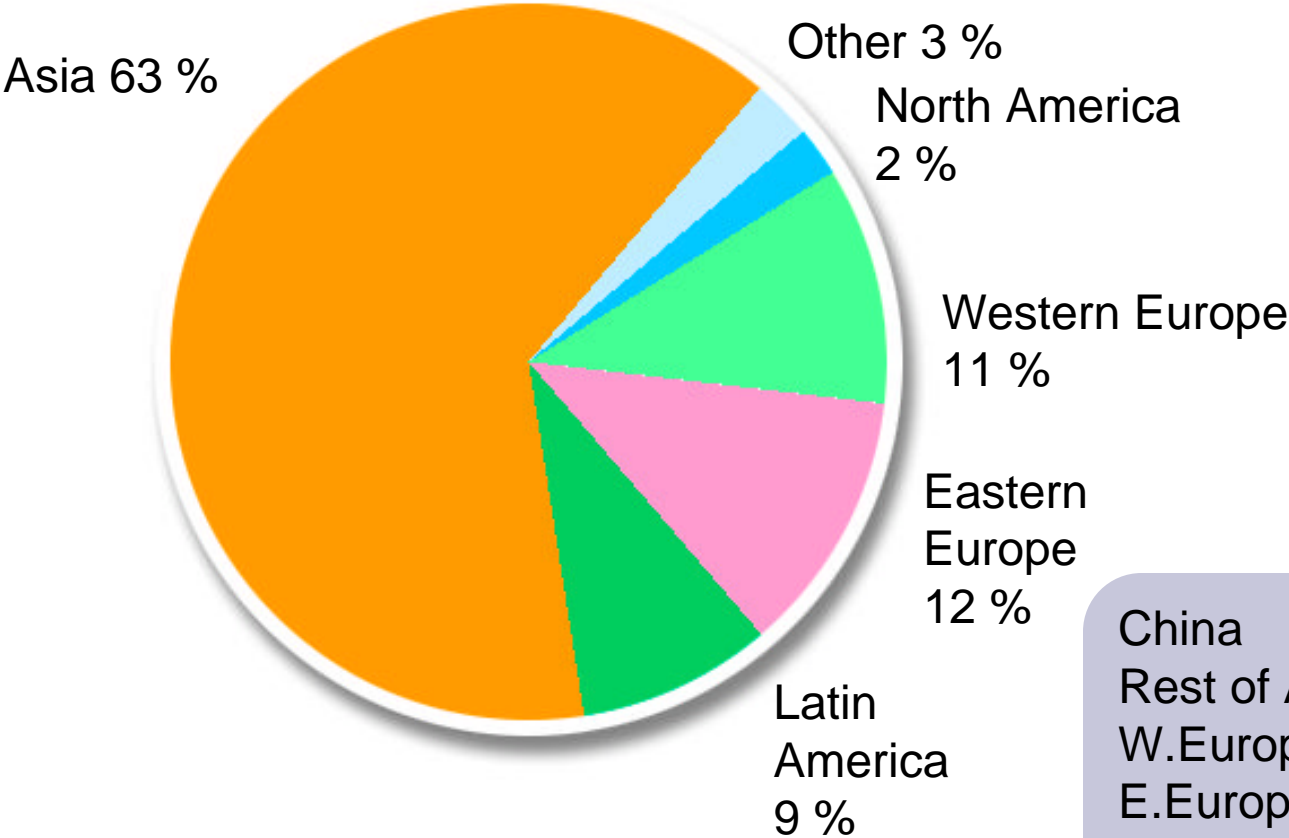


# Capacity vs. technical age

P&W PMs > 4m



# Incremental production 2004-2020 by main region



Total incremental production  
2004-2020 135 million tons

China	38 %	52 mt
Rest of Asia	25 %	34 mt
W.Europe	11 %	15 mt
E.Europe	12 %	16 mt
S.America	9 %	12 mt

# Pilot facilities

## “Fiber to print”

- Chemical, mechanical and RCF pulping
- Continuous cooking
- Bleaching
- 3 paper machines
- Board machine
- 2 tissue machines
- Coating
- Calendering
- Winding
- Air systems
- Printing
- Pulp and paper analysis



# Commitment to sustainable development



- Operations and products acceptable
  - Economically
  - Environmentally
  - Socially
- Offering to customers
  - Advanced and efficient processes
  - Supporting services
  - Coverage over entire life cycle
- Technology development targets
  - Resource efficiency
  - Process understanding
  - Cost optimization of process life cycle

