

**Date** 10/21/2010

**Consensus Rating\*:** 0.75 (Accumulate)

 Previous rating **0.86 (Accumulate)**

 Stock price (in Euro)\*\* **35.11**

 High/Low (52 weeks)\*\* **35.37/17.44**

 Market cap (in Euro m)\*\* **5,277.0**

 ISIN **F10009007835**

 Reuters **MEO1V.HE**

 Bloomberg **MEO1V FH**

 Exchange **OMX**

 Sector **Industrials**

 Internet [www.metso.com](http://www.metso.com)

 Coverage **16**

## Metso

### Summary

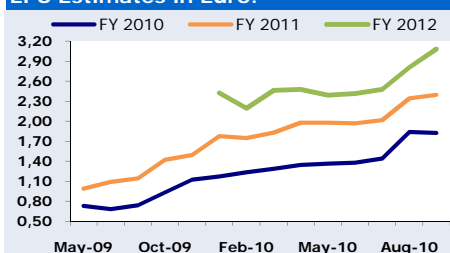
#### Outlook after Q2 2010 results:

Metso estimates that its net sales in 2010 will grow about 10 percent from the EUR 5 billion level of 2009, and that the company's profitability will be satisfactory. Metso's estimate is based on its order backlog at the end of June, which contains about EUR 2.4 billion worth of deliveries for 2010, and on the expectation that the recovery of the global economy will continue.

The net sales and profitability estimates are based on Metso's current market outlook and business scope as well as foreign exchange rates similar to the first half of 2009.

**Metso will release it's Q2 2010 results on 28th October 2010.**

### EPS Estimates in Euro:



### YoY Change in Estimates

	Q3 10E	Q3 09A	Change
Sales	1,374.9	1,196.0	15.0%
EBITA clean	126.6	134.3	-5.7%
EBIT clean	117.3	123.8	-5.3%
EPS reported	0.48	0.44	8.0%
EPS clean	0.48	0.44	9.1%

### \* Consensus Rating (CR):

#### Classification:

Buy:	1.50 = CR < 2.00
Accumulate:	0.50 = CR < 1.50
Hold:	-0.50 < CR < 0.50
Reduce:	-1.50 = CR < -0.50
Sell:	-2.00 = CR < -1.50

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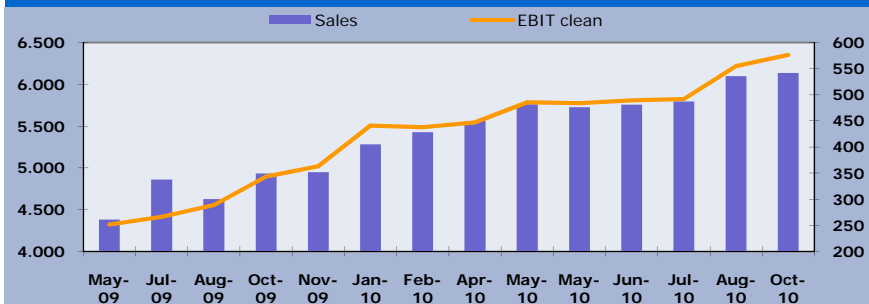
### Price targets in Euro

	Current	Previous	Change	Up-/Downside
Current Price	35.11			
Highest	45.00	44.00	2.3%	28.2%
Consensus	36.62	35.64	2.7%	4.3%
Median	36.00	36.00	0.0%	2.5%
Lowest	30.00	29.62	1.3%	-14.6%

### Consensus Valuation

	EPS clean	EBIT clean	P/E	EV/Sales	EV/EBIT	Div.Yield
2008	2.75	637	14.5	0.97	9.75	1.8%
2009	1.06	294	23.3	0.92	15.65	2.8%
2010E	1.85	465	19.0	1.05	12.50	2.6%
2011E	2.46	576	14.3	1.00	10.63	3.1%
2012E	3.11	689	11.3	0.92	8.89	3.9%

### FY 2011 Consensus Estimates



### Quarterly Development (in Euro m)

