Combination of Outotec and Metso Minerals – Metso Flow Control to Become an Independent Company

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Combination of Outotec and Metso Minerals to Create a Leading Company in Process Technology, Equipment and Services Serving the Minerals, Metals and Aggregates Industries

Metso Flow Control to Become a Separately Listed Independent Flow Control Equipment and Services Company under the Name of Neles

Transaction Highlights

- Metso and Outotec have agreed to combine Metso Minerals and Outotec to create a leading company in process technology, equipment and services serving the minerals, metals and aggregates industries. The Combined Company, comprising Metso Minerals and Outotec (but excluding Metso Flow Control), will be named "Metso Outotec". It had illustrative combined sales of €3.9 billion in 2018 (approximately €4.2 billion including the impact of the recently announced acquisition of McCloskey by Metso)
- Metso Flow Control will be a pure-play listed entity under the name of Neles with 2018 sales of €593 million
- The combination of Metso Minerals and Outotec is highly complementary and will create a unique company in the industry. Metso Outotec will leverage the strengths of both companies, including technology and R&D, product and process excellence, scale and global service offering footprint. The combination will deliver significant benefits to all stakeholders
- Metso Minerals and Outotec expect to achieve run-rate annual pre-tax cost synergies of at least €100 million, and run-rate annual revenue synergies of at least €150 million, delivering significant value for shareholders
- The recently announced acquisition of McCloskey is expected to complement the business profile of Metso Outotec, expanding and strengthening the aggregates business
- Metso Outotec will benefit from strong free cash flow and a solid capital structure and will aim for an investment grade credit rating in line with the current Metso rating
- The dividend policy for Metso Outotec will be determined by the board of Metso Outotec following completion of the transaction. However, Metso Outotec is expected to have the capacity for an attractive dividend policy, consistent with Metso's current dividend policy, while maintaining a strong balance sheet
- The combination will be implemented through a partial demerger of Metso, in which all assets and liabilities of Metso that relate to Metso Minerals will transfer to Outotec in exchange for newly-issued shares in Outotec to be delivered to Metso shareholders. Outotec shareholders will continue to own their shares in Outotec
- Upon completion, Metso shareholders will receive 4.3 newly-issued shares in Outotec for each share owned in Metso on the record date. This implies Metso shareholders would own approximately 78.0% of the shares and votes of Metso Outotec, and Outotec shareholders

would own approximately 22.0% of the shares and votes of Metso Outotec. In addition, Metso shareholders will retain their current shares in Metso, which will be renamed Neles

- The current CEO of Metso, Mr. Pekka Vuuramo, will become Metso Outotec's CEO, and the current CEO of Outotec, Mr. Markku Teräsvasara, will become the Deputy CEO of Metso Outotec. Ms. Eeva Sipilä will become the CFO and Deputy CEO of Metso Outotec
- The board of Metso Outotec will include board members from both companies. It is proposed that Metso Outotec's Chairman will be Mr. Mikael Lilius and that the Vice Chairman will be Mr. Matti Alahuhta
- The transaction is unanimously recommended by the boards of Metso and Outotec to their respective shareholders. The transaction is subject to, among other items, approval by a majority of two-thirds of votes cast and shares represented at the respective EGMs of Metso and Outotec in respect of the transaction, and regulatory approvals including competition clearances. As the transaction is proposed to be implemented by way of a partial demerger of Metso, it is also subject to a statutory creditor hearing process of Metso's creditors
- Shareholders representing 33.6% of the shares and votes of Metso and shareholders representing 24.8% of the shares and votes of Outotec have irrevocably undertaken to vote in favor of the transaction
- Metso Outotec will apply and seek to develop the sustainability agendas of Metso and Outotec across the enlarged group
- A €1.55 billion backup and term loan facilities agreement has been entered into with Nordea Bank Abp initially for the benefit of Metso but which, upon completion of the transaction, will transfer to Metso Outotec to address certain potential financing and refinancing needs arising from or in connection with the transaction
- Metso Outotec's headquarters will be in Helsinki, Finland and it will maintain its listing on Nasdaq Helsinki
- Completion is expected in the second quarter of 2020, subject to the approval of the transaction by the EGMs of both Metso and Outotec, the statutory creditor hearing process and receipt of all required regulatory and other approvals

Outotec Chairman, Mr. Matti Alahuhta, said:

"This is an industry-shaping combination that joins two uniquely complementary companies. It builds on Outotec's leading technology competencies and Metso's excellent service capabilities. Metso Outotec's global operating network, scale, wide technology and service offerings and sustainable development principles will unlock significant benefits for all stakeholders. Metso Outotec will be in an excellent position to take advantage of market opportunities globally, which together with the significant synergies, will drive strong shareholder value. I am convinced that Metso Outotec will provide interesting opportunities to its employees, customers and partners."

Metso Chairman, Mr. Mikael Lilius, said:

"Today is an exciting day as we announce the transformational combination of two great companies and simultaneously create an independent leader in flow control. The combination of Metso and Outotec is a unique opportunity to deliver significant value for our shareholders with a broad presence across minerals, metals and aggregates value chains and an even stronger platform for growth and innovation. Metso Outotec brings together a long history of technological leadership, customer focus and excellence in project execution. Metso Outotec will be further supported by the realization of the significant synergies potential in the combination. We look forward to working together with Outotec and its employees to develop an industry leader with attractive opportunities."

Outotec CEO, Mr. Markku Teräsvasara, said:

"The combination of Outotec and Metso marks an important milestone in each company's history and in Outotec's strategic development. I am excited about the many benefits that the combination will deliver for customers, employees and ultimately shareholders, with the larger scale and combined strengths of both companies. Outotec has a highly compelling portfolio of technologies and capabilities that will be a key catalyst for unlocking many of these benefits. I look forward to building a great new company together with the Outotec and Metso Minerals employees, as part of Metso Outotec."

Metso CEO, Mr. Pekka Vauramo, said:

"This is a unique opportunity to create value for our customers, employees and partners globally. Metso Outotec will have capabilities that will enable us to drive sustainable growth, while providing our customers with high-quality technology, equipment and services that will ultimately improve their businesses. We will have an extensive global presence, complementary offering, strong services and a large installed base. We also have excellent people – the best talent in the industry. I am therefore eagerly waiting to join with Outotec's personnel to begin our exciting journey together."

Creation of Neles

- Under the name Neles, Metso will continue as a separately listed entity focused on flow control, independent from Metso Outotec and 100% owned by Metso shareholders at completion
- Neles will be a best-in-class flow control company with €593 million in sales and €90 million in EBITA (illustrative combined 2018 figures)
- The current legal entity Metso will be renamed Neles; its headquarters will be in Vantaa, Finland, and its listing on Nasdaq Helsinki will continue
- Mr. Olli Isotalo will become CEO of Neles and will join Metso's management team as of July 15, 2019. Further information on the proposed board for Neles will be provided in due course for approval by Metso AGM in 2020

Metso Chairman, Mr. Mikael Lilius, said:

"*I firmly believe that timing is now right to establish a focused standalone flow control company. Neles offers an exceptional product portfolio and service offering with best-in-class profitability. Under the leadership of Mr. Olli Isotalo, Neles will have the means to capitalize on both organic and inorganic growth opportunities while continuing to focus on our customers' needs and delivering intelligent solutions. Furthermore, Neles is expected to trade in line with the multiple level of flow control peers. I am confident that a focused flow control company with an attractive product offering, proven track-record of strong performance and compelling growth prospects will unlock further value for Metso's current shareholders and new investors alike.*"

SECTION A: COMBINATION OF METSO MINERALS AND OUTOTEC

Transaction Overview

Metso Corporation ("Metso") and Outotec Oyj ("Outotec") announce that their respective boards have unanimously approved a demerger plan and a combination agreement to combine Metso's Minerals business ("Metso Minerals") with Outotec.

The combined company, Metso Outotec Corporation ("Metso Outotec" or the "Combined Company"), had illustrative 2018 combined sales and Adjusted EBITA of €3.9 billion and €369 million (excluding the impact of the €110 million provision recorded in relation to the ilmenite smelter project as described in Outotec's 2018 financial statements). This represents an illustrative combined Adjusted EBITA margin of 9.6% in 2018, excluding the benefit of the synergies described elsewhere in this stock exchange release, and also Metso's recently announced acquisition of McCloskey International ("McCloskey"). Including McCloskey, illustrative 2018 combined sales would have been approximately €4.2 billion.

Metso shareholders will receive as demerger consideration 4.3 new shares in Outotec for each share owned in Metso. Upon completion of the transaction, Metso and Outotec shareholders would own approximately 78.0% and approximately 22.0%, respectively, of the shares and votes of Metso Outotec.

In addition, Metso shareholders will retain their current shares in Metso, which will be renamed Neles.

Metso shareholders will receive the previously declared dividend of €0.60 per share, which is payable in November 2019. In addition, the board of Metso may propose a dividend of up to €221 million in aggregate to be payable in 2020 before closing of the transaction.

The board of Outotec may propose a dividend of up to €20 million in aggregate to be payable in 2020 before closing of the transaction.

Upon completion, Metso will be renamed Neles Corporation ("Neles") and will be a separately listed entity focused on flow control, independent from Metso Outotec and 100% owned by Metso shareholders.

Both Metso Outotec and Neles will continue to be listed on Nasdaq Helsinki.

Benefits of the Combination of Metso Minerals and Outotec

The highly complementary combination of Metso Minerals and Outotec is expected to deliver a range of strategic, commercial, operational and financial benefits:

1. A leading company with a wide presence across the value chain allowing Metso Outotec to provide an end-to-end offering in minerals processing
2. Enlarged installed base coupled with advanced service offering providing opportunities to unlock significant benefits
3. Leadership in sustainable technology across all businesses
4. Breadth across verticals (minerals / metals / aggregates), geography and application provide enhanced performance
5. Significant revenue and cost synergies
6. Solid capital structure and attractive dividend policy

Strategic, Commercial and Operational Benefits

The combination of Metso Minerals and Outotec will create a leading company in process technology, equipment and services serving the minerals, metals and aggregates industries. Metso Outotec will also have expertise in specialist areas, such as recycling and energy solutions.

The combination of Metso Minerals and Outotec is highly complementary and will create a unique company in the industry. Metso Outotec will leverage the strengths of both companies, including technology and R&D, product and process excellence, scale and global service offering footprint. The combination will deliver significant benefits to all stakeholders.

Metso Outotec will have a presence across the full minerals processing and metals refining value chain, with a differentiated ability to deliver end-to-end solutions across the whole process from crushing to end products. The Combined Company will own a broad portfolio of leading technologies in, for example, comminution, beneficiation and metals refining, as well as a market leading aggregates business and global strength in services.

The enhanced scale and combination of technological and service expertise will enable the Combined Company to offer more integrated customer solutions and supply larger process solutions to existing and new customers.

Metso Outotec will offer enhanced customer support through a stronger global operating network and customer proximity, as well as access to a wide range of services and consumables.

Metso Outotec will have a strong technology platform, and will have critical scale to continue to drive technology innovation and provide customers with differentiated service offerings. The Combined

Company will benefit from extensive patents and patent applications, R&D specialists globally and in-house R&D centers across the enlarged platform. The combined capabilities will further accelerate development of intelligent minerals processing and data analytics, and leverage technical know-how and IP across the enlarged product portfolio to deliver sustainable differentiated client solutions and further develop market leading digital platforms.

Metso Outotec will benefit from a presence across a large number of geographic markets and from its knowledge across a broad range of mineral applications (including copper and a range of high growth minerals that are used in the battery technology industry). In addition, the Combined Company will benefit from the counter-cyclical aggregates business, reinforced by the recently announced acquisition of McCloskey by Metso. The composition of the portfolio of the Combined Company should enhance Metso Outotec's performance through the cycle.

Metso and Outotec share common cultural values, including strong commitments to sustainable development. The combination will allow Metso and Outotec to join forces in the development of solutions for customers to meet their sustainability goals. In addition, significant investments will continue to be made in the areas of safe working environment, responsible procurement and environmental efficiency of operations.

Financial Benefits: Significant Revenue and Cost Synergies

Metso and Outotec expect to achieve run-rate annual pre-tax cost synergies of at least €100 million. In addition, the highly complementary product and service portfolio and the combined global footprint are expected to generate multiple cross-selling opportunities, leading to run-rate annual revenue synergies of at least €150 million.

The cost synergies are expected to be realized from operations (which are expected to contribute approximately 60% of the expected annual pre-tax cost synergies of €100 million), with the balance from optimization of supply chain and procurement savings.

Both cost and revenue synergies are anticipated to be fully realized by the end of the third year following completion of the transaction, phased in over that period. It is expected that the realization of these synergies would result in one-off pre-tax costs of approximately €100 million, with the substantial majority of this cost being incurred during the first 12-24 months post completion.

In addition, Metso and Outotec anticipate incremental synergies from financing (including reduced funding costs), cash management and structure optimization.

The integration process will be managed with the aim to leverage the best talent from both the Metso Minerals and Outotec businesses, and ensure that the necessary implementation measures are taken with the least disruption to Metso Outotec's operations and customers.

Capital Structure and Dividend Policy

Metso Outotec will have a solid capital structure and will aim for an investment grade credit rating in line with the current Metso rating. Metso Outotec's illustrative combined net debt as of March 31, 2019 was €331 million, with €271 million being contributed by Metso Minerals and the remainder by Outotec. This illustrative combined net debt excludes the incremental debt of approximately €300 million related to the purchase of McCloskey.

The dividend policy for Metso Outotec will be determined by the board of Metso Outotec following completion of the transaction. However, Metso Outotec is expected to have the capacity for an attractive dividend policy, consistent with Metso's current dividend policy, while maintaining a strong balance sheet.

Acquisition of McCloskey

On June 10, 2019, Metso signed an agreement to acquire McCloskey, a Canadian mobile crushing and screening equipment manufacturer. This acquisition is expected to complement the business profile of Metso Outotec, expanding the aggregates business and strengthening the customer reach especially to general contractor customers.

In the 12 month period ended September 30, 2018, McCloskey had sales of CAD 464 million (€308 million) (includes the pro forma impact of the Lippmann acquisition by McCloskey).

Management and Governance

Upon completion, the current CEO of Metso, Mr. Pekka Vauramo, will become Metso Outotec's CEO, and the current CEO of Outotec, Mr. Markku Teräsvasara, will become the Deputy CEO of Metso Outotec. Ms. Eeva Sipilä will become the CFO and Deputy CEO of Metso Outotec.

It is proposed that Metso Outotec's board will comprise 6 directors from the current board of Metso (Mr. Mikael Lilius, Mr. Christer Gardell, Ms. Nina Kopola, Mr. Antti Mäkinen, Mr. Kari Stadigh and Ms. Arja Talma) and 4 directors from the current board of Outotec (Mr. Matti Alahuhta, Mr. Klaus Cawén, Ms. Hanne de Mora and Mr. Ian W. Pearce). It is proposed that Metso Outotec's Chairman will be Mr. Mikael Lilius and that the Vice Chairman will be Mr. Matti Alahuhta.

Ownership Structure

Metso's shareholders will receive as demerger consideration 4.3 new shares in Outotec for each share owned in Metso, corresponding to an ownership in Metso Outotec following the completion of the transaction of approximately 78.0% for Metso shareholders and approximately 22.0% for Outotec shareholders.

Employees

On a combined basis, Metso Minerals and Outotec had 15,630 employees globally, as of March 31, 2019, with close to 100 nationalities represented. The breadth and diversity of Metso Outotec's employees will provide a strong foundation for the enlarged company.

Metso Outotec will be a leading employer in the minerals, metals and aggregates industries. Metso Outotec will leverage the strengths and common values of both companies to become the preferred workplace for industry experts. The employees of both organizations will have the opportunity to benefit from the greater scale and new opportunities within the new enlarged company following completion.

Metso Outotec will aim to leverage the best talent across the enlarged group.

Partial Demerger

The combination will be executed through a partial demerger of Metso in which all assets and liabilities of Metso that relate to, or primarily serve, Metso Minerals will transfer without liquidation of Metso to Outotec, as agreed between the parties in the combination agreement entered into on July 4, 2019 and as set out in the demerger plan approved by the boards of directors of Metso and Outotec on July 4, 2019.

Metso's shareholders will receive as demerger consideration 4.3 new shares in Outotec for each share in Metso (i.e., new shares in Outotec will be issued to Metso's shareholders in proportion to their existing shareholdings in Metso in the ratio of 4.3:1). The aggregate number of new shares in Outotec to be issued is expected to be 645,327,522 shares (excluding treasury shares held by Metso and assuming that none of Metso's shareholders demand redemption of their demerger consideration at the Metso EGM deciding on the demerger).

Metso has received an advance tax ruling from the Finnish Tax Office for Major Corporations (*Konserniverokeskus*) according to which the partial demerger will be treated as a tax neutral partial demerger as defined in Section 52 c of the Finnish Business Income Tax Act.

The demerger plan is included as Appendix 1 to this stock exchange release and contains information on, among other things, the demerger consideration to Metso's shareholders, the planned time for completion of the transaction, the allocation of Metso's assets and liabilities between Metso Outotec and Neles and the conditions for the completion of the transaction.

Each of Metso and Outotec will convene an EGM to decide upon the demerger; the EGMs are expected to be held in October 2019.

Further information about the combination, the demerger and the Combined Company will be available in a prospectus to be published prior to the EGMs of Metso and Outotec.

Financing

As the transaction is proposed to be implemented by way of a partial demerger of Metso, it is subject to a statutory creditor hearing process of Metso's creditors in accordance with the Finnish Companies Act. In addition, Metso intends to seek certain consents, waivers and amendments in respect of certain of its existing indebtedness, including its bonds outstanding at the time of the completion of the demerger. The aggregate nominal amount of the bonds outstanding at the time of estimated completion of the demerger is €400 million and such bonds would, in accordance with the demerger plan, become obligations of Metso Outotec.

There are no equivalent consents required under the terms of Outotec's existing material long-term debt facilities.

To support the transaction and possible amendment and consent solicitation processes related to Metso's current financing arrangements, Metso has entered into a new committed €1.55 billion backup and term loan facilities agreement with Nordea Bank Abp. The facilities may also be used to finance the potential cash redemption of Metso's shares up to €500 million, as well as to provide backup liquidity to Metso (and, subsequently, Metso Outotec) in the form of a revolving credit facility amounting to €500 million. The amount of the backup and term loan facilities agreement will decrease in proportion to new revolving credit facilities in the aggregate principal amount of €600 million that are intended to be entered into by Metso prior to the completion and that will transfer to Metso Outotec and the amount of existing indebtedness in relation to which requisite consents have been obtained prior to the completion of the demerger. A new credit rating for Metso Outotec is also planned to be obtained.

Shareholder Support

Certain shareholders of Metso and Outotec have irrevocably undertaken to support the transaction. Shareholders holding in the aggregate approximately 33.6% of the shares and votes in Metso, including Solidium Oy, Cevian Capital Partners Ltd, Ilmarinen Mutual Pension Insurance Company and Varma Mutual pension Insurance Company, and shareholders holding, in the aggregate, approximately 24.8% of the shares and votes in Outotec, including Solidium Oy, Varma Mutual Pension Insurance Company and Ilmarinen Mutual Pension Insurance Company, have irrevocably undertaken to attend the respective EGMs of Metso and Outotec and to vote, with respect to all shares they hold, in favor of the demerger and certain related matters.

Approvals and Timing

Completion of the transaction is subject to approval by a majority of two-thirds of votes cast and shares represented at the respective EGMs of Metso and Outotec, regulatory approvals, including competition clearances, and other conditions as further described below. The demerger prospectus is expected to be published in October 2019 at the latest and the EGMs of Metso and Outotec resolving upon the transaction are expected to be held in October 2019. As the transaction is proposed to be implemented by way of a partial demerger of Metso, it is also subject to a statutory creditor hearing process of Metso's creditors. Subject to the approval of the transaction by the EGMs of both Metso and Outotec, the statutory creditor hearing process and receipt of all required regulatory and other approvals, the completion of the transaction is expected to occur in the second quarter of 2020. Trading in the new shares in Outotec to be issued to Metso shareholders is expected to begin on or about first trading day following the completion.

Recommendation and Fairness Opinions

The board of Metso has concluded that the proposed transaction is in the best interests of the company and its shareholders. Metso retained Morgan Stanley & Co. International plc ("Morgan Stanley") to provide it with financial advisory services and a fairness opinion in connection with a strategic business combination involving the issuance of 4.3 Outotec newly issued shares for each Metso share by way of a combination agreement. At the meeting of the board of Metso on July 4, 2019 where the board of Metso approved the entering into of the combination agreement, Morgan Stanley rendered its oral opinion, subsequently confirmed in writing, that, as of July 4, 2019, based upon and subject to the various considerations set forth in the opinion, the exchange ratio pursuant to the combination agreement was fair from a financial point of view to Metso. When rendering its fairness opinion, Morgan

Stanley took into consideration the commercial assessment of the board of Metso of the combination agreement.

The board of Outotec has concluded that the proposed transaction is in the best interests of the company and its shareholders. The board of Outotec made its assessment after taking into account, amongst other factors, the fairness opinion of Goldman Sachs International ("Goldman Sachs") delivered to the board of Outotec on July 4, 2019 (the "Goldman Sachs Fairness Opinion").

The Goldman Sachs Fairness Opinion states that it is the opinion of Goldman Sachs that, as of the date thereof, and based upon and subject to the factors and assumptions set forth in such opinion, the issuance of 4.3 Outotec newly issued shares for each Metso share as consideration for Metso Minerals pursuant to the combination agreement, was fair from a financial point of view to Outotec. A copy of the Goldman Sachs Fairness Opinion, which is not a recommendation to Outotec shareholders and is addressed solely to the board of Outotec, will be included in the prospectus to be issued to Outotec shareholders in due course.

Combination Agreement

Metso and Outotec have on July 4, 2019 entered into a combination agreement, pursuant to which Metso and Outotec have agreed to combine Metso Minerals with Outotec through a statutory partial demerger pursuant to the Finnish Companies Act.

The combination agreement contains certain customary representations and warranties as well as undertakings, such as each party conducting its business in the ordinary course of business before the completion of the demerger, keeping the other party informed of any and all matters that may be of material relevance for the purposes of effecting the completion of the demerger, preparing the necessary regulatory filings and notifications, including competition filings as well as cooperating with the other party in relation to the financing of the Combined Company and negotiations to be conducted by Metso with the Metso creditors potentially opposing the demerger. In addition, Metso and Outotec each undertake not to solicit proposals competing with the transaction agreed in the combination agreement.

In addition, Metso and Outotec have given each other certain representations and warranties related to, inter alia, authority to enter into the combination agreement, due incorporation, status of the shares in the respective company, preparation of financial statements and interim reports, compliance with applicable licenses, laws and agreements, legal proceedings, ownership of intellectual property and the due diligence materials provided to the other party.

Metso and Outotec shall bear their own fees, costs and expenses incurred in connection with the demerger.

The combination agreement may be terminated by mutual written consent. Each of Metso and Outotec may further terminate the combination agreement inter alia if (i) the demerger has not been completed by September 30, 2020, (ii) the EGMs of Metso and/or Outotec have failed to approve the demerger, (iii) if any governmental entity (including any competition authority) gives an order or takes any regulatory action that is non-appealable and conclusively prohibits the completion of the demerger, or (iv) in case of a material breach by the other party of any of the representations, warranties, covenants or undertakings under the combination agreement if such breach has resulted, or could reasonably be expected to result, in a material adverse effect, as described in the combination agreement.

Illustrative Combined Financial Information

The illustrative combined financial information presented below is based on Outotec's audited consolidated financial statements as of and for the year ended December 31, 2018, the unaudited consolidated interim report of Outotec as of and for the three months ended March 31, 2019 and on the preliminary unaudited carve-out financial information of Metso Minerals derived both from the audited consolidated financial statements of Metso as of and for the year ended December 31, 2018 and from the unaudited consolidated interim report of Metso as of and for the three months ended March 31, 2019. The preliminary unaudited carve-out financial information of Metso Minerals includes the impact of group level income, expenses, assets and liabilities allocated for carve-out purposes. The illustrative combined financial information is unaudited.

The combined financial information is presented for illustrative purposes only. The illustrative combined financial information of Metso Outotec is presented assuming the activities were included in the same group from the beginning of each period. The illustrative combined Sales, Operating profit, EBITDA and Adjusted EBITA have been calculated as a sum of Outotec's and Metso Minerals' financial information for the year ended December 31, 2018 and for the three months ended March 31, 2019 and aligning the EBITDA and Adjusted EBITA definitions as explained below. The illustrative combined statement of financial position information and net debt illustrate the impact of the demerger and the combination as if the transactions had taken place on March 31, 2019. The illustrative combined financial information presented herein does not reflect the impact of the acquisition of McCloskey by Metso.

The illustrative combined financial information presented herein is based on a hypothetical situation and should not be viewed as pro forma financial information as any transactions between Outotec and Metso Minerals have not been eliminated nor have any purchase consideration, purchase price allocation, differences in accounting principles, adjustments related to transaction costs, tax impacts and impacts of any refinancing transactions by Metso Outotec been taken into account. Further, considering the nature of the transaction as a reverse merger, the combination will be accounted for as a reverse acquisition under IFRS by Outotec on the completion date with Metso Minerals determined as the accounting acquirer and Outotec as the acquiree. The illustrative combined financial information does not reflect the impacts of the reverse acquisition. Further, expected synergies have not been adjusted.

The actual financial information for Metso Outotec will be prepared based on the final demerger consideration and the fair values of Outotec's and McCloskey's identifiable assets and liabilities at the completion date, including the impacts of the financing entered into in connection with the acquisition of McCloskey and any possible refinancing that is contingent on the completion of the combination. Metso Outotec's financial information that will be published in the future following the completion of the combination could therefore differ significantly from the illustrative combined financial information presented herein. Accordingly, this information is not indicative of what the Combined Company's actual financial position, results of operations or key figures would have been had the combination been completed on the dates indicated.

Pro forma information with full notes disclosures will be available in a prospectus to be published by Outotec prior to the EGMs of Metso and Outotec. For reconciliations on the alternative performance measures, see appendix 2 of this release.

EUR in million	**Q1 2019 Unaudited**			**FY 2018 Unaudited unless otherwise stated**		
	Illustrative combined	**Outotec Reported**	**Metso Minerals Carve-out**	**Illustrative combined**	**Outotec Reported**	**Metso Minerals Carve-out**
Sales	935.6	254.7	680.9	3,857.1	1,276.5(2)	2,580.6
Operating profit	87.4	9.3	78.1	201.5(1)	(66.1)(1)(2)	267.6
EBITDA	116.2	22.4	93.8	286.3(1)	(27.6)(1)	313.9
Adjusted EBITA	98.9	16.2	82.7	258.9(1)	(25.1)(1)	284.0
Total assets	4,550.0	1,419.0	3,131.0	–	1,357.8(1)(2)	2,979.7
Total liabilities	2,927.4	1,042.2	1,885.2	–	980.4(1)(2)	1,777.6
Net debt	331.2	60.3	270.9	–	(38.1)(3)	237.6

(1) Includes the impact of the €110 million provision recorded in relation to the ilmenite smelter project as described in Outotec's 2018 financial statements.
(2) Audited.
(3) Outotec's €150 million hybrid bond classified as equity is not included in the reported net debt measure.

SECTION B: Neles

A Leading Best-in-Class Pure-Play Flow Control Company

As a result of the combination of Metso Minerals and Outotec, Metso will be renamed as Neles and will become a globally recognized flow control company with highly attractive market positions.

Neles will continue to be listed on Nasdaq Helsinki.

Neles is expected to create additional value for Metso's shareholders as a separate entity through:

- Leading position as a flow control solution provider with market leadership across pulp & paper valves and down stream oil & gas control valves

- Continued outperformance of market growth with best-in-class profitability and proven resilience through the cycle
- Diversified sales mix both by region and industry
- A fully focused, dedicated management to deliver shareholder value and leverage further growth opportunities
- Solid balance sheet and financial position
- Crystallization of attractive sector trading multiples

Neles' Strong Financial Profile

As a result of its bespoke strategy focusing on pulp & paper and downstream oil & gas as core end markets, Neles has outperformed its underlying markets over the past few years, growing sales at CAGR of 6.0% over 2016-2018 and improving EBITA margins to 15.2% during the same period.

At year-end 2018, Neles had illustrative combined net cash of €72 million. To support the capital structure of Neles, Metso has entered into a €150 million term loan facility agreement, which may be used for the repayment and replacement of Metso's credit facilities and other liabilities that benefit the flow control business and are to remain with Neles post completion. Prior to the completion, Metso is also expected to enter into a new revolving credit facility of €200 million to be used for the general corporate purposes of Neles.

Management and Governance

Mr. Olli Isotalo will become Neles' CEO. Further information on the proposed board for Neles will be provided in due course for approval by Metso AGM in 2020.

Neles' headquarters will be in Vantaa, Finland. Following completion, Neles is expected to have approximately 2,900 employees worldwide.

<u>Further Information</u>

The Chairmen, CEOs and CFOs of Metso and Outotec will host the following news conferences to discuss the announcement of today, July 4, 2019:

A news conference at 11:30 am – 1:00 pm EEST at Hotel Kämp, in Helsinki at Pohjoisesplanadi 29. This event will be held in Finnish and also streamed at: https://event.videosync.fi/lehdistotilaisuus.

If you attend by telephone, please dial in 5 to 10 minutes before the beginning of the event.

Conference code: 63822090#

FI: +358981710310
SE: +46 856642651
UK: +44 3333000804
US: +1 6319131422

An audiocast/conference call for investors and analysts at 2:00 - 3:30 pm EEST. This event will be held in English and audiocast at: https://event.videosync.fi/investor-call

If you attend by telephone, please dial in 5 to 10 minutes before the beginning of the event.

Conference code: 38535567#

FI: +358981710310
SE: +46 856642651
UK: +44 3333000804
US: +1 6319131422

An audiocast/conference call for global media at 3:30 – 4:30 pm EEST. This event will be held in English and audiocast at https://event.videosync.fi/global-media-call.

If you attend by telephone, please dial in 5 to 10 minutes before the beginning of the event.

Conference code: 61182482#

FI: +358981710310
SE: +46 856642651
UK: +44 3333000804
US: +1 6319131422

The presentation slides will be available at www.metso.com and www.outotec.com.

Advisors

Goldman Sachs International is acting as lead financial advisor to Outotec. Hannes Snellman Attorneys Ltd. is acting as legal counsel to Outotec. Nordea Bank Abp is acting as local financial advisor to Outotec on certain matters.

Morgan Stanley & Co. International plc is acting as financial advisor to Metso and White & Case LLP as legal counsel to Metso.

About Outotec

Outotec develops leading technologies and services for the sustainable use of Earth's natural resources. Our 4,000 top experts are driven by each customer's unique challenges across the world. Outotec's comprehensive offering creates the best value for our customers in the mining, metal, energy, and chemical industries. Outotec had sales of EUR 1.3 billion in 2018, and its shares are listed on Nasdaq Helsinki. www.outotec.com

About Metso

Metso is a world-leading industrial company offering equipment and services for the sustainable processing and flow of natural resources in the mining, aggregates, recycling and process industries. With our unique knowledge and innovative solutions, we help our customers improve their operational efficiency, reduce risks and increase profitability. Metso is listed on Nasdaq Helsinki in Finland and had sales of about EUR 3.2 billion in 2018. Metso employs over 14,000 people in more than 50 countries.

Important Notice

The distribution of this release may be restricted by law and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restrictions. The information contained herein is not for publication or distribution, in whole or in part, directly or indirectly, in or into the United States, Australia, Canada, Hong Kong, Japan, South Africa or any other jurisdiction where such publication or distribution would violate applicable laws or rules or would require additional documents to be completed or registered or require any measure to be undertaken in addition to the requirements under Finnish law. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This release is not directed to, and is not intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

The shares referred to in this release have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States (as such term is defined in Regulation S under the U.S. Securities Act) and may not be offered, sold or delivered, directly or indirectly, in or into the United States absent registration, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state and other securities laws of the United States. This release does not constitute an offer to sell or solicitation of an offer to buy any of the shares in the United States.

This release does not constitute a notice to an EGM or a demerger prospectus and as such, does not constitute or form part of and should not be construed as, an offer to sell, or the solicitation or invitation of any offer to buy, acquire or subscribe for, any securities or an inducement to enter into investment activity. Any decision with respect to the proposed partial demerger of Metso in which all assets and liabilities of Metso that relate to, or primarily serve, Metso Minerals will transfer without liquidation of Metso to Outotec should be made solely on the basis of information to be contained in the actual notices to the EGM of Metso and Outotec, as applicable, and the demerger prospectus related to the demerger as well as on an independent analysis of the information contained therein. You should consult the demerger prospectus for more complete information about Metso Minerals, Outotec, Outotec's securities and the demerger.

No part of this release, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. The information contained in this release has not been independently verified. No representation, warranty or undertaking, expressed or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. Neither Metso nor Outotec, nor any of their respective affiliates, advisors or representatives or any other person, shall have any liability whatsoever (in negligence or otherwise) for any loss however arising from any use of this release or its contents or otherwise arising in connection with this release. Each person must rely on their own examination and analysis of Metso, Outotec, their respective securities and the demerger, including the merits and risks involved. The transaction may have tax consequences for Metso shareholders, who should seek their own tax advice.

This release includes "forward-looking statements." These statements may not be based on historical facts, but are statements about future expectations. When used in this release, the words "aims," "anticipates," "assumes," "believes," "could," "estimates," "expects," "intends," "may," "plans," "should," "will," "would" and similar expressions as they relate to Metso Minerals, Outotec, Neles or the demerger identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements are set forth in a number of places in this release, including wherever this release include information on the future results, plans and expectations with regard to the Combined Company's or Neles' business, including their strategic plans and plans on growth and profitability, and the general economic conditions. These forward-looking statements are based on present plans, estimates, projections and expectations and are not guarantees of future performance. They are based on certain expectations, which may turn out to be incorrect. Such forward-looking statements are based on assumptions and are subject to various risks and uncertainties. Shareholders should not rely on these forward-looking statements. Numerous factors may cause the actual results of operations or financial condition of the Combined Company or Neles to differ materially from those expressed or implied in the forward-looking statements. Neither Metso nor Outotec, nor any of their respective affiliates, advisors or representatives or any other person undertakes any obligation to review or confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise after the date of this release.

This release contains financial information regarding the businesses and assets of Metso and Outotec and their consolidated subsidiaries. Such financial information may not have been audited, reviewed or verified by any independent accounting firm. Certain financial data included in this release consists of "alternative performance measures." These alternative performance measures, as defined by Metso and Outotec, may not be comparable to similarly titled measures as presented by other companies, nor should they be considered as an alternative to the historical financial results or other indicators of Metso's and Outotec's cash flows based on IFRS. Even though the alternative performance measures are used by the management of Metso and Outotec to assess the financial position, financial results and liquidity and these types of measures are commonly used by investors, they have important limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of Metso's or Outotec's financial position or results of operations as reported under IFRS.

This release includes estimates relating to the cost and revenue synergy benefits expected to arise from the demerger as well as the related integration costs (which are forward-looking statements), which have been prepared by Metso and Outotec and are based on a number of assumptions and judgments. Such estimates present the expected future impact of the demerger on the Combined Company's business, financial condition and results of operations. The assumptions relating to the estimated cost and revenue synergy benefits and related integration costs are inherently uncertain and are subject to a wide variety of significant business, economic, and competitive risks and uncertainties that could cause the actual cost and revenue synergy benefits from the demerger, if any, and related integration costs to differ materially from the estimates in this release. Further, there can be no certainty that the demerger will be completed in the manner and timeframe described in this release, or at all.

Outotec and Metso are Finnish companies. The transaction, including the information distributed in connection with the demerger and the related shareholder votes, is subject to disclosure, timing and procedural requirements applicable in Finland, which are different from those in the United States. The financial information included in this release has been prepared in accordance with IFRS, which may not be comparable to the financial statements or financial information applicable in the United States or by U.S. companies.

The new shares in Outotec have not been and will not be listed on a U.S. securities exchange or quoted on any inter-dealer quotation system in the United States. Neither Outotec nor Metso intends to take any action to facilitate a market in the new shares in Outotec in the United States.

The new shares in Outotec have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed comment upon, or endorsed the merit of, the demerger or the accuracy or the adequacy of this release. Any representation to the contrary is a criminal offence in the United States.

It may be difficult for U.S. shareholders of Metso to enforce their rights and any claim they may have arising under U.S. federal or state securities laws, since Outotec and Metso are located in Finland, and all or some of their officers and directors are residents of, non-U.S. jurisdictions. Judgements of U.S. courts are generally not enforceable in Finland. U.S. shareholders of Metso may not be able to sue Outotec or Metso or their respective officers and directors in a court in Finland for violations of the U.S. laws, including the federal securities laws, or at the least it may prove to be difficult to evidence such claims. Further, it may be difficult to compel Outotec or Metso and their affiliates to subject themselves to the jurisdiction of a U.S. court. In addition, there is substantial doubt as to the enforceability in Finland in original actions, or in actions for the enforcement of judgments of U.S. courts, based on the civil liability provisions of the U.S. federal securities laws.

Disclaimer

Morgan Stanley, which is authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting as financial adviser exclusively for Metso and no one else in connection with the matters set out in this release. In connection with such matters, Morgan Stanley, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in connection with the contents of this release or any other matter referred to herein.

Goldman Sachs, which is authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting for Outotec and no one else in connection with the matters referred to herein, and will not be responsible to anyone other than Outotec for providing the protections afforded to clients of Goldman Sachs, or for giving advice in connection with the transaction or any matter or arrangement referred to in this release.

Nordea Bank Abp is under the supervision of the Finnish Financial Supervisory Authority (Finanssivalvonta). Nordea Bank Abp is providing financial advice on certain local matters to Outotec outside of the United States, and no one else in connection with the matters referred to herein, and will not be responsible to anyone other than Outotec for providing the protections afforded to clients of Nordea Bank Abp, or for giving advice in connection with the transaction or any matter or arrangement referred to in this release.

Appendix 1: Demerger Plan

DEMERGER PLAN

The Board of Directors of Metso Corporation ("**Metso**" or the "**Demerging Company**") and the Board of Directors of Outotec Oyj ("**Outotec**" or the "**Receiving Company**") propose that Metso shall demerge in a partial demerger to an existing company to the effect that all such assets, rights, debts and liabilities of Metso which relate to, or primarily serve, Metso's Minerals business as specified in more detail herein (the "**Minerals Business**") shall transfer, without liquidation of Metso, to Outotec in the manner set forth in this demerger plan (the "**Demerger Plan**", including appendices) (the "**Demerger**").

As demerger consideration, Metso's shareholders shall receive 4.3 new shares in Outotec for each share in Metso owned by them. Metso shall not dissolve as a result of the Demerger and the assets, rights, debts and liabilities which relate to, or primarily serve, its Flow Control business (the "**Flow Control Business**") shall remain in Metso's ownership.

The Demerger shall be carried out in compliance with the provisions of Chapter 17 of the Finnish Companies Act (624/2006, as amended) (the "**Finnish Companies Act**") and Section 52 c of the Finnish Business Income Tax Act (360/1968, as amended).

1. Companies Participating in the Demerger

Demerging Company:

Trade name: Metso Corporation
Business ID: 1538032-5
Address: P.O. Box 1220, FI-00101 Helsinki, Finland
Domicile: Helsinki

Metso is a public limited liability company, the shares of which are publicly traded on the official list of Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**").

Receiving Company:

Trade name: Outotec Oyj
Business ID: 0828105-4
Address: P.O. Box 1000, FI-02331 Espoo, Finland
Domicile: Espoo

Outotec is a public limited liability company, the shares of which are publicly traded on the official list of Nasdaq Helsinki.

Metso and Outotec are hereinafter jointly referred to as the "**Parties**" or the "**Companies Participating in the Demerger**" and, each individually, a "**Party**" or a "**Company Participating in the Demerger**".

2. Reasons for the Demerger

The Companies Participating in the Demerger have on July 4, 2019 entered into a business combination agreement concerning the combination of the business operations of the Companies Participating in the Demerger through a partial demerger of Metso to the effect that the Minerals Business shall transfer, without liquidation of Metso, to Outotec in accordance with this Demerger Plan (the "**Combination Agreement**").

The purpose of the Demerger is to create a leading company in process technology, equipment and services serving the minerals, metals and aggregates industries. The combined company will leverage the strength of both companies, including technology and R&D, product and process excellence, scale and global service offering footprint. The combination will deliver significant benefits to all stakeholders. The combined company will also benefit from a strong free cash flow and a solid capital structure. As a result of the combination of the Minerals Business and Outotec, Metso will be renamed as Neles and will become a globally recognized flow control company with highly attractive market positions.

3. Articles of Association and Administrative Bodies of the Companies Participating in the Demerger

3.1 Amendments to the Articles of Association of the Receiving Company

Articles 1, 2, 5, 6, 8, 9 and 10 of the articles of association of Outotec are proposed to be amended in connection with the registration of the completion of the Demerger to read as follows:

1 § Business name and domicile

The business name of the Company is Metso Outotec Oyj in Finnish and Metso Outotec Corporation in English. The domicile of the Company is Helsinki.

2 § Line of business

The Company's line of business is to carry on, by itself or through its subsidiaries, the design, manufacture and construction of and trade in methods, machinery, devices, equipment, spare parts and production facilities for the mining, ore cleaning, metallurgical and other processing industry, metals forming technology, materials technology, energy technology and environmental protection, the production and sale of technical design, project services and research and product development services for the processing industry, energy technology and environmental protection, including any industrial and commercial operations and the sale of business management and consultancy services as well as sale and manufacture of spare parts and offer of maintenance services based on or relating to these activities or know-how acquired in this sphere of activities. The Company may hold and control of domestic and foreign securities, own and control domestic and foreign securities, raise and grant loans, grant securities and give its property in pledge. Within the limits of its field of activity, the Company may establish domestic or international companies and consortiums.

5 § President and Deputy Presidents

The Board of Directors shall elect the President and may elect one or more Deputy Presidents.

6 § Representation right

The right to represent the Company shall be vested with the Chairman of the Board of Directors, a member of the Board of Directors and the President, two together, and with the persons given the right by the Board of Directors to represent the Company, two together, or with each one separately together with the Chairman of the Board of Directors, a member of the Board of Directors, or together with the President.

8 § Auditor

The Company has one (1) auditor. The auditor shall be an audit firm approved by the Patent and Registration Office with an authorized public accountant as the auditor in charge. The term of office of the auditor expires at the end of the Annual General Meeting following the election.

9 § Notice to convene a meeting

The Board of Directors shall issue a notice to convene the General Meetings of Shareholders by publishing the notice in one or more daily newspapers with a wide circulation, or on the Company's website no earlier than three (3) months before the last day for advance notice under Article 10 and at the latest three (3) weeks before the General Meeting, but in any case, at least nine (9) days before the record date of the General Meeting, as referred to in the Finnish Companies Act.

10 § Time and place of the meeting and advance notice

In order to attend the General Meeting a shareholder shall give an advance notice to the Company prior to the end of the advance notice period set out in the notice convening the meeting. The last day for advance notice may be assigned to be no earlier than ten days before the meeting and it may not be assigned to be on a Sunday, Saturday, Midsummer's Eve, Christmas Eve, New Year's Eve or any other public holiday.

The General Meeting may be held in the domicile of the Company, Espoo or Vantaa.

The articles of association of Outotec, including the above amendments, are appended to this Demerger Plan as Appendix 1.

3.2 Board of Directors and Auditor of the Receiving Company and Their Remuneration

According to the articles of association of Outotec, Outotec shall have a Board of Directors consisting of at least five (5) and no more than ten (10) members. The number of the members of the Board of Directors of Outotec following the completion of the Demerger shall be conditionally confirmed and the members of the Board of Directors as well as the chairman and the vice chairman of the Board of Directors following the completion of the Demerger shall be conditionally elected by the annual general meeting of shareholders of Outotec for the year ending December 31, 2019 to be held before the Effective Date. The term of such members of the Board of Directors shall commence on the date of registration of the completion of the Demerger (the "**Effective Date**") and shall expire at the end of the next annual general meeting of shareholders of Outotec following the Effective Date.

The Board of Directors of Outotec shall propose to the annual general meeting of shareholders of Outotec for the year ending December 31, 2019 that Matti Alahuhta, Ian W. Pearce, Klaus Cawén and Hanne de Mora, each a current member of the Board of Directors of Outotec, be conditionally elected to continue to serve on the Board of Directors of Outotec and that Mikael Lilius, Arja Talma, Nina Kopola, Kari Stadigh, Christer Gardell and Antti Mäkinen, each a current member of the Board of Directors of Metso, be conditionally elected as members of the Board of Directors of Outotec for the term commencing on the Effective Date and expiring on the end of the next annual general meeting of shareholders of Outotec following the Effective Date. The directorship in Outotec of such then current members of the Board of Directors of Outotec that are not elected to continue as members of the Board of Directors of Outotec shall end on the Effective Date. The directorship in Metso of such then current members of the Board of Directors of Metso that are elected as members of the Board of Directors of Outotec shall end on the Effective Date.

The Board of Directors of Outotec shall make, after consultation with the Nomination Boards of each of Outotec and Metso, a proposal to the annual general meeting of shareholders of Outotec for the year ending December 31, 2019 on the remuneration for the above-mentioned term be paid by Outotec in respect of the directorship in Outotec to those current members of the Board of Directors of Outotec and Metso, who are proposed to continue in, or be elected to, the Board of Directors of Outotec. If no remuneration for such term shall be paid by Outotec to former members of the Board of Directors of Metso elected to the Board of Directors of Outotec on the basis that remuneration has already been paid by Metso, Outotec will reimburse Metso for such portion of the remuneration already paid to such current members of the Board of Directors of Metso by Metso that relates to the time period following the Effective Date.

The auditor of Outotec will continue in its position and the Demerger will not impact the resolution previously adopted in respect of the auditor's remuneration.

The Board of Directors of Outotec, after consultation with the Nomination Boards of each of Outotec and Metso, may amend the above-mentioned proposals in case one or more of the above-mentioned persons would not be available for election, resigns or otherwise must be replaced by other persons at the annual general meeting of shareholders of Outotec for the year ending December 31, 2019.

The Board of Directors of Outotec, after consultation with the Nomination Boards of each of Outotec and Metso, may as deemed necessary convene a general meeting of shareholders of Outotec after the annual general meeting of shareholders of Outotec for the year ending December 31, 2019 to resolve to supplement or amend the composition or remuneration of the Board of Directors of Outotec or replace the auditor of Outotec prior to the Effective Date.

3.3 President and CEO of the Receiving Company

The Board of Directors of Outotec shall appoint Pekka Vauramo as the President and CEO of Outotec with his consent. The President and CEO's agreement, which shall be consistent with customary practice, shall become effective on the Effective Date. In the event that Pekka Vauramo resigns or otherwise must be replaced by another person prior to the Effective Date, the Boards of Directors of Outotec and Metso shall mutually agree on the appointment of a new President and CEO of Outotec.

3.4 Articles of Association of the Demerging Company

Articles 1 and 2 of the articles of association of Metso are proposed to be amended in connection with the registration of the completion of the Demerger to read as follows:

1 § Business name and domicile

The business name of the company is Neles Oyj in Finnish, Neles Abp in Swedish and Neles Corporation in English. The domicile of the company is Vantaa.

2 §	Branch of industry

The company's branch of industry is to globally design, develop, sell and manufacture industry products and systems as well as spare parts, maintenance and diagnostics services relating to, among others, flow control, either directly or through its subsidiary or affiliate companies.

As the parent company, the company may also attend to the organisation, financing and purchases of the group of companies and to other joint tasks of the same kind, and it may own real estate, stocks and shares and carry on securities trading and other investment business.

The articles of association of Metso, including the above amendments, are appended to this Demerger Plan as Appendix 2.

3.5 Board of Directors of the Demerging Company and Their Remuneration

A detailed proposal regarding the members of the Board of Directors of Metso and their remuneration will be included in the notice to the annual general meeting of shareholders of Metso for the year ending December 31, 2019 to be held prior to the Effective Date. The Board of Directors of Metso shall make its proposal following consultation with the representatives of the shareholders appointed to the shareholders' Nomination Board on the basis of share ownership on September 1, 2019.

3.6 President and CEO of the Demerging Company

The Board of Directors of Metso shall appoint Olli Isotalo as the President and CEO of Metso with his consent. The President and CEO's agreement, which shall be consistent with customary practice, shall become effective on the Effective Date. In the event that Olli Isotalo resigns or otherwise must be replaced by another person prior to the Effective Date, the Board of Directors of Metso shall appoint a new President and CEO of Metso.

3.7 Auditor of the Demerging Company and Its Remuneration

The auditor of Metso will continue in its position and the Demerger will not impact the resolution previously adopted in respect of the auditor's remuneration.

4. Demerger Consideration and Timing of Its Issue

4.1 Demerger Consideration

The shareholders of Metso shall receive as demerger consideration 4.3 new shares in Outotec for each share owned in Metso (the "**Demerger Consideration**"), that is, the Demerger Consideration shall be issued to the shareholders of Metso in proportion to their existing shareholding with a ratio of 4.3:1. There is only one (1) share class in Outotec, and the shares in Outotec do not have a nominal value. In accordance with Chapter 17, Section 16, Subsection 3 of the Finnish Companies Act, no Demerger Consideration shall be issued with regard to any treasury shares held by Metso.

The allocation of the Demerger Consideration will be based on the shareholding in Metso at the end of the last trading day preceding the Effective Date. The final total number of shares in Outotec issued as the Demerger Consideration shall be determined on the basis of the number of shares in Metso held by shareholders of Metso, other than Metso itself, on the Effective Date. Such total number of shares issued shall be rounded down to the nearest full share, if necessary. On the date of this Demerger Plan, Metso holds 272,088 treasury shares. Based on the situation prevailing on the date of this Demerger Plan, the total number of shares in Outotec to be issued as Demerger Consideration would, therefore, be 645,327,522 shares. The final total number of shares in Outotec to be issued as the Demerger Consideration may be affected by, among others, any change concerning the number of shares issued by Metso and/or Outotec, for example, Metso and/or Outotec issuing new and/or existing shares in accordance with the share-based incentive plans referred to in Section 6 of this Demerger Plan or acquiring their own shares prior to the Effective Date.

In the United States, Metso's shares are quoted in the form of American Depository Receipts ("**ADRs**") and are traded in the over-the-counter market. Four (4) ADRs represents one (1) share in Metso. The Bank of New York Mellon acts as the depositary bank for the American Depositary Shares ("**ADSs**") created on the basis of the deposit of ordinary shares, and evidenced by ADRs, and is responsible for the distribution of the Demerger Consideration or its cash equivalent to the holders of the ADSs in accordance with the terms and conditions of the deposit agreement entered into with Metso.

No fractional entitlements to new shares in Outotec shall be delivered to shareholders of Metso as Demerger Consideration. If the Demerger Consideration to be received by an individual shareholder is not a whole number, fractional entitlements to new shares of Outotec on a shareholder basis shall be aggregated and sold in the market after the Effective Date by a broker on behalf of Metso shareholders entitled to such fractional entitlements. Such proceeds shall be distributed *pro rata* to Metso's shareholders entitled to receive such fractional entitlements. Any costs related to the sale and distribution of fractional entitlements shall be borne by Outotec.

No other consideration shall be given or paid to the shareholders of Metso in addition to the above-mentioned Demerger Consideration to be issued in the form of shares of Outotec.

If a shareholder of Metso demands the redemption of his/her/its Demerger Consideration pursuant to Chapter 17, Section 13 of the Finnish Companies Act at the general meeting of shareholders of Metso resolving on the Demerger, the redemption price shall be paid by Outotec.

The Demerger Consideration has been determined based on the relative valuations of the Minerals Business and Outotec. The value determination has been made by applying generally used valuation methods. The value determination has been based on the respective companies' current and historical trading multiples, their relative earnings contribution and expected evolution thereof as well as their expected free cash flow generation. In addition, the market value of Metso and Outotec on Nasdaq Helsinki was taken into consideration as well as such financial metrics or indicators that were deemed relevant. Based on their respective relative value determination, which is supported by a fairness opinion received by each of the Board of Directors of Metso and the Board of Directors of Outotec from their respective financial advisors, the Board of Directors of Metso and the Board of Directors of Outotec have each concluded that the Demerger and the Demerger Consideration are in the best interest of Metso and Outotec, respectively, and in the best interest of their respective shareholders.

4.2 Timing of Issue of the Demerger Consideration

The Demerger Consideration shall be issued to Metso's shareholders on the Effective Date or as soon as possible thereafter. The Demerger Consideration shall be issued through the book-entry securities system maintained by Euroclear Finland Oy in such a manner that the shares issued by Outotec shall be issued using the ratio specified in this Demerger Plan based on the number of shares issued by Metso and registered in the book-entry accounts of Metso's shareholders, other than Metso itself, at the end of the last trading day preceding the Effective Date. The Demerger Consideration shall be issued automatically and no action is required from Metso's shareholders in order to receive it. The new shares in Outotec issued as Demerger Consideration shall carry all shareholder rights as from the date of their registration.

5. Option Rights and Other Special Rights Entitling to Shares

Metso has not issued any option rights or other special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act, which would entitle to the subscription of Metso's shares.

6. Share-Based Incentive Plans

Metso has eight (8) share-based incentive plans under which share rewards have not been paid in their entirety by the date of this Demerger Plan: Performance Share Plans 2017–2019, 2018–2020 and 2019–2021, Restricted Share Plans 2017–2019, 2018–2020 and 2019–2021 and Deferred Share Unit Plans 2018–2020 and 2019–2021. The Board of Directors of Metso shall resolve on the impact of the Demerger on such incentive plans in accordance with their terms and conditions prior to the Effective Date.

Outotec has five (5) share-based incentive plans under which share rewards have not been paid in their entirety by the date of this Demerger Plan: Share Based Incentive Program 2016–2018 and 2019–2021 and O'Share Employee Share Savings Plans 2017, 2018 and 2019. The Board of Directors of Outotec shall resolve on the impact of the Demerger on such incentive plans in accordance with their terms and conditions prior to the Effective Date.

7. Share Capital and Other Equity of the Receiving Company

The share capital of Outotec shall be increased by EUR 90,000,000.00 on the Effective Date. The equity increase of Outotec, insofar as it exceeds the amount to be recorded into the share capital, shall primarily be recorded as an increase of retained earnings insofar there are retained earnings and secondarily as an increase of the fund for invested unrestricted equity as defined in Chapter 8, Section 2 of the Finnish Companies Act.

8. Assets, Debts and Equity of the Demerging Company and Circumstances Impacting Their Valuation

The assets, debts and equity of Metso as at March 31, 2019 set out in the unaudited financial information of Metso as at and for the three months ended March 31, 2019 are appended to this Demerger Plan as Appendix 3. In the unaudited financial information, the assets and debts of Metso have been booked and valued in compliance with the provisions of the Finnish Accounting Act (1336/1997, as amended) (the "**Finnish Accounting Act**"). Between the date of the unaudited financial information and the date of this Demerger Plan, there have been no substantial changes in the financial status or the liabilities of Metso, other than the payment on May 7, 2019 of the first installment of the dividend in accordance with the resolution of the annual general meeting of shareholders of Metso held on April 25, 2019, the purchase of the service business of Chilean Industrial Support Company SpA through an acquisition and the signing of an acquisition by Metso of the Canadian company McCloskey International announced on June 10, 2019.

9. Allocation of the Demerging Company's Assets and Debts between the Companies Participating in the Demerger, Intended Effect of the Demerger on the Balance Sheet of the Receiving Company and Accounting Methods Applied to the Demerger

9.1 Assets and Debts Transferring to the Receiving Company

In the Demerger, the Minerals Business, that is, all such (including known, unknown and conditional) assets, rights, debts and liabilities (including but not limited to agreements, offers, offer requests and undertakings) of Metso existing as at the Effective Date that relate to, or primarily serve, the Minerals Business, as well as certain general assets and liabilities of Metso, shall transfer to Outotec. The said general assets and liabilities shall primarily be allocated in accordance with the principle of primacy or on the basis of the employee utilizing the asset in question.

A proposal on the allocation of Metso's assets, rights, debts and liabilities to Outotec in accordance with this Demerger Plan has been described in the preliminary presentation of the balance sheets of Metso and Outotec appended to this Demerger Plan as Appendix 4. The figures presented in Appendix 4 are based on the unaudited financial information of Metso and Outotec as at and for the three months ended March 31, 2019. The proposal on the impacts of the proposed allocation of Metso's assets, rights, debts and liabilities to Outotec in accordance with this Demerger Plan on the balance sheets of Metso and Outotec, and the accounting principles applied to the Demerger, has been described in the preliminary presentation of the balance sheets of Metso and Outotec appended to this Demerger Plan as Appendix 4. The effects of the Demerger on the balance sheets of the Companies Participating in the Demerger will, however, be determined according to the situation as per the Effective Date.

The assets, rights, debts and liabilities transferring to Outotec include, among others, the following most significant items:

(a) All issued and outstanding shares of Metso's directly owned subsidiaries related to the Minerals Business, that is, among others the following companies including their subsidiaries:

- Metso Minerals Oy, business identity code 1094259-5;
- Metso (France) SAS;
- Metso USA Inc.;
- Metso Minerals Canada Inc.;
- Metso Shared Services Ltd.;

- Metso Captive Insurance Limited; and
- Rauma Oy;

(b) Metso's real estate with the following register numbers: 304-407-0005-0082 and 304-407-0007-0024 (1/2 of the real estate);

(c) Trademarks and other intellectual property rights (including domain names) owned by Metso to the extent they include the name "Metso" or "Metso Minerals" and all other intellectual property rights relating to the Minerals Business, whether registered or capable of being registered;

(d) Metso's guarantee obligations and liabilities arising out of counterindemnities given to the guarantors related to the Minerals Business or the directly or indirectly owned subsidiaries of Metso transferring to Outotec. For the sake of clarity, it is noted that out of Metso's guarantee obligations and liabilities arising out of counterindemnities given to the guarantors, which cover also Metso's businesses other than the Minerals Business, only such portions which are directly related to the Minerals Business shall transfer to Outotec. The total amount of such guarantee obligations and liabilities arising out of counterindemnities given to the guarantors related to the Minerals Business amounted to approximately EUR 322 million as at March 31, 2019;

(e) Metso's receivables from, and liabilities to, its directly or indirectly owned subsidiaries transferring to Outotec that relate to the Metso group's cash pool arrangements and Metso's cash and cash equivalents that serve the Minerals Business taking into account the financing needs of the Flow Control Business;

(f) Metso's other receivables from, and liabilities to, its directly or indirectly owned subsidiaries transferring to Outotec, including any dividend receivables and other liabilities. As at March 31, 2019, the amount of such other receivables was approximately EUR 559 million and the amount of such other liabilities was approximately EUR 42 million;

(g) Such debts of Metso that relate to the Minerals Business, or the directly or indirectly owned subsidiaries of Metso transferring to Outotec or where it has been agreed with the creditors that the debts or parts thereof shall benefit Outotec. Such debts include, in particular:

    (i) all bonds issued by Metso with a maturity date that falls after the Effective Date and having an aggregate principal amount of EUR 400 million (including all rights and obligations under all consent solicitation documents related to such bonds) (or, if requisite consents of the relevant bondholders are not obtained, a back-to-back liability in an amount equal to such amount);

    (ii) the backup and term loan facilities in the aggregate principal amount of EUR 1,550 million, which may be used for the repayment, partial repayment or replacement of Metso's existing credit facilities, bonds and other liabilities that benefit the Minerals Business, repayment, partial repayment or replacement of Outotec's existing indebtedness after the Effective Date and financing Outotec's financing needs after the Effective Date and the amount of which will decrease in proportion to (i) new revolving credit facilities in the aggregate principal amount of EUR 600 million intended to be entered into prior to the Effective Date and that will transfer to Outotec and (ii) the amount of bond liabilities referred to in subparagraph (i) above in relation to which requisite consents have been obtained prior to the Effective Date;

    (iii) the acquisition facility in the principal amount of EUR 300 million in respect of the acquisition of McCloskey International; and

    (iv) such portion of Metso's EUR 40 million financing agreement with the European Investment Bank that relates to the Minerals Business (subject to the consent of the European Investment Bank),

corresponding to an aggregate principal amount of EUR 2,290 million;

(h) Obligations under such other potential loan agreements of Metso, if any, wherein it is stated that the purpose of the use of the loan is related to, or primarily serves, the Minerals Business or the business of the direct or indirect subsidiaries of Metso transferring to Outotec. On the date of this Demerger Plan, Metso is not aware of any such obligations;

(i) Forward exchange agreements and other derivatives agreements or arrangements entered into between Metso and directly or indirectly owned subsidiaries of Metso transferring to Outotec, external derivative agreements related to these transferring intra-group agreements or arrangements as well as other external derivatives agreements and arrangements related to the Minerals Business;

(j) Share-based incentive plans concerning the management and key personnel of Metso and its group, which include Performance Share Plan 2017–2019, Performance Share Plan 2018–2020, Performance Share Plan 2019–2021, Restricted Share Plan 2017–2019, Restricted Share Plan 2018–2020, Restricted Share Plan 2019–2021, Deferred Share Unit Plan 2018–2020, Deferred Share Unit Plan 2019–2021 and Matching Share Plan, and the rights and obligations related to and resulting from their terms and conditions as well as agreements to the extent they relate to personnel, who transfer to the service of Outotec in accordance with Section 18.2 of this Demerger Plan or who have a valid employment or service relationship as at the Effective Date with a subsidiary of Metso transferring to Outotec or with a direct or indirect subsidiary of such transferring subsidiary. This Demerger Plan in no way limits the right of the Board of Directors of Metso to amend the terms and conditions of the incentive plans in accordance with the same prior to the Effective Date;

(k) Potential tax receivables, tax debts and tax liabilities of Metso related to the Minerals Business and its assets, debts and liabilities. To the extent such tax receivables, tax debts or tax liabilities cannot be legally transferred, a corresponding debt or receivable will be created between Outotec and Metso on the Effective Date;

(l) Items that have replaced the above-mentioned assets, debts and liabilities (insofar as such replacement items relate to, or primarily serve, the Minerals Business) as well as assets, debts and liabilities created for the Minerals Business after the date of this Demerger Plan (including all issued and outstanding shares of McCloskey International subject to closing of the acquisition and any potential new agreements, offers, offer requests and undertakings); and

(m) All potential other known and unknown assets, debts and liabilities of Metso related to the Minerals Business but which are not specifically referred to in this Demerger Plan (including but not limited to agreements, offers, offer requests and undertakings). The same applies to any of the types of items mentioned above belonging to the Minerals Business that are unknown and appear after the Effective Date.

Metso shall be subject only to secondary liability, as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, for known, unknown and conditional debts of creditors, whose receivable has arisen before the Effective Date, transferring to Outotec, except where there is an agreement or will be an agreement with a creditor regarding the limitation of even such secondary liability (including elimination of such liability), in which case such agreed limitation of liability (or elimination of such liability) shall be applied to Metso's liability towards the creditor in question. Metso shall not be subject to secondary liability, as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, for any guarantee obligation transferring to Outotec other than such guarantee obligation which is considered debt pursuant to the above-mentioned provision as at the Effective Date.

9.2 Assets and Debts Remaining with the Demerging Company in the Demerger

In the Demerger, the Flow Control Business, that is, all such (including known, unknown and conditional) assets, rights, debts and liabilities (including but not limited to agreements, offers, offer requests and undertakings) of Metso existing as at the Effective Date that relate to, or primarily serve, the Flow Control Business, as well as certain general assets and liabilities of Metso, shall remain with

Metso. The said general assets and liabilities shall primarily be allocated in accordance with the principle of primacy or on the basis of the employee utilizing the asset in question.

The assets, rights, debts and liabilities that shall remain in Metso's ownership include, among others, the following most significant items:

(a) All issued and outstanding shares of Metso's directly owned subsidiaries, including their subsidiaries, not belonging to the Minerals Business;

(b) Guarantee obligations and liabilities arising out of counterindemnities given to the guarantors insofar as they do not relate to the Minerals Business or the directly or indirectly owned subsidiaries of Metso transferring to Outotec as set out in Section 9.1 of this Demerger Plan as well as such new guarantee obligations and liabilities arising out of counterindemnities given to the guarantors that Metso will undertake or has undertaken and that do not relate to the Minerals Business;

(c) All loan agreements entered into by Metso or its directly or indirectly owned subsidiaries with financial institutions and pension insurance companies, which agreements are not related to the Minerals Business or the directly or indirectly owned subsidiaries of Metso transferring to Outotec and are, therefore, not specifically allocated to Outotec under Section 9.1 of this Demerger Plan, including but not limited to the term loan facility agreement of EUR 150 million which may be used for the repayment, partial repayment or replacement of Metso's credit facilities, bonds and other liabilities that benefit the Flow Control Business and the new revolving credit facility of EUR 200 million intended to be entered into prior to the Effective Date which may be used for the general corporate purposes of Metso after the Effective Date;

(d) All derivative agreements or arrangements entered into by Metso and the rights and obligations pertaining thereto, insofar as they have not been specified to be transferring to Outotec in Section 9.1 of this Demerger Plan;

(e) Metso's receivables from, and liabilities to, its directly or indirectly owned subsidiaries that remain in its ownership, including any dividend receivables, insofar as they have not been specified to be transferring to Outotec in Section 9.1 of this Demerger Plan;

(f) Share-based incentive plans concerning the management and key personnel of Metso and its group, which include Performance Share Plan 2017–2019, Performance Share Plan 2018–2020, Performance Share Plan 2019–2021, Restricted Share Plan 2017–2019, Restricted Share Plan 2018–2020, Restricted Share Plan 2019–2021, Deferred Share Unit Plan 2018–2020, Deferred Share Unit Plan 2019–2021 and Matching Share Plan, and the rights and obligations related to and resulting from their terms and conditions as well as agreements to the extent they relate to personnel at the service of Metso as at the Effective Date other than those, who transfer to the service of Outotec in accordance with Section 18.2 of this Demerger Plan or who have a valid employment or service relationship as at the Effective Date with a subsidiary of Metso transferring to Outotec or with a direct or indirect subsidiary of such transferring subsidiary. This Demerger Plan in no way limits the right of the Board of Directors of Metso to amend the terms and conditions of the incentive plans in accordance with the same prior to the Effective Date;

(g) All known and unknown assets, debts and liabilities (including but not limited to agreements, offers, offer requests and undertakings) not related to the Minerals Business but which are not specifically referred to in this Demerger Plan, such as joint venture agreements with third parties regarding ownership of subsidiaries belonging to the Metso group. The same applies to any of the types of items mentioned above not related to the Minerals Business that are unknown and appear after the Effective Date;

(h) Potential tax receivables, tax debts and tax liabilities of Metso that are not related to the Minerals Business and its assets, debts and liabilities; and

(i) Items that have replaced the above-mentioned assets, debts and liabilities (including but not limited to agreements, offers, offer requests and undertakings) (insofar as these replacement items are not related to the Minerals Business and have not been specifically allocated to Outotec under Section 9.1 of this Demerger Plan) as well as assets, debts and liabilities created for, or otherwise allocated to, Metso after the date of this Demerger Plan (including any new agreements, offers, offer requests and undertakings), which are not related to the Minerals Business.

Outotec shall be subject only to secondary liability, as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, for known, unknown and conditional debts of creditors, whose receivable has arisen before the Effective Date, remaining with Metso, except where there is an agreement or will be an agreement with a creditor regarding the limitation of even such secondary liability (including elimination of such liability), in which case such agreed limitation of liability (or elimination of such liability) shall be applied to Outotec's liability towards the creditor in question. Outotec shall not be subject to secondary liability, as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, for any guarantee obligation remaining with Metso other than such guarantee obligation which is considered debt pursuant to the above-mentioned provision as at the Effective Date.

9.3 Valuation of Assets and Debts in the Demerger

The assets and debts of Metso have been booked and valued in accordance with the Finnish Accounting Act. In the Demerger, Outotec shall record the transferring assets and debts in its balance sheet at the book values used by Metso on the Effective Date in compliance with the provisions of the Finnish Accounting Act. Section 7 and 10 of this Demerger Plan set forth the effect of the Demerger on the share capital and other equity of the Receiving Company and the Demerging Company, respectively.

10. Share Capital and Other Equity of the Demerging Company

On the date of this Demerger Plan, the share capital of Metso is EUR 140,982,843.80. A decrease in the share capital of Metso is proposed in connection with the Demerger by EUR 90,000,000.00, to EUR 50,982,843.80. The amount by which the share capital of Metso is decreased will be used to distribute funds to Outotec. Insofar as the amount of the net book value of the assets of the Mineral Business exceed the above-mentioned share capital reduction, Metso's reserve for invested unrestricted equity and other reserves as well as Metso's retained earnings will be decreased by the said amount.

11. Arrangements Outside Ordinary Business Operations

From the date of this Demerger Plan, each of the Parties shall continue to conduct their respective business operations in the ordinary course of business consistent with the past practice, policies and principles of such Party.

Except as set forth in this Demerger Plan and the Combination Agreement, Metso and Outotec shall during the Demerger process not resolve on any matters (regardless of whether such matters are ordinary or extraordinary), which would affect the shareholders' equity or number of outstanding shares in the relevant company, including but not limited to corporate acquisitions and divestments, share issues, issue of special rights entitling to shares, acquisition or disposal of treasury shares, changes in share capital, dividend distributions, distribution of assets, or any comparable actions, or take or commit to take any such actions, except for, (A) in the case of Metso, (i) the second installment of the dividend payments resolved by the annual general meeting of Metso held on April 25, 2019 payable in November 2019 and (ii) a dividend payment for the financial year ending December 31, 2019 prior to the Effective Date in an aggregate amount not exceeding EUR 221,000,000 and (B) in the case of Outotec, a dividend payment for the financial year ending December 31, 2019 prior to the Effective Date in an aggregate amount not exceeding EUR 20,000,000.

12. Capital Loans

Metso has not issued any capital loans, as referred to in Chapter 17, Section 3, Subsection 2, Item 12 of the Finnish Companies Act.

13. Cross Ownership and Treasury Shares

On the date of this Demerger Plan, Metso or its subsidiaries do not hold, and Metso agrees not to acquire (and to cause its subsidiaries not to acquire), any shares in Outotec and Outotec and its subsidiaries do not hold, and agree not to acquire, any shares in Metso.

On the date of this Demerger Plan, Metso holds 272,088 treasury shares.

14. Business Mortgages

On the date of this Demerger Plan, there are no business mortgages, as defined in the Finnish Act on Business Mortgages (634/1984, as amended), pertaining to the assets of either Metso or Outotec.

15. Special Benefits and Rights in Connection with the Demerger

No special benefits or rights shall be granted in connection with the Demerger to the members of the Board of Directors, the President and CEOs or the auditors of either Metso or Outotec, or to the auditors issuing statements on this Demerger Plan.

The remuneration of the auditors issuing statements on this Demerger Plan is proposed to be paid in accordance with a reasonable invoice approved by the Board of Directors of Metso in the case of auditors of Metso and by the Board of Directors of Outotec in the case of auditors of Outotec. Metso's auditor will issue a statement referred to in Chapter 17, Section 4, Subsection 1 of the Finnish Companies Act to Metso and Outotec's auditor will issue said statement to Outotec.

16. Planned Registration Time for the Completion of the Demerger

The planned date of registration of the completion of the Demerger shall be April 1, 2020 (effective registration time approximately at 00:01), however, subject to the fulfilment of the preconditions in accordance with the Finnish Companies Act and the conditions for executing the Demerger set forth below in Section 17.

The Effective Date may change if, among other things, the execution of measures described in this Demerger Plan takes longer than what is currently estimated, or if circumstances related to the Demerger otherwise necessitate a change in the time schedule or if the Boards of Directors of the Companies Participating in the Demerger jointly resolve to file the Demerger to be registered prior to, or after, the planned registration date.

17. Conditions for the Completion of the Demerger

The completion of the Demerger is conditional upon the satisfaction or, to the extent permitted by applicable law, waiver of each of the conditions set forth below:

(a) the Demerger, this Demerger Plan, the proposed amendments to the articles of association and the election of the members of the Board of Directors as set forth in Section 3 above having been duly approved by the general meeting of shareholders of Metso provided, however, that shareholders of Metso representing no more than ten (10) percent of all shares and votes in Metso having demanded the redemption of his/her/its Demerger Consideration pursuant to Chapter 17, Section 13 of the Finnish Companies Act;

(b) the Demerger, this Demerger Plan, the proposed amendments to the articles of association and the election of the members of the Board of Directors as set forth in Section 3 above having been duly approved by the general meeting of shareholders of Outotec;

(c) the necessary competition clearances having been obtained for the Demerger;

(d) Outotec having obtained from Nasdaq Helsinki a written confirmation that the listing of the Demerger Consideration on the official list of Nasdaq Helsinki will take place promptly upon the Effective Date;

(e) the financing entered into for the purposes of the Demerger being available materially in accordance with the new facilities agreements of Metso;

(f) no default under any of the material finance arrangements of Metso, as defined in the Combination Agreement, having occurred and being continuing if, in the opinion of either Company Participating in the Demerger (in each case, acting reasonably and based on advice of legal counsel), such default would have a material adverse effect on the Demerger or the combined business;

(g) no default under the material finance arrangements of Outotec, as defined in the Combination Agreement, having occurred and being continuing if, in the opinion of either Company Participating in the Demerger (in each case, acting reasonably and based on advice of legal counsel), such default would have a material adverse effect on the Demerger or the combined business;

(h) the repayment or securing by collateral of the total aggregate amount of the receivables required by creditors objecting to the Demerger in accordance with the Finnish Companies Act, if any, not resulting in a default by Metso under any of the material finance arrangements of Metso, as defined in the Combination Agreement, or, in the event of any such default, the necessary waivers and consents having been granted;

(i) the Combination Agreement not having been terminated in accordance with its provisions; and

(j) no event, circumstance or change having occurred on or after the date of the Combination Agreement that would have a material adverse effect as defined in the Combination Agreement in respect of the Minerals Business or Outotec.

18. Other Matters

18.1 Listing of the Shares Forming the Demerger Consideration

Outotec shall apply for the listing of the new shares to be issued by Outotec as Demerger Consideration to public trading on Nasdaq Helsinki. The trading in the new shares shall begin on or about the first trading day following the Effective Date or as soon as reasonably possible thereafter.

The Demerger will not affect the listing of, or public trading in, the shares of Metso.

18.2 Transfer of Employees

Metso’s personnel and the personnel of Metso’s directly or indirectly owned subsidiaries remaining in Metso’s ownership working for the Minerals Business shall transfer to the service of Outotec as at the Effective Date. Outotec shall assume the obligations arising out of the employment and service relationships of the transferring personnel in force as at the Effective Date as well as the obligations resulting from the related benefits. The personnel shall transfer to the service of Outotec as existing employees.

The obligations of group agreements binding Metso shall transfer to Outotec insofar as they concern employees within the Minerals Business or employees of Metso or its directly or indirectly owned subsidiaries, whose work primarily benefits the Minerals Business, transferring to Outotec in the Demerger.

Outotec shall be responsible for all obligations relating to the personnel transferring to it, such as any wages and fees, tax withholding, accumulated holidays, daily allowances, pension contributions and expense compensations, also to the extent the grounds for such obligations have wholly or partially arisen during the time period preceding the Effective Date, but which remain unfulfilled as at the Effective Date.

18.3 Agreements and Undertakings and Cooperation in Transfer of Rights and Obligations; Intra-Group Arrangements

All agreements and undertakings, given and received offers and offer requests and the rights and obligations pertaining thereto related to the Minerals Business shall transfer to Outotec in accordance with this Demerger Plan on the Effective Date. If the transfer of a certain agreement and/or undertaking is subject to the consent of the contracting party or a third party, the Companies Participating in the

Demerger shall use their reasonable best efforts to obtain such consent on or prior to the Effective Date. If any consent has not been obtained by the Effective Date, Metso shall remain as the party to the relevant agreement and/or undertaking, but Outotec shall fulfill the obligations related to such agreement and/or undertaking on its own behalf, at its own responsibility and at its own risk in Metso's name and, correspondingly, Outotec shall receive the benefits related to such agreement and/or undertaking in a manner separately agreed by the Companies Participating in the Demerger.

Metso and Outotec are both obligated to provide to each other all the reports and confirmations, as requested by the other company, which are necessary for the confirmation and recording of the transfer of rights and obligations under this Demerger Plan, such as reports on the transfer of assets, debts and liabilities potentially required by authorities or financial institutions.

Metso will undertake certain intra-group arrangements related to the Demerger before the Effective Date. As a part of these intra-group arrangements, shares and/or assets and liabilities of indirect subsidiaries of Metso which are owned by direct or indirect subsidiaries of Metso will be transferred within the group. If such intra-group arrangements cannot be completed in all respects before the Effective Date due to requirements or actions of foreign authorities or other similar reasons, the Companies Participating in the Demerger undertake to cause the completion of the said arrangements as soon as practically possible after the Effective Date.

Metso and Outotec may, before the Effective Date, also enter into certain transitional services agreements that may be necessary in order to secure the continuation of the operations of the Minerals Business and/or Flow Control Business and the related support functions without interruption or undue costs and expenses.

18.4 Intellectual Property Rights of the Demerging Company

Metso shall procure that none of its directly or indirectly owned subsidiaries shall, from the Effective Date, use any trade name, trademark, other intellectual property right or domain names, which includes the word "Metso" or which may otherwise be confused with Metso's trade name, trademark or other intellectual property right or domain name and that the said subsidiaries shall cause the removal of such elements immediately and in any event no later than within six (6) months from the Effective Date.

18.5 Accounting Material

The accounting material of Metso shall remain in the ownership of Metso. However, Outotec shall have the right to obtain access to the said accounting material free of separate charge, including the right to make notes based on the documentation, make copies thereof and save it in electronic media, within the ordinary office hours insofar as the request concerns the Minerals Business.

18.6 Language of this Demerger Plan

This Demerger Plan has been prepared in the Finnish language. Any possible translations of this Demerger Plan have been made for information purposes only and the Finnish language version shall prevail in all situations.

18.7 Dispute Resolution

Any dispute, controversy or claim between the Companies Participating in the Demerger arising out of or relating to this Demerger Plan, or the breach, termination or validity thereof shall be finally settled by arbitration in accordance with the Arbitration Rules of the Finland Chamber of Commerce. The seat of arbitration is Helsinki.

18.8 Other Issues

The Boards of Directors of Metso and Outotec are authorized to decide on technical amendments to this Demerger Plan as may be required by the authorities or otherwise considered appropriate by the Boards of Directors of Metso and Outotec. The Boards of Directors of Metso and/or Outotec may decide not to complete the Demerger, if material grounds for such non-completion exist, as agreed in the Combination Agreement, prior the general meetings of shareholders of Metso and Outotec resolving upon the Demerger or thereafter.

This Demerger Plan has been executed in two (2) identical counterparts, one for Metso and one for Outotec.

[*Signature pages to follow*]

In Helsinki, on July 4, 2019

Metso Corporation

Authorized by the Board of Directors of Metso Corporation

/S/ MIKAEL LILIUS	/S/ PEKKA VAURAMO
Name: Mikael Lilius	Name: Pekka Vauramo
Title: Chairman of the Board	Title: President and CEO

In Helsinki, on July 4, 2019

Outotec Oyj

Authorized by the Board of Directors of Outotec Oyj

/S/ MATTI ALAHUHTA	/S/ MARKKU TERÄSVASARA
Name: Matti Alahuhta	Name: Markku Teräsvasara
Title: Chairman of the Board	Title: President and Chief Executive Officer

Appendix 1

Outotec Oyj's Amended Articles of Association

1 § Business name and domicile

The business name of the Company is Metso Outotec Oyj in Finnish and Metso Outotec Corporation in English. The domicile of the Company is Helsinki.

2 § Line of business

The Company's line of business is to carry on, by itself or through its subsidiaries, the design, manufacture and construction of and trade in methods, machinery, devices, equipment, spare parts and production facilities for the mining, ore cleaning, metallurgical and other processing industry, metals forming technology, materials technology, energy technology and environmental protection, the production and sale of technical design, project services and research and product development services for the processing industry, energy technology and environmental protection, including any industrial and commercial operations and the sale of business management and consultancy services as well as sale and manufacture of spare parts and offer of maintenance services based on or relating to these activities or know-how acquired in this sphere of activities. The Company may hold and control of domestic and foreign securities, own and control domestic and foreign securities, raise and grant loans, grant securities and give its property in pledge. Within the limits of its field of activity, the Company may establish domestic or international companies and consortiums.

3 § Book-entry system

The shares of the Company are registered in the book-entry system.

4 § Board of Directors

The Board of Directors consists of at least five and no more than ten members of the Board of Directors. The Chairman and the Vice Chairman of the Board of Directors shall be elected by the General Meeting.

The term of office for a member of the Board of Directors begins as of the General Meeting in which the member of the Board of Directors has been elected and expires at the conclusion of the first Annual General Meeting following the election.

5 § President and Deputy Presidents

The Board of Directors shall elect the President and may elect one or more Deputy Presidents.

6 § Representation right

The right to represent the Company shall be vested with the Chairman of the Board of Directors, a member of the Board of Directors and the President, two together, and with the persons given the right by the Board of Directors to represent the Company, two together, or with each one separately together with the Chairman of the Board of Directors, a member of the Board of Directors, or together with the President.

7 § Financial year

The Company's financial year is a calendar year.

8 § Auditor

The Company has one (1) auditor. The auditor shall be an audit firm approved by the Patent and Registration Office with an authorized public accountant as the auditor in charge. The term of office of the auditor expires at the end of the Annual General Meeting following the election.

9 § Notice to convene a meeting

The Board of Directors shall issue a notice to convene the General Meetings of Shareholders by publishing the notice in one or more daily newspapers with a wide circulation, or on the

Company's website no earlier than three (3) months before the last day for advance notice under Article 10 and at the latest three (3) weeks before the General Meeting, but in any case, at least nine (9) days before the record date of the General Meeting, as referred to in the Finnish Companies Act.

10 § Time and place of the meeting and advance notice

In order to attend the General Meeting a shareholder shall give an advance notice to the Company prior to the end of the advance notice period set out in the notice convening the meeting. The last day for advance notice may be assigned to be no earlier than ten days before the meeting and it may not be assigned to be on a Sunday, Saturday, Midsummer's Eve, Christmas Eve, New Year's Eve or any other public holiday.

The General Meeting may be held in the domicile of the Company, Espoo or Vantaa.

11 § Annual General Meeting

At the Annual General Meeting, the following shall be:

presented:

1. the Financial Statements of the Company, which also include the Financial Statements of the Group, and the report of the Board of Directors; and
2. the Auditor's reports concerning the Company and the Group;

resolved:

3. approval of the Financial Statements of the Company, which also include the approval of the Financial Statements of the Group;
4. any measures justified by the profit indicated by the confirmed balance sheet, as well as the date at which any possible dividend is payable to the shareholders;
5. releasing the members of the Board of Directors and the President from liability;
6. the number of members of the Board of Directors;
7. the remuneration of the Chairman, Vice Chairman and other members of the Board of Directors as well as the Auditor;
8. any other matters submitted to the General Meeting by the Board of Directors, Auditor or shareholders sufficiently in advance so that the matter can be included in the notice convening the meeting; and
9. any other matters specified in the notice convening the meeting; and

elected:

10. the Chairman, Vice Chairman and other necessary members of the Board of Directors; and
11. Auditor.

Appendix 2

Metso Corporation's Amended Articles of Association

1 § Business name and domicile

The company's business name is Neles Oyj in Finnish, Neles Abp in Swedish and Neles Corporation in English. The company's domicile is Vantaa.

2 § Branch of industry

The company's branch of industry is to globally design, develop, sell and manufacture industry products and systems as well as spare parts, maintenance and diagnostics services relating to, among others, flow control, either directly or through its subsidiary or affiliate companies.

As the parent company, the company may also attend to the organisation, financing and purchases of the group of companies and to other joint tasks of the same kind, and it may own real estate, stocks and shares and carry on securities trading and other investment business.

3 § Book-entry system

The company's shares belong to the book-entry system.

4 § Board of Directors and President

The company has a Board of Directors, a President and one or more Executive Vice Presidents, if required.

The Board of Directors has no less than five (5) and no more than eight (8) members. The term of office of a member of the Board of Directors expires at the end of the first Annual General Meeting of shareholders following the election.

The General Meeting of shareholders elects the chairman, vice chairman and other members of the Board of Directors.

The Board of Directors elects the company's President and one or more Executive Vice Presidents, if required.

The Board of Directors meets when a meeting is convened by the chairman or, if he/she is prevented, the vice chairman. The Board of Directors constitutes a quorum when more than half its members are present and one of them is the chairman or the vice chairman.

The Board's decision shall be that opinion which is supported by more than one-half of the members present or, if the votes are equal, the opinion with which the chairman of the meeting agrees.

5 § Representation right

The right to represent the company shall be vested with the chairman of the Board of Directors, a member of the Board of Directors and the President, two together, and with the persons given the right by the Board of Directors to represent the company, two together, or with each one separately together with the chairman of the Board of Directors, a member of the Board of Directors, or together with the President.

6 § Accounting period

The company's accounting period is the calendar year.

7 § Auditor

The company has one (1) auditor, which must be an auditing corporation approved by Finland Chamber of Commerce.

The term of office of the auditor expires at the end of the Annual General Meeting of shareholders following the election.

8 § Notice to convene a meeting

The notice to convene a General Meeting of shareholders must be delivered to the shareholders by publishing the notice on the company's website or by a newspaper.

announcement, which is published in one or more widely circulated daily newspapers chosen by the Board of Directors, or otherwise in a verifiable way no more than three (3) months and no less than three (3) weeks before the meeting, and in any case at least nine (9) days before the General Meeting record date referred to in Chapter 4, Section 2.2 of the Companies Act.

In order to take part in a General Meeting a shareholder must register with the company no later than on the date mentioned in the notice, which may not be earlier than ten (10) days before the General Meeting.

9 § Annual General Meeting of shareholders

The Annual General Meeting of shareholders shall be held each year before the end of June.

At the meeting:

the following are submitted

1. the financial statements, including the consolidated financial statements, and the Annual Report;

2. the auditor's report;

the following decisions are taken

3. adoption of the financial statements;

4. the use of profits shown in the balance sheet;

5. the release of members of the Board of Directors and the President from liability;

6. remuneration for the members of the Board of Directors and the auditors;

7. the number of members on the Board of Directors;

the meeting elects

8. the chairman, vice chairman and members of the Board of Directors; and

9. the auditor.

If a vote is held at General Meetings of shareholders of the company, the chairman of the General Meeting shall determine the manner of voting.

Appendix 3

Unaudited financial information as at 31 March 2019 of Metso Corporation

	As at March 31, 2019				
	Metso Corporation (Demerging company)	**Transactions prior to Demerger**	**Metso Corporation (Demerging company) Adjusted**	**Metso Minerals Demerger balance sheet**	**Neles Corporation after Demerger**
	(EUR in millions)				
BALANCE SHEET ASSETS					
Non-current assets					
Intangible assets	1		1	1	0
Tangible assets	1		1	1	0
Non-current financial assets	1,123	510	1,634	1,041	593
Total non-current assets	**1,125**	**510**	**1,635**	**1,042**	**593**
Current assets					
Non-current receivables	4	0	4	4	0
Current receivables	366	0	366	312	53
Cash and cash equivalents	394	(270)	124	91	33
Total current assets	**763**	**(270)**	**493**	**407**	**86**
TOTAL ASSETS	**1,888**	**240**	**2,128**	**1,449**	**680**
EQUITY AND LIABILITIES					
Shareholders' equity					
Restricted equity	141	0	141	90	51[(1)]
Non-restricted equity	961	264	1,226	782	444
Shareholders' equity	**1,102**	**264**	**1,367**	**872**	**495**
Liabilities					
Non-current liabilities	403	150	553	403	150
Current liabilities	383	(174)	208	173	35
Total liabilities	**786**	**(24)**	**761**	**576**	**185**
TOTAL EQUITY AND LIABILITIES	**1,888**	**240**	**2,128**	**1,449**	**680**

Financial information presented in this illustrative balance sheet is derived from the unaudited balance sheet of Metso Corporation as at March 2019 prepared in accordance with the Finnish Accounting Act and good accounting practice.

The column Transactions prior to Demerger of the illustrative balance sheet presented above takes into account the following transactions which have a significant impact on the assets and liabilities of Metso Corporation prior to the execution of the Demerger: dividend distribution to shareholders for the year 2018 decided by the annual general meeting, financing of acquisition closed in May 2019 in Chile, dividends to be paid to parent in 2019, preliminary estimated impact of the intra-group transactions required for the Demerger and related financing and planned repayments of the existing interest-bearing liabilities. In addition to the transactions mentioned earlier, the proposed distribution of interest-bearing liabilities and cash and cash equivalents is based on the current negotiations with the creditors and assumed need for net working capital.

This illustrative balance sheet does not include the following transactions, which may have material impact on Metso Corporation's assets and liabilities prior to the execution of the Demerger, such as: group contributions which are recorded to the income statement in year 2019, transaction costs of the Demerger, the acquisition and funding impacts of June 10, 2019 announced signing of an acquisition by Metso of the Canadian company McCloskey International and dividend payments of Metso Corporation for the year 2019 prior to the Effective Date.

The final demerger will take place based on the balance sheet values as at the Effective Date. The illustrative balance sheet information presented above is therefore only indicative and subject to change from what is presented above.

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(1) A decrease in the share capital of Metso is proposed in connection with the Demerger by EUR 90,000,000.00, to EUR 50,982,843.80. The amount by which the share capital of Metso is decreased will be used to distribute funds to Outotec. Insofar as the amount of the net book value of the assets of the Mineral Business exceed the above-mentioned share capital reduction, Metso's reserve for invested unrestricted equity and other reserves as well as Metso's retained earnings will be decreased by the said amount.

Appendix 4

Preliminary presentation of the balance sheets of the Outotec and Metso Minerals

	As at March 31, 2019			
	Outotec Oyj (Receiving company)	**Metso Minerals demerger BS**	**Transactions prior to Demerger**	**Outotec Oyj after demerger**
	(EUR in millions)			
BALANCE SHEET				
ASSETS				
Non-current assets				
Intangible assets	45	1	0	45
Property, plant and equipment	1	1	0	2
Non-current financial assets	518	1,041	0	1,559
Total non-current assets	**564**	**1,042**	**0**	**1,606**
Current assets				
Inventories	0	0	0	0
Non-current receivables	3	4	0	6
Current receivables	225	312	35	572
Cash and cash equivalents	18	91	1	109
Total current assets	**246**	**407**	**36**	**688**
TOTAL ASSETS	**809**	**1,449**	**36**	**2,294**
EQUITY AND LIABILITIES				
Shareholders' equity				
Restricted equity	37	90	0	127(1)
Non-restricted equity	214	782	40	1,036(2)
Shareholders' equity	**251**	**872**	**40**	**1,163**
Liabilities				
Non-current liabilities	327	403	0	730
Current liabilities	231	173	(4)	400
Total liabilities	**558**	**576**	**(4)**	**1,130**
TOTAL EQUITY AND LIABILITIES	**809**	**1,449**	**36**	**2,294**

Financial information presented in this illustrative balance sheet is derived from the Outotec Oyj's unaudited balance sheet as at March 31, 2019 prepared in accordance with the Finnish Accounting Act and good accounting practice. Metso Minerals demerger balance sheet is derived from the unaudited balance sheet as at and for the three months ended March 31, 2019 and presented in accordance with the principles described in Appendix 3.

In the column Transactions prior to Demerger of the illustrative balance sheet presented above takes into account Outotec Oyj's internal dividend distribution to the parent company from subsidiaries for the year 2018, the planned repayments of existing loans, which have a significant impact on the assets and liabilities of Outotec Oyj prior to the execution of the Demerger.

The illustrative balance sheet presented above does not take into account among others the following events which may have a significant impact on the Metso Minerals demerger balance sheet and Outotec Oyj's assets and liabilities prior to the execution of the Demerger: Outotec Oyj's and Metso Corporation's group contributions, which are recorded to the income statement in year 2019, transaction costs related to the Demerger, the acquisition and funding impacts of June 10, 2019 announced signing of an acquisition by Metso of the Canadian company McCloskey International and dividend payments of Metso Corporation and/or Outotec Oyj for the year 2019 prior to the Effective Date.

The final demerger balance sheet of Metso Minerals and balance sheet of Outotec Oyj after demerger are based on the balance sheet values as at the Effective Date. The unaudited illustrative balance sheet information presented above is therefore only indicative and subject to change.

(1) The share capital of Outotec shall be increased by EUR 90,000,000.00 on the Effective Date as stated in the Section 7 of the Demerger Plan.
(2) The equity increase of Outotec, insofar as it exceeds the amount to be recorded into the share capital, shall primarily be recorded as an increase of retained earnings insofar there are retained earnings and secondarily as an increase of the fund for invested unrestricted equity as defined in Chapter 8, Section 2 of the Finnish Companies Act.

Appendix 2: Summary of Metso's and Outotec's Financial Information

Metso Minerals Key Segment Financial Information

The following key financial information related to Metso Minerals have been derived from Metso's reporting segment information reflecting the new reporting structure starting from January 1, 2019 onwards presented in the Q1 Interim Review available on the Metso website www.metso.com. As the information is based on Metso's current segment reporting it excludes any impact of unallocated group level income, expenses, assets and liabilities and accordingly, is not necessarily indicative of the historical financial performance of the Metso Minerals business that would have occurred if it had operated as a separate stand-alone group nor of its future performance.

EUR in million unless otherwise indicated	**Reported Unaudited**		
	Q1 2019	**FY 2018(1)**	**FY 2017(1)**
Sales	681	2,581	2,177
Operating profit	83.2	283.2	176.1
Operating profit, % of Sales	12.2	11.0	8.1
EBITDA	96.8	321.2	213.4
EBITDA, % of Sales	14.2	12.4	9.8
Adjusted EBITA	84.4	291.0	190.5
Adjusted EBITA, % of Sales	12.4	11.3	8.8
Operative capital employed	1,371	1,272	1,120
Segment ROCE	26.8	23.7	15.9

(1) Restated figures with Pumps business area included in Minerals-segment.

Outotec Key Financial Information

The following key Outotec financial information has been derived from Outotec's Q1 2019 interim report and from the 2018 audited consolidated financial statements prepared in accordance with IFRS.

<u>Outotec statement of comprehensive income information</u>

EUR in million	**Reported**		
	Q1 2019 Unaudited	**FY 2018 Audited**	**FY 2017(1) Unaudited**
Sales	254.7	1,276.5	1,143.8
Cost of sales	(185.7)	(1,080.0)	(873.6)
Gross profit	69.1	196.5	270.2
Operating result	9.3	(66.1)(2)	26.0
Result before income taxes	7.5	(75.4)(2)	16.0
Result for the period	5.4	(67.3)(2)	2.9

(1) Restated due to adoption of IFRS 15.

(2) Includes the impact of the €110 million provision recorded in relation to the ilmenite smelter project as described in Outotec's 2018 financial statements.

Outotec statement of financial position information

EUR in million	**Reported**		
	Q1 2019 Unaudited	**FY 2018 Audited**	**FY 2017(1) Unaudited**
Assets			
Intangible assets	336.1	338.4	359.1
Property, plant and equipment	52.2	53.3	56.0
Other non-current assets	163.5	89.8	101.9
Total non-current assets	**551.8**	**481.5**	**517.0**
Inventories	234.4	208.9	195.9
Other current assets	422.8	434.0	413.7
Cash and cash equivalents	210.0	233.4	230.2
Total current assets	**867.2**	**876.3**	**839.8**
Total assets	**1,419.0**	**1,357.8**	**1,356.8**
Equity and liabilities			
Total equity(2)	**376.9**	**377.4**	**466.9**
Borrowings	231.7	178.1	183.5
Other non-current liabilities	126.5	121.5	106.4
Total non-current liabilities	**358.3**	**299.5**	**289.9**
Borrowings	44.4	23.0	45.0
Other current liabilities	639.5	657.9	554.9
Total current liabilities	**683.9**	**680.9**	**599.9**
Total liabilities	**1,042.2**	**980.4**	**889.8**
Total equity and liabilities	**1,419.0**	**1,357.8**	**1,356.8**

(1) Restated due to adoption of IFRS 15.
(2) Total equity includes €150 million hybrid bond classified as equity.

Metso Flow Control Key Segment Financial Information

The following key financial information related to Metso Flow Control have been derived from Metso's reporting segment information reflecting the new reporting structure starting from January 1, 2019 onwards presented in the Q1 Interim Review available on the Metso website www.metso.com. As the financial information is based on the current segment reporting which excludes the impact of unallocated group level income, expenses, assets and liabilities, the segment information is not necessarily indicative of the historical or future financial performance of the Metso Flow Control business after the partial demerger of Metso.

EUR in million unless otherwise indicated	**Reported Unaudited**		
	Q1 2019	**FY 2018(1)**	**FY 2017(1)**
Sales	155	593	522
Operating profit	22.6	88.0	68.1
Operating profit, % of Sales	14.6	14.8	13.0
EBITDA	28.9	99.8	80.6
EBITDA, % of Sales	18.6	16.8	15.5
Adjusted EBITA	23.6	90.3	70.5
Adjusted EBITA, % of Sales	15.2	15.2	13.5
Operative capital employed	352	293	221
Segment ROCE	34.1	37.1	28.7

(1) Restated figures with Pumps business area included in Minerals-segment

Alternative Performance Measures

This stock exchange release also contains selected alternative performance measures. These alternative performance measures may not be comparable to similarly titled measures as presented by other companies nor between Metso and Outotec.

The illustrative combined EBITDA, Adjusted EBITA and net debt presented herein for illustrative purposes have been calculated as follows:

EUR in million	**Q1 2019**			**2018**		
EBITDA	**Illustrative Combined**	**Metso Minerals Carve-out**	**Outotec Reported**	**Illustrative Combined**	**Metso Minerals Carve-out**	**Outotec Reported**
Operating profit	87.4	78.1	9.3	201.5[1]	267.6	(66.1)[1]
Depreciation and amortization	28.7	15.6	13.1	84.8	46.2	38.6
EBITDA	**116.2**	**93.8**	**22.4**	**286.3**[1]	**313.9**	**(27.6)**[1]

EUR in million	**Q1 2019**			**2018**		
Adjusted EBITA	**Illustrative Combined**	**Metso Minerals Carve-out**	**Outotec Reported**	**Illustrative Combined**	**Metso Minerals Carve-out**	**Outotec Reported**
Operating profit	87.4	78.1	9.3	201.5[1]	267.6	(66.1)[1]
Adjusting items[2]	1.6	1.6	0.0	13.9	0.6	13.3
Amortization of intangible assets	9.9	3.0	6.9	43.5	15.8	27.7
Adjusted EBITA	**98.9**	**82.7**	**16.2**	**258.9**[1]	**284.0**	**(25.1)**[1]

(1) Includes the impact of the €110 million provision recorded in relation to the ilmenite smelter project as described in Outotec's 2018 financial statements.

(2) Adjusting items comprise of restructuring and capacity adjustment costs, costs related to mergers and acquisitions, outcome of material intellectual property rights disputes, gains and losses on business disposals and goodwill impairments.

EUR in million	**March 31, 2019**		
Net debt	**Illustrative Combined**	**Metso Minerals Carve-out**	**Outotec Reported**[1]
Borrowings, non-current	670.2	438.5	231.7
Borrowings, current	336.6	292.2	44.4
Liquid funds	(579.2)	(369.2)	(210.0)
Other interest-bearing assets	(96.4)	(90.6)	(5.8)
Net debt[1]	**331.2**	**270.9**	**60.3**

(1) Outotec's €150 million hybrid bond classified as equity is not included in the reported net debt measure.