

**A SUMMARY OF THE PROPOSED TRANSACTION, AS REQUIRED UNDER REGULATION 13(1A) OF THE COMPETITION COMMISSION OF INDIA (PROCEDURE IN REGARD TO THE TRANSACTION OF BUSINESS RELATING TO COMBINATIONS) REGULATIONS, 2011 (AS AMENDED)**

This Form II notification (**Notification Form**) is being filed with the Hon'ble Competition Commission of India (**Commission**) under Section 6(2) of the Competition Act, 2002 in relation to the proposed acquisition of Metso Oyj's (**Metso**) minerals business (**Metso Minerals**) by Outotec Oyj (**Outotec**) (Metso and Outotec are together referred to as the **Parties**). All such assets, rights, debts, and liabilities of Metso that relate to, or primarily serve, its minerals business (comprising the mining, aggregates, minerals consumables, minerals services, pumps, and recycling businesses) will be acquired by Outotec (**Proposed Transaction**).

**(a) Name of the parties to the combination**

1. **Outotec** is a public limited liability company incorporated and registered under the laws of Finland. Outotec has offices in 36 countries, and deliveries to over 80 countries. The Outotec Group has two registered entities in India, *i.e.*, India Private Limited and Larox India Private Limited.
2. **Metso** is also a public limited liability company, incorporated and registered under the laws of Finland. Metso's operations are spread across 176 locations in 52 countries. Metso has two registered entities in India, *i.e.*, Metso India Private Limited and RMEBS Controls Private Limited.

**(b) Nature and purpose of the combination**

3. The Proposed Transaction will be achieved by way of a partial demerger of Metso Minerals pursuant to the Finnish Companies Act to the effect that all such assets, rights, debts, and liabilities of Metso that relate to, or primarily

serve, its minerals business will be acquired by Outotec. The Parties have entered into a Combination Agreement and a Demerger Plan dated 4 July 2019, to give effect to the Proposed Transaction. The remainder of Metso's business, *i.e.*, Metso's flow control business (essentially valves for process industries) will continue to exist independently under the name 'Neles'.

4. In return for the transfer of Metso Minerals to Outotec, the shareholders of Metso will receive newly issued shares in Outotec and hold the majority of the new entity's shares. Upon completion of the partial demerger, Metso's shareholders will hold approximately 78.0% of the total shares in Outotec. The new shares in Outotec issued as consideration will be allocated to the shareholders of Metso based on their shareholding in Metso at the time of completion of the partial demerger. The remainder of the shares will be held by the shareholders of Outotec. The combined entity will operate under the name Metso Outotec. It will not be controlled by any Metso entity or shareholder.
5. The Parties expect the Proposed Transaction to allow, amongst other things, a broader product offering (due to the complementary nature of the product portfolios), improved customer support, and improved innovative capabilities (stronger technology innovation and improved service offerings).
6. Overall, the Parties have complementary strengths, and combining their activities will enable them to provide a broader offering and better integrated solutions to customers. Customers are expected to benefit from, among other

things, the combined entity's increased global presence with closer proximity to customers (especially for aftermarket services), broader end-to-end offering, and operational improvement for the customers as well as customer support.

**(c) Products, services and business(es) of the parties to the combination**

7. The overlaps between the two companies concern equipment (as well as (limitedly) wear and spare parts and services) for the mineral processing industry. More specifically, both Parties supply equipment for various process areas to mining customers
8. The mineral processing value chain can broadly be broken into various stages, including, extraction (blasting and drilling), comminution (size reduction), beneficiation (mostly separation of value minerals from the rock and reduction of moisture content), pyro processing, and material handling. Both Parties supply equipment for various process areas to mining customers.

**Outotec**

9. Outotec comprises three business units: (i) minerals processing (includes grinding, filtration, flotation, *etc.*), (ii) metals refining (which includes hydrometallurgy, smelting, *etc.*), and (iii) services (which includes advisory, maintenance, operations, *etc.*).

**Metso**

10. Metso's business comprises four units: (i) mining (includes crushers, screens and feeders, *etc.*), (ii) aggregates (which also includes crushers, screens and

feeders, *etc.*, but for the aggregates industry), (iii) valves for process industries (which includes, standard and severe service control valves, emergency shutdown valves, *etc.*); and (iv) recycling (which includes, metal shredders and shears, *etc.*).

**(d) Respective market(s) in which the parties to the combination operate**

11. In line with the Hon'ble Commission's past practice, it is submitted that the relevant product and geographic markets can be left open, as the Proposed Transaction will not cause an appreciable adverse effect on competition in India in any segment. In summary, this is because of (i) the presence of several other competitors on the relevant global markets, (ii) very competitive tender processes, (iii) the Parties' limited presence, and (iv) the negligible share increments brought about by the Proposed Transaction.
  
12. In India, the Parties overlap in relation to a limited number of segments: (i) iron ore pelletizing equipment; (ii) flotation equipment; (iii) filtration equipment; and (iv) aftersales products and services.

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