

The background of the slide is a blurred industrial setting, likely a factory or workshop. In the foreground, there are large, dark, circular components with holes, possibly parts of a machine. A person in a blue and orange uniform is walking away from the camera in the background. The overall scene is brightly lit, suggesting an indoor industrial environment.

Metso
Capital Markets
Day 2015

September 29,
London

Making the big
difference to
our customers

Strong position to grow
Perttu Louhiluoto
President, Services Business Area

We are in a strong position to grow



Metso's Services Business Area today

Metso is the leading, full-scope supplier of services for minerals processing in the mining and aggregates industries

Day in, day out, we provide spares, wears and field service to **ensure availability and quality** as well as expert services to **optimize the performance** of our customers' operations.

Net sales*:
1,427 MEUR

Orders received*:
1,453 MEUR

Personnel:
~6,300

~44%
of Metso's
net sales*

~48%
of Metso's
orders
received*

~47%
of Metso's
personnel

We have grown and improved our profitability since 2009

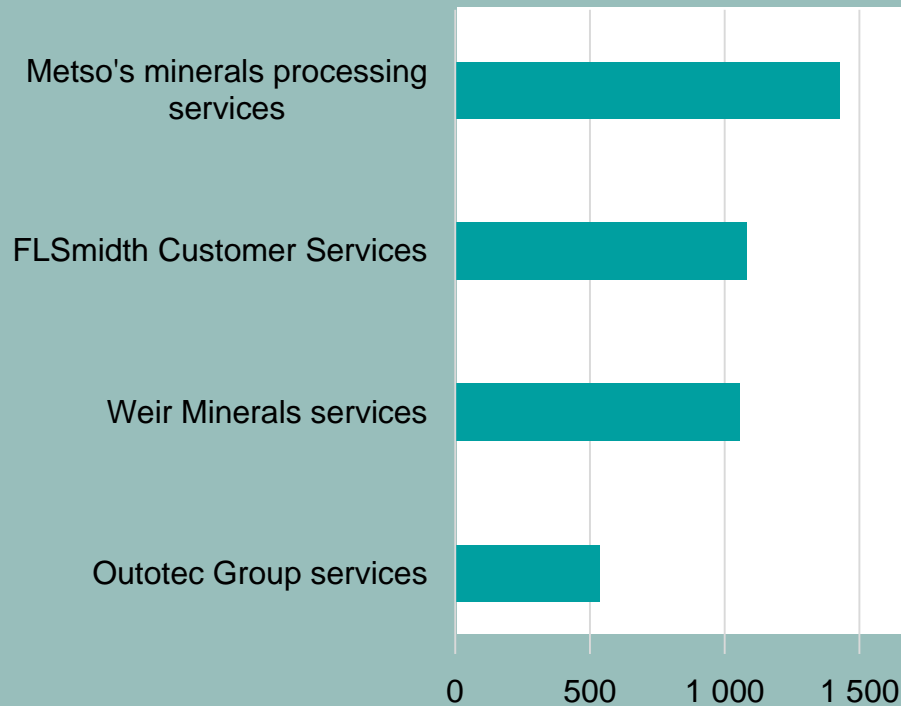


Strong growth with profit improvement

- Metso's strategic focus on services
- Growth investments
- Offering development
- Operational improvements e.g. pricing management

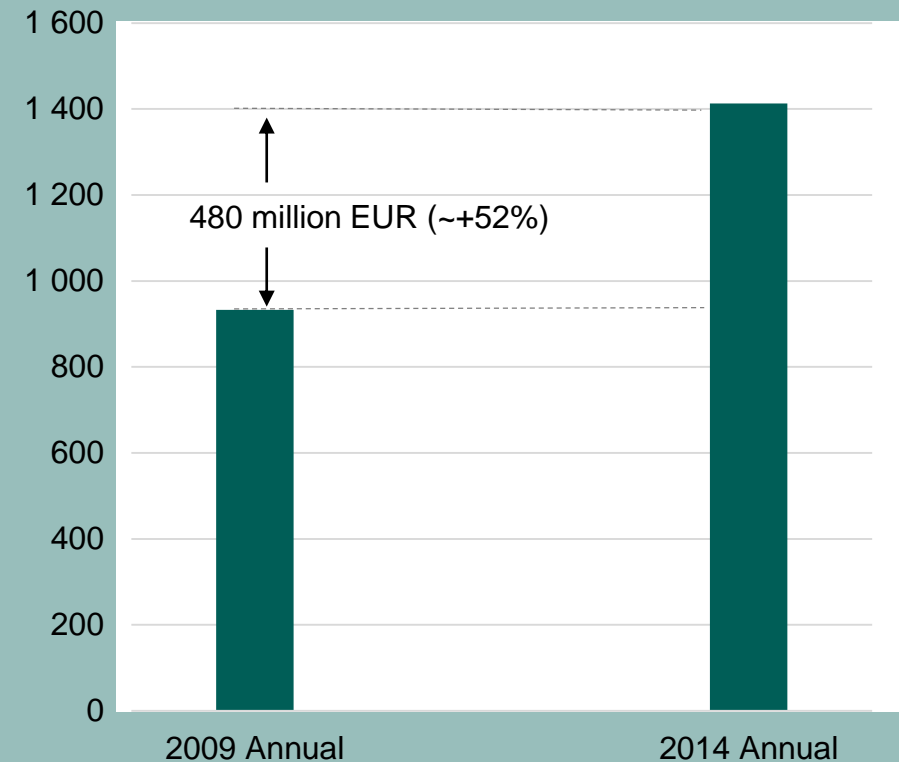
We are the leading services player in the minerals processing field

Net sales of peers' minerals services, past 12 months¹
(EUR million FX = June 2015)

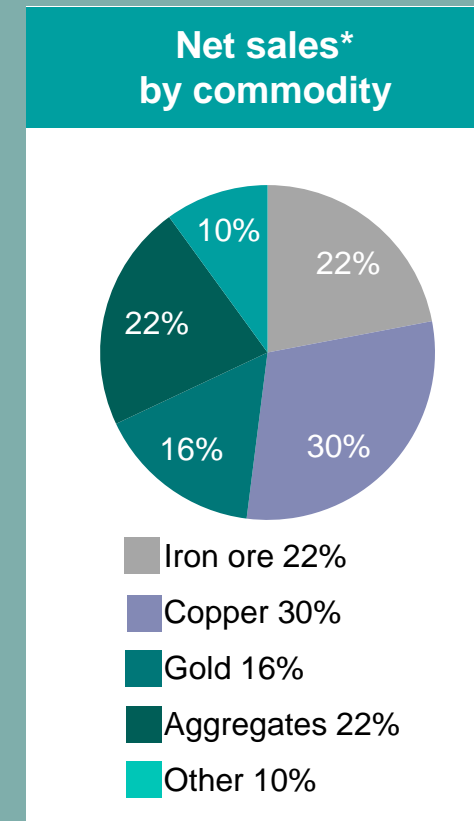
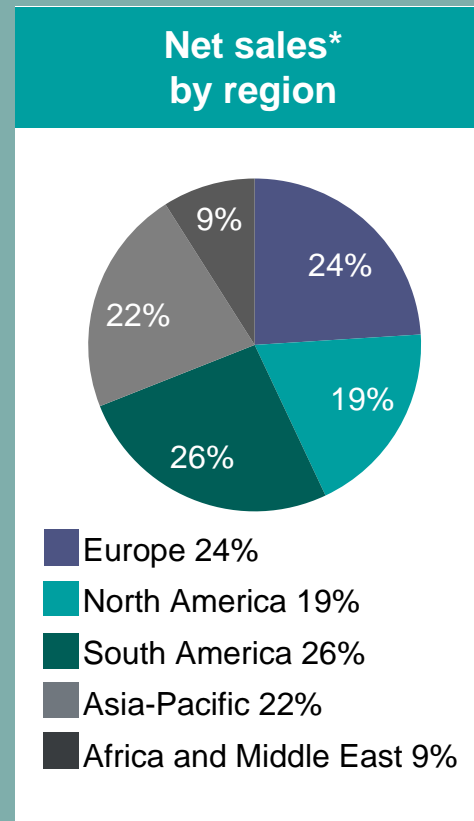
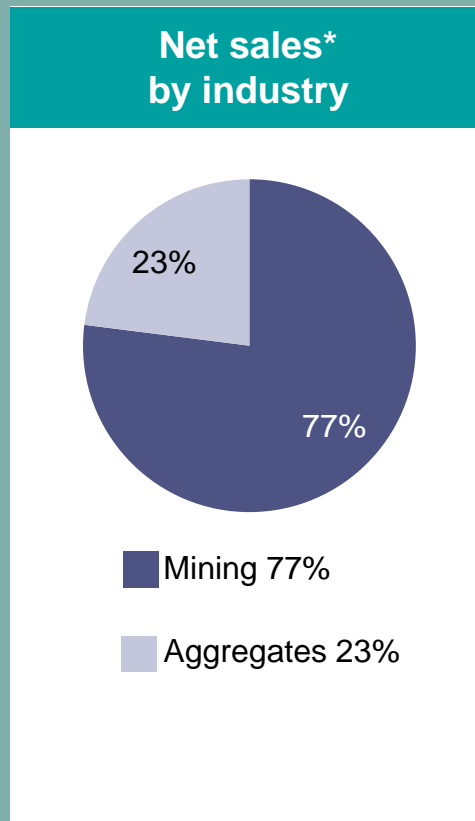


1. Source: Company releases

Net sales, EUR million



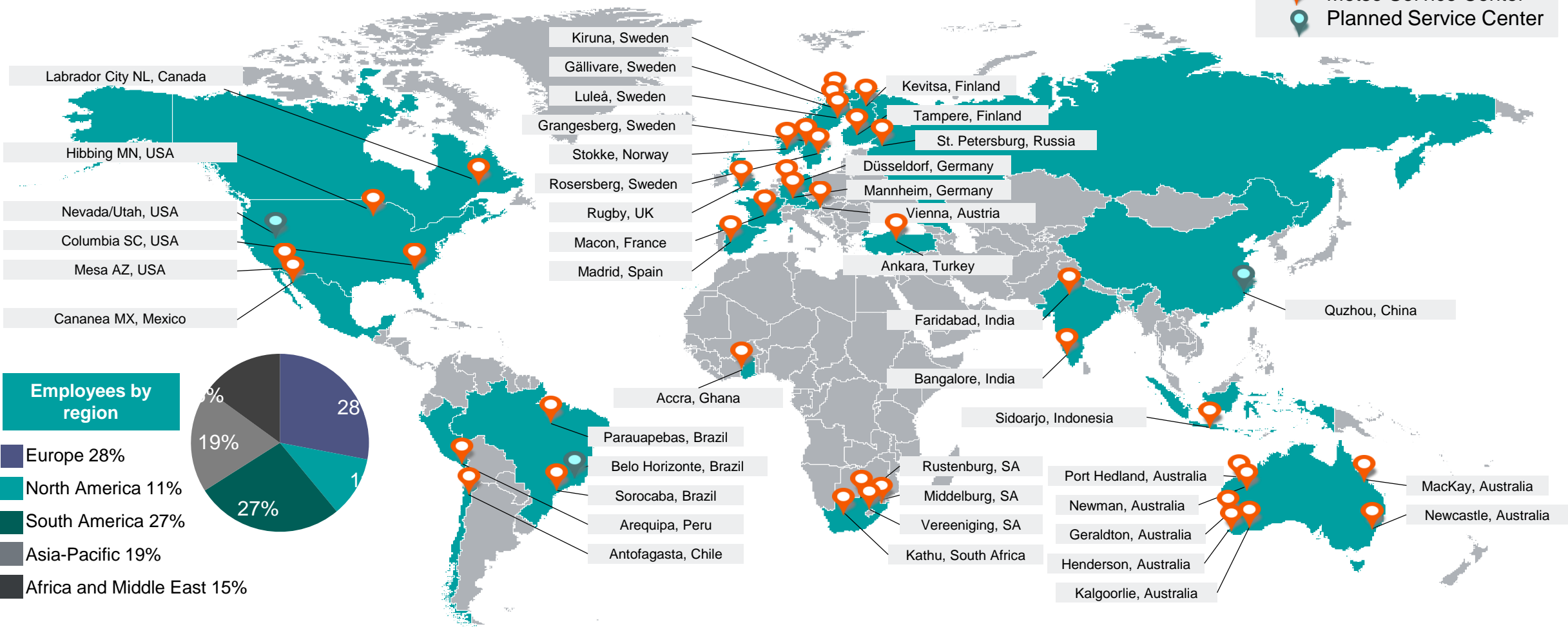
Our playing field is broad and well-balanced



We have a strong global market presence

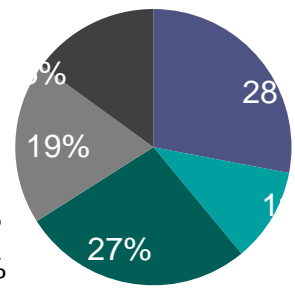
Industry's most extensive network close to customers serving large installed base and beyond

📍 Metso Service Center
📍 Planned Service Center



Employees by region

- Europe 28%
- North America 11%
- South America 27%
- Asia-Pacific 19%
- Africa and Middle East 15%



We have a full-scope services offering

From production essentials to performance services

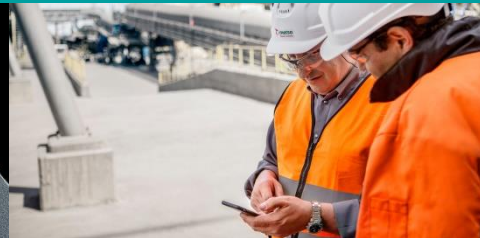
Wear parts
36% of net sales



Spare parts
23% of net sales



Field service and repairs
11% of net sales



Refurbishments and upgrades
15% of net sales



Life cycle services and other
15% of net sales



Production essentials to ensure availability and quality of operations

- Mill linings and trommels
- Grinding media
- Crusher wear parts
- Screening media
- Wear lining
- Conveyor wear parts
- Slurry pump wear parts
- Chamber optimization
- Training

- Spare parts for crushers, screens, feeders, conveyors, grinding mills, pyro processing equipment, bulk handling equipment, slurry pumps, process equipment, VPA filter cloths
- Training

- Supervision, maintenance and repairs
- Diagnostic and planning
- Shutdown services
- Emergency services
- Audit and inspection
- Installation & Commissioning
- Training

Expert services to optimize performance of operations

- Rebuilds
- Refurbishments
- Upgrades
- Training

- Scheduled inspections
- Shutdown and wear parts optimization
- Shutdown and process optimization
- Maintenance and process optimization
- Process and Control Optimization Services
- Training

The breadth and depth of our offering is unique



There is no job too big or too tough

We work out solutions, for and with our customers

Customer	Challenge	Solution	Results
Codelco Chuquicamata division's mine in Chile	Replace pinions and gears for 21 ball and 12 rod mills as part of the largest mill overhauling project	A field service team of 30 experts working at customer site	A 64% reduction in rod mill downtime
Norske Stein's quarry in Norway	High power spikes in crushing and unexpected production stops in crushing process	Re-engineering of the non- Metso-brand crushing chamber (crushing chamber optimization)	Electricity savings of 500 MWh per year
Boliden Aitik copper mine in Sweden	Minimizing grinding circuit downtime to reach production target	Cost-per-ton based Life Cycle Services contract for grinding mill maintenance	Uptime increased from 95% to 97%
Antamina's mine in Peru	Increase mill throughput while hitting harder ores	Process integration and optimization	Mill throughput increased from 2,600 tph to 4,500 tph, while energy consumption decreased 25%

Key takeaway #1: We have grown profitably and established a strong, leading position

Leading player in services for minerals processing

- Track-record of strong growth with profit improvement
- Leading services player in the minerals processing field
- Broad portfolio and geographical coverage
- Extensive service network close to customers
- Full-scope offering for production and optimizing mine performance
- Innovative business models and deep industry knowledge to solve customer challenges

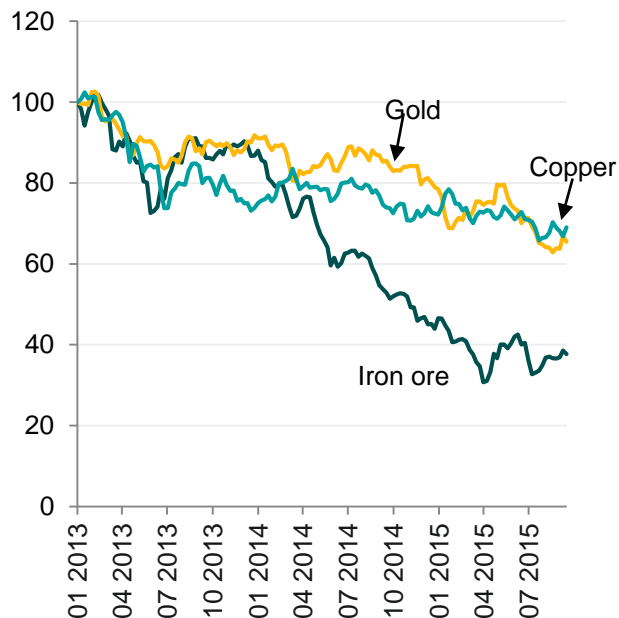


Market development in mining has been challenging

Commodity prices declining

Main commodity prices¹

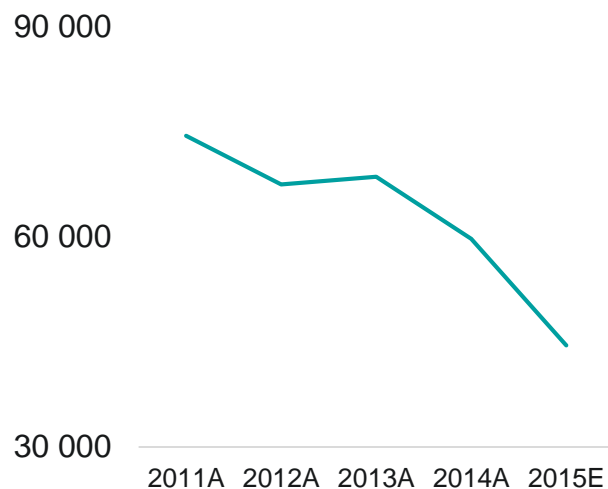
Indexed commodity prices (Jan 2013=100)



Miners' profits under pressure

Mining customer² EBITDA development

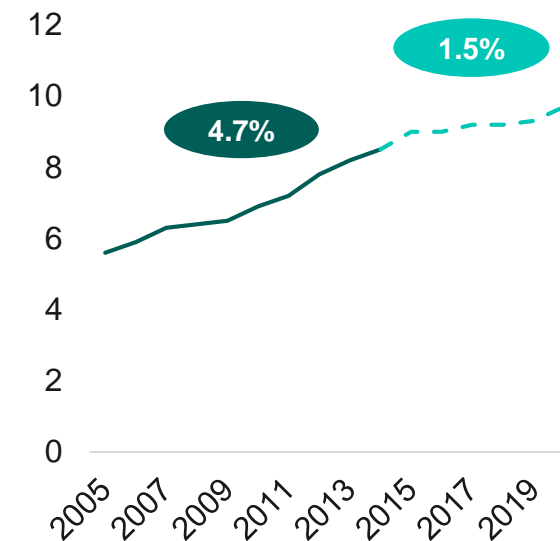
EUR million – aggregate EBITDA



Mining volumes still high

Run of mine, key driver for comminution opex³

Billion tons



1. Source: Thomson Datastream

2. Source: Morgan Stanley research. Includes Anglo American, BHP Billiton, Glencore, Rio Tinto and Vedanta. Calendarized to December year end. BHP Billiton FY2015 figures Pro Forma excluding South32, Glencore FY2012-2013 figures Pro Forma. Revenue and EBITDA excl. associates; Converted at FX spot rate.

3. Source: McKinsey

The market creates pressure, but also offers opportunities to win

- Low mining capex regime continues
- Lower sales from capex-tied services

- Customers focusing on opex reduction puts pressure on pricing

- Outlook for aggregates correlates with the local/regional economic development

Mill throughput increased from 2,600 tph to 4,500 tph

Uptime increased from 95% to 97%

Energy consumption decreased 25%

Electricity savings of 500 MWh per year

A 64% reduction in rod mill downtime

- High mining volumes continue (run-of-mine)

- Holistic drive to lower costs favors suppliers like Metso with global scale, broad offering and process knowledge

- We have a large installed base, customer-closeness and process knowledge to support customers and to build on

Key takeaway #2: We are well positioned to win the opportunities – even in a tough market

Tough market with opportunities to win

- Mining capex downturn continues
- Increasing pressure on mining opex; need for services that optimize performance
- Mining volumes still at a high level
- Full-scope offering for production and optimizing mine performance
- Large installed base, customer-closeness and deep process knowledge to support customers
- Strong position in all regions provides natural hedging against fluctuations of currencies and economic development



Our targets support the achievement of Metso's financial targets

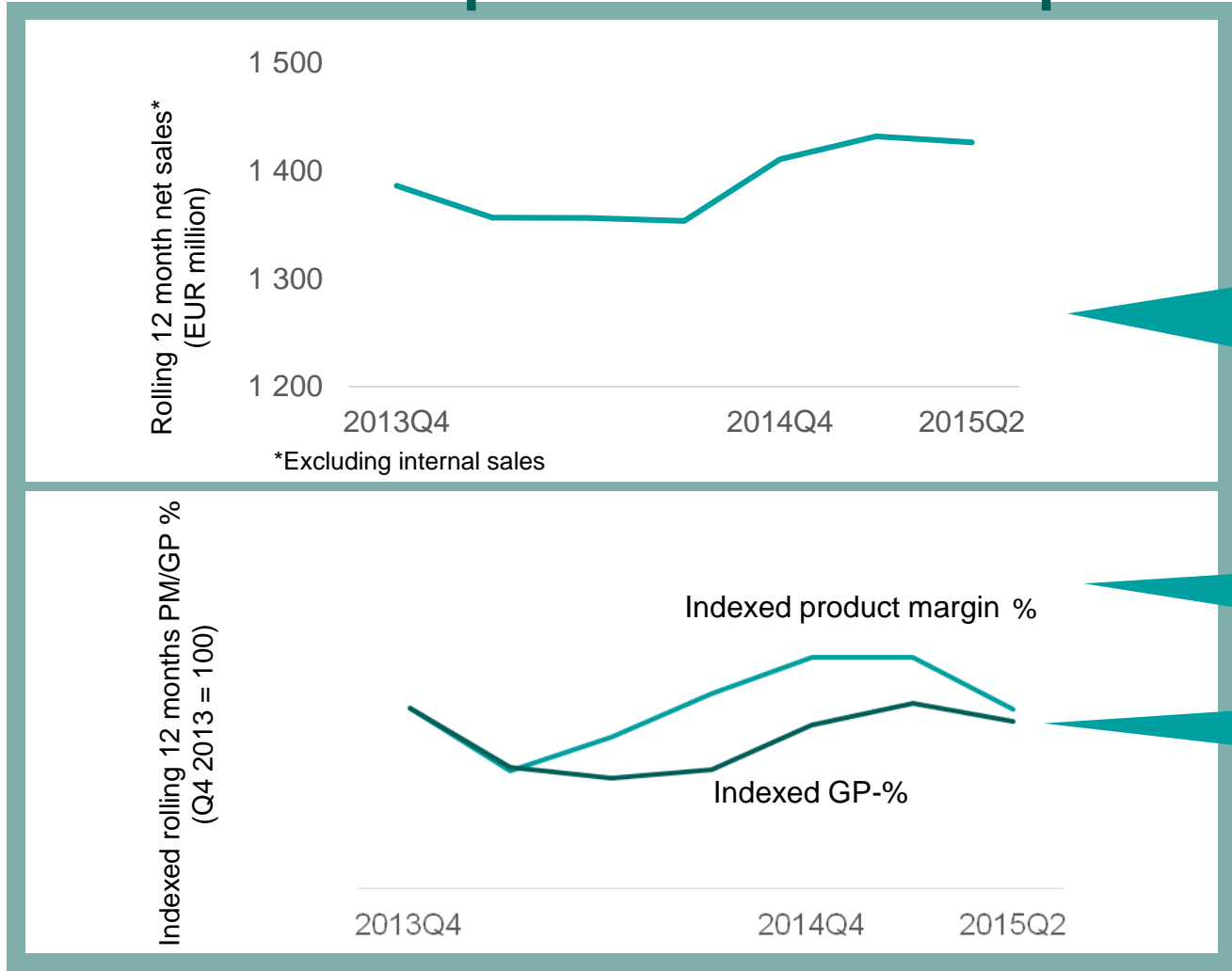
- Maintain strong profitability
- Grow services faster than the market



We have a clear plan to meet our targets



We will maintain strong profitability and continue operational improvements



- Slowdown of growth puts pressure on our fixed cost management

- Pricing pressure to continue

- Need to maintain capacity utilization

Improvement areas

- Flat and agile operating model
- Volume/price trade-off
- Sourcing
- Pricing of non-standard offerings
- Improve operations management



We continue to invest in customer responsiveness and closeness

- We improve our responsiveness to customer needs to grow the business
- We improve our customer-centric management
 - Installed base tools and CRM
- We expand our service center network and service capabilities close to customers
 - Mesa, Arizona
 - Labrador City, Canada
 - Planned service centers: Belo Horizonte, Brazil; Nevada, USA; Quzhou, China



We capture growth opportunities created by the demand for production essentials

- We meet the continued demand for production essentials to ensure the availability and quality of our customers' operations
- Metso is the unique OEM provider capable of supplying a full comminution offering on wear solutions
- We continue to develop our offering to meet the customer needs; we roll out newly launched products as well as introduce new innovations
 - E.g. grinding media, Megaliner, MX technology for jaw crushers, fleet management, truck bed lining, LCS packages, MP clamping cylinder upgrade, Symons bowl clamping upgrade



We continue to grow in performance services

Achievements

Development actions

Life Cycle Services (LCS)

- Market leader in crushing and grinding performance KPI-based contracts
- Scope: maintenance services, process optimization, wear parts, spare parts

- Expand LCS customer footprint geographically
- Introduce new financing models
- New value-added services to be included in LCS packages (e.g. analytics and optimization)

Refurbishments and upgrades

- Customer closeness; offers tailored to customers' budget and specs. Excellent profitability despite the market
- Scope: engineered parts, rebuilds, refurbishments, upgrades

- Installed base management
- Customer roadmaps to plan and budget upgrades
- Transfer technical expertise to key markets to enable growth

Consultancy and expert services

- Globalization of expert services to key markets

- Improve scalability with remote services and tools
- Leverage expertise to drive larger Metso opportunities

Key takeaway #3: We grow faster than the market and maintain strong profitability

We continue to grow profitably and shape the market

- Operational improvements
- Customer responsiveness and closeness
- Growth in production essentials
- Roll out newly launched products and introduce new innovations
- Growth in performance services
- Gain market share through more customer-centric operations



We are in a strong position to grow



The leading technology and services provider for end-to-end minerals processing

Making the big
difference to
our customers