

## Newsletter Q2/2016



### Dear owner / investor / analyst,

The first half of 2016 is about to end, and it is time to wrap up the highlights of the quarter before the publication of January-June 2016 Interim Review, which will be published on July 28, 2016. Please note that the silent period will begin on July 7, 2016. If you wish to book a call before that, please contact Titta ([titta.ware@valmet.com](mailto:titta.ware@valmet.com)).

### Actions and activities in Q2/2016

#### Site visits and events

Valmet hosted a customer site visit to Saica's paper mill in Manchester on June 14, 2016. Valmet has on-site operations at Saica's mill and it was possible to hear more about Valmet's mill maintenance outsourcing and Key Account Management during the visit. [Read the highlights](#) of the site visit at IR Director's blog. [The presentation material from the site visit is also available](#). A summary video will be available shortly, but in the meantime, please have a look at the previous site visit videos [here](#).

Valmet Investor relations was nominated in TOP 5 in Europe in two categories, 'Best use of multimedia for IR' and 'Best investor event' at the IR Magazine Awards – Europe 2016. The final results will be announced on June 22, 2016. Valmet is the only Finnish company nominated in any of the awards categories. [Read more about the nominations and the awards](#).

#### Announcements during Q2/2016

On **April 8**, [Valmet announced](#) that the Swedish Court of Patent Appeals has revoked Andritz's Swedish Patent on which Andritz had filed a summons application against Valmet in 2015. In the claim Andritz is asking that Valmet under a penalty ceases to utilize the system allegedly infringing Andritz's patent and to impose royalty and damages on Valmet AB with EUR 54 million and interest for the alleged infringement.

On **April 27**, [Valmet published](#) its Interim Review for January-March 2016.

On **June 21**, [Valmet announced](#) its strategy and increased its financial targets. Valmet's new financial targets are (previous targets in brackets):

- Net sales for stable business to **grow over two times the market growth** (net sales growth to exceed market growth)
- Net sales for capital business to **exceed market growth** (net sales growth to exceed market growth)
- Comparable EBITA: **8-10%** (6-9%)
- Comparable return on capital employed (pre-tax), ROCE: **15-20%** (minimum of 15%)
- Dividend payout at least **50%** of net profit (40%)

## Upcoming events

**July 28, 2016:** Publication of the Interim Review January-June 2016.

**September 20, 2016:** [Valmet's Capital Markets Day](#) 2016 in Helsinki. On the following day, **September 21**, Valmet hosts a Finnish Industrials Day at Valmet's head office, where it is possible to meet the following interesting Finnish companies: Cargotec, Huhtamäki, Kemira, Konecranes, Metsä Board and Stora Enso. Welcome to join these two events which together offer an effective and convenient way to meet many Finnish companies at once! Registration for both events is now open.

See the whole [Valmet IR calendar](#).

## New content at [valmet.com/investors](#)

Regarding the new Market Abuse Regulation, Valmet will start to publish stock exchanges about transactions by the management and their closely associated persons or companies starting from July 3, 2016.

We have also published a new video in the IR Video Gallery about [Valmet's shareholders](#).

Also, check out the current [consensus estimates](#).

## Orders received booked for Q2/2016

Announced	Description	Business Line	Country	Value
Jun 22	<a href="#">Demonstration scale pulp cooking plant</a>	Pulp and Energy	South Africa	Not disclosed.
Jun 21	<a href="#">Steam turbine and motor-driven turbo compressor control systems</a>	Automation	Finland	Not disclosed. An order of this scope is typically valued below EUR 1 million.

Jun 16	<a href="#">IQ quality control systems</a>	Automation	Sweden	Not disclosed. Typically the order value of similar automation system deliveries is below EUR one million.
Jun 8	<a href="#">Repeat order for a new Advantage DCT tissue production line</a>	Paper	Mexico	Not disclosed.
May 30	<a href="#">Extensive board machine rebuild and automation solution</a>	Paper	India	Not disclosed. Typically, a project of this type and scope is valued at EUR 30-40 million.
May 20	<a href="#">Sulfuric acid plant to a bioproduct mill</a>	Pulp and Energy	Finland	Not disclosed. Valmet's delivery is part of sulfuric acid plant investment that is valued at roughly EUR 20 million.
Apr 29	<a href="#">Brown stock washing plant modernization</a>	Pulp and Energy	Sweden	Not disclosed. A rebuild with this scope is usually valued below EUR 10 million.
Apr 20	<a href="#">Wood pellet heating plant</a>	Pulp and Energy	Finland	Over EUR 20 million.

[Click here to see all announced orders](#)

Best regards,

Hanna-Maria Heikkinen

VP, Investor Relations