metso
Expect results

Q2
2016

Interim Review
January 1 – June 30, 2016

Metso's Interim Review January 1 – June 30, 2016

Figures in brackets refer to the corresponding period in 2015, unless otherwise stated. The Process Automation Systems (PAS) business was divested on April 1, 2015. The January-June 2015 comparison numbers for Metso Group and Flow Control including the PAS business are presented in the tables section.

Second quarter 2016 in brief

- Mining equipment orders increased 6 percent year-on-year
- Minerals services markets have stabilized; profitability of the business remains healthy
- Valve orders in Flow Control were stable outside the North American market
- Orders received totaled EUR 761 million (EUR 823 million), of which EUR 444 million (EUR 495 million) were services orders
- Net sales totaled EUR 671 million (EUR 756 million), of which services accounted for EUR 439 million (EUR 483 million)
- Adjusted EBITA totaled EUR 77 million, or 11.5 percent of net sales (EUR 94 million, 12.4%)
- Free cash flow totaled EUR 74 million (EUR 78 million).

Outlook for 2016 (changes in brackets)

Metso's overall trading conditions in 2016 will be somewhat weaker compared to 2015. Demand for our products and services is expected to develop as follows:

- remain weak for mining equipment and satisfactory for mining services
- remain satisfactory for aggregates equipment and services
- remain satisfactory for Flow Control products related to customers' new investments and good for Flow Control services.

From our end of June 2016 backlog, we expect to invoice about EUR 1.0 billion during the remainder of 2016. Internal efficiency actions will continue to improve competitiveness and mitigate the price pressure that can be seen in the markets that are facing weak or satisfactory demand. Restructuring costs are expected to be higher than in 2015 (on the same level as in 2015). Capital expenditure without acquisitions is expected to be lower than in 2015. Net financial costs are expected to be on the same level as in 2015.

President and CEO Matti Kähkönen:

In the second quarter, the market activity and demand for our products and services continued at roughly the same level seen in the first quarter. The mining equipment market seems to have stabilized and the demand for valves outside the North American market has held up well. We booked one large order for mining equipment during the quarter, which improved our total order intake sequentially. Overall, our orders received declined year-on-year, due to the fact that the activity both in the mining services market and in the North American oil & gas valve market softened to their current levels already during the second half of 2015.

Our financial performance during the quarter was largely dictated by a year-on-year decline in net sales in both segments. I'm pleased to see that our own cost efficiency initiatives have been timely and resolute in keeping our profitability at a good level in these circumstances. Profitability of the mining equipment business improved compared to the first quarter, and the profitability of the services business was at the same healthy level as in the comparison period. Flow Control's profitability will continue to be impacted by lower net sales in North America, which we will continue to compensate for with cost control and by making advances in other markets.

Overall, our end markets are not expected to provide us with any significant support in the near future, which means that we will continue to enhance our customer service and cost efficiency and develop our operating models to make Metso an even better company in the future.

Key figures

EUR million	Q2/ 2016	Q2/ 2015	Change %	Q1-Q2/ 2016	Q1-Q2/ 2015*	Change %	2015 *
Orders received	**761**	823	-8	**1,424**	1,560	-9	2,965
Orders received by the services business	**444**	495	-10	**877**	1,002	-12	1,879
% of orders received	**58**	60		**62**	64		63
Order backlog at the end of the period				**1,399**	1,411	-1	1,268
Net sales	**671**	756	-11	**1,272**	1,489	-15	2,923
Net sales of the services business	**439**	483	-9	**848**	924	-8	1,840
% of net sales	**65**	64		**67**	62		63
Earnings before interest, tax and amortization (EBITA), adjusted	**77**	94	-18	**133**	172	-23	356
% of net sales	**11.5**	12.4		**10.5**	11.6		12.2
Personnel at the end of the period				**12,099**	13,550	-11	12,619

* Comparison numbers including the divested PAS business are presented in the tables section.

Metso has adopted the *ESMA European Securities and Markets Authority* guidelines on Alternative Performance Measures which were effective from July 3, 2016. Metso uses alternative performance measures to reflect the underlying business performance and to improve comparability between financial periods. These alternative performance measures should, however, not be considered as a substitute for measures of performance in accordance with the IFRS. Metso changes the previously referenced "before non-recurring items" with "adjusted items". Adjusted items affecting comparability and alternative performance measures used by Metso are defined in the tables section of this interim report.

IFRS figures

EUR million	Q2/ 2016	Q2/ 2015	Change %	Q1-Q2/ 2016	Q1-Q2/ 2015	Change %	2015
Operating profit	**70**	347*	-80	**120**	412*	-71	555*
% of net sales	**10.3**	45.9		**9.4**	26.7		18.7
Earnings per share, EUR	**0.28**	2.06*	-86	**0.46**	2.31*	-80	2.95*
Free cash flow	**74**	78	-5	**136**	165	-18	341
Return on capital employed (ROCE) before taxes, annualized, %				**11.0**	26.2*		25.7*
Equity-to-asset ratio at the end of the period, %				**47.4**	46.0		48.3
Net gearing at the end of the period, %				**12.8**	16.6		10.6

*Including a capital gain on the disposal of PAS.

Currency impact on orders received

compared to the same period in 2015

	Q2/2016 Change %	Q2/2016 Change % using constant rates	Q1-Q2/2016 Change %	Q1-Q2/2016 Change % using constant rates
Minerals	-8	-3	-9	-5
Services business	-13	-8	-15	-10
Flow Control	-7	-5	-6	-5
Services business	0	3	-2	2
Metso total	**-8**	**-3**	**-9**	**-5**
Services business	-10	-6	-12	-7

Currency impact on net sales

compared to the same period in 2015

	Q2/2016 Change %	Q2/2016 Change % using constant rates	Q1-Q2/2016 Change %	Q1-Q2/2016 Change % using constant rates
Minerals	-10	-6	-15	-10
Services business	-8	-3	-8	-3
Flow Control	-14	-12	-13	-12
Services business	-12	-8	-8	-5
Metso total	**-11**	**-7**	**-15**	**-11**
Services business	-9	-4	-8	-3

Operating environment, orders received and backlog

The trends in our customer industries were broadly unchanged during the second quarter, although trading activity in some businesses and market areas recovered from the low levels seen in the first quarter. Mining customers' cost-cutting actions continued to affect the demand for our services business, which is seen especially in activity related to rebuilds and refurbishments. The demand for mining equipment remained weak. In the aggregates business, significant differences in activity still exist between market areas. Our valve customers in the oil & gas industry in North America remained cautious and the demand continued to be soft. On the other hand, activity in other oil & gas markets has been good and the demand for valves has increased in China and Asia-Pacific, in particular.

The Group's orders received in the second quarter decreased 8 percent compared to the same quarter in 2015 and totaled EUR 761 million (EUR 823 million). Compared to the first quarter, however, orders increased close to 15 percent, thanks to one large order for mining equipment from South America. Overall, Minerals' orders declined 8 percent year-on-year and Flow Control's orders declined 7 percent. Metso's services orders were EUR 444 million (EUR 495 million), which is 10 percent lower than in the comparison period. The decline resulted from lower orders in Minerals services, while Flow Control's services orders were flat. Orders were negatively impacted by the weakening of emerging market currencies.

Geographically, orders received grew 11 percent in Western Europe and 2 percent in Africa and Middle East. Good development continued in India where orders increased 46 percent. Orders in South America grew 15 percent as a result of one large mining equipment order, while overall market activity remained subdued, and orders in Brazil, for example, declined 44 percent. Orders in Russia and Eastern Europe declined 12 and 25 percent, respectively. Orders from Asia-Pacific declined 24 percent. Orders from emerging countries accounted for 58 percent of the total order intake.

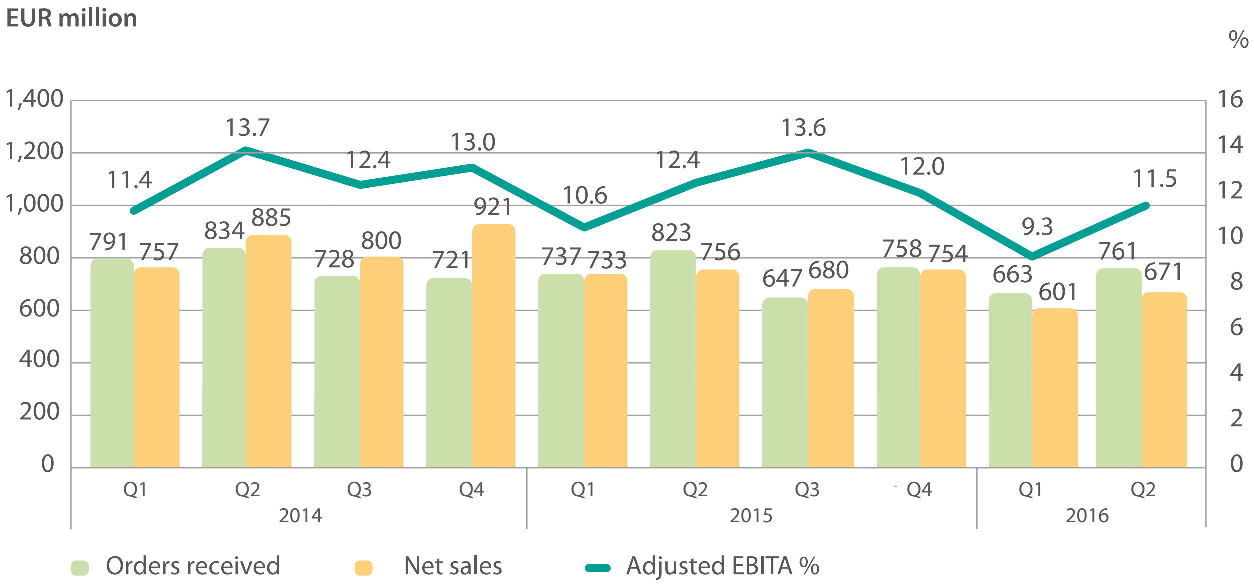
In January-June orders received totaled EUR 1,424, which is 9 percent lower year-on-year. Our order backlog totaled EUR 1,399, which is 10 percent higher than at the end of 2015. We expect to recognize around 72 percent of this backlog, i.e. about EUR 1 billion, as net sales in the second half of 2016.

Net sales

Net sales in April-June totaled EUR 671 million (EUR 756 million), following lower sales in both Minerals and Flow Control. Minerals sales totaled EUR 504 million, which is 10 percent lower than in the comparison period. Mining equipment sales declined 27 percent, while aggregates equipment sales declined 3 percent. Minerals services sales declined 8 percent and totaled EUR 340 million. Flow Control services sales declined 12 percent following lower valve deliveries to the oil & gas industry. When comparing to the first quarter, Metso's net sales increased 12%.

In January-June, net sales totaled EUR 1,272 million, which is 15 percent lower year-on-year. Services sales totaled EUR 848 million and accounted for 67 percent (of net sales EUR 924 million and 62 percent). A weakening of emerging market currencies had a negative impact on sales in all businesses.

Orders received, net sales and adjusted EBITA margin



Financial performance

Adjusted EBITA (earnings before interest, taxes and amortization) in the second quarter was EUR 77 million, or 11.5 percent of net sales (EUR 94 million and 12.4%). Adjusted EBITA in January-June was EUR 133 million, or 10.5 percent of net sales (EUR 172 million and 11.6%). The decline in both the adjusted EBITA and the adjusted EBITA margin resulted from lower net sales, which was not entirely offset by tighter cost control in all businesses.

Net financing expenses in January-June were EUR 21 million (EUR 19 million). Interest expenses accounted for EUR 16 million (EUR 13 million), interest income for EUR 4 million (EUR 3 million), foreign exchange losses for EUR 3 million (EUR 2 million loss), and other net financial expenses for EUR 6 million (EUR 7 million).

Operating profit (EBIT) in the second quarter was EUR 70 million and 10.3 percent of net sales (EUR 347 million and 45.9%, including the capital gain). Operating profit for January-June was EUR 120 million and 9.4 percent of net sales. Profit before taxes was EUR 99 million (EUR 393 million). The operational tax rate for 2016 is expected to be about 30 percent, which is at the same level as in 2015. Net cash generated by operating activities totaled EUR 147 million (EUR 175 million) and free cash flow was EUR 136 million (EUR 165 million). Changes in net working capital had a EUR 4 million positive impact on cash flow.

Financial position

Metso's liquidity position remains solid. Total cash assets at the end of June 2016 were EUR 615 million (EUR 657 million at the end of 2015), of which EUR 104 million (EUR 67 million) was invested in financial instruments with an initial maturity exceeding three months, and the remaining EUR 511 million (EUR 590 million) is accounted for as cash and cash equivalents. The Group has a committed EUR 500 million revolving credit facility, which is undrawn.

The Group's balance sheet remains strong. Net interest-bearing liabilities totaled EUR 173 million at the end of June (EUR 153 million at the end of 2015) and gearing was 12.8 percent (10.6%). The equity-to-asset ratio was 47.4 percent (48.3%).

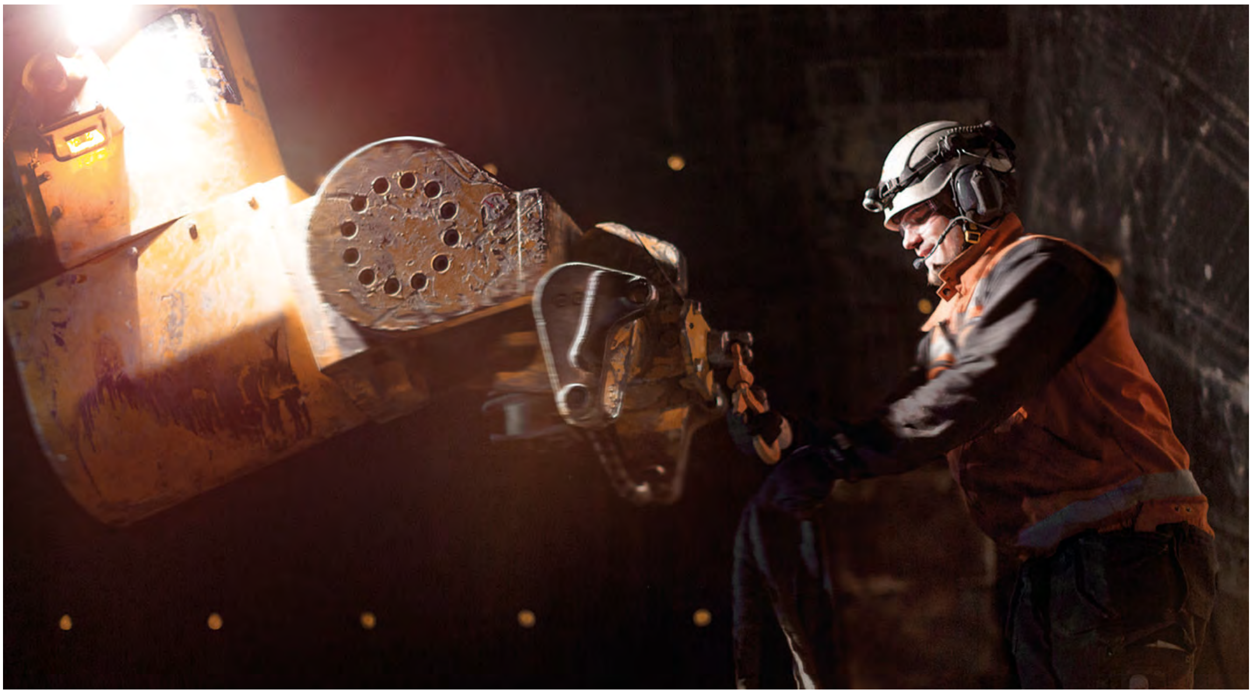
There were no changes in our credit rating during the reporting period. Standard & Poor's Ratings Services confirmed the latest rating in March 2016: long-term corporate credit rating BBB and short-term A-2, outlook stable.

Capital expenditure and RTD

Gross capital expenditure in January-June, excluding business acquisitions, was EUR 15 million (EUR 23 million). Maintenance accounted for 91 percent, i.e. EUR 13 million (70% and EUR 16 million). Capital expenditure in 2016 is expected to decline compared to 2015 (EUR 45 million). Research and development expenses in January-June totaled EUR 17 million, i.e. 1.4 percent of net sales (EUR 17 million and 1.2%).

Reporting Segments

Minerals



- Mining equipment orders increased
- Profitability held up despite lower volumes

EUR million	Q2/ 2016	Q2/ 2015	Change %	Q1-Q2/ 2016	Q1-Q2/ 2015	Change %	2015
Orders received	**593**	642	-8	**1,087**	1,200	-9	2,260
Orders received by the services business	**337**	388	-13	**672**	794	-15	1,477
% of orders received	**57**	61		**62**	66		65
Order backlog at the end of the period				**1,113**	1,109	0	1,006
Net sales	**504**	560	-10	**957**	1,123	-15	2,198
Net sales of the services business	**340**	371	-8	**663**	722	-8	1,437
% of net sales	**67**	66		**69**	64		65
Earnings before interest, tax and amortization (EBITA), adjusted	**54**	60	-10	**91**	116	-21	241
% of net sales	**10.8**	10.8		**9.5**	10.3		11.0
Operating profit	**50**	58	-14	**85**	112	-25	213
% of net sales	**9.9**	10.4		**8.8**	10.0		9.7
Return on operative capital employed (ROCE), %				**14.7**	17.6		17.5
Personnel at the end of the period				**8,701**	9,920	-12	9,222

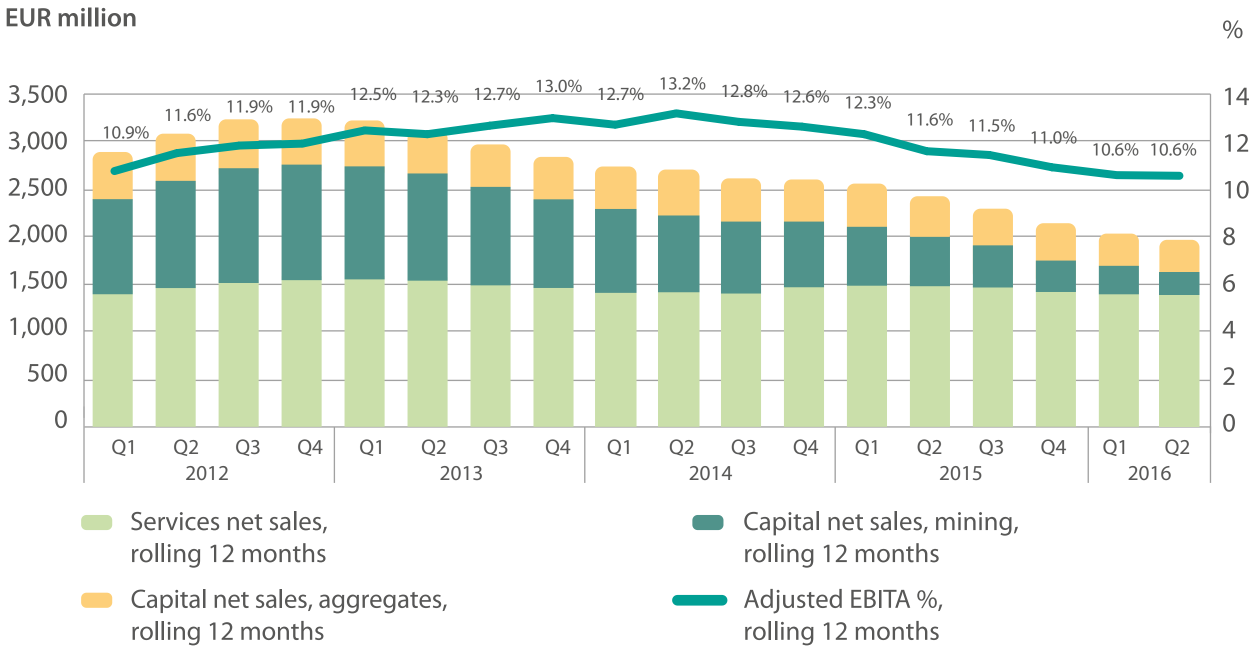
Minerals' orders received improved from the first quarter, but still came in 8 percent lower year-on-year, due to softer market activity than in the comparison period. Mining equipment orders increased 6 percent due to a large order for a copper mine in South America. Orders for mining services declined 15 percent due to the fact that mining companies have continued their cost-efficiency actions, which intensified already during the second half of 2015. This has impacted our engineered services, i.e. rebuilds and refurbishments, in particular. Mining services orders for the first half of 2016 were roughly at the same level as in the second half of 2015. In the aggregates industry, activity was unchanged during the quarter. Orders from aggregates customers declined overall 8 percent, resulting from a 9 percent decline in equipment and a 7 percent decline in services orders. This was largely due to low activity in Brazil, while the North American and European markets were more active.

Minerals' net sales improved 11 percent from the first quarter and totaled EUR 504 million (EUR 560 million), of which 67 percent was services. Mining sales decreased 14 percent and aggregates sales 7 percent. Mining equipment sales decreased 27 percent and lower sales of engineered services led mining services to a 10 percent decline year-on-year. Aggregates sales declined by 9 percent in new equipment and 3 percent in services. Minerals' January-June sales were down 15 percent and totaled EUR 957 million.

The segment's adjusted EBITA was EUR 54 million, which is 10.8 percent of net sales (EUR 60 million and 10.8%). Adjusted EBITA in January-June was EUR 91 million or 9.5 percent of net sales (EUR 116 million and 10.3%). Profitability of the services business in the second quarter was at the same healthy level as in the comparison period, thanks to better sales mix and cost control. However, the stable profitability of the services business was not enough to compensate for the decline in mining equipment net sales. Operating profit was EUR 50 million, or 9.9 percent of net sales, in the second quarter (EUR 58 million and 10.4%) and EUR 85 million, or 8.8 percent of net sales, in January-June (EUR 112 million and 10.0%).

The order backlog in Minerals at the end of June was EUR 1,113 million, which is 11 percent higher than at the end of 2015. We expect 65 percent of the order backlog to be delivered in 2016.

Minerals, rolling net sales and adjusted EBITA



Flow Control

- Good order intake from China and Asia-Pacific
- Uncertainty related to oil & gas valves in North America continued
- Profitability weakened driven by volume

EUR million	Q2/ 2016	Q2/ 2015	Change %	Q1-Q2/ 2016	Q1-Q2/ 2015*	Change %	2015*
Orders received	**168**	181	-7	**337**	360	-6	705
Orders received by the services business	**107**	107	0	**205**	209	-2	402
% of orders received	**64**	59		**61**	58		57
Order backlog at the end of the period				**286**	300	-5	262
Net sales	**167**	194	-14	**315**	364	-13	723
Net sales of the services business	**99**	113	-12	**185**	202	-8	402
% of net sales	**59**	58		**59**	55		56
Earnings before interest, tax and amortization (EBITA), adjusted	**22**	36	-39	**41**	65	-37	126
% of net sales	**13.2**	18.6		**13.0**	17.8		17.5
Operating profit	**21**	36	-41	**40**	64	-37	110
% of net sales	**12.8**	18.6		**12.6**	17.4		14.2
Return on operative capital employed (ROCE), %				**24.9**	39.1		37.2
Personnel at the end of the period				**2,878**	2,966	-3	2,821

*Comparison numbers including PAS are presented in the tables section

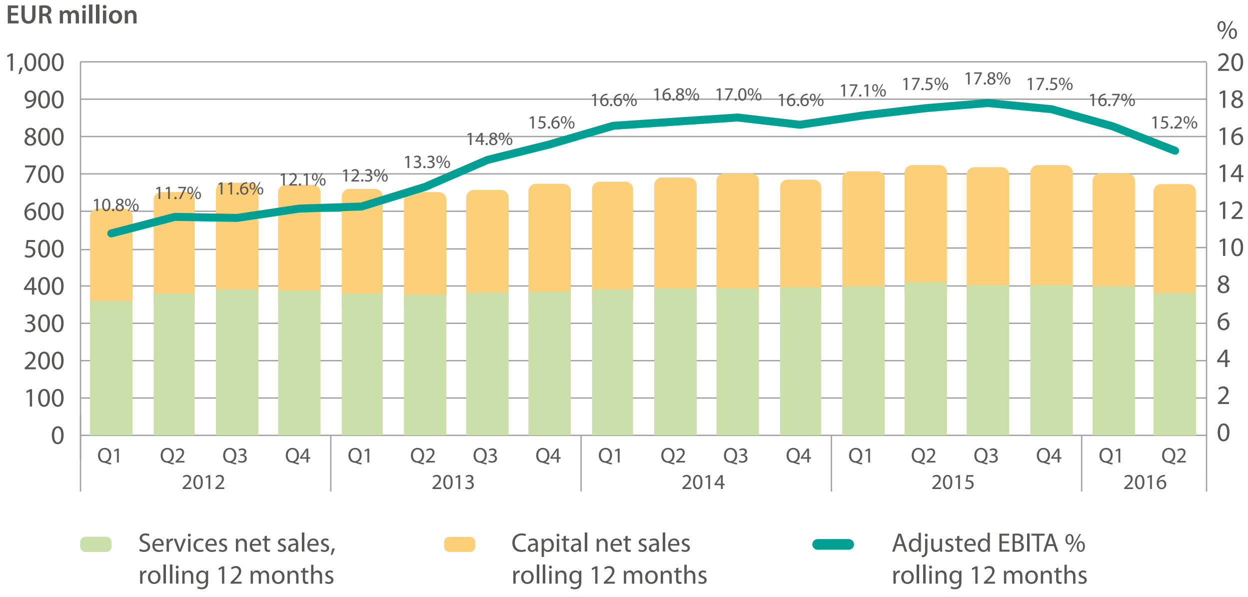
Flow Control's orders received totaled EUR 168 million in April-June, which is 7 percent less than in the same period last year. Services orders were flat and accounted for 64 percent of the total orders. In January-June, orders received were 6 percent lower year-on-year following a weaker demand for valves in the North American oil & gas sector where orders declined 32 percent during the period. Oil & gas valve orders from other markets increased 20 percent, driven by significant growth in China and Asia-Pacific.

Net sales in April-June decreased 14 percent following lower project and day-to-day valve deliveries for oil & gas customers. Valve sales to the pulp & paper industry grew 3 percent and valve control deliveries increased 7 percent. In January-June, net sales were 13 percent lower than in the comparison period and totaled EUR 315 million. Services sales decreased by 8 percent to EUR 185 million.

Flow Control's adjusted EBITA for April-June declined 39 percent year-on-year to EUR 22 million or 13.2 percent of net sales (EUR 36 million and 18.6%). Adjusted EBITA in January-June was EUR 41 million or 13.0 percent of net sales (EUR 65 million and 17.8%). The decline was due to lower net sales. Operating profit was EUR 21 million and 12.8% of net sales (EUR 36 million and 18.6%) in the second quarter and EUR 40 million or 12.6 percent of net sales in January-June (EUR 64 million and 17.4%).

Flow Control's order backlog at the end of June was EUR 286 million, which is 9 percent higher than at the end of 2015. We expect 98 percent of the order backlog to be delivered in 2016.

Flow Control, rolling net sales and adjusted EBITA



Personnel

Metso had 12,099 employees at the end of June 2016, 520 fewer than at the end of December 2015. Personnel numbers decreased by 521 and 57, respectively, in Minerals and Flow Control. Personnel in emerging markets accounted for 49 percent (49%).

Personnel by area

	June 30, 2016	% of personnel	June 30, 2015	% of personnel	Change %	Dec 31, 2015
Europe	**4,334**	**36**	4,659	34	-7	4,380
North America	**1,780**	**15**	2,109	16	-16	1,961
South and Central America	**2,455**	**20**	2,918	21	-16	2,623
China	**1,116**	**9**	1,263	9	-12	1,189
Other Asia-Pacific	**1,488**	**12**	1,577	12	-6	1,493
Africa and Middle East	**926**	**8**	1,024	8	-10	973
Metso total	**12,099**	**100**	13,550	100	-11	12,619

	June 30, 2016	% of personnel	June 30, 2015	% of personnel	Change %	Dec 31, 2015
Emerging markets	**5,930**	**49**	6,697	49	-11	6,221
Developed markets	**6,169**	**51**	6,853	51	-10	6,398
Metso total	**12,099**	**100**	13,550	100	-11	12,619

Shares and share trading

As of June 30, 2016, Metso's share capital was EUR 140,982,843.80 and the number of shares was 150,348,256. This included 363,718 shares held by the Parent Company, which represented 0.2 percent of all shares and votes. The average number of shares outstanding in January-June 2016, excluding those held by the Parent Company, was 149,984,538 and the average number of diluted shares was 150,040,199.

A total of 76,203,668 Metso shares were traded on NASDAQ OMX Helsinki in January-June 2016, equivalent to a turnover of EUR 1,553 million. The average trading price for the period was EUR 20.37. The highest quotation was EUR 23.02 and the lowest EUR 17.40. The share price on the last trading day of the period, June 30, 2016, was EUR 21.03, giving Metso a market capitalization, excluding shares held by the Parent Company, of EUR 3,154 million (EUR 3,105 million at the end of 2015). Metso is not aware of any shareholders' agreements regarding the ownership of Metso shares and voting rights.

Metso's ADRs (American Depositary Receipts) are traded on the International OTCQX, the premier tier of the OTC (over-the-counter) market in the United States, under the ticker symbol 'MXCYY', with four ADRs representing one Metso share. The closing price of the Metso ADR on June 30, 2016, was USD 5.93.

Flagging notifications

In January-June 2016, Metso received the following flagging notifications of changes in direct shareholding, shareholding through financial instruments or their total amount. Metso has 150,348,256 issued shares.

Date	Shareholder	Threshold	Direct, %	Indirect, %	Total, %	Total shares
April 4, 2016	Blackrock, Inc.	above 5%	5.19	1.55	6.75	10,161,873
April 7, 2016	Blackrock, Inc.	below 5%	4.81	1.40	6.22	9,352,194
April 11, 2016	Blackrock, Inc.	at 5%	5.00	1.21	6.21	9,340,068
April 15, 2016	Blackrock, Inc.	below 5%	4.85	1.36	6.21	9,350,928
June 9, 2016	Blackrock, Inc.	above 5%	5.05	1.00	6.05	9,097,501
June 13, 2016	Blackrock, Inc.	below 5%	4.96	1.08	6.04	9,086,976
June 22, 2016	Blackrock, Inc.	above 5%	5.03	1.09	6.13	9,218,427
June 23, 2016	Blackrock, Inc.	below 5%	4.95	1.08	6.04	9,081,528
June 28, 2016	Blackrock, Inc.	above 5%	5.06	0.97	6.04	9,081,795
June 29, 2016	Blackrock, Inc.	below 5%	4.96	1.02	5.98	9,000,535

Events after the review period

On July 12, 2016, Metso completed the divestment of its head office building in Helsinki, Finland, for a value of EUR 19.6 million. Following the divestment, Metso expects to book a EUR 10 million capital gain before taxes during the third quarter of 2016. Metso's head office will move to a new location in Helsinki in December 2016.

Changes in Metso's Executive Team

On June 9, 2016, Metso announced the following changes in its Executive Team.

Jani Puroranta, who will start as Chief Digital Officer on August 1, and Urs Pennanen, Senior Vice President, Marketing and Customer Operations, will both become members of the Executive Team.

Olli-Pekka Oksanen was appointed Senior Vice President, Strategy and Business Development and a member of the Metso Executive Team. Olli-Pekka Oksanen is currently Vice President, Strategy and Business Development, Flow Control business area. Simo Sääskilahti, currently Senior Vice President, Strategy and Business Development, will start as the head of Valve Technologies in the Flow Control business area, as part of Metso's normal job rotation. As announced earlier, Eeva Sipilä will join Metso as Chief Financial Officer on August 1. Harri Nikunen, currently holding this position, was appointed Senior Vice President, Mergers and Acquisitions and special projects.

As of August 1, 2016, the Metso Executive Team will consist of:
Matti Kähkönen, President and CEO (Chairman of the Executive Team)
Eeva Sipilä, CFO
João Ney Colagrossi, President, Minerals
Perttu Louhiluoto, President, Services
John Quinlivan, President, Flow Control
Merja Kamppari, Senior Vice President, Human Resources
Olli-Pekka Oksanen, Senior Vice President, Strategy and Business Development
Urs Pennanen, Senior Vice President, Customer and Marketing Operations
Jani Puroranta, Chief Digital Officer

Short-term business risks and market uncertainties

Uncertainties surrounding economic growth globally might affect our customer industries and weaken the demand for Metso's products and services. A significant slowdown in global growth might further reduce market size and lead to tougher price competition. Our backlog, projects under negotiation and other business operations might also be adversely affected by political turbulence seen in many regions.

Exchange rate fluctuations might adversely affect our order intake, sales and financial performance although the wide geographical scope of our operations limits the exposure to single currencies. Metso hedges currency exposure linked to firm delivery and purchase agreements. Sufficient funding and financing is crucial at all times in order to ensure the continuity of our own operations. Our current cash assets and funding are considered sufficient to secure liquidity and flexibility in the short and long run.

A prolonged uncertainty in the Chinese economy might affect our business negatively through declining foreign investments made in the country and falling commodity prices. Low commodity prices reduce the investment appetite and cut spending among our customers. This may cause projects to be postponed, delayed or discontinued. A tougher pricing environment also makes it harder to integrate increasing labor and manufacturing costs into our prices.

Under the present market conditions, there is an increased risk of lawsuits, claims and disputes to be taken against Metso in various countries related, among other things, to Metso's products, projects and other operations.

Outlook for 2016 (changes in brackets)

Metso's overall trading conditions in 2016 will be somewhat weaker compared to 2015. Demand for our products and services is expected to develop as follows:

- remain weak for mining equipment and satisfactory for mining services
- remain satisfactory for aggregates equipment and services
- remain satisfactory for Flow Control products related to customers' new investments and good for Flow Control services

From our end of June 2016 backlog, we expect to invoice EUR 1.0 billion during 2016. Internal efficiency actions will continue to improve competitiveness and mitigate the price pressure that can be seen in the markets that are facing weak or satisfactory demand. Restructuring costs are expected to be higher than in 2015 (on the same level as in 2015). Capital expenditure without acquisitions is expected to be lower than in 2015. Net financial costs are expected to be on the same level as in 2015.

Helsinki, July 20, 2016
Metso Corporation's Board of Directors

It should be noted that certain statements herein which are not historical facts, including, without limitation, those regarding expectations for general economic development and the market situation, expectations for customer industry profitability and investment willingness, expectations for company growth, development and profitability and the realization of synergy benefits and cost savings, and statements preceded by "expects", "estimates", "forecasts" or similar expressions, are forward-looking statements. These statements are based on current decisions and plans and currently known factors. They involve risks and uncertainties that may cause the actual results to materially differ from the results currently expected by the company.

Such factors include, but are not limited to:
(1) general economic conditions, including fluctuations in exchange rates and interest levels which influence the operating environment and profitability of customers and thereby the orders received by the company and their margins,
(2) the competitive situation, especially significant technological solutions developed by competitors,
(3) the company's own operating conditions, such as the success of production, product development and project management and their continuous development and improvement,
(4) the success of pending and future acquisitions and restructuring.

This Interim Review has been prepared in accordance with IAS 34 'Interim Financial Reporting'. The same accounting policies have been applied in the Annual Financial Statements. This Interim Review is unaudited.

Consolidated statement of income

EUR million	4-6/2016	4-6/2015	1-6/2016	1-6/2015	1-12/2015
Net sales	**671**	756	**1,272**	1,543	2,977
Cost of goods sold	**-475**	-521	**-900**	-1,072	-2,062
Gross profit	**196**	235	**372**	471	915
Selling, general and administrative expenses	**-130**	-147	**-256**	-317	-593
Other operating income and expenses, net	**4**	259	**4**	258	234
Share in profits of associated companies	**0**	0	**0**	0	-1
Operating profit	**70**	347	**120**	412	555
Financial income and expenses, net	**-9**	-9	**-21**	-19	-39
Profit before taxes	**61**	338	**99**	393	516
Income taxes	**-19**	-28	**-30**	-46	-74
Profit	**42**	310	**69**	347	442
Attributable to:					
Shareholders of the company	**42**	310	**69**	347	442
Non-controlling interests	**0**	0	**0**	0	0
Profit	**42**	310	**69**	347	442
Earnings per share					
Basic, EUR	**0.28**	2.06	**0.46**	2.31	2.95
Diluted, EUR	**0.28**	2.06	**0.46**	2.31	2.95

Consolidated statement of comprehensive income

EUR million	4-6/2016	4-6/2015	1-6/2016	1-6/2015	1-12/2015
Profit	**42**	310	**69**	347	442
Items that may be reclassified to profit or loss in subsequent periods:					
Cash flow hedges, net of tax	**0**	0	**1**	1	2
Available-for-sale equity investments, net of tax	**0**	0	**0**	0	0
Currency translation on subsidiary net investments	**13**	-30	**8**	24	-19
	13	-30	**9**	25	-17
Items that will not be reclassified to profit or loss:					
Defined benefit plan actuarial gains (+) / losses (-), net of tax	**-**	-	**-**	-	12
Other comprehensive income (+) / expense (-)	**13**	-30	**9**	25	-5
Total comprehensive income (+) / expense (-)	**55**	280	**78**	372	437
Attributable to:					
Shareholders of the company	**55**	280	**78**	372	437
Non-controlling interests	**0**	0	**0**	0	0
Total comprehensive income (+) / expense (-)	**55**	280	**78**	372	437

Consolidated balance sheet

ASSETS

EUR million	June 30, 16	June 30, 15	Dec 31, 15
Non-current assets			
Intangible assets			
Goodwill	**451**	454	452
Other intangible assets	**90**	103	98
	541	557	550
Property, plant and equipment			
Land and water areas	**48**	51	49
Buildings and structures	**119**	130	123
Machinery and equipment	**157**	167	161
Assets under construction	**7**	25	10
	331	373	343
Financial and other assets			
Investments in associated companies	**1**	2	1
Available-for-sale equity investments	**1**	1	1
Loan and other interest bearing receivables	**3**	11	11
Derivative financial instruments	**13**	9	10
Deferred tax asset	**103**	127	108
Other non-current assets	**37**	40	39
	158	190	170
Total non-current assets	**1,030**	1,120	1,063
Current assets			
Inventories	**727**	784	715
Receivables			
Trade and other receivables	**624**	757	632
Cost and earnings of projects under construction in excess of advance billings	**73**	141	90
Loan and other interest bearing receivables	**10**	7	1
Financial instruments held for trading	**104**	28	67
Derivative financial instruments	**4**	10	6
Income tax receivables	**18**	54	45
Receivables total	**833**	997	841
Cash and cash equivalents	**511**	542	590
Total current assets	**2,071**	2,323	2,146
TOTAL ASSETS	**3,101**	3,443	3,209

SHAREHOLDERS' EQUITY AND LIABILITIES

EUR million	June 30, 16	June 30, 15	Dec 31, 15
Equity			
Share capital	**141**	141	141
Cumulative translation adjustments	**-63**	-28	-71
Fair value and other reserves	**302**	302	302
Retained earnings	**976**	1,024	1,064
Equity attributable to shareholders	**1,356**	1,439	1,436
Non-controlling interests	**8**	9	8
Total equity	**1,364**	1,448	1,444
Liabilities			
Non-current liabilities			
Long-term debt	**769**	761	765
Post employment benefit obligations	**98**	115	99
Provisions	**30**	25	27
Derivative financial instruments	**7**	9	7
Deferred tax liability	**9**	11	15
Other long-term liabilities	**4**	3	2
Total non-current liabilities	**917**	924	915
Current liabilities			
Current portion of long-term debt	**0**	33	27
Short-term debt	**32**	34	30
Trade and other payables	**453**	571	469
Provisions	**64**	77	68
Advances received	**186**	220	164
Billings in excess of cost and earnings of projects under construction	**40**	79	54
Derivative financial instruments	**14**	5	9
Income tax liabilities	**31**	52	29
Total current liabilities	**820**	1,071	850
Total liabilities	**1,737**	1,995	1,765
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**3,101**	3,443	3,209

NET INTEREST BEARING LIABILITIES

EUR million	June 30, 16	June 30, 15	Dec 31, 15
Long-term interest bearing debt	**769**	761	765
Short-term interest bearing debt	**32**	67	57
Cash and cash equivalents	**-511**	-542	-590
Other interest bearing assets	**-117**	-46	-79
Net interest bearing liabilities	**173**	240	153

Condensed consolidated cash flow statement

EUR million	4-6/2016	4-6/2015	1-6/2016	1-6/2015	1-12/2015
Cash flows from operating activities:					
Profit	**42**	310	**69**	347	442
Adjustments to reconcile profit to net cash provided by operating activities					
Depreciation and amortization	**15**	15	**31**	34	69
Financial income and expenses, net	**9**	10	**21**	20	39
Income taxes	**18**	28	**30**	46	74
Other	**4**	-259	**7**	-255	-232
Change in net working capital	**15**	16	**4**	52	64
Cash flows from operations	**103**	120	**162**	244	456
Financial income and expenses, net paid	**-8**	-7	**-12**	-10	-24
Income taxes paid	**-15**	-29	**-3**	-59	-72
Net cash provided by operating activities	**80**	84	**147**	175	360
Cash flows from investing activities:					
Capital expenditures on fixed assets	**-9**	-11	**-15**	-23	-46
Proceeds from sale of fixed assets	**2**	0	**2**	6	17
Proceeds from sale of businesses, net of cash sold	**-**	318	**-**	318	305
Proceeds from (+)/ Investments in (-) financial assets	**-12**	-19	**-37**	-15	-56
Other	**0**	-8	**0**	-10	-5
Net cash provided by (+) / used in (-) investing activities	**-19**	280	**-50**	276	215
Cash flows from financing activities:					
Dividends paid	**-157**	-157	**-157**	-157	-217
Net funding	**-26**	-36	**-25**	-36	-40
Other	**0**	-	**0**	-	0
Net cash provided by (-) / used in (-) financing activities	**-183**	-193	**-182**	-193	-257
Net increase (+) / decrease (-) in cash and cash equivalents	**-122**	171	**-85**	258	318
Effect from changes in exchange rates	**7**	-5	**6**	5	-7
Cash and cash equivalents at beginning of period	**626**	376	**590**	279	279
Cash and cash equivalents at end of period	**511**	542	**511**	542	590

FREE CASH FLOW

EUR million	4-6/2016	4-6/2015	1-6/2016	1-6/2015	1-12/2015
Net cash provided by operating activities	**80**	84	**147**	175	360
Capital expenditures on maintenance investments	**-8**	-6	**-13**	-16	-36
Proceeds from sale of fixed assets	**2**	0	**2**	6	17
Free cash flow	**74**	78	**136**	165	341

Consolidated statement of changes in shareholders' equity

EUR million	Share capital	Cumulative translation adjustments	Fair value and other reserves	Retained earnings	**Equity attributable to shareholders**	Non-controlling interests	**Total equity**
Balance at Jan 1, 2015	**141**	**-52**	**302**	**830**	**1,221**	**8**	**1,229**
Profit	-	-	-	347	347	0	347
Other comprehensive income (+) / expense (-)							
Cash flow hedges, net of tax	-	-	1	-	1	-	1
Available-for-sale equity investments, net of tax	-	-	0	-	0	-	0
Currency translation on subsidiary net investments	-	24	-	-	24	-	24
Net investment hedge gains (losses), net of tax	-	-	-	-	-	-	-
Total comprehensive income (+) / expense (-)	-	24	1	347	372	0	372
Dividends	-	-	-	-157	-157	0	-157
Share-based payments, net of tax	-	-	1	0	1	-	1
Other	-	-	-2	4	2	1	3
Changes in non-controlling interests	-	-	-	-	-	-	-
Balance at June 30, 2015	**141**	**-28**	**302**	**1,024**	**1,439**	**9**	**1,448**
Balance at Jan 1, 2016	**141**	**-71**	**302**	**1,064**	**1,436**	**8**	**1,444**
Profit	-	-	-	69	69	0	69
Other comprehensive income (+) / expense (-)							
Cash flow hedges, net of tax	-	-	1	-	1	-	1
Available-for-sale equity investments, net of tax	-	-	0	-	0	-	0
Currency translation on subsidiary net investments	-	8	-	-	8	-	8
Total comprehensive income (+) / expense (-)	-	8	1	69	78	0	78
Dividends	-	-	-	-157	-157	0	-157
Share-based payments, net of tax	-	-	0	0	0	-	0
Other	-	-	-1	0	-1	0	-1
Changes in non-controlling interests	-	-	-	-	-	-	-
Balance at June 30, 2016	**141**	**-63**	**302**	**976**	**1,356**	**8**	**1,364**

Acquisitions and disposals of businesses

Metso made no business acquisitions during 2016 or 2015.

On April 13, 2015, Metso completed the sale of its Tampere foundry in Finland to a Finnish company TEVO Oy. The divestment was treated as sale of fixed assets and it had no significant effect on Metso's result.

On April 1, 2015 Metso closed the disposal of Process Automation Systems (PAS) business. The PAS business included process automation solutions for the pulp, paper and power industries, covering automation and quality control systems, analyzers and measurements and related services and was reported in Metso's Flow Control segment.

The final cash consideration was EUR 312 million. The net assets of the entity disposed were EUR 55 million, direct transaction costs were EUR 6 million and related cumulative translation adjustments were EUR 1 million positive, whereby Metso booked a gain of EUR 252 million on the transaction.

Fair value estimation

For those financial assets and liabilities which have been recognized at fair value in the balance sheet, the following measurement hierarchy and valuation methods have been applied:

Level 1 Quoted unadjusted prices at the balance sheet date in active markets. The market prices are readily and regularly available from an exchange, dealer, broker, market information service system, pricing service or regulatory agency. The quoted market price used for financial assets is the current bid price. Level 1 financial instruments include debt and equity investments classified as financial instruments available-for-sale or at fair value through profit and loss.

Level 2 The fair value of financial instruments in Level 2 is determined using valuation techniques. These techniques utilize observable market data readily and regularly available from an exchange, dealer, broker, market information service system, pricing service or regulatory agency. Level 2 financial instruments include:

- Over-the-counter derivatives classified as financial assets/liabilities at fair value through profit and loss or qualified for hedge accounting.
- Debt securities classified as financial instruments available-for-sale or at fair value through profit and loss.
- Fixed rate debt under fair value hedge accounting.

Level 3 A financial instrument is categorized into Level 3 if the calculation of the fair value cannot be based on observable market data. Metso had no such instruments.

The table below present Metso's financial assets and liabilities that are measured at fair value. There has been no transfers between fair value levels during 2015 or 2016.

June 30, 2016

EUR million	Level 1	Level 2	Level 3
Assets			
Financial assets at fair value through profit and loss			
• Derivatives	-	2	-
• Securities	21	83	-
Derivatives qualified for hedge accounting	-	14	-
Available for sale investments			
• Equity investments	0	-	-
• Debt investments	-	-	-
Total assets	**21**	**99**	**-**
Liabilities			
Financial liabilities at fair value through profit and loss			
• Derivatives	-	16	-
• Long term debt at fair value	-	418	-
Derivatives qualified for hedge accounting	-	5	-
Total liabilities	**-**	**439**	**-**

June 30, 2015

EUR million	Level 1	Level 2	Level 3
Assets			
Financial assets at fair value through profit and loss			
• Derivatives	-	9	-
• Securities	13	15	-
Derivatives qualified for hedge accounting	-	10	-
Available for sale investments			
• Equity investments	0	-	-
• Debt investments	-	-	-
Total assets	**13**	**34**	**-**
Liabilities			
Financial liabilities at fair value through profit and loss			
• Derivatives	-	8	-
• Long term debt at fair value	-	418	-
Derivatives qualified for hedge accounting	-	5	-
Total liabilities	**-**	**431**	**-**

Carrying value of other financial assets and liabilities than those presented in this fair value level hierarchy table approximates their fair value. Fair values of other debt is calculated as net present values..

Assets pledged and contingent liabilities

EUR million	June 30, 16	June 30, 15	Dec 31, 15
On own behalf			
Mortgages	**-**	-	-
On behalf of others			
Guarantees	**-**	2	1
Other commitments			
Repurchase commitments	**2**	2	2
Other contingencies	**3**	2	3
Lease commitments	**136**	149	142

Notional amounts of derivative financial instruments

EUR million	June 30, 16	June 30, 15	Dec 31, 15
Forward exchange rate contracts	**904**	958	1,009
Interest rate swaps	**245**	285	265
Cross currency swaps	**244**	244	244
Option agreements			
Bought	**-**	-	-
Sold	**-**	20	20

The notional amount of electricity forwards was 50 GWh as of June 30, 2016 and 89 GWh as of June 30, 2015.

The notional amount of nickel forwards to hedge stainless steel prices was 288 tons as of June 30, 2016 and 360 tons as of June 30, 2015.

The notional amounts indicate the volumes in the use of derivatives, but do not indicate the exposure to risk.

Key ratios

	1-6/2016	1-6/2015	1-12/2015
Earnings per share, EUR	**0.46**	2.31	2.95
Diluted earnings per share, EUR	**0.46**	2.31	2.95
Equity/share at end of period, EUR	**9.04**	9.59	9.58
Return on equity (ROE), %, (annualized)	**9.8**	32.5	33.1
Return on capital employed (ROCE) before taxes, %, (annualized)	**11.0**	26.2	25.7
Return on capital employed (ROCE) after taxes, %, (annualized)	**8.3**	22.0	22.4
Equity to assets ratio at end of period, %	**47.4**	46.0	48.3
Net gearing at end of period, %	**12.8**	16.6	10.6
Free cash flow, EUR million	**136**	165	341
Free cash flow/share, EUR	**0.91**	1.10	2.27
Cash conversion, % *	**197**	186	180
Gross capital expenditure (excl. business acquisitions), EUR million	**15**	23	46
Business acquisitions, net of cash acquired, EUR million	**-**	-	-
Depreciation and amortization, EUR million	**31**	34	69
Number of outstanding shares at end of period (thousands)	**149,985**	149,985	149,985
Average number of shares (thousands)	**149,985**	149,945	149,965
Average number of diluted shares (thousands)	**150,040**	149,959	149,989

* Gain on disposal of the PAS business is excluded from Profit, when calculating Cash conversion in 2015.

Exchange rates used

		1-6/2016	1-6/2015	1-12/2015	June 30, 16	June 30, 15	Dec 31, 15
USD	(US dollar)	**1.1106**	1.1260	1.1130	**1.1102**	1.1189	1.0887
SEK	(Swedish krona)	**9.2813**	9.3260	9.3414	**9.4242**	9.2150	9.1895
GBP	(Pound sterling)	**0.7777**	0.7346	0.7284	**0.8265**	0.7114	0.7340
CAD	(Canadian dollar)	**1.4741**	1.3870	1.4236	**1.4384**	1.3839	1.5116
BRL	(Brazilian real)	**4.1066**	3.3187	3.7024	**3.5898**	3.4699	4.3117
CNY	(Chinese yuan)	**7.2621**	7.0017	6.9924	**7.3755**	6.9366	7.0608
AUD	(Australian dollar)	**1.5085**	1.4418	1.4836	**1.4929**	1.4550	1.4897

Formulas for calculation of indicators

Earnings before interest, tax and amortization (EBITA), adjusted

Operating profit + adjustments + amortization + goodwill impairment

Earnings per share, basic:

$$\frac{\text{Profit attributable to shareholders}}{\text{Average number of outstanding shares during period}}$$

Earnings per share, diluted:

$$\frac{\text{Profit attributable to shareholders}}{\text{Average number of diluted shares during period}}$$

Equity / share

$$\frac{\text{Equity attributable to shareholders}}{\text{Number of outstanding shares at the end of period}}$$

Return on equity (ROE), %:

$$\frac{\text{Profit}}{\text{Total equity (average for period)}} \times 100$$

Return on capital employed (ROCE) before taxes, %:

$$\frac{\text{Profit before tax + interest and other financial expenses}}{\text{Balance sheet total - non-interest bearing liabilities (average for period)}} \times 100$$

Return on capital employed (ROCE) after taxes, %:

$$\frac{\text{Profit + interest and other financial expenses}}{\text{Balance sheet total - non-interest bearing liabilities (average for period)}} \times 100$$

Net gearing, %:

$$\frac{\text{Net interest bearing liabilities}}{\text{Total equity}} \times 100$$

Equity to assets ratio, %:

$$\frac{\text{Total equity}}{\text{Balance sheet total – advances received}} \times 100$$

Free cash flow:

Net cash provided by operating activities
- capital expenditures on maintenance investments
+ proceeds from sale of fixed assets

= Free cash flow

Free cash flow / share:

$$\frac{\text{Free cash flow}}{\text{Average number of outstanding shares during period}}$$

Cash conversion, %:

$$\frac{\text{Free cash flow}}{\text{Profit}} \times 100$$

Net interest bearing liabilities:

Long term debt + current portion of long term debt + short term debt - loan and other interest bearing receivables (non-current and current) - financial instruments held for trading - cash and cash equivalents

Capital employed:

Balance sheet total - non interest bearing liabilities

Operative capital employed:

Fixed assets + investments in associated companies and joint ventures + available-for-sale equity investments + inventories + non-interest bearing operative assets and receivables (external) - non-interest bearing operating liabilities (external)

Return on operative capital employed (ROCE) for reporting segments, %:

$$\frac{\text{Operating profit (annualized)}}{\text{Operative capital employed (average for period)}} \times 100$$

Segment information

ORDERS RECEIVED

EUR million	4-6/2016	4-6/2015	1-6/2016	1-6/2015	7/2015-6/2016	1-12/2015
Minerals	**593**	642	**1,087**	1,200	2,147	2,260
Flow Control	**168**	181	**337**	422	682	767
Group Head Office and other	**-**	-	**-**	-	-	-
Intra Metso orders received	**0**	0	**0**	0	0	0
Metso total	**761**	823	**1,424**	1,622	2,829	3,027

NET SALES

EUR million	4-6/2016	4-6/2015	1-6/2016	1-6/2015	7/2015-6/2016	1-12/2015
Minerals	**504**	560	**957**	1,123	2,032	2,198
Flow Control	**167**	194	**315**	419	674	778
Group Head Office and other	**-**	1	**-**	1	1	2
Intra Metso net sales	**0**	1	**0**	0	-1	-1
Metso total	**671**	756	**1,272**	1,543	2,706	2,977

ADJUSTED EBITA

EUR million	4-6/2016	4-6/2015	1-6/2016	1-6/2015	7/2015-6/2016	1-12/2015
Minerals	**54.3**	60.2	**91.2**	115.6	216.3	240.7
Flow Control	**22.1**	36.1	**41.1**	56.9	101.7	117.5
Group Head Office and other	**0.9**	-2.4	**0.7**	-8.3	-2.0	-11.0
Metso total	**77.3**	93.9	**133.0**	164.2	316.0	347.2

ADJUSTED EBITA, % OF NET SALES

%	4-6/2016	4-6/2015	1-6/2016	1-6/2015	7/2015-6/2016	1-12/2015
Minerals	**10.8**	10.8	**9.5**	10.3	10.6	11.0
Flow Control	**13.2**	18.6	**13.0**	13.6	15.1	15.1
Group Head Office and other	**n/a**	n/a	**n/a**	n/a	n/a	n/a
Metso total	**11.5**	12.4	**10.5**	10.6	11.7	11.7

ADJUSTMENT ITEMS

EUR million	4-6/2016	4-6/2015	1-6/2016	1-6/2015	7/2015-6/2016	1-12/2015
Minerals	**-2.9**	-	**-3.6**	-	-23.7	-20.1
Flow Control	**-**	-	**-**	-	-4.5	-4.5
Group Head Office and other	**-0.8**	257.2	**-1.0**	257.2	-7.4	250.8
Metso total	**-3.7**	257.2	**-4.6**	257.2	-35.6	226.2

AMORTIZATION

EUR million	4-6/2016	4-6/2015	1-6/2016	1-6/2015	7/2015-6/2016	1-12/2015
Minerals	**-1.5**	-1.9	**-3.1**	-3.5	-7.0	-7.4
Flow Control	**-0.7**	-0.1	**-1.3**	-1.4	-2.5	-2.6
Group Head Office and other	**-2.2**	-2.1	**-4.4**	-4.1	-8.4	-8.1
Metso total	**-4.4**	-4.1	**-8.8**	-9.0	-17.9	-18.1

OPERATING PROFIT (LOSS)

EUR million	4-6/2016	4-6/2015	1-6/2016	1-6/2015	7/2015-6/2016	1-12/2015
Minerals	**49.9**	58.3	**84.6**	112.1	185.7	213.2
Flow Control	**21.4**	36.1	**39.8**	55.5	94.7	110.4
Group Head Office and other	**-2.0**	252.7	**-4.7**	244.8	-17.8	231.7
Metso total	**69.3**	347.1	**119.7**	412.4	262.6	555.3

OPERATING PROFIT (LOSS), % OF NET SALES

%	4-6/2016	4-6/2015	1-6/2016	1-6/2015	7/2015-6/2016	1-12/2015
Minerals	**9.9**	10.4	**8.8**	10.0	9.1	9.7
Flow Control	**12.8**	18.6	**12.6**	13.2	14.1	14.2
Group Head Office and other	**n/a**	n/a	**n/a**	n/a	n/a	n/a
Metso total	**10.3**	45.9	**9.4**	26.7	9.7	18.7

Quarterly information

ORDERS RECEIVED

EUR million	4-6/2015	7-9/2015	10-12/2015	1-3/2016	4-6/2016
Minerals	642	475	585	494	**593**
Flow Control	181	172	173	169	**168**
Group Head Office and other	-	-	-	-	**-**
Intra Metso orders received	0	0	0	0	**0**
Metso total	823	647	758	663	**761**

NET SALES

EUR million	4-6/2015	7-9/2015	10-12/2015	1-3/2016	4-6/2016
Minerals	560	501	574	453	**504**
Flow Control	194	179	180	148	**167**
Group Head Office and other	1	1	-	-	**-**
Intra Metso net sales	1	-1	0	0	**0**
Metso total	756	680	754	601	**671**

ADJUSTED EBITA

EUR million	4-6/2015	7-9/2015	10-12/2015	1-3/2016	4-6/2016
Minerals	60.2	55.9	69.2	36.9	**54.3**
Flow Control	36.1	37.0	23.6	19.0	**22.1**
Group Head Office and other	-2.4	-0.6	-2.1	-0.2	**0.9**
Metso total	93.9	92.3	90.7	55.7	**77.3**

ADJUSTED EBITA, % OF NET SALES

%	4-6/2015	7-9/2015	10-12/2015	1-3/2016	4-6/2016
Minerals	10.8	11.2	12.1	8.2	**10.8**
Flow Control	18.6	20.7	13.1	12.8	**13.2**
Group Head Office and other	n/a	n/a	n/a	n/a	**n/a**
Metso total	12.4	13.6	12.0	9.3	**11.5**

ADJUSTMENT ITEMS

EUR million	4-6/2015	7-9/2015	10-12/2015	1-3/2016	4-6/2016
Minerals	-	-3.3	-16.8	-0.7	**-2.9**
Flow Control	-	-3.3	-1.2	-	**-**
Group Head Office and other	257.2	-5.8	-0.6	-0.2	**-0.8**
Metso total	257.2	-12.4	-18.6	-0.9	**-3.7**

AMORTIZATION

EUR million	4-6/2015	7-9/2015	10-12/2015	1-3/2016	**4-6/2016**
Minerals	-1.9	-1.7	-2.2	-1.6	**-1.5**
Flow Control	-0.1	-0.7	-0.5	-0.6	**-0.7**
Group Head Office and other	-2.1	-2.0	-2.0	-2.2	**-2.2**
Metso total	-4.1	-4.4	-4.7	-4.4	**-4.4**

OPERATING PROFIT (LOSS)

EUR million	4-6/2015	7-9/2015	10-12/2015	1-3/2016	**4-6/2016**
Minerals	58.3	50.9	50.2	34.7	**49.9**
Flow Control	36.1	33.0	21.9	18.4	**21.4**
Group Head Office and other	252.7	-8.4	-4.7	-2.7	**-2.0**
Metso total	347.1	75.5	67.4	50.4	**69.3**

OPERATING PROFIT (LOSS), % OF NET SALES

%	4-6/2015	7-9/2015	10-12/2015	1-3/2016	**4-6/2016**
Minerals	10.4	10.2	8.7	7.7	**9.9**
Flow Control	18.6	18.4	12.2	12.4	**12.8**
Group Head Office and other	n/a	n/a	n/a	n/a	**n/a**
Metso total	45.9	11.1	8.9	8.4	**10.3**

CAPITAL EMPLOYED

EUR million	June 30, 2015	Sep 30, 2015	Dec 31, 2015	Mar 31, 2016	**June 30, 2016**
Minerals *	1,252	1,167	1,162	1,142	**1,141**
Flow Control *	329	322	321	323	**322**
Group Head Office and other	695	718	784	827	**701**
Metso total	2,276	2,207	2,267	2,292	**2,164**

* Operative capital employed includes only external balance sheet items.

ORDER BACKLOG

EUR million	June 30, 2015	Sep 30, 2015	Dec 31, 2015	Mar 31, 2016	**June 30, 2016**
Minerals	1,109	1,004	1,006	1,020	**1,113**
Flow Control	300	285	262	280	**286**
Group Head Office and other	-	1	-	-	**-**
Intra Metso order backlog	2	0	0	0	**0**
Metso total	1,411	1,290	1,268	1,300	**1,399**

PERSONNEL

	June 30, 2015	Sep 30, 2015	Dec 31, 2015	Mar 31, 2016	**June 30, 2016**
Minerals	9,920	9,493	9,222	9,068	**8,701**
Flow Control	2,966	2,858	2,821	2,797	**2,878**
Group Head Office and other	664	589	576	521	**520**
Metso total	13,550	12,940	12,619	12,386	**12,099**

Adjustments and reconciliation to operating profit

4-6/2016 EUR million	Minerals	Flow Control	Group Head office and other	Metso total
Adjusted EBITA	**54.3**	**22.1**	**0.9**	**77.3**
% of net sales	**10.8**	**13.2**	**-**	**11.5**
Capacity adjustment expenses	-2.9	-	-0.2	**-3.1**
Other costs	-	-	-0.6	**-0.6**
Amortization of intangible assets	-1.5	-0.7	-2.2	**-4.4**
Operating profit (EBIT)	49.9	21.4	-2.0	**69.3**

1-6/2016 EUR million	Minerals	Flow Control	Group Head office and other	Metso total
Adjusted EBITA	**91.2**	**41.1**	**0.7**	**133.0**
% of net sales	**9.5**	**13.0**	**-**	**10.5**
Capacity adjustment expenses	-3.6	-	-0.4	**-4.0**
Other costs	**-**	**-**	**-0.6**	**-0.6**
Amortization of intangible assets	-3.1	-1.3	-4.4	**-8.8**
Operating profit (EBIT)	84.6	39.8	-4.7	**119.7**

4-6/2015 EUR million	Minerals	Flow Control	Group Head office and other	Metso total
Adjusted EBITA	**60.2**	**36.1**	**-2.4**	**93.9**
% of net sales	**10.8**	**18.6**	**-**	**12.4**
Gain on disposal of the PAS business	-	-	258.1	**258.1**
Costs related to business acquisition projects	**-**	**-**	**-0.9**	**-0.9**
Amortization of intangible assets	-1.9	-0.1	-2.1	**-4.1**
Operating profit (EBIT)	58.3	36.1	252.7	**347.1**

1-6/2015 EUR million	Minerals	Flow Control	Group Head office and other	Metso total
Adjusted EBITA, excluding PAS	**115.6**	**64.5**	**-8.3**	**171.8**
% of net sales	**10.3**	**17.8**	**-**	**11.6**
PAS adjustment	-	-7.6	-	**-7.6**
Adjusted EBITA	**115.6**	**56.9**	**-8.3**	**164.2**
Gain on disposal of the PAS business	-	-	258.1	**258.1**
Costs related to business acquisition projects	-	-	-0.9	**-0.9**
Amortization of intangible assets	-3.5	-1.4	-4.1	**-9.0**
Operating profit (EBIT)	112.1	55.5	244.8	**412.4**

1-12/2015 EUR million	Minerals	Flow Control	Group Head office and other	Metso total
Adjusted EBITA, excluding PAS	**240.7**	**126.2**	**-11.0**	**355.9**
% of net sales	**11.0**	**17.5**	**-**	**12.2**
PAS adjustment	-	-8.7	-	**-8.7**
Adjusted EBITA	**240.7**	**117.5**	**-11.0**	**347.2**
Gain on disposal of the PAS business	-	-	252.3	**252.3**
Capacity adjustment expenses	-20.1	-1.2	-	**-21.3**
Other costs	-	-3.3	-1.5	**-4.8**
Amortization of intangible assets	-7.4	-2.6	-8.1	**-18.1**
Operating profit (EBIT)	213.2	110.4	231.7	**555.3**

Reconciliation concerning PAS figures in 2015

The Process Automation Systems (PAS) business was disposed on April 1, 2015 and was included in Flow Control -segment and Metso total figures in first quarter in 2015.

FLOW CONTROL SEGMENT

1-6/2015 **EUR million**	Flow Control including PAS	PAS	Flow Control without PAS
Orders received	422	62	360
Order backlog	300	-	300
Net sales	418	54	364

1-12/2015 **EUR million**	Flow Control including PAS	PAS	Flow Control without PAS
Orders received	767	62	705
Order backlog	262	-	262
Net sales	778	54	723

METSO TOTAL

1-6/2015 **EUR million**	Metso including PAS	PAS	Metso without PAS
Orders received	1,622	62	1,560
Order backlog	1,411	-	1,411
Net sales	1,543	54	1,489

1–12/2015 **EUR million**	Metso including PAS	PAS	Metso without PAS
Orders received	3,027	62	2,965
Order backlog	1,268	-	1,268
Net sales	2,977	54	2,923

Metso's Financial Reporting in 2016

Metso's Interim Review for January–September will be published on October 21, 2016.
Metso's next Capital Markets Day is planned to be held in the spring of 2017.

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