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Common Market for Eastern
and Southern Africa

CCC Merger Inquiry Notice No. 35 of 2019

Notice of Inquiry into a Merger Involving Outotec Oyj and the Minerals Business of Metso Oyj

It is hereby notified in terms of Article 26(6) of the COMESA Competition Regulations (the “**Regulations**”) that the COMESA Competition Commission (the “**Commission**”), after receiving a notification in terms of Article 24 of the Regulations on a merger involving Outotec Oyj (“**Outotec**”) and the minerals business of Metso Oyj (“**Metso Minerals**”), intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties have submitted that the transaction involves the acquisition by Outotec of the minerals business of Metso. The proposed transaction concerns certain parts of the minerals processing value chain (i.e. the processing of raw materials following actual mining process).

The parties have submitted that the acquiring undertaking, Outotec, is a public limited liability company incorporated and registered under the laws of Finland with its business address in Espoo, at Rauhalanpuitso 9, FI-02330 Espoo, Finland. Its shares are listed on the Nasdaq Helsinki (OMXH) with the trading symbol of OTE1V. Outotec and its subsidiaries (the **Outotec Group**) are active in the production and sale of machinery for mining, metal, energy, and chemical industries globally. The acquiring undertaking has operations in the following Member States of the Common Market for Eastern and Southern Africa (COMESA): Democratic Republic of Congo, Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Mauritius, Seychelles, Tunisia, Uganda, Zambia and Zimbabwe

The parties have submitted that the target undertaking, Metso Minerals, is part of Metso Oyj (Metso), a public limited liability company incorporated and registered under the laws of Finland with its address at Töölönlahdenkatu 2, FI 00100, Helsinki, Finland. Metso’s shares are listed on the Nasdaq Helsinki (OMXH) with the trading symbol METSO. Metso is an industrial company which supplies equipment and services for the sustainable processing and flow of natural resources in the mining, aggregates, recycling and process industries. Metso comprises several mineral business areas namely: mining; aggregates; flow control; mineral services; mineral consumables; pumps and recycling. It has been submitted that Metso Minerals comprises the mining and aggregates business units of Metso. The target undertaking has operations in the following Member States of COMESA: Comoros, Democratic Republic of Congo, Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Mauritius, Seychelles, Tunisia, Uganda, Zambia and Zimbabwe.

The parties have submitted that Outotec and Metso have entered into an agreement and a demerger plan (the Demerger Plan) dated 4th July, 2019 to combine Metso Minerals with Outotec's business operations. The combination will be achieved by way of a partial demerger of Metso to the effect that all such assets, rights, debts and liabilities of Metso that relate to, or primarily service, its minerals business (comprising the mining aggregates and recycling businesses) will be acquired by Outotec.

In return for the transfer of the Metso Mineral business to Outotec, the shareholders of Metso will receive newly issued shares in Outotec. Upon completion of the partial de-merger, the shareholders of Metso will hold approximately 78% 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 and will not be controlled by any Metso entity or shareholder.

The parties have submitted that Metso will not dissolve as a result of the de-merger of the minerals business and will continue to include the assets, rights, debts, and liabilities of Metso that related to, or primarily serve, its flow control business (which is not part of the proposed transaction). Metso will operate the flow control business under the name Neles. Post-transaction, neither Outotec nor Metso will be controlled by any of its shareholders individually. Outotec and Metso will, post-transaction, continue to be listed on the Nasdaq Helsinki.

The Commission will, in accordance with the provisions of the Regulations, determine among other things whether or not the merger is likely to substantially prevent or lessen competition within the Common Market and whether the merger is or would be contrary to the public interest as provided for under Article 26 of the Regulations. In view of this, the Commission hereby gives notice to all interested stakeholders, including competitors, suppliers and customers of the merging parties to submit written representations to the Commission with regard to the subject matter of the proposed inquiry by emailing them to: akamanga@comesa.int. All written representations should be sent to the Commission no later than **12th November, 2019**.

If you wish to seek further details and/or clarifications on any aspect of this proposed transaction or need assistance you may get in touch with **Mr. Ali Kamanga, Senior Analyst - Mergers and Acquisitions on Tel: +265 (0) 1 772 466 or E-mail akamanga@comesa.int**.

All written representations submitted to the Commission will be treated with the strictest confidentiality and will only be used for the purpose of this inquiry.