FINANCIAL STATEMENTS 2013

Sustainable use of Earth's natural resources

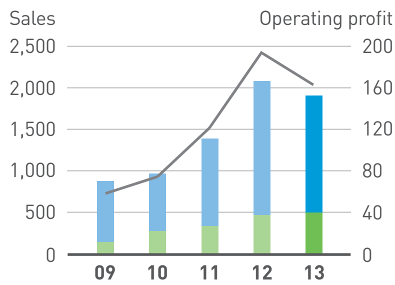
Outotec

CONTENT

All figures in the Financial Statementd have been rounded and consequently the sum of individual figures may deviate from the sum presented.

Key figures have been calculated using exact figures.

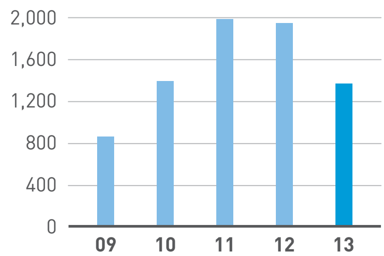
SALES AND OPERATING PROFIT*), EUR MILLION



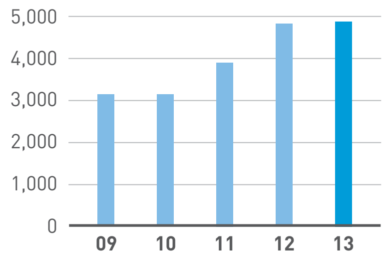
Sales Service sales
— Operating profit

*) from business operations excl. one-time items and PPA amortizations

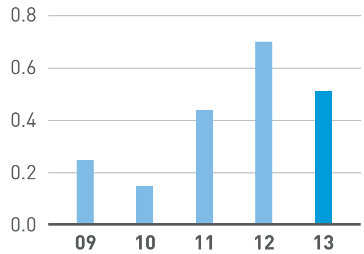
ORDER BACKLOG, EUR MILLON



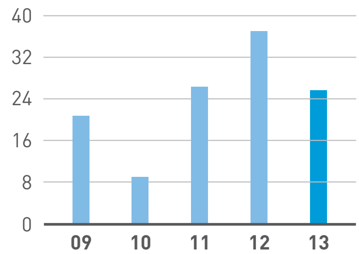
PERSONNEL



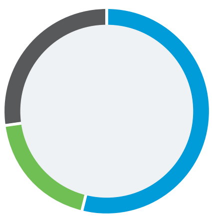
EARNINGS PER SHARE, EUR



RETURN ON INVESTMENT, %

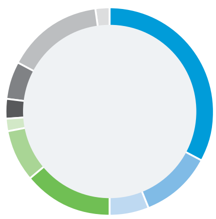


SALES BY REGION, %



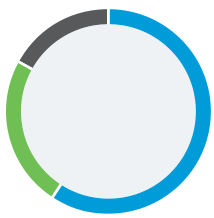
- **EMEA (incl. CIS) 54** (46)
- **Americas 27** (36)
- **APAC 19** (19)

SALES BY MATERIALS, %



- **Copper 33** (33)
- **Iron 11** (14)
- **Aluminum 6** (6)
- **Ferroalloys 14** (7)
- **Precious metals 8** (13)
- **Zinc 2** (2)
- **Nickel 3** (4)
- **Other metals 6** (4)
- **Energy & environmental solutions (incl. water, sulfuric acid and off-gas) 15** (14)
- **Others 2** (2)

PERSONNEL BY REGION, %



- **EMEA (incl. CIS) 60** (55)
- **Americas 24** (29)
- **APAC 17** (16)

President and CEO Pertti Korhonen:

CHALLENGING YEAR, GROWTH IN SERVICES

→ The year 2013 was challenging for Outotec. The uncertainty in the world economy, weakened metals prices and the need to improve capital returns reduced mining and metal companies' investments. These matters together with the devaluation of emerging market currencies were reflected in the drop of our full-year order intake. Furthermore, in 2012 we received a large, EUR 350 million individual order, making the comparison point high. In the fourth quarter we booked again some larger orders.

The accumulated slowdown in order intake, some order cancellations and exchange rate changes reduced our sales and consequently the profitability. Due to lower order intake and deliveries from backlog, cash flow was negative. I am very pleased with the six percent growth of our service sales despite significant currency fluctuations; with comparable currency rates, service sales growth would have been 13% and service order intake growth 19%. The higher share of services was also visible in our personnel structure as the share of service personnel increased.

Expanding the offerings through acquisitions and technology development

During recent years we have been increasing our investments in R&D which is bearing fruit. As an example of innovative new products, we introduced a revolutionary modular solvent extraction plant concept to the market and succeeded in selling the first plant to Turkey. We have also further expanded our extensive patent portfolio and the number of new patent applications and granted patents was at an all time high level, both up by over 40% from 2012. In Finland, Outotec was number one company in terms of new patents applied. I am also very pleased with the good progress in developing new service concepts such as operation and maintenance and I see good opportunities to continue to expand our service business globally.

We have made 13 acquisitions since 2010 which also have enhanced our product and service offering. As an example, the acquisition of Scanalyse – a software technology company for process equipment condition and performance monitoring – strengthens our expertise and complements our service offerings. We continue to seek acquisition opportunities in future as well.

Developing operations and global platforms

Since 2010 we have been developing our operating model as a platform for growth, and as a further step on this path, we adopted a new business structure as of July 2013. With this change, we seek to continue to strengthen our geographical presence and the development of new products and technologies and thereby address the more challenging market conditions.

Awarded sustainability work

We have systematically developed our sustainability performance and reporting, and therefore I am very pleased that in 2013 Outotec was included in the Dow Jones Sustainability Index and included for the fifth consecutive year in Carbon Disclosure Leadership Index. In January 2014 we were ranked third in Corporate Knights' Global 100 list of the world's most sustainable companies. These are recognitions for our systematic work in corporate responsibility and sustainability. We have developed our policies and Code of Conduct, trained our employees as well as harmonized our quality management systems. One remarkable milestone in this work was achieved in October 2013 when we received the One Outotec integrated quality, environment, health and safety management certification for most of our global locations.

Our focus remains on ensuring future profitable growth

We expect the long-term demand drivers to remain intact as the metals demand will grow, ore grades decline and the environmental requirements tighten. In short-term, the mining industry's capital expenditure is expected to shrink 10–20% whereas the demand for services is expected to grow. In order to be prepared for continuing slowness of the Capex market, we launched a program to reduce our annual operational costs. Thus far, we have progressed according to the plan and achieved EUR 12 million annualized savings. Actions continue in 2014 to reach the EUR 50 million annualized savings by the end of the year through further reduction of personnel, usage of external services, and travelling.

Going forward, we aim to increase our market share by leveraging our leading technologies and lifecycle solutions business model in providing our customers the best return on investment with predictable investment cost, faster time to cash flow and guaranteed process performance.

I would like to thank all our employees for their dedication and great performance in the challenging year. The fact that as much as 33 percent of our employees are also Outotec shareholders through Employee Share Savings Plan, introduced in the beginning of 2013, shows the commitment of our people. Our spirit is strong and we are continuously making progress in building success together as one Outotec.

I would also like to express my gratitude towards our customers and business partners, who are placing their trust on our people and our solutions. I am also extending my thanks to our shareholders for sharing our mission of 'Sustainable use of Earth's natural resources'. We will continue our work towards this also in 2014.

Pertti Korhonen
President & CEO

REPORT BY THE BOARD OF DIRECTORS

Operating environment

The uncertainty in the world economy, weakened metals prices, and the need to improve capital returns reduced mining and metal companies' investments. They also cut operational spending in order to optimize free cash flow. Furthermore, strong currency fluctuations, uncertainties related to changes in political power, and taxation slowed down project development. All in all, the level of new investments in the mining and metals industry dropped in 2013.

Despite somewhat softer metal prices, non-ferrous and sulfuric acid plant projects were being developed, whereas the investments in iron ore capacity were down significantly. The demand for water-efficient processes as well as effluent and waste water treatment, and tailings treatment systems continued.

The overall interest in sustainable energy solutions continued, but low energy prices, as well as uncertainties in subsidy regulation for alternative and renewable energy in certain countries, have slowed down investments.

The market for Outotec's services, as well as upgrades and modernization, continued active as the companies were increasingly focusing on improving their existing operations. The demand increased for long-term operation and maintenance services to ensure fast ramp-up and efficient operation of new production plants.

There were significant variations between geographic regions. Markets in North and South America were weaker, while customers in the Central America, the Middle East, Russia, and Sub-Saharan Africa continued to develop especially metallurgical projects related to aluminum, copper, sulfuric acid and precious metals. In Asia Pacific, more so in China, the focus has been increasingly on environmental investments. The Australian market has seen some recovery supported by change in political power and devaluation of the currency. In South East Asia, local investments continued in order to capture more value from domestic natural resources such as bauxite.

As there are fewer projects in the market, competition in many areas has become fiercer, putting pressure on pricing. Project financing continued to be available.

Order intake

Order intake in 2013 totaled EUR 1,512.4 (2,084.4) million, down 27% from 2012. Calculated with the comparison period's foreign exchange rates, the decrease in 2013 would have been 24%. The comparison period's order intake included one large order for EUR 350 million. One suspended project (received in 2013) was cancelled in September, which reduced the 2013 order intake by EUR 30 million.

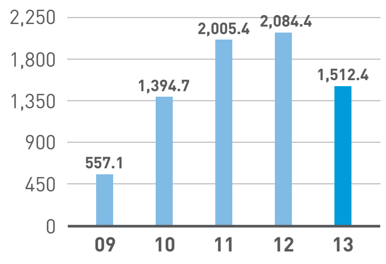
Service order intake in 2013 totaled EUR 552.5 (496.7) million, up 11% from 2012. The increase was mainly due to growth in technical and upgrade services, as well as service contracts. Calculated with the comparison period's foreign exchange rates, the annual service order intake growth would have been 19%.

Order intake by region, %	**2013**	2012
EMEA (including CIS)	**59**	59
Americas	**19**	26
APAC	**21**	15
Total	**100**	100

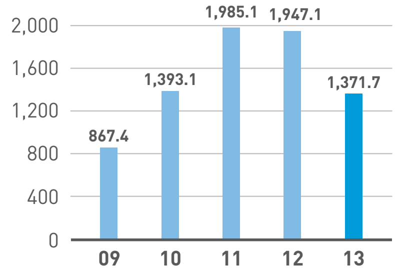
Published orders in 2013

- Operation and maintenance of copper concentrator for ZAO Mikheevsky GOK, Russia (value EUR 140 million)
- Operation and maintenance of copper concentrator for Russian Copper Company, Russia (value approx. EUR 100 million)
- Roasting plant for pyrite concentrates, calcine leaching and solvent extraction plants, copper smelter modernization, gas cleaning and sulfuric acid plants for Cengiz Group, Turkey (value over EUR 100 million)

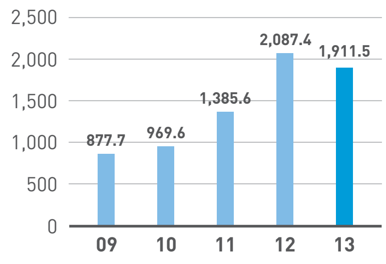
ORDER INTAKE, EUR MILLION



ORDER BACKLOG, EUR MILLION



SALES, EUR MILLION



- Minerals processing technology and equipment to an expansion of copper-nickel concentrator for Norilsk Nickel, Russia (value not disclosed, similar deliveries worth typically approx. EUR 60-80 million)
- Copper concentrator for Russian Copper Company, Russia (value over EUR 50 million)
- Minerals processing technology for Grupo Peñoles, Mexico (value over EUR 47 million)
- Gas cleaning plant to iron ore pellet plant for LKAB, Sweden (value approx. EUR 38 million)
- Grinding mills and filters for three new concentrators for Industrias Peñoles, Mexico (value approx. EUR 30 million)
- Indurating furnace to a new iron ore pelletizing plant for Baotou Steel International Economic & Trading, China (value not disclosed, similar deliveries worth typically approx. EUR 30 million)
- Grinding mills to a copper mine for First Quantum Minerals, Zambia (value, approx. EUR 15 million)
- Green anode plant and rodding shop technology for ETI Alüminyum, Turkey (value approx. EUR 15 million)
- Flash smelting technology to the upgrade of a copper smelter for Rio Tinto US (value approx. EUR 14 million)
- Modernization of a copper smelter for PASAR, Philippines (value over EUR 12 million)
- Renewable energy solution for a bio-ethanol facility, USA (value not disclosed)
- Technology license as well as the basic and detail engineering for a potential alumina refinery for DUBAL, United Arab Emirates (value not disclosed)

Order backlog

The order backlog at the end of 2013 was EUR 1,371.7 (1,947.1) million, down 30% from the previous year-end. Some projects (included in the year-end 2012 backlog) were cancelled in December reducing the order backlog at the end of the reporting period by approximately EUR 60 million. Calculated with the comparison period's foreign exchange rates, the year-end order backlog value would have been approximately 7% (approx. EUR 100 million) higher. Services represented EUR 218.8 (199.4) million of the total order backlog.

At the end of 2013, Outotec had 29 (38) projects with an order backlog value in excess of EUR 10 million, accounting for 65 (70)% of the total backlog. Based on the year-end project evaluation, management estimates that roughly 80 (77)% (approximately EUR 1,100 (1,500) million) of the year-end order backlog value will be delivered in 2014. The share of services in the backlog has grown, which explains the higher conversion rate.

At the end of 2013, the order backlog included 5 suspended projects with a total value of approximately EUR 31 million, which accounted for approximately 2% of the total backlog. The suspensions were related to customers' cash flow optimization, site-related matters, financing, and permitting.

Sales and financial result

Sales in 2013 decreased 8% from previous year. Calculated with 2012 comparable exchange rates, the decrease would have been 4%.

Service sales in 2013 grew 6% from the comparison period. The increase was mainly due to increased technical and upgrade services as well as service contracts. Calculated with 2012 comparable exchange rates, the service sales would have been 13% higher than previous year. The majority of the growth came from acquisitions completed in 2012 and 2013.

The operating profit margin from business operations in 2013 included fixed costs of EUR 256.8 (254.7) million equivalent to 13 (12)% of sales. Excluding the exchange rate effect the costs would have been 4% higher than in the comparison period. The increase excluding the exchange rate impact was mainly due to higher administrative expenses from acquisitions, geographic expansion, and investments in R&D activities.

Profit before taxes in 2013 was EUR 132.2 (179.7) million. It included net finance expenses of EUR 9.7 (expense of 4.6) million. The increase from the comparison period was primarily due to the valuation of financial hedges as well as interest expense from higher gross debt. Net profit for the reporting period was EUR 92.1 (127.8) million. Taxes totaled EUR 40.2 (51.9) million, corresponding effective tax rate of 30.4 (28.9)%. Increased tax rate from the comparison period was due to the geographical distribution of sales. Earnings per share were EUR 0.51 (0.70).

Balance sheet, financing and cash flow

The consolidated balance sheet total was EUR 1,530.3 (1,632.9) million at the end of 2013. The equity to shareholders of the parent company was EUR 477.4 (472.7) million, representing EUR 2.64 (2.61) per share. The equity to shareholders of the parent company was mainly increased by the profit of the period EUR 92.1 million

Sales and financial result EUR million	2013	2012
Sales	**1,911.5**	2,087.4
Service sales[1]	**505.9**	476.0
Share of service in sales, %	**26.5**	22.8
Gross margin, %	**20.7**	20.8
Operating profit from business operations	**162.9**	193.8
- one-time costs[2]	**-8.0**	3.0
- PPA amortization[2]	**-13.0**	-12.5
Reported operating profit	**141.9**	184.3
Unrealized and realized exchange gains and losses[3]	**9.6**	2.1
Operating profit, %	**7.4**	8.8
- from business operations, %	**8.5**	9.3

[1] included in the sales figures of the two reporting segments

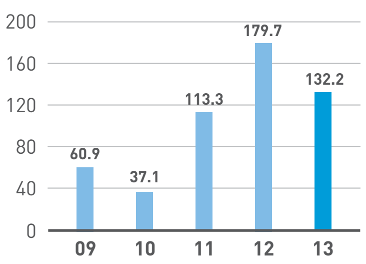
[2] one-time items (related to M&A and cost efficiency program) in 2012 totaled a gain of EUR 3.0 million including acquisition-related costs of EUR 2.7 million, restructuring related costs of EUR 0.6 million, and the positive impact of EUR 6.3 million reduction from EPI earn-out payment liability. In 2013, one-time items totaled EUR -8.0 million including acquisition-related costs of EUR 0.3 million, cost efficiency program-related costs of EUR 12.8 million, and the positive impact of EUR 5.1 million related to past acquisitions.

[3] related to currency forward contracts and bank accounts

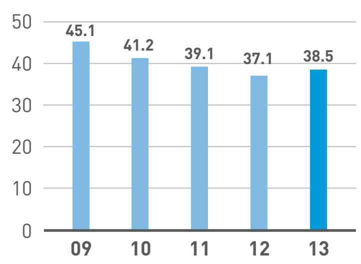
Sales by region	2013	2012	% 2013	Change %
EMEA (including CIS)	**1,038.5**	951.0	**54**	9.2
Americas	**508.0**	746.0	**27**	-31.9
APAC	**365.1**	390.5	**19**	-6.5
Total	**1,911.5**	2,087.4	**100**	-8.4

Sales by materials %	2013	2012
Copper	**33**	33
Iron	**11**	14
Aluminum	**6**	6
Ferroalloys	**14**	7
Precious metals	**8**	13
Zinc	**2**	2
Nickel	**3**	4
Other metals	**6**	4
Energy and environmental solutions (incl. water, sulfuric acid and off-gas)	**15**	14
Others	**2**	2
Total	**100**	100

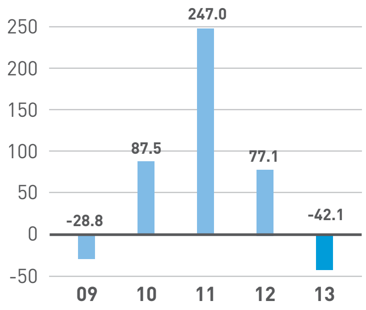
PROFIT BEFORE TAXES, EUR MILLION



EQUITY RATIO, %



NET CASH FROM OPERATING ACTIVITIES, EUR MILLION



Balance sheet, financing and cash flow EUR million	**2013**	2012
Net cash from operating activities	**-42.1**	77.1
Net interest-bearing debt at the end of the period	**-87.1**	-264.7
Equity at the end of the period	**477.4**	472.7
Equity-to-assets ratio at the end of the period, %	**38.5**	37.1
Gearing at the end of the period, %	**-18.2**	-56.0
Working capital at the end of the period	**-14.0**	-191.3
Return on investment, %	**25.7**	37.0
Return on equity, %	**19.4**	29.4
Earnings per share, EUR	**0.51**	0.70

and reduced by the paid dividends of EUR 54.9 million as well as translation differences of EUR 32.7 million as a result of the devaluation of the Australian dollar, Chilean peso, and South African rand.

The net cash flow from operating activities in 2013 declined from the previous year due to lower net profit and increase in working capital. The change in working capital was due to decreased order intake and related advance payments. The advance and milestone payments at the end of 2013 were EUR 291.6 (358.8) million, representing a decrease of 19% from the previous year. The advance and milestone payments paid to subcontractors at the end of 2013 were EUR 31.1 (46.4) million.

Outotec's cash and cash equivalents at the end of 2013 totaled EUR 323.7 (358.6) million. Cash and cash equivalents was impacted by the increased working capital, the dividend payment of EUR 54.9 (38.9) and the issuance of a EUR 150.0 million bond, of which EUR 148.6 million was received as cash inflow in September 2013. In addition, cash outflow relating to the acquisition was EUR 11.8 (34.6) million and cash inflow from emissions of Finnish short-term certificates of deposit totaling EUR 4.0 (0.0) million. The company invests its excess cash in short-term money market instruments such as bank deposits and corporate commercial certificates of deposit.

Outotec's financing structure is solid and liquidity good. Net interest-bearing debt at the end of 2013 was EUR -87.1 (-264.7) million. Outotec's equity-to-assets ratio was 38.5 (37.1)%. The company's capital expenditure in 2013 was EUR 53.0 (76.2) million including acquisition, as well as investments in R&D-related equipment and information systems.

At the end of 2013, guarantees for commercial commitments, including advance payment guarantees issued by the parent and other Group companies, were EUR 549.7 (570.6) million.

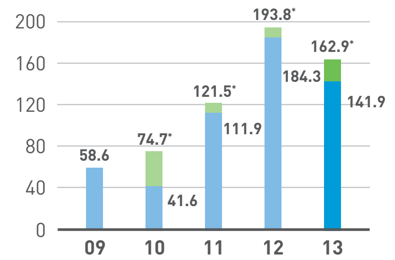
EUR 150 million bond issue

As a part of Outotec's long-term financing strategy, the company issued a EUR 150 million fixed rate unsecured bond in September 2013. The funds can be used for general corporate purposes and the arrangement primarily supports the company's organic and inorganic growth objectives. The bond matures in seven (7) years and pays an annual coupon of 3.75%. The bond is listed on NASDAQ OMX Helsinki Ltd. The listing prospectus is available on Outotec's website www.outotec.com.

Efficiency improvement program

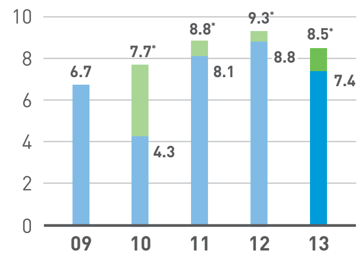
On October 17, 2013, Outotec announced that the company will start an efficiency improvement program targeting up to EUR 50 million annualized savings in operational costs by the end of 2014 compared to the Q3/2013 situation. The majority of the savings will materialize in 2014. The estimated one-time costs from the program for 2013 and 2014 will be at maximum EUR 30 million. The planned measures are estimated to lead to the reduction of a maximum of 500 employees globally through redundancies, retirements, and ending fixed-term agreements. The reduction measures will be realized gradually starting in late 2013 and ending by mid-2014. In addition, temporary lay-offs may be used to achieve the targeted savings.

OPERATING PROFIT, EUR MILLION



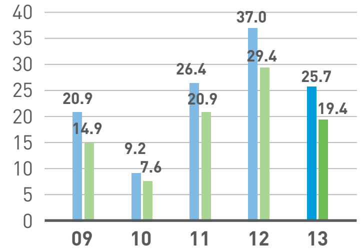
*) From business operations excluding one-time items and PPA amortizations

OPERATING PROFIT MARGIN, %



*) From business operations excluding one-time items and PPA amortizations

RETURN ON INVESTMENT AND EQUITY, %



Return on investment
Return on equity

On December 4, 2013, Outotec announced that the employee cooperation negotiations concerning Outotec's operations in Finland have been completed. As a result, Outotec reduced in total 101 jobs in Finland, approximately half of which through redundancies, and the other half through retirements and discontinuing temporary employments. Most of the reduction measures were completed in Finland by the end of 2013. In addition to personnel reduction, temporary lay-offs will take place in the Turula works and may also be used in other locations during 2014 to achieve the targeted savings, depending on the development of the market environment and Outotec's order intake.

In 2013, a total of EUR 12.8 million of one-time costs were booked resulting to annualized savings of EUR 12.0 million. The savings are mainly related to personnel costs (EUR 11.3 million) and depreciation (EUR 0.7 million). A total of 260 persons have been reduced in 2013 as part of the program. The majority of the personnel reductions were in Chile, Finland, and Australia. The cost savings actions will continue in 2014.

Corporate structure

New operational structure and segment reporting

On April 9, 2013, Outotec announced changes in its operational structure and segment reporting. As of July 1, 2013, Outotec's business structure was re-organized to two business areas and three geographical regions. The business areas are Metals, Energy & Water, and Minerals Processing. The regions are Americas, EMEA (Europe including CIS, the Middle East, and Africa) and APAC (Asia Pacific, China, and India).

The two new business areas form the IFRS 8 operating segments. Service business is reported under the two operating segments however, its sales volume and order intake are reported also separately.

The new reporting segments came into effect from the January–September 2013 Interim Report and the restated comparison figures by business area for 2012 and for January–June 2013 were published on October 18, 2013.

Acquisitions

On March 19, 2013, Outotec completed the acquisition of the Australian-based Scanalyse Holdings Pty Ltd. Scanalyse is a software technology company that provides services in process equipment condition and performance monitoring.

The PPA amortizations estimate for 2014 is approximately EUR 8.5 million from completed acquisitions.

Other changes in corporate structure

On May 2, 2013, Outotec announced the opening of its office in Jakarta, Indonesia.

Research and technology development

In 2013, Outotec's research and technology development expenses totaled EUR 48.7 (41.6) million, an increase of 17% from the previous year and representing 2.6 (2.0)% of sales. Outotec filed 101 (70) new priority applications, and 419 (286) new national patents were granted. At the end of the reporting period, Outotec had 702 (630) patent families, including a total of 6,147 (5,745) national patents or patent applications. According to the Finnish Patent and Registration Office, of the domestic companies Outotec had the highest number (76) of patent applications in Finland in 2013.

On November 14, 2013, Outotec arranged a seminar in Ulaanbaatar for Mongolian decision makers in the mining industry as part of our collaboration with the Mongolian government to develop mining and metallurgical processing of Mongolian mineral resources. The event attracted some 60 companies and over 100 participants. The topics discussed at the seminar focused on sustainable use of Mongolian mineral resources, development of mining-related legislation, and the best environmental practices in Finland and the EU.

On November 12, 2013, Outotec and China's Nonferrous Metals Industry Association (CNIA) convened a sustainability seminar for 60 principal Chinese Rare Earth Elements (REE) producers and associated research institutes in Nanchang, China. The seminar discussed the environmental challenges of REE production, and possibilities to improve productivity through environmentally sound solutions.

On October 18, 2013, Outotec announced that it had established a Dewatering Technology Center in Lappeenranta, Finland. The center will be dedicated to developing new products and processes for solid-liquid separation and the entire life cycle of the processes including technology, equipment deliveries, commissioning and integrated modernization services, and advanced control systems.

Outotec won the 2013 Rio Tinto Eureka Prize for Commercialization of Innovation with Outotec® MillMapper and Outotec® CrusherMapper technologies on September 4, 2013. MillMapper and CrusherMapper are globally patented technologies and are the first in the world to measure, model, and manage liners in grinding mills and crushers.

On May 15, 2013, Outotec announced collaboration with Global Oil Shale in the development of a commercial scale concentration process for kerogen, a mixture of organic material contained in surface mineable oil shale deposits.

On April 24, 2013, Outotec announced collaboration with OAO Severstal, Kemira, and Lahti Region Development LADEC Ltd in the area of establishing the Industrial Waters Excellence Center IWEC to address issues related to industrial water consumption in Russia.

Enefit Outotec Technology, a joint venture of Estonia's energy group Enefit and Outotec, announced that it had brought a pilot plant based on the Enefit solid heat carrier process into operation in Outotec's R&D Center in Frankfurt in June 2013. The purpose of the pilot plant is to test the Enefit shale oil production process with different types of oil shale, collect data for adapting the process, and produce test batches of shale oil for further analysis.

Product launches in 2013

Outotec has published two new expert systems for smelter operations. The Outotec® Process Advisor is an online dynamic process control model with an operator-user interface, while the Outotec® Sentinel system is an online furnace integrity monitoring system for cooling elements. These software systems have been integrated into the Outotec Proscon® automation system, forming a complete process automation platform for smelter operations.

Outotec has introduced a novel VSF®X plant, the first fully modularized solvent extraction plant concept in the world. The solution is based on the use of prefabricated, transportable settlers, which allow cost-efficient and fast track on-site installation with lower risk. Moreover, isolated from the soil, the solution immediately alerts about possible solvent leaks, thus improving environmental safety. Thanks to easy dismantling and installation, the modules can be re-used and transported to the new location after the site closes. The first VSF®X solvent extraction plant will be delivered to Cengiz Group in Turkey.

The Outotec HIGmill was added to the Outotec comminution portfolio in 2012, and the first HIGmill is included as part of the comminution package in a sulphides application for a customer project in Africa. HIG1600 regrind mills were selected for this project due to the fact that they make it possible to reduce particle size significantly in one pass.

Outotec launched ARTS™, a new tracking system for anodes and rods in primary aluminum smelters. It is a combination of an anode and rod identification and tracking system, together with a customized database and analytical software. ARTS™ effectively tracks both anodes and rods, helping to control the quality of anodes, improve overall smelter performance and rod shop operations.

Outotec has broadened its scope of delivery with the High-Pressure Grinding Roll (HPGR) grinding technology. Outotec entered into an exclusive cooperation agreement with Köppern GmbH & Co for the manufacture and supply of Outotec branded HPGR machines as part of Outotec's process solutions. Köppern's HPGR will complement Outotec's comminution technologies and services and strengthen Outotec's market position.

The third generation automatic pressure filter series PF 12 and 15 have been launched to complete the Outotec Larox PF product family. The PF 12 and 15 series follow the launch of the world's largest pressure filter, the PF 180. The PF 12 and 15 series feature harmonized structures and updated advanced automation.

Electrical Impedance Tomography (EIT) technology was acquired from Numcore in spring 2012. EIT has gone through a rapid development process and commercialization phases in Outotec and, as a result, two new products for flotation applications will be launched in 2013 – Outotec® LevelSense and Outotec® FrothControl. The first commercial pilot installations are already up and running with promising results.

Outotec has launched a new Courier® family analyzer model that enables on-line analysis of light elements in mineral slurry. The Outotec Courier® 8 SL is based on Laser-Induced Breakdown Spectroscopy (LIBS) technology and is able to measure both light and heavy elements in mineral slurry. The analyzer allows the light element impurity content in the concentrate to be optimized while maintaining the best possible recovery. Applications for the new analyzer include iron ore concentrates, pellet plants, serpentinized nickel ore concentrators, laterite nickel ore and zinc, sulfide gold and phosphate concentrators.

Sustainability

Outotec's approach to sustainability is defined in the company's mission, strategy, values, code of conduct, and management system documents. Outotec's most significant impact on sustainability occurs indirectly through its customers' operations. "Sustainable use of Earth's natural resources" is the mission the company works towards achieving, in cooperation with customers. According to its core value "committed to sustainability", Outotec intends to incorporate sustainability into all aspects of its operations, comprising the social, economic, and environmental elements of sustainability.

On November 7, 2013, Outotec announced that it had received for the second consecutive year Readers' Choice award in the competition evaluating the corporate responsibility reporting of the Finnish companies. Outotec's report was awarded both by Investors and Students.

On October 8, 2013, Outotec was recognized in the Nordic Carbon Disclosure Leadership Index (CDLI) for the fifth consecutive year.

On September 12, 2013, Outotec announced that it had been selected to the Dow Jones Sustainability Europe Index for 2013-2014.

On March 25, 2013, Outotec published its sustainability report 2012.

In January, 2013 Outotec was ranked 12th in The Global 100 list of the world's most sustainable companies by Corporate Knights.

Personnel

At the end of 2013, Outotec had a total of 4,855 (4,805) employees of which 1,500 (1,360) service-related employees. Personnel were primarily recruited for service business and project implementation. Acquisitions increased personnel by 41 from year-end 2012. A total of 260 persons have been reduced in 2013 as part of the cost savings program. The majority of the personnel reductions were in Chile, Finland, and Australia. Outotec had on average 4,927 (4,456) employees. The average number of personnel grew by 11% over the previous year. Temporary personnel accounted for 8 (9)% of the total personnel.

At the end of 2013, the company had, in addition to its own personnel, 495 (660) full-time equivalent, contracted professionals working in project execution. The number of contracted workers at any given time changes with the active project mix and project commissioning, local legislation and regulations, as well as seasonal fluctuations.

In 2013, salaries and other employee benefits totaled EUR 385.8 (362.6) million. The increase from the comparison period was due to personnel additions and wage increases.

Changes in top management

Outotec's Executive Board members on December 31, 2013 (changes in responsibilities)

Pertti Korhonen President and CEO

Jari Rosendal Executive Vice President, President of Americas region (until February 28, 2014) (until June 30; head of Non-Ferrous Solutions business area)

Peter Weber Executive Vice President, President of EMEA region (until June 30; head of Energy, Light Metals and Environmental Solutions business area)

Kimmo Kontola Executive Vice President, President of APAC region (until June 30; head of Process Equipment business line of Non-ferrous Solutions)

Robin Lindahl Executive Vice President, President of Metals, Energy & Water business area (until June 30; head of Market Operations)

Kalle Härkki Executive Vice President, President of Minerals Processing business area (until June 30; head of Services business area)

Michael Frei Senior Vice President, Supply

Kari Knuutila Chief Technology Officer

Olli Nastamo Senior Vice President, Operational Excellence (new member from August 1)

Minna Aila Senior Vice President, Communications and Corporate Responsibility

Mikko Puolakka Chief Financial Officer

Kirsi Nuotto Senior Vice President, Human Resources (new member from January 9)

Nina Kiviranta Senior Vice President, Chief Legal Counsel (new member from March18)

Pia Kåll Senior Vice President, Strategy and M&A (new member from July 1)

Other members of Executive Board during 2013

Ari Jokilaakso Human Resources (January 1–9)

Pekka Erkkilä Ferrous Solutions business area (January 1–June 30)

Mika Saariaho Strategy (January 1–June 30)

Tapio Niskanen Business Infrastructure (January 1–July 31)

Resolutions of the 2013 Annual General Meeting

Outotec Oyj's Annual General Meeting (AGM) was held on March 26, 2013, in Helsinki, Finland.

Financial Statements

The AGM approved the parent company and the consolidated Financial Statements, and discharged the members of the Board of Directors and the President and CEO from liability for the financial year 2012.

Dividend

The AGM decided that a dividend of EUR 1.20 per share (before the free share issue (split)) be paid for the financial year ended on December 31, 2012. The dividend of EUR 54.9 (April 11, 2012: 38.9) million was paid on April 16, 2013.

The Board of Directors

The AGM decided on the number of Board members, including the Chairman and Vice Chairman, to be seven (7). Ms. Eija Ailasmaa, Mr. Tapani Järvinen, Mr. Hannu Linnoinen, Mr. Timo Ritakallio, and Mr. Poju Zabludowicz were re-elected as members of the Board of Directors. Dr. Matti Alahuhta and Ms. Anja Korhonen were elected as new Board members for the term expiring at the end of the next AGM. Furthermore, the AGM elected Dr. Matti Alahuhta as the Chairman of the Board of Directors.

The AGM confirmed the annual remunerations to the Board members as follows: EUR 72,000 for the Chairman of the Board of Directors and EUR 36,000 for each of the other members of the Board of Directors, as well as an additional EUR 12,000 for both the Vice Chairman of the Board, and the Chairman of the Audit Committee; and that the members of the

Personnel by region	**December 31, 2013**	December 31, 2012	Change %
EMEA (including CIS)	**2,891**	2,642	9
Americas	**1,144**	1,400	-18
APAC	**820**	763	7
Total	**4,855**	4,805	1

Board each be paid EUR 600 for attendance at each Board and committee meeting as well as reimbursement for direct costs arising from Board work.

Of the annual remuneration, 60% would be paid in cash and 40% in the form of Outotec Oyj shares, which would be acquired for the members from the stock exchange, within one week of the AGM 2013 date, in amounts corresponding to EUR 28,800 for the Chairman, EUR 19,200 for the Vice Chairman and Chairman of the Audit Committee each, and EUR 14,400 for each of the other members. The part of the annual fee payable in cash corresponds to the approximate sum necessary for the payment of the income taxes on the remunerations and would be paid no later than April 30, 2013. The annual fees shall encompass the full term of office of the Board of Directors.

Auditors
Public Accountants PricewaterhouseCoopers Oy, was re-elected as the company's auditor.

Free share issue (split)
The AGM resolved to give a free share issue (split) as follows:

- Three new shares were issued for each existing share in accordance with shareholders' pre-emptive rights, altogether 137,341,119 new shares were issued.

- Each shareholder, who was registered on the record date on Tuesday, April 2, 2013, in the shareholders' register of the company, was entitled to receive shares on the basis of the free share issue (split).

- The new shares were registered on Tuesday, April 2, 2013. The new shares generated shareholder rights from that date. No dividend decided upon by the AGM was paid to the new shares for the year 2012.

The free share issue (split) was executed in the book-entry system and required no actions from the shareholders. The free share issue (split) did not affect the company's share capital or capital structure.

Board's authorizations
The AGM authorized the Board of Directors to resolve upon the repurchase of the company's own shares as follows:

- The company may repurchase the maximum number of 18,312,148 shares using free equity and deviating from the shareholders' pre-emptive rights to the shares, provided that the number of own shares held by the company will not exceed ten (10) percent of all shares of the company.

- The shares are to be repurchased in public trading at the NASDAQ OMX Helsinki at the price established in the trading at the time of acquisition.

The authorization shall be in force until the next AGM. The Board has not executed this authorization as of February 7, 2014.

The AGM authorized the Board of Directors to resolve upon the issuance of shares and other special rights entitling to shares as follows:

- The authorization includes the right to issue new shares, distribute own shares held by the company, and the right to issue special rights referred to in Chapter 10, Section 1 of the Companies Act.

- The total number of new shares to be issued and own shares held by the company to be distributed under the authorization may not exceed 18,312,148 shares. The Board of Directors may deviate from the shareholders' pre-emptive subscription rights.

- The Board of Directors is entitled to decide on the terms of the share issue.

The authorization shall be in force until the next AGM. On May 8, 2013, Outotec's Board exercised this authorization and dissolved Outotec Management Oy through a share exchange. Outotec allocated 442,115 Outotec Oyj shares to the shareholders of Outotec Management Oy against the shares of Outotec Management Oy. In addition, Outotec's Board exercised this authorization in connection of the Share-based Incentive Program's earning period 2012 and allocated 256,852 Outotec Oyj shares as part of the total allocation of 514,160 shares.

The AGM further authorized the Board of Directors to donate an aggregate amount of EUR 100,000 to non-profit purposes or to universities. In accordance with the given authorization, the Board of Directors has approved donations to various causes, totaling EUR 100,000. The biggest individual donation was made to Baltic Sea Action Group (EUR 52,000). Outotec has also made two donations to help areas suffering from natural disasters: earthquake relief in Sichuan, China (EUR 15,000), and typhoon relief in the Philippines (EUR 17,000).

Shareholders' Nomination Board
The Annual General Meeting decided to establish a permanent Shareholders' Nomination Board. Its duties consist of successor candidate search, preparation and presentation of member candidates, and remuneration matters. The Nomination Board consists of the three biggest shareholders, and the Chairman of the Board of Directors.

Board's assembly meeting
At its assembly meeting the Board of Directors elected Timo Ritakallio as the Vice Chairman of the Board of Directors. In addition, the Board elected Anja Korhonen, Hannu Linnoinen, Timo Ritakallio, and Poju Zabludowicz as members of the Audit and Risk Committee. Hannu Linnoinen acts as the Chairman of the Audit and Risk Committee.

Eija Ailasmaa, Matti Alahuhta, and Tapani Järvinen will act as members of the Human Capital Committee with Matti Alahuhta as the Chairman of the Committee.

Members of the Shareholders Nomination Board

On October 30, 2013, Outotec announced that according to the decision of the Annual General Meeting 2013, the following persons have been nominated as members of the Nomination Board:

Kari A.J. Järvinen, Managing Director (Solidium Oy),

Harri Sailas, CEO (Ilmarinen Mutual Pension Insurance Company),

Poju Zabludowicz, CEO (Tamares Nordic Investments B.V.), and

Matti Alahuhta, Chairman of the Board of Directors of Outotec Oyj

The Nomination Board's proposals were announced on January 13, 2014.

Legal disputes

On December 27, 2013, Outotec announced that Outotec and the Brazilian mining company MMX Sudeste Mineração S.A. (MMX) have started separate arbitration processes against each other at the International Court of Arbitration in a dispute regarding the delivery of 17 filters. Outotec requested for arbitration process against MMX for declaration for MMX's illegal termination of the agreement as well as receiving compensation due to the termination. MMX requested for arbitration process against Outotec for declaration for MMX's right to terminate the agreement and receiving back prepayment. The International Court of Arbitration has consolidated these arbitration processes.

On September 27, 2013, Outotec announced that Sarda Energy and Minerals Ltd (SEML) submitted application for arbitration at the International Court of Arbitration against Outotec in dispute regarding a filter delivery in 2007. The content value was approximately EUR 0.6 million. SEML´s claim equals approximately 18 million euros.

On January 24, 2013, Outotec submitted an application for summons against Outokumpu Oyj in a patent dispute regarding a new invention in ferroalloys technology.

Outotec management believes that the outcome of the said disputes will not have material effect on Outotec's financial position.

Change in guidance in Q4

On October 17, 2013, Outotec lowered its financial guidance for 2013 due to several reasons. The continued macroeconomic uncertainty has slowed down customers' capex investments. Some projects have progressed slower than expected due to delays in customer payments. In addition, a EUR 30 million order was cancelled in September. The lower sales volume is the main reason for lowering the operating profit margin guidance.

Outotec expected that in 2013 (previous guidance):

- Sales will be approximately EUR 1.9-2.1 (2.1–2.3) billion, and
- Operating profit margin from business operations (excluding one-time items and PPA amortizations) will be approximately 8.5-9.5 (9.5–10.5) %.

Changes in shareholdings

On September 13, 2013, Outotec Oyj received a notice of the following change in shareholding: holdings of BlackRock, Inc. (USA Tax ID 32-0174421, SEC CIK Code#: 0001364742) – voting right held by BlackRock Investment Management (UK) Limited – in shares of Outotec Oyj (OTE1V) on May 10, 2012, fell below 5% and were 9,128,280 (before the free share issue (split) on April 3, 2013: 2,282,070) shares, which represents 4.98% of the share capital and votes in the company.

On March 20, 2013, the holdings of Solidium Oy (business code 2245475-9) in shares of Outotec Oyj (OTE1V) exceeded 10% and amounted to 18,369,492 (before the free share issue (split) on April 3, 2013: 4,592,373) shares, which represents 10.03% of the share capital and votes in the company.

Free share issue (split)

The shares issued in the free share issue (split) approved by Outotec's AGM on March 26, 2013, were entered in the share register on April 2, 2013. The total number of Outotec's shares increased to 183,121,492 as shareholders were issued with three new shares for each old share. The new shares became subject to public trading as of April 3, 2013. The free share issue (split) did not affect the company's share capital or capital structure. Share-based key figures have been restated to reflect the increased number of shares.

Shares and share capital

Outotec's shares are listed on the NASDAQ OMX Helsinki (OTE1V). At the end of 2013, Outotec's share capital was EUR 17,186,442.52, consisting of 183,121,492 shares. Each share entitles its holder to one vote at the company's general shareholder meetings.

Outotec Oyj's own shareholding

At the end of 2013, the company held directly a total of 2,136,949 Outotec shares (including third party agreement), which represents a relative share of 1.2% of Outotec Oyj's shares and votes.

Third party agreement concerning share-based incentive program

Outotec has an agreement with a third-party service provider concerning administration and hedging of the share-based incentive program for key personnel. These shares are accounted for as treasury shares in Outotec's consolidated balance sheet. At the end of the reporting period, the amount of these treasury shares was 22,180.

Trading, market capitalization, and shareholders

The figures in the table below have been adjusted to reflect the increased number of shares after the free share issue (split).

Share-based incentive programs and Employee Share Savings Plan

Share-based Incentive Program 2013-2015

On January 16, 2013, Outotec announced that the Board of Directors had decided to adopt a new Share-based Incentive Program for the company's key personnel. The program comprises three earning periods starting 2013, 2014, and 2015. Each earning period can be from one to three years. The first earning period, which commenced on January 1, lasts for the calendar year 2013. The Board of Directors determines on an annual basis the maximum amount of shares to be allocated in each calendar year, participants in the program, the amount of the maximum reward for each individual, the length of earning period and the earning criteria, and the targets established for them.

A precondition for Executive Board members being eligible for the Share-based Incentive Program is that they participate in Outotec's Employee Share Savings Plan.

Earning period 2013

The Board of Directors approved the participants for the Program's 2013 earning period and set targets for earnings

Shares on NASDAQ OMX Helsinki Ltd January-December 2013	No. of shares traded	Total value EUR	High EUR	Low EUR	Average EUR[1)]	Last paid EUR
OTE1V	242,841,071	2,965,208,470	13.03	6.55	10.01	7.61

[1)] Volume weighted average

	December 31, 2013	December 31, 2012
Market capitalization, EUR million	**1,394**	1,940
No. of shareholders	**29,231**	15,312
Nominee registered shareholders (12), %	**33.9**	44.4
Finnish households, %	**16.2**	10.7

per share, order intake, and sales growth compared to key competitors. At the end of 2013, there were 172 participants with right to earn, on the basis of achievements of set targets, a maximum number of 824,125 shares and cash payment that equals income taxes.

Share-based Incentive Program 2010-2012
Outotec's Board of Directors decided on April 23, 2010, to adopt a Share-based Incentive Program 2010–2012 for the company's key personnel. The costs related to these periods are allocated over three years.

Earning period 2010
A total of 552,576 Outotec shares were allocated for the 2010 earning period with a cost of approximately EUR 9.6 million, which was booked for the financial periods 2010–2012.

Earning period 2011
A total of 498,072 Outotec shares were allocated for the 2011 earning period with a cost of approximately EUR 9.3 million, which is booked for the financial periods 2011–2013.

Earning period 2012
A total of 514,160 Outotec shares were allocated for the 2012 earning period with a cost of approximately EUR 10.0 million, which is booked for the financial periods 2012–2014.

Employee Share Savings Plan
Outotec's Board of Directors decided on September 25, 2012, to launch an Employee Share Savings Plan for Outotec employees globally. The plan commenced on January 1, 2013, with the first savings period being one calendar year. In September 2013, Outotec's Board of Directors decided to continue the Employee Share Savings Plan for the calendar year 2014. The following saving periods are subject to a separate Board decision.

Dissolution of Outotec Management Oy
On May 8, 2013, Outotec announced the dissolution of Outotec Management Oy (Executive Board members' incentive program) through a share exchange in accordance with its terms and conditions announced on May 21, 2010. Outotec's Board of Directors used the Annual General Meeting's authorization and allocated 442,115 Outotec Oyj shares to the shareholders of Outotec Management Oy against the shares of Outotec Management Oy. On December 31, 2013 Outotec Management Oy was merged with Outotec Oyj.

Short-term risks and uncertainties
Outotec's global business operations are subject to various political, economic, and social conditions. Conditions, like emerging market currency rates or availability of financing may rapidly change and lead customers to postpone order placement, delay project execution, and suspend or cancel projects. Outotec may operate in politically unstable areas where potential economic sanctions or trade restrictions may cause project delays and cancellations or even prevent Outotec's business operations.

Projects and service contracts in Outotec's order backlog may contain risks related to delivery, quality, functionality, costs, contractual liabilities, personnel, and open receivables. Projects may deviate from their original schedules thus impacting on revenue recognition and the company's financial projections. Results may be affected due to changes in the sales mix, changes in foreign exchange rates and extended project completions. The nature of international business and different interpretations of international and local tax rules and regulations may cause additional direct or indirect taxes for Outotec, thus reducing the company's net profit.

Securing the continuity of Outotec's business operations and supporting the strategic objectives requires that the company has efficient working capital management and sufficient funding available under all circumstances. Outotec's customers and subcontractors may experience financial difficulties and a lack of financing may result in lower sales as well as project and payment delays or credit losses.

Currency fluctuations may create volatility in profitability. Approximately 60% of Outotec's total cash flow was denominated in euros. The rest is divided among various currencies, including the US dollar, Australian dollar, Brazilian real, Canadian dollar, and South African rand. The weight of any given currency in new projects can substantially fluctuate, but most cash flow-related risks are hedged over the short-term and long-term. The valuation of the hedges at month end may cause fluctuations in financial results. Due to volatility in foreign currencies, there can be significant exchange differencies resulting from translating the income statement and balance sheet of foreign operations to euros.

Outotec has launched in October 2013 an efficiency program to achieve up to EUR 50 million operating cost savings. Successful implementation of the program is essential for the company to meet the financial projections.

Outotec is involved in a few arbitral and court proceedings. Different interpretations of international contracts may cause uncertainty in estimating the final outcome of the disputes. However, management expects that these cases and their outcomes will have no material effect on Outotec's financial position.

The most relevant risks related to Outotec's business are presented in more detail on the company's website at www.outotec.com.

Events after the reporting period

On January 22, 2014, Outotec announced that it has agreed with Tata Steel on technology delivery for beneficiation of chromite tailings in Sukinda, Orissa, India. The order will be booked in Outotec's Q1 2014 order intake, but the parties have agreed not to disclose the contract value. The plant is scheduled to be operational by mid 2015 and has an annual throughput of approximately 400,000 tonnes.

On January 22, 2014, Outotec announced that it was ranked 3rd in The Global 100 list of the world's most sustainable companies by Corporate Knights. This was the second consecutive year Outotec was included in the index (12th in 2013).

On January 16, 2014, Outotec announced an agreement with The National Titanium Dioxide Company Ltd. ("Cristal") on a four-year service contract. It complements the operation and maintenance services agreed in connection with the existing ilmenite smelter delivery contract announced in May 2012. The contract value over the four-year period is approximately EUR 20 million, of which approximately EUR 10 million has been booked in Outotec's Q4/2013 order intake.

On January 13, 2014, Outotec's Nomination Board announced its proposals to the Annual General Meeting as follows:

- The current members of the Board of Directors, Matti Alahuhta, Eija Ailasmaa, Tapani Järvinen, Anja Korhonen, Hannu Linnoinen, Timo Ritakallio and Poju Zabludowicz to be re-elected, and Björn Rosengren to be elected as a new member of the Board for the term ending at the closure of the Annual General Meeting of 2015. The Nomination Board proposes also that the Annual General Meeting resolves to elect Matti Alahuhta as Chairman of the Board of Directors for the term ending at the closure of the Annual General Meeting of 2015.

- The remuneration of the Board of Directors to remain unchanged and the members of the Board of Directors be paid the following annual remuneration: EUR 72,000 for Chairman of the Board of Directors and EUR 36,000 for the other members of the Board of Directors each, as well as an additional EUR 12,000 for both Vice Chairman of the Board, and Chairman of the Audit and Risk Committee; and that the members of the Board each be paid EUR 600 for attendance at each board and committee meeting as well as be reimbursed for direct costs arising from board work. Of the annual remuneration, 60% would be paid in cash and 40% in the form of Outotec Oyj shares, which would be acquired to the members from the stock exchange, within one week upon the AGM 2013 date, in amounts corresponding to EUR 28,800 for Chairman, EUR 19,200 for Vice Chairman and Chairman of the Audit and Risk Committee each, and EUR 14,400 for each of the other members. The part of the annual fee payable in cash corresponds to the approximate sum necessary for the payment of the income taxes on the annual remuneration and would be paid no later than April 30, 2014. The annual fees shall encompass the full term of office of the Board of Directors. The attendance fee shall be paid in cash.

On January 10, 2014, Outotec announced that Mr Kimmo Kontola, currently Executive Vice President, President of APAC region at Outotec has been appointed to lead the Americas region business as of March 1, 2014 and will also continue as a member of Outotec's Executive Board. In addition, Mr Stuart Sneyd, currently the head of the SEAP market area at Outotec has been appointed as Executive Vice President, President of the APAC region as well as a new member of Outotec's Executive Board as of March 1, 2014.

On January 7, 2014, Outotec announced that Mr Jari Rosendal, Executive Vice President and President of Outotec's Americas region will leave Outotec to become the President and CEO of Kemira Oyj. In order to ensure a smooth transfer of responsibilities, Jari Rosendal will from March 1 to April 30 act as a special advisor reporting to CEO Pertti Korhonen. Jari Rosendal will continue as a member of Outotec's Executive Board until February 28, 2014.

Market outlook

Market institutes forecast that the global GDP in 2014 will grow slightly from 2013 indicating signs of recovery driven by the USA and China. Metals demand is expected to have an average annual growth rate between 2 to 5% until 2020. Growth in non-ferrous metals demand is expected to be stronger (4–5% p.a.) driven by growing consumer goods demand, whereas iron ore demand growth is slower (2–3% p.a.) due to over capacity in steel industry and slow growth in construction sector. China is currently accounting for some 40–60% of global metals consumption and most of the growth.

Metals prices are not estimated to materially increase short-to-medium-term but long-term price forecasts show 5 to 10% increase across metals. Fluctuations in currency rates and high metal inventories may impact Capex and Opex spending. Mining and metal companies continue to seek ways to reduce investment risks as well as maximize free cash flow and improve existing operations. Demand for service solutions is expected to continue to grow while the Capex market is expected to further contract in 2014. Currency fluctuations and changes in local tax regulations continue to impact investments in several emerging countries.

Outotec's sales funnel remains solid. However, due to the short-term market uncertainties, projecting customers' behavior remains challenging. The reallocation of Capex from greenfield to brownfield, large installed base and need to optimize existing operations provide opportunities for life-cycle services as well as upgrades and modernizations. Investments in non-ferrous metals particularly in copper, zinc, aluminum and gold technologies are being developed. There are good opportunities also in ferroalloy and iron processing due to Outotec's higher energy-efficiency and lower emission solutions. All in all, several regions are increasingly focusing on energy-efficiency and environmental matters in order to comply with stricter environmental regulations and socio-economic requirements.

The short-term outlook for alternative and renewable energy is somewhat uncertain due to lower energy prices and uncertainties about regulations. There is demand for local biomass and waste-to-energy solutions globally, and the market continues to be active. Some 250 raw materials can be used in Outotec's solutions to create energy.

The outlook for industrial water treatment solutions continues to be good. The cost and scarcity of water is increasingly an issue in the mining industry and this creates opportunities for Outotec in supplying water-efficient processing solutions. Also there is an increasing need for more effective treatment of effluents and waste waters as environmental requirements tighten.

Financial guidance for 2014

Based on the year-end order backlog, current market outlook, customer tendering activity, and volatility in exchange rates, the management expects that in 2014:

- Sales will be approximately EUR 1.5–1.8 billion, and
- Operating profit from business operations[1)] will be approximately 5–8%.

[1)] excluding one-time items and purchase price allocations (PPA) amortizations.

Board of Directors proposal for profit distribution

The Board of Directors of Outotec proposes to the Annual General meeting that a dividend of EUR 0.20 per share be paid from Outotec Oyj´s distributable funds for December 31, 2013, and that any remaining distributable funds be allocated to retained earnings. The suggested dividend record date is April 3, 2014, with the dividend to be paid on April 17, 2014. According to the financial statement for December 31, 2013, the parent company distributable funds total EUR 316.9 million. The proposed dividend corresponds to 40% of the Group´s profit for the financial year 2013. There have been no substantial changes in the financial position of the company after the balance sheet date. The liquidity of the company is good and the proposed profit sharing will not affect the solvency of the company.

Corporate Governance Statement

Outotec's Corporate Governance Statement 2013 has been given separately from the Financial Statements and it is available on the company's internet pages at www.outotec.com.

Espoo, February 7, 2014
Outotec Oyj

Board of Directors
Matti Alahuhta (Chairman)
Timo Ritakallio (Vice Chairman)
Eija Ailasmaa
Tapani Järvinen
Anja Korhonen
Hannu Linnoinen
Poju Zabludowicz

Pertti Korhonen, President and CEO

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Note	2013	2012
Sales	3, 5	**1,911.5**	2,087.4
Cost of sales	8	**-1,516.1**	-1,653.9
Gross profit		**395.4**	433.6
Other income	6	**17.7**	9.3
Selling and marketing expenses	8	**-98.2**	-103.1
Administrative expenses	8	**-109.9**	-110.0
Research and development expenses	8	**-48.7**	-41.6
Other expenses	7	**-14.2**	-3.6
Share of results of associated companies	16	**-0.1**	-0.3
Operating profit		**141.9**	184.3
Finance income	11	**5.6**	7.2
Finance expenses	11	**-10.0**	-9.2
Market price gains and losses	11	**-5.4**	-2.6
Net finance income		**-9.7**	-4.6
Profit before income taxes		**132.2**	179.7
Income tax expenses	12	**-40.2**	-51.9
Profit for the period		**92.1**	127.8
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit obligations		**1.0**	-8.1
Income tax relating to items that will not be reclassified to profit or loss		**-0.3**	2.4
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translating foreign operations		**-32.7**	-0.6
Cash flow hedges		**-5.0**	9.4
Available for sale financial assets		**-0.1**	-0.1
Income tax relating to items that may be reclassified to profit or loss		**-0.3**	-0.5
Other comprehensive income for the period		**-37.4**	2.5
Total comprehensive income for the period		**54.6**	130.2
Profit for the period attributable to:			
Equity holders of the parent company		**92.1**	127.8
Non-controlling interest		**-**	-
Total comprehensive income for the period attributable to:			
Equity holders of the parent company		**54.6**	130.2
Non-controlling interest		**-**	-
Earnings per share for profit attributable to the equity			
Basic earnings per share, EUR	13	**0.51**	0.70
Diluted earnings per share, EUR		**0.51**	0.70

The Notes on pages 21 to 65 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Note	**December 31, 2013**	December 31, 2012
ASSETS			
Non-current assets			
Intangible assets	14	**321.1**	335.0
Property, plant and equipment	15	**78.9**	75.3
Deferred tax assets	12	**52.9**	57.1
Investments in associated companies	16	**0.1**	0.1
Available-for-sale financial assets [1]	17	**0.8**	1.3
Derivative financial instruments	19	**2.4**	2.3
Trade and other receivables	21		
Interest-bearing [1]		**1.8**	2.5
Non interest-bearing		**0.0**	0.0
Total non-current assets		**458.0**	473.6
Current assets			
Inventories	20	**180.2**	180.8
Derivative financial instruments	19	**13.6**	18.0
Trade and other receivables	21		
Interest-bearing [1]		**0.2**	0.2
Non interest-bearing		**554.5**	601.7
Cash and cash equivalents [1]	22	**323.7**	358.6
Total current assets		**1,072.3**	1,159.3
TOTAL ASSETS		**1,530.3**	1,632.9

[1] Included in net interest-bearing debt.

The Notes on pages 21 to 65 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Note	**December 31, 2013**	December 31, 2012
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the parent company			
Share capital		**17.2**	17.2
Share premium fund		**20.2**	20.2
Treasury shares		**-18.1**	-25.5
Reserve for invested non-restricted equity		**92.7**	87.7
Other reserves		**-6.2**	-1.4
Retained earnings		**279.5**	245.6
Profit for the period		**92.1**	127.8
		477.4	471.5
Non-controlling interest		**-**	1.2
Total equity	23	**477.4**	472.7
Non-current liabilities			
Interest-bearing debt [1)]	26	**208.8**	74.3
Derivative financial instruments	19	**0.1**	0.4
Deferred tax liabilities	12	**44.7**	51.6
Employee benefits	24	**41.1**	40.7
Provisions	25	**21.8**	21.7
Trade and other payables	27	**5.6**	3.9
Total non-current liabilities		**322.1**	192.6
Current liabilities			
Interest-bearing debt [1)]	26	**28.7**	23.6
Derivative financial instruments	19	**3.5**	8.2
Current tax liabilities		**38.2**	33.2
Provisions	25	**26.4**	19.1
Trade and other payables	27	**634.1**	883.5
Total current liabilities		**730.8**	967.6
Total liabilities		**1,052.8**	1,160.2
TOTAL EQUITY AND LIABILITIES		**1,530.3**	1,632.9

[1)] Included in net interest-bearing debt.

The Notes on pages 21 to 65 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Note	2013	2012
Cash flows from operating activities			
Profit for the period		**92.1**	127.8
Adjustments for			
Taxes	12	**40.2**	51.9
Depreciation and amortization	14, 15	**36.0**	31.4
Impairment	14, 15, 21	**5.7**	1.3
Share of results of associated companies	16	**0.1**	0.3
Gains and losses on sale of property, plant and equipment	6, 7	**0.0**	-0.1
Interest income	11	**-5.4**	-7.2
Interest expense	11	**4.2**	2.0
Other adjustments		**5.9**	16.3
		86.7	95.8
Change in working capital			
Increase (-) and decrease (+) in trade and other receivables		**42.1**	-152.2
Increase (-) in inventories		**-10.6**	-31.4
Increase (+) and decrease (-) and in trade and other payables		**-201.2**	89.9
Increase (+) in provisions		**9.5**	0.7
		-160.2	-93.0
Interest received		**4.9**	7.4
Interest paid		**-2.4**	-2.4
Income tax paid		**-63.1**	-58.4
Net cash from operating activities		**-42.1**	77.1
Cash flows from investing activities			
Acquisition of subsidiaries and business operations	4	**-11.8**	-34.6
Purchases of property, plant and equipment	15	**-23.8**	-20.4
Purchases of intangible assets	14	**-22.3**	-27.1
Proceeds from sale of property, plant and equipment	15	**0.8**	0.9
Change in other non-current receivables		**-0.1**	-2.5
Net cash used in investing activities		**-57.3**	-83.8
Cash flows from financing activities			
Repayments of non-current debt		**-13.8**	-8.7
Borrowings of non-current debt		**148.6**	40.0
Decrease in current debt		**-0.3**	-9.2
Increase in current debt		**8.4**	3.0
Purchase of treasury shares		**-**	-19.3
Related party net investment to Outotec Oyj shares		**-**	-0.2
Dividends paid		**-54.9**	-38.9
Repayments of finance lease liabilities		**-0.0**	-0.1
Change in other financing activities		**-2.0**	0.1
Net cash used in financing activities		**86.0**	-33.2
Net change in cash and cash equivalents		**-13.3**	-39.9
Cash and cash equivalents at January 1		**358.6**	402.5
Foreign exchange rate effect on cash and cash equivalents		**-21.6**	-4.0
Net change in cash and cash equivalents		**-13.3**	-39.9
Cash and cash equivalents at December 31	22	**323.7**	358.6

The Notes on pages 21 to 65 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Attributable to the equity holders of the Company									
EUR million	Note	Share capital	Share premium fund	Other reserves	Fair value reserves	Treasury shares	Reserve for invested non-resticted equity	Cumulative translation differences	Retained earnings	Non-controlling interest	Total equity
Equity at January 1, 2012		17.2	20.2	0.4	-5.0	-7.5	87.7	25.1	256.5	1.1	395.7
Profit for the period		-	-	-	-	-	-	-	127.8	-	127.8
Other comprehensive income for the period	11	-	-	-	3.1	-	-	-0.6	-	-	2.5
Total comprehensive income for the period		-	-	-	3.1	-	-	-0.6	127.8	-	130.2
Dividends paid	23	-	-	-	-	-	-	-	-38.9	-	-38.9
Management incentive plan for Outotec Executive Board [1]	23	-	-	-	-	-0.2	-	-	-	0.1	-0.1
Purchase of treasury shares	23	-	-	-	-	-19.3	-	-	-	-	-19.3
Share-based compensation	10	-	-	-	-	1.5	-	-	3.1	-	4.6
Other changes		-	-	0.0	-	-	-	-	0.4	-	0.4
Equity at December 31, 2012		**17.2**	**20.2**	**0.5**	**-1.9**	**-25.5**	**87.7**	**24.5**	**348.9**	**1.2**	**472.7**
Profit for the period		-	-	-	-	-	-	-	92.1	-	92.1
Other comprehensive income for the period	11	-	-	-	-4.7	-	-	-32.7	-	-	-37.4
Total comprehensive income for the period		-	-	-	-4.7	-	-	-32.7	92.1	-	54.6
Dividends paid	23	-	-	-	-	-	-	-	-54.9	-	-54.9
Dissolution of management incentive plan for Outotec Executive Board [1]	23	-	-	-	-	4.3	1.4	-	-4.5	-1.2	-
Purchase of treasury shares											
Share-based compensation	10	-	-	-	-	3.1	3.6	-	-2.6	-	4.1
Other changes			-	-	-	-	-	-	0.9	-	0.9
Equity at December 31, 2013		**17.2**	**20.2**	**0.5**	**-6.7**	**-18.1**	**92.7**	**-8.2**	**379.8**	**-**	**477.4**

[1] The Board of Directors of Outotec executed the AGM authorization and decided on May 8, 2013 to execute a share exchange where Outotec allocates 442,115 existing Outotec Oyj shares to the shareholders of Outotec Management Oy (established on May 21, 2010) against the shares of Outotec Management Oy. The number of shares allocated to the Executive Board members was based on the individual's ownership share of Outotec Management Oy. The number of shares given in the share exchange was determined on the basis of Outotec Management Oy's net assets on May 7, 2013 and divided with trade volume-weighted average quotation of Outotec share on the NASDAQ OMX Helsinki on May 7, 2013. On December 31, 2013, Outotec Management Oy was merged to Outotec Oyj.

The Notes on pages 21 to 65 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Outotec Oyj ("the company" or "Parent company"), is a Finnish public limited liability company organized under the laws of Finland with its registered office in Espoo. The parent company, Outotec Oyj, has been listed on the NASDAQ OMX Helsinki since 2006.

Outotec is a leading global provider of process solutions, technologies, and services for the mining and metallurgical industries. The company utilizes its extensive experience and advanced process know-how by providing plants, equipment, and services based mainly on proprietary technologies. Outotec works in close partnership with its customers and provides environmentally sound and energy saving solutions.

Outotec and its subsidiaries (collectively "the Group" or "Outotec") operate through two business areas which are also reporting segments: Minerals Processing and Metals, Energy & Water. The service business is reported under the two segments. However, its sales volume, order intake and order backlog are also reported separately.

In 2013, Outotec had 4,855 employees in 27 countries and generated sales of EUR 1,911.5 million. A copy of the financial statements of Outotec is available at the Group's website www.outotec.com.

The Board of Directors has authorized the Consolidated Financial Statements for issue on February 7, 2014. According to Finnish Limited Liability Companies Act the shareholders have right to approve or to reject the Consolidated Financial Statements in the Annual General Meeting held after issuing. The Annual General Meeting also has right to make the decision to change the Consolidated Financial Statements.

2. ACCOUNTING PRINCIPLES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Basis of preparation

The Consolidated Financial Statements of Outotec have been prepared in compliance with International Financial Reporting Standards (IFRS) as adopted by the European Union by applying the IAS and IFRS standards as well as SIC and IFRIC interpretations in force at December 31, 2013. Notes to the Consolidated Financial Statements have been prepared also in accordance with Finnish accounting Standards and Finnish corporate legislation. The Consolidated Financial Statements are presented in millions of euros and have been prepared on the historical cost basis, unless otherwise stated in the accounting principles or disclosures.

Adoption of new and amended standards

Outotec has applied the following revised or new standards and interpretations since the beginning of 2013:

- IAS 1 – Financial statement presentation. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

- IAS 19 – Employee benefits. From January 1, 2013, Outotec adopted the amendments to IAS 19 (revised) Employee Benefits. The most significant changes relates to the accounting for defined benefit obligations and plan assets. The amendments require the recognition of changes in benefit obligations and in fair value of plan assets when they occur, and hence eliminate the corridor approach permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Amounts recorded in profit or loss are limited to current and past service costs, gains or losses on settlements, and net interest income (expense). The opening statement of financial position 2012 and other comparative figures has been restated accordingly. The effects of the changes are presented in the note 24. Employee benefit obligations.

- IFRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities, Amendments to IFRS 7. These amendments require an entity to disclose information about rights of set-off and related arrangements. The disclosures provide information of the effect of netting arrangements in an entity's financial position. The new disclosures are required for all recognized financial instruments.

- IFRS 13 – Fair value measurement. The standard explains how to measure fair value for financial reporting. Standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following new standards and interpretations have been published, but they are not effective in 2013, neither has Outotec early adapted them.

- IAS 32 - Financial instruments; Presentation. These amendments are to the application guidance to the standard and clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. Outotec estimates the impact of the change and intends to adopt changes during the accounting period beginning on or after January 1, 2014.

- IFRS 9 – Financial instruments. The standard addresses the classification, measurement and recognition of financial assets and financial liabilities. The two parts of the IFRS 9 were issued in 2009 and 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. The main change regarding the financial liabilities is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. Outotec is assessing IFRS 9's full impact and intends to adopt it no later than the accounting periods beginning on or after January 1, 2015.

- IFRS 10 – Consolidated financial statements. The new standard establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. It defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. The standard is not expected to have material impact on Outotec's financial statements and it will be applied for accounting periods beginning on January 1, 2014.

- IFRS 11 – Joint arrangements. The new standard aims at establishing principles for financial reporting by parties to a joint arrangement. It requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations arising from the arrangement. There are two types of joint arrangements: a joint operation whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The standard is not expected to have material impact on Outotec's financial statements. Standard will be applied for accounting periods beginning on January 1, 2014.

- IFRS 12 – Disclosures of interests in other entities. The new standard applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. The standard requires entity to disclose information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. The standard is not expected to have material impact on Outotec's financial statements and it will be applied for accounting periods beginning on January 1, 2014.

Use of estimates

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Accounting estimates are employed in the financial statements to determine reported amounts, including the realizability of certain assets, the useful lives of tangible and intangible assets, revenue recognition of long-term construction contracts, income taxes, provisions, pension obligations and impairment of goodwill. The basis for the estimates is described in more detail in these accounting principles and in connection with the relevant disclosure to the financial statement. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from the estimates used in the financial statements.

Principles of consolidation

The consolidated financial statements include the parent company Outotec Oyj and all subsidiaries where over 50% of a subsidiary's voting rights are controlled directly or indirectly by the parent company, or the parent company is otherwise in control of the company. Also the existence of the potential controlling interest has been taken into consideration when the instruments of the potential right of control can be implemented at the time of the assessment. Disposed subsidiaries are included in the consolidated financial statement until the controlling right is finished and acquired subsidiaries from the date where the Group has gained the control. Associated companies, where Outotec holds voting rights of 20–50% and in which Outotec has significant influence, but not control, over the financial and operating policies, are included in the consolidated financial statements using the equity method. When Outotec's share of losses exceeds the interest in the associated company, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associated companies. The interest in an associated company is the carrying amount of the investment under the equity method together with any long-term interest that, in substance, forms part of the investor's net investment in the associated company. The Group's share of the result of the associated companies has been presented as separate item in the operating profit. The Group's share of changes in associated companies' other comprehensive income have been booked similarly. Associated companies of the Group have not had other comprehensive income items in the reporting period 2012 or 2013.

Acquired companies are accounted for using the purchase method, according to which the assets, liabilities, and contingent liabilities of the acquired company are measured at fair value at the date of acquisition. Goodwill arising on an acquisition represents the excess of the cost of the acquisition, non-controlling interest and previous ownership at the acquired subsidiary over the fair value of the net identifiable assets, liabilities, and contingent liabilities acquired. The share of the non-controlling interest is recognized at the fair value or value which corresponds with the relative share of the acquired entity's net assets. Subsidiaries acquired during the year are included in the consolidated financial statements from the date of their acquisition and disposed subsidiaries are included up to the date of sale.

The purchase price related to subsidiary acquisitions includes possible assets at the fair value, liabilities of the acquirer for the earlier owners of the company and issued equity shares. Also possible contingent liabilities or assets at the fair value are considered as a part of the payment. Costs related to the acquisition are recognized in profit or loss when incurring or when services are rendered.

All intra-group transactions, receivables, liabilities, and unrealized margins, as well as distribution of profits within the Group, are eliminated in the consolidation. Net profit or loss for the reporting period and comprehensive income items are allocated to the parent company's shareholders and non-controlling interest parties and are presented in the comprehensive income. The share of the non-controlling interest is disclosed separately from the equity belonging to the shareholders of the parent company. The comprehensive income is allocated to the shareholders of the parent company and non-controlling parties even if this concludes to a negative share for the non-controlling interest unless non-controlling interest has no conclusive application to cover the loss exceeding the investment. Changes in subsidiary shares that do not conclude the loss of the control are reported as changes in equity.

In consolidated financial statements translation differences, that arise from translating hedging instruments of net investments in foreign operations, debts, and similar investments, are booked to other comprehensive income and cumulative translation difference is presented as a separate item in equity. Translation reserve and post acquisition cumulative translation differences from acquired foreign companies are booked to other comprehensive income and presented as a separate item in equity.

Operating segments

An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other operating segments. The operating segments are based on the Group's internal organization and financial reporting structure.

The reportable operating segments according to IFRS 8 are Minerals Processing and Metals, Energy & Water. Outotec's highest operative decision maker (Chief Operating Decision maker according to IFRS 8) is the President and CEO of the parent company of Outotec Group with the support of the Executive Board. The President and CEO assess the Group's financial position and its development as a whole and based on the two business areas.

Geographical information is based on three areas where the Group has activities. The Regions are Americas, EMEA (including Europe, Middle East, Africa and CIS countries) and APAC (including Asia Pacific, China and India).

Foreign currency transactions

Items of each subsidiary included in the consolidated financial statements are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that subsidiary ("the functional currency"). The consolidated financial statements are presented in euros, which is the functional currency of the parent company. Group companies' foreign currency transactions are translated into functional currencies using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into functional currencies at the exchange rates prevailing at the reporting date. Foreign exchange gains and losses resulting from the settlement or translation of monetary interest-bearing assets and liabilities denominated in foreign currencies and related derivatives are recognized in financial income and expenses. Foreign exchange differences arising in respect of other financial instruments are included in operating profit under sales, purchases or other income and expenses. Comprehensive income and cash flows of subsidiaries, whose functional and reporting currencies is not euro, are translated into euros at the average exchange rates during the financial period. Their statements of financial positions are translated at the exchange rates prevailing at the reporting date. The differences between average exchange rates and reporting date rates are booked into a translation difference in equity and the change entered in other comprehensive income.

Revenue recognition

Sales are recognized after the significant risks and rewards that are connected with ownership have been transferred to the buyer, and the Group retains neither a continuing managerial involvement to the degree usually associated with ownership, nor effective control of those goods. Revenues from services are recorded when the service has been performed. Sales are shown net of indirect sales taxes and discounts.

Revenue from long-term construction contracts is recognized based on the stage of completion when the outcome of the project can be reliably measured. The outcome of the project can be measured reliably, when total contract revenues and expenses can be measured reliably and when the progress of the project can be measured reliably and it is probable that the economic benefits associated with the project will flow to the Group. When the outcome of the project cannot be measured reliably, revenue shall be recognized only to the extent of contract costs incurred that is probable that they will be recoverable.

The stage of completion is measured by using the cost-to-cost method under which the percentage of completion is defined as the ratio of costs incurred to total estimated costs. Revenue recognition according to the stage of completion is based on the estimates of anticipated contract revenues and expenses and on the reliable measurement of the project progress. Revenue recognized and result will be adjusted if the estimates of the project outcome change. The cumulative effect of a change in the estimates will be recorded in the financial period in which the change was first time estimated and known. The expected loss of the project shall be recognized as an expense immediately.

All unfinished projects under the method of the percentage of completion are reviewed and the needed project liabilities are updated. In projects where the stage of completion is close to 100%, liabilities for performance guarantees, warranty period guarantees, possible provisions for project losses, and changes in accruals for project expenses are evaluated and made. Risks related to new commercialized products are also evaluated and quantified, and the necessary accruals are reserved.

License income is recognized on an accrual basis in accordance with the substance of the relevant technology transfer agreement.

Research and development expenses

Research expenses are expensed as they are incurred. Development costs are capitalized when it is probable that a development project will generate future economic benefits, and certain criteria, including commercial and technological feasibility, have been met. Capitalized development expenses comprise mainly materials, supplies, direct labor, and related overhead costs. The carrying value of capitalized development expenses in the statement of financial position represents the cost less accumulated depreciation and any impairment charges. Capitalized development expenses are amortized on a systematic basis over their expected useful live. If the carrying value of capitalized development expenses exceeds the amount of the cash flows expected to be generated by the asset, the difference shall be recognized as an expense immediately.

Operating profit

Operating profit is the net amount that equals to sales less cost of sales, added with other operating income, less selling and marketing, administration and research and development expenses, less other operating expenses and added with the share of the result of the associated companies.

Income tax expenses

The Group income tax expense includes taxes of the Group companies based on taxable profit for the period, together with tax adjustments for previous periods and the change in deferred income taxes. The income tax effects of items recognized directly in equity or in other comprehensive income are similiarly recognized. The share of results of associated companies is reported in the statement of comprehensive income as calculated from net profit and thus includes the income tax charge. Deferred income taxes are stated using the liability method, as measured with enacted tax rates, to reflect the net tax effects of all temporary differences between the financial reporting and tax bases of assets and liabilities. The main temporary differences arise from timing differences for the projects, depreciation differences, provisions for operating expenses and other items, project provisions and purchase price allocation. Deductible temporary differences are recognized as a deferred tax asset to the extent that it is probable that future taxable profits will be available, against which the deductible temporary difference can be utilized.

Non-recurring items

Non-recurring or one-time items are unusual items in the statement of comprehensive income that do not occur regularly and thus are not normal business operations in Outotec. They are one-time expenses or income that the management does not expect to encounter again. Non-recurring items are reported under other operating expenses or income and defined in the note 8.

Goodwill and other intangible assets

Goodwill arising on an acquisition represents the excess of the cost of the acquisition over the fair value of the net identifiable assets, liabilities, and contingent liabilities acquired. Goodwill is stated at cost and is not amortized, but tested annually for impairment. In respect of associated companies, the carrying amount of goodwill is included in the carrying amount of the investment.

Other intangible assets include customer relationships, capitalized development expenses, patents, copyrights, licenses, and software. The valuation of intangible assets acquired in a business combination is based on fair value. Development costs or acquisition costs of new software clearly associated with an identifiable product, which will be controlled by the Group and has probable economic benefit exceeding its cost beyond one year, are recognized as an intangible asset and depreciated over the software's expected useful life. Associated costs include staff costs of the development team including related overhead costs. An intangible asset is recognized only if it is probable that the future economic benefits that are attributable to the asset will flow to the Group, and the cost of the asset can be measured reliably. All other expenditure is expensed as incurred.

Periods of amortization used for intangible assets are:

Intangible rights	3–20 years
Software	3–10 years

Property, plant and equipment

Property, plant and equipment acquired by Group companies are stated at historical cost, less impairment, except the assets of acquired companies that were stated at their fair values at the date of acquisition. Depreciation is calculated based on the useful lives of the assets. The carrying value of the property, plant and equipment in the statement of financial position represents the cost less accumulated depreciation and any impairment charges.

Depreciation is based on the following expected useful lives:

Buildings	10–20 years
Machinery and equipment	5–20 years
Research and development equipment	3–10 years

Land is not depreciated.

The expected useful lives of non-current assets are reviewed at each reporting date and, where they differ significantly from previous estimates, depreciation periods are changed accordingly. Ordinary repairs and maintenance costs are charged to the statement of comprehensive income during the financial year in which they are incurred. The cost of major renovations is included in the asset's carrying amount when it is probable that the Group will derive future economic benefits in excess of the originally assessed standard of performance of the existing asset. Major renovations are depreciated over the useful lives of the related assets. Gains and losses on sales and disposals are determined by comparing the received proceeds with the carrying amount and are included in operating profit.

Government grants

Government or other grants are recognized as income on a systematic basis over the periods necessary to match them with the related costs, which they are intended to compensate. Investment grants are recognized as revenue on a systematic basis over the useful life of the asset. In the statement of financial position, investment grants are deducted from the value of the asset they relate to.

Impairments

Property, plant and equipment and other non-current assets, including goodwill and intangible assets, are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Goodwill and intangible assets which are not yet available for use are tested at least annually. For the purposes of assessing impairment, assets are grouped at the lowest cash generating unit level for which there is separately identifiable, mainly independent, cash inflows and outflows. An impairment loss is the amount by which the carrying amount of the assets exceeds the recoverable amount. The recoverable amount is the asset's value in use. The value in use is determined by reference to discounted future cash flows expected to be generated by the asset. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount. However, the reversal must not result in the adjusted value being higher than the carrying amount that would have been determined if no impairment loss had been recognized in prior years. Impairment losses recognized for goodwill are not reversed.

Leases

Leases of property, plant and equipment, where the Group has substantially all the rewards and risks of ownership, are classified as finance leases. Finance leases are capitalized at the commencement of the lease term at the lower of the fair value of the leased property or the estimated present value of the underlying lease payments. Each lease payment is allocated between the capital liability and finance charges, to achieve a constant interest rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in interest-bearing liabilities with the interest element of the finance charge being recognized in the statement of comprehensive income over the lease period. Property, plant and equipment acquired under finance lease contracts are depreciated over the shorter of the useful life of the asset or lease period. Leases of assets where the lessor retains all the risks and benefits of ownership are classified as operating leases. Payments made under other rental agreements, are expensed on a straight-line basis over the lease periods.

Financial instruments

Financial instruments are classified as loans and receivables, held-to-maturity investments, available-for-sale financial assets, financial liabilities at amortized cost, and financial assets and liabilities at fair value through profit and loss. Equity investments are classified as available-for-sale financial assets. Interest-bearing securities and convertible loan receivables are classified as financial assets at fair value through profit and loss. However, highly liquid marketable securities with maturity not exceeding three months are classified as cash equivalents.

According to the IFRS 7 standard, the company is required to classify available-for-sale financial assets into the following fair value hierarchy levels:

- Level 1 - fair values are measured using quoted prices (unadjusted) in active markets for identical instruments

- Level 2 - fair values are measured using directly or indirectly observable inputs, other than those included in Level 1

- Level 3 - fair values are measured using inputs that are not based on observable market data.

Available-for-sale financial assets, as well as financial assets and liabilities at fair value through profit and loss, are measured at fair value and the valuation is based on quoted rates and market prices and appropriate valuation models. Unlisted equity securities for which fair value cannot be reliably measured are recognized at cost less impairment. The unrealized fair value changes of available-for-sale financial assets are recognized in other comprehensive income and presented in fair value reserve of equity net of taxes. In the event such an asset is disposed of, the accumulated fair value changes are released from equity to financial income and expenses in the statement of comprehensive income. Impairments of available-for-sale financial assets are recognized in the statement of comprehensive income. Purchases and sales of available-for-sale financial assets are recognized at the trade date.

Loans and receivables as well as all financial liabilities, except for derivatives, are recognized at the settlement date and measured at amortized cost using the effective interest rate method. Transaction costs are included in the initially recognized amount. The need for impairment is assessed separately for each loan receivable and when realized it is deducted from the carrying value. The impairment shall be based on evidence that it is probable that the Group will not be able to collect the loan receivable according to initial terms. Financial assets and liabilities at fair value through profit and loss are recognized at the trade date and measured at fair value.

All derivatives, including embedded

derivatives, are initially recognized at fair value on the date Outotec has entered into the derivative contract, and are subsequently re-measured at fair value. Determination of fair values is based on quoted market prices and rates, discounting of cash flows, and option valuation models.

Fair values of currency forwards and swaps are determined by discounting the future nominal cash flows with relevant interest rates and then converting the discounted cash flows to the base currency using spot rates. The fair value of currency options is determined by utilizing commonly applied option valuation models.

The majority of Outotec's derivatives are hedging underlying operative transactions although in accordance with the IAS 39 standard they are not classified as hedging instruments as they do not meet the IAS 39 standard criteria for hedge accounting. The fair value changes of these derivatives are recognized in operating profit under other income and expenses. However, if the derivative is assigned to financial items, the fair value changes are recognized in financial income and expenses.

For those projects where cash flow hedge accounting is applied, the effectiveness of the hedge is tested and documented according to IAS 39. The hedge results are recognized in the statement of comprehensive income in the same periods as the project revenue. The hedged cash flows are mainly customer prepayments that are recognized as revenue in the statement of comprehensive income using the percentage of completion method. The respective proportion of the hedge results has been recognized in the statement of comprehensive income as an adjustment to sales, and the remaining part in the other comprehensive income and presented in the cash flow hedge reserve in equity. The amounts in the cash flow hedge reserve also include a respective proportion of the realized result of hedges of customer prepayments that have already taken place but not recognized in statement of comprehensive income.

All recognized fair value changes to equity are net of tax.

Commitments and contingent liabilities

Outotec Oyj has issued commercial guarantees in connection with long-term construction contracts on its own and on behalf of its subsidiaries. Guarantees have been given in order to secure customers' advance payments or counter secure commercial guarantees given by a bank to a customer or financing needs of local subsidiaries. Certain guarantees relate also to other commercial contractual obligations.

Guarantees, pledges, and mortgages have been presented as commitments and contingent liabilities in notes to the consolidated financial statements.

Guarantees issued will be discharged as agreed under the terms of the commercial contract and the contract of guarantee.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the weighted average cost method or FIFO method (first-in, first-out). The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs, and related production overheads, but excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Trade receivables

Trade receivables are carried at their anticipated realizable value, which is the original invoice amount less an estimated valuation allowance for impairment of these receivables. A valuation allowance for impairment of trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Trade receivables are classified in compliance with IFRS 7 to loans and receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities in the statement of financial position.

Treasury shares

The purchase of treasury shares with associated transaction costs has been deducted from shareholder's equity in the consolidated financial statements. Accordingly assigning of the treasury shares increases the shareholder's equity with the original acquisition cost.

Provisions

Provisions are recognized in the statement of financial position when Outotec has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions can arise from warranty period guarantees or provisions for project losses, restructuring plans, litigation, tax or from environmental plans.

Employee benefits

Pension obligations

Group companies in different countries have various pension plans in accordance with local conditions and practices. The plans are classified as either defined contribution plans or defined benefit plans.

Defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity the group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present values of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognized immediately in income.

Share-based payments
The fair value of share-based payment is measured on the day on which the share-based payment plan is agreed upon between the counterparties. Since the person is not entitled to receive dividends during the earning period, the dividends expected to be paid have been deducted from the share price of the grant date when measuring the fair value. The component settled in shares will be recognized in shareholders' equity and the payment settled in cash in liabilities. Correspondingly, the fair value of the liability incurred in respect of a cash-settled transaction is re-measured on each reporting date until the reward payment, and the fair value of the liability will thus change in accordance with the Outotec share price.

Share-based Incentive Program 2013–2015
On January 16, 2013, Outotec announced that the Board of Directors had decided to adopt a new Share-based Incentive Program for the company's key personnel. The program comprises three earning periods starting 2013, 2014, and 2015. Each earning period can be from one to three years. The first earning period, which commenced on January 1, lasts for the calendar year 2013. The Board of Directors determines on an annual basis the maximum amount of shares to be allocated in each calendar year, participants in the program, the amount of the maximum reward for each individual, the length of earning period and the earning criteria, and the targets established for them.

A precondition for Executive Board members being eligible for the Share-based Incentive Program is that they participate in Outotec's Employee Share Savings Plan.

Share-based Incentive Program 2010–2012
Outotec's Board of Directors decided on April 23, 2010, to adopt a share-based incentive program 2010-2012 for the company's key personnel. The costs related to these periods are allocated over three years.

Employee Share Savings Plan
Outotec's Board of Directors decided on September 25, 2012, to launch an Employee Share Savings Plan for Outotec employees globally. The plan commenced on January 1, 2013, with the first savings period being one calendar year. Approximately 34% of employees in 22 countries have signed up. Participation in Finland, Sweden, and five other countries exceeds 50% of the employees. In September 2013, Outotec's Board of Directors decided to continue the Employee Share Savings Plan for the calendar year 2014. The following saving periods are subject to a separate Board decision.

Dividends
The dividend proposed by the Board of Directors is not deducted from distributable equity until approved by the Annual General Meeting of Shareholders.

Earnings per share
Basic earnings per share is calculated by dividing the net profit attributable to the equity holders of the parent company by the weighted average number of shares in issue during the year, excluding purchased treasury shares. Diluted earnings per share is calculated as if the warrants and options were exercised at the beginning of the period. In addition to the weighted average number of shares outstanding, the denominator includes the incremental shares obtained through the assumed exercise of the warrants and options. The assumption of exercise is not reflected in earnings per share when the exercise price of the warrants and options exceeds the average market price of the shares during the period. The warrants and options have a diluting effect only when the average market price of the share during the period exceeds the exercise price of the warrants and options.

3. OPERATING SEGMENTS

Outotec's business operations are divided into operating segments. The operating segments are based on the Group's internal organization and financial reporting structure. Outotec's reportable operating segments are: Minerals Processing and Metals, Energy & Water.

Outotec's highest operative decision maker (Chief Operating Decision maker according to IFRS 8) is the President and CEO of the parent company of Outotec Group with the support of the Executive Board. The President and CEO assess the Group's financial position and its development as a whole and based on the two operating segments.

Pricing of inter-segment transactions is based on current market prices. Segment assets and liabilities are operative items, which are used in a segment's business operations or which can on a reasonable basis be allocated to the segments. Unallocated items include taxes, financial items, and items which are common for the whole Group. Investments consist of additions in intangible and tangible assets, which are used on during more than one financial year.

Minerals Processing
Outotec provides the mining industry with sustainable mineral processing solutions, from pre-feasibility studies to complete plants and life-cycle services. Outotec's comprehensive offering makes the efficient and profitable treatment of virtually all ore types possible.

In 2013, Scanalyse was acquired to the business area.

Metals, Energy & Water
Outotec provides sustainable solutions for metal processing, renewable energy production and industrial water treatment.

Metals includes extensive range of metal processing solutions for processing virtually all types of ores and concentrates to refined metals.

Energy includes innovative solutions for biomass, coal, sludge, agricultural and industrial by-products as well as oil shale and phosphorus recycling from sewage sludge ashes.

Water includes solutions producing water that meets environmental discharge standards, maximizing water recycling, and reducing water and energy consumption.

In 2013, there were no acquisitions to Metals, Energy & Water business area.

3.1 OPERATING SEGMENTS

2013 EUR million	Metals, Energy & Water	Minerals Processing	Reportable segments	Unallocated items	Eliminations	Group
External sales	**1,105.2**	**806.7**	**1,911.9**	**-0.3**	**-**	**1,911.5**
Inter-segment sales	**-**	**-**	**-**	**51.5**	**-51.5**	**-**
Sales	**1,105.2**	**806.7**	**1,911.9**	**51.2**	**-51.5**	**1,911.5**
Share of results of associated companies	**-0.1**	**-**	**-0.1**	**-**	**-**	**-0.1**
Operating profit	**79.7**	**84.2**	**163.9**	**-22.0**	**0.0**	**141.9**
Financial income and expenses	**-**	**-**	**-**	**-**	**-**	**-9.7**
Profit before taxes	**-**	**-**	**-**	**-**	**-**	**132.2**
Income taxes	**-**	**-**	**-**	**-**	**-**	**-40.2**
Net profit for the financial year	**-**	**-**	**-**	**-**	**-**	**92.1**
Depreciation and amortization	**-20.3**	**-13.6**	**-33.9**	**-2.1**	**-**	**-36.0**
Impairments	**-**	**-**	**-**	**-5.6**	**-**	**-5.6**
Non interest-bearing assets	**512.7**	**532.0**	**1,044.6**	**80.4**	**-11.4**	**1,113.5**
Investments in associated companies	**0.1**	**-**	**0.1**	**-**	**-**	**0.1**
Other interest-bearing assets	**-**	**-**	**-**	**-**	**-**	**326.5**
Income tax receivable	**-**	**-**	**-**	**-**	**-**	**37.3**
Deferred tax assets	**-**	**-**	**-**	**-**	**-**	**52.9**
Total assets	**-**	**-**	**-**	**-**	**-**	**1,530.3**
Non interest-bearing liabilities	**416.9**	**297.4**	**714.3**	**21.1**	**-3.0**	**732.4**
Interest-bearing liabilities	**-**	**-**	**-**	**-**	**-**	**237.5**
Income tax liabilities	**-**	**-**	**-**	**-**	**-**	**38.2**
Deferred tax liabilities	**-**	**-**	**-**	**-**	**-**	**44.7**
Total liabilities	**-**	**-**	**-**	**-**	**-**	**1,052.8**
Capital expenditure	**6.2**	**25.2**	**31.4**	**21.6**	**-**	**53.0**

2012 EUR million	Metals, Energy & Water	Minerals Processing	Reportable segments	Unallocated items	Eliminations	Group
External sales	1,161.2	926.0	2,087.2	0.2	-	2,087.4
Inter-segment sales	-	-	-	38.2	-38.2	-
Sales	1,161.2	926.0	2,087.2	38.4	-38.2	2,087.4
Share of results of associated companies	-0.3	-	-0.3	0.0	-	-0.3
Operating profit	71.3	122.0	193.3	-9.1	0.1	184.3
Financial income and expenses	-	-	-	-	-	-4.6
Profit before taxes	-	-	-	-	-	179.7
Income taxes	-	-	-	-	-	-51.9
Net profit for the financial year	-	-	-	-	-	127.8
	-	-	-	-	-	
Depreciation and amortization	-20.8	-7.4	-28.1	-3.2	-	-31.4
Impairments	-0.0	-	-0.0	-1.2	-	-1.3
Non interest-bearing assets	797.1	336.1	1,133.2	64.9	-3.6	1,194.6
Investments in associated companies	0.1	-	0.1	-	-	0.1
Other interest-bearing assets	-	-	-	-	-	362.6
Income tax receivable	-	-	-	-	-	18.6
Deferred tax assets	-	-	-	-	-	57.1
Total assets	-	-	-	-	-	1,632.9
	-	-	-	-	-	
Non interest-bearing liabilities	720.9	210.8	931.8	27.8	18.0	977.5
Interest-bearing liabilities	-	-	-	-	-	97.9
Income tax liabilities	-	-	-	-	-	33.2
Deferred tax liabilities	-	-	-	-	-	51.6
Total liabilities	-	-	-	-	-	1,160.2
Capital expenditure	38.5	16.5	55.0	21.2	-	76.2

3.2 INFORMATION ABOUT GEOGRAPHICAL AREAS

EUR million	Finland	Germany	Rest of Europe [1], North Africa and Middle East	North America	South America	Australia and Oceania	Asia	Sub Saharan Africa	Inter-area eliminations	Investments in associated companies	**Consolidated**
2013											
Sales by destination [2]	19.3	2.8	712.8	95.6	412.4	190.7	174.3	303.5	-	-	**1,911.5**
Sales by origin [3]	662.9	412.2	74.5	170.1	282.1	306.9	153.5	122.2	-272.8	-	**1,911.5**
Non-current assets [3]	185.5	49.2	22.2	48.2	6.9	39.8	1.3	1.7	45.2	0.1	**400.1**
Capital expenditure [3]	33.3	2.1	0.7	2.5	1.4	12.0	0.4	0.7	-	-	**53.0**
2012											
Sales by destination [2]	55.8	10.3	628.4	201.3	544.7	234.5	155.9	256.6	-	-	2,087.4
Sales by origin [3]	734.0	368.4	67.0	206.7	432.4	345.5	67.8	153.9	-288.3	-	2,087.4
Non-current assets [3]	116.1	9.5	23.8	7.3	9.8	46.9	1.6	2.1	193.3	0.1	410.4
Capital expenditure [3]	45.8	2.6	0.8	1.6	5.5	18.5	0.6	0.7	-	-	76.2

[1] Includes the CIS countries

[2] Sales by destination is presented for external sales.

[3] Sales, non-current assets and capital expenditure are presented by the location of the company.

3.3 INFORMATION ABOUT MAJOR CUSTOMERS

In 2013, sales generated from one customer in the Metals, Energy & Water segment totaled EUR 240.0 million euros, which corresponds to approximately 13% of the Group's total sales. In 2012, there were no such external customers from which recognized sales would have been over 10% of Group's total sales.

4. BUSINESS COMBINATIONS

Update to acquisition calculation completed in 2012

Outotec has acquired the following entities during 2012. The purchase price allocation specification is combined for all acquired entities.

Numcore Ltd

The purchase price has been allocated to technologies. There were no changes to the remaining goodwill EUR 4.5 million, which is mainly based on experienced personnel of Numcore and synergy benefits. The earn-out for the acquisition was paid in full during 2013.

Demil Manutenção Industrial Ltda

The purchase price has been allocated mainly to customer relationships. There where no changes to the remaining goodwill EUR 4.6 million, which is mainly based on the synergy benefits of the customer relationship. Earn-out for the acquisition was paid based on the payment plan during 2013.

TME Group

The purchase price has been allocated mainly to customer relationships. There were no changes to the remaining goodwill EUR 14.9 million, which is mainly based on experienced personnel of TME and synergy benefits. During 2013, in the management assessment the earn-out liability was reduced with EUR 3.0 million. The final earn-out payment for TME Group acquisition was still pending at the end of 2013.

Backfill Specialists Pty Ltd

The purchase price has been allocated to fixed assets and order backlog. There were no changes to the remaining goodwill EUR 8.6 million, which is mainly based on experienced personnel and synergy benefits. There were no changes to the earn-out liability during 2013.

EUR million	Note	Fair values recorded on acquisition at Dec 31, 2013	Fair values recorded on acquisition at Dec 31, 2012	Carrying amounts prior to acquisition
Technologies		**4.8**	4.8	-
Intangible assets	14	**2.1**	2.1	0.8
Property, plant and equipment	15	**5.2**	5.2	4.5
Inventories	20	**1.6**	1.6	1.4
Trade and other receivables	21	**5.1**	5.1	4.5
Cash and cash equivalents	22	**3.0**	3.0	3.0
Total assets		**21.7**	21.7	14.1
Interest-bearing liabilities	26	**1.3**	1.3	1.3
Deferred tax liabilities	12	**2.0**	2.0	-
Trade and other payables	27	**7.8**	7.8	7.8
Total liabilities		**11.1**	11.1	9.1
Net assets		**10.6**	10.6	5.0
Acquisition cost		**43.0**	43.0	
Exchange differences		**-3.7**	0.2	
Goodwill	14	**28.7**	32.6	
Acquisition cost paid		**-**	36.3	
Earn-out paid		**1.5**	-	
Cash and cash equivalents in subsidiary acquired		**-**	3.0	
Exchange differences		**0.0**	0.0	
Cash flow effect at December 31, 2013		**1.5**	33.3	
Earn-out liability January 1		**7.3**		
Earn-out paid		**-1.5**		
Reduction of earn-out liability		**-3.0**		
Earn-out liability December 31, 2013		**2.8**	7.3	

Acquisitions during 2013

Outotec has acquired the Australian-based Scanalyse Holdings Pty Ltd. The acquisition was completed in March 2013. Scanalyse is a software technology company that provides services in process equipment condition and performance monitoring.

The purchase price has been allocated to technologies. The remaining goodwill of approximately EUR 6.6 million is mainly based on experienced personnel of Scanalyse and synergy benefits. There where no earn-out liability booked in the acquisition.

EUR million	Note	Fair values recorded on acquisition at Dec 31, 2013	Carrying amounts prior to acquisition
Technologies		**2.2**	-
Intangible assets	14	**0.3**	0.3
Property, plant and equipment	15	**0.2**	0.2
Inventories	20	**0.8**	0.8
Trade and other receivables	21	**0.3**	0.3
Cash and cash equivalents	22	**0.4**	0.4
Total assets		**4.2**	2.0
Deferred tax liabilities	12	**0.7**	-
Trade and other payables	27	**1.3**	1.3
Total liabilities		**2.0**	1.3
Net assets		**2.2**	0.7
Acquisition cost		**8.8**	
Goodwill	14	**6.6**	
Acquisition cost paid		**9.9**	
Cash and cash equivalents in subsidiary acquired		**0.4**	
Cash flow effect at December 31, 2013		**9.5**	

Effect of acquired business combinations on Outotec Group's sales and profit for the period in 2013

Outotec's sales for January 1, 2013–December 31, 2013 would have been EUR 0.5 million higher and profit for the period would have been the same if the acquisition of Scanalyse Holding Pty Ltd would have been completed on January 1, 2013.

5. CONSTRUCTION CONTRACTS

EUR million	2013	2012
Revenue from construction contracts recognized as income during the financial year	**1,132.7**	1,411.1
Incurred costs and profits (less recognized losses) related to work in progress constructions contracts at the end of financial year [1]	**2,319.7**	1,443.7
Advances received related to work in progress construction contracts [2]	**1,727.4**	1,577.5
Gross amount due from customers related to work in progress construction contracts	**238.8**	280.5
Gross amount due to customers related to work in progress construction contracts [3]	**163.6**	311.0

[1] 2008–2012 information has been amended according to the IAS 11 requirements (2008: EUR 1,442.0 million; 2009: EUR 1,036.6 million; 2010: EUR 719.7 million; 2011: EUR 1,047.0 million).

[2] Includes gross advances received related to work in progress construction contracts.

[3] Includes net advances received after percentage of completion revenue recognition.

6. OTHER INCOME

EUR million	2013	2012
Gains on sale of intangible and tangible assets	**0.2**	0.2
Reversal of earn-out liability from acquisition of Energy Products of Idaho LP	**4.1**	6.3
Market price gains from derivatives	**9.6**	2.1
Other income	**3.8**	0.6
	17.7	9.3

7. OTHER EXPENSES

EUR million	2013	2012
Losses on disposals of intangible and tangible assets	**-0.3**	-0.1
Impairments of intangible assets and property, plant and equipment	**-5.6**	-0.0
One-time costs related to reorganization of business	**-7.6**	-0.6
Costs related to acquisitions	**-0.3**	-2.7
Other expenses	**-0.5**	-0.2
	-14.2	-3.6

8. FUNCTION EXPENSES BY NATURE

EUR million	2013	2012
Merchandise and raw materials	**-851.7**	-1,061.2
Logistics expenses	**-54.9**	-36.8
Employee benefit expenses	**-385.8**	-362.6
Rents and leases	**-26.1**	-25.5
Depreciation and amortization [1]	**-36.0**	-31.4
Change in inventories	**27.0**	9.2
Services purchased [2]	**-312.1**	-255.4
Other expenses [3]	**-133.3**	-145.0
	-1,772.9	-1,908.6

[1] Purchase price allocation amortizations related to acquisitions were EUR 13.0 million in 2013 (2012: EUR 12.5 million).

[2] Services purchased includes audit fees of EUR 0.9 million (2012: EUR 0.7 million) and fees for ancillary services of EUR 0.6 million (2012: EUR 0.9 million) paid to the companies operated by the firm of independent public accountants PWC (2012: to PWC), in different countries.

[3] Includes grants received EUR 2.6 million in 2013 (2012: EUR 1.8 million).

Expenses by function include cost of sales, selling and marketing, administrative as well as research and development expenses.

Other income and expenses comprise following non-recurring items, which have affected financial performance for the period:

Non-recurring items EUR million	2013	2012
One-time costs related to reorganization of business [1) 2)]	**-12.8**	-0.6
Impairment of available for sale shares	**-0.4**	-
Costs related to acquisitions [1]	**-0.3**	-2.7
Purchase price adjustment related to acquisitions [1]	**0.9**	-
Reversal of earn-out liability from acquisitions [1]	**4.1**	6.3

[1] Excluded from operating profit from business operations

[2] 2013 includes impairments on intangible and tangible assets EUR 5.2 million, personnel related restructurings EUR 5.1 million and other restructuing related costs EUR 2.4 million. In segment reporting the one-time costs related to the restructuring program have been divided to Metals, Energy & Water EUR 3.2 million, Minerals Processing EUR 2.1 million and unallocated items EUR 7.5 million.

9. EMPLOYEE BENEFIT EXPENSES

EUR million	2013	2012
Wages and salaries	**-314.4**	-295.8
Share-based payments	**-8.2**	-9.7
Termination benefits	**-1.6**	-0.1
Social security costs	**-28.5**	-27.1
Pension and other post-employment benefits		
Defined benefit plans	**-2.5**	-2.2
Defined contribution plans	**-25.9**	-20.9
Other post-employment benefits	**-0.2**	-0.2
Other personnel expenses	**-4.6**	-6.7
	-385.8	-362.6

Share-based Incentive Programs and Employee Share Savings Plan

Share-based Incentive Program 2013–2015

On January 16, 2013, Outotec announced that the Board of Directors had decided to adopt a new Share-based Incentive Program for the company's key personnel. The program comprises three earning periods starting 2013, 2014, and 2015. Each earning period can be from one to three years. The first earning period, which commenced on January 1, lasts for the calendar year 2013. The Board of Directors determines on an annual basis the maximum amount of shares to be allocated in each calendar year, participants in the program, the amount of the maximum reward for each individual, the length of earning period and the earning criteria, and the targets established for them.

A precondition for Executive Board members being eligible for the Share-based Incentive Program is that they participate in Outotec's Employee Share Savings Plan.

Earning period 2013

The Board of Directors approved 172 individuals for the Program's 2013 earning period and set targets for earnings per share, order intake, and sales growth compared to key competitors. The maximum share reward for the 2013 earning period equals 824,125 Outotec shares and a cash payment that equals income taxes.

Share-based Incentive Program 2010–2012

Outotec's Board of Directors decided on April 23, 2010, to adopt a Share-based Incentive Program 2010–2012 for the company's key personnel. The costs related to these periods are allocated over 2010–2012.

Earning period 2010

A total of 552,576 Outotec shares were allocated for the 2010 earning period with a cost of approximately EUR 9.6 million, which was booked for the financial periods 2010–2012.

Earning period 2011

A total of 498,072 Outotec shares were allocated for the 2011 earning period with a cost of approximately EUR 9.3 million, which is booked for the financial periods 2011–2013.

Earning period 2012

A total of 514,160 Outotec shares were allocated for the 2012 earning period with a cost of approximately EUR 10.0 million, which is booked for the financial periods 2012–2014.

Employee Share Savings Plan

Outotec's Board of Directors decided on September 25, 2012, to launch an Employee Share Savings Plan for Outotec employees globally. The plan commenced on January 1, 2013, with the first savings period being one calendar year. Approximately 34% of employees in 22 countries have signed up. Participation in Finland, Sweden, and five other countries exceeds 50% of the employees. In September 2013, Outotec's Board of Directors decided to continue the Employee Share Savings Plan for the calendar year 2014. The following saving periods are subject to a separate Board decision.

For information about key management employee benefits, please see Note 31. Related party transactions.

10. SHARE-BASED PAYMENTS

Share-based payments include Share-based Incentive Programs for key personnel and Employee Share Savings Plan.

Share-based Incentive Programs

On January 16, 2013, Outotec announced a new Share-based Incentive Program for the Group's key personnel. The program comprises three earning periods starting 2013, 2014, and 2015. Each earning period can be from one to three years. The first earning period, which commenced on January 1, lasts for the calendar year 2013. The Board of Directors determines on an annual basis the maximum amount of shares to be allocated in each calendar year, participants in the program, the amount of the maximum reward for each individual, the length of earning period and the earning criteria, and the targets established for them.

Outotec's Board of Directors decided on April 23, 2010, to adopt a Share-based Incentive Program 2010-2012 for the company's key personnel. The costs related to these periods are allocated over three years.

The reward paid on the basis of the program will be paid in the spring of the year following the close of the earning period as a combination of shares and a cash. The cash proportion is intended for covering taxes and tax-related payments. The reward will not be paid if the person's employment ends before the close of the earning period. The person must also hold the earned shares and remain employed for at least two years after the close of the earning period.

Employee Share Savings Plan

Outotec's Board of Directors decided on September 25, 2012, to launch an Employee Share Savings Plan for Outotec employees globally. The plan commenced on January 1, 2013, with the first savings period being one calendar year. Approximately 34% of employees in 22 countries have signed up. Participation in Finland, Sweden, and five other countries exceeds 50% of the employees. In September 2013, Outotec's Board of Directors decided to continue the Employee Share Savings Plan for the calendar year 2014. The following saving periods are subject to a separate Board decision.

The shares are purchased to employees once per quarter. Outotec gives one free share against each purchased share after three years ownership period for the savings period 2013 and one free share against two purchased shares for the savings period 2014. Shares are given to the participants after the three years ownership period has ended.

Key characteristics of the share-based payments are listed in the table below:

Basic data	Employee Share Savings Plan		Share-based Incentive Program 2013–2015	Share-based Incentive Program 2010–2012	
	Savings period 2014	Savings period 2013	Earning period 2013	Earning period 2012	Earning period 2011
Grant dates	December 11, 2013	December 14, 2012	May 30, 2013	March 28, 2012	March 1, 2011
			October 22, 2013	August 27, 2012	
Form of the reward	Equity and cash	Equity and cash	Equity and cash	Equity and cash	Equity and cash
Target group	Personnel	Personnel	Key personnel	Key personnel	Key personnel
Beginning of earning period	January 1, 2014	January 1, 2013	January 1, 2013	January 1, 2012	January 1, 2011
End of earning period	May 15, 2016	May 15, 2015	December 31, 2013	December 31, 2012	December 31, 2011
Vesting conditions	Share ownership	Share ownership	Net order intake, EPS, sales growth	Net order intake, EPS, sales growth	Net order intake, EPS, sales growth
	Employment until the end of the restriction period	Employment until the end of the restriction period	Employment until the end of the restriction period	Employment until the end of the restriction period	Employment until the end of the restriction period
End of restriction period	May 15, 2016	May 15, 2015	January 1, 2016	January 1, 2015	January 1, 2014
Maximum contractual life, years	2.4	2.4	2.6	2.8	2.8
Remaining contractual life , years	2.4	1.4	2.0	1	0.0
Number of persons at December 31, 2013	1,463	1,574	172	142	83

The changes in the amounts of share-based payments in the 2013 financial year are presented in the table below. Since the cash component of the share reward is also recognised as a share-based expense, the amounts below are presented in gross terms, i.e. the share reward figures include both the reward paid in shares and a number of shares corresponding to the amount of the reward paid in cash.

The number of shares outstanding at the beginning of the period has been adjusted with the effect of the free share issue (split).

Changes in the 2013 financial year	Savings period 2014	Savings period 2013	Earning period 2013	Earning period 2012	Earning period 2011	**Total**	Weighted remaining contractual life in years
Gross amounts at January 1, 2013*							
Outstanding at the beginning of the period	0	345,040	0	1,933,750	1,061,016	**3,339,806**	
Changes during the period							
Share reward granted	221,926	78,663	826,125	0	0	**1,126,714**	
Share reward forfeited	0	6,290	2,000	30,000	2,000	**40,290**	
Share reward exercised	0	0	0	0	0	**0**	
Share reward expired	0	0	0	618,350	1,059,016	**1,677,366**	
Gross amounts at December 31, 2013*							
Outstanding at the end of the period	221,926	417,413	824,125	1,285,400	0	**2,748,864**	1.5
Exercisable at the end of the period	221,926	417,413	824,125	1,285,400	0	**2,748,864**	

*Number of shares include cash-settled payments of the plan (in terms of number of shares)

Fair value determination

IFRS 2 requires an entity to measure the shares granted to employees at their fair value at the day at which the share-based payment is agreed upon between the counterparties. Since the person is not entitled to receive dividends during the earning period, the dividends expected to be paid have been deducted from the share price of the grant date when measuring the fair value. Since the share reward is paid as a combination of shares and cash, the measurement of the fair value of the reward consists of two parts under IFRS 2: the component settled in shares and the component settled in cash. The component settled in shares will be recognized in shareholders' equity and the payment settled in cash in liabilities. Correspondingly, the fair value of the liability incurred in respect of a cash-settled transaction is remeasured at each reporting date until the reward payment, and the fair value of the liability will thus change in accordance with the Outotec share price. Inputs to the fair value determination of the rewards expensed during the financial year 2013 are listed in the table on next page. The total fair value of the rewards is based on the company's estimate on December 31, 2013 as to the number of share to be eventually vesting. The fair value of granted share rewards during the financial year are presented as weighted average values.

Measurement of fair value of the share reward	Granted 2013	Granted 2012	Granted 2011
Share price at the grant date, EUR	9.93	9.99	10.25
Expected dividends, EUR	0.33	0.21	0.19
Fair value per share accounted for as equity-settled reward, EUR	9.60	9.86	9.88
Fair value per share of the cash-settled reward at the settlement date/ at the end of the period, EUR	7.61	10.59	9.05
Fair value at December 31, 2013, EUR million	4.5	14.0	9.2

Effect on earnings during the period and financial position at December 31, 2013 EUR million	Total	Granted 2013	Granted 2012	Granted 2011
Expense recognized for the period from share-based payments	8.2	0.7	4.4	3.1
Expense accounted for as equity-settled share-based payment	4.1	0.4	2.1	1.6
Value of liability for cash-settled share-based payments Dec 31, 2013	0.8	0.3	0.5	0.0

Effect on earnings during the period and financial position at December 31, 2012 EUR million	Total	Granted 2012	Granted 2011	Granted 2010
Expense recognized for the period from share-based payments	9.7	3.3	3.0	3.4
Expense accounted for as equity-settled share-based payment	4.6	1.5	1.8	1.3
Value of liability for cash-settled share-based payments Dec 31, 2012	1.8	1.8	-	-

11. FINANCE INCOME AND EXPENSES

Recognized in profit or loss EUR million	2013	2012
Interest income on bank deposits and commercial papers	**4.5**	6.8
Interest income on loans and receivables	**0.4**	0.3
Interest income on derivatives	**0.5**	0.0
Other finance income	**0.2**	0.1
Total finance income	**5.6**	7.2
Interest expenses		
Financial liabilities measured at amortized cost		
Current and non-current debt	**-3.9**	-2.0
Finance lease arrangements	**-0.0**	-
Financial liabilities at fair value through profit or loss		
Derivatives	**-0.3**	-0.0
Other finance expenses	**-5.8**	-7.1
Total finance expenses	**-10.0**	-9.2
Exchange gains and losses	**-7.1**	-2.7
Other market price gains and losses	**1.7**	0.0
Total market price gains and losses	**-5.4**	-2.6
Total finance income and expenses	**-9.7**	-4.6

Exchange gains and losses recognized in profit or loss EUR million	2013	2012
In sales	**15.5**	1.6
In purchases	**-9.4**	-0.5
In other income and expenses	**9.6**	2.1
In finance income and expenses	**-7.1**	-2.7
	8.6	0.5

Recognized in other comprehensive income EUR million	2013	2012
Exchange differences on translating foreign operations	**-32.7**	-0.6
Cash flow hedges	**-5.0**	9.4
Income tax related to cash flow hedges	**-0.3**	-0.5
Available for sale financial assets	**-0.1**	-0.1
	-38.1	8.2

12. INCOME TAX EXPENSES

Income tax expenses recognized in profit or loss EUR million	2013	2012
Current taxes		
Accrued taxes for the year		
Finnish companies	**-11.3**	-20.7
Companies outside Finland	**-24.3**	-39.2
Tax adjustments for prior years		
Finnish companies	**-0.1**	0.2
Companies outside Finland	**-11.1**	-4.8
	-46.8	-64.6
Deferred taxes		
Deferred taxes		
Finnish companies	**2.7**	-3.6
Companies outside Finland	**-3.7**	16.6
Effect of consolidation and eliminations	**7.5**	-0.3
	6.6	12.6
Total income tax expenses	**-40.2**	-51.9

Income taxes recognized in other comprehensive income EUR million	2013	2012
Income tax related to cash flow hedges	**-0.3**	-0.5
Income tax related to available for sale investment	**-0.3**	2.4

The difference between income taxes at the statutory tax rate in Finland (24.5%) and income taxes recognized in the consolidated statement of comprehensive income is reconciled as follows:

EUR million	2013	2012
Hypothetical income taxes at Finnish tax rate on consolidated profit before tax	**-32.4**	-44.0
Effect of different tax rates outside Finland	**-4.2**	-1.9
Non-credited foreign withholding taxes	**-1.6**	-1.1
Tax effect of non-deductible expenses and tax exempt income	**1.6**	0.5
Tax effect of losses for which no deferred tax asset is recognized	**-0.9**	-1.7
Previous year losses for which deferred tax asset is recognized	**-**	-0.5
Utilization of tax losses for which no deferred tax asset was recognized	**0.5**	0.8
Effect of consolidation and eliminations	**0.0**	0.0
Taxes for prior years	**-11.2**	-4.6
Adjustments to prior years' deferred taxes	**11.7**	–
Effect of enacted change in future tax rates	**-3.5**	1.7
Share-based payment plan tax deduction in excess of IFRS cost	**-0.3**	-0.3
Other items	**0.2**	-0.7
Income taxes recognized in profit or loss	**-40.2**	-51.9

Deferred taxes in consolidated statement of financial position EUR million	2013	2012
Deferred tax assets	**52.9**	57.1
Deferred tax liabilities	**44.7**	51.6
	8.2	5.5

Deferred taxes have been reported as a net balance of those companies that file a consolidated tax return or that may otherwise be consolidated for current tax purposes.

Changes in deferred tax assets and liabilities during the financial year

2013 EUR million	January 1	Recognized in profit or loss	Recognized in other comprehensive income	Acquired subsidiaries	Translation differences	December 31
Deferred tax assets						
Tax losses carried forward	1.0	1.5	-	-	-	2.4
Timing difference in revenue recognition	22.2	-17.6	-	-	-0.9	3.7
Pension provisions	0.2	0.1	-	-	-	0.3
Depreciation difference	2.9	13.4	-	-	-	16.3
Project provisions	19.0	-6.9	-	-	-0.8	11.2
Effects of consolidation and eliminations	3.6	0.2	-	-	-	3.9
Valuation losses	4.5[1)]	-	-0.6	-	-	3.9
Provisions for operating expenses and other items	14.0	-0.1	-	-	-0.5	13.3
Purchase price allocation	0.1	0.0	-	-	-	0.1
Netting of deferred tax	-10.3	8.1	-	-	-	-2.2
	57.1	-1.3	-0.6	-	-2.2	52.9
Deferred tax liabilities						
Timing difference in revenue recognition	37.8	-20.0	-	-	0.3	18.1
Depreciation difference	4.5	0.5	-	-	-	5.0
Other untaxed reserves	1.5	-0.4	-	-	-	1.1
Purchase price allocation	11.6	-1.3	-	0.7	-	10.9
Valuation gain on assets and derivative instruments	0.1	-	0.0	-	-	0.2
Other temporary differences	6.3	5.3	-	-	-	11.7
Netting of deferred tax	-10.3	8.1	-	-	-	-2.2
	51.6	-7.9	0.0	0.7	0.3	44.7
Net deferred tax asset	**5.5**	**6.6**	**-0.7**	**-0.7**	**-2.6**	**8.2**

Changes in deferred tax assets and liabilities during the financial year

2012 EUR million	January 1	Recognized in profit or loss	Recognized in other comprehensive income	Acquired subsidiaries	Translation differences	December 31
Deferred tax assets						
Tax losses carried forward	7.0	-6.1	-	-	-	1.0
Timing difference in revenue recognition	18.1	3.8	-	-	0.3	22.2
Pension provisions	1.5	-1.2	-	-	-	0.2
Depreciation difference	0.6	2.3	-	-	-	2.9
Project provisions	13.8	4.7	-	-	0.4	19.0
Effects of consolidation and eliminations	2.9	0.7	-	-	-	3.6
Valuation losses	2.5[1)]	-	2.0[1)]	-	-	4.5[1)]
Provisions for operating expenses and other items	14.5	-0.2	-	-	-0.3	14.0
Purchase price allocation	0.2	0.0	-	-0.1	-	0.1
Netting of deferred tax	-12.3	2.0	-	-	-	-10.3
	48.8	6.0	2.0	-0.1	0.4	57.1
Deferred tax liabilities						
Timing difference in revenue recognition	46.9	-9.1	-	-	-	37.8
Depreciation difference	5.1	-0.5	-	-	-	4.5
Other untaxed reserves	2.2	-0.7	-	-	-	1.5
Purchase price allocation	11.9	-2.0	-	1.6	-	11.6
Valuation gain on assets and derivative instruments	-	-	0.1	-	-	0.1
Other temporary differences	2.5	3.8	-	-	-	6.3
Netting of deferred tax	-12.3	2.0	-	-	-	-10.3
	56.4	-6.6	0.1	1.6	-	51.6
Net deferred tax asset / liability	-7.6	12.6	1.9	-1.8	0.4	5.5

[1)] Includes restatement in accordance with revised IAS 19

Deferred tax assets of EUR 9.6 million (2012: EUR 8.3 million (previously reported EUR 4.9 million)) have not been recognized in the consolidated financial statements as the realization of the tax benefit included in these assets is not probable. Majority of these unrecognized deferred tax assets relate to tax losses and tax credits amounting to EUR 28.8 million (2012: EUR 27.5 million (previously reported EUR 18.5 million)), of which EUR 5.8 million will expire within five years and EUR 23.0 million after five years.

The consolidated balance sheet includes net deferred tax assets of EUR 11.6 million (2012: EUR 5.4 million) in subsidiaries, which have generated losses in current or in prior year. The recognition of the assets is based on result estimates, which indicate that the realization of these deferred tax assets is probable.

Deferred tax liability on the undistributed earnings of subsidiaries, to the extent that the decision to distribute has not already been made, has not been recognized in the consolidated balance sheet because distribution of the earnings is in the control of Outotec and such distribution is not probable within foreseeable future. The amount of such undistributed earnings in subsidiaries, which may attract withholding or other tax consequenses upon distribution, was at the end of 2013 EUR 206.7 million (2012: EUR 192.3 million).

13. EARNINGS PER SHARE

	2013	2012
Profit attributable to the equity holders of the parent Company, EUR million	**92.1**	127.8
Weighted average number of shares, in thousands	**180,828**	181,437
Earnings per share for profit attributable to the equity holders of the parent company:		
Basic earnings per share, EUR	**0.51**	0.70
Diluted earnings per share, EUR	**0.51**	0.70

Basic and diluted earnings per share are calculated by dividing the profit attributable to equity holders of the parent company by the weighted average number of shares outstanding. Since Outotec has not granted any options, there is no dilution.

14. INTANGIBLE ASSETS

EUR million	Intangible asset, internally generated [1]	Intangible asset, acquired [2, 3]	Goodwill	Advances paid and construction work in progress	Total
Historical cost at January 1, 2013	3.7	194.6	203.5	11.3	413.1
Translation differences	-0.1	-6.0	-13.0[4]	-	-19.1
Additions	-	13.5	-	8.8	22.3
Disposals	-2.1	-0.4	-	-	-2.5
Acquired subsidiaries	0.3	2.4	7.2	-	9.9
Reclassifications	-0.6	-12.1	-	-3.6	-16.3
Impairment during the period	-	-6.1	-	-	-6.1
Historical cost at December 31, 2013	**1.2**	**185.9**	**197.6**	**16.5**	**401.2**
Accumulated amortization and impairment at January 1, 2013	-1.5	-75.2	-1.5	-	-78.2
Translation differences	0.0	1.6	0.2	-	1.8
Disposals	0.1	0.1	-	-	0.2
Reclassifications	0.1	16.1	-	-	16.3
Amortization during the period	-0,0	-22.1	-	-	-22.1
Impairment during the period	-	2.1	-	-	2.1
Accumulated amortization and impairment at December 31, 2013	**-1.2**	**-77.4**	**-1.3**	**-**	**-80.0**
Carrying value at December 31, 2013	**-**	**108.4**	**196.2**	**16.5**	**321.1**
Historical cost at January 1, 2012	3.4	150.7	182.9	8.9	345.9
Translation differences	0.0	-0.4	0.1	-	-0.2
Additions	0.3	17.2	-	9.5	27.0
Disposals	-0,0	-0,0	-	-	-0,0
Acquired subsidiaries	-	18.8	20.4	-	39.3
Reclassifications	-0,0	8.3	-	-7.2	1.2
Historical cost at December 31, 2012	3.7	194.6	203.5	11.3	413.1
Accumulated amortization and impairment at January 1, 2012	-1.3	-56.1	-1.6	-	-59.1
Translation differences	-0,0	0.0	0.1	-	0.1
Disposals	0.0	0.0	-	-	0.0
Reclassifications	-	-0.3	-	-	-0.3
Amortization during the period	-0.1	-18.8	-	-	-18.9
Impairment during the period	-	-0,0	-	-	-0,0
Accumulated amortization and impairment at December 31, 2012	-1.5	-75.2	-1.5	-	-78.2
Carrying value at December 31, 2012	2.3	119.4	202.0	11.3	335.0

[1] no internally generated assets at the end of the financial year (2012 patents EUR 0.3 million, other internally generated intangible assets EUR 2.0 million).

[2] of which carrying value of patents amounted to EUR 16.7 million (2012: EUR 14.0 million), licenses EUR 6.5 million (2012: EUR 5.9 million), IT software EUR 18.2 million (2012: EUR 17.3 million) and other acquired intangible assets EUR 67.0 million (2012: EUR 82.1 million) including purchase price fair valuation EUR 45.5 million (2012: EUR 52.6 million).

[3] includes EUR 0.0 million received grants (2012: EUR 0.3 million).

[4] includes EUR -0.5 million exchange differences related to purchases in 2013.

Amortization by function EUR million	**2013**	2012
Cost of sales	**-7.1**	-5.6
Selling and marketing expenses	**-2.4**	-3.3
Administrative expenses	**-6.6**	-3.7
Research and development expenses	**-6.7**	-6.6
	-22.7	-19.2

Impairments on intangible assets during the financial year

Due to the changes in operating structure and related restructuring measures, the Group recorded writedowns of EUR 3.9 million from intangible assets in 2013 (2012 there were no impairments). The impairments have been recorded under other expenses in the Statement of Comprehensive income and were related to the following asset classes:

- Patent portfolio was reassessed according to the new operational structure. Patents which were not a part of the core business and did not have any future earning expectations were impaired by EUR 0.3 million.
- IT systems were reassessed and modules of ERPs that could no longer be used in the business operations of current structure were impaired. The impairment relating to IT systems amounted to EUR 3.6 million.

Impairment testing of goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) which is the lowest level of assets for which there are separately identifiable cash flows. In 2013, the testing was performed on Business Area level, which is the cash-generating unit for Outotec, according to the current business organization and responsibilities. Calculations are prepared during the fourth quarter of the year. Based on the conducted impairment testing there was no need for goodwill impairment in 2013.

Goodwill allocation to the segments EUR million	2013	2012
Metals, Energy & Water	**87.2**	85.5
Minerals Processing	**109.0**	116.6
	196.2	202.0

The recoverable amount of a CGU is determined based on value-in-use calculations (discounted cash flow method). The planning period for cash flows is five years. The cash flow projections are based on long-range financial plan which is the outcome of the strategy approved by the Management and the Board of Directors. In defining the long-range plans for each CGUs, the management makes use of growth, demand, and price estimates by market research institutions. Furthermore, the estimated sales and profits and the CGU-specific long-range plan are based on the current backlog and estimated order intake as well as cost development. The most important assumptions relate to gross margin levels in various products and the estimated overall gross margin level in relation to fixed costs. Cash flows beyond the five year period are calculated using the terminal value method, where the EBITDA (=earnings before interest, taxes, amortizations and depreciation) of the fifth planning period is multiplied by six.

The discount rate applied to cash flow projections is the weighted average pre-tax cost of capital (WACC) as defined for Outotec. The components of WACC are the risk-free long-term government bond rates, market and industry risk premiums, cost of debt, and target capital structure.

Key assumptions used in the calculations EUR million	2013	2012
Discount rate	**7.4**	7.6
EBITDA multiple	**6.0**	6.0

The impairment testing process includes a sensitivity analysis in which the business area cash flow estimates were reduced by 70% and the discount rates were increased by 1–8 percentage points. Under the basic scenario, the value-in-use calculations were on average 19 times higher than the assets employed of the business areas. In the sensitivity analysis the ratio was decreased to 6. Based on the sensitivity analysis, it is not probable that the recoverable amount will fall below the carrying amount at December 31, 2013, even if the assumptions used in the sensitivity analysis will face reasonable permanent changes.

15. PROPERTY, PLANT & EQUIPMENT

EUR million	Land	Buildings	Machinery	Office equipment	Other tangible assets	Advances paid and construction work in progress	Total
Historical cost at January 1, 2013	2.3	26.7	87.8	44.0	2.1	3.8	166.7
Translation differences	-0.1	-0.4	-3.3	-3.6	-0.1	-0.0	-7.5
Additions	-	2.3	6.3	6.6	0.2	6.6	22.0
Disposals	-	-0.3	-2.8	-0.8	-0.0	-	-3.9
Acquired subsidiaries	-	-	0.0	0.2	-	-	0.2
Reclassifications	-0.0	-1.5	-0.2	-1.6	0.2	-1.7	-4.8
Impairment during period	-	-	-1.5	-0.1	-0.3	-	-1.9
Historical cost at December 31, 2013	**2.2**	**26.8**	**86.3**	**44.8**	**2.1**	**8.7**	**170.9**
Accumulated depreciation and impairment at January 1, 2013	-	-10.2	-54.4	-25.8	-1.1	-	-91.4
Translation differences	-	0.1	1.3	1.6	0.0	-	3.0
Disposals	-	0.2	2.4	0.5	-	-	3.2
Reclassifications	-	1.7	1.4	1.8	-	-	4.9
Depreciation during the period	-	-1.2	-5.9	-5.3	-0.4	-	-12.7
Impairment during period	-	-	0.7	0.1	0.2	-	1.0
Accumulated depreciation and impairment at December 31, 2013	**-**	**-9.3**	**-54.5**	**-27.0**	**-1.1**	**-**	**-92.0**
Carrying value at December 31, 2013	**2.2**	**17.4**	**31.8**	**17.7**	**1.0**	**8.7**	**78.9**
Historical cost at January 1, 2012	2.1	24.9	73.3	40.3	1.8	2.3	144.8
Translation differences	-0.0	-0.0	0.0	-0.1	0.0	-0.0	-0.1
Additions	0.2	1.9	9.5	7.0	0.2	2.3	21.2
Disposals	-	-	-0.7	-2.3	0.2	-0.4	-3.3
Acquired subsidiaries	-	-	3.6	1.6	-	-	5.2
Reclassifications	-	-0.1	2.1	-2.4	-0.1	-0.4	-1.0
Historical cost at December 31, 2012	2.3	26.7	87.8	44.0	2.1	3.8	166.7
Accumulated depreciation and impairment at January 1, 2012	-	-9.1	-48.4	-24.1	-0.7	-	-82.2
Translation differences	-	-0.0	0.0	-0.0	-0.0	-	-0.0
Disposals	-	-	0.5	2.2	-0.1	-	2.6
Reclassifications	-	0.1	-1.5	1.5	-	-	0.1
Depreciation during the period	-	-1.1	-5.1	-5.4	-0.2	-	-11.8
Accumulated depreciation and impairment at December 31, 2012	-	-10.2	-54.4	-25.8	-1.1	-	-91.4
Carrying value at December 31, 2012	2.3	16.5	33.3	18.3	1.0	3.8	75.3

Depreciation by function EUR million	2013	2012
Cost of sales	**-7.6**	-7.4
Selling and marketing expenses	**-1.1**	-0.0
Administrative expenses	**-2.6**	-3.9
Research and development expenses	**-2.1**	-0.9
	-13.3	-12.1

Impairments on property, plant and equipment during the financial year
Due to the changes in operating structure and related restructuring measures, the Group recorded an impairment of EUR 1.0 million from property, plant and equipment in 2013 (2012 there were no impairments).

Assets leased by finance lease agreements EUR million	2013	2012
Historical cost	**0.0**	0.8
Translation differences	**-**	0.0
Reclassifications	**-**	-0.1
Accumulated depreciation	**-0.0**	-0.6
Carrying value at December 31	**0.0**	0.0

All finance lease agreements are related to machinery and equipment.

16. INVESTMENTS IN ASSOCIATED COMPANIES

EUR million	2013	2012
Investments in associated companies at cost		
Historical cost at January 1	**0.9**	0.9
Translation differences	**0.0**	0.0
Additions	**0.4**	-
Impairment	**-0.7**	-
Historical cost at December 31	**0.5**	0.9
Equity adjustment to investments in associated companies at January 1	**-0.8**	-0.6
Share of results of associated companies	**-0.1**	-0.3
Impairment	**0.4**	-
Equity adjustment to investments in associated companies at December 31	**-0.5**	-0.8
Carrying value of investments in associated companies at December 31	**0.1**	0.1

Due to the changes in operating structure and related restructuring measures, the Group recorded an impairment of EUR 0.3 million from investments in associated companies in 2013 (2012 there were no impairments).

Summary of financial information for associated companies EUR million	Domicile	Assets	Liabilities	Sales	Profit/loss	Ownership, %
Enefit	Estonia	7.6	7.9	1.9	-0.5	40.0
GreenExergy AB	Sweden	0.9	0.4	0.8	-0.1	45.0
Middle East Metals Processing Company Ltd.	Saudi-Arabia	0.4	0.3	-	-	49.0

Summary of financial information for associated companies EUR million	Domicile	Assets	Liabilities	Sales	Profit/loss	Ownership, %
Enefit	Estonia	7.2	8.0	1.9	-0.8	40.0
GreenExergy AB	Sweden	1.2	0.5	1.5	0.1	45.0
Middle East Metals Processing Company Ltd.	Saudi-Arabia	0.4	0.3	-	-	49.0

17. AVAILABLE-FOR-SALE FINANCIAL ASSETS

EUR million	2013	2012
Carrying value at January 1	**1.3**	1.2
Translation differences	**-0.1**	0.0
Additions	**-**	0.2
Impairments	**-0.4**	-
Fair value changes	**-0.1**	-0.1
Carrying value at December 31	**0.8**	1.3
Listed equity securities	**0.1**	0.2
Unlisted equity securities	**0.7**	1.2
Fair value reserve in equity at January 1	**0.0**	0.1
Fair value changes	**-0.1**	-0.1
Fair value reserve in equity at December 31	**-0.0**	0.0

18. FINANCIAL RISK MANAGEMENT

Financial Risk Management and Insurances

According to Outotec's Financial Risk Management policy the CEO and the Executive Board monitor implementation of risk management procedures in coordination with the Board of Directors. The CFO is responsible for implementation and development of financial risk management.

The Board's Audit and Risk Committee oversees how the management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit and Risk Committee is assisted by Internal Audit, which undertakes both regular and ad hoc reviews of risk management controls and procedures.

Financial risks consist of market, credit and liquidity risks. Market risks are caused by changes in foreign exchange and interest rates, as well as commodity or other prices. Especially changes in foreign exchange rates may have a significant impact on Group's earnings, cash flows and balance sheet. As the main principle Outotec's business units hedge their market risks by entering into agreements with Group Treasury, which does most of the financial contracts with banks and other financial institutions. Outotec's Treasury is also responsible for managing certain Group level risks, such as interest rate risk and foreign currency transaction risk in accordance with the Financial Risk Management policy.

In addition, the Group is sensitive to the price fluctuations of raw material, external suppliers and subcontractors. The price fluctuation is prevented and the availability of raw material ascertained by long-term contracts, timing of the acquisitions, and fixed contract prices.

Foreign exchange rate risk

Major part of Outotec's sales is, and a significant part of costs arise in euros, US dollars, Australian dollars, Brazilian reals, Canadian dollars, and South African rand.

The overall objective of foreign exchange risk management is to limit the short-term negative impact on earnings and cash flow from exchange rate fluctuations, therefore increasing the predictability of the financial results.

Foreign exchange risk is the principal market risk within Outotec and as such has a significant potential impact on the income statement and balance sheet.

The currencies related to sales and costs can vary materially depending on the projects. Outotec hedges most of its fair value risk. Cash flow risk related to firm commitments is hedged almost completely, within subsidiary specific limits defined in Financial Risk Management policy, whereas forecasted and probable cash flows are hedged only selectively with financial instruments based on separate decisions.

Major part of cash flow risk hedging takes place operatively in absent by matching sales and cost currencies, and the remaining net open positions are normally hedged with derivative contracts (typically forward agreements). Hedging currency pairs with large difference in interest rates may increase hedging costs. Subsidiary level foreign exchange exposures are monitored and consolidated on a monthly basis.

Substantial part of derivative contracts hedge underlying business transactions, although they do not fulfill the criteria for applying hedge accounting according to IAS 39. However, Outotec is applying hedge accounting for derivative contracts in selected projects. In this description of financial risk management the term hedging has been used in its broadest sense, and therefore it also includes usage of non-hedge-accounted derivatives.

Outotec does not typically hedge its equity translation risk. The total non-euro-denominated equity of Outotec's foreign subsidiaries and associated companies was on December 31, 2013 303.6 million euros (December 31, 2012: 297.0 million euros).

Transaction risk EUR million	USD exposure in companies reporting in EUR 2013	2012	USD exposure in companies reporting in AUD 2013	2012	AUD exposure in companies reporting in EUR 2013	2012	EUR exposure in companies reporting in SEK 2013	2012
Bank accounts	**3.2**	2.6	**8.3**	4.4	**0.5**	0.6	**4.5**	0.7
Trade receivables	**18.6**	12.2	**9.0**	14.2	**6.3**	8.2	**10.8**	10.8
Trade payables	**-2.3**	-1.8	**-1.5**	-1.7	**-11.9**	-2.3	**-7.9**	-2.6
Loans and receivables	**9.8**	11.9	**-**	-	**81.8**	98.4	**-**	-
Net balance sheet exposure	**29.3**	24.9	**15.8**	16.9	**76.7**	104.9	**7.4**	9.0
Sales order book	**95.2**	350.4	**0.7**	11.1	**2.8**	4.6	**30.1**	31.6
Purchase order book	**-9.5**	-106.8	**-10.5**	-7.0	**-1.5**	-4.2	**-16.8**	-27.9
	85.7	243.5	**-9.8**	4.1	**1.3**	0.4	**13.3**	3.7
Hedges:								
Foreign exchange forward contracts	**-115.1**	-272.3	**-6.2**	-20.9	**-76.9**	-104.8	**-20.7**	-12.4
Total net exposure	**-0.1**	-3.9	**-0.2**	0.2	**1.1**	0.5	**-0.1**	0.2

Sensitivity of financial instruments on foreign currency exchange rates EUR million	2013 Effect on profit or loss	2013 Effect on equity	2012 Effect on profit or loss	2012 Effect on equity
+/-10% change in EUR/USD exchange rate	+3.4/-4.1	+4.4/-5.4	+1.6/-1.9	+20.9/-25.6
+/-10% change in EUR/AUD exchange rate	+0.0/-0.0		-0.0/+0.0	
+/-10% change in EUR/SEK exchange rate	-1.2/+1.5		-0.3/+0.4	
+/-10% change in AUD/USD exchange rate	-1.0/+1.0		+0.4/-0.4	

The following assumptions were made when calculating the sensitivity to changes in exchange rates:
The variation in currency is assumed to be +/-10%. The position includes currency denominated financial assets and liabilities, such as borrowings, deposits, trade and other receivables, liabilities, and cash and cash equivalents, as well as derivative financial instruments. The position excludes order book items and cash flow hedges.

In certain cases commercial contracts may include so called embedded derivatives, the volume of these may at times amount to a substantial share of all derivatives.

On December 31, 2013 Outotec had the following foreign exchange derivative contract amounts, including embedded derivatives (more detailed information of foreign exchange exposures in note 19):

EUR million	2013	2012
Foreign exchange derivative contracts	**538.3**	831.3

See the tables "Transaction risk" and "Sensitivity of financial instruments on foreign exchange rates"

Interest rate risk

Interest rate risk is the risk of repricing and price caused by the changes in market interest rates. To control interest rate risks in the loan portfolio the Group has agreed both fixed and floating rate instruments. On December 31, 2013 the share of fixed rate loans of all interest-bearing debt was 70.7 percent.

Significant part of the financial investments have short-term interest rate as a reference rate. On December 31, 2013 Outotec had EUR 323.7 million of cash and cash equivalent funds (December 31, 2012: EUR 358.6 million), majority of which is invested in short-term money market instruments. The advance payments received from projects in the emerging markets and the related financial investments cause occasionally interest rate risks. The largest interest rate exposures are in euros, Australian dollars and Chilean pesos.

During 2013 the Group started to designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model and account for fixed rate financial liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would affect profit or loss for fixed rate instruments. On December 31, 2013 the total nominal value of interest rate swaps was EUR 115.0 million (more detailed information in note 19).

For variable rate interest-bearing financial investments a shift of one percentage point would have increased (decreased) profit or loss by EUR 1.2 million for 31.12.2013 (December 31, 2012: EUR 1.9 million) and for variable rate interest bearing-debt by EUR 1.0 million for 31.12.2013 (December 31, 2012: EUR 0.3 million).

Securities price risk

Outotec is the owner of 5 million shares of Pacific Ore Limited. The shares are quoted in ASX of Australia. Outotec does not have any material amounts of other listed equity securities which are classified as available-for-sale.

Credit risks

Credit risk arises from the potential failure of a counterparty to meet its contractual payment obligations. In addition, counterparty risk arises in conjunction with financial investments and hedging instruments. The objective of credit and counterparty risk management is to minimize in a cost efficient manner the losses incurred as a result of counterparty not fulfilling its obligations.

Outotec's trade receivables and other potential sources of sales contract related credit risk are generated by a large number of customers worldwide, but occasionally risk concentrations may develop due to large individual contracts. Outotec's Project Risk Management Policy (PRIMA) has been created to manage the various project related risks and address them in a more concised manner. The PRIMA policy and related procedures require identification of counterparty risks in a project together with the evaluation of the available and cost efficient mitigation of risks with contractual terms and/or different financial instruments. The credit risks related to business operations can be mitigated for example by the use of advance payments and other payment terms under sales contracts, project specific credit insurances and letters of credit. The trade receivable exposures are reviewed regularly in Outotec's project level reporting. During 2013 the reporting of overdue external trade receivables, their rotation periods and collection was intensified. Geographically the trade receivables are mostly from Asia 25.3% (December 31, 2012 13.1%), Europe (including CIS) 21.2% (December 31, 2012 16.3%), South America 19.1% (December 31, 2012 33.5%), Australia and Pacific 13.3% (December 31, 2012 10.5%), Africa 10.7% (December 31, 2012 19.0%). More detailed analysis of trade receivables is included in note 21.

Outotec's Treasury manages substantial part of the credit risk related to Group's financial investments. Outotec seeks to reduce these risks by limiting the counterparties to banks, other financial institutions and other counterparties, which have a good credit standing. Investments related to liquidity management are made in liquid money market instruments with, as far as possible, low credit risk and within pre-agreed credit limits and maturities. The limits are reviewed regularly. Part of Outotec's project advance payments can be invested in local money markets in emerging countries.

The total amount of credit risk is the carrying amount of group financial assets that amounted to EUR 897.1 million on December 31, 2013 (December 31, 2012: EUR 984.7 million). See note 28.

Insurances

Outotec Oyj acquires Group wide insurances on a case by case basis covering all or part of Group companies' insurance needs. Furthermore Outotec companies acquire local insurances on a case by case basis in separately defined areas and specific delivery contracts. The most important insurance lines relate to liability. On the other hand, decisions to insure credit risks in projects are usually made on a project by project basis.

General liability is the most important line of insurance and a major part of insurance premiums paid relate to these type of risks. For production units Outotec has adequate property damage and business interruption insurance cover.

Liquidity risk

Outotec ensures required liquidity through a combination of cash management, liquid investment portfolios, and committed and uncommitted facilities. Liquidity and refinancing risks are sought to be reduced with availability of sufficient amount of credit lines, which have a balanced maturity profile. Efficient cash and liquidity management is also reducing liquidity risk.

Outotec's Treasury raises centrally most of the Group's interest-bearing debt. In September 2013, as a part of Outotec's long-term financing strategy, the company issued a EUR 150 million fixed rate unsecured bond. The funds can be used for general corporate purposes and the arrangement primarily supports the company's organic and inorganic growth objectives. The bond matures in seven (7) years and pays an annual coupon of 3.75 percent. The bond is listed on NASDAQ OMX Helsinki Ltd.

Outotec's subsidiaries have had some local credit lines of their own, which mostly have been counter-guaranteed by Outotec Oyj. The share of long term loans was 93.8 percent of the total interest-bearing loan portfolio.

With regards to interest bearing debt the Group maintains the following committed lines of credit:

- EUR 50 million multicurrency revolving credit facility that is unsecured. Final maturity of the revolving facility is on November 25, 2015.
- EUR 60 million term loan facility from Pohjola Bank plc that is unsecured. Final availability date is on December 14, 2014 and the final maturity is five years from the last disbursement.
- EUR 45 million term loan facility from EIB that is unsecured. Final availability date is on March 25, 2014 and the final maturity is up to eleven years from the last disbursement.

Additionally Outotec has a EUR 500 million committed syndicated commercial guarantee facility the final maturity of which is on November 25, 2015.

See the tables "Contractual cash flows of liabilites" and "Cash and cash equivalents and committed unutilized credit facilities".

Capital management

Outotec's gearing ratio was -18.2% on December 31, 2013 (-56.0% on December 31, 2012). The Board's target is to maintain a strong capital base in order to maintain investor, creditor and market confidence and to sustain future development of the business and the capability to pay dividends. The capital structure of the Group is reviewed by the Board of Directors on a regular basis. Outotec has a mandate to purchase its own shares on the market.

There were no changes in the Group's approach to capital management during the year.

Certain externally imposed capital requirements exist. Outotec's main credit facilities from financial institutions include financial covenants, which define a minimum level of liquidity, net worth and equity ratio for the Group. The documentation also defines the maximum level of gross gearing . The Group has operated in compliance with the covenants during 2006–2013.

Contractual cash flows of liabilites at December 31, 2013 EUR million	2014 [1]	2015	2016	2017	2018	2019	2020-	Total
Bonds								
Finance charges	-5.6	-5.6	-5.6	-5.6	-5.6	-5.6	-5.6	-39.4
Repayments	-	-	-	-	-	-	-150.0	-150.0
Loans from financial institutions								
Finance charges	-1.3	-0.8	-0.7	-0.6	-	-	-	-3.4
Repayments	-12.9	-6.8	-6.8	-43.5	-	-	-	-70.1
Loans from pension institutions								
Finance charges	-0.1	-0.0	-0.0	-	-	-	-	-0.2
Repayments	-6.3	-0.2	-0.2	-	-	-	-	-6.7
Finance lease liabilities								
Rents	-0.0	-	-	-	-	-	-	-0.0
Other long-term loans								
Finance charges	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.7
Repayments	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-1.3	-3.3
Other current loans								
Finance charges	-0.0	-	-	-	-	-	-	-0.0
Repayments	-9.0	-	-	-	-	-	-	-9.0
Derivative liabilities								
Designated as cash flow hedges								
Outflow	-5.8	-	-	-	-	-	-	-5.8
Inflow	5.7	-	-	-	-	-	-	5.7
Other foreign exchange forward contracts								
Outflow	-121.3	-2.4	-	-	-	-	-	-123.7
Inflow	118.2	2.4	-	-	-	-	-	120.6
Trade payables	-101.2	-	-	-	-	-	-	-101.2

[1] Repayments in 2014 are included in current debt.

All non-current debt will be repaid by the end of 2023. Average maturity of long-term debt was 5.54 years and the average interest rate 3.14%

Contractual cash flows of liabilites at December 31, 2012 EUR million	2013 [1]	2014	2015	2016	2017	2018	2019-	Total
Loans from financial institutions								
Finance charges	-1.5	-0.9	-0.8	-0.7	-0.6	-	-	-4.4
Repayments	-12.0	-7.1	-6.8	-6.8	-43.5	-	-	-76.3
Loans from pension institutions								
Finance charges	-0.3	-0.1	-0.0	-0.0	-	-	-	-0.4
Repayments	-6.3	-6.3	-0.2	-0.2	-	-	-	-13.0
Other long-term loans								
Finance charges	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.0	-0.7
Repayments	-0.4	-0.3	-0.3	-0.3	-0.3	-0.3	-1.7	-3.7
Other current loans								
Finance charges	-0.0	-	-	-	-	-	-	-0.0
Repayments	-5.0	-	-	-	-	-	-	-5.0
Derivative liabilities								
Designated as cash flow hedges								
Outflow	-36.2	-13.6	-	-	-	-	-	-49.8
Inflow	35.3	13.6	-	-	-	-	-	48.9
Other foreign exchange forward contracts								
Outflow	-167.2	-12.7	-1.9	-	-	-	-	-181.9
Inflow	163.3	12.3	1.9	-	-	-	-	177.4
Trade payables	-175.9	-	-	-	-	-	-	-175.9

[1] Repayments in 2013 are included in current debt.

All non-current debt will be repaid by the end of 2023. Average maturity of long-term debt was 3.52 years and the average interest rate 1.65%

Maturity analysis for guarantee contracts at December 31, 2013 EUR million	2014	2015	2016	2017	2018	2019 and beyond
Guarantees for financing	-22.0	-0.4	-0.6	-	-	-
All commercial guarantees including down payment guarantees	-541.5	-0.1	-0.3	-0.1	-0.1	-7.6

Maturity analysis for guarantee contracts at December 31, 2012 EUR million	2013	2014	2015	2016	2017	2018 and beyond
Guarantees for financing	-15.7	-6.3	-0.2	-0.2	-	-
All commercial guarantees including down payment guarantees	-564.3	-	-0.1	-	-	-6.2

All sales project related commercial guarantees are included in short-term liabilities as they secure ongoing contractual obligations. However, claims that affect liquidity have historically been rare. There was one claim to a guarantee in 2013, which was settled through a payment of EUR 0.1 million during the third quarter of 2013. Previous claims were made in 2010 which were settled without payment to beneficiaries.

Cash and cash equivalents and committed unutilized credit facilities EUR million	**2013**	2012
Cash at bank and in hand	**204.1**	168.9
Short-term bank deposits	**61.8**	106.8
Cash equivalent marketable securities	**57.9**	82.9
Overdraft facilities	**18.1**	18.1
Revolving and other credit facilities	**155.0**	155.0

19. DERIVATIVE INSTRUMENTS

Fair values of derivative instruments

Remaining maturity	Positive fair value				Negative fair value			
EUR million	<1 year	1–2 years	2–3 years	3– years	<1 year	1–2 years	2–3 years	3– years
2013								
Foreign exchange forward contracts								
Designated as cash flow hedges	3.3	0.4	-	-	-0.1	-	-	-
Other foreign exchange forward contracts	10.3	-	-	-	-3.4	-0.1	-	-
Interest rate swaps								
Designated as cash flow hedges	-	-	-	0.2	-	-	-	-
Designated as fair value hedges	-	-	-	1.8	-	-	-	-
Total	13.6	0.4	-	2.0	-3.5	-0.1	-	-
2012								
Foreign exchange forward contracts								
Designated as cash flow hedges	9.3	1.7	0.0	-	-0.9	-0.0	-	-
Other foreign exchange forward contracts	8.8	0.5	-	-	-7.3	-0.4	-0.0	-
Interest rate swaps								
Designated as cash flow hedges	-	-	-	0.0	-	-	-	-
Total	18.0	2.2	0.0	0.0	-8.2	-0.4	-0.0	-

Fair values are estimated based on market rates and prices and discounted future cash flows.

Nominal values of derivative contracts

Remaining maturity EUR million	<1 year	1–2 years	2–3 years	3– years
2013				
Foreign exchange forward contracts				
Designated as cash flow hedges	76.0	22.5	-	-
Other foreign exchange forward contracts	437.3	2.4	-	-
Interest rate swaps				
Designated as cash flow hedges	-	-	-	40.0
Designated as fair value hedges	-	-	-	75.0
Total	513.4	24.9	-	115.0
2012				
Foreign exchange forward contracts				
Designated as cash flow hedges	228.4	53.1	22.7	-
Other foreign exchange forward contracts	509.6	15.6	1.9	-
Interest rate swaps				
Designated as cash flow hedges	-	-	-	40.0
Total	737.9	68.7	24.6	40.0

Effect of cash flow hedges EUR million	**2013**	2012
Recognized in profit and loss		
In other income	**-**	0.7
In other expenses	**-0.8**	-
Adjustment to sales	**8.4**	1.5
Recognized in equity		
As deferred tax asset	**0.1**	0.6
As deferred tax liability	**0.0**	-0.1
Hedge result	**1.1**	6.1

20. INVENTORIES

EUR million	**2013**	2012
Raw materials and consumables	**28.6**	27.9
Work in progress	**66.8**	54.1
Finished goods and merchandise	**53.7**	52.4
Advance payments	**31.1**	46.4
	180.2	180.8

21. TRADE AND OTHER RECEIVABLES

EUR million	2013	2012
Non-current		
Interest-bearing		
Loans receivable from associated companies	**1.8**	2.5
Non interest-bearing		
Other receivables	**0.0**	0.0
Current		
Interest-bearing		
Loans receivable	**0.2**	0.2
Non interest-bearing		
Trade receivables	**220.7**	246.9
Project related receivables	**246.9**	280.5
Current tax assets	**37.3**	18.5
VAT receivable	**36.1**	35.4
Grants and subsidies receivable	**1.4**	0.5
Other accruals	**4.5**	6.6
Other receivables	**7.6**	13.2
	554.5	601.7
Trade receivables (gross)	**224.7**	251.0
Doubtful trade receivables		
Doubtful trade receivables at January 1	**4.0**	4.6
Translation differences	**-0.2**	-0.0
Additions	**2.3**	2.5
Deductions	**-2.0**	-2.8
Recovery of doubtful receivables	**-0.1**	-0.3
Doubtful trade receivables at December 31	**4.0**	4.0
Total trade receivables	**220.7**	246.9

The ageing of trade receivables: EUR million	2013	2012
Not due	**108.3**	144.4
Overdue by:		
Between 1 and 30 days	**42.7**	47.1
Between 31 and 60 days	**10.7**	10.5
Between 61 and 180 days	**17.5**	24.5
Between 181 and 360 days	**31.3**	16.2
More than 361 days	**14.1**	8.3
Total trade receivables (gross)	**224.7**	251.0

Maximum exposure to credit risk for trade receivables by geographic region: EUR million	2013	2012
Finland	**2.2**	9.9
Germany	**2.2**	1.2
CIS	**4.6**	3.9
Rest of Europe	**37.8**	25.3
North America	**23.0**	18.9
South America	**42.1**	82.6
Australia	**29.3**	25.9
Asia	**55.9**	32.4
Africa	**23.6**	46.9
Total	**220.7**	246.9

Trade receivables are according to the customer's location.

22. CASH AND CASH EQUIVALENTS

EUR million	**2013**	2012
Cash at bank and in hand	**204.1**	168.9
Short-term bank deposits	**61.8**	106.8
Cash equivalent marketable securities	**57.9**	82.9
	323.7	358.6

Majority of Outotec's investments were made in the following currencies: Euro, Australian dollar and Chilean peso. Relevant reference rate of euro has varied during 2013 between 0.1 - 0.2%. Australian dollar reference rate varied between 2.4 - 3.1% and Chilean peso reference rate between 4.2 - 5.4%.

23. EQUITY

Share capital and share premium fund

EUR million	Number of shares 1,000	Share capital	Share premium fund	Other reserves	Fair value reserves	Treasury shares	Reserve for invested non-restricted equity	Total
At December 31, 2013	**183,121**	**17.2**	**20.2**	**0.5**	**-6.7**	**-18.1**	**92.7**	**105.8**
At December 31, 2012	183,121	17.2	20.2	0.5	-1.9	-25.5	87.7	98.2

Outotec Oyj's shares were entered into the Finnish Book-Entry Securities System on September 25, 2006. Outotec's share capital was EUR 17,186,442.52 at December 31, 2013 (December 31, 2012: EUR 17,186,442.52) consisting of 183,121,492 shares. Each share entitles its holder to one vote at the general meetings of shareholders of the company.

The shares issued in the free share issue (split) approved by Outotec's AGM on March 26, 2013, were entered in the share register on April 2, 2013. The total number of Outotec's shares increased to 183,121,492 as shareholders were issued with three new shares for each old share. The free share issue (split) did not affect the company's share capital or capital structure. Share-based key figures have been restated to reflect the increased number of shares.

Share premium fund

Share premium fund includes the share premium paid over the nominal share value in Outotec Oyj.

Other reserves

Other reserves include reserve fund and other reserves. Reserve fund includes amounts transferred from the distributable equity under the Articles of Association or by a decision by General Meeting of Shareholders. Other reserves include other items based on the local regulations of the Group companies.

Fair value reserves

The fair value reserves includes the fair value change of available-for-sale financial instruments and the effective portion of fair value change based on hedge accounting applied to derivatives. In addition, the fair value reserve includes changes in actuarial gains and losses from defined benefit pension plans. The changes in the reserve are stated in comprehensive income.

Treasury shares

Outotec has an agreement with a third-party service provider concerning administration and hedging of Share-based Incentive Program for key personnel. As part of this agreement, for hedging the underlying cash flow risk, the service provider purchased Outotec shares during 2009 and 2008. The purchase of Outotec shares by third-party service provider have been accounted as treasury shares in Outotec's consolidated balance sheet. At the end of the year 2013, the amount of these treasury shares was 22,180 (2012: 257,308). Outotec's Consolidated Balance Sheet and Consolidated Changes in Equity reflect the substance of the arrangement with a deduction amounting to EUR 0.0 million (2012: EUR 0.6 million) in equity.

On May 21, 2010 Outotec's Board of Directors determined a new share ownership plan directed to the members of the Outotec Executive Board. As part of the plan, the Executive Board members established Outotec Management Oy company, whose entire share capital is owned by them. The purpose of the plan was to commit Executive Board members to Outotec by encouraging them to acquire and hold Outotec shares and thus increase the company's shareholder value in the long run. The Board of Directors of Outotec executed the AGM authorization and decided on May 8, 2013 to execute a share exchange where Outotec allocated 442,115 existing Outotec Oyj shares to the shareholders of Outotec Management Oy against the shares of Outotec Management Oy. The number of shares allocated to the Executive Board members was based on the individual's ownership share of Outotec Management Oy. The number of shares given in the share exchange was determined on the basis of Outotec Management Oy's net assets on May 7, 2013 and divided with trade volume-weighted average quotation of Outotec share on the NASDAQ OMX Helsinki on May 7, 2013. In December 31, 2013 Outotec Management Oy was merged to Outotec Oyj. In the merger, Outotec Oyj received 813,716 Outotec shares with book value of EUR 5.6 million.

In September 2012, Outotec purchased a total of 2,000,000 of the company's own shares through public trading. The total purchase price paid for the shares was EUR 19.3 million. During 2013, the shares have been used in acquisition of Outotec Management Oy and in the Share-based

Incentive Program. At the end of 2013, the number of these shares was 1,301,033 and book value EUR 12.5 million.

Reserve for invested non-restricted equity

Outotec Oyj completed acquisition of control in Larox through directed share issue at December 21, 2009 and made a mandatory public tender offer for the remaining Larox shares. On January 27, 2010 Outotec announced the final result of the tender offer, according to which the Larox shares in Outotec ownership represented approximately 98.5% of all the Larox shares and approximately 99.7% of all the votes attached to the Larox shares. On June 10, 2010, the Arbitral Tribunal confirmed that Outotec has gained title to all the Larox shares by lodging security for the payment of the redemption price and the interest accruing thereon. Most of the consideration for the Larox shares purchased was paid in the form of 15,121,492 (2009: 11,053,676) new Outotec shares, which totalled to EUR 88.1 million (2009: EUR 63.4 million). EUR 0.4 million of these new Outotec shares are reported under share capital and EUR 87.7 million under the reserve for invested non-restricted equity.

During 2013 the reserve for invested non-restricted equity was increased by acquisition of Outotec Management Oy and in the Share-based Incentive Program where the fair value of the transaction was booked to the reserve.

Dividend

The Board of Directors will propose a dividend of EUR 0.20 per share for 2013 to the AGM on March 31, 2014. The parent company's distributable funds were EUR 316.9 million at December 31, 2013.

24. EMPLOYEE BENEFIT OBLIGATIONS

Outotec has several pension plans in various countries, which are mainly classified as defined contribution pension plans. Defined benefit pension plans are in Germany. Other post-employment benefits relate to retirement medical arrangements in Germany.

From January 1, 2013, Outotec adopted the amendments to IAS 19 (revised) Employee benefits. The most significant changes relates to the accounting for defined benefit obligations and plan assets. The amendments require the recognition of changes in benefit obligations and in fair value of plan assets when they occur, and hence eliminate the corridor approach permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Amounts recorded in profit or loss are limited to current and past service costs, gains or losses on settlements, and net interest income (expense).

The opening statement of financial position 2012 and other comparative figures have been restated accordingly. The effects of the changes in December 2012 has been presented below note in table restated for amended IAS 19 Employee Benefits.

Pension and other post-employment benefits

Amounts recognized in the income statement EUR million	**2013**	2012
Defined benefit pension expenses	**-2.5**	-2.2
Defined contribution pension expenses	**-25.9**	-20.9
Other post-employment benefits	**-0.2**	-0.2
	-28.5	-23.3

By function	Defined benefit pension plans		Other post-employment benefits	
EUR million	**2013**	2012	**2013**	2012
Cost of sales	**-1.8**	-1.6	**-0.1**	-0.1
Selling and marketing expenses	**-0.3**	-0.2	**-0.0**	-0,0
Administrative expenses	**-0.3**	-0.3	**-0.1**	-0,0
Research and development expenses	**-0.1**	-0.1	**-0.0**	-0,0
	-2.5	-2.2	**-0.2**	-0.2

Pension cost in employee benefit expenses	Defined benefit pension plans		Other post-employment benefits	
EUR million	**2013**	2012	**2013**	2012
Current service cost	**-1.1**	-0.7	**-0.0**	-0,0
Interest cost	**-1.2**	-1.2	**-0.1**	-0.1
Employee contributions	**-0.2**	-0.2	**-**	-
	-2.5	-2.2	**-0.2**	-0.2

Amounts recognized in the statement of financial position related to defined benefit pension plans and to other post-employment benefits

All pension and other post-employment obligations were unfunded.

Unaudited December 2012 restated for amended IAS 19 Employee Benefits December 31, 2012 Statement of Comprehensive Income EUR million	Reported	Adjustment	Restated
Remeasurement of defined pension plan booked to other comprehensive income	-	-8.1	-8.1
Income tax effect	-	2.4	2.4

Statement of Financial Position EUR million	Reported	Adjustment	Restated
Deferred tax assets	53.2	3.9	57.1
Remeasurement of defined pension plan booked to equity	-	-9.5	-9.5
Defined benefit pension liabilities	27.2	13.5	40.7

Movement in the present value of the defined benefit obligation	Defined benefit pension plans		Other post-employment benefits	
EUR million	**2013**	2012	**2013**	2012
Unfunded obligation at January 1	**37.2**	28.3	**3.7**	3.3
Service cost	**1.1**	0.5	**0.0**	0.0
Interest cost	**1.2**	1.2	**0.1**	0.1
Actuarial gains(+) and losses (-)	**-0.9**	8.1	**-0.2**	0.5
Employee contributions	**0.2**	0.2	**-**	-
Benefits paid	**-1.3**	-1.1	**-0.2**	-0.2
Unfunded obligation at December 31	**37.6**	37.2	**3.4**	3.7

Expected benefit payments	
2014	1.6
2015	1.7
2016	1.8
2017	1.8
2018	1.9
Next 5 years	10.6

Principal actuarial assumptions %	**2013**	2012
Discount rate	**3.40**	3.00
Future benefit increase expectation	**2.00**	2.00

Pensions do not depend on salary development. Assumption for the retirement age follows the normal age in Germany. Assumptions regarding the expected lifetime are done according to the actuarial guidelines and are based on the local statistics and knowledge. Other post-employment benefit oblications are influenced by the medical cost trend.

Sensitivity analysis of principal actuarial assumptions %	Change in assumption	Impact of increase	Impact of decrease
Discount rate	0.25	-3.6	3.8
Future benefit increase expectation	0.25	2.1	-2.0
Medical cost trend expectation	0.25	0.9	-0.7
Change in expected lifetime	1 year	2.9	-2.9

Above sensitivity analysis is calculated by changing one assumption while others are expected to remain unchanged.
In reality this is unlikely and assumptions may correlate with each others. Defined benefit liability in the sensitivity analysis is calculated with the same method as in the balance sheet.
Defined benefit plans expose the Group for different type of risks the most relevant being the interest risk. In case assumptions behind the discount rate change substantially and the discount rate decreases significantly, also present value of the defined benefit plan obligations increases. Outotec's discount rate is based on the markets for fixed interest long running papers. Defined benefit plans include lifetime benefits for the beneficiaries.
Therefore increase in expected life time increases the pension and health care obligations.

25. PROVISIONS

EUR million	Project provisions [1]	Other provisions [2]	2013
Non-current			
Provisions at January 1	21.7	0.0	**21.7**
Translation differences	0.0	0.0	**0.0**
Additions	15.2	0.0	**15.2**
Acquired subsidiaries	0.0	0.0	**0.0**
Provisions utilized during the period	-10.8	0.0	**-10.8**
Provisions released	-5.1	0.0	**-5.1**
Other changes	0.7	0.0	**0.7**
Provisions at December 31	21.8	0.0	**21.8**
Current			
Provisions at January 1	18.9	0.1	**19.1**
Translation differences	-0.5	0.0	**-0.5**
Additions	25.7	1.7	**27.4**
Acquired subsidiaries	0.0	0.0	**0.0**
Provisions utilized during the period	-8.4	-0.1	**-8.5**
Provisions released	-10.3	0.0	**-10.3**
Other changes	-0.7	0.0	**-0.7**
Provisions at December 31	24.6	1.8	**26.4**

Provisions are based on best estimates on the balance sheet date.

[1] Non-current project provisions include EUR 19.9 million warranty provisions and EUR 2.0 million project loss provisions at December 31, 2013. Current project provisions include EUR 21.4 million warranty provisions and EUR 3.3 million project loss provisions at December 31, 2013.
[2] Current other provisions include EUR 1.8 million restructuring provisions at December 31, 2013.

26. INTEREST-BEARING LIABILITIES

	Carrying amount		Fair value	
EUR million	**2013**	2012	**2013**	2012
Non-current				
Bonds and debentures	**148.2**	-	**148.6**	-
Loans from financial institutions	**57.2**	64.3	**57.2**	64.3
Loans from pension institutions	**0.4**	6.7	**0.4**	6.8
Finance lease liabilities	**-**	-	**-**	-
Other non-current loans	**3.0**	3.3	**3.0**	3.3
	208.8	74.3	**209.2**	74.4
Current				
Loans from financial institutions	**12.9**	12.0	**12.9**	12.0
Loans from pension institutions	**6.3**	6.3	**6.4**	6.6
Finance lease liabilities	**0.0**	-	**0.0**	-
Other current loans	**9.5**	5.3	**9.5**	5.3
	28.7	23.6	**28.8**	23.9

The fair value of interest-bearing liabilities is higher compared to the carrying value due to valuation of the fixed-interest loans when using current interest rate level, which is lower than the fixed rate.

Finance lease liabilities	Minimum lease payments		Present value of minimum lease payments	
EUR million	**2013**	2012	**2013**	2012
Not later than 1 year	**0.0**	-	**0.0**	-
1-2 years		-	**-**	-
2-3 years	**-**	-	**-**	-
3-4 years	**-**	-	**-**	-
4-5 years	**-**	-	**-**	-
Future finance charges	**0.0**	-	**0.0**	-

27. TRADE AND OTHER PAYABLES

EUR million	**2013**	2012
Non-current		
Other non-current liabilities	**4.3**	3.9
Earnout liability	**1.2**	-
	5.6	3.9
Non interest-bearing		
Trade payables	**101.2**	175.9
Advances received	**291.6**	358.8
Project related liabilities	**147.3**	217.0
Accrued employee-related expenses	**43.7**	63.4
VAT payable	**6.4**	17.5
Withholding tax and social security liabilities	**13.8**	11.2
Earnout liability	**1.6**	9.4
Other accruals	**21.2**	23.3
Other payables	**7.4**	7.0
	634.1	883.5

28. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

2013 EUR million	Financial assets at fair value through profit or loss	Loans and receivables	Available-for-sale financial assets	Financial liabilities at fair value through profit or loss	Financial liabilites measured at amortized cost	Carrying amounts by balance sheet item	Fair value
Non-current financial assets							
Derivative assets							
Foreign exchange forward contracts	0.4	-	-	-	-	0.4	0.4
Interest rate swaps	2.0	-	-	-	-	2.0	2.0
Other shares and securities	-	-	0.8	-	-	0.8	0.8
Trade and other receivables							
Interest-bearing	-	1.8	-	-	-	1.8	1.8
Non interest-bearing	-	0.0	-	-	-	0.0	0.0
Current financial assets							
Derivative assets							
Foreign exchange forward contracts	13.6	-	-	-	-	13.6	13.6
Trade and other receivables							
Interest-bearing	-	0.2	-	-	-	0.2	0.2
Non interest-bearing	-	554.5	-	-	-	554.5	554.5
Cash and cash equivalents	-	323.7	-	-	-	323.7	323.7
Carrying amount by category	**16.0**	**880.3**	**0.8**	**-**	**-**	**897.1**	**897.1**
Non-current financial liabilities							
Bonds	-	-	-	-	148.2	148.2	148.6
Loans from financial institutions	-	-	-	-	57.2	57.2	57.2
Loans from pension institutions	-	-	-	-	0.4	0.4	0.4
Finance lease liabilities	-	-	-	-	-	-	-
Derivative liabilities							
Foreign exchange forward contracts	-	-	-	0.1	-	0.1	0.1
Other non-current loans	-	-	-	-	3.0	3.0	3.0
Other non-current liabilities	-	-	-	-	2.4	2.4	2.4
Current financial liabilities							
Loans from financial institutions	-	-	-	-	12.9	12.9	12.9
Loans from pension institutions	-	-	-	-	6.3	6.3	6.4
Finance lease liabilities	-	-	-	-	0.0	0.0	0.0
Derivative liabilities							
Foreign exchange forward contracts	-	-	-	3.5	-	3.5	3.5
Other current loans	-	-	-	-	9.5	9.5	9.5
Trade payables	-	-	-	-	101.2	101.2	101.2
Carrying amount by category	**-**	**-**	**-**	**3.5**	**341.0**	**344.6**	**345.1**

2012 EUR million	Financial assets at fair value through profit or loss	Loans and receivables	Available-for-sale financial assets	Financial liabilities at fair value through profit or loss	Financial liabilites measured at amortized cost	Carrying amounts by balance sheet item	Fair value
Non-current financial assets							
Derivative assets							
Foreign exchange forward contracts	2.3	-	-	-	-	2.3	2.3
Interest rate swaps	0.0	-	-	-	-	0.0	0.0
Other shares and securities	-	-	1.3	-	-	1.3	1.3
Trade and other receivables							
Interest-bearing	-	2.5	-	-	-	2.5	2.5
Non interest-bearing	-	0.0	-	-	-	0.0	0.0
Current financial assets							
Derivative assets							
Foreign exchange forward contracts	18.0	-	-	-	-	18.0	18.0
Trade and other receivables							
Interest-bearing	-	0.2	-	-	-	0.2	0.2
Non interest-bearing	-	601.7	-	-	-	601.7	601.7
Cash and cash equivalents	-	358.6	-	-	-	358.6	358.6
Carrying amount by category	**20.3**	**963.1**	**1.3**	**-**	**-**	**984.7**	**984.7**
Non-current financial liabilities							
Loans from financial institutions	-	-	-	-	64.3	64.3	64.3
Loans from pension institutions	-	-	-	-	6.7	6.7	6.8
Derivative liabilities							
Foreign exchange forward contracts	-	-	-	0.4	-	0.4	0.4
Other non-current loans	-	-	-	-	3.3	3.3	3.3
Other non-current liabilities	-	-	-	-	3.9	3.9	3.9
Current financial liabilities							
Loans from financial institutions	-	-	-	-	12.0	12.0	12.0
Loans from pension institutions	-	-	-	-	6.3	6.3	6.6
Derivative liabilities							
Foreign exchange forward contracts	-	-	-	8.2	-	8.2	8.2
Other current loans	-	-	-	-	5.3	5.3	5.3
Trade payables	-	-	-	-	175.9	175.9	175.9
Carrying amount by category	**-**	**-**	**-**	**8.6**	**277.7**	**286.3**	**286.7**

Loans have been valued at current market rates which causes differencies against carrying values.

Fair value hierarchy

The revised IFRS 7 standard requires use of three-level fair value hierarchy of financial instruments. For more information please see the principles to the consolidated financial statements.

2013 EUR million	Level 1	Level 2	Level 3	Total
Available for sale financial assets	0.1	-	0.7	0.8
Derivative financial assets	-	16.0	-	16.0
	0.1	**16.0**	**0.7**	**16.8**
Derivative financial liabilities	-	3.5	-	3.5
	-	**3.5**	**-**	**3.5**

2012 EUR million	Level 1	Level 2	Level 3	Total
Available for sale financial assets	0.2	-	1.2	1.3
Derivative financial assets	-	20.3	-	20.3
	0.2	20.3	1.2	21.6
Derivative financial liabilities	-	8.6	-	8.6
	-	8.6	-	8.6

Offsetting financial assets and financial liabilities

Dec 31, 2013	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the balance sheet	Net amounts of financial assets presented in the balance sheet	Related amounts not set off in the balance sheet		
				Financial instruments	Cash collateral received	Net amount
Derivative financial assets	16.0	-	16.0	-3.1	-	12.9
Total	16.0	-	16.0	-3.1	-	12.9

Dec 31, 2013	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Related amounts not set off in the balance sheet		
				Financial instruments	Cash collateral received	Net amount
Derivative financial liabilities	3.4	-	3.4	-3.1	-	0.3
Total	3.4	-	3.4	-3.1	-	0.3

Dec 31, 2012	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the balance sheet	Net amounts of financial assets presented in the balance sheet	Related amounts not set off in the balance sheet		
				Financial instruments	Cash collateral received	Net amount
Derivative financial assets	20.3	-	20.3	-5.2	-	15.1
Total	20.3	-	20.3	-5.2	-	15.1

Dec 31, 2012	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Related amounts not set off in the balance sheet		
				Financial instruments	Cash collateral received	Net amount
Derivative financial liabilities	5.6	-	5.6	-5.2	-	0.4
Total	5.6	-	5.6	-5.2	-	0.4

For the financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements above, each agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

29. COMMITMENTS AND CONTINGENT LIABILITIES

EUR million	2013	2012
Guarantees for commercial commitments at December 31	**256.8**	273.5

No securities or collateral have been pledged. Commercial guarantees are related to performance obligations of project and equipment deliveries. These are issued by financial institutions or Outotec Oyj on behalf of Group companies. The total value of commercial guarantees above does not include advance payment guarantees issued by the parent or other Group companies or guarantees for financial obligations. The total amount of guarantees for financing issued by Group companies amounted to EUR 24.2 million at December 31, 2013 (December 31, 2012: 22.4 million) and for commercial guarantees including advance payment guarantees EUR 549.7 million at December 31, 2013 (December 31, 2012: 570.6 million). High exposure of on-demand guarantees may increase the risk of claims that may have an impact on the liquidity of Outotec.

Present value of minimum lease payments on operating leases EUR million	2013	2012
Not later than 1 year	**19.9**	14.9
1–2 years	**21.0**	18.3
2–3 years	**17.0**	18.2
3–4 years	**13.9**	17.6
4–5 years	**10.4**	15.1
Later than 5 years	**54.1**	73.7
Present value of minimum lease payments	**136.4**	157.8

Major off-balance sheet investment commitments

The Group has no major off-balance sheet investment commitments at December 31, 2013.

30. DISPUTES AND LITIGATIONS

On December 27, 2013, Outotec announced that Outotec and the Brazilian mining company MMX Sudeste Mineração S.A. (MMX) have started separate arbitration processes against each other at the International Court of Arbitration in a dispute regarding the delivery of 17 filters. Outotec requested for arbitration process against MMX for declaration for MMX's illegal termination of the agreement as well as receiving compensation due to the termination. MMX requested for arbitration process against Outotec for declaration for MMX's right to terminate the agreement and receiving back prepayment. The International Court of Arbitration has consolidated these arbitration processes.

On September 27, 2013, Outotec announced that Sarda Energy and Minerals Ltd (SEML) submitted application for arbitration at the International Court of Arbitration against Outotec in dispute regarding a filter delivery in 2007. The content value was approximately EUR 0.6 million. SEML´s claim equals approximately 18 million euros.

On January 24, 2013, Outotec submitted an application for summons against Outokumpu Oyj in a patent dispute regarding a new invention in ferroalloys technology.

Outotec management believes that the outcome of said disputes will not have material effect on Outotec's financial position.

31. RELATED PARTY TRANSACTIONS

Transactions and balances with associated companies EUR million	2013	2012
Sales	**3.7**	0.2
Other Income	**0.1**	0.0
Purchases	**-0.5**	-0.4
Loan receivables	**1.8**	2.5
Trade and other receivables	**1.5**	0.3
Current liabilities	**1.4**	2.5

Outotec has a 40% investment in Enefit Outotec Technology Oü from which the company has EUR 1.8 million loan receivable at December 31, 2013 (December 31, 2012: 2.5 million). During 2013 Outotec converted EUR 0.4 million to equity of that loan and EUR 0.4 million of that loan balance was written down. It is expected that Outotec will make a further conversion of the loan during 2014 so that Outotec ownership percentage in the company will remain the same.

Transactions and balances with management

On May 8, 2013, Outotec announced the dissolution of Outotec Management Oy (Executive Board members' incentive program) through a share exchange. Outotec's Board of Directors used the Annual General Meeting's authorization and allocated 442,115 Outotec Oyj shares to the shareholders of Outotec Management Oy against the shares of Outotec Management Oy. After the share exchange, Outotec Oyj holds 100% of the shares in Outotec Management Oy and Outotec Executive Board members' previously indirect share ownership has become a direct ownership in Outotec Oyj. President and CEO Pertti Korhonen received 81,048 Outotec Oyj shares in the share exchange in accordance with his ownership share, which equals EUR 0.9 million. Outotec Management Oy was merged to Outotec Oyj at December 31, 2013.

Outotec's Board of Directors had granted to Outotec Management Oy an interest-bearing loan at the maximum amount of EUR 5.0 million to finance the acquisition of the Outotec shares. The amount of the outstanding loan was EUR 4.4 million at December 31, 2012.

Employee benefits for key management EUR million	2013	2012
Executive Board (including President and CEO)		
Wages, salaries and other short-term employee benefits	**5.1**	4.4
Share-based payments	**3.5**	3.5
Statutory pension payments	**0.6**	0.4
Defined benefit pensions [1]	**0.0**	0.0
Total	**9.2**	8.4
President and CEO		
Wages, salaries and other short-term employee benefits	**0.8**	0.9
Share-based payments	**0.7**	0.6
Statutory pension payments	**0.1**	0.1
Defined benefit pensions [1]	**-**	-
Total	**1.6**	1.6

[1] Further information in the note 24 Employee benefit obligations

During year 2013 Executive Board received a total number of 159,804 Outotec shares (2012: 210,664) as part of the Share-based Incentive Program (including in short-term employee benefits), the share of the President and CEO Pertti Korhonen being 32,160 shares.

There were no loans from key management at December 31, 2013.

Fees paid to the Board of Directors EUR thousand	2013	2012
Matti Alahuhta (Chairman)	**78.6**	-
Timo Ritakallio (Vice Chairman)	**60.6**	52.9
Eija Ailasmaa	**43.8**	52.4
Anja Korhonen	**46.8**	-
Tapani Järvinen	**43.8**	54.4
Hannu Linnoinen	**60.6**	67.9
Anssi Soila	**-**	11.0
Poju Zabludowicz	**46.2**	39.6
Carl-Gustaf Bergström	**1.2**	96.4
Karri Kaitue	**1.2**	69.4
	382.8	444.0

32. EVENTS AFTER THE BALANCE SHEET DATE

On January 22, 2014, Outotec announced that it has agreed with Tata Steel on technology delivery for beneficiation of chromite tailings in Sukinda, Orissa, India. The order will be booked in Outotec's Q1 2014 order intake, but the parties have agreed not to disclose the contract value. The plant is scheduled to be operational by mid 2015 and has an annual throughput of approximately 400,000 tonnes.

On January 22, 2014, Outotec announced that it was ranked third in The Global 100 list of the world's most sustainable companies by Corporate Knights. This was the second consecutive year Outotec was included in the index (12th in 2013).

On January 16, 2014, Outotec announced an agreement with The National Titanium Dioxide Company Ltd. ("Cristal") on a four-year service contract. It complements the operation and maintenance services agreed in connection with the existing ilmenite smelter delivery contract announced in May 2012. The contract value over the four-year period is approximately EUR 20 million, of which approximately EUR 10 million has been booked in Outotec's Q4/2013 order intake.

On January 13, 2014, Outotec's Nomination Board announced its proposals to the Annual General Meeting as follows:

- The current members of the Board of Directors, Matti Alahuhta, Eija Ailasmaa, Tapani Järvinen, Anja Korhonen, Hannu Linnoinen, Timo Ritakallio and Poju Zabludowicz to be re-elected, and Björn Rosengren to be elected as a new member of the Board for the term ending at the closure of the Annual General Meeting of 2015. The Nomination Board proposes also that the Annual General Meeting resolves to elect Matti Alahuhta as Chairman of the Board of Directors for the term ending at the closure of the Annual General Meeting of 2015.

- The remuneration of the Board of Directors to remain unchanged and the members of the Board of Directors be paid the following annual remuneration: EUR 72,000 for Chairman of the Board of Directors and EUR 36,000 for the other members of the Board of Directors each, as well as an additional EUR 12,000 for both Vice Chairman of the Board, and Chairman of the Audit and Risk Committee; and that the members of the Board each be paid EUR 600 for attendance at each board and committee meeting as well as be reimbursed for direct costs arising from board work. Of the annual remuneration, 60% would be paid in cash and 40% in the form of Outotec Oyj shares, which would be acquired to the members from the stock exchange, within one week upon the AGM 2013 date, in amounts corresponding to EUR 28,800 for Chairman, EUR 19,200 for Vice Chairman and Chairman of the Audit and Risk Committee each, and EUR 14,400 for each of the other members. The part of the annual fee payable in cash corresponds to the approximate sum necessary for the payment of the income taxes on the annual remuneration and would be paid no later than 30 April 2014. The annual fees shall encompass the full term of office of the Board of Directors. The attendance fee shall be paid in cash.

On January 10, 2014, Outotec announced that Mr Kimmo Kontola, currently Executive Vice President, President of APAC region at Outotec has been appointed to lead the Americas region business as of March 1, 2014 and will also continue as a member of Outotec's Executive Board. In addition, Mr Stuart Sneyd, currently the head of the SEAP market area at Outotec has been appointed as Executive Vice President, President of the APAC region as well as a new member of Outotec's Executive Board as of March 1, 2014.

On January 7, 2014, Outotec announced that Mr Jari Rosendal, Executive Vice President and President of Outotec's Americas region will leave Outotec to become the President and CEO of Kemira Oyj. In order to ensure a smooth transfer of responsibilities, Jari Rosendal will from March 1 to April 30 act as a special advisor reporting to CEO Pertti Korhonen. Jari Rosendal will continue as a member of Outotec's Executive Board until February 28, 2014.

33. SUBSIDIARIES

Subsidiaries at December 31, 2012		Country	Group holding, %
Aisco Systems Inc. Chile y Compañia Ltda		Chile	100
Auburn Project Management Inc.		United States	100
Ausiron Development Corporation Pty. Ltd.		Australia	100
Backfill Specialists Pty. Ltd		Australia	100
International Project Services Ltd. Oy		Finland	100
Kumpu GmbH		Germany	100
Larox AB		Sweden	100
Outotec Suzhou Co.,Ltd.		People's Republic of China	100
Larox India Private Ltd.		India	100
Larox SA (Proprietary) Ltd.		South Africa	100
MP Metals Processing Engineering Oy	1)	Finland	100
OOO Larox		Russia	100
OOO Outotec Norilsk	1)	Russia	100
Outotec (Australasia) Pty. Ltd.		Australia	100
Outotec (Canada) Ltd.	1)	Canada	100
Outotec (Ceramics) Oy		Finland	100
Outotec (Chile) S.A.		Chile	100
Outotec (Filters) GmbH		Germany	100
Outotec (Filters) Oy	1)	Finland	100
Outotec (Finland) Oy	1)	Finland	100
Outotec (Ghana) Limited		Ghana	100
Outotec (Kazakhstan) LLP		Kazakhstan	100
Outotec Mexico S.A. de C.V.		Mexico	100
Outotec Mongolia LLC	2)	Mongolia	100
Outotec Namibia (Pty.) Ltd	2)	Namibia	100
Outotec (Netherlands) B.V.		The Netherlands	100
Outotec (Norway) AS		Norway	100
Outotec (Peru) S.A.C.		Peru	100
Outotec (Polska) Sp. z o.o.		Poland	100
Outotec (RSA) (Pty) Ltd.		South Africa	100
Outotec Shanghai Co. Ltd.	1)	People's Republic of China	100
Outotec (Sweden) AB	1)	Sweden	100
Outotec (UK) Ltd.		Great Britain	100
Outotec (USA) Inc.		United States	100
Outotec (Zambia) Ltd.		Zambia	100
Outotec Saudi Arabia LLC		Saudi Arabia	100
Outotec Servicios Industriales Ltda.		Chile	100
Outotec Ausmelt Pty Ltd		Australia	100
Outotec B.V.		The Netherlands	100
Outotec Deutschland GmbH		Germany	100
Outotec Filters Australia Pty. Ltd.		Australia	100
Outotec GmbH		Germany	100
Outotec Holding GmbH	1)	Germany	100
Outotec India Private Ltd.		India	100
Outotec International Holdings Oy	1) 2)	Finland	100
Outotec Pty. Ltd.	1)	Australia	100
Outotec Tecnologia Brasil Ltda		Brazil	100
Outotec Turula Oy	1)	Finland	100
Petrobau Ingenieur Bulgaria EOOD		Bulgaria	100
PT Outotec Technology Solutions		Indonesia	100
Scanalyse Holding Pty Ltd	2)	Australia	100
Scanalyse Pty Ltd	2)	Australia	100
Scanalyse Do Brazil Processamento De Dados Ltda	2)	Brazil	100
Scanalyse Chile S.A.	2)	Chile	100
Scanalyse, Inc.	2)	USA	100
Scheibler Filters Ltd.		Great Britain	100
ZAO Outotec St. Petersburg		Russia	100

All companies owned directly by the parent company Outotec Oyj are included. The Group holding corresponds to the Group's share of voting rights.

[1] Shares and stock held by the parent company Outotec Oyj.

[2] Companies were acquired or established in 2013.

Branch Offices at December 31, 2013

International Project Services Ltd. Oy Ogranak, branch office in Serbia
Outotec Pty. Ltd, Sri Lanka, branch office in Sri Lanka
Outotec (RSA) (Pty) Ltd. Zambia, branch office in Zambia
Outotec (Filters) Oy Sucursal, branch office in Peru
Outotec GmbH - Abu Dhabi Branch Office, branch office in United Arab Emirates

Changes in 2013

Outotec Namibia (Pty) Ltd established on January 8, 2013
Outotec Mongolia LLC established on February 5, 2013
Outotec Saudi Arabia LLC was established on February 11, 2013
Outotec Pty. Ltd. acquired Scanalyse Holding Pty Ltd. And all its subsidiaries on March 19, 2013
Cia Minera Trinidad S.A.C. liquidated on May 7, 2013
Outotec Oyj acquired Outotec Management Oy on May 8, 2013 and the company was merged on December 31, 2013 to Outotec Oyj
Explotaciones Mineras Metalicas S.A.C.liquidated on May 9, 2013

Changes in 2012

Energy Products of Idaho Limited Partnership was merged to Outotec (USA) Inc. on January 3, 2012
Outotec (Finland) Oy acquired Numcore Oy on March 12, 2012
Outotec Tecnologia Brasil Ltda. and International Project Services Ltd. Oy acquired Demil Manutencao Industrial Ltda on May 31, 2012
Demil Manutencao Industrial Ltda was merged to Outotec Tecnologia Brasil Ltda on June 29, 2012
Filtros Larox Mexico S.A. de C.V. was liquidated on July, 30, 2012
Outotec Pty. Ltd. acquired Backfill Specialists Pty. Ltd. on October 3, 2012
PT Outotec Technology Solutions established on December 20, 2012
Outotec International Holdings Oy was established on December 27, 2012
Numcore Oy was merged to Outotec (Finland) Oy on December 31, 2012

KEY FINANCIAL FIGURES, IFRS

Key financial figures of the Group		2013	2012	2011	2010	2009	2008	2007	2006 [1]
Scope of activity									
Sales	EUR million	1,911.5	2,087.4	1,385.6	969.6	877.7	1,217.9	1,000.1	740.4
change in sales	%	-8.4	50.7	42.9	10.5	-27.9	21.8	35.1	33.1
exports from and sales outside Finland, of total sales	%	99.0	97.4	94.2	95.6	93.6	95.0	95.7	97.3
Capital expenditure	EUR million	53.0	76.2	98.3	96.7	98.0	23.9	11.6	8.0
in relation to sales	%	2.8	3.7	7.1	10.0	11.2	2.0	1.2	1.1
Research and development expenses	EUR million	48.7	41.6	33.5	28.5	20.5	20.2	19.9	19.2
in relation to sales	%	2.6	2.0	2.4	2.9	2.3	1.7	2.0	2.6
Personnel at December 31		4,855	4,805	3,883	3,130	3,128	2,674	2,144	1,797
average for the year		4,927	4,456	3,516	3,151	2,612	2,483	2,031	1,825
Order backlog at the end of the period		1,371.7	1,947.1	1,985.1	1,393.1	867.4	1,176.7	1,317.2	866.4
Order intake		1,512.4	2,084.4	2,005.4	1,394.7	557.1	1,153.8	1,463.0	1,032.2
Profitability									
Operating profit	EUR million	141.9	184.3	111.9	41.6	58.6	120.2	96.1	51.6
in relation to sales	%	7.4	8.8	8.1	4.3	6.7	9.9	9.6	7.0
Profit before taxes	EUR million	132.2	179.7	113.3	37.1	60.9	136.3	104.8	56.6
in relation to sales	%	6.9	8.6	8.2	3.8	6.9	11.2	10.5	7.6
Gross margin	%	20.7	20.8	24.0	26.2	21.7	21.5	20.4	20.7
Return on equity	%	19.4	29.4	20.9	7.6	14.9	42.6	43.3	29.1
Return on investment	%	25.7	37.0	26.4	9.2	20.9	61.6	59.8	45.4
Financing and financial position									
Equity-to-assets ratio at the end of the period	%	38.5	37.1	39.1	41.2	45.1	35.0	38.2	36.9
Gearing at the end of the period	%	-18.2	-56.0	-84.9	-56.2	-55.8	-139.0	-136.4	-118.0
Net interest-bearing debt	EUR million	-87.1	-264.7	-339.1	-200.9	-191.0	-314.6	-292.9	-170.0
Net cash generated from operating activities	EUR million	-42.1	77.1	247.0	87.5	-28.8	106.6	143.0	67.8
Dividends	EUR million	36.6 [2]	54.9	38.9	34.3	32.0	42.0	39.9	14.7

[1] Combined basis

[2] The Board of Directors' proposal to the Annual General Meeting on March 31, 2014.

QUARTERLY INFORMATION (UNAUDITED)

EUR million	Q1/12	Q2/12	Q3/12	**Q4/12**	Q1/13	Q2/13	Q3/13	**Q4/13**
Sales								
Metals, Energy & Water	241.5	282.9	276.2	**360.7**	287.8	288.3	266.6	**262.5**
Minerals Processing	168.9	242.1	226.8	**288.2**	215.3	223.0	172.8	**195.6**
Unallocated items[1] and intra-group sales	0.1	-0.5	-0.1	**0.9**	-0.2	0.2	0.7	**-0.9**
Total	410.4	524.4	502.8	**649.8**	502.9	511.4	440.1	**457.2**
Operating profit								
Metals, Energy & Water	15.4	20.6	10.6	**24.6**	15.9	25.1	27.0	**11.7**
Minerals Processing	15.7	24.8	30.6	**50.9**	21.8	15.5	22.0	**24.9**
Unallocated items[2] and intra-group sales	-3.6	-4.5	-0.2	**-0.6**	-6.0	-0.8	-4.0	**-11.2**
Total	27.6	40.8	41.0	**74.9**	31.7	39.9	45.0	**25.4**
Order backlog at the end of period	1,991.8	2,218.4	2,155.8	**1,947.1**	1,938.9	1,761.3	1,512.3	**1,371.7**

[1] Unallocated items primarily include invoicing of group management and administrative services.

[2] Unallocated items primarily include group management and administrative services.

SHARE-RELATED KEY FIGURES

Share-related key figures EUR million		**2013**	2012	2011	2010	2009	2008
Earnings per share	EUR	**0.51**	0.70	0.44	0.15	0.25	0.56
Equity per share	EUR	**2.64**	2.61	2.19	1.97	1.77	1.36
Dividend per share	EUR	**0.20**[1]	0.30	0.21	0.19	0.18	0.25
Dividend payout ratio	%	**40**	43	49	129	76	45
Dividend yield	%	**2.6**	2.8	2.3	1.6	2.8	9.3
Price/earnings ratio		**14.9**	15.0	20.8	78.6	24.5	4.8
Development of share price							
Average trading price	EUR	**10.01**	9.52	8.80	7.19	4.35	6.57
Lowest trading price	EUR	**6.55**	7.58	5.97	4.71	2.33	2.13
Highest trading price	EUR	**13.03**	11.67	11.70	11.81	6.22	11.44
Trading price at the end of the period	EUR	**7.61**	10.59	9.10	11.56	6.19	2.70
Market capitalization at the end of the period	EUR million	**1,393.6**	1,939.7	1,666.4	2,116.9	1,107.4	453.6
Development in trading volume							
Trading volume	1,000 shares	**242,841**	352,500	326,440	399,768	426,026	632,032
In relation to weighted average number of shares	%	**134.3**	194.3	179.8	220.3	254.5	378.1
Adjusted average number of shares		**180,827,549**	181,436,638	181,517,634	181,427,449	167,375,172	167,161,667
Number of shares at the end of the period[2]		**181,149,768**	180,568,692	182,082,532	181,330,952	177,743,148	166,940,000

[1] The Board of Directors' proposal to the Annual General Meeting on March 31, 2014

[2] Number of registered shares at December 31, 2013 was 183,121,492 (at December 31, 2012: 183,121,492).

DEFINITIONS OF KEY FINANCIAL FIGURES

Research and development expenses = Research and development expenses in the statement of comprehensive income (including expenses covered by grants received)

Return on equity =

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

Return on investment =

$$\frac{\text{Operating profit + finance income}}{\text{Total assets - non-interest-bearing debt (average for the period)}} \times 100$$

Net interest-bearing debt = Interest-bearing debt - Interest-bearing assets

Equity-to-assets ratio =

$$\frac{\text{Total equity}}{\text{Total assets – advances received}} \times 100$$

Gearing =

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

Earnings per share =

$$\frac{\text{Profit for the period attributable to the equity holders of the parent company}}{\text{Average number of shares during the period, as adjusted for stock split}}$$

Equity per share =

$$\frac{\text{Equity attributable to the equity holders}}{\text{Number of shares at the end of the period, as adjusted for stock split}}$$

Dividend per share =

$$\frac{\text{Dividend for the financial year}}{\text{Number of shares at the end of the period, as adjusted for stock split}}$$

Dividend payout ratio =

$$\frac{\text{Dividend for the financial year}}{\text{Profit for the period attributable to the equity holders of the parent company}} \times 100$$

Dividend yield =

$$\frac{\text{Dividend per share}}{\text{Adjusted trading price at the end of the period}} \times 100$$

Price/earnings ratio (P/E) =

$$\frac{\text{Adjusted trading price at the end of the period}}{\text{Earnings per share}}$$

Average trading price =

$$\frac{\text{EUR amount traded during the period}}{\text{Adjusted number of shares traded during the period}}$$

Market capitalization at end of the period = Number of shares at the end of period × trading price at the end of the period

Trading volume = Number of shares traded during the period, and in relation to the weighted average number of shares during the period

INCOME STATEMENT OF THE PARENT COMPANY

EUR million	Note	2013	2012
Sales	2	**51.5**	43.2
Cost of sales	3	**-3.3**	-4.8
Gross profit		**48.2**	38.4
Other operating income	4	**1.2**	1.4
Selling and marketing expenses		**-6.8**	-9.1
Administrative expenses		**-44.7**	-31.5
Research and development expenses		**-8.2**	-8.0
Other operating expenses	8	**-6.9**	-0.2
Operating profit		**-17.2**	-9.1
Finance income	9	**138.8**	79.9
Finance expenses	10	**-32.0**	-19.2
Net finance income		**106.8**	60.7
Profit before extraordinary items		**89.6**	51.6
Extraordinary items	11	**39.0**	76.0
Profit before appropriations and taxes		**128.6**	127.6
Appropriations	12	**0.0**	0.2
Income tax expenses	13	**-8.4**	-17.7
Profit for the period		**120.2**	110.0

BALANCE SHEET OF THE PARENT COMPANY

EUR million	Note	December 31, 2013	December 31, 2012
ASSETS			
Non-current assets	14		
Intangible assets		**56.7**	47.7
Property, plant and equipment		**1.4**	1.0
Non-current financial assets		**353.9**	372.4
Total non-current assets		**412.0**	421.1
Current assets			
Inventories	15	**0.0**	0.2
Non-current receivables	16	**28.3**	2.7
Current receivables	16	**358.4**	345.9
Cash and cash equivalents		**163.1**	121.8
Total current assets		**549.9**	470.5
TOTAL ASSETS		**961.9**	891.7
EQUITY AND LIABILITIES			
Shareholders' equity	17		
Share capital		**17.2**	17.2
Share premium fund		**20.2**	20.2
Cash flow hedging reserve		**0.2**	0.0
Treasury shares		**-18.1**	-19.9
Reserve for invested non-restricted equity		**96.2**	87.7
Retained earnings		**118.6**	73.8
Profit for the period		**120.2**	110.0
Total shareholders' equity		**354.5**	289.0
Appropriations	12	**-**	0.0
Liabilities	18		
Non-current liabilities		**206.9**	67.2
Current liabilities		**400.5**	535.4
Total liabilities		**607.4**	602.6
TOTAL EQUITY AND LIABILITIES		**961.9**	891.7

CASH FLOW STATEMENT OF THE PARENT COMPANY

EUR million	2013	2012
Cash flows from operating activities		
Profit before extraordinary items	**89.6**	51.6
Adjustments for		
Amortization	**8.2**	5.1
Impairment	**4.3**	2.1
Interest income	**-8.9**	-6.7
Dividend income	**-101.4**	-61.2
Interest expenses	**3.6**	3.7
Other adjustments [1]	**2.7**	1.7
	-2.0	-3.7
Change in working capital		
Increase (-)/decrease (+) in current receivables	**37.4**	-37.3
Increase (-)/decrease (+) in inventories	**0.1**	-0.1
Decrease (-) in current liabilities	**-12.5**	-0.7
	23.0	-41.8
Dividends received	**15.4**	61.2
Interest received	**7.0**	6.1
Interest paid	**-1.9**	-4.5
Income tax paid	**-26.9**	-12.8
Net cash from operating activities	**16.7**	8.3
Cash flows from investing activities		
Purchases of intangible and tangible assets	**-21.5**	-22.4
Acquisition of subsidiaries and other equity investments	**-11.9**	-0.2
Repayment of capital	**-**	35.0
Net cash used in investing activities	**-33.4**	12.4
Cash flows from financing activities		
Increase in long-term debt	**145.7**	29.9
Increase in current debt	**-120.7**	-40.3
Increase in non-current loans receivable	**0.4**	3.2
Increase in current loans receivable	**10.4**	-91.5
Purchases of treasury shares	**-**	-19.3
Sales of treasury shares	**2.0**	1.0
Dividends paid	**-54.9**	-38.9
Cash flow from group contributions	**75.0**	50.8
Other financing cash flow	**0.2**	0.2
Net cash from financing activities	**58.1**	-104.9
Net change in cash and cash equivalents	**41.3**	-84.3
Cash and cash equivalents at January 1	**121.8**	206.1
Net change in cash and cash equivalents	**41.3**	-84.3
Cash and cash equivalents at December 31	**163.1**	121.8

[1] Includes gains and losses on sale of fixed assets, change in provisions and unrealized exchange gains and losses.

1. ACCOUNTING PRINCIPLES

The financial statements of Outotec Oyj have been prepared according to Finnish Accounting Standards (FAS). The accounting principles for the parent company's financial statements are the same as those for the consolidated financial statements, with the exceptions presented below.

Appropriations

The difference between depreciation according to plan and depreciation for tax purposes is presented under appropriations in the parent company's income statement and the accumulated depreciation difference is presented as appropriations in the balance sheet.

Income taxes

Income tax expenses in income statement consist of accrued taxes for the financial year and tax adjustments to previous years. Deferred tax liabilities and assets have not been recognized but disclosed in the notes to the financial statements.

Non-current financial assets

Non-current financial assets are measured at cost or if the estimated future income is expected to be permanently lower than the book value, the difference is recognized as a write-down.

2. SALES BY MARKET AREA

EUR million	2013	2012
Europe	**33.3**	26.0
Africa	**1.7**	2.0
Asia	**1.2**	1.2
North and South America	**9.3**	9.3
Australia	**5.9**	4.6
	51.5	43.2

3. COST OF SALES

EUR million	2013	2012
Merchandise and supplies	**-0.3**	-0.6
Logistics expenses	**-0.0**	-0.0
Employee benefit expenses	**-1.8**	-1.9
Rents and leases	**-0.1**	-0.1
Amortiziation and impairment	**-0.0**	-0.0
Services purchased	**-0.7**	-2.4
Other expenses	**-0.3**	0.3
	-3.3	-4.8

4. OTHER OPERATING INCOME

EUR million	2013	2012
Exchange gains of forward contracts	**1.2**	1.3
Other income	**0.0**	0.1
	1.2	1.4

5. PERSONNEL EXPENSES

EUR million	2013	2012
Wages and salaries	**-18.6**	-18.1
Pension contributions	**-2.9**	-2.5
Other personnel expenses	**-1.2**	-0.8
	-22.7	-21.5
of which wages and salaries for key management		
Members of the Board of Directors	**-0.4**	-0.4
CEO	**-1.5**	-1.5
Other members of Executive Board	**-3.9**	-3.6
	-5.8	-5.6

During 2013, Executive Board members in Outotec Oyj received a total number of 103,524 Outotec shares (2012: 210,664) as part of the Share-based Incentive Program (including in short-term employee benefits). The portion of President and CEO Pertti Korhonen was 32,168 shares.

On May 8, 2013, Outotec announced the dissolution of Outotec Management Oy (Executive Board members' incentive program) trough a share exchange. Outotec' s Board of Directors used the Annual General Meetings' s authorization and allocated 442,115 Outotec Oyj shares to the shareholders of Outotec Management Oy against the shares of Outotec Management Oy. After the share exchange, Outotec Oyj holds 100 % of the shares in Outotec Management Oy and Outotec Executive Board members' previously indirect share ownership has become a direct ownership in Outotec Oyj. President and CEO Pertti Korhonen received 81,048 Outotec Oyj shares in the share exchange in accordance with his ownership share, which equals EUR 0.9 million. Outotec Management Oy was merged to Outotec Oyj at December 31, 2013.

Outotec' s Board of Directors had granted to Outotec Management Oy an interest-bearing loan at maximum amount of EUR 5.0 million to finance the acquisition of the Outotec shares. The amount of the outstanding loan was EUR 4.4 million at December 31, 2012.

There are no special pension arrangements for key management, instead pension arrangements are according to normal legislation.

Number of personnel	**2013**	2012
Average number of personnel for the period	**182**	164
Personnel at December 31	**176**	174

6. AUDITOR FEES

EUR million	2013	2012
Auditing fees	**-0.1**	-0.1
Tax advising fees	**-0.0**	-0.0
Other services	**-0.1**	-0.1
	-0.2	-0.2

7. AMORTIZATION AND IMPAIRMENT

EUR million	2013	2012
Amortization according to plan	**-8.2**	-5.1
	-8.2	-5.1
Amortization and impairment by group of assets		
Intangible assets	**-3.9**	-2.6
Other long-term expenses	**-3.6**	-1.9
Machinery and equipment	**-0.6**	-0.5
	-8.2	-5.1
Amortization and impairment by function		
Cost of sales	**-0.0**	-0.0
Selling and marketing expenses	**-0.0**	-0.0
Administrative expenses	**-5.7**	-3.0
Research and development expenses	**-2.4**	-2.1
	-8.2	-5.1

8. OTHER OPERATING EXPENSES

EUR million	2013	2012
Impairment of intangible assets	**-0.5**	-
Impairment of long-term expenses	**-3.4**	-
Impairment of shares	**-0.4**	-
Addition of provisions	**-2.6**	-
Exchange losses of forward contracts	**-**	-0.2
	-6.9	-0.2

9. FINANCE INCOME

EUR million	2013	2012
Dividend income	**101.4**	61.2
Interest income and other finance income	**14.4**	11.8
Exchange gains	**22.9**	6.9
	138.8	79.9
Finance income from subsidiaries		
Dividend income	**101.4**	61.2
Interest income and other finance income	**13.6**	10.4
	115.1	71.6

The treasury operations of the Group are centralized in Outotec Oyj.

10. FINANCIAL EXPENSES

EUR million	2013	2012
Interest expenses and other finance expenses	**-7.5**	-9.7
Exchange losses	**-24.4**	-9.5
	-32.0	-19.2
Finance expenses for subsidiaries		
Interest expenses	**-0.4**	-2.6

11. EXTRAORDINARY ITEMS

EUR million	2013	2012
Group contributions received	**39.0**	76.0

12. APPROPRIATIONS

EUR million	2013	2012
Decrease in depreciation difference	**0.0**	0.2
Depreciation difference in the balance sheet	**-**	0.0

All appropriations relate to machinery and equipment.

13. INCOME TAX EXPENSES

EUR million	2013	2012
Income tax expences from previous year	**-0.0**	-0.0
Income tax expenses from extraordinary items	**-9.6**	-18.6
Income tax expenses from operations	**1.1**	0.9
	-8.4	-17.7
Deferred tax assets		
Temporary differences	**1.5**	1.1
Deferred tax liabilities		
Temporary differences	**-**	0.0

14. NON-CURRENT ASSETS

EUR million	Intangible assets	Property, plant and equipment
Historical cost at January 1, 2013	54.9	3.1
Additions	15.3	1.1
Impairment during period	-6.1	-
Historical cost at December 31, 2013	**64.1**	**4.2**
Accumulated amortization and impairment at January 1, 2013	-18.4	-2.1
Amortization during the period	-7.5	-0.7
Impairment during period	2.1	-
Accumulated amortization and impairment at December 31, 2013	**-23.8**	**-2.8**
Construction in progress at December 31, 2013	**16.4**	**-**
Carrying value at December 31, 2013	**56.7**	**1.4**
Historical cost at January 1, 2012	35.2	2.9
Additions	20.0	0.2
Disposals	-0.4	-
Historical cost at December 31, 2012	54.9	3.1
Accumulated amortization and impairment at January 1, 2012	-14.1	-1.6
Amortization during the period	-4.6	-0.5
Impairment during period	0.2	-
Accumulated amortization and impairment at December 31, 2012	-18.4	-2.1
Construction in progress at December 31, 2012	11.3	-
Carrying value at December 31, 2012	47.7	1.0

Long-term financial assets EUR million	Shares in subsidiaries	Other shares and holdings	Total
Historical cost at January 1, 2013	371.9	0.6	372.4
Additions	12.0	-	12.0
Disposals	-30.2	-0.4	-30.6
Carrying value at December 31, 2013	**353.7**	**0.2**	**353.9**
Historical cost at January 1, 2012	406.9	0.4	407.2
Additions	0.0	0.2	0.2
Disposals	-35.0	-	-35.0
Carrying value at December 31, 2012	371.9	0.6	372.4

During 2012 Outotec Holding GmbH returned capital to Outotec Oyj, this was booked against the subsidiary share value.

Investments in subsidiary shares are disclosed in more detail in the Group's note 33.

15. INVENTORIES

EUR million	**2013**	2012
Materials and supplies	**0.0**	0,2
	0.0	0,2

16. RECEIVABLES

EUR million	2013	2012
Non-current receivables		
Interest-bearing		
Loans receivable	**25.9**	0.4
Non interest-bearing		
Unrealized exchange gains of forward contracts	**2.4**	2.3
	28.3	2.7
Current receivables		
Interest-bearing		
Loans receivable	**166.7**	180.5
Other receivables from Group companies	**2.2**	1.9
Non interest-bearing		
Trade receivables	**22.5**	17.3
Prepaid expenses and accrued income	**13.5**	1.2
Other receivables	**153.4**	145.0
	358.4	345.9
Prepaid expenses and accrued income		
Interest receivables	**3.0**	1.2
Receivables from long-term construction contracts	**10.4**	-
Other receivables	**0.0**	0.0
	13.5	1.2
Receivables from subsidiaries		
Non-current receivables		
Interest-bearing		
Loans receivable	**25.9**	0.4
Current receivables		
Interest-bearing		
Loans receivable	**166.7**	180.5
Other receivables from Group companies	**2.2**	1.9
Non interest-bearing		
Trade receivables	**22.5**	17.2
Prepaid expenses and accrued income	**2.4**	1.1
Group contribution receivables	**40.0**	76.0
Other receivables	**97.7**	48.8
	357.4	326.0

17. SHAREHOLDERS' EQUITY

EUR million	2013	2012
Share capital	**17.2**	17.2
Share premium fund	**20.2**	20.2
Treasury shares	**-18.1**	-19.9
Cash flow hedging reserve, foreign exchange	**0.2**	0.0
Reserve for invested non-restricted equity	**96.2**	87.7
Retained earnings at January 1	**183.9**	111.6
Dividend	**-54.9**	-38.9
Change of shares/Outotec Management Oy	**-4.3**	-
Result of Merger/Outotec Management Oy	**-3.6**	-
Change in value of treasury shares	**-3.2**	1.0
Dividend related to treasury shares	**0.7**	0.2
Profit for the period	**120.2**	110.0
Total shareholders' equity at December 31	**354.5**	289.0
Distributable funds		
Reserve for invested non-restricted equity	**96.2**	87.7
Treasury shares	**-18.1**	-19.9
Retained earnings	**118.6**	73.8
Profit for the period	**120.2**	110.0
Distributable funds at December 31	**316.9**	251.6

Outotec Oyj has an agreement with a third-party service provider concerning administration and hedging of Share-based Incentive Program for key personnel. As part of this agreement, for hedging the underlying cash flow risk, the service provider purchased Outotec shares during 2009 and 2008. The purchase of Outotec shares by third-party service provider have been accounted as treasury shares in Outotec's Consolidated Balance Sheet. At the end of 2013, the amount of these treasury shares was 22,180 (2012: 257,308). Outotec's Consolidated Balance Sheet and Consolidated Changes in Equity reflect the substance of the arrangement with a deduction amounting to EUR 0.0 million (2012: EUR 0.6 million) in equity.

On May 21, 2010 Outotec's Board of Directors determined a new share ownership plan directed to the members of the Outotec Executive Board. As part of the plan, the Executive Board members established Outotec Management Oy company, whose entire share capital is owned by them. The purpose of the plan was to commit executive board members to Outotec by encouraging them to acquire and hold Outotec shares and thus increase the company's shareholder value in the long run. The Board of Directors of Outotec executed the AGM authorization and decided on May 8, 2013 to execute a share exchange allocating 442,115 Outotec shares to the shareholders of Outotec Management Oy against the shares of Outotec Management Oy. The number of shares allocated to the Executive Board members was based on the individual's ownership share of Outotec Management Oy. The number of shares given in the share exchange was determined on the basis of Outotec Management Oy's net assets on May 7, 2013 and divided with trade volume-weighted average quotation of Outotec share on the NASDAQ OMX Helsinki on May 7, 2013. On December 31, 2013, Outotec Management Oy was merged to Outotec Oyj. In the merger, Outotec Oyj received 813,716 Outotec shares with book value of EUR 5.6 million.

In September 2012, Outotec purchased a total of 2,000,000 of the company's own shares through public trading. The total purchase price paid for the shares was EUR 19.3 million. During 2013, the shares have been used in acquisition of Outotec Management Oy and in the Share-based Incentive Program. At the end of 2013 the number of these shares was 1,301,033 and book value EUR 12.5 million.

18. LIABILITIES

EUR million	2013	2012
Non-current liabilities		
Interest-bearing		
Bonds	**150.2**	-
Loans from financial institutions	**56.7**	63.8
Pension loans	**-**	3.0
Non interest-bearing		
Unrealized exchange losses of forward contracts	**0.1**	0.4
	206.9	67.2
Current liabilities		
Interest-bearing		
Loans from subsidiaries	**255.1**	353.6
Other current loans from Group companies	**113.7**	131.6
Pension loans	**3.0**	3.0
Non interest-bearing		
Trade payables	**4.1**	7.5
Accrued expenses and prepaid income	**11.8**	18.1
Other current liabilities	**12.8**	21.6
	400.5	535.4
Accrued expenses and prepaid income		
Accrued personnel expenses	**4.2**	5.2
Other liabilities	**7.7**	12.9
	11.8	18.1
Liabilities to subsidiaries		
Current liabilities		
Interest-bearing		
Current loans	**239.1**	341.5
Other current loans from group companies	**113.7**	131.6
Non interest-bearing		
Trade payables	**1.3**	3.5
Accrued expenses and prepaid income	**0.0**	0.1
Other current liabilities	**8.0**	17.0
	362.1	493.7

19. COMMITMENTS

EUR million	2013	2012
Guarantees		
On behalf of subsidiaries		
For financing	**9.6**	16.4
For other commitments	**542.0**	533.5
On behalf of own commercial commitments (excluding advance payment guarantees)	**7.7**	9.3

The total value of commercial guarantees issued by the parent company on behalf of subsidiaries includes advance payment guarantees EUR 292.9 million at December 31, 2013 (at December 31, 2012: EUR 288.5 million).

The total amount of guarantees for commercial commitments including advance payment guarantees issued by the parent company amounted to EUR 542.0 million at December 31, 2013 (at December 31, 2012: EUR 542.7 million).

Minimum future lease payments on operating leases		
Not later than 1 year	**8.9**	6.8
1–2 years	**10.3**	7.2
2–3 years	**8.4**	8.2
3–4 years	**7.8**	9.1
4–5 years	**5.5**	8.6
Later than 5 years	**43.8**	55.2
	84.6	95.2

20. DERIVATIVE INSTRUMENTS

EUR million	2013	2012
Net fair values		
Contracts made with financial institutions		
Foreign exchange forward contracts	**10.2**	15.0
Interest rate swaps [1)]	**2.0**	0.0
Contracts made with subsidiaries		
Foreign exchange forward contracts	**-4.9**	-13.0
	7.3	2.0
Nominal values		
Contracts made with financial institutions		
Foreign exchange forward contracts	**466.5**	745.6
Interest rate swaps	**115.0**	40.0
Contracts made with subsidiaries		
Foreign exchange forward contracts	**365.0**	584.7
	946.5	1,370.3

[1)] Net fair values and nominal values of interest rate swaps added to 2012 information.

SHARES AND SHAREHOLDERS

→ Outotec Oyj's shares are listed on the NASDAQ OMX Helsinki Ltd (OMXH). The trading symbol of Outotec is OTE1V and trading lot is one share.

Shares and share capital

At the end of 2013, Outotec's share capital was EUR 17,186,442.52, consisting of 183,121,492 shares. Each share entitles its holder to one vote at the company's general shareholders' meetings.

On March 26, 2013, Outotec's AGM approved a free share issue (split) where the shareholders were issued with three new shares for each old share. The new shares were entered in the share register on April 2, 2013 and became subject to public trading as of April 3, 2013. The free share issue (split) did not affect the company's share capital or capital structure.

Outotec Oyj's own shareholding

At the end of 2013, the company held directly a total of 2,136,949 Outotec shares (including third party agreement), which represents a relative share of 1.2% of Outotec Oyj's shares and votes.

Third party agreement concerning Share-based Incentive Program

Outotec has an agreement with a third party service provider concerning administration and hedging of the Share-based Incentive Program for key personnel. These shares are accounted for as treasury shares in Outotec's Consolidated Balance Sheet. At the end of 2013, the amount of these treasury shares was 22,180.

Board's authorizations

The AGM 2013 authorized the Board of Directors to resolve upon the repurchase of the company's own shares as follows:

- The company may repurchase the maximum number of 18,312,148 shares using free equity and deviating from the shareholders' pre-emptive rights to the shares, provided that the number of own shares held by the company will not exceed ten (10) percent of all shares of the company.

- The shares are to be repurchased in public trading at the NASDAQ OMX Helsinki at the price established in the trading at the time of acquisition.

The authorization shall be in force until the next AGM. This authorization has not been executed.

The AGM authorized the Board of Directors to resolve upon the issuance of shares and other special rights entitling to shares as follows:

- The authorization includes the right to issue new shares, distribute own shares held by the company, and the right to issue special rights referred to in Chapter 10, Section 1 of the Companies Act.

SHARES ON NASDAQ OMX HELSINKI LTD

January-December 2013	No. of shares traded	Total value EUR	High EUR	Low EUR	Average EUR[1]	Last paid EUR
OTE1V	242,841,071	2,965,208,470	13.03	6.55	10.01	7.61

	Dec 31, 2013	Dec 31, 2012
Market capitalization, EUR million	**1,394**	1,940
No. of shareholders	**29,231**	15,312
Nominee registered shareholders (12), %	**33.9**	44.4
Finnish households, %	**16.2**	10.7

[1] Volume weighted average

- The total number of new shares to be issued and own shares held by the company to be distributed under the authorization may not exceed 18,312,148 shares. The Board of Directors may deviate from the shareholders' pre-emptive subscription rights.
- The Board of Directors is entitled to decide on the terms of the share issue.

The authorization shall be in force until the next AGM.

On May 8, 2013, Outotec's Board of Directors exercised this authorization and dissolved Outotec Management Oy through a share exchange and allocated 442,115 Outotec Oyj shares to the shareholders of Outotec Management Oy against the shares of Outotec Management Oy. In addition, the Board of Directors exercised this authorization in connection of the Share-based Incentive Program's earning period 2012 and allocated 256,852 Outotec Oyj shares as part of the total allocation of 514,160 shares.

The AGM further authorized the Board of Directors to donate an aggregate amount of EUR 100,000 to non-profit purposes or to universities. In accordance with the given authorization, the Board of Directors has approved donations to various causes, totaling EUR 100,000. The biggest individual donation was made to Baltic Sea Action Group (EUR 52,000). Outotec has also made two donations to help areas suffering from natural disasters: earthquake relief in Sichuan, China (EUR 15,000), and typhoon relief in the Philippines (EUR 17,000).

Board and management shareholding

The total share holding of the Board of Directors, CEO and Executive Board at the end of 2013 was 883,476 Outotec shares. More details of the individual shareholdings can be found on the company's website at www.outotec.com/cg.

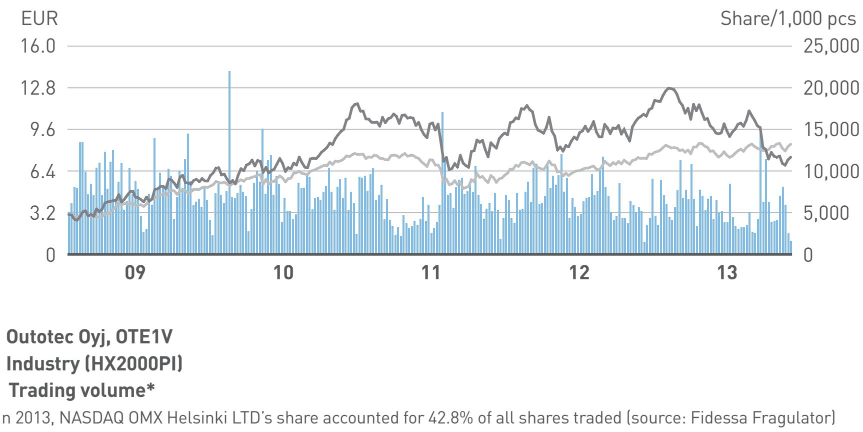
Dividend policy

The Board of Directors adopted a dividend policy November, 2010 whereby the company aims to propose for the approval of the company's shareholders dividends representing at least 40% of the annual net income of Outotec for the preceding financial year. The amount of future dividends, if any, will be subject to Outotec's future earnings, financial, condition, cash flows, and working capital requirements. In addition, investments in either organic growth or acquisitions as part of Outotec's growth strategy may impact the level of future dividends. Although the Board of Directors has no reason to believe that dividend payments under this policy will not generally be made, there can be no assurance that any annual dividend will actually be paid, nor can there be any assurance as to the amount to be paid in any given year.

Board of Directors' proposal for profit distribution

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.20 per share be paid from Outotec Oyj´s distributable funds for December 31, 2013, and that any remaining distributable funds be allocated to retained earnings. The suggested dividend record date is April 3, 2014, with the dividend to be paid on April 17, 2014. According to the financial statement for December 31, 2013, the parent company's distributable funds total EUR 316.9 million. The proposed dividend corresponds to 40% of the Group´s profit for the financial year 2012. There have been no substantial changes in the financial position of the company after the balance sheet date. According to the Board of Directors, the liquidity of the company is good and the proposed profit sharing will not affect the solvency of the company.

OUTOTEC'S SHARE PRICE PERFORMANCE AND TRADING VOLUME IN NASDAQ OMX HELSINKI LTD



*) In 2013, NASDAQ OMX Helsinki LTD's share accounted for 42.8% of all shares traded (source: Fidessa Fragulator)

DIVIDEND PAYMENT

Year	Dividend per share, EUR	Pay out ratio, %	Yield, %
2007 (financial year 2006)	0.09	40	1.5
2008 (financial year 2007)	0.24	51	2.5
2009 (financial year 2008)	0.25	45	9.3
2010 (financial year 2009)	0.18	76	2.8
2011 (financial year 2010)	0.19	129	1.6
2012 (financial year 2011)	0.21	49	2.3
2013 (financial year 2012)	0.30	43	2.8
2014 (financial year 2013)	0.20[1)]	40	2.6

[1)] Board of Directors' proposal for dividend per share.

SHARE-RELATED KEY FIGURES

		2013	2012
Earnings per share	EUR	**0.51**	0.70
Equity per share	EUR	**2.64**	2.61
Dividend per share	EUR	**0.20[1)]**	0.30
Dividend payout ratio	%	**40**	43
Dividend yield	%	**2.6**	2.8
Price/earnings ratio		**14.9**	15.0
Development of share price			
Average trading price	EUR	**10.01**	9.52
Lowest trading price	EUR	**6.55**	7.58
Highest trading price	EUR	**13.03**	11.67
Trading price at the end of period	EUR	**7.61**	10.59
Market capitalization at the end of period	EUR million	**1,393.6**	1,939.7
Development in trading volume			
Trading volume	1 000 kpl	**242,841**	352,500
In relation to weighted average number of shares	%	**134.3**	194.3
Adjusted average number of shares		**180,827,549**	181,436,638
Number of shares at the end of period [2)]		**181,149,768**	180,568,692

[1)] The Board of Directors' proposal to the Annual General Meeting on March 31, 2014

[2)] Number of registered shares at December 31, 2013 was 183,121,492 (at December 31, 2012 183,121,492).

DISTRIBUTION OF SHAREHOLDINGS ON DECEMBER 31, 2013

Number of shares	Number of shareholders	% of shareholders	Number of shares	% of shares
1–100	4,831	16.5	312,055	0.2
101–1,000	17,244	59.0	7,562,828	4.1
1,001–10,000	6,490	22.2	17,728,984	9.7
10,001–100,000	577	2.0	14,628,657	8.0
100,001–1,000,000	72	0.2	20,527,363	11.2
1,000,001+	17	0.1	122,361,605	66.8
Total	29,231	100.0	183,121,492	100.0
In the joint book-entry account			0	0.0
In special accounts			0	0.0
Number of shares issued			183,121,492	100.0
Nominee registered	12	0.0	62,121,459	33.9

SHAREHOLDERS BY GROUP ON DECEMBER 31, 2013

Sectors	Number of holdings	% of shares and votes
Private companies	1,668	20.95
Financial and insurance institutions	103	8.06
Public-sector organizations	30	14.97
Households	26,181	16.19
Non-profit organizations	317	3.48
Foreigners	932	2.43
Total	29,231	66.08
In the joint book-entry account	0	0.00
In special accounts	0	0.00
Nominee registered	0	33.92

LARGEST SHAREHOLDERS ON DECEMBER 31, 2013

Shareholders	Shares	% of shares and votes
Solidium Oy	18,369,492	10.03
Tamares Nordic Investments B.V.	10,211,676	5.58
Ilmarinen Mutual Pension Insurance Company	9,636,448	5.26
Varma Mutual Pension Insurance Company	8,044,340	4.39
The State Pension Fund	3,438,000	1.88
The Local Government Pensions Institution	2,425,120	1.32
Tapiola Mutual Pension Insurance Company	1,900,000	1.04
Nordea Fennia Fund	1,730,000	0.94
Mutual Life Insurance Company Suomi	1,500,000	0.82
Nordea Nordenfonden	1,453,689	0.79
	58,708,765	32.05

AUDITOR'S REPORT

To the Annual General Meeting of Outotec Oyj

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Outotec Oyj for the year ended December 31, 2013. The financial statements comprise the consolidated statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Consolidated Financial Statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the Company's Financial Statements and the Report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Espoo, February 24, 2014

PricewaterhouseCoopers Oy
Authorised Public Accountants

Markku Katajisto
Authorised Public Accountant

BOARD OF DIRECTORS

Matti Alahuhta
born 1952, Finnish citizen
D. Sc. (Tech.), D. Sc. (Tech.) h.c.
Board member and chairman of the Board of Directors since 2013, chairman of the Human Capital Committee
President and CEO, KONE Corporation
Positions of trust: Member of the Board of KONE Corporation and UPM Kymmene Corporation, chairman of the Board of the Aalto University Foundation, deputy chairman of the Board of the Confederation of Finnish Industries, and member of the Foundation Board of the International Institute for Management Development (IMD, Switzerland).
Shareholding on Dec 31, 2013: 62,360 Outotec Oyj shares
Independent of the company and owner

Timo Ritakallio
born 1962, Finnish citizen
LL.M., MBA
Board member since 2011, vice chairman since 2013, member of the Audit and Risk Committee
Deputy Chief Executive Officer of Ilmarinen Mutual Pension Insurance Company
Positions of trust: Member of the Board of Directors and chairman of the Remuneration Committee of Technopolis Plc, the Foundation for the Finnish Cancer Institute, and chairman of the Board of Directors of Paulo Foundation
Shareholding on Dec 31, 2013: 8,337 Outotec Oyj shares
Independent of the company and owner

Eija Ailasmaa
born 1950, Finnish citizen
M. Soc. Sc., Graduate of the Sanoma School of Journalism
Board member since 2010, member of the Human Capital Committee
CEO of Sanoma Media B.V. 2003–2011
Positions of trust: Vice chairman of the Board of Directors of Solidium Oy, member of the Board of Directors of Huhtamäki Oyj
Shareholding on Dec 31, 2013: 2,724 Outotec Oyj shares
Not independent of the owner, independent of the company

Tapani Järvinen
born 1946, Finnish citizen
M.Sc. (Eng.), Lic.Sc. (Tech.)
Board member since 2010, member of the Human Capital Committee
Senior Advisor of VTT Technical Research Centre of Finland
President and CEO of Outotec 2006–2009
Positions of trust: Chairman of the Board of Directors of Talvivaara Mining Plc, member of the Board of Directors of Finpro, Mustavaara Mine Ltd, Konecranes Plc, Okmetic Oyj, Normet Corporation, and Dragon Mining NL, and chairman of the Board of Directors of Finnish–Latin American Trade Association.
Shareholding on Dec 31, 2013: 149,240 Outotec Oyj shares
Independent of the company and owner

Hannu Linnoinen
born 1957, Finnish citizen
B.Sc. (Econ.), LL.M.
Board member since 2006, Chairman of the Audit and Risk Committee
Senior Executive Vice President and CFO of SRV Group Plc
Positions of trust: Member of the Board of Directors of Greenstream Network Plc and Garantia Insurance Company Ltd
Shareholding on Dec 31, 2013: 20,033 Outotec Oyj shares
Independent of the company and owner

Anja Korhonen
born 1953, Finnish citizen
M. Sc. (Econ.)
Board member since 2013, member of the Audit and Risk Committee
Senior Vice President, Corporate Controller of Nokia Corporation until 2011
Shareholding on Dec 31, 2013: 1,240 Outotec Oyj shares
Independent of the company and owner

Poju Zabludowicz
born 1953, Finnish citizen
B.A. (Economics and International Relations)
Board member since 2012, member of the Audit and Risk Committee
Chairman and CEO of Tamares Group
Positions of trust: Member of the Board of Mustavaara Kaivos Oy, patron of Finnish British Chamber of Commerce, member of the Board of Kiasma - Museum of Contemporary Art, chairman of the Advisory Board of Synova Capital LLP, council member of Tate Modern International, and co-founder and trustee of The Zabludowicz Collection.
Shareholding on Dec 31, 2013: 2,724 Outotec Oyj shares
Independent of the company and owner

Detailed information about members of the Board of Directors: www.outotec.com/cg.

EXECUTIVE BOARD

Pertti Korhonen
born 1961, Finnish citizen
M. Sc. (Electronics Engineering)
President and CEO, Chairman of the Executive Board
President and CEO of Outotec since 2010. Member of the Executive Board and employed by Outotec since 2009
Shareholding on Dec 31, 2013: 172,298 Outotec Oyj shares
Positions of trust: Chairman of the Board of Directors of Ahlström Oyj, vice chair of International Chamber of Commerce ICC Finland, member of the Finnish Council of International Chamber of Commerce, member of the Board of Finland Chamber of Commerce, Federation of Finnish Technology Industries and Association of Finnish Steel and Metal Producers, steering group member of Finland's External Economic Relations, member of the supervisory board of Foundation for Pediatric Research

Jari Rosendal
born 1965, Finnish citizen
M. Sc. (Eng.)
Executive Vice President, President of Americas region
Member of the Executive Board and employed by Outotec since 2006
Employed by Outokumpu Group 1989–2006
Shareholding on Dec 31, 2013: 80,374 Outotec Oyj shares
Positions of trust: Member of the Board of Uponor Corporation, Finnish Association of Mining and Metallurgical Engineers and International Copper Association (ICA)

Peter Weber
born 1963, German citizen
Ph.D. (Tech.)
Executive Vice President, President of EMEA region
Member of the Executive Board and employed by Outotec since 2006
Employed by Outokumpu Group 1992–2006
Shareholding on Dec 31, 2013: 46,450 Outotec Oyj shares
Positions of trust: Member of the Board of Enefit Outotec Technology Oü

Kimmo Kontola
born 1962, Finnish citizen
MBA, B.Sc. (Chemical Eng.)
Executive Vice President, President of APAC region
Member of the Executive Board as of July 1, 2013. Employed by Outotec since 2006. Employed by Outokumpu Group 1988–1992 and 2000–2006
Shareholding on Dec 31, 2013: 16,710 Outotec Oyj shares

Robin Lindahl
born 1964, Finnish citizen
M.Sc. (Econ.)
Executive Vice President, President of Metals, Energy & Water business area
Member of the Executive Board and employed by Outotec since 2011
Shareholding on Dec 31, 2013: 41,275 Outotec Oyj shares
Positions of trust: Member of the Board and chairman of Audit Committee of Norvestia Oyj

Kalle Härkki
born 1969, Finnish citizen
D. Sc. (Tech.)
Executive Vice President, President of Minerals Processing business area
Member of the Executive Board since 2010
Employed by Outotec since 2006
Employed by Outokumpu group 1998–2006
Shareholding on Dec 31, 2013: 77,106 Outotec Oyj shares

Michael Frei
born 1968, Swiss citizen
Ph. D. (Tech.)
Senior Vice President, Supply & Chief Procurement Officer
Member of the Executive Board and employed by Outotec since 2010
Shareholding on Dec 31, 2013: 50,199 Outotec Oyj shares

Kari Knuutila
born 1958, Finnish citizen
D. Sc. (Tech.)
Chief Technology Officer
Member of the Executive Board since 2011, employed by Outotec since 2006.
Employed by Outokumpu Group 1986–2006
Shareholding on Dec 31, 2013: 63,301 Outotec Oyj shares
Positions of trust: Chairman of the Board of Centre for Metrology and Accreditation (MIKES), member of the Board of Finnish Academy of Technology, Industry Council of Technology Academy of Finland (TAF), and European Industrial Research Management Association (EIRMA), part-time research professor of University of Oulu, and director of Oulu Mining School

Olli Nastamo
born 1956, Finnish citizen
M.Sc. (Eng.)
Senior Vice President,
Operational Excellence
Member of the Executive Board and employed by Outotec as of August 1, 2013.
Shareholding on Dec 31, 2013: 222 Outotec Oyj shares

Minna Aila
born 1966, Finnish citizen
LL.M.
Senior Vice President, Communications & Corporate Responsibility
Member of the Executive Board and employed by Outotec since 2012
Shareholding on Dec 31, 2013: 16,782 Outotec Oyj shares
Positions of trust: Member of the Board of FIBS Corporate Responsibility Network

Mikko Puolakka
born 1969, Finnish citizen
M.Sc. (Econ.)
Chief Financial Officer
Member of the Executive Board and employed by Outotec since 2010
Shareholding on Dec 31, 2013: 70,619 Outotec Oyj shares
Postitions of trust: Member of the Board of Directors of Okmetic Oyj and Gold Gemex Oy

Kirsi Nuotto
born 1959, Finnish citizen
M.A. (French, Communications)
Senior Vice President, Human Resources
Member of the Executive Board and employed by Outotec as of January 9, 2013
Shareholding on Dec 31, 2013: 837 Outotec Oyj shares

Nina Kiviranta
born 1964, Finnish citizen
Master of Laws
General Counsel
Member of the Executive Board and employed by Outotec as of March 18, 2013
Shareholding on Dec 31, 2013: 366 Outotec Oyj shares

Pia Kåll
born 1980, Finnish citizen
M.Sc. (Engineering Physics and Mathematics)
Senior Vice President, Strategy and M&A
Member of the Executive Board and employed by Outotec as of July 1, 2013
Shareholding on Dec 31, 2013: 279 Outotec Oyj shares

Changes in the Executive Board in 2013:
Ari Jokilaakso, Human Resources January 1–9
Pekka Erkkilä, Ferrous Solutions business area January 1–June 30
Mika Saariaho, Strategy January 1–June 30
Tapio Niskanen, Business Infrastructure January 1–July 31

More detailed information about the Executive Board members is available at www.outotec.com/cg.

INVESTOR INFORMATION

Corporate Governance Statement and Policy

Outotec's Corporate Governance Statement 2013 has been given separately from the Financial Statements. The Statement as well as Outotec's Corporate Governance Policy in its entirety are available on Outotec's website at www.outotec.com/cg.

Annual General Meeting 2014

The Annual General Meeting 2014 will be held on March 31, 2014 at 11.00 a.m. (Finnish time) at Finlandia hall, Mannerheimintie 13, 00100 Helsinki, Finland. More information at www.outotec.com/agm.

Dividend

The Board of Directors proposes to the Annual General Meeting 2014 that a dividend of EUR 0.20 per share be paid for the financial year 2013. More information at www.outotec.com/agm.

Interim reports 2014

- January–March on April 29, 2014
- January–June on July 31, 2014
- January–September on October 30, 2014

Share information

Listing: NASDAQ OMX Helsinki, OMXH
Trading symbol: OTE1V
Trading lot: one share
No of shares: 183,121,492 (Feb 7, 2014)
Sector: Industry
ISIN: FI0009014575

Analysts

Analysts following Outotec at www.outotec.com/investors.

Consensus

Consensus estimates provided by Vara Research at www.outotec.com/investors.

Investor relations contact

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