



Outotec

Sustainable use of Earth's natural resources

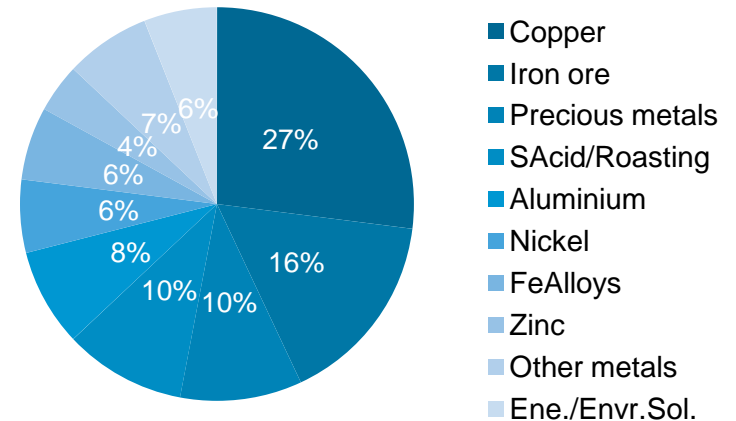
Financial Statements Review

2014

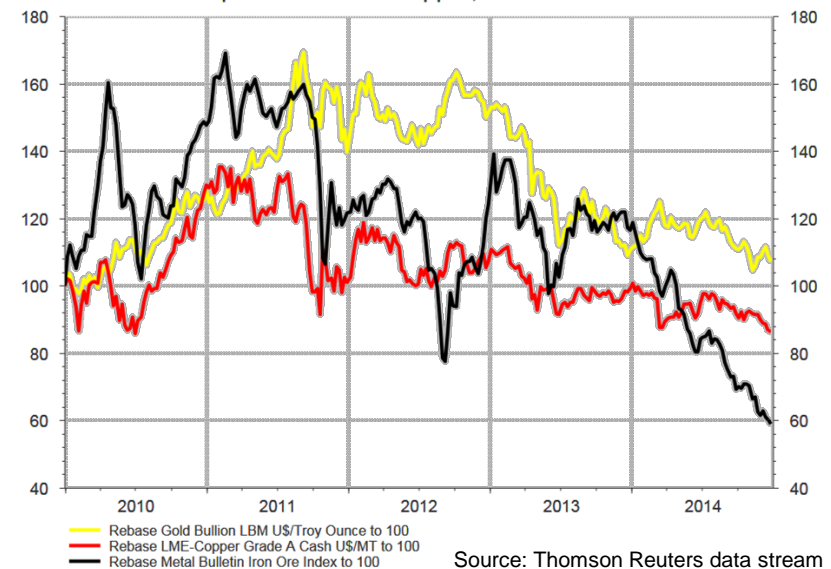
Challenging operating environment in 2014

- Further reduction of mining and metals industry's Capex investments by est. 30%
- Services market flat at 2013 level
- Low fossil energy prices and uncertainties in subsidy regulation slowed down alternative and renewable energy investments further
- Intensive competition and smaller market caused pricing pressures

Outotec commodity exposures, 2006-2013



Price performance of Copper, Gold and Iron Ore



Outotec performance 2014 – negatives and positives

- Significant decline in capex order intake, less small orders due to lacking greenfield investments
- Low order intake for alternative and renewable energy solutions
- Capex sales down
- Cost overruns in five MEW projects (2.4 percentage points negative impact on group operating profit)

- Service sales +9% in comparable currencies in flat market
- Healthy margins in new orders
- 65 MEUR reduction in fixed costs
- Good profitability in Minerals Processing
- Cash flow improved significantly
- Roll-out of global business platforms proceeding

2014 orders down -18% and service orders up 7% in comparable currencies

€million	Q4		FY	
	2014	2013	2014	2013
Order intake, total	322	426	1,178	1,512
Change, %	-24%		-22%	
Change in comp. currencies, %	-24%		-18%	
Order intake, services	159	165	555	552
Change, %	-4%		+0%	
Change in comp. currencies, %	-4%*		+7%*	

*) The change in service order intake reporting principles increased Q4 2014 order intake by approx. EUR 4 million and 2014 order intake by approx. EUR 42 million (approx. EUR 48 million in comparable currencies). Excluding the reporting principle change and calculating with comparable rates, the full year service order intake declined 1%.

Several smelter modernization orders in Q4

Order intake by region

Americas 34 (11)%



Copper smelter and acid plant modernization for Codelco, Chile
Approx. €64 million



Gas cleaning technology for zinc refinery for Votorantim, Peru
Approx. €16 million

EMEA 48 (73)%



Nickel smelter modernization for Norilsk Nickel, Russia
Value typically €30-50 million



Nickel smelter modernization for BCL, Botswana
Over €17 million

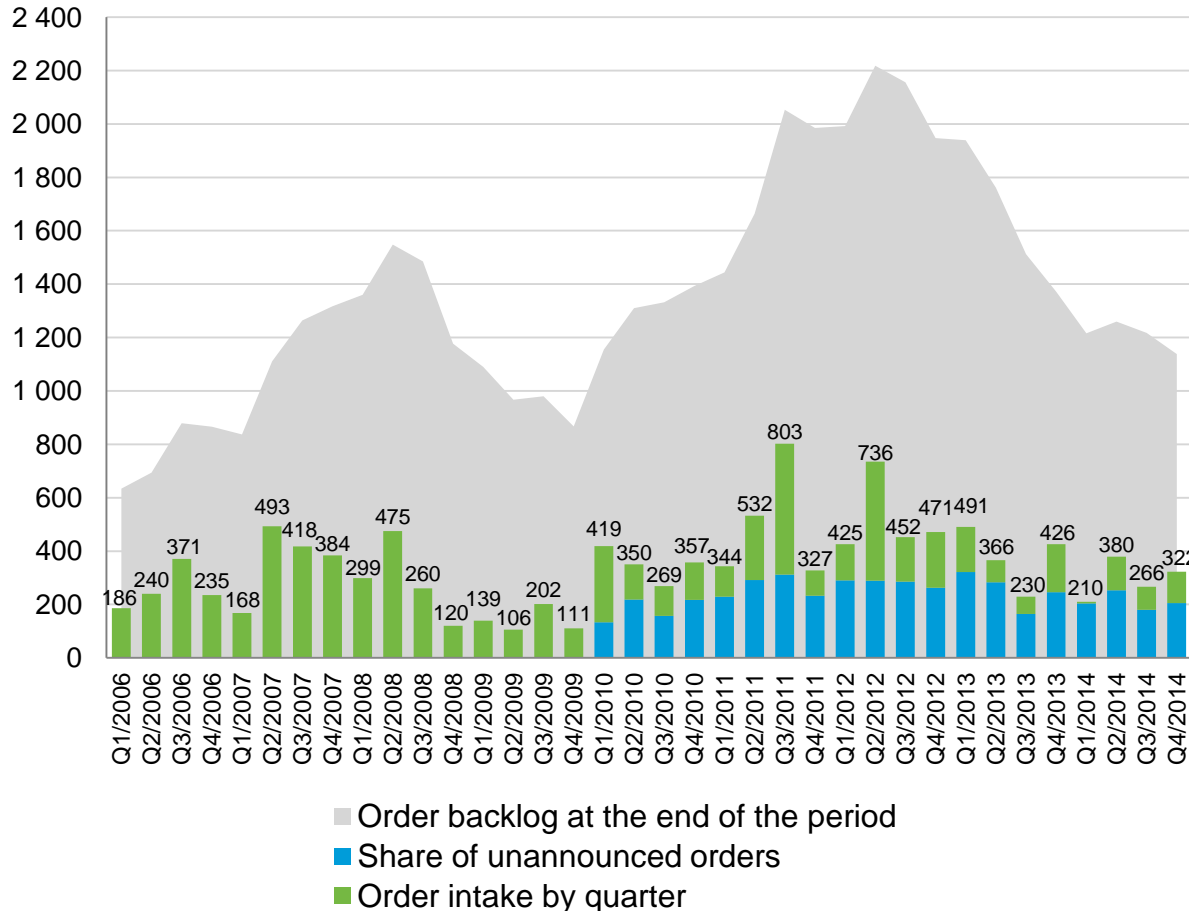


Copper smelter modernization for Svyatogor, Russia
Approx. €10 million

APAC 19 (16)%

In 2014 weak plant and equipment market, service orders flat

EUR million



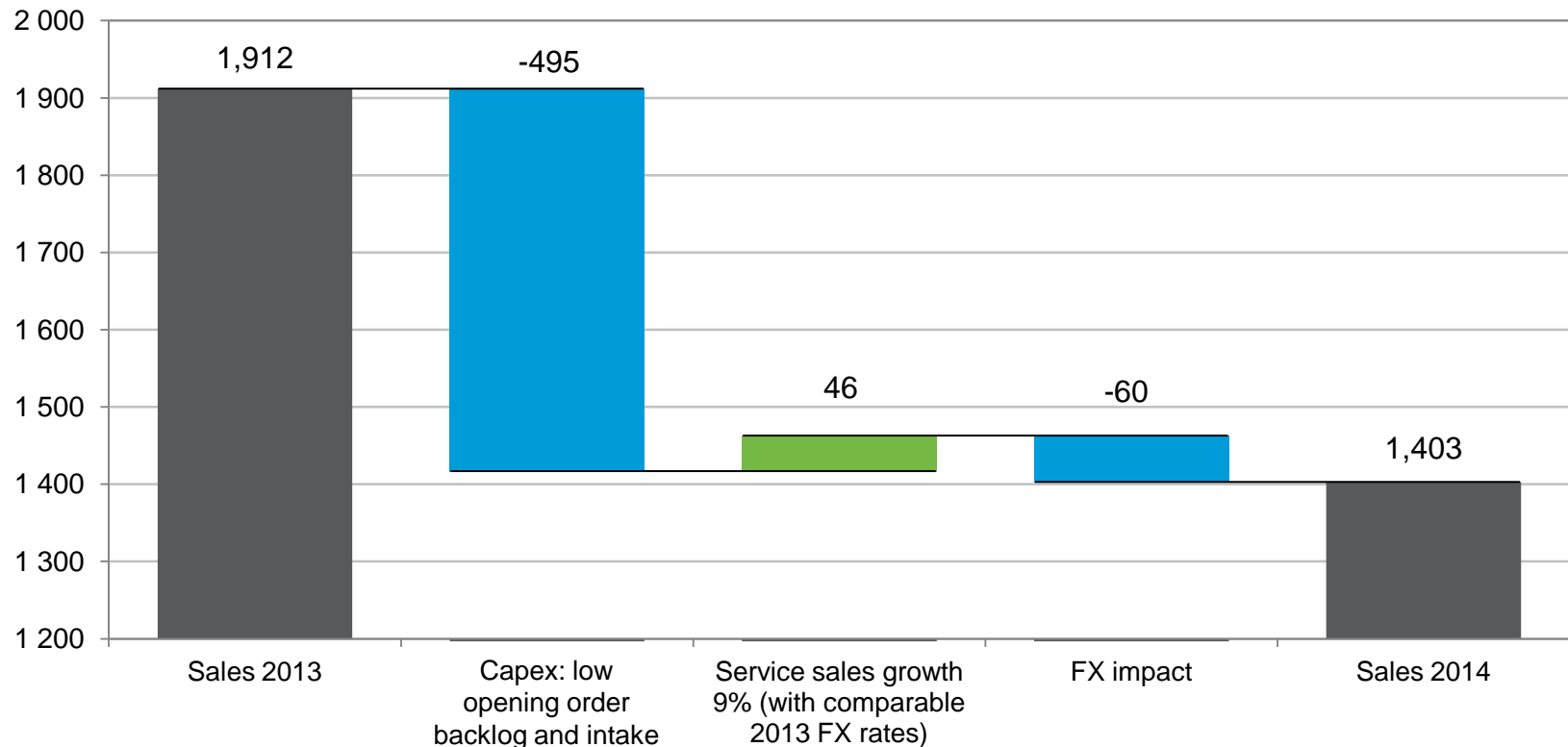
- Order backlog at the end of Q4 2014: **EUR 1,138.0** (1,371.7) million, of which services **EUR 246.9** (218.8) million
- **19** (29) projects with value in excess of EUR 10 million, accounting for **58** (65) % of the backlog
- Order backlog included **1** suspended project with a value of some EUR **5** million
- Roughly **81** (80)% (or approx. EUR **925** (1,100) million) of the backlog is estimated to be delivered in 2015

Operating profit margin from business operations improved in the second half

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1-Q4 2014	Q1-Q4 2013	Change %
Sales, € million	343.9	335.2	320.3	403.2	1,402.6	1,911.5	-27
Gross margin, %	19.5	19.3	23.4	21.7	21.0	20.7	-
Operating profit, € million	8.7	-0.3	-0.3	2.3	10.4	141.9	-927
- from business operations, € million	12.4	3.9	14.2	25.5	56.0	162.9	-656
FX impact, € million (unrealized, realized)	-0.1	-2.5	-4.0	-2.2	-8.8	9.6	-
Operating profit margin, %	2.5	-0.1	-0.1	0.6	0.7	7.4	-
- from business operations, %	3.6	1.2	4.4	6.3	4.0	8.5	-

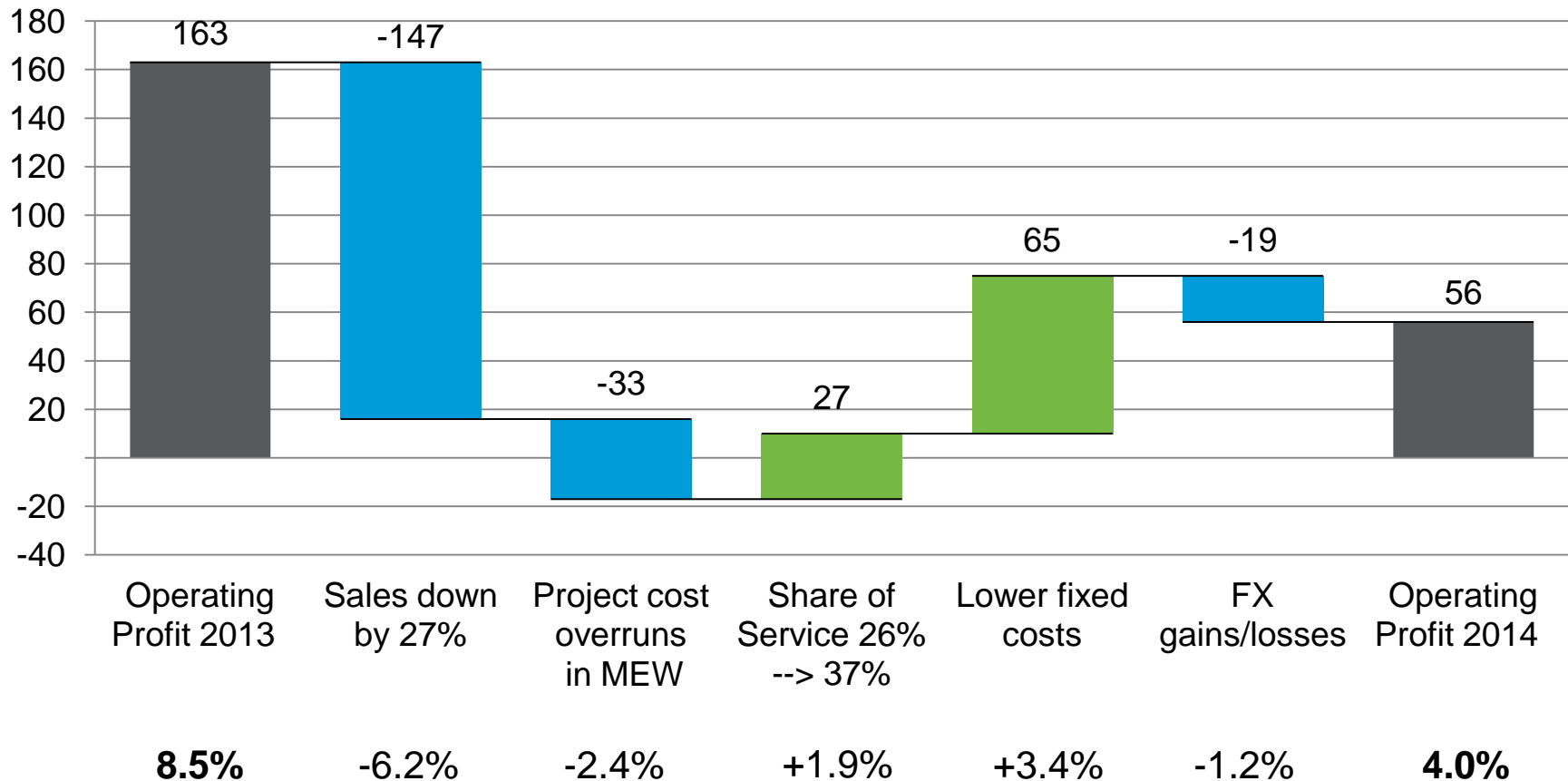
Low opening capex order backlog and intake reduced topline, good progress in services

Outotec sales, EUR million



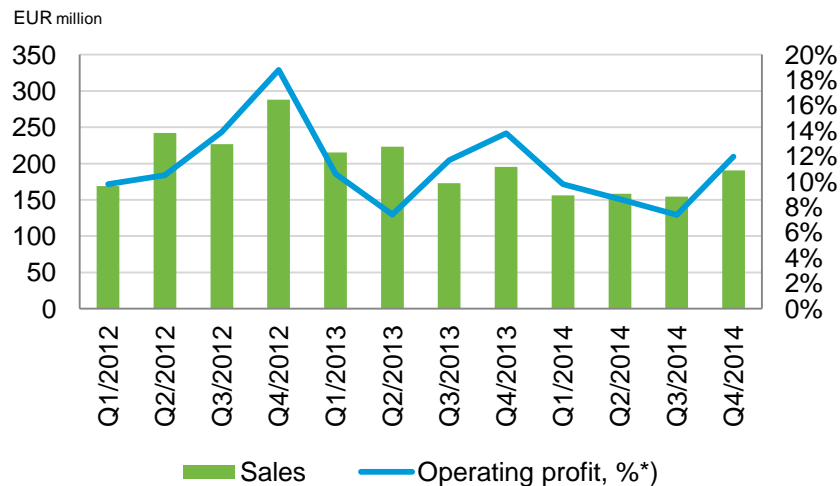
Profitability affected mainly by 27% sales decline

Operating profit (excl. PPA and one-time items), EUR million



Minerals Processing: good profitability despite lower sales

Sales and operating profit development



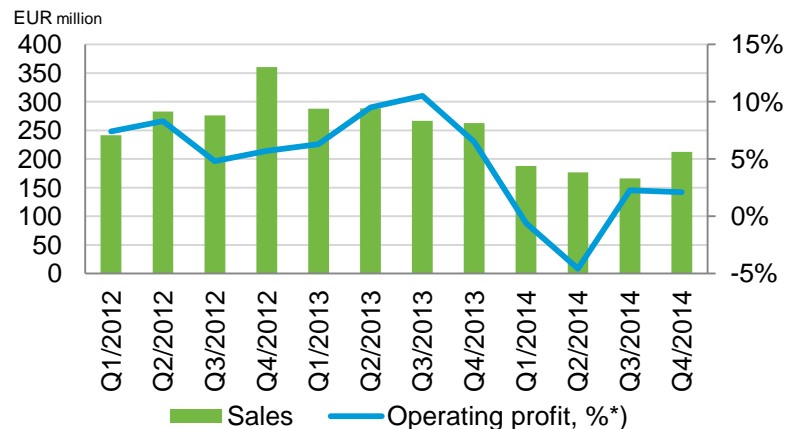
- Stable service business despite challenging market
- Solid capex execution
- Further reduced fixed costs

EUR million	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1-Q4 2014	Q1-Q4 2013	Change %
Sales	156.2	158.4	154.4	190.6	659.6	806.7	-18%
Operating profit from business operations *)	15.3	13.7	11.4	22.8	63.2	86.6	-27%
Operating profit margin from business operations, %	9.8	8.6	7.4	12.0	9.6	10.7	-

*) excl. one time items and PPA

Metals, Energy & Water: profitability improved in H2

Sales and operating profit development



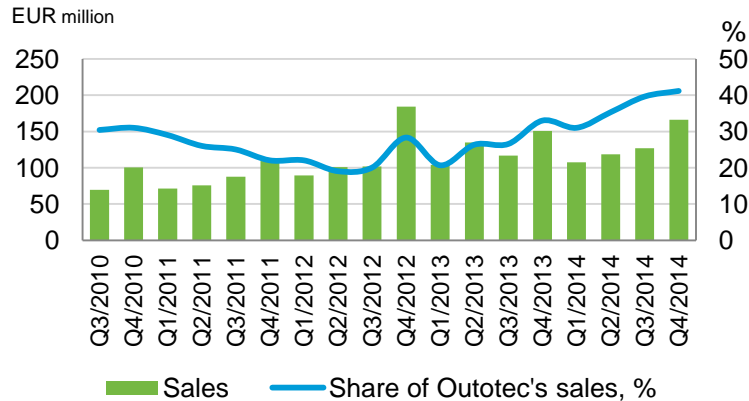
- Improved project execution
- 2 out of 5 projects with cost overruns are completed, remaining 3 are 95% complete
- Strong growth in service sales in H2, especially Operation & Maintenance
- Further reduced fixed operational costs

EUR million	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1-Q4 2014	Q1-Q4 2013	Change %
Sales	187.7	176.9	165.9	212.6	743.1	1,105.2	-33%
Operating profit from business operations*)	-1.2	-8.1	3.7	4.4	-1.1	90.8	-
Operating profit margin from business operations, %	-0.6	-4.6	2.3	2.1	-0.2	8.2	-

*) excl. one time items and PPA

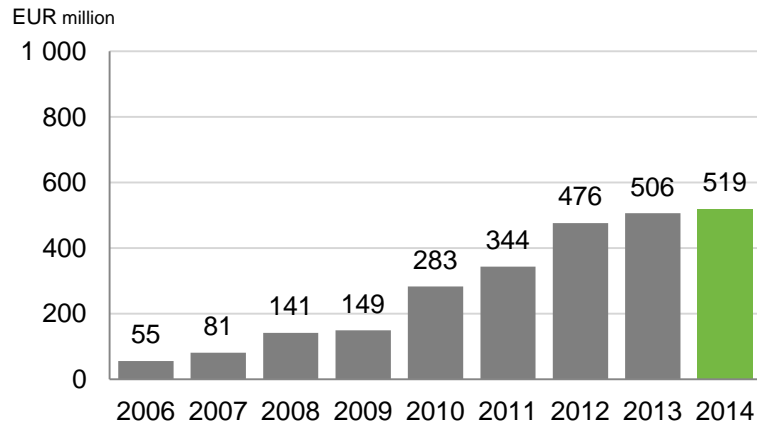
2014 service sales grew 9% YoY in comparable currencies

Service sales by quarters

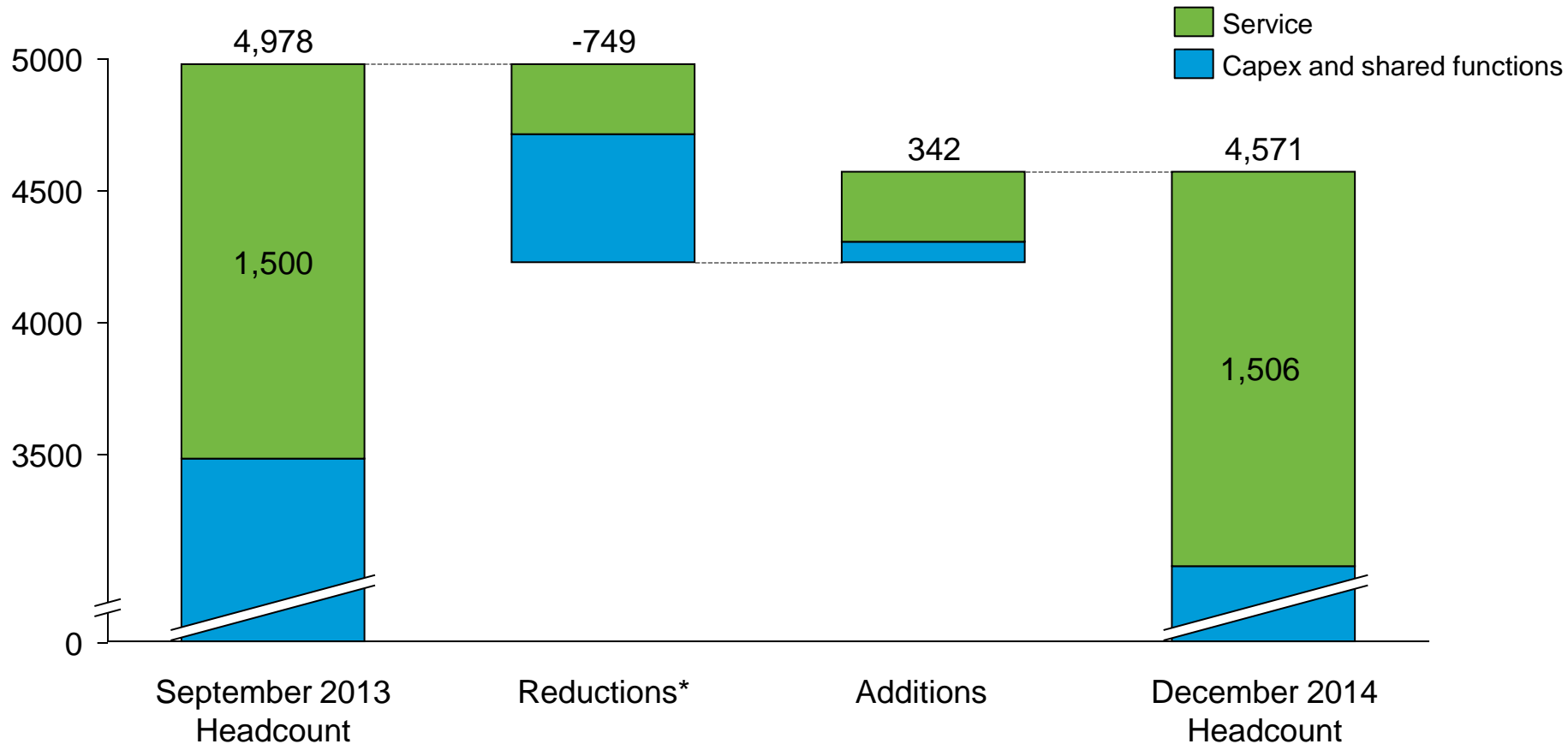


- Sales grew in flat market
- Growth especially in upgrade and O&M services
- Headcount fluctuates based on service contracts and work load

Service sales



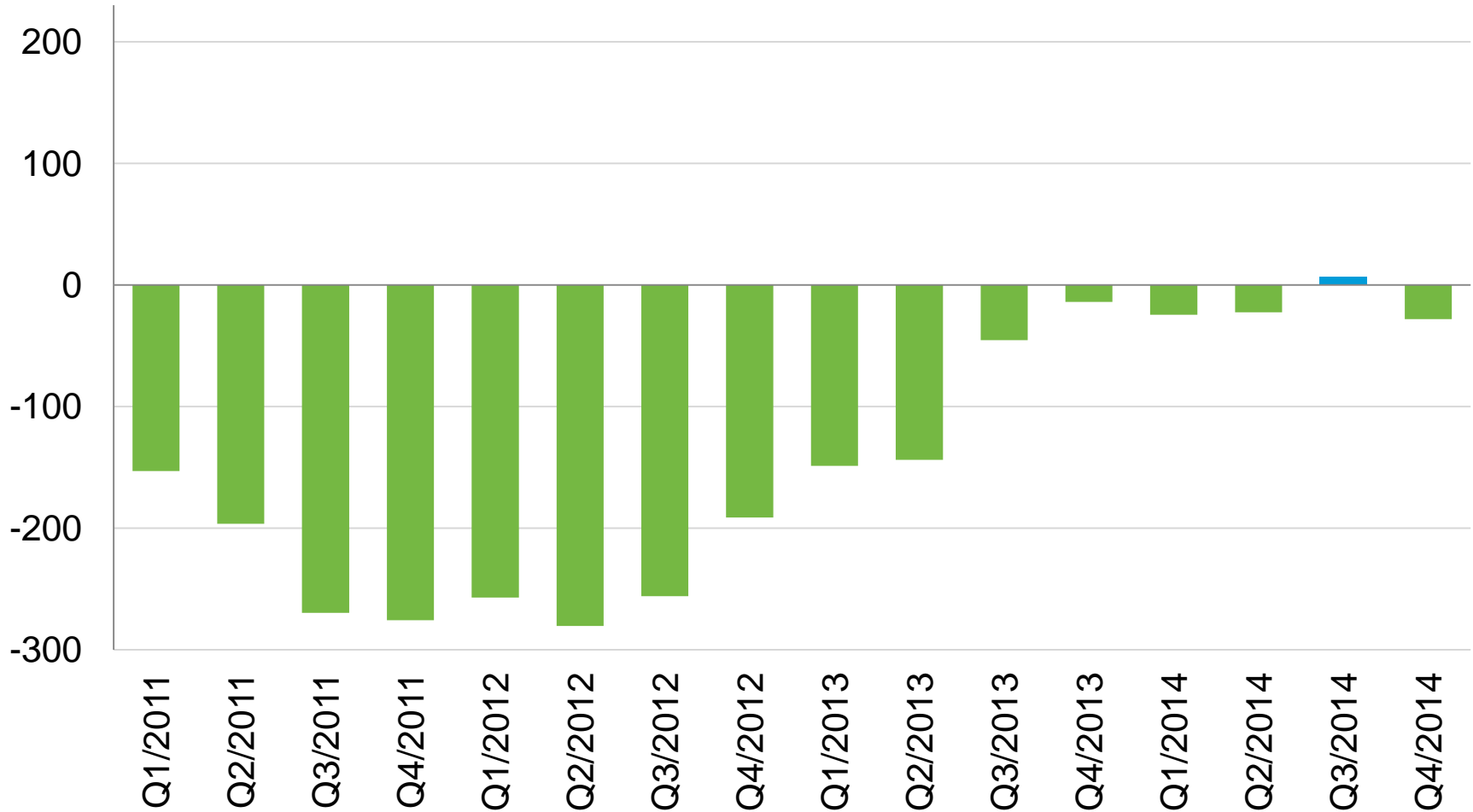
Personnel development since the start of the first savings program, September 2013



*) EUR 50 million program: 470 and 100 voluntary leavers + 179 in EUR 45 million program

Working capital stabilized

EUR million



Working capital stabilization supporting cash flow improvement

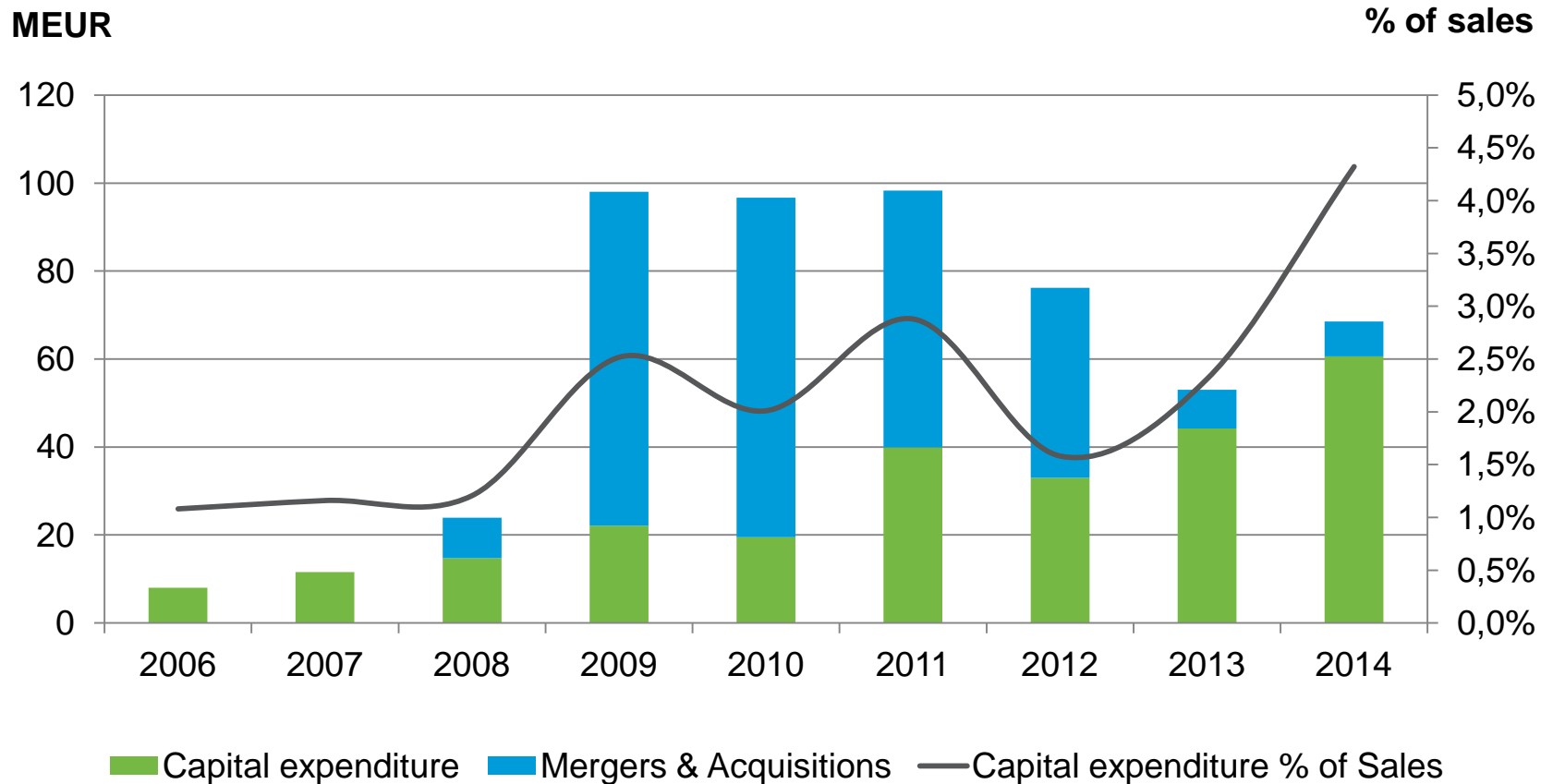
EUR million	Jan-Dec 2014	Jan-Dec 2013
Cash from operations	54.5	178.7
Change in working capital	-1.2	-160.2
Interest	-3.1	2.5
Taxes	-30.3	-63.1
CASH FROM OPERATING ACTIVITIES	19.9	-42.1
Capital expenditure	-57.1*	-46.1
Acquisitions	-8.0	-11.8
Other investing activities	-0.1	0.6
CASH FLOW AFTER INVESTING ACTIVITIES	-45.3	-99.4

*) Including approx. EUR 30 million related to IT systems and approx. EUR 8 million related to IPR. Rest approx. EUR 18 million is related to tangible assets.

Solid financing structure, weak ROI & ROE due to low profitability

	12 / 2014	12 / 2013
Net interest-bearing debt	-5.8	-87.1
Gearing, %	-1.3	-18.2
Equity-to-assets ratio, %	36.1	38.5
Return on investment, %, LTM	1.7	25.7
Return on equity, %, LTM	0.0	19.4
Equity, EUR million	445.3	477.4
Balance sheet total, EUR million	1,442.1	1,530.3

Capital expenditure has increased due to roll-out of common business processes and IT tools to improve productivity



Key events after December 31, 2014

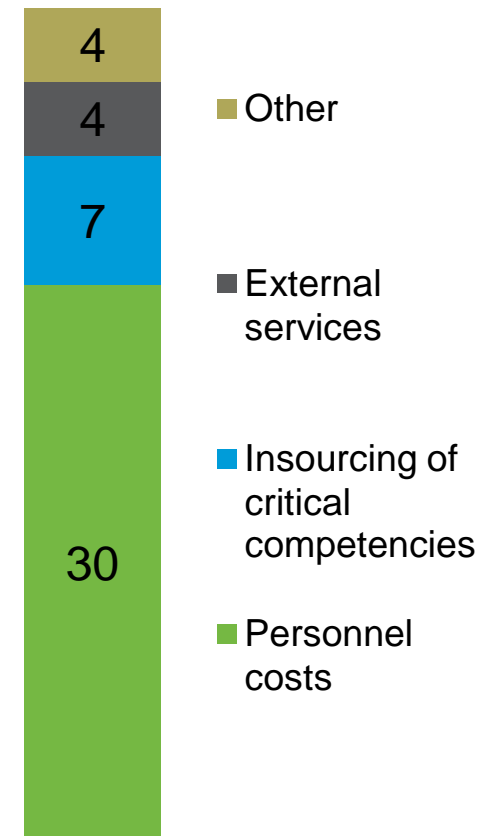
- Franklin Templeton Investment Funds' shareholding fell below 5%
- Edinburgh Partners shareholding exceeded 5%
- Outotec ranked 12th on the 2015 Global 100 Most Sustainable Corporations in the World
- Nomination Board gave its proposal for composition and remuneration of the Board of Directors
- Acquisition of Kempe Engineering's aluminum smelter technologies and service & spare parts businesses in the Middle East and Africa
- Gas cleaning technology for Votorantim Metais to the Cajamarquilla zinc refinery in Peru (approx EUR 16 million, booked in Q4)



EUR 45 million cost efficiency program proceeding

- Launched in October 2014
- EUR 45 million savings in fixed costs, with full gross effect in 2015
- Up to 400 full time equivalent employees or contractors expected to be reduced, personnel negotiations started in November 2014
- 179 persons reduced as part of the program
- One time costs EUR 40 million mainly related to personnel lay-offs and setting up centralized services, EUR 21 million booked in 2014

EUR 45 million



Value creation in continued uncertain market environment

2015 Stabilize and improve profitability

2016 ⇒ Profitable growth and reduced volatility

2015 Strategic programs

Customer focused sales

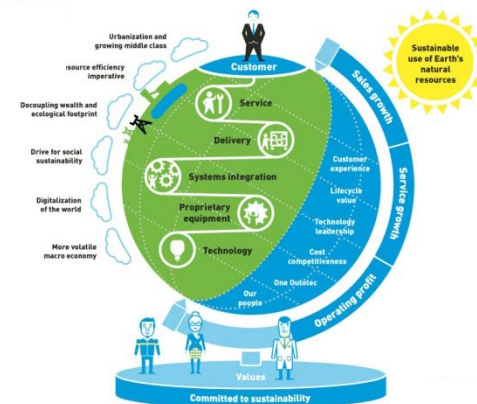
Service growth and profitability

Product competitiveness

Delivery excellence

One Outotec

EUR 65 million cost reduction achieved in 2014
Additional EUR 45 million program launched

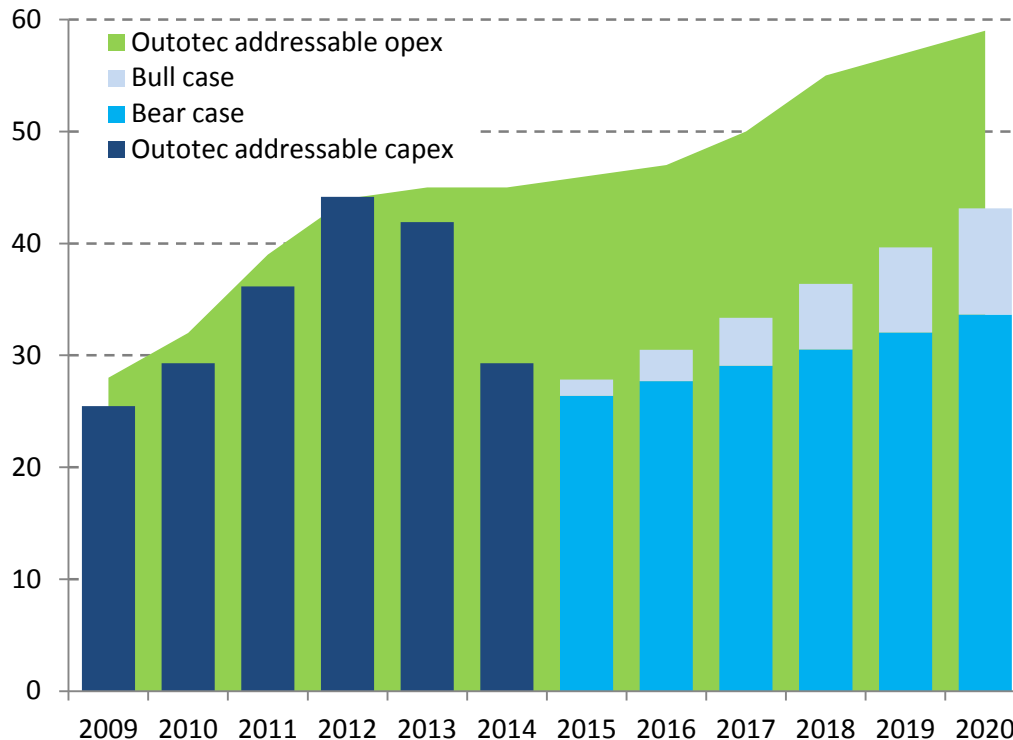


- Strengthening earnings logic on leading technology
- Strengthening geographic presence
- Expanding into energy and water

Selected bolt-on M&A to strengthen earnings logic and support profitable growth

The short to mid-term market outlook continues to be challenging

Outotec addressable Capex and Opex spend, EUR bn



Capex includes Outotec's addressable market for iron ore, copper, gold, alumina, aluminum, nickel, lead and zinc. OPEX includes spares, wears and labor.

Sources: Wood Mackenzie, McKinsey, Outotec analysis (Feb 2015)

OPEX

- The service business is expected to develop in line with the industry's production volumes
- Short-term, the customers' need to reduce operational spending will slow down growth

CAPEX

- Metals demand is expected to grow on average 3-6% per annum in line with global GDP growth driving capex growth
- Capital investments are very cyclical and down by appr. 30% in 2014

Financial guidance for 2015

Based on the 2014 year-end backlog and current operating environment, the management estimates that in 2015:

Sales will be
approximately
EUR 1.2-1.4 billion

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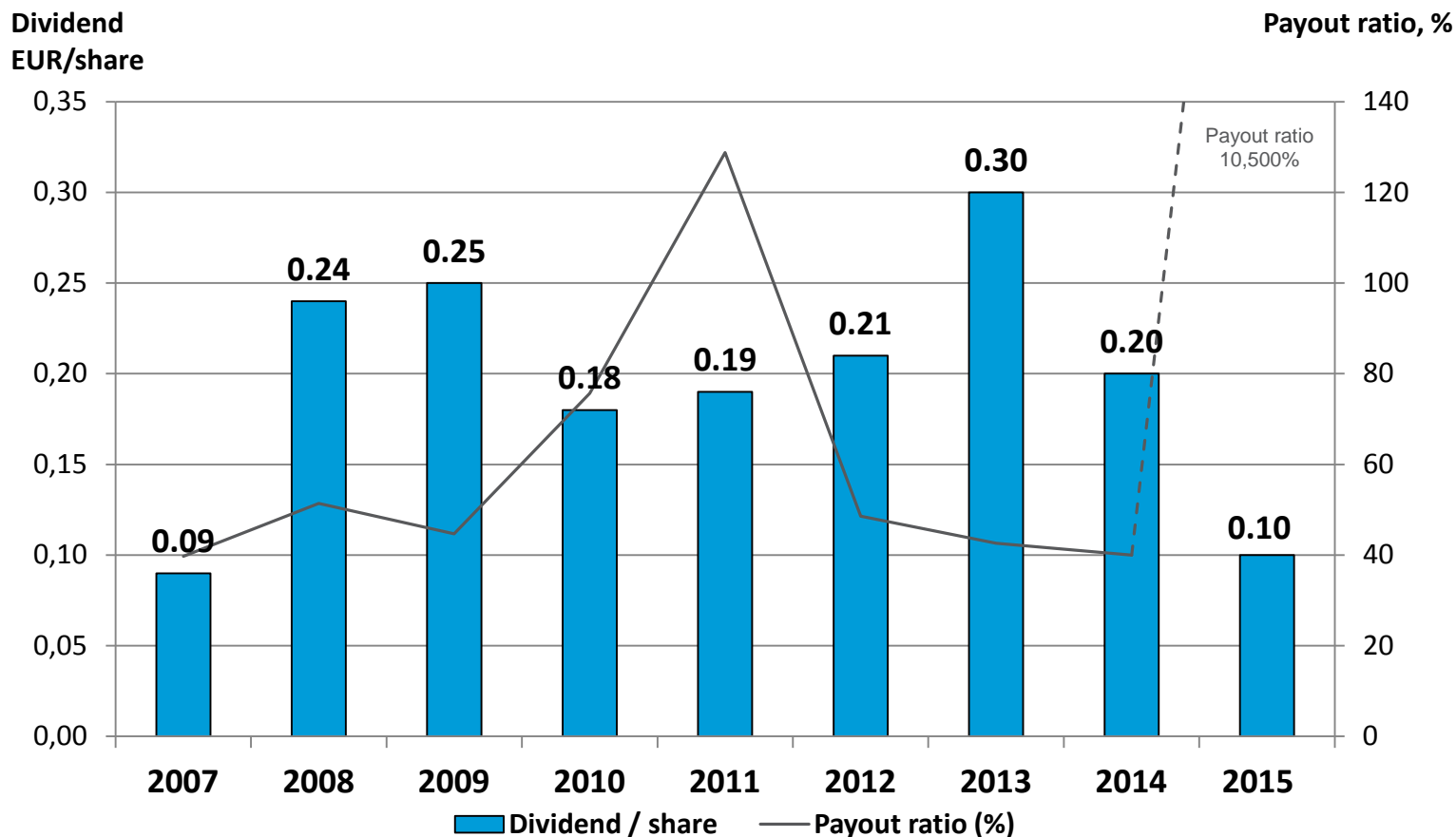
Sales
from 2014
year-end backlog
~EUR 0.925 billion

+

Sales
from new
orders
~EUR 0.3-0.5 billion

EBITA (excluding one-time items)
will be approximately 5-7%

Board of Directors dividend proposal to the AGM



Year represents the dividend payment year

Outotec's dividend policy is average 40% of previous years net income.

Outotec



Sustainable use of
Earth's natural resources