Q1 INTERIM REPORT

JANUARY–MARCH 2014

Sustainable use of
Earth's natural resources

Outotec

April 29, 2014

OUTOTEC'S INTERIM REPORT JANUARY-MARCH 2014

Weak Capex order intake and sales, good progress in services

January-March 2014 (comparison period in 2013):

- Order intake: EUR 210.3 (491.1) million, -57% (in comparable currencies -51%)
- Order backlog: EUR 1,215.8 (1,938.9) million, -37%
- Sales: EUR 343.9 (502.9) million, -32% (in comparable currencies -26%)
- Service sales: EUR 107.5 (103.8) million, +4% (in comparable currencies +16%)
- Operating profit from business operations[1)]: EUR 12.4 (35.0) million, -65%

Financial guidance for 2014 reiterated

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*

Summary of key figures	Q1 2014	Q1 2013	Last 12 months	Q1-Q4 2013
Sales, EUR million	**343.9**	502.9	1,752.5	1,911.5
Gross margin, %	**19.5**	19.1	20.9	20.7
Operating profit from business operations, EUR million	**12.4**	35.0	140.3	162.9
Operating profit from business operations, %	**3.6**	7.0	8.0	8.5
Operating profit, EUR million	**8.7**	31.7	119.0	141.9
Operating profit margin, %	**2.5**	6.3	6.8	7.4
Profit before taxes, EUR million	**6.4**	29.9	108.7	132.2
Net cash from operating activities, EUR million	**4.7**	-33.6	-3.8	-42.1
Net interest-bearing debt at the end of period, EUR million	**-82.7**	-218.4	-82.7	-87.1
Gearing at the end of period, %	**-18.7**	-49.4	-18.7	-18.2
Working capital at the end of period, EUR million	**-24.6**	-148.7	-24.6	-14.0
Return on investment, %, LTM	**21.6**	35.0	21.6	25.7
Return on equity, %, LTM	**17.0**	31.7	17.0	19.4
Order backlog at the end of period, EUR million	**1,215.8**	1,938.9	1,215.8	1,371.7
Order intake, EUR million	**210.3**	491.1	1,231.6	1,512.4
Personnel, average for the period	**4,830**	4,825	4,929	4,927
Earnings per share, EUR	**0.03**	0.12	0.42	0.51

President and CEO Pertti Korhonen:

"Weak investment sentiment in the mining and metals industry continued during the start of the year, resulting in low order intake. Customers continued to focus on brownfield capacity upgrades and modernizations rather than large greenfield projects where typically Engineering, Procurement, and Construction Management (EPCM) companies are employed as the main contractors. Our low level of unannounced orders in the first quarter was largely due to subdued equipment demand of the EPCM channel. As a process technology company, Outotec is addressing this shift in the market dynamics by offering the mining and metals companies solutions that enable them to better leverage their existing assets. The customer traction for this approach is good and we have a strong funnel of larger solution sales cases. However, decision-making takes time, and we continue to see large volatility in the quarterly Capex order intake.

The market for services continued solid, driven by reasonably good production levels in the industry. I am delighted that we were able to grow the service business with our new service concepts, further penetration into our installed base and expanded geographical coverage. Our service order intake was flat in the first quarter, with comparable currencies the growth was 15%. Service sales grew by 4% and with comparable currencies the growth was 16%. Service margins continued to be solid.

The main reasons for the reduced sales in the first quarter of 2014 were the weak Capex order intake in 2013, and devaluation of emerging market currencies. Profitability was weak due to reduced sales and high fixed costs in relation to sales. In addition, three large projects of the Metals, Energy & Water business area had weaker than planned profitability.

Weakened economy in emerging markets, further amplified by significant devaluation of currencies, political instability in some key markets, and concerns about the sustainability of China's growth, are dragging the market down despite some recovery in US and European economies. We maintain our view that the mining and metals industries' capital expenditure will continue to contract in 2014, however, we are seeing some early signs that the market may have reached the bottom. Although we have a good number of promising larger sales cases, we have been preparing ourselves for continued market slowness. The EUR 50 million efficiency improvement program is progressing according to plan and as part of that plan, we have also triggered temporary lay-offs as a response to the weak order intake in the beginning of the year. We are prepared to take further actions to adjust our costs in line with possibly continuing weak order intake and subsequent lower sales. In a cyclical industry we need to balance our actions to be well positioned for the eventual upward turn of the cycle."

CHANGE IN REPORTING OF SERVICE CONTRACTS FROM JANUARY 1, 2014

Outotec's long-term service contracts, which have production based volume dependent variable portion, are recognized in the order intake with the estimated sales value of the next 12 months. The fixed value contracts are recognized as full value when the order becomes effective. Following the previous recognition principles, the current calendar year's portion of the long-term service contract was booked once per year into order intake. The change in the reporting principles did not have any material impact in the 2014 first quarter order intake compared to the comparison period.

FURTHER INFORMATION

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FINANCIAL REPORTING SCHEDULE IN 2014

- Interim Report for January-June: July 31, 2014
- Interim Report for January-September: October 30, 2014
- Capital Markets Day, Outotec headquarters Espoo, Finland: December 4, 2014

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INTERIM REPORT JANUARY-MARCH 2014

OPERATING ENVIRONMENT

In the first quarter of 2014, uncertainty in macroeconomic and metals demand outlook, weak metal prices performance, as well as mining and metals companies' pursuit for capital efficiency improvements resulted in continued low Capex investments.

Customers continued to work on their new investment cases and Outotec's R&D centers continued to be highly loaded in making process testing and solution verification for customers. Overall, Outotec has a large number of active sales prospects under development. However, new investments are progessing slowly due to limited imminent metals supply bottlenecks and long lead times in developing the investment projects. As there are fewer projects in the market, competition in many areas has become fiercer, putting pressures on pricing. Project financing continued to be available.

The overall demand for services continued solid due to generally good production utilization rates, but in some areas customers have been postponing certain periodic service operations impacting shut-down services market.

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

ORDER INTAKE

Order intake in the reporting period totaled EUR 210.3 (491.1) million, down 57% from the comparison period. Calculated with comparable currencies, the decrease in the reporting period was 51%.

Service order intake in the reporting period remained on the comparison period's level at EUR 133.3 (133.5) million. Calculated with comparable currencies, the service order intake growth was 15%. Outotec's long-term service contracts, which have production based volume dependent variable portion, are recognized in the order intake with the estimated sales value of the next 12 months. The fixed value contracts, are recognized as full value when the order becomes effective.

Order intake by region, %	Q1 2014	Q1 2013	Q1-Q4 2013
EMEA (including CIS)	**36**	53	59
Americas	**40**	25	19
APAC	**24**	21	21
Total	**100**	100	100

Published orders in the first quarter:

Project	Customer	Project location	Value, EUR million (booked in order intake)	Business area	Expected delivery time
Operation and maintenance service contract	Cristal	Saudi Arabia	approx. 20 divided to 4 years (Q4/2013)	Metals, Energy & Water	2014-2018
Technology for beneficiation of chromite tailings	Tata Steel	India	not disclosed (Q1/2014)	Minerals Processing	By mid 2015

ORDER BACKLOG

The order backlog at the end of the reporting period was EUR 1,215.8 (1,938.9) million, down 37% from the comparison period. Services represented EUR 241.7 (218.0) million of the total order backlog at the end of the reporting period.

At the end of the reporting period, Outotec had 18 (40) projects with an order backlog value in excess of EUR 10 million, accounting for 55 (70)% of the total backlog. Based on management estimates, roughly 70 (67)% (approximately EUR 850 (1,300) million) of the quarter-end order backlog value will be delivered in 2014. The share of services in the backlog has grown and several larger Capex projects are in an advanced stage of delivery leading to the higher conversion rate.

At the end of the reporting period, the order backlog included 3 suspended projects with a total value of approximately EUR 14 million, which accounted for 1.2% of the total backlog. The suspensions were related to customers' cash flow optimization, site-related matters, financing, and permitting.

SALES AND FINANCIAL RESULT

Sales and financial result EUR million	Q1 2014	Q1 2013	Last 12 months	Q1-Q4 2013
Sales	**343.9**	502.9	1,752.5	1,911.5
Service sales[1)]	**107.5**	103.8	509.6	505.9
Share of service in sales, %	**31.3**	20.6	29.1	26.5
Gross margin, %	**19.5**	19.1	20.9	20.7
Operating profit from business operations	**12.4**	35.0	140.3	162.9
- one-time costs[2)]	**-1.6**	-0.0	-9.6	-8.0
- PPA amortization[2)]	**-2.0**	-3.3	-11.7	-13.0
Reported operating profit	**8.7**	31.7	119.0	141.9
Unrealized and realized exchange gains and losses[3)]	**-0.1**	1.4	8.1	9.6
Operating profit, %	**2.5**	6.3	6.8	7.4
- from business operations, %	**3.6**	7.0	8.0	8.5

[1)] Included in the sales figures of the two reporting segments
[2)] In the reporting period, one-time items totaled EUR -1.6 million including acquisition-related costs of EUR 0.1 million, cost efficiency program-related costs of EUR 1.5 million. 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 in the first quarter of 2014 decreased 32% from the comparison period. Calculated with comparable currencies, the decrease was 26%. The main reasons for the lower sales were the weak Capex order intake in 2013, and devaluation of emerging market currencies.

Service sales grew 4% from the comparison period and represented 31% of the total sales. The growth came mainly from technical and upgrade services. Calculated with the 2013 comparable currencies, the service sales growth was 16%.

Despite the higher share of services, gross profit margin was flat compared to the comparison period due mainly to the higher portion of large turn-key Capex projects, approximately EUR 8 million higher than planned costs in three Capex projects in Metals, Energy & Water business area, as well as lower utilization of internal engineering and delivery resources. Operating profit margin from business operations declined from the comparison period due to lower sales and high fixed costs in relation to sales.

Fixed costs were EUR 56.6 (66.1) million or 16.5 (13.1)% of sales. The 14% decrease was mainly due to lower administrative expenses resulting from cost saving activities. Calculated with comparable currencies, the decrease in fixed costs was 10%. Costs related to R&D activities were EUR 9.8 (11.6) million, equivalent to 2.9% (2.3%) of sales.

Profit before taxes in the reporting period was EUR 6.4 (29.9) million. It included net finance expenses of EUR 2.3 (1.7) 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 4.6 (21.3) million. Taxes totaled EUR 1.9 (8.6) million. Earnings per share were EUR 0.03 (0.12).

BALANCE SHEET, FINANCING AND CASH FLOW

Balance sheet, financing and cash flow EUR million	Q1 2014	Q1 2013	Last 12 months	Q1-Q4 2013
Net cash from operating activities	**4.7**	-33.6	-3.8	-42.1
Net interest-bearing debt at the end of the period	**-82.7**	-218.4	-82.7	-87.1
Equity at the end of the period	**443.0**	442.2	443.0	477.4
Equity-to-assets ratio at the end of the period, %	**36.6**	33.1	36.6	38.5
Gearing at the end of the period, %	**-18.7**	-49.4	-18.7	-18.2
Working capital at the end of the period	**-24.6**	-148.7	-24.6	-14.0

The consolidated balance sheet total was EUR 1,472.9 (1,631.5) million on March 31, 2014. The equity to shareholders of the parent company was EUR 443.0 (441.0) million, representing EUR 2.45 (2.44) per share. Equity was impacted by an accrued dividend of EUR 36.6 million in 2014 (paid April 17, 2014).

The net cash flow from operating activities in the reporting period increased from the previous year due to a change in working capital. The advance and milestone payments at the end of the reporting period were EUR 261.4 (296.8) million, representing a decrease of 12% from the comparison period. The advance and milestone payments paid to subcontractors at the end of the reporting period were EUR 30.4 (54.8) million.

Outotec's cash and cash equivalents at the end of the reporting period totaled EUR 322.3 (325.1) million. In addition to the net cash from operating activities, cash and cash equivalents were impacted by EUR 8.2 (19.1) million payments relating to investing activities and EUR 4.0 (15.8) million cash inflow from financing activities, of which emissions of Finnish short-term certificates of deposit totaled EUR 0.0 (15.0) million. Outotec 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 the reporting period was EUR -82.7 (-218.4) million, including the issuance of the EUR 150.0 million bond in September 2013. Outotec's equity-to-assets ratio was 36.6 (33.1)%. The company's capital expenditure in the reporting period was EUR 8.2 (18.4) million including investments in R&D-related equipment and information systems.

At the end of the reporting period, guarantees for commercial commitments, including advance payment guarantees issued by the parent and other Group companies, were EUR 513.9 (573.5) million.

EFFICIENCY IMPROVEMENT PROGRAM

On October 17, 2013, Outotec announced an efficiency improvement program targeting up to EUR 50 million annualized savings in operational costs by the end of 2014.

In the reporting period, a total of EUR 1.5 (2013: 12.8) million of one-time costs were booked, after which cumulative one time costs booked to the savings program totaled EUR 14.3 million. The estimated one-time costs from the program for 2013 and 2014 will be at maximum EUR 30 million.

Annualized savings of the program by the end of the reporting period totaled EUR 32.1 (2013: 12.0) million. Savings are mainly related to personnel costs due to permanent and temporary lay-offs (EUR 18.1 million), services purchased (EUR 7.1 million), traveling (EUR 6.2 million), and depreciation (EUR 0.7 million). A total of 357 persons have been reduced since September 2013 as part of the program. The majority of the personnel reductions were in Chile, Finland, and Australia. The cost savings actions will further continue in 2014.

CORPORATE STRUCTURE

There were no changes on the corporate structure in the reporting period.

PPA amortizations from completed acquisitions are estimated to be approximately EUR 8.5 million in 2014.

RESEARCH AND TECHNOLOGY DEVELOPMENT

In the reporting period, Outotec's research and technology development expenses totaled EUR 9.8 (11.6) million, a decrease of 15% from the comparison period and representing 2.9 (2.3)% of sales. Outotec filed 7 (13) new priority applications, and 45 (39) new national patents were granted. At the end of the reporting period, Outotec had 708 (650) patent families, including a total of 6,138 (5,955) national patents or patent applications.

On January 30, 2014, Outotec announced the delivery of the first Outotec TankCell® e500 to First Quantum Minerals' Kevitsa operation in Finland. Outotec TankCell® e500 is one of the world's largest flotation cells based on the highly reputated technologies with an effective volume of over 500 m^3.

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' more resource-efficient 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 March 26, 2014, Outotec published its annual sustainability report, which describes the company's approach to sustainability, performance and achievements during the year as well as future targets. Key achievements in 2013 include the 'One Outotec' globally integrated QEHS management certification, calculating the carbon footprint of supply chain, significantly increased health and safety training for employees and subcontractors, new ambitious long-term target set for people development and the larger positive effect (5.4 million tonnes CO_2-e emissions avoided) from using Outotec's metals-related technologies. The report conforms to GRI Application Level B+ and is third-party assured by Ecobio Ltd. The report is available in English at www.outotec.com/sustainability.

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).

PERSONNEL

At the end of the reporting period, Outotec had a total of 4,834 (4,858) employees of who 1,565 (1,434) were service-related employees. A total of 357 persons have been reduced since September 2013 as part of the efficiency improvement program. The majority of the personnel reductions were in Chile, Finland, and Australia. Outotec had on average 4,830 (4,825) employees. Temporary personnel accounted for 7 (8)% of the total personnel.

Personnel by region	March 31, 2014	March 31, 2013	Change %	December 31, 2013
EMEA (including CIS)	**2,888**	2,717	**6**	2,891
Americas	**1,155**	1,328	**-13**	1,144
APAC	**791**	813	**-3**	820
Total	**4,834**	4,858	**-0**	4,855

At the end of the period, the company had, in addition to its own personnel, 451 (666) 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 the reporting period, salaries and other employee benefits totaled EUR 91.7 (96.7) million.

CHANGES IN TOP MANAGEMENT

On January 7, 2014, Outotec announced that Mr. Jari Rosendal, Executive Vice President and President of Outotec's Americas region will leave Outotec on April 30, 2014 to become CEO of Kemira Oyj.

On January 10, 2014, Outotec announced the appointment of Mr. Kimmo Kontola to succeed Jari Rosendal as President of Outotec’s Americas region as of March 1, 2014. In addition, Mr. Stuart Sneyd was 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.

RESOLUTIONS OF THE 2014 ANNUAL GENERAL MEETING

Outotec Oyj's Annual General Meeting (AGM) was held on March 31, 2014, 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 2013.

Dividend

The AGM decided that a dividend of EUR 0.20 per share be paid for the financial year ended on December 31, 2013. The dividend EUR 36.6 (54.9) million was paid on April 17, 2014.

The Board of Directors

The AGM decided that the number of the Board members, including Chairman and Vice Chairman, shall be eight (8). Mr. Matti Alahuhta, Ms. Eija Ailasmaa, Mr. Tapani Järvinen, Ms. Anja Korhonen, Mr. Hannu Linnoinen, Mr. Timo Ritakallio and Mr. Poju Zabludowicz were re-elected as members of the Board of Directors, and Mr. Björn Rosengren was elected as a new member of the Board, for the term expiring at the end of the next AGM. The AGM elected Mr. 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 the other members of the Board of Directors each, as well as an additional EUR 12,000 for both the Vice Chairman of the Board, and the 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 the direct costs arising from Board work.

Of the annual remuneration, 60% would be paid in cash and 40% in Outotec Oyj shares, which were acquired from the stock exchange within one week from the date of the AGM, in amounts corresponding to EUR 28,800 for the Chairman, EUR 19,200 for the Vice Chairman of the Board and the Chairman of the Audit and Risk Committee each, and EUR 14,400 for each of the other members of the Board of Directors. 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 on 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.

Auditors

Public Accountants PricewaterhouseCoopers Oy was re-elected as the company's auditor. The auditor will be paid remuneration against the auditor's reasonable invoice approved by the company.

Board's authorizations

The AGM authorized the Board of Directors to decide on the repurchase of the company's own shares as follows:

- Maximum number of the company's own shares to be repurchased is 18,312,149 (corresponds to approximately 10% of all the current shares of the company).
- Own shares may be repurchased on the basis of this authorization only by using unrestricted equity.
- Own shares can be repurchased at a price formed in public trading on the date of the repurchase or otherwise at a price formed on the market.
- Own shares may be repurchased otherwise than in proportion to the shares held by the shareholders (directed repurchase).
- The authorization is effective until the closing of the next AGM.

The AGM authorized the Board of Directors to decide on the issuance of shares and the issuance of special rights entitling to shares referred to in Chapter 10, Section 1 of the Companies Act as follows:

- The maximum number of shares to be issued is 18,312,149 shares (corresponds to approximately 10 percent of all the current shares of the company).
- The Board of Directors is entitled to decide on the terms of the issuance of shares and of special rights entitling to shares and it is entitled to deviate from the shareholders' pre-emptive subscription rights (directed issue).
- The authorization applies to both the issuance of new shares and the distribution of own shares held by the company.
- The authorization is effective until the closing of the next AGM.

The AGM further authorized the Board of Directors to decide on donations in the aggregate amount of EUR 100,000 to universities, institutions of higher education or other non-profit purposes. The authorization shall be in force until December 31, 2014.

As of April 29, 2014, the Board has not executed these authorizations.

Amendment of Articles of Association

The AGM decided to amend the Articles of Association so that the maximum number of members of the Board of Directors is 10, and that in addition to the Chairman of the Board of Directors, the AGM shall elect the Vice Chairman of the Board of Directors.

Amendment of the Charter of the Nomination Board

The AGM decided to amend the Charter of the Nomination Board so that the Nomination Board shall submit its proposals to the Board of Directors at the latest on January 31 preceding the AGM.

Board's assembly meeting

In 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.

LEGAL DISPUTES

No new legal disputes were started in the reporting period.

OTHER ANNOUNCEMENTS IN Q1

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

CHANGES IN SHAREHOLDINGS

Outotec has not received any notifications of changes in the shareholdings in its shares according to Finnish Securities Market Act chapter 9, section 5 in the reporting period.

SHORT-TERM RISKS AND UNCERTAINTIES

Outotec acts in markets where political, economic, and social conditions may suddenly impact the business operations. Economic sanctions or trade restrictions, for example, in Russia or the Middle East may cause project delays and cancellations or even prevent Outotec's business operations. Volatility in 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 delivers complex projects and service contracts, which may contain risks related to delivery, performance of suppliers and subcontractors, 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. Outotec has invested in growing its delivery capabilities, especially personnel. Customer's cash optimization actions may temporarily reduce demand for process solutions and services leaving some of the resources unused. Different interpretations of international and local tax rules and regulations may cause additional direct or indirect taxes for Outotec.

Currency fluctuations may have a negative impact on sales, profitability and financial position. 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 differences resulting from translating the income statement and balance sheet of foreign operations to euros.

Outotec has launched in October 2013 an efficiency improvement 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. The outcome of these proceedings does not have any 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 April 16, 2014, Outotec announced that it had received notice from Franklin Templeton Investment Management Limited that its Franklin Templeton Investment Funds' holdings in shares of Outotec Oyj (OTE1V) on April 15, 2014 has exceeded 5% and were 9,548,160 shares, which represents 5.21% of the share capital and votes in the company.

On April 15, 2014, Outotec announced that it had received an order from a customer in India for the design and delivery of an iron ore pelletizing plant to be constructed in North-East India. The value of the order is approximately EUR 70 million and it will be booked in Outotec's second quarter 2014 order intake.

On April 7, 2014, Outotec announced that it had acquired the business and IPRs of Republic Alternative Technologies Inc., a premium coated titanium anode engineering and fabrication company based in Cleveland, Ohio, USA. The acquisition complements Outotec's offerings for sustainable electrowinning plants and supports the company's strategy to grow its service business through providing life-cycle solutions to customers. The transaction was completed on April 4, 2014. The acquisition price is not disclosed. Republic Alternative Technologies has 18 employees and its sales in 2013 were approximately 9 million euros.

On April 7, 2014, Outotec announced that it had agreed on cooperation with Tomra Sorting GmbH in the supply of Outotec-branded sorting solutions for the mining and metallurgical industry. Tomra Sorting is a global leader in sensor-based sorting technology. Sorting is used to separate ore from waste rock at mine sites. Tomra's sensor-based sorters can reduce specific energy consumption by 15 percent, as well as reduce the amount of water used by three to four cubic meters per tonne of ore. Tomra has sold approximately 10,000 devices for these industries worldwide.

On April 2, 2014, Outotec announced on the delivery of a new calcination system for Orbite Aluminae Inc. for high purity alumina production facility located in Cap-Chat, Québec. The contract value is below EUR 10 million and it has been booked in Outotec's 2014 first quarter order intake.

On April 2, 2014, Outotec announced that it had started an arbitration process at the International Court of Arbitration against Chinese copper smelting, refining and processing company Yanggu Xiangguang Copper Co., Ltd in a dispute regarding license agreements in the Flash Smelting and Flash Converting technologies. Outotec has started this arbitration as Yanggu Xiangguang Copper has taken a number of actions in breach of the licenses granted. The arbitration is not expected to have an impact on Outotec's financial guidance for 2014.

MARKET OUTLOOK

Based on several market institutes' estimates, metals demand is expected to grow on average 2 to 5% per annum until 2020. In the short-term, however, metal price pressures are expected to continue due to sluggish demand and high stock levels. Uncertainty of China's metals demand growth is the main contributor for the current metals demand uncertainty as the country uses some 40-60% of total metals production. This uncertainty continues to impact industry's Capex investments. Political instability and changes in local tax regulations are expected to impact investments in several emerging countries. Due to these reasons, the mining and metals industries' Capex spending is expected to still contract in 2014, however, there are some early signs that the market may have reached the bottom.

Demand for service solutions is expected to continue to grow in line with the growth of the industry's volume output and driven by the need to improve production efficiency.

Outotec's sales funnel remains solid and there is a wide range of projects under development. However, projecting the timing of new orders remains challenging. The reallocation of Capex from greenfield to brownfield, Outotec's large installed base and the need to optimize operations continue to provide opportunities for Outotec's value-adding life-cycle services, as well as upgrades and modernizations.

The global market for water, waste, and environmental solutions to the mining and metals sector will continue to grow driven by increasing production volumes and cost of water, as well as tighter environmental requirements. The short-term outlook for alternative and renewable energy is uncertain due to lower energy prices and uncertainties in subsidy regulations. There is a demand for local biomass and waste-to-energy solutions globally, and the market continues to be active. Mining and metals industry is the world's second-biggest user of water and the outlook for industrial water treatment solutions is good.

FINANCIAL GUIDANCE FOR 2014 REITERATED

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.

Espoo, April 29, 2014

Outotec Oyj
Board of Directors

INTERIM FINANCIAL STATEMENTS (unaudited)

Consolidated Statement of Comprehensive Income EUR million	Q1 2014	Q1 2013	Q1-Q4 2013
Sales	**343.9**	502.9	1 911.5
Cost of sales	**-276.9**	-406.8	-1,516.1
Gross profit	**67.0**	96.0	395.4
Other income	**0.2**	2.1	17.7
Selling and marketing expenses	**-22.6**	-24.8	-98.2
Administrative expenses	**-24.2**	-29.7	-109.9
Research and development expenses	**-9.8**	-11.6	-48.7
Other expenses	**-1.8**	-0.3	-14.2
Share of results of associated companies	**-**	0.0	-0.1
Operating profit	**8.7**	31.7	141.9
Finance income and expenses			
Interest income and expenses	**-0.8**	0.5	1.2
Market price gains and losses	**-0.5**	-0.9	-5.4
Other finance income and expenses	**-1.0**	-1.3	-5.6
Net finance income	**-2.3**	-1.7	-9.7
Profit before income taxes	**6.4**	29.9	132.2
Income tax expenses	**-1.9**	-8.6	-40.2
Profit for the period	**4.6**	21.3	92.1
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit obligations	**0.0**	-0.1	1.0
Income tax relating to items that will not be reclassified to profit or loss	**0.0**	0.0	-0.3
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translating foreign operations	**-2.7**	6.7	-32.7
Cash flow hedges	**-0.7**	-4.4	-5.0
Available for sale financial assets	**-0.0**	0.0	-0.1
Income tax relating to items that may be reclassified to profit or loss	**0.1**	0.0	-0.3
Other comprehensive income for the period	**-3.3**	2.3	-37.4
Total comprehensive income for the period	**1.3**	23.5	54.6
Profit for the period attributable to:			
Equity holders of the parent company	**4.6**	21.3	92.1
Non-controlling interest	**-**	-	-
Total comprehensive income for the period attributable to:			
Equity holders of the parent company	**1.3**	23.5	54.6
Non-controlling interest	**-**	-	-
Earnings per share for profit attributable to the equity holders of the parent company:			
Basic earnings per share, EUR	**0.03**	0.12	0.51
Diluted earnings per share, EUR	**0.03**	0.12	0.51

All figures in the tables have been rounded and consequently the sum of individual figures may deviate from the sum presented. Key figures have been calculated using exact figures.

Condensed Consolidated Statement of Financial Position EUR million	**March 31, 2014**	**March 31, 2013**	**December 31, 2013**
ASSETS			
Non-current assets			
Intangible assets	**323.0**	347.5	321.1
Property, plant and equipment	**79.6**	77.4	78.9
Deferred tax asset	**57.5**	63.1	52.9
Non-current financial assets			
Interest-bearing	**2.6**	4.2	2.6
Non interest-bearing	**3.9**	1.1	2.5
Total non-current assets	**466.5**	493.4	458.0
Current assets			
Inventories[1)]	**169.2**	193.2	180.2
Current financial assets			
Interest-bearing	**0.3**	0.2	0.2
Non interest-bearing	**514.5**	619.7	568.1
Cash and cash equivalents	**322.3**	325.1	323.7
Total current assets	**1,006.4**	1,138.2	1,072.3
TOTAL ASSETS	**1,472.9**	1,631.5	1,530.3
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the equity holders of the parent company	**443.0**	441.0	477.4
Non-controlling interest	**-**	1.2	-
Total equity	**443.0**	442.2	477.4
Non-current liabilities			
Interest-bearing	**208.7**	74.1	208.8
Non interest-bearing	**116.4**	119.3	113.3
Total non-current liabilities	**325.1**	193.4	322.1
Current liabilities			
Interest-bearing	**30.0**	37.0	28.7
Non interest-bearing			
Advances received[2)]	**261.4**	296.8	291.6
Other non interest-bearing liabilities	**413.5**	662.1	410.6
Total current liabilities	**704.8**	995.9	730.8
Total liabilities	**1,030.0**	1,189.3	1,052.8
TOTAL EQUITY AND LIABILITIES	**1,472.9**	1,631.5	1,530.3

[1)] Of which advances paid for inventories amounted to EUR 30.4 million at March 31, 2014 (March 31, 2013: EUR 54.8 million, December 31, 2013: EUR 31.1 million)

[2)] Gross advances received before percentage of completion revenue recognition amounted to EUR 1,919.0 million at March 31, 2014 (March 31, 2013: 1,716.5 million, December 31, 2013: EUR 1,892.4 million)

Condensed Consolidated Statement of Cash Flows EUR million	Q1 2014	Q1 2013	Q1-Q4 2013
Cash flows from operating activities			
Profit for the period	**4.6**	21.3	92.1
Adjustments for			
Depreciation and amortization	**7.7**	8.9	36.0
Other adjustments	**4.4**	5.4	50.7
Decrease (+)/Increase (-) in working capital	**5.6**	-48.1	-160.2
Interest received	**0.9**	1.2	4.9
Interest paid	**-0.3**	-0.5	-2.4
Income tax paid	**-18.2**	-21.8	-63.1
Net cash from operating activities	**4.7**	-33.6	-42.1
Purchases of assets	**-8.3**	-8.6	-46.1
Acquisition of subsidiaries and business operations, net of cash	**-**	-10.2	-11.8
Proceeds from sale of assets	**0.1**	0.1	0.8
Cash flows from other investing activities	**0.0**	-0.4	-0.1
Net cash used in investing activities	**-8.2**	-19.1	-57.3
Cash flow before financing activities	**-3.5**	-52.7	-99.4
Repayments of non-current debt	**-0.2**	-0.2	-13.8
Borrowings of non-current debt	**0.0**	-	148.6
Decrease in current debt	**-0.2**	-1.8	-0.3
Increase in current debt	**4.5**	18.4	8.4
Dividends paid	**-**	-	-54.9
Cash flows from other financing activities	**-0.1**	-0.5	-2.0
Net cash used in financing activities	**4.0**	15.8	86.0
Net change in cash and cash equivalents	**0.5**	-36.9	-13.3
Cash and cash equivalents at the beginning of the period	**323.7**	358.6	358.6
Foreign exchange rate effect on cash and cash equivalents	**-1.9**	3.4	-21.6
Net change in cash and cash equivalents	**0.5**	-36.9	-13.3
Cash and cash equivalents at the end of the period	**322.3**	325.1	323.7

Consolidated Statement of Changes in Equity

EUR million	Share capital	Share premium fund	Other reserves	Fair value reserves	Treasury shares	Reserve for invested non-restricted equity	Cumulative translation differences	Retained earnings	Non-cont-rolling interest	Total equity
	Attributable to the equity holders of the parent company									
Equity at January 1, 2013	17.2	20.2	0.5	-1.9	-25.5	87.7	24.5	348.9	1.2	472.7
Dividends	-	-	-	-	-	-	-	-54.9	-	-54.9
Share-based compensation	-	-	-	-	-	-	-	0.9	-	0.9
Total comprehensive income for the period	-	-	-	-4.5	-	-	6.7	21.3	-	23.5
Other changes	-	-	0.0	-	-	-	-	0.0	-	0.0
Equity at March 31, 2013	17.2	20.2	0.5	-6.4	-25.5	87.7	31.2	316.1	1.2	442.2
Equity at January 1, 2014	17.2	20.2	0.5	-6.7	-18.1	92.7	-8.2	379.8	-	477.4
Dividends	-	-	-	-	-	-	-	-36.6	-	-36.6
Share-based compensation	-	-	-	-	-	-	-	0.4	-	0.4
Total comprehensive income for the period	-	-	-	-0.6	-	-	-2.7	4.6	-	1.3
Other changes	-	-	-0.0	-	-	-	-	0.4	-	0.4
Equity at March 31, 2014	**17.2**	**20.2**	**0.4**	**-7.3**	**-18.1**	**92.7**	**-10.9**	**348.7**	**-**	**443.0**

Group key figures

Group key figures	Q1 2014	Q1 2013	Last 12 months	Q1-Q4 2013
Sales, EUR million	**343.9**	502.9	1,752.5	1,911.5
Gross margin, %	**19.5**	19.1	20.9	20.7
Operating profit, EUR million	**8.7**	31.7	119.0	141.9
Operating profit margin, %	**2.5**	6.3	6.8	7.4
Profit before taxes, EUR million	**6.4**	29.9	108.7	132.2
Profit before taxes in relation to sales, %	**1.9**	6.0	6.2	6.9
Net cash from operating activities, EUR million	**4.7**	-33.6	-3.8	-42.1
Net interest-bearing debt at the end of period, EUR million	**-82.7**	-218.4	-82.7	-87.1
Gearing at the end of period, %	**-18.7**	-49.4	-18.7	-18.2
Equity-to-assets ratio at the end of period, %	**36.6**	33.1	36.6	38.5
Working capital at the end of period, EUR million	**-24.6**	-148.7	-24.6	-14.0
Capital expenditure, EUR million	**8.2**	18.4	42.8	53.0
Capital expenditure in relation to sales, %	**2.4**	3.7	2.4	2.8
Return on investment, %, LTM	**21.6**	35.0	21.6	25.7
Return on equity, %, LTM	**17.0**	31.7	17.0	19.4
Order backlog at the end of period, EUR million	**1,215.8**	1,938.9	1,215.8	1,371.7
Order intake, EUR million	**210.3**	491.1	1,231.6	1,512.4
Personnel, average for the period	**4,830**	4,825	4,929	4,927
Profit for the period in relation to sales, %	**1.3**	4.2	4.3	4.8
Research and development expenses, EUR million	**9.8**	11.6	47.0	48.7
Research and development expenses in relation to sales, %	**2.9**	2.3	2.7	2.6
Earnings per share, EUR	**0.03**	0.12	0.42	0.51
Equity per share, EUR	**2.45**	2.44	2.45	2.64

Definitions for key financial figures

Net interest-bearing debt	=	Interest-bearing debt - interest-bearing assets	
Gearing	=	$\dfrac{\text{Net interest-bearing debt}}{\text{Total equity}}$	× 100
Equity-to-assets ratio	=	$\dfrac{\text{Total equity}}{\text{Total assets - advances received}}$	× 100
Return on investment	=	$\dfrac{\text{Operating profit + finance income}}{\text{Total assets – non-interest-bearing debt (average for the period)}}$	× 100
Return on equity	=	$\dfrac{\text{Profit for the period}}{\text{Total equity (average for the period)}}$	× 100
Research and development expenses	=	Research and development expenses in the statement of comprehensive income (including expenses covered by grants received)	
Earnings per share	=	$\dfrac{\text{Profit for the period attributable to the equity holders of the parent company}}{\text{Average number of shares during the period, as adjusted for stock split}}$	
Dividend per share	=	$\dfrac{\text{Dividend for the financial year}}{\text{Number of shares at the end of the period, as adjusted for stock split}}$	

NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME AND FINANCIAL POSITION

These Interim Financial Statements are prepared in accordance with IAS 34 Interim Financial Reporting. In these Interim Financial Statements, the same accounting policies and methods have been applied as in the latest Annual Financial Statements, as well as the below revised standards, which have been effective from the beginning of 2014. These Interim Financial Statements are unaudited.

Outotec has applied the following revised or new standards and interpretations since the beginning of 2014:

- 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.
- 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. Outotec has evaluated the effects and there were no changes to the consolidation of the Outotec group entities based on the new standard.
- IFRS 11 – Joint arrangements. The new standard establishes 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. Outotec has evaluated the effects and there were no changes to the consolidation principles of the Outotec group entities based on the new standard.
- 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.

Use of estimates

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, income taxes, provisions, pension obligations, and impairment of goodwill. These estimates are based on the management’s best knowledge of current events and actions; however, it is possible that the actual results may differ from the estimates used in the financial statements.

Reporting segment - Minerals Processing EUR million	Q1 2014	Q1 2013	change %	Q1-Q4 2013
Sales	**156.2**	215.3	-27[1)]	806.7
PPAs	**-0.8**	-0.9		-3.7
One-time items	**-1.0**	-0.0		1.4
Operating profit from business operations[2)]	**15.3**	22.8	-33	86.6
Operating profit from business operation, %	**9.8**	10.6		10.7
Operating profit	**13.5**	21.8	-38	84.2
Operating profit, %	**8.6**	10.1		10.4
Unrealized and realized exchange gains and losses[3)]	**-0.3**	1.2		4.9

[1)] *Calculated with comparable currencies -18%*
[2)] *Excluding one-time items and PPA amortizations*
[3)] *Related to currency forward contracts and bank accounts*

Reporting segment - Metals, Energy & Water EUR million	Q1 2014	Q1 2013	change %	Q1-Q4 2013
Sales	**187.7**	287.8	-35[1)]	1,105.2
PPAs	**-1.2**	-2.3		-9.3
One-time items	**-0.6**	0.0		-1.9
Operating profit from business operations[2)]	**-1.2**	18.2	-107	90.8
Operating profit from business operation, %	**-0.6**	6.3		8.2
Operating profit	**-2.9**	15.9	-118	79.7
Operating profit, %	**-1.6**	5.5		7.2
Unrealized and realized exchange gains and losses[3)]	**0.2**	0.3		4.7

[1)] *Calculated with comparable currencies -32%*
[2)] *Excluding one-time items and PPA amortizations*
[3)] *Related to currency forward contracts and bank accounts*

Major Non-Recurring Items in Operating Profit EUR million	Q1 2014	Q1 2013	Q1-Q4 2013
One-time costs related to restructuring of business[1) 2)]	**-1.5**	-	-12.8
Impairment of available for sale shares	**-**	-	-0.4
Costs related to acquisitions[1)]	**-0.1**	-0.0	-0.3
Purchase price adjustment related to acquisitions[1)]	**-**	-	0.9
Reversal of earn-out liability from acquisitions[1)]	**-**	-	4.1

[1)] *Excluded from operating profit from business operations*
[2)] *Includes no impairments (in 2013: EUR 5.2 million) on intangible and tangible assets, personnel related restructurings of EUR 0.9 (in 2013: 5.1) million and other restructuring-related costs EUR 0.6 (in 2013: 2.4) million. In segment reporting the one-time costs related to the restructuring program have been divided to Metals, Energy & Water EUR 0.4 (in 2013: 3.2) million, Minerals Processing EUR 1.0 (in 2013: 2.1) million and unallocated items EUR 0.0 (in 2013: 7.5) million.*

Income Tax Expenses EUR million	Q1 2014	Q1 2013	Q1-Q4 2013
Current taxes	**-6.7**	-13.9	-46.8
Deferred taxes	**4.9**	5.2	6.6
Total income tax expenses	**-1.9**	-8.6	-40.2

Property, Plant and Equipment EUR million	March 31, 2014	March 31, 2013	December 31, 2013
Historical cost at the beginning of the period	**170.9**	166.7	166.7
Translation differences	**0.1**	1.4	-7.5
Additions	**3.8**	4.5	22.0
Disposals	**-0.1**	-0.1	-3.9
Acquired subsidiaries	**-**	0.2	0.2
Reclassifications	**-**	0.0	-4.8
Impairment during the period	**-**	-	-1.9
Historical cost at the end of the period	**174.7**	172.8	170.9
Accumulated depreciation and impairment at the beginning of the period	**-92.0**	-91.4	-91.4
Translation differences	**0.1**	-0.5	3.0
Disposals	**0.0**	0.0	3.2
Reclassifications	**-**	-0.0	4.9
Impairment during the period	**-**	-	1.0
Depreciation during the period	**-3.3**	-3.4	-12.7
Accumulated depreciation and impairment at the end of the period	**-95.1**	-95.3	-92.0
Carrying value at the end of the period	**79.6**	77.4	78.9

Commitments and Contingent Liabilities EUR million	March 31, 2014	March 31, 2013	December 31, 2013
Guarantees for commercial commitments	**280.1**	254.4	256.8
Minimum future lease payments on operating leases	**137.5**	157.7	136.4

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 21.2 million at March 31, 2014 (March 31, 2013: EUR 22.5 million, December 31, 2013: EUR 24.2 million) and for commercial guarantees including advance payment guarantees EUR 513.9 million at March 31, 2014 (March 31, 2013: EUR 573.5 million, December 31, 2013: EUR 549.7 million). High exposure of on-demand guarantees may increase the risk of claims that may have an impact on the liquidity of Outotec.

Derivative Instruments

Currency and Interest derivatives EUR million	March 31, 2014	March 31, 2013	December 31, 2013
Fair values, net	**7.5** [1)]	-1.6 [2)]	12.5 [3)]
Nominal values	**576.6**	908.1	653.3

[1)] Of which EUR 3.2 million designated as cash flow hedges (EUR 3.2 million from currency derivatives, EUR -0.0 from interest derivatives) and EUR 3.7 million designated as fair value hedge from interest derivatives
[2)] Of which EUR 2.3 million designated as cash flow hedges (EUR 2.1 million from currency derivatives, EUR 0.2 million from interest derivatives)
[3)] Of which EUR 3.8 million designated as cash flow hedges (EUR 3.7 million from currency derivatives, EUR 0.2 million from interest derivatives) and EUR 1.8 million designated as fair value hedge from interest derivatives

Carrying amounts of financial assets and liabilities by categories
March 31, 2014

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 liabilities measured at amortized cost	Carrying amounts by balance sheet item	Fair value
Non-current financial assets							
Derivative assets							
- foreign exchange forward contracts	0.1	-	-	-	-	0.1	0.1
- interest rate swaps	3.7	-	-	-	-	3.7	3.7
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	6.9	-	-	-	-	6.9	6.9
Trade and other receivables							
- interest-bearing	-	0.3	-	-	-	0.3	0.3
- non-interest-bearing	-	507.6	-	-	-	507.6	507.6
Cash and cash equivalents	-	322.3	-	-	-	322.3	322.3
Carrying amount by category	**10.8**	**832.1**	**0.8**	**-**	**-**	**843.6**	**843.6**
Non-current financial liabilities							
Bonds	-	-	-	-	148.3	148.3	152.7
Loans from financial institutions	-	-	-	-	57.2	57.2	57.2
Loans from pension institutions	-	-	-	-	0.3	0.3	0.3
Finance lease liabilities	-	-	-	-	-	-	-
Derivative liabilities							
- foreign exchange forward contracts	-	-	-	0.0	-	0.0	0.0
- interest rate swaps	-	-	-	0.0	-	0.0	0.0
Other non-current loans	-	-	-	-	2.9	2.9	2.9
Other non-current liabilities	-	-	-	-	2.2	2.2	2.2
Current financial liabilities							
Loans from financial institutions	-	-	-	-	14.3	14.3	14.3
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	-	-	-	3.3	-	3.3	3.3
Other current loans	-	-	-	-	9.3	9.3	9.3
Trade payables	-	-	-	-	106.0	106.0	106.0
Carrying amount by category	**-**	**-**	**-**	**3.3**	**346.8**	**350.0**	**354.6**

December 31, 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 liabilities 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

Fair value hierarchy
March 31, 2014

EUR million	Level 1	Level 2	Level 3	Total
Available for sale financial assets	0.1	-	0.7	0.8
Derivative financial assets	-	10.8	-	10.8
	0.1	**10.8**	**0.7**	**11.6**
Derivative financial liabilities	-	3.3	-	3.3
	-	**3.3**	-	**3.3**
December 31, 2013				
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

Available-for-sale financial assets (level 3 of fair value hierarchy) EUR million	Q1 2014	Q1 2013	Q1-Q4 2013
Carrying value at the beginning of the period	**0.7**	1.2	1.2
Translation differences	**0.0**	0.0	-0.1
Impairments	**-**	-	-0.4
Carrying value at the end of the period	**0.7**	1.2	0.7

Related Party Transactions

Transactions and Balances with Associated Companies EUR million	Q1 2014	Q1 2013	Q1-Q4 2013
Sales	**0.1**	0.1	3.7
Other income	**0.1**	0.1	0.1
Purchases	**-0.1**	-0.1	-0.5
Trade and other receivables	**1.5**	0.2	1.5
Current liabilities	**1.7**	3.0	1.4
Loan receivables	**1.8**	2.9	1.8

Outotec has a 40% investment in Enefit Outotec Technology Oü from which the company had EUR 1.8 million loan receivable at March 31, 2014 (March 31, 2013: EUR 2.9 million, December 31, 2013: EUR 1.8 million). 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.

Segments' sales and operating profit by quarters

EUR million	Q1/12	Q2/12	Q3/12	Q4/12	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14
Sales									
Metals, Energy & Water	**241.5**	282.9	276.2	360.7	**287.8**	288.3	266.6	262.5	**187.7**
Minerals Processing	**168.9**	242.1	226.8	288.2	**215.3**	223.0	172.8	195.6	**156.2**
Unallocated items[1] and intra-group sales	**0.1**	-0.5	-0.1	0.9	**-0.2**	0.2	0.7	-0.9	**0.0**
Total	**410.4**	524.4	502.8	649.8	**502.9**	511.4	440.1	457.2	**343.9**
Operating profit									
Metals, Energy & Water	**15.4**	20.6	10.6	24.6	**15.9**	25.1	27.0	11.7	**-2.9**
Minerals Processing	**15.7**	24.8	30.6	50.9	**21.8**	15.5	22.0	24.9	**13.5**
Unallocated[2] and intra-group items	**-3.6**	-4.5	-0.2	-0.6	**-6.0**	-0.8	-4.0	-11.2	**-1.8**
Total	**27.6**	40.8	41.0	74.9	**31.7**	39.9	45.0	25.4	**8.7**

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

SHARES AND SHARE CAPITAL

Outotec's shares are listed on the NASDAQ OMX Helsinki (OTE1V). At the end of the reporting period, 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 OWN SHAREHOLDING

At the end of the reporting period, 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.

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

Shares on NASDAQ OMX Helsinki Ltd

January-March 2014	No. of shares traded	Total value EUR	High EUR	Low EUR	Average EUR[1]	Last paid EUR
OTE1V	75,800,250	569,323,042	8.48	6.73	7.54	8.04

[1] *Volume weighted average*

	March 31, 2014	March 31, 2013
Market capitalization, EUR million	**1,472**	2,093
No. of shareholders	**30,382**	17,141
Nominee registered shareholders (12), %	**32.7**	42.1
Finnish households, %	**16.4**	11.5

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 in 2013, 2014, and 2015. Each earning period can be from one to three years. The first earning period was 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 the 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 per share, order intake, and sales growth compared to key competitors. On the basis of achievements of set targets, a maximum number of 41,207 shares and cash payment that equals income taxes will be paid to participants in June 2014.

Earning period 2014

The Board of Directors set targets for earnings per share, order intake, and sales growth compared to key competitors as well as authorized the CEO to decide the approximately 170 individuals for the Program's 2014 earning period. The maximum share reward for the 2014 earning period equals 840,000 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 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.