

Q1–Q3

INTERIM

REPORT

JANUARY–SEPTEMBER 2014

30.10.2014

INTERIM REPORT JANUARY-SEPTEMBER 2014

Challenging market conditions continued, sales guidance range narrowed

January-September 2014 (comparison period in 2013):

- Order intake¹⁾: EUR 855.5 (1,086.3) million, -21%, in comparable currencies -15%
- Service order intake¹⁾: EUR 395.9 (387.1) million, 2%, in comparable currencies 12%
- Order backlog: EUR 1,217.3 (1,512.3) million, -20%
- Sales: EUR 999.4 (1,454.4) million, -31%, in comparable currencies -27%
- Service sales: EUR 352.9 (355.2) million, -1%, in comparable currencies 7%
- Operating profit from business operations²⁾: EUR 30.5 (122.4) million, -75%
- Earnings per share: EUR 0.00 (0.44)

July-September 2014 (comparison period in 2013)

- Order intake¹⁾: EUR 265.6 (229.6) million, 16%, in comparable currencies 16%
- Service order intake¹⁾: EUR 114.9 (115.1) million, -0%, in comparable currencies -0%
- Sales: EUR 320.3 (440.1) million, -27%, in comparable currencies -26%
- Service sales: EUR 127.0 (116.8) million, 9%, in comparable currencies 12%
- Operating profit from business operations²⁾: EUR 14.2 (44.1) million, -68%
- Earnings per share: EUR -0.02 (0.17)

Financial guidance 2014 for operating profit reiterated, sales guidance range narrowed

Based on the current market outlook, customer tendering activity and assessment of order backlog, the management expects that in 2014:

- Sales will be approximately EUR 1.4-1.5 (previously 1.4-1.6) billion, and
- Operating profit from business operations²⁾ will be approximately 4-6%.

¹⁾ The change in the service reporting principles increased January-September 2014 order intake by approximately EUR 38 million (Q3 2014 approximately EUR 3 million).

²⁾ Excluding one-time items and purchase price allocations (PPA) amortizations

Summary of key figures	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	Last 12 months	Q1-Q4 2013
Sales, EUR million	320.3	440.1	999.4	1,454.4	1,456.6	1,911.5
Gross margin, %	23.4	22.5	20.7	20.8	20.6	20.7
Operating profit from business operations, EUR million	14.2	44.1	30.5	122.4	70.9	162.9
Operating profit from business operations, %	4.4	10.0	3.0	8.4	4.9	8.5
Operating profit, EUR million	-0.3	45.0	8.1	116.5	33.5	141.9
Operating profit margin, %	-0.1	10.2	0.8	8.0	2.3	7.4
Profit before taxes, EUR million	-3.1	43.1	1.4	110.9	22.7	132.2
Net cash from operating activities, EUR million	-25.3	-61.1	-18.0	-39.5	-20.5	-42.1
Net interest-bearing debt at the end of period, EUR million	9.0	-112.4	9.0	-112.4	9.0	-87.1
Gearing at the end of period, %	2.0	-23.5	2.0	-23.5	2.0	-18.2
Working capital at the end of period, EUR million	6.7	-45.4	6.7	-45.4	6.7	-14.0
Return on investment, %, LTM	5.1	34.6	5.1	34.6	5.1	25.7
Return on equity, %, LTM	2.9	29.1	2.9	29.1	2.9	19.4
Order backlog at the end of period, EUR million	1,217.3	1,512.3	1,217.3	1,512.3	1,217.3	1,371.7
Order intake, EUR million	265.6	229.6	855.5	1,086.3	1,281.6	1,512.4
Personnel, average for the period	4,911	4,984	4,868	4,929	4,882	4,927
Earnings per share, EUR	-0.02	0.17	0.00	0.44	0.07	0.51

President and CEO Pertti Korhonen:

The challenging market conditions continued in the third quarter and the sentiment in the mining and metals industry was subdued. Uncertainties in the global economy, weak metal prices performance, as well as mining and metals companies' pursuit for minimizing Capex and Opex costs kept investments on a low level and put pressures on the service market. Business activity slowed down in Russia due to the economic sanctions and in Africa due to Ebola epidemic. Due to the weak market, the competition was intensive, keeping pressure on prices. The EPCM equipment sales channel continued to be very slow, reflecting the low overall level of new investments in the mining and metals industry. However, good opportunities do exist for Outotec's process and plant solutions and services in specific market pockets by customer, country, or metal.

Considering the tough market environment, we were able to close a reasonably good amount of deals in the third quarter, which shows that our focus on process and plant solutions is bearing fruit. There were no cancellations of orders and the margins in new orders were on a healthy level. Our total sales were down from last year due to the Capex business' low opening order backlog for 2014, and the delayed order intake at the beginning of the year, as well as slowness in project implementation in Russia and some other markets. Our services sales increased by 7% with comparable currencies during the reporting period and represented 35% of our total sales.

Our profitability in the third quarter improved sequentially from the second quarter due to improved profitability in the Metals, Energy & Water business, continued relatively good profitability of Minerals Processing business, higher service sales, and successful reduction of fixed operating costs.

Our EUR 50 million efficiency improvement program announced in October 2013 has now been brought to completion and we have achieved the targeted savings. As a result of successful execution of this program, plus other additional cost savings actions, our fixed operating costs were reduced by EUR 59 million as compared to the corresponding period.

Our balance sheet remained solid but our working capital was impacted somewhat by the declining order backlog and subsequent reduction in the advance payments.

Our sales funnel remains solid with a good level of prospects in various development phases. The timing of new orders continues to be the biggest source of uncertainty in order intake.

We want to be prepared for the possibly continuing market slowness and possible new impacts of geopolitical uncertainties in Russia and some other markets. Therefore, we will take further actions to enhance our profitability.

CHANGE IN REPORTING OF SERVICE CONTRACTS FROM JANUARY 1, 2014

In order to improve the transparency of Outotec's service business, the long-term service contracts, which have a 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. According to old principles, the current calendar year's portion of the long-term service contract was booked once per year into the order intake. The change in the service reporting principles increased January-September 2014 order intake by approximately EUR 38 million (Q3 2014: approximately EUR 3 million).

FURTHER INFORMATION

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FINANCIAL REPORTING SCHEDULE FOR 2015

- Financial Statements Review 2014 will be published on February 6, 2015
- January-March 2015 Interim Report will be published on April 27, 2015
- January-June 2015 Interim Report will be published on July 30, 2015
- January-September 2015 Interim Report will be published on October 29, 2015

The Financial Statements for 2014 will be published in week 9 at the latest. The Annual General Meeting 2015 is planned for March 30, 2015.

CAPITAL MARKETS DAY 2014

Outotec's CMD 2014 will be held on December 4, 2014 at Outotec headquarters Espoo, Finland. Further information is available on the Company's website www.outotec.com/investors.

DISTRIBUTION

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INTERIM REPORT JANUARY-SEPTEMBER 2014

OPERATING ENVIRONMENT

The sentiment in the mining and metals industry continued to be subdued in the third quarter. Uncertainty in China and other developing markets, weak metal prices performance, as well as mining and metals companies' pursuit for capital efficiency improvements were the main reasons for fewer investments. Business activity in Russia slowed down due to the economic sanctions and in Africa due to Ebola epidemic. The equipment sales through EPCM companies continued to be slow, but there is demand for different process and plant solutions, as well as services in various regions and for various metals. As there are still fewer projects in the market, competition in many areas has been intensive, increasing price pressure.

Demand for services was impacted by customers' actions to reduce their spare part inventories and postpone larger periodic maintenance activities in order to minimize operating costs.

Low energy prices and uncertainties in subsidy regulation slowed down alternative and renewable energy investments.

ORDER INTAKE

Order intake in the third quarter of 2014 increased 16% from the comparison period. Calculated with comparable currencies, the increase was 16%. Service order intake in the third quarter of 2014 remained flat from the comparison period.

Order intake in January-September 2014 decreased 21% from the comparison period. Calculated with comparable currencies, the decrease was 15%. Service order intake in January-September 2014 increased 2%. Calculated with comparable currencies, the service order intake increased 12%. Growth came from operate & maintenance and shutdown services.

Change of service order intake reporting principles as of January 1, 2014 increased January-September 2014's total order intake by approximately EUR 38 million (Q3 2014: approximately EUR 3 million).

Order intake by region, %	Q1-Q3 2014	Q1-Q3 2013	Q1-Q4 2013
EMEA (including CIS)	37	54	59
Americas	38	22	19
APAC	25	23	21
Total	100	100	100

Published orders in the third quarter:

Project	Customer	Project location	Value, EUR million (booked in order intake)	Business area	Expected delivery time
Coated titanium anodes for copper production	Cobre del Mayo	Mexico	below 10 (Q3/2014)	Metals, Energy & Water	not disclosed
Grinding mill and service orders	Multiple customers	EMEA region	Approx. 12 in total (Q3/2014)	Minerals Processing	during 2014-2015
Minerals processing technology and equipment for copper concentrator	Norilsk Nickel	Russia	not disclosed but the value of comparable deliveries is typically 40-60 (Q3/2014)	Minerals Processing	mid 2016

ORDER BACKLOG

The order backlog at the end of September 2014 was EUR 1,217.3 (1,512.3) million, down 20% from the comparison period. Services represented EUR 267.7 (211.5) million of the total order backlog at the end of September 2014.

At the end of September 2014, Outotec had 22 (38) projects with an order backlog value in excess of EUR 10 million, accounting for 59 (79)% of the total backlog. Based on management estimates, roughly 33 (38)% (approximately EUR 400 (580) million) of the September-end order backlog value will be delivered in 2014.

At the end of September 2014, the order backlog included one suspended project with a value of approximately EUR 5 million. The suspension was due to the customer's site-related matters.

SALES AND FINANCIAL RESULT

Sales and financial result EUR million	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	Last 12 Months	Q1-Q4 2013
Sales	320.3	440.1	999.4	1,454.4	1,456.6	1,911.5
Service sales ¹⁾	127.0	116.8	352.9	355.2	503.6	505.9
Share of service in sales, %	39.6	26.5	35.3	24.4	34.6	26.5
Gross margin, %	23.4	22.5	20.7	20.8	20.6	20.7
Operating profit from business operations	14.2	44.1	30.5	122.4	70.9	162.9
- one-time costs ²⁾	-12.3	4.1	-16.2	3.9	-28.1	-8.0
- PPA amortization ²⁾	-2.1	-3.2	-6.2	-9.8	-9.3	-13.0
Reported operating profit	-0.3	45.0	8.1	116.5	33.5	141.9
Unrealized and realized exchange gains and losses ³⁾	-4.0	2.6	-6.5	5.9	-2.8	9.6
Operating profit, %	-0.1	10.2	0.8	8.0	2.3	7.4
- from business operations, %	4.4	10.0	3.0	8.4	4.9	8.5

¹⁾ Included in the sales figures of the two reporting segments

²⁾ In January-September 2014, one-time items totaled EUR -16.2 million including acquisition-related costs of EUR 0.7 million, cost efficiency program-related costs of EUR 15.5 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 January-September 2014 decreased 31% from the comparison period. Calculated with comparable currencies sales were 27% lower. The main reasons for the decreased sales were low opening backlog for 2014 in Capex business and weak order intake during 2014, as well as slowness in project implementation in Russia and in some other markets due to geopolitical uncertainty.

In January-September 2014, service sales was on the same level as in the comparison period and represented 35% of the total sales. With comparable currencies service sales grew 7%.

Operating profit excluding one-time costs and PPA amortizations in January-September 2014 was impacted by approximately EUR 24 million (Q3/2014: EUR 4 million) cost overruns in five large Capex projects in the Metals, Energy & Water business area. The execution of these projects was better in the third quarter, visible also in the improved result of the Metals, Energy & Water business area. The progress of these projects is expected to reach 95% by the end of the year. The main reasons for the cost overruns in the first half of the year were related to higher implementation costs, delays or quality issues in supplier and construction performance, and new technology applications.

In January-September 2014, selling, marketing, administration, and R&D expenses decreased 10% and totaled EUR 175.6 (195.9) million or 18 (13)% of sales. Calculated with comparable currencies, the decrease in these costs was 7%. Costs related to R&D activities were EUR 27.8 (34.9) million, equivalent to 2.8 (2.4)% of sales.

Profit before taxes in January-September 2014 was EUR 1.4 (110.9) million. It included net finance expenses of EUR 6.7 (5.6) million. Net profit for January-September 2014 was EUR 0.1 (78.8) million. Taxes totaled EUR 1.2 (32.1) million. Earnings per share were EUR 0.00 (0.44).

BALANCE SHEET, FINANCING AND CASH FLOW

Balance sheet, financing and cash flow EUR million	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	Last 12 months	Q1-Q4 2013
Net cash from operating activities	-25.3	-61.1	-18.0	-39.5	-20.5	-42.1
Net interest-bearing debt at the end of the period	9.0	-112.4	9.0	-112.4	9.0	-87.1
Equity at the end of the period	449.6	478.3	449.6	478.3	449.6	477.4
Equity-to-assets ratio at the end of the period, %	37.1	36.1	37.1	36.1	37.1	38.5
Gearing at the end of the period, %	2.0	-23.5	2.0	-23.5	2.0	-18.2
Working capital at the end of the period	6.7	-45.4	6.7	-45.4	6.7	-14.0

The consolidated balance sheet total was EUR 1,449.7 (1,604.8) million on September 30, 2014. The equity to shareholders of the parent company was EUR 449.6 (478.3) million, representing EUR 2.48 (2.64) per share. Equity was impacted by a dividend payment of EUR 36.6 million (paid on April 17, 2014).

The net cash flow from operating activities in January-September 2014 totaled EUR -18.0 (-39.5) million. The decrease was due to lower profitability. The advance and milestone payments at the end of September 2014 were EUR 236.2 (279.5) million, representing a decrease of 15% from the comparison period due to lower order intake. The advance and milestone payments paid to subcontractors at the end of September 2014 were EUR 36.5 (30.7) million.

Working capital at the end of September 2014 totaled EUR 6.7 (-45.4) million. Working capital was positive due to the decline in order backlog, and related advance payments.

Outotec's cash and cash equivalents at the end of September 2014 totaled EUR 282.0 (364.7) million. Cash and cash equivalents were impacted mainly by a EUR 36.6 (54.9) million dividend payment and EUR 44.9 (43.3) million payments relating to investing activities, of which acquisition-related payments totaled EUR 7.9 (11.9) 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 but has been impacted by the declining order backlog and subsequent decline in advance payments. Net interest-bearing debt at the end of September 2014 was EUR 9.0 (-112.4) million. During the third quarter of 2014, Outotec drew in full the EUR 45 million European Investment Bank term loan (signed in 2012). Outotec's existing interest bearing debt (total of EUR 287.6 million) has a relatively long maturity profile and a major part (EUR 175.7 million) is maturing on Q3/2020 or later. At the end of September 2014, Outotec had available EUR 110 million unused, committed credit facilities and a EUR 100 million commercial paper program, of which EUR 19.0 million was in use. Outotec's equity-to-assets ratio was 37.1 (36.1)%.

The company's capital expenditure in January-September 2014 was EUR 47.0 (39.5) million including investments in information systems, like the company wide Enterprise Resource Planning system, R&D-related equipment, and acquisitions.

At the end of September 2014, guarantees for commercial commitments, including advance payment guarantees issued by the parent and other Group companies, were EUR 495.0 (582.1) million.

EFFICIENCY IMPROVEMENT PROGRAM CLOSED

Outotec introduced an efficiency improvement program on October 17, 2013 targeting up to EUR 50 million annualized savings in operating costs by the end of 2014 compared to the Q3/2013 situation. The company has achieved the targeted savings at the end of September 2014 and closed the program on October 30, 2014.

In January-September 2014, a total of EUR 15.5 (in 2013: 12.8) million of one-time costs were booked, after which cumulative one-time costs booked to the savings program totaled EUR 28.3 million. One-time costs in the third quarter include EUR 10 million write-down related to IT systems as certain functionalities will not be deployed due to changes in the operating model.

Annualized savings of the program by the end of September 2014 totaled EUR 50.3 (in 2013: 12.0) million. Savings are mainly related to permanent and temporary lay-offs (EUR 30.3 million), reduction in external services (EUR 11.0 million), and traveling (EUR 6.6 million). Personnel have been reduced by a total of 470 since September 2013 as part of the efficiency improvement program. The majority of the personnel reductions were in Chile, Finland, and Australia.

In addition to the EUR 50.3 million (470 persons) saving, EUR 5.0 million cost reduction was achieved through voluntary resignations and retirements (additional 100 persons).

As a result of the efficiency improvement program, voluntary resignations and retirements Outotec's personnel has been reduced in total by 570 (212 in services, 358 in Capex business and shared functions) persons. The services personnel reductions relate to ramp-down of some low profitability service contracts. At the same time, our headcount was increased by 540 persons as a result of recruitments to service business (468) especially to ramp up operate and maintenance at new customer sites, as well as to product development (49) and acquisitions (23) to continuously strengthen the competitiveness of our offerings. In total, this resulted in a net headcount reduction of 30 persons since September 2013. In January-September 2014, personnel costs decreased 7% from the comparison period and totaled EUR 270.6 (289.9) million.

In January-September 2014, operational fixed costs including selling and marketing, administrative, R&D and fixed delivery expenses were EUR 248.7 (307.9) million. The reduction of EUR 59.2 million includes savings from the efficiency improvement program as well as other, continuous operational improvement actions.

Further cost saving actions have been initiated, such as the right-sizing of resources, as well as improving cost-competitiveness of products and supply chain.

CORPORATE STRUCTURE

On July 28, 2014, Outotec announced that it had purchased the assets of KALOGEO Anlagenbau GmbH in Leobersdorf, Austria. KALOGEO has provided solutions for biomass, sludge and waste water treatment and designed, built, and operated several mid-size thermal sludge treatment plants based on fluidized bed technology. Altogether five KALOGEO's former employees will transfer to Outotec. The transaction will not impact Outotec's financial guidance for 2014.

Outotec opened offices in Denver, USA (August 2014) and Manila, the Philippines (September 2014).

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

RESEARCH AND TECHNOLOGY DEVELOPMENT

In January-September 2014, Outotec's research and technology development expenses totaled EUR 27.8 (34.9) million, a decrease of 20% from the comparison period and representing 2.8 (2.4)% of sales. Outotec filed 37 (51) new priority applications, and 259 (259) new national patents were granted. At the end of September 2014, Outotec had 728 (695) patent families, including a total of 6,471 (6,156) national patents or patent applications.

Product launches in Q3

On August 27, 2014, Outotec announced the launch of a major update to HSC Chemistry software. HSC 8.0 - the latest version of the world's most popular thermodynamic calculation software.

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 September 11, 2014, Outotec was selected for the second consecutive year to the Dow Jones Sustainability Europe Index for 2014-2015.

PERSONNEL

At the end of September 2014, Outotec had a total of 4,948 (4,978) employees of whom 1,759 (1,503) were service-related employees. Outotec's personnel has been reduced in total by 570 (212 in services, 358 in Capex business and shared functions) persons as part of the efficiency improvement program. The majority of the personnel reductions were in Chile, Finland, and Australia. At the same time, recruitments to service business (468), especially to operate and maintenance, as well as product development (49) and acquisitions (23) increased headcount by 540 persons resulting to a net headcount reduction of 30 persons since September 2013. Outotec had on average 4,868 (4,929) employees. Temporary personnel accounted for 10 (8)% of the total personnel.

Personnel by region	September 30, 2014	September 30, 2013	Change	December 31, 2013
EMEA (including CIS)	2,877	2,861	16	2,891
Americas	1,323	1,286	37	1,144
APAC	748	831	-83	820
Total	4,948	4,978	-30	4,855

At the end of September 2014, the company had, in addition to its own personnel, 466 (585) 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 January-September 2014, salaries and other employee benefits totaled EUR 270.6 (289.9) million, a decrease of 7% from the comparison period.

OTHER ANNOUNCEMENTS IN Q3

On July 28, 2014, Outotec lowered its financial guidance for 2014. The main reasons for the change in financial guidance were:

- Lower sales in Capex business due to delayed order intake in the beginning of the year, and slowness in project implementation in Russia due to increased geopolitical uncertainty.
- Cost overruns in five large Capex projects that have been won during 2009-2012, the majority of which are expected to be completed by the end of 2014.

Based on the market outlook, customer tendering activity and assessment of order backlog, the management expected that in 2014 (previous guidance):

- Sales will be approximately EUR 1.4-1.6 (1.5-1.8) billion, and
- Operating profit from business operations (excl. one-time items and PPA amortizations) will be approximately 4-6 (5-8) %.

SHORT-TERM RISKS AND UNCERTAINTIES

Outotec has deliveries in countries where geopolitical risks, changes in social conditions, economic sanctions or trade restrictions may cause delays and cancellations, or even prevent Outotec's business operations. During January-September 2014 approximately 9% of Outotec's sales came from Russia, thus the continuation or increase in political and economic sanctions in the country may significantly impact Outotec's 2014 sales and profitability. The spread of Ebola virus may complicate or prevent business operations in certain parts of Africa. Escalation of unrest in the Middle East may cause project delays, cancellations or may cause customers to postpone investment decisions.

Outotec delivers complex projects and service contracts, which may involve significant risks related to cost and quality of subcontracting or the functionality of the technology. Supplier and subcontractor management require the availability of skilled personnel both in the quotation and the delivery phase to secure planned cost and time schedule. Especially large turnkey projects may involve liabilities related to time schedule, functionality, and performance. In a difficult market environment, risk about disagreements concerning agreed scope or performance may increase. Projects may deviate from their original schedules thus impacting on revenue recognition and the company's quarterly and annual financial results and projections.

Deterioration of the market situation may cause losses on accounts receivables that are beyond management's provisions. Different interpretations of international and local tax rules and regulations may cause additional direct or indirect taxes for Outotec.

Volatility in emerging markets' currency rates or availability of financing may rapidly change and lead customers to postpone order placement, delay project execution, and suspend or cancel projects. Currency fluctuations may have a negative impact on Outotec's sales, profitability and financial position. Approximately 60% of Outotec's total cash flow is denominated in euros. 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 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 SEPTEMBER END

On October 1, 2014, Adel Hattab, M.Sc. (Eng), MBA was appointed as the Executive Vice President and President of EMEA region. He will be a member of Outotec's Executive Board. Dr Peter Weber, who has been responsible for Outotec's EMEA region, left the company on September 30, 2014.

On October 2, 2014, Outotec Oyj's three largest shareholders on October 1, 2014 and the Chairman of the Board of Directors nominated the following persons as members of the Nomination Board of Outotec: Kari A.J. Järvinen (Solidium Oy), Harri Sailas (Ilmarinen Mutual Pension Insurance Company), Poju Zabłudowicz (Tamares Nordic Investments B.V.), and Matti Alahuhta, Chairman of the Board of Directors.

On October 17, 2014, Outotec announced that the Board of Directors has decided to continue Outotec's Employee Share Savings Plan (announced on September 25, 2012) for the calendar year 2015. The Plan commenced on January 1, 2013, and approximately a third of employees have participated in it during the two first saving periods.

On October 24, 2014, Outotec announced having been awarded a contract by JSC MMC Norilsk Nickel to modernize and rebuild Norilsk Nickel's nickel flash smelting furnace at Nadezhda smelter in Norilsk, Russia. The contract value in these types of total rebuilds is typically EUR 30-50 million. The order has been booked in Outotec's 2014 fourth quarter order intake.

MARKET OUTLOOK

Based on several market institutes' estimates, metals demand is expected to grow on average three to six percent per annum in line with global GDP growth. In the short-term, uncertainties in the global economy, and fluctuations in metal prices are expected to continue to impact capital investments as well as operational spending.

Demand for service solutions is expected to continue to develop in line with the industry's volume growth and to be driven by the continued need to improve production efficiency. Customers' need to reduce operational expenses is causing pressure on pricing.

The global market for water, energy, and environmental solutions is expected to grow. In the mining and metals sector, higher production volumes and operational costs, as well as tighter environmental requirements will drive investments into more sustainable technology. The outlook for industrial water treatment solutions continues to be positive as the mining and metals industry is the world's second-biggest user of water. There is a demand for biomass and waste-to-energy solutions in select markets, however, alternative and renewable energy solutions' short-term outlook is uncertain due to lower energy prices and lack of subsidy regulation.

FINANCIAL GUIDANCE 2014 FOR OPERATING PROFIT REITERATED, SALES GUIDANCE RANGE NARROWED

Based on the current market outlook, customer tendering activity, and assessment of order backlog, the management expects that in 2014:

- Sales will be approximately EUR 1.4-1.5 (previously 1.4-1.6) billion, and
- Operating profit from business operations¹⁾ will be approximately 4-6%.

¹⁾ Excluding one-time items and purchase price allocations (PPA) amortizations.

Espoo, October 30, 2014

Outotec Oyj
Board of Directors

INTERIM FINANCIAL STATEMENTS (unaudited)

Consolidated Statement of Comprehensive Income EUR million	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	Q1-Q4 2013
Sales	320.3	440.1	999.4	1,454.4	1,911.5
Cost of sales	-245.4	-340.9	-792.9	-1,152.5	-1,516.1
Gross profit	74.9	99.1	206.5	301.9	395.4
Other income	0.1	7.0	0.8	11.3	17.7
Selling and marketing expenses	-23.0	-22.5	-69.2	-74.1	-98.2
Administrative expenses	-27.6	-27.4	-78.7	-86.8	-109.9
Research and development expenses	-8.1	-11.0	-27.8	-34.9	-48.7
Other expenses	-16.7	-0.8	-23.4	-1.3	-14.2
Share of results of associated companies	0.0	0.6	-0.2	0.5	-0.1
Operating profit	-0.3	45.0	8.1	116.5	141.9
Finance income and expenses					
Interest income and expenses	-1.1	0.5	-2.7	1.9	1.2
Market price gains and losses	-0.7	-0.9	-0.8	-3.5	-5.4
Other finance income and expenses	-1.0	-1.5	-3.2	-4.0	-5.6
Net finance expense	-2.8	-1.8	-6.7	-5.6	-9.7
Profit before income taxes	-3.1	43.1	1.4	110.9	132.2
Income tax expenses	0.1	-12.5	-1.2	-32.1	-40.2
Profit for the period	-3.0	30.7	0.1	78.8	92.1
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit obligations	-	-	-	-0.1	1.0
Income tax relating to items that will not be reclassified to profit or loss	-	-	-	0.0	-0.3
Items that may be subsequently reclassified to profit or loss					
Exchange differences on translating foreign operations	6.4	-6.5	8.1	-18.2	-32.7
Cash flow hedges	-0.4	-0.1	-1.5	-3.7	-5.0
Available for sale financial assets	-	0.0	-0.1	-0.1	-0.1
Income tax relating to items that may be reclassified to profit or loss	0.0	-0.1	0.0	-0.3	-0.3
Other comprehensive income for the period	6.0	-6.7	6.6	-22.4	-37.4
Total comprehensive income for the period	3.0	24.0	6.7	56.4	54.6
Profit for the period attributable to:					
Equity holders of the parent company	-3.0	30.7	0.1	78.8	92.1
Non-controlling interest	-	-	-	-	-
Total comprehensive income for the period attributable to:					
Equity holders of the parent company	3.0	24.0	6.7	56.4	54.6
Non-controlling interest	-	-	-	-	-
Earnings per share for profit attributable to the equity holders of the parent company:					
Basic earnings per share, EUR	-0.02	0.17	0.00	0.44	0.51
Diluted earnings per share, EUR	-0.02	0.17	0.00	0.44	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	September 30, 2014	September 30, 2013	December 31, 2013
ASSETS			
Non-current assets			
Intangible assets	337.8	330.1	321.1
Property, plant and equipment	82.3	79.5	78.9
Deferred tax asset	64.6	55.9	52.9
Non-current financial assets			
Interest-bearing	2.2	3.4	2.6
Non-interest-bearing	6.4	5.1	2.5
Total non-current assets	493.2	473.9	458.0
Current assets			
Inventories ¹⁾	191.4	175.7	180.2
Current financial assets			
Interest-bearing	0.2	0.2	0.2
Non-interest-bearing	483.0	590.4	568.1
Cash and cash equivalents	282.0	364.7	323.7
Total current assets	956.5	1,130.9	1,072.3
TOTAL ASSETS	1,449.7	1,604.8	1,530.3
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the equity holders of the parent company	449.6	478.3	477.4
Total equity	449.6	478.3	477.4
Non-current liabilities			
Interest-bearing	245.9	217.4	208.8
Non-interest-bearing	118.2	125.0	113.3
Total non-current liabilities	364.1	342.4	322.1
Current liabilities			
Interest-bearing	41.6	38.4	28.7
Non-interest-bearing			
Advances received ²⁾	236.2	279.5	291.6
Other non-interest-bearing liabilities	358.2	466.2	410.6
Total current liabilities	636.0	784.1	730.8
Total liabilities	1,000.1	1,126.5	1,052.8
TOTAL EQUITY AND LIABILITIES	1,449.7	1,604.8	1,530.3

¹⁾ Of which advances paid for inventories amounted to EUR 36.5 million at September 30, 2014 (September 30, 2013: EUR 30.7 million, December 31, 2013: EUR 31.1 million).

²⁾ Gross advances received before percentage of completion revenue recognition amounted to EUR 1,751.2 million at September 30, 2014 (September 30, 2013: EUR 1,991.8 million, December 31, 2013: EUR 1,892.4 million).

Condensed Consolidated Statement of Cash Flows EUR million	Q1-Q3 2014	Q1-Q3 2013	Q1-Q4 2013
Cash flows from operating activities			
Profit for the period	0.1	78.8	92.1
Adjustments for			
Depreciation and amortization	24.1	27.0	36.0
Other adjustments	19.7	33.7	50.7
Increase in working capital	-32.7	-133.5	-160.2
Interest received	4.2	4.0	4.9
Interest paid	-7.2	-1.5	-2.4
Income tax paid	-26.3	-48.1	-63.1
Net cash from operating activities	-18.0	-39.5	-42.1
Purchases of assets	-37.3	-31.4	-46.1
Acquisition of subsidiaries and business operations, net of cash	-7.9	-11.9	-11.8
Proceeds from sale of assets	0.6	0.2	0.8
Cash flows from other investing activities	-0.3	-0.1	-0.1
Net cash used in investing activities	-44.9	-43.3	-57.3
Cash flow before financing activities	-62.8	-82.8	-99.4
Repayments of non-current debt	-6.8	-6.9	-13.8
Borrowings of non-current debt	45.0	148.6	148.6
Decrease in current debt	-0.4	-0.2	-0.3
Increase in current debt	15.1	16.8	8.4
Dividends paid	-36.6	-54.9	-54.9
Cash flows from other financing activities	0.3	-1.0	-2.0
Net cash used in financing activities	16.5	102.4	86.0
Net change in cash and cash equivalents	-46.4	19.6	-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	4.6	-13.6	-21.6
Net change in cash and cash equivalents	-46.4	19.6	-13.3
Cash and cash equivalents at the end of the period	282.0	364.7	323.7

Consolidated Statement of Changes in Equity

EUR million	Attributable to the equity holders of the parent company									
	Share capital	Share premium fund	Other reserves	Fair value reserves	Treasury shares	Reserve for invested non-restricted equity	Cumulative translation differences	Retained earnings	Non-controlling interest	Total equity
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 paid	-	-	-	-	-	-	-	-54.9	-	-54.9
Dissolution of Management incentive plan for Outotec Executive Board	-	-	-	-	4.3	1.4	-	-4.5	-1.2	-
Share-based compensation	-	-	-	-	3.1	-	-	0.1	-	3.3
Total comprehensive income for the period	-	-	-	-4.3	-	-	-18.2	78.8	-	56.4
Other changes	-	-	-	-	-	-	-	0.9	-	0.9
Equity at September 30, 2013	17.2	20.2	0.5	-6.2	-18.1	89.1	6.3	369.3	-	478.3
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	-	-	-	-	0.1	0.2	-	1.5	-	1.7
Total comprehensive income for the period	-	-	-	-1.5	-	-	8.1	0.1	-	6.7
Other changes	-	-	-	-	-	-	-	0.4	-	0.4
Equity at September 30, 2014	17.2	20.2	0.5	-8.2	-18.0	92.9	-0.1	345.2	-	449.6

Group key figures	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	Last 12 months	Q1-Q4 2013
Sales, EUR million	320.3	440.1	999.4	1,454.4	1,456.6	1,911.5
Gross margin, %	23.4	22.5	20.7	20.8	20.6	20.7
Operating profit, EUR million	-0.3	45.0	8.1	116.5	33.5	141.9
Operating profit margin, %	-0.1	10.2	0.8	8.0	2.3	7.4
Profit before taxes, EUR million	-3.1	43.1	1.4	110.9	22.7	132.2
Profit before taxes in relation to sales, %	-1.0	9.8	0.1	7.6	1.6	6.9
Net cash from operating activities, EUR million	-25.3	-61.1	-18.0	-39.5	-20.5	-42.1
Net interest-bearing debt at the end of period, EUR million	9.0	-112.4	9.0	-112.4	9.0	-87.1
Gearing at the end of period, %	2.0	-23.5	2.0	-23.5	2.0	-18.2
Equity-to-assets ratio at the end of period, %	37.1	36.1	37.1	36.1	37.1	38.5
Working capital at the end of period, EUR million	6.7	-45.4	6.7	-45.4	6.7	-14.0
Capital expenditure, EUR million	15.5	11.8	47.0	39.5	60.5	53.0
Capital expenditure in relation to sales, %	4.9	2.7	4.7	2.7	4.2	2.8
Return on investment, %, LTM	5.1	34.6	5.1	34.6	5.1	25.7
Return on equity, %, LTM	2.9	29.1	2.9	29.1	2.9	19.4
Order backlog at the end of period, EUR million	1,217.3	1,512.3	1,217.3	1,512.3	1,217.3	1,371.7
Order intake, EUR million	265.6	229.6	855.5	1,086.3	1,281.6	1,512.4
Personnel, average for the period	4,911	4,984	4,868	4,929	4,882	4,927
Profit for the period in relation to sales, %	-0.9	7.0	0.0	5.4	0.9	4.8
Research and development expenses, EUR million	8.1	11.0	27.8	34.9	41.6	48.7
Research and development expenses in relation to sales, %	2.5	2.5	2.8	2.4	2.9	2.6
Earnings per share, EUR	-0.02	0.17	0.00	0.44	0.07	0.51
Equity per share, EUR	2.48	2.64	2.48	2.64	2.48	2.64

Definitions for key financial figures

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

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

Equity-to-assets ratio = $\frac{\text{Total equity}}{\text{Total assets - advances received}} \times 100$

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

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

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

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

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

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 the 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 January-September 2014. 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	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	change %	Q1-Q4 2013
Sales	154.4	172.8	468.9	611.1	-23 ¹⁾	806.7
PPAs	-0.9	-0.9	-2.6	-2.8		-3.7
One-time items	-1.6	2.7	-4.3	2.5		1.4
Operating profit from business operations ²⁾	11.4	20.2	40.4	59.6	-32	86.6
Operating profit from business operation, %	7.4	11.7	8.6	9.7		10.7
Operating profit	8.9	22.0	33.5	59.3	-44	84.2
Operating profit, %	5.8	12.7	7.1	9.7		10.4
Unrealized and realized exchange gains and losses ³⁾	-1.9	1.2	-3.5	3.6		4.9

¹⁾ Calculated with comparable currencies -17%

²⁾ Excluding one-time items and PPA amortizations

³⁾ Related to currency forward contracts and bank accounts

Reporting segment - Metals, Energy & Water EUR million	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	change %	Q1-Q4 2013
Sales	165.9	266.6	530.5	842.7	-37 ¹⁾	1,105.2
PPAs	-1.3	-2.3	-3.6	-7.0		-9.3
One-time items	-0.4	1.3	-1.6	1.3		-1.9
Operating profit from business operations ²⁾	3.7	27.9	-5.6	73.6	-108	90.8
Operating profit from business operation, %	2.3	10.5	-1.1	8.7		8.2
Operating profit	2.0	27.0	-10.8	68.0	-116	79.7
Operating profit, %	1.2	10.1	-2.0	8.1		7.2
Unrealized and realized exchange gains and losses ³⁾	-2.3	1.3	-3.4	2.3		4.7

¹⁾ Calculated with comparable currencies -35%

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-Q3 2014	Q1-Q3 2013	Q1-Q4 2013
One-time costs related to restructuring of business ^{1) 2)}	-15.5	-	-12.8
Impairment of available for sale shares	-	-0.4	-0.4
Costs related to acquisitions ¹⁾	-0.7	-0.3	-0.3
Purchase price adjustment related to acquisitions ¹⁾	-	-	0.9
Reversal of earn-out liability from acquisitions ¹⁾	-	4.2	4.1

¹⁾ Excluded from operating profit from business operations

²⁾ Impairments related to intangible, tangible and other long-term assets EUR 11.0 (in 2013: EUR 5.2) million, personnel related restructurings of EUR 3.0 (in 2013: 5.1) million and other restructuring related costs EUR 1.5 (in 2013: 2.4) million. In segment reporting the one-time costs related to the restructuring program have been divided to Metals, Energy and Water EUR 0.9 (in 2013: 3.2) million, Minerals Processing EUR 4.3 (in 2013: 2.1) million and unallocated items EUR 10.3 (in 2013: EUR 7.5) million.

Income Tax Expenses EUR million	Q1-Q3 2014	Q1-Q3 2013	Q1-Q4 2013
Current taxes	-12.1	-26.2	-46.8
Deferred taxes	10.9	-5.8	6.6
Total income tax expenses	-1.2	-32.1	-40.2

Property, Plant and Equipment EUR million	September 30, 2014	September 30, 2013	December 31, 2013
Historical cost at the beginning of the period	170.9	166.7	166.7
Translation differences	2.6	-4.9	-7.5
Additions	18.1	16.3	22.0
Disposals	-4.4	-0.5	-3.9
Acquired subsidiaries	-	0.2	0.2
Reclassifications	-5.4	-0.3	-4.8
Impairment during the period	-	-	-1.9
Historical cost at the end of the period	181.6	177.6	170.9
Accumulated depreciation and impairment at the beginning of the period	-92.0	-91.4	-91.4
Translation differences	-1.1	1.9	3.0
Disposals	3.9	0.3	3.2
Reclassifications	0.1	0.6	4.9
Impairment during the period	-	-	1.0
Depreciation during the period	-10.4	-9.6	-12.7
Accumulated depreciation and impairment at the end of the period	-99.4	-98.1	-92.0
Carrying value at the end of the period	82.3	79.5	78.9

Commitments and Contingent Liabilities EUR million	September 30, 2014	September 30, 2013	December 31, 2013
Guarantees for commercial commitments	299.8	208.8	256.8
Minimum future lease payments on operating leases	135.1	147.2	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 28.3 million at September 30, 2014 (September 30, 2013: EUR 24.7 million, December 31, 2013: EUR 24.2 million) and for commercial guarantees including advance payment guarantees EUR 495.0 million at September 30, 2014 (September 30, 2013: EUR 582.1 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	September 30, 2014	September 30, 2013	December 31, 2013
Fair values, net	1.0 ¹⁾	11.0 ²⁾	12.5 ³⁾
Nominal values	525.5	763.0	653.3

¹⁾ Of which EUR -0.4 million designated as cash flow hedges (EUR -0.1 million from currency derivatives, EUR -0.3 from interest derivatives) and EUR 5.7 million designated as fair value hedge from interest derivatives.

²⁾ Of which EUR 4.3 million designated as cash flow hedges (EUR 4.0 million from currency derivatives, EUR 0.2 million from interest derivatives) and EUR 1.6 million designated as fair value hedge 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								
September 30, 2014	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	Derivatives under hedge accounting	Financial liabilities measured at amortized cost	Carrying amounts by balance sheet item	Fair value
EUR million								
Non-current financial assets								
Derivative assets								
- foreign exchange forward contracts	-	-	-	-	-	-	0.0	0.0
- interest rate swaps	-	-	-	-	5.7	-	5.7	5.7
Other shares and securities	-	-	0.8	-	-	-	0.8	0.8
Trade and other receivables								
- interest-bearing	-	1.4	-	-	-	-	1.4	1.4
- non-interest-bearing	-	0.1	-	-	-	-	0.1	0.1
Current financial assets								
Derivative assets								
- foreign exchange forward contracts	2.1	-	-	-	0.1	-	2.2	2.2
Trade and other receivables								
- interest-bearing	-	0.2	-	-	-	-	0.2	0.2
- non-interest-bearing	-	480.8	-	-	-	-	480.8	480.8
Cash and cash equivalents	-	282.0	-	-	-	-	282.0	282.0
Carrying amount by category	2.1	764.5	0.8	-	5.8	-	773.2	773.2
Non-current financial liabilities								
Bonds	-	-	-	-	-	148.4	148.4	156.1
Loans from financial institutions	-	-	-	-	-	94.6	94.6	97.3
Loans from pension institutions	-	-	-	-	-	0.2	0.2	0.2
Finance lease liabilities	-	-	-	-	-	-	-	-
Derivative liabilities								
- foreign exchange forward contracts	-	-	-	0.0	-	-	0.0	0.0
- interest rate swaps	-	-	-	-	0.3	-	0.3	0.3
Other non-current loans	-	-	-	-	-	2.8	2.8	2.8
Other non-current liabilities	-	-	-	-	-	2.3	2.3	2.3
Current financial liabilities								
Loans from financial institutions	-	-	-	-	-	19.0	19.0	20.0
Loans from pension institutions	-	-	-	-	-	3.3	3.3	3.3
Finance lease liabilities	-	-	-	-	-	0.0	0.0	0.0
Derivative liabilities								
- foreign exchange forward contracts	-	-	-	6.3	0.3	-	6.5	6.5
Other current loans	-	-	-	-	-	19.4	19.4	19.4
Trade payables	-	-	-	-	-	102.7	102.7	102.7
Carrying amount by category	-	-	-	6.3	0.6	392.6	399.5	410.9

December 31, 2013

	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	Derivatives under hedge accounting	Financial liabilities measured at amortized cost	Carrying amounts by balance sheet item	Fair value
EUR million								
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	10.3	-	-	-	3.3	-	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	10.3	880.3	0.8	-	5.7	-	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	-	-	-	3.4	0.1	-	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	0.1	341.0	344.6	345.1

Fair value hierarchy
September 30, 2014

EUR million	Level 1	Level 2	Level 3	Total
Available for sale financial assets	0.0	-	0.7	0.8
Derivative financial assets	-	7.9	-	7.9
	0.0	7.9	0.7	8.7
Derivative financial liabilities	-	6.9	-	6.9
	-	6.9	-	6.9

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-Q3 2014	Q1-Q3 2013	Q1-Q4 2013
Carrying value at the beginning of the period	0.7	1.2	1.2
Translation differences	0.0	-0.1	-0.1
Impairments	-	-0.4	-0.4
Carrying value at the end of the period	0.7	0.7	0.7

Related Party Transactions

Transactions and Balances with Associated Companies

EUR million	Q1-Q3 2014	Q1-Q3 2013	Q1-Q4 2013
Sales	0.1	2.6	3.7
Other income	0.1	0.1	0.1
Purchases	0.2	0.4	-0.5
Trade and other receivables	0.3	2.2	1.5
Current liabilities	1.8	3.2	1.4
Loan receivables	1.4	2.6	1.8

Business combinations

Outotec has 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 was completed in April 2014. Republic Alternative Technologies is the world's first producer of innovative mixed metal oxide coated titanium anodes, which are used as an alternative to conventional lead anodes in electrowinning operations to produce copper, zinc, and other metals. Republic Alternative Technologies has 18 employees and its sales in 2013 were approximately 9 million euros.

The purchase price has been allocated to technologies. The remaining goodwill of approximately EUR 4.4 million is mainly based on the personnel knowhow and synergy benefits. Purchase price allocation is preliminary and will be finalized during 2014.

Outotec has purchased the assets of KALOGEO Anlagenbau GmbH in Leobersdorf, Austria in July 2014. KALOGEO has provided solutions for biomass, sludge and waste water treatment and designed, built, and operated several mid-size thermal sludge treatment plants based on fluidized bed technology. The purchase price has been allocated mainly to technologies.

Segments' sales and operating profit by quarters

EUR million	Q3/12	Q4/12	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14	Q3/14
Sales									
Metals, Energy & Water	276.2	360.7	287.8	288.3	266.6	262.5	187.7	176.9	165.9
Minerals Processing	226.8	288.2	215.3	223.0	172.8	195.6	156.2	158.4	154.4
Unallocated items ¹⁾ and intra-group sales	-0.1	0.9	-0.2	0.2	0.7	-0.9	0.0	0.0	0.1
Total	502.8	649.8	502.9	511.4	440.1	457.2	343.9	335.2	320.3
Operating profit									
Metals, Energy & Water	10.6	24.6	15.9	25.1	27.0	11.7	-2.9	-9.9	2.0
Minerals Processing	30.6	50.9	21.8	15.5	22.0	24.9	13.5	11.1	8.9
Unallocated ²⁾ and intra-group items	-0.2	-0.6	-6.0	-0.8	-4.0	-11.2	-1.8	-1.6	-11.2
Total	41.0	74.9	31.7	39.9	45.0	25.4	8.7	-0.3	-0.3

¹⁾ Unallocated items primarily include invoicing of group management and administrative services

²⁾ Unallocated items primarily include group management and administrative services

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 Zabłudowicz 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.

As of October 30, 2014, the Board has not executed this authorization.

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.

On April 29, 2014, Outotec announced that the Board of Directors has used this authorization and decided on issuance of a total maximum number of 19,027 shares held by the company for payment of the reward of the Share-based Incentive Program 2013-2015 from the 2013 earning period.

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. In accordance with the authorization, a total of EUR 47,000 has been donated to various causes in January-September 2014.

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 Zabłudowicz 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 January-September 2014.

Outotec has the following legal disputes ongoing:

Yanggu Xiangguang Copper Co., Ltd, China, a dispute regarding license agreements in the Flash Smelting and Flash Converting technologies (April 2, 2014).

MMX Sudeste Mineração S.A., Brazil, a dispute regarding the delivery of 17 filters (December 27, 2013).

Sarda Energy and Minerals Ltd, India, a dispute regarding a filter delivery (September 27, 2013.)

Outokumpu Oyj, Finland, a patent dispute regarding a new invention in ferroalloys technology (January 24, 2013).

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

SHARES AND SHARE CAPITAL

Outotec's shares are listed on the NASDAQ OMX Helsinki (OTE1V). At the end of the first half of 2014, 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.

CHANGES IN SHAREHOLDINGS

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.

OUTOTEC OYJ OWN SHAREHOLDING

At the end of September 2014, the company held directly a total of 2,101,648 Outotec shares 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 the administration and hedging of the share-based incentive program for key personnel. At the end of September 2014, the number of these shares was 18,034.

TRADING, MARKET CAPITALIZATION, AND SHAREHOLDERS

Shares on NASDAQ OMX Helsinki Ltd

January-September 2014	No. of shares traded	Total value EUR	High EUR	Low EUR	Average EUR ¹⁾	Last paid EUR
OTE1V	181,485,189	1,385,480,602	9.28	5.94	7.64	6.01

¹⁾ Volume-weighted average

	September 30, 2014	September 30, 2013
Market capitalization, EUR million	1,101	1,853
No. of shareholders	29,976	25,344
Nominee registered shareholders (12), %	36.0	35.2
Finnish households, %	16.3	14.2

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, the 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

A total of 37,981 Outotec shares were allocated for the 2013 earning period with a cost of approximately EUR 0.7 million, which is booked for the financial periods 2013-2015.

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 on the individuals for the Program's 2014 earning period. At the end of September 2014 there were 179 participants with a right to earn a maximum number of 786,500 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 was booked for the financial periods 2011-2013.

Earning period 2012

A total of 494,786 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 and the Board of Directors has continued the plan in 2014 (September 4, 2013) and will in 2015 (October 17, 2014). The following saving periods are subject to a separate Board decision.

Outotec provides leading technologies and services for the Sustainable use of Earth's natural resources. As the global leader in minerals and metals processing technology, we have developed many breakthrough technologies over the decades for our customers in metals and mining industry. We also provide innovative solutions for industrial water treatment, the utilization of alternative energy sources and the chemical industry. With a global network of sales and service centers, research facilities and some 4,900 experts, Outotec generated annual sales of approximately EUR 1.9 billion in 2013. Outotec shares are listed on NASDAQ OMX Helsinki.