Q1–Q2 INTERIM REPORT

JANUARY–JUNE 2015

Sustainable use of
Earth's natural resources

Outotec

July 30, 2015

OUTOTEC'S INTERIM REPORT JANUARY-JUNE 2015

Improved profitability, growth in capex orders

January-June 2015 in brief (comparison period in 2014):

- Order intake: EUR 654 (590) million, +11% (in comparable currencies +6%)
- Order backlog: EUR 1,207 (1,260) million, -4%
- Sales: EUR 588 (679) million, -13% (in comparable currencies -16%)
- Service sales: EUR 244 (226) million, +8% (in comparable currencies +4%)
- EBITA (excluding one-time items): EUR 24 (16) million, +46%
- EBITA (excluding one-time items), %: 4 (2)
- Earnings per share: EUR 0.03 (0.02)

April-June 2015 in brief (comparison period in 2014):

- Order intake: EUR 395 (380) million, +4% (in comparable currencies -0%)
- Sales: EUR 311 (335) million, -7% (in comparable currencies -10%)
- Service sales: EUR 126 (118) million, +6% (in comparable currencies +1%)
- EBITA (excluding one-time items): EUR 16 (4) million, +308%
- EBITA (excluding one-time items), %: 5 (1)

Financial guidance for 2015 reiterated

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

- Sales will be approximately EUR 1.2-1.4 billion, and
- EBITA (excluding one-time items) will be approximately 5-7%

Summary of the Group's key figures	Q2 2015	Q2 2014	Q1-Q2 2015	Q1-Q2 2014	Last 12 months	Q1-Q4 2014
Order intake, EUR million	**394.7**	379.5	**654.3**	589.8	1,242.4	1,177.9
Service order intake, EUR million	**117.8**	147.8	**249.0**	281.0	523.0	555.0
Share of services in order intake, %	**29.9**	38.9	**38.1**	47.6	42.1	47.1
Order backlog at the end of the period, EUR million	**1,207.2**	1,259.7	**1,207.2**	1,259.7	1,207.2	1,138.0
Sales, EUR million	**310.8**	335.2	**588.3**	679.1	1,311.8	1,402.6
Service sales, EUR million	**125.8**	118.4	**244.1**	225.9	537.2	519.0
Share of services in sales, %	**40.5**	35.3	**41.5**	33.3	41.0	37.0
Gross margin, %	**28.8**	21.3	**28.6**	21.5	26.1	22.9
EBITA (excluding one-time items), EUR million	**16.1**	3.9	**23.7**	16.3	63.4	56.0
EBITA (excluding one-time items), %	**5.2**	1.2	**4.0**	2.4	4.8	4.0
EBIT, EUR million	**8.0**	-0.3	**11.6**	8.4	13.6	10.4
EBIT, %	**2.6**	-0.1	**2.0**	1.2	1.0	0.7
Profit before taxes, EUR million	**5.8**	-2.0	**6.7**	4.4	2.5	0.2
Net cash from operating activities, EUR million	**-7.6**	2.6	**-42.9**	7.3	-30.3	19.9
Net interest-bearing debt at the end of the period, EUR million	**105.0**	-29.6	**105.0**	-29.6	105.0	-5.8
Gearing at the end of the period, %	**23.7**	-6.6	**23.7**	-6.6	23.7	-1.3
Working capital at the end of the period, EUR million	**38.7**	-22.4	**38.7**	-22.4	38.7	-28.2
Return on investment, %, LTM	**1.8**	13.9	**1.8**	13.9	1.8	1.7
Return on equity, %, LTM	**0.4**	10.5	**0.4**	10.5	0.4	0.0
Personnel at the end of the period	**4,948**	4,865	**4,948**	4,865	4,948	4,571
Earnings per share, EUR	**0.02**	-0.01	**0.03**	0.02	0.01	0.00

President and CEO Pertti Korhonen:

“The minerals and metals processing market continued moving sideways as investments in the industry progressed slowly due to weak metal prices, slow metals demand growth and concerns regarding China’s growth projections. Companies are focusing on improving the operational efficiency of existing operations and maximizing free cash flows.

In this challenging market environment, I am pleased that we managed to grow our capex order intake strongly, resulting in a book-to-bill ratio of above one. This also included significant greenfield capex orders. While spare part orders grew strongly, the overall service orders were down due to customers’ postponement of maintenance activities, especially in the iron ore value chain.

In line with our expectations, our sales contracted from the comparison period due to small order intake in the plant and equipment businesses in 2014. Our service sales continued to grow especially in spare parts, shutdown, upgrade, as well as operation and maintenance services. Service growth was augmented by the Kempe acquisition.

Our profitability improved clearly from the comparison period due to better project execution in the Metals, Energy and Water segment. The Minerals Processing segment’s profitability weakened due to lower sales and currency exchange impacts. Our cost saving program is running in line with the plan and will continue until the end of 2015. However, our fixed costs increased approximately EUR 15 million due to currency impacts, lower resource utilization rate, and IPR litigation costs, as well as the Kempe acquisition.

Despite the solid order intake in the second quarter, our cash flow was weakened by the increase in working capital, mainly due to the maturity of large capex projects in the backlog, as well as an increased share of the service business.

The market outlook for 2015 continues to be uncertain due to further depressed metal prices and customers’ focus on maximizing their free cash flows. While the overall market outlook is weak especially in the minerals processing area, Outotec has good sales prospects in certain pockets of the market by commodity, geography and customers. We expect that investments in base metals will gradually start to revitalize to compensate for reducing capacity. However, the recent further drop in metal prices and current macroeconomic uncertainties may further postpone investments. We have a strong sales funnel, and our priority going forward is to continue to grow our order intake and maintain the service growth momentum. At the same time, we will continue to improve our profitability through further improvements in our cost structure and better resource utilization stemming from improved order intake. In addition, improving the cash flow will be a key priority.”

RECLASSIFICATION OF PRODUCT MANAGEMENT COSTS IN OUTOTEC'S INCOME STATEMENT

In Outotec's income statement from January 1, 2015, all costs related to technical product management have been included in Research and Development (R&D) expenses, and all costs related to commercial product management have been included in Selling and Marketing expenses. Previously, some of the costs related to product management activities were reported in the Cost of Sales above the Gross Margin in the income statement.

Since 2011, Outotec has been developing and deploying uniform global business processes and related information technology platforms. The company has now established a more comprehensive technical product management process as part of its R&D, and a commercial product management process as part of its selling and marketing. The reclassification of product management costs is consistent with the redefinition of the product management business processes, and reflects the true nature of these activities in the profit and loss statement.

When applying the reclassification to Outotec's 2014 full year income statement, EUR 19.6 million transfers from Cost of Sales to R&D expenses, and EUR 6.9 million to Selling and Marketing expenses.

Reclassification does not impact Outotec's sales, EBITA, EBIT, or 2015 financial guidance.

ADDITIONAL SEGMENT INFORMATION

Outotec has started to report the segments' order intake and service sales figures as of January 1, 2015.

FINANCIAL REPORTING SCHEDULE IN 2015

- Interim Report for January-September: October 29, 2015

FURTHER INFORMATION

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INTERIM REPORT JANUARY-JUNE 2015

OPERATING ENVIRONMENT

Investments in the mining and metals industry continued on a low level in the second quarter of 2015 due to weak metal prices, slow metals demand growth, and concerns regarding China's growth projections. There were some investments in metals refining and processing, but, in general, capex investments still progressed slowly. Predominantly, investments have been directed to existing operations in order to increase production capacity and improve operational efficiency.

Zinc, copper and aluminum projects have been more active, while gold and iron ore investments continued to be weak. In the second quarter of 2015, markets in Europe and the Middle East were more active than those in Asia Pacific and the Americas.

Demand for spare parts continued to grow, but the upgrade and shutdown services market was weak due to customers' focus on maximizing free cash flow.

Activity in waste-to-energy and renewable energy solutions improved in certain markets, despite low fossil energy prices and uncertainties in subsidy regulation.

Competition continued on an intense level.

ORDER INTAKE AND BACKLOG

Order intake in the second quarter of 2015 was EUR 395 (380) million, up 4% (-0% in comparable currencies) from the comparison period. Order intake in the reporting period totaled EUR 654 (590) million, up 11% (6% in comparable currencies) from the comparison period.

Service order intake in the second quarter of 2015 decreased 20% (24% in comparable currencies) from the comparison period and was EUR 118 (148) million. Service order intake in the reporting period decreased 11% (17% in comparable currencies) from the comparison period and totaled EUR 249 (281) million. The decrease was due to decline in upgrade, shut down and O&M services, while spare part orders continued to grow.

Order intake by region, %	Q1-Q2 2015	Q1-Q2 2014	Q1-Q4 2014
EMEA (including the CIS)	**52**	33	40
Americas	**32**	38	37
APAC	**16**	29	23
Total	**100**	100	100

Announced orders

Project/location (published)	Customer	Value, EUR million	Business area
Booked into order backlog Q2/2015:			
Two alumina calcination plants, UAE (July 8, 2015)	Emirates Global Aluminium	Over 80	Metals, Energy & Water
Aluminum rodshop technology, China (June 26, 2015)	Chiping Xinyuan Aluminium	Over 12	Metals, Energy & Water
Iron ore pelletizing technology, Iran (June 1, 2015)	B-MISCO	Not published, but typically 80-100 (<10 booked in Q2/2015)	Metals, Energy & Water
Technology and services for zinc plant, Mexico (April 14, 2015)	Met-Mex Peñoles	Approx. 60	Metals, Energy & Water
Booked into order backlog Q1/2015:			
Modular copper solvent extraction technology and services, South America (April 24, 2015)	Not published	Approx. 30	Metals, Energy & Water
Technology to aluminum smelter, UAE (April 14, 2015)	EMAL	Over 10	Metals, Energy & Water
Zinc concentrate direct leaching technology, Norway (April 13, 2015)	Boliden	Not published, but typically 10-20	Metals, Energy & Water
Technology and O&M services for a waste-to-energy plant, UK (March 23, 2015)	Levenseat Renewable Energy Limited	Approx. 60 (30 in Q1/2015)	Metals, Energy & Water

The order backlog at the end of the reporting period was EUR 1,207 (1,260) million, down 4% from the comparison period. Services represented EUR 262 (280) million of the total order backlog.

At the end of the reporting period, Outotec had 23 (24) projects with an order backlog value in excess of EUR 10 million, accounting for 62 (63)% of the total backlog. Based on management estimates, roughly 50 (50)% or EUR 600 (630) million of the quarter-end order backlog value will be delivered in 2015.

SALES AND FINANCIAL RESULT

Sales and financial result EUR million	Q2 2015	Q2 2014	Q1-Q2 2015	Q1-Q2 2014	Last 12 months	Q1-Q4 2014
Sales	**310.8**	335.2	**588.3**	679.1	1,311.8	1,402.6
Service sales[1)]	**125.8**	118.4	**244.1**	225.9	537.2	519.0
Share of service sales, %	**40.5**	35.3	**41.5**	33.3	41.0	37.0
Gross margin, %	**28.8**	21.3	**28.6**	21.5	26.1	22.9
EBITA (excluding one-time items)	**16.1**	3.9	**23.7**	16.3	63.4	56.0
EBITA (excluding one-time items), %	**5.2**	1.2	**4.0**	2.4	4.8	4.0
- one-time items[2)]	**-5.6**	-2.2	**-7.4**	-3.9	-40.8	-37.2
- PPA amortization	**-2.4**	-2.0	**-4.7**	-4.0	-9.1	-8.4
EBIT	**8.0**	-0.3	**11.6**	8.4	13.6	10.4
EBIT, %	**2.6**	-0.1	**2.0**	1.2	1.0	0.7
Profit before taxes	**5.8**	-2.0	**6.7**	4.4	2.5	0.2
Profit for the period	**4.0**	-1.5	**4.7**	3.1	1.8	0.2
Unrealized and realized exchange gains and losses[3)]	**3.5**	-2.5	**-3.0**	-2.6	-9.2	-8.8

[1)] Included in the sales figures of the two reporting segments
[2)] In January-June 2015, one-time items totaled EUR -7.4 (-3.9) million including acquisition-related costs of EUR 0.9 (0.5) million, cost efficiency program-related costs of EUR 7.7 (3.3) million, and the positive impact of EUR 1.2 (-) million reduction from earn-out payment liability related to acquisition.
[3)] Related to foreign exchange forward agreements and bank accounts

Sales in the second quarter of 2015 decreased by 7% (10% in comparable currencies) from the comparison period and totaled EUR 311 (335) million. Sales in the reporting period decreased by 13% (16% in comparable currencies) from the comparison period and totaled EUR 588 (679) million. The main reason for the lower sales was the weak plant and equipment order intake in 2014.

Service sales in the second quarter of 2015 grew 6% (1% in comparable currencies) from the comparison period and totaled EUR 126 (118) million. In the reporting period, service sales grew 8% (4% in comparable currencies) from the comparison period and totaled EUR 244 (226) million, representing 41 (33)% of sales. Growth came from spare part sales, as well as upgrade and O&M service sales.

EBITA excluding one-time items improved in the second quarter of 2015 and in the reporting period of 2015 due to solid project execution and increased share of service sales. In the comparison period, the profitability was weakened by a total of EUR 20 million in cost overruns in five large Metals, Energy & Water business area projects, of which EUR 12 million came in the second quarter of 2014. The unrealized and realized losses from valuation of foreign exchange forward agreements amounted to EUR 3 (loss of 3) million.

Fixed costs in the reporting period, including selling and marketing, administrative, R&D and fixed delivery expenses, were EUR 177 (172) million or 30 (25)% of sales. Calculated with comparable currencies the reporting period's fixed costs were EUR 172 million. In total, fixed costs were increased by approximately EUR 15 million due to currency impacts, lower resource utilization rate, IPR related litigation costs, and the Kempe acquisition.

Profit before taxes was EUR 7 (4) million. It included net finance expenses of EUR 5 (4) million due to the valuation of foreign exchange forward agreements. Other income was increased by the release of earn-out liability EUR 1.2 (-) million from a past acquisition. Profit for the reporting period was EUR 5 (3) million. Taxes totaled EUR 2 (1) million. Earnings per share were EUR 0.03 (0.02).

SEGMENTS

Minerals Processing

Q1-Q2 highlights

- Weak market in the minerals processing solutions, especially in APAC and the Americas
- Growth in spare part orders and sales; delays in upgrade service orders
- Profitability weakened by lower sales and currency exchange impacts

Reporting segment – Minerals Processing EUR million	Q2 2015	Q2 2014	Q1-Q2 2015	Q1-Q2 2014	Change %	Q1-Q4 2014
Order intake	**127.9**	161.5	**244.8**	288.2	**-15**[1)]	593.6
Sales	**136.4**	158.4	**272.8**	314.5	**-13**[2)]	659.6
Service sales	**74.1**	76.6	**150.5**	141.5	**6**[3)]	319.6
EBITA (excluding one-time items)	**8.9**	13.7	**10.1**	29.0		63.2
EBITA (excluding one-time items), %	**6.6**	8.6	**3.7**	9.2		9.6
PPAs	**-0.9**	-0.8	**-1.7**	-1.7		-3.4
One-time items	**-2.5**	-1.7	**-3.0**	-2.7		-13.9
EBIT	**5.5**	11.1	**5.4**	24.6		45.9
EBIT, %	**4.1**	7.0	**2.0**	7.8		7.0
Unrealized and realized exchange gains and losses[4)]	**2.3**	-1.3	**-4.1**	-1.6		-4.1

[1)] *In comparable currencies -19%*
[2)] *In comparable currencies -16%*
[3)] *In comparable currencies +2%*
[4)] *Related to foreign exchange forward agreements and bank accounts*

In the reporting period, the Minerals Processing market continued to be slow as customers minimize their capex investments and operating costs. In the second quarter of 2015, the segment's order intake decreased by 21% (25% in comparable currencies) from the comparison period and totaled EUR 128 (162) million. The decrease was due to decline in plant and equipment orders, as well as O&M and upgrade services.

The segment's service sales in the second quarter of 2015 declined by 3% (9% in comparable currencies) from the comparison period. The decline was mainly due to fewer upgrade services. However, service sales grew in the reporting period mainly due to spare part sales and O&M services. The segment's profitability was weakened by lower sales and losses arising from the valuation of foreign exchange forward agreements. Competition continued on an intense level.

Metals, Energy & Water

Q1-Q2 highlights

- Orders included aluminum, zinc, copper and waste-to-energy solutions
- Service sales growth was augmented by the Kempe acquisition, good progress in shutdown services, long-term contracts and upgrades
- Solid project execution improved profitability significantly, by EUR 22.7 million from the comparison period

Reporting segment – Metals, Energy & Water EUR million	Q2 2015	Q2 2014	Q1-Q2 2015	Q1-Q2 2014	Change %	Q1-Q4 2014
Order intake	**266.8**	218.0	**409.5**	301.6	**36**[1)]	584.1
Sales	**174.5**	176.9	**315.4**	364.6	**-13**[2)]	743.1
Service sales	**51.7**	41.8	**93.6**	84.4	**11**[3)]	199.4
EBITA (excluding one-time items)	**9.2**	-8.1	**16.9**	-9.3		-1.1
EBITA (excluding one-time items), %	**5.2**	-4.6	**5.3**	-2.6		-0.2
PPAs	**-1.6**	-1.2	**-3.1**	-2.3		-5.0
One-time items	**-2.8**	-0.6	**-3.9**	-1.1		-12.2
EBIT	**4.8**	-9.9	**9.9**	-12.8		-18.2
EBIT, %	**2.8**	-5.6	**3.1**	-3.5		-2.5
Unrealized and realized exchange gains and losses[4)]	**1.2**	-1.3	**1.1**	-1.0		-4.5

[1)] In comparable currencies +30%
[2)] In comparable currencies -16%
[3)] In comparable currencies +6%
[4)] Related to foreign exchange forward agreements and bank accounts

The Metals, Energy & Water business area's order intake in the reporting period improved from the comparison period due to markets' increased activity. The segment's order intake in the second quarter of 2015 increased by 22% (18% in comparable currencies) from the comparison period and totaled EUR 267 (218) million. In the reporting period, the segment's sales declined by 13% (16% in comparable currencies) due to the low plant and equipment order intake in 2014.

Service sales in the second quarter of 2015 grew 24% (18% in comparable currencies) and in the reporting period 11% (6% in comparable currencies) from the comparison periods. Growth was augmented by the Kempe acquisition, as well as good progress in shutdown services, long-term contracts and upgrades. Provision releases resulting from the progress, completions, and risk assessment of projects, as well as a higher share of service sales improved the segment's profitability. In the comparison period, EUR 20 million negative impact came from project costs overruns.

BALANCE SHEET, FINANCING AND CASH FLOW

Balance sheet, financing and cash flow EUR million	Q2 2015	Q2 2014	Q1-Q2 2015	Q1-Q2 2014	Last 12 months	Q1-Q4 2014
Net cash from operating activities	**-7.6**	2.6	**-42.9**	7.3	-30.3	19.9
Net interest-bearing debt at the end of the period	**105.0**	-29.6	**105.0**	-29.6	105.0	-5.8
Equity at the end of the period	**444.1**	445.6	**444.1**	445.6	444.1	445.3
Equity-to-assets ratio at the end of the period, %	**33.4**	39.0	**33.4**	39.0	33.4	36.1
Gearing at the end of the period, %	**23.7**	-6.6	**23.7**	-6.6	23.7	-1.3
Working capital at the end of the period	**38.7**	-22.4	**38.7**	-22.4	38.7	-28.2

The consolidated balance sheet total was EUR 1,501 (1,391) million on June 30, 2015. The equity to shareholders of the parent company was EUR 442 (446) million, representing EUR 2.44 (2.46) per share. Equity was impacted by a dividend payment of EUR 18 million (paid on April 16, 2015), and positive translation differences of EUR 8 (2) million.

The net cash from operating activities was EUR 43 million negative (EUR 7 million positive). The net cash was weakened by the increase in working capital mainly due to the maturity of large capex projects in the backlog, as well as increased share of service business. The advance and milestone payments received at the end of the reporting period were EUR 170 (248) million, representing a decrease of 32% from the comparison period. The advance and milestone payments paid to subcontractors at the end of the reporting period were EUR 38 (36) million.

Outotec's cash and cash equivalents at the end of the reporting period totaled EUR 239 (268) million. The change in cash and cash equivalents came mainly from working capital increase, investments, and dividends. Cash inflow from financing activities totaled EUR 71 million, of which EUR 45 million was related to a Pohjola bank loan and EUR 26 (5) million to new emissions of Finnish short-term certificates of deposit. 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 weakened by the increase in working capital and investments. Net interest-bearing debt at the end of the reporting period was EUR 105 (-30) million. Outotec's equity-to-assets ratio was 33 (39)%. The company's capital expenditure in the reporting period totaled EUR 58 (32) million, of which an acquisition accounted for EUR 22 (6) million and the rest was related to R&D equipment, and IT 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 668 (497) million.

EUR 45 MILLION COST SAVINGS PROGRAM

On October 30, 2014, Outotec launched a program to save EUR 45 million in operating fixed costs (gross). The savings are expected to contribute in full to 2015 profitability. Savings are mainly related to personnel costs. The measures include redundancies, early retirements, and discontinuing fixed-term agreements and leases.

The program is proceeding in line with the plan, and the achieved savings by the end of the reporting period totaled EUR 30 million. Total personnel numbers have been reduced by 439 since September-end 2014 as part of the plan. Fixed costs, including selling and marketing, administrative, R&D and fixed delivery expenses, were EUR 177 (172) million or 30 (25)% of sales in the reporting period. In comparable currencies the fixed costs were EUR 172 million. In total, fixed costs were increased by approximately EUR 15 million due to currency impacts, lower resource utilization rate, IPR related litigation costs, and the Kempe acquisition.

Total one-time costs for the program were EUR 29 million at the end of the reporting period. One-time costs in the reporting period were EUR 8 million (Q4/2014: EUR 21 million). Estimated remaining one-time costs for the program are at a maximum of EUR 10 million.

PRODUCT AND TECHNOLOGY DEVELOPMENT

On April 8, 2015, Outotec published the reclassified research and development expenses per January 1, 2015 including 2014 comparison figures. The reclassification of costs is consistent with the redefinition of the product management business processes. Reclassification does not impact Outotec's sales, EBITA, EBIT, or 2015 financial guidance.

In the reporting period, Outotec's research and development expenses totaled EUR 35 (30) million on period, and represented 6 (4)% of sales. This increase is mainly due to IPR related litigation costs.

Outotec filed 37 (30) new priority applications, and 233 (168) new national patents were granted. At the end of the reporting period, Outotec had 785 (722) patent families, including a total of 7,055 (6,293) national patents or patent applications.

Product launches in Q2 2015

Modular hydrometallurgical precious metals process

Outotec's novel modular hydrometallurgical process enables high direct recoveries of precious metals cost-effectively and with low environmental impact. The process can be adapted for a variety of different applications and combined with other precious metals technologies. High grade silver and gold are melted and cast into ingots or granules, and impurities can be converted into saleable products such as selenium, copper telluride, and lead sulfate to improve operational profitability.

Ilmenite smelting with DC furnace

In June, Outotec introduced test results of ilmenite smelting in a pilot scale direct current (DC) furnace at the company's research center in Pori, Finland to the ferroalloys industry at the INFACON conference. The pilot scale DC furnace has played an important role in the development of Outotec's DC furnace smelting technology launched in May 2014.

Steam dryer pilot plant for sewage sludges

In June, Outotec introduced a pilot plant at the Life+ conference in Sweden, developed in collaboration with KIC InnoEnergy and the University of Stuttgart to demonstrate efficient biomass use in energy production and the recovery of nutrients. Outotec's dryers and gasification technology can be used for sewage sludge, farmyard manure and biomass slurries in renewable energy applications.

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' 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.

In June, Outotec awarded sustainability prizes at Central South University in China to encourage students to apply theories to practice and innovation in a sustainable way. Outotec also awards similar prizes to students in Australia and South Africa.

In June, Outotec organized the third Sustainable Mining and Metallurgy seminar for its customers in Mongolia, supported by the Mongolian Mining and Industry Ministries. The seminar focused on mineral processing, smelting and refining technologies, hydrometallurgical solutions, Outotec's approach on project implementation as well as research and development.

In April, Outotec and the China Non-ferrous Metals Industry Association (CNIA) hosted a mercury capture & gas cleaning technology seminar in Xiamen, China for representatives of the Ministry of Environmental Protection, Central South University, Engineering Center for Mercury Pollution Prevention and Control, as well as non-ferrous metals producing companies.

PERSONNEL

At the end of the reporting period, Outotec had a total of 4,948 (4,865) employees of whom 1,827 (1,557) were service-related employees. Outotec had on average 4,825 (4,847) employees in the reporting period. Temporary personnel accounted for 9 (8)% of the total personnel.

Outotec's headcount totaled 4,948 at September-end 2014 when the EUR 45 million cost saving program started. Since September-end 2014, total personnel numbers have been reduced by 439. The Kempe acquisition in March 2015 increased the headcount by 371 people. Additionally, 68 people have been recruited.

Personnel by region	June 30, 2015	June 30, 2014	Change	December 31, 2014
EMEA (including the CIS)	**3,114**	2,949	**165**	2,627
Americas	**1,111**	1,142	**-31**	1,214
APAC	**723**	774	**-51**	730
Total	**4,948**	4,865	**83**	4,571

At the end of the reporting period, the company had, in addition to its own personnel, 484 (417) 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 189 (184) million. In comparable currencies the salaries and other employee benefits, including the Kempe Engineering acquisition, would have been EUR 184 million.

OTHER ANNOUNCEMENTS IN Q2/2015

On April 28, 2015, Outotec announced that the Board of Directors has decided, in line with the authorizations of the Annual General Meeting, on directed share issuance of a total maximum number of 77,227 Outotec shares held by the company for payment of the reward of the Share-based Incentive Program 2013-2015 from the 2014 earning period. The reward equals 10.95% of the eligible maximum reward for the earning period; it can be paid to a maximum of 167 Outotec employees, and is at maximum 100,621 shares. The 23,394 Outotec shares held by the Share-based Incentive Program's third-party administrator were used as part of the reward payment.

SHORT-TERM RISKS AND UNCERTAINTIES

Risks related to Outotec's business operations are high in certain markets, such as Russia and the Middle East. The geopolitical situation, sanctions, or economic conditions may change rapidly and cause delays, suspensions, or cancelations of ongoing projects, or completely prevent Outotec from operating in these areas.

Continued macroeconomic uncertainty, further decline in metal prices, or lack of financing may cause customers to postpone new investments or service purchases. In some cases, existing projects may be put on hold or cancelled.

Outotec delivers equipment, process solutions, complete plants and services, which are complex in nature and require advanced technology knowhow and precise subcontractor performance management. Deviations from original plans during the execution phase may cause significant additional costs. In difficult market situations, the risks related to disagreements about agreed scope, delivery time, and performance may increase. Disagreements may lead to legal disputes, higher costs, deviations from agreed payment schedules, delays in payments, claiming on-demand bonds, or credit losses.

Outotec is involved in a number of arbitral and court proceedings, and in one administrative investigation. Different interpretations of international contracts and laws may cause uncertainty in estimating the final outcome of the disputes or of the administrative investigation. Outotec makes provisions for the amounts related to the claims, when an unfavorable outcome is probable and the amount can be reasonably estimated.

Approximately 60% of Outotec cash flows are denominated in euros. Outotec's policy is to hedge 100% of transaction risks. When there are significant currency fluctuations, IFRS mark to market valuation of foreign exchange forward agreements principle may cause volatility in Outotec's quarterly profit and loss statements.

For more information about Outotec's business risks and risk management, please refer to the Notes to the Financial Statements, as well as the company's website at www.outotec.com.

EVENTS AFTER THE REPORTING PERIOD

On July 27, 2015, Outotec announced that Mandarine Gestion (40 avenue George V - 75008 Paris, France) had informed that its holdings in shares of Outotec Oyj (OTE1V) on July 24, 2015 has exceeded 5% and were 9,253,697 shares, which represents 5.05% of the share capital.

On July 8, 2015, Outotec announced that Harris Associates L.P. (111 S. Wacker Drive, Suite 4600, Chicago, Illinois, USA) had informed that its holdings in shares of Outotec Oyj (OTE1V) on July 6, 2015 has exceeded 5% and were 9,289,114 shares, which represents 5.07% of the share capital.

MARKET OUTLOOK

Based on several market institutes' estimates, long-term metals demand is expected to grow in line with global GDP growth, currently on average three to six percent per annum. This is the underlying driver for investments in new capacity.

The market outlook for 2015 continues uncertain due to depressed metal prices as well as continued global macroeconomic and geopolitical instability. Investments in the mining and metals sector are estimated to be somewhat lower in 2015 than in 2014. Outotec's market is, however, diverse and there is demand for sustainable solutions in specific metals, geographic regions, and certain areas of the processing technology value chain. Investments in base metals and sulfuric acid are expected to start to revitalize, but iron ore investments are expected to continue on a low level. A recent further drop in metal prices may, however, further postpone the recovery of the investments. Regulations on emissions are getting stricter, driving investments in improving the environmental performance of minerals and metals production.

The service business is expected to continue to develop in line with the industry's production volumes and productivity improvement needs. However, the customers' needs to reduce operating costs and maximize free cash flow are expected to cause continued pressure on pricing, and may cause postponements in larger periodic maintenance and upgrade services.

The outlook for industrial water treatment solutions continues to be solid. The scarcity of water and tightening environmental regulations are increasing operating costs and causing pressures to invest in better water treatment technologies, as the mining and metals industry is one of the largest users of water in the world.

There is demand for waste-to-energy, renewable and alternative energy solutions in certain countries, but in the short-term, decision-making is impacted by uncertainty in subsidy regulation and low energy prices.

FINANCIAL GUIDANCE FOR 2015 REITERATED

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

- Sales will be approximately EUR 1.2-1.4 billion, and
- EBITA (excluding one-time items) will be approximately 5-7%.

Espoo, July 30, 2015

Outotec Oyj
Board of Directors

INTERIM FINANCIAL STATEMENTS (unaudited)

Consolidated statement of comprehensive income EUR million	Q2 2015	Q2 2014	Q1-Q2 2015	Q1-Q2 2014	Q1-Q4 2014
Sales	**310.8**	335.2	**588.3**	679.1	1,402.6
Cost of sales	**-221.2**	-263.8	**-420.0**	-533.0	-1,082.1
Gross profit	**89.6**	71.4	**168.3**	146.1	320.5
Other income	**3.7**	0.5	**2.3**	0.7	1.6
Selling and marketing expenses	**-29.3**	-25.3	**-56.0**	-49.9	-102.5
Administrative expenses	**-30.2**	-26.9	**-55.9**	-51.1	-104.7
Research and development expenses	**-20.3**	-14.9	**-34.9**	-30.4	-56.9
Other expenses	**-5.4**	-5.0	**-12.0**	-6.8	-47.2
Share of results of associated companies	**-0.1**	-0.1	**-0.4**	-0.1	-0.3
Operating profit	**8.0**	-0.3	**11.6**	8.4	10.4
Finance income and expenses					
Interest income and expenses	**-1.2**	-0.8	**-2.3**	-1.7	-3.9
Market price gains and losses	**-0.1**	0.4	**-0.7**	-0.1	-1.8
Other finance income and expenses	**-0.9**	-1.2	**-1.9**	-2.1	-4.6
Net finance income expense	**-2.2**	-1.7	**-4.9**	-3.9	-10.2
Profit before income taxes	**5.8**	-2.0	**6.7**	4.4	0.2
Income tax expenses	**-1.7**	0.5	**-2.0**	-1.3	-0.1
Profit for the period	**4.0**	-1.5	**4.7**	3.1	0.2
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit obligations	**3.3**	-	**3.3**	-	-7.5
Income tax relating to items that will not be reclassified to profit or loss	**-1.0**	-	**-1.0**	-	2.2
Items that may be subsequently reclassified to profit or loss					
Exchange differences on translating foreign operations	**-10.6**	4.4	**8.0**	1.7	8.7
Cash flow hedges	**-0.2**	-0.4	**-0.8**	-1.1	-1.6
Available for sale financial assets	**-0.0**	-0.0	**0.0**	-0.1	-0.1
Income tax relating to items that may be reclassified to profit or loss	**0.1**	-0.0	**0.2**	0.0	0.0
Other comprehensive income for the period	**-8.5**	3.9	**9.7**	0.6	1.8
Total comprehensive income for the period	**-4.5**	2.4	**14.4**	3.7	1.9
Profit for the period attributable to:					
Equity holders of the parent company	**3.9**	-1.5	**4.6**	3.1	0.2
Non-controlling interest	**-0.1**	-	**-0.1**	-	-
Total comprehensive income for the period attributable to:					
Equity holders of the parent company	**-4.6**	2.4	**14.3**	3.7	1.9
Non-controlling interest	**-0.1**	-	**-0.1**	-	**-**
Earnings per share for profit attributable to the equity holders of the parent company:					
Basic earnings per share, EUR	**0.02**	-0.01	**0.03**	0.02	0.00
Diluted earnings per share, EUR	**0.02**	-0.01	**0.03**	0.02	0.00

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	June 30, 2015	June 30, 2014	December 31, 2014
ASSETS			
Non-current assets			
Intangible assets	**385.2**	336.6	350.5
Property, plant and equipment	**84.7**	82.1	78.1
Deferred tax asset	**83.2**	61.1	70.5
Non-current financial assets			
Interest-bearing	**3.6**	2.2	3.6
Non-interest-bearing	**8.7**	6.4	9.3
Total non-current assets	**565.4**	488.3	512.0
Current assets			
Inventories[1]	**210.1**	184.5	170.0
Current financial assets			
Interest-bearing	**0.2**	0.2	0.2
Non-interest-bearing	**485.9**	449.8	478.0
Cash and cash equivalents	**239.4**	268.3	281.9
Total current assets	**935.5**	902.8	930.1
TOTAL ASSETS	**1,501.0**	1,391.1	1,442.1
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the equity holders of the parent company	**442.3**	445.6	445.3
Non-controlling interest	**1.8**	-	-
Total equity	**444.1**	445.6	445.3
Non-current liabilities			
Interest-bearing	**283.9**	205.1	242.6
Non-interest-bearing	**115.8**	118.3	115.5
Total non-current liabilities	**399.8**	323.4	358.1
Current liabilities			
Interest-bearing	**57.9**	30.2	30.7
Non-interest-bearing			
Advances received[2]	**169.8**	248.1	207.6
Other non interest-bearing liabilities	**429.3**	343.8	400.4
Total current liabilities	**657.1**	622.1	638.7
Total liabilities	**1,056.9**	945.5	996.9
TOTAL EQUITY AND LIABILITIES	**1,501.0**	1,391.1	1,442.1

[1] *Of which advances paid for inventories amounted to EUR 38.3 million at June 30, 2015 (June 30, 2014: EUR 36.1 million, December 31, 2014: EUR 34.7 million).*

[2] *Gross advances received before percentage of completion revenue recognition amounted to EUR 1,586.2 million at June 30, 2015 (June 30, 2014: EUR 1,896.1 million, December 31, 2014: EUR 1,632.2 million).*

Condensed consolidated statement of cash flows EUR million	Q1-Q2 2015	Q1-Q2 2014	Q1-Q4 2014
Cash flows from operating activities			
Profit for the period	**4.7**	3.1	0.2
Adjustments for			
Depreciation and amortization	**19.3**	15.6	32.6
Other adjustments	**3.7**	7.2	21.9
Decrease (+)/Increase (-) in working capital	**-66.6**	-0.9	-1.2
Interest received	**1.7**	2.0	5.6
Interest paid	**-0.6**	-1.0	-8.7
Income tax paid	**-5.1**	-18.9	-30.3
Net cash from operating activities	**-42.9**	7.3	19.9
Purchases of assets	**-31.5**	-21.5	-57.1
Acquisition of subsidiaries and business operations, net of cash	**-22.0**	-6.2	-8.0
Proceeds from sale of assets	**0.5**	0.5	1.7
Cash flows from other investing activities	**-**	-0.3	-1.8
Net cash used in investing activities	**-53.0**	-27.5	-65.2
Cash flow before financing activities	**-95.9**	-20.2	-45.3
Repayments of non-current debt	**-3.6**	-6.6	-13.7
Borrowings of non-current debt	**45.0**	-	45.0
Decrease in current debt	**-1.4**	-1.0	-2.5
Increase in current debt	**26.2**	8.4	6.1
Dividends paid	**-18.1**	-36.6	-36.6
Cash flows from other financing activities	**1.2**	0.3	0.4
Net cash used in financing activities	**49.3**	-35.6	-1.3
Net change in cash and cash equivalents	**-46.6**	-55.8	-46.6
Cash and cash equivalents at the beginning of the period	**281.9**	323.7	323.7
Foreign exchange rate effect on cash and cash equivalents	**4.1**	0.4	4.8
Net change in cash and cash equivalents	**-46.6**	-55.8	-46.6
Cash and cash equivalents at the end of the period	**239.4**	268.3	281.9

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, 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	-	-	-	-	0.2	0.2	-	0.6	-	0.9
Total comprehensive income for the period	-	-	-	-1.1	-	-	1.7	3.1	-	3.7
Other changes	-	-	-	-	-	-	-	0.2	-	0.2
Equity at June 30, 2014	17.2	20.2	0.5	-7.8	-17.9	92.9	-6.5	347.1	-	445.6
Equity at January 1, 2015	17.2	20.2	0.4	-13.6	-18.0	93.0	0.4	345.5	-	445.3
Dividends	-	-	-	-	-	-	-	-18.1	-	-18.1
Share-based compensation	-	-	-	-	0.6	0.7	-	-0.5	-	0.8
Total comprehensive income for the period	-	-	-	1.7	-	-	8.0	4.6	0.1	14.4
Minority acquisition	-	-	-	-	-	-	-	-	1.7	1.7
Other changes	-	-	-	-	-	-	-	0.0	-	0.0
Equity at June 30, 2015	**17.2**	**20.2**	**0.4**	**-11.9**	**-17.4**	**93.7**	**8.5**	**331.5**	**1.8**	**444.1**

Group key figures	Q2 2015	Q2 2014	Q1-Q2 2015	Q1-Q2 2014	Last 12 months	Q1-Q4 2014
Sales, EUR million	**310.8**	335.2	**588.3**	679.1	1,311.8	1,402.6
Gross margin, %	**28.8**	21.3	**28.6**	21.5	26.1	22.9
EBIT, EUR million	**8.0**	-0.3	**11.6**	8.4	13.6	10.4
EBIT, %	**2.6**	-0.1	**2.0**	1.2	1.0	0.7
Profit before taxes, EUR million	**5.8**	-2.0	**6.7**	4.4	2.5	0.2
Profit before taxes in relation to sales, %	**1.9**	-0.6	**1.1**	0.7	0.2	0.0
Net cash from operating activities, EUR million	**-7.6**	2.6	**-42.9**	7.3	-30.3	19.9
Net interest-bearing debt at the end of period, EUR million	**105.0**	-29.6	**105.0**	-29.6	105.0	-5.8
Gearing at the end of period, %	**23.7**	-6.6	**23.7**	-6.6	23.7	-1.3
Equity-to-assets ratio at the end of period, %	**33.4**	39.0	**33.4**	39.0	33.4	36.1
Working capital at the end of period, EUR million	**38.7**	-22.4	**38.7**	-22.4	38.7	-28.2
Capital expenditure, EUR million	**15.7**	23.3	**57.7**	31.5	94.7	68.5
Capital expenditure in relation to sales, %	**5.0**	7.0	**9.8**	4.6	7.2	4.9
Return on investment, %, LTM	**1.8**	13.9	**1.8**	13.9	1.8	1.7
Return on equity, %, LTM	**0.4**	10.5	**0.4**	10.5	0.4	0.0
Order backlog at the end of period, EUR million	**1,207.2**	1,259.7	**1,207.2**	1,259.7	1,207.2	1,138.0
Order intake, EUR million	**394.7**	379.5	**654.3**	589.8	1,242.4	1,177.9
Personnel at the end of the period	**4,948**	4,865	**4,948**	4,865	4,948	4,571
Profit for the period in relation to sales, %	**1.3**	-0.4	**0.8**	0.5	0.1	0.0
Research and development expenses, EUR million	**20.3**	14.9	**34.9**	30.4	61.4	56.9
Research and development expenses in relation to sales, %	**6.5**	4.4	**5.9**	4.5	4.7	4.1
Earnings per share, EUR	**0.02**	-0.01	**0.03**	0.02	0.01	0.00
Equity per share, EUR	**2.44**	2.46	**2.44**	2.46	2.44	2.47

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. These Interim Financial Statements are unaudited.

The following new standards and interpretations have been published, but they are not effective in 2015, neither has Outotec early adapted them:

- IFRS 9 – Financial Instruments. New standard replaces current standard IAS 39 Financial Instruments: Recognition and measurement. It addresses the classification, measurement and recognition of financial assets and financial liabilities. Based on IFRS 9, financial assets are required to be classified into three measurement categories: amortized cost, fair value though other comprehensive income or fair value through profit or loss. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. Standard also changes the recognition of impairment losses and the application of hedge accounting. Outotec is assessing the impact of the standard and intends to adopt it in 2018.
- IFRS 15 – Revenue from Contracts with Customers. New standard aims to establish principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It includes five step instructions to recognition of revenue from contracts with customers and replaces IAS 18 and IAS 11 standards and related interpretations. Outotec is assessing the impact of the standard and intends to adopt it in 2017.

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 in 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.

Major non-recurring Items in operating profit EUR million	Q1-Q2 2015	Q1-Q2 2014	Q1-Q4 2014
One-time costs related to restructuring of business[1) 2)]	**-7.7**	-3.3	-36.6
Costs related to acquisitions[1)]	**-0.9**	-0.5	-0.7
Reversal of earn-out liability from acquisitions[1)]	**1.2**	-	-

[1)] Excluded from EBITA
[2)] No impairments related to intangible, tangible and other long-term assets (in 2014: EUR 11.4 million), personnel related restructurings of EUR 3.1 (in 2014: EUR 20.1) million and other restructuring related costs EUR 4.6 (in 2014: 5.1) million. In segment reporting the one-time costs related to the restructuring program have been divided to the Metals, Energy & Water segment EUR 3.2 (in 2014: 12.2) million, the Minerals Processing segment 4.0 (in 2014: 13.9) million and unallocated items EUR 0.5 (in 2014: EUR 10.5) million.

Income tax expenses EUR million	Q1-Q2 2015	Q1-Q2 2014	Q1-Q4 2014
Current taxes	**-12.8**	-9.5	-21.2
Deferred taxes	**10.8**	8.2	21.1
Total income tax expenses	**-2.0**	-1.3	-0.1

Property, plant and equipment EUR million	June 30, 2015	June 30, 2014	December 31, 2014
Historical cost at the beginning of the period	**159.3**	170.9	170.9
Translation differences	**1.1**	1.4	2.0
Additions	**8.9**	9.3	18.5
Disposals	**-1.2**	-2.2	-6.6
Acquired subsidiaries	**6.5**	-	-
Reclassifications	**-1.4**	-0.0	-25.4
Impairment during the period	**-**	-	-0.0
Historical cost at the end of the period	**173.2**	179.3	159.3
Accumulated depreciation and impairment at the beginning of the period	**-81.2**	-92.0	-92.0
Translation differences	**-0.5**	-0.5	-0.8
Disposals	**0.8**	2.0	5.1
Reclassifications	**-0.2**	0.0	19.9
Impairment during the period	**-**	-	0.0
Depreciation during the period	**-7.3**	-6.8	-13.5
Accumulated depreciation and impairment at the end of the period	**-88.5**	-97.2	-81.2
Carrying value at the end of the period	**84.7**	82.1	78.1

Commitments and contingent liabilities EUR million	June 30, 2015	June 30, 2014	December 31, 2014
Guarantees for commercial commitments	**454.4**	310.6	307.5
Minimum future lease payments on operating leases	**123.4**	138.7	131.7

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 14.2 million at June 30, 2015 (June 30, 2014: EUR 20.6 million, December 31, 2014: EUR 17.3 million) and for commercial guarantees including advance payment guarantees EUR 668.4 million at June 30, 2015 (June 30, 2014: EUR 496.9 million, December 31, 2014: EUR 511.0 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	June 30, 2015	June 30, 2014	December 31, 2014
Fair values, net	**4.3**[1)]	6.4[2)]	4.0[3)]
Nominal values	**630.4**	485.5	576.8

[1)] Of which EUR -1.8 million designated as cash flow hedges (EUR -1.5 million from currency derivatives, -0.3 million from interest derivatives) and EUR 6.2 million designated as fair value hedge from interest derivatives.
[2)] Of which EUR 2.5 million designated as cash flow hedges (EUR 2.8 million from currency derivatives, EUR -0.2 million from interest derivatives) and EUR 5.6 million designated as fair value hedge from interest derivatives.
[3)] Of which EUR -1.3 million designated as cash flow hedges (EUR -1.0 million from currency derivatives, EUR -0.3 million from interest derivatives) and EUR 6.5 million designated as fair value hedge from interest derivatives.

Carrying amounts of financial assets and liabilities by categories

June 30, 2015

EUR million	Financial assets at fair value through profit or loss	Loans and receiv-ables	Available-for-sale financial assets	Financial liabilities at fair value through profit or loss	Deriv-atives under hedge account-ing	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	-	-	-	-	6.2	-	6.2	6.2
Other shares and securities	-	-	2.2	-	-	-	2.2	2.2
Trade and other receivables								
- interest-bearing	-	1.4	-	-	-	-	1.4	1.4
- non-interest-bearing	-	0.0	-	-	-	-	0.0	0.0
Current financial assets								
Derivative assets								
- foreign exchange forward contracts	4.6	-	-	-	0.1	-	4.8	4.8
Trade and other receivables								
- interest-bearing	-	0.2	-	-	-	-	0.2	0.2
- non-interest-bearing	-	481.2	-	-	-	-	481.2	481.2
Cash and cash equivalents	-	239.4	-	-	-	-	239.4	239.4
Carrying amount by category	**4.7**	**722.2**	**2.2**	**-**	**6.4**	**-**	**735.5**	**735.5**
Non-current financial liabilities								
Bonds	-	-	-	-	-	148.6	148.6	151.7
Loans from financial institutions	-	-	-	-	-	132.8	132.8	135.2
Loans from pension institutions	-	-	-	-	-	0.1	0.1	0.1
Derivative liabilities								
- foreign exchange forward contracts	-	-	-	0.1	0.8	-	0.8	0.8
- interest rate swaps	-	-	-	-	0.3	-	0.3	0.3
Other non-current loans	-	-	-	-	-	2.5	2.5	2.5
Other non-current liabilities	-	-	-	-	-	5.1	5.1	5.1
Current financial liabilities								
Loans from financial institutions	-	-	-	-	-	17.4	17.4	18.3
Loans from pension institutions	-	-	-	-	-	0.2	0.2	0.2
Derivative liabilities								
- foreign exchange forward contracts	-	-	-	4.7	0.9	-	5.7	5.7
Other current loans	-	-	-	-	-	40.4	40.4	40.4
Trade payables	-	-	-	-	-	114.9	114.9	114.9
Carrying amount by category	**-**	**-**	**-**	**4.8**	**1.9**	**461.9**	**468.7**	**475.1**

Carrying amounts of financial assets and liabilities by categories

December 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	Derivatives under hedge accounting	Financial liabilities measured at amortized cost	Carrying amounts by balance sheet item	Fair value
Non-current financial assets								
Derivative assets								
- foreign exchange forward contracts	0.0	-	-	-	-	-	0.0	0.0
- interest rate swaps	-	-	-	-	6.5	-	6.5	6.5
Other shares and securities	-	-	2.2	-	-	-	2.2	2.2
Trade and other receivables								
- interest-bearing	-	1.4	-	-	-	-	1.4	1.4
- non-interest-bearing	-	0.0	-	-	-	-	0.0	0.0
Current financial assets								
Derivative assets								
- foreign exchange forward contracts	6.1	-	-	-	0.1	-	6.2	6.2
Trade and other receivables								
- interest-bearing	-	0.2	-	-	-	-	0.2	0.2
- non-interest-bearing	-	471.8	-	-	-	-	471.8	471.8
Cash and cash equivalents	-	281.9	-	-	-	-	281.9	281.9
Carrying amount by category	6.1	755.3	2.2	-	6.6	-	770.3	770.3
Non-current financial liabilities								
Bonds	-	-	-	-	-	148.5	148.5	153.0
Loans from financial institutions	-	-	-	-	-	91.3	91.3	94.6
Loans from pension institutions	-	-	-	-	-	0.2	0.2	0.2
Derivative liabilities								
- foreign exchange forward contracts	-	-	-	0.1	-	-	0.1	0.1
- Interest rate swaps	-	-	-	-	0.3	-	0.3	0.3
Other non-current loans	-	-	-	-	-	2.7	2.7	2.7
Other non-current liabilities	-	-	-	-	-	2.4	2.4	2.4
Current financial liabilities								
Loans from financial institutions	-	-	-	-	-	15.1	15.1	16.1
Loans from pension institutions	-	-	-	-	-	0.2	0.2	0.2
Derivative liabilities								
- foreign exchange forward contracts	-	-	-	7.3	1.0	-	8.3	8.3
Other current loans	-	-	-	-	-	15.4	15.4	15.4
Trade payables	-	-	-	-	-	116.7	116.7	116.7
Carrying amount by category	-	-	-	7.4	1.4	392.3	401.1	409.9

Fair value hierarchy
June 30, 2015

EUR million	Level 1	Level 2	Level 3	Total
Available for sale financial assets	0.0	-	2.2	2.2
Derivative financial assets	-	11.1	-	11.1
	0.0	**11.1**	**2.2**	**13.3**
Bonds	-	151.7	-	151.7
Loans from financial institutions	-	153.5	-	153.5
Loans from pension institutions	-	0.3	-	0.3
Derivative financial liabilities	-	6.7	-	6.7
	-	**312.2**	-	**312.2**
December 31, 2014				
Available for sale financial assets	0.0	-	2.2	2.2
Derivative financial assets	-	12.7	-	12.7
	0.0	12.7	2.2	14.9
Bonds	-	153.0	-	153.0
Loans from financial institutions	-	110.7	-	110.7
Loans from pension institutions	-	0.4	-	0.4
Derivative financial liabilities	-	8.7	-	8.7
	-	272.8	-	272.8

Available-for-sale financial assets (level 3 of fair value hierarchy) EUR million	Q1-Q2 2015	Q1-Q2 2014	Q1-Q4 2014
Carrying value at the beginning of the period	**2.2**	0.7	0.7
Translation differences	**0.0**	0.0	0.0
Additions	**-**	-	1.5
Carrying value at the end of the period	**2.2**	0.7	2.2

Related party transactions

Transactions and balances with associated companies EUR million	Q1-Q2 2015	Q1-Q2 2014	Q1-Q4 2014
Sales	**0.0**	0.0	2.1
Other income	**-**	0.1	0.1
Purchases	**-0.0**	-0.3	0.2
Trade and other receivables	**0.3**	0.2	0.6
Current liabilities	**-**	1.7	0.4
Loan receivables	**1.4**	1.4	1.4

Outotec has a 40% investment in Enefit Outotec Technology Oü, from which the company had EUR 1.4 million loan receivable at June 30, 2015 (June 30, 2014: EUR 1.4 million, December 31, 2014: EUR 1.4 million)

Business combinations

In March 2015, Outotec completed the acquisition of Kempe Engineering's aluminum smelter technologies, as well as its service and spare parts businesses in the Middle East and Africa. The acquisition strengthens Outotec's technology and service business in the Middle East and Africa, doubling the installed base and providing new capabilities to expand the service business in the region. Kempe also brings additional best cost country sourcing and a manufacturing facility in the United Arab Emirates. The annual sales of the acquired businesses are approximately EUR 25 million. 371 of Kempe's employees joined Outotec.

The purchase price has been allocated to technologies. The remaining goodwill of approximately EUR 10.0 million is mainly based on the personnel knowhow and synergy benefits. Purchase price allocation is preliminary and will be finalized during 2015.

Segments' sales and operating profit by quarters

EUR million	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14	Q3/14	Q4/14	Q1/15	Q2/15
Sales									
Metals, Energy & Water	**288.3**	266.6	262.5	187.7	**176.9**	165.9	212.6	141.0	**174.5**
Minerals Processing	**223.0**	172.8	195.6	156.2	**158.4**	154.4	190.6	136.4	**136.4**
Unallocated items[1] and intra-group sales	**0.2**	0.7	-0.9	0.0	**0.0**	0.1	0.0	0.0	**0.0**
Total	**511.4**	440.1	457.2	343.9	**335.2**	320.3	403.2	277.5	**310.8**
EBIT									
Metals, Energy & Water	**25.1**	27.0	11.7	-2.9	**-9.9**	2.0	-7.5	5.1	**4.8**
Minerals Processing	**15.5**	22.0	24.9	13.5	**11.1**	8.9	12.4	-0.1	**5.5**
Unallocated[2] and intra-group items	**-0.8**	-4.0	-11.2	-1.8	**-1.6**	-11.2	-2.6	-1.4	**-2.4**
Total	**39.9**	45.0	25.4	8.7	**-0.3**	-0.3	2.3	3.6	**8.0**

[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 2015 ANNUAL GENERAL MEETING

Outotec Oyj's Annual General Meeting (AGM) was held on March 30, 2015, 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 2014.

Dividend

The AGM decided that a dividend of EUR 0.10 per share be paid for the financial year ended on December 31, 2014. The dividend record date is April 1, 2015, and the dividend was paid on April 17, 2015.

The Board of Directors

The AGM decided that the number of the Board members, including Chairman and Vice Chairman, shall be eight (8). Dr Matti Alahuhta, Ms Eija Ailasmaa, Ms Anja Korhonen, Mr Timo Ritakallio, Mr Björn Rosengren and Mr Poju Zabludowicz were re-elected as members of the Board of Directors, and Mr Ian W. Pearce and Mr Klaus Cawén were elected as new members of the Board.

The AGM elected Matti Alahuhta as the Chairman and Timo Ritakallio as Vice 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 each for the other members of the Board of Directors, as well as an additional EUR 12,000 for both the Vice Chairman of the Board, and the Chairman of the Audit 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% will be paid in cash and 40% in the form of Outotec Oyj shares, which will be acquired from the stock exchange within one week of the date of the AGM, in amounts corresponding to EUR 28,800 for the Chairman, EUR 19,200 each for the Vice Chairman of the Board and the Chairman of the Audit and Risk Committee, 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 will be paid no later than on April 30, 2015. The annual fees encompass the full term of office of the Board of Directors. The attendance fee will be paid in cash.

Auditor

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 percent 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 trading on regulated market on the date of the repurchase or otherwise at a price formed on the market.
- The Board of Directors is entitled to decide how shares are repurchased.
- Own shares may be repurchased otherwise than in proportion to the shares held by the shareholders (directed repurchase).
- The authorization shall be in force until the closing of the next AGM.

As of July 30, 2015, the Board has not executed this authorization.

The AGM further 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 all 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).
- This authorization applies to both the issuance of new shares and the conveyance of own shares held by the company.
- The authorization shall be in force until the closing of the next AGM.

On April 28, 2015, Outotec announced that the Board of Directors had decided on directed share issuance of a total maximum number of 77,227 Outotec shares held by the company as a payment of the Share-based Incentive Program 2013-2015 from the 2014 earning period. The reward equals 10.95% of the eligible maximum reward for the earning period, it can be paid to a maximum of 167 Outotec employees and is at maximum 100,621 shares. The 23,394 Outotec shares held by the Share-based Incentive Program’s third-party administrator were used as part of the reward payment.

The AGM further authorized the Board of Directors to decide on donations in the aggregate amount of EUR 70,000 to universities, institutions of higher education, or other non-profit purposes. The donations can be made in one or more installments. The authorization shall be in force until the closing of the next AGM.

Amendment of Articles of Association

The AGM decided to amend the Articles of Association Section 8, as well as subsections 6 and 11 of Section 11, of the company's Articles of Association so that the company shall have one Auditor, which shall be an audit firm certified by the Central Chamber of Commerce.

Amendment of the Charter of the Nomination Board

The AGM decided to amend Section 6 of the Charter of the Nomination Board so that the Nomination Board shall submit its proposals to the Board of Directors at the latest on 15 February preceding the AGM.

Board's assembly meeting

In its assembly meeting, the Board of Directors elected Klaus Cawen, Anja Korhonen, Ian W. Pearce, and Timo Ritakallio as members of the Audit and Risk Committee. Anja Korhonen acts as the Chairman of the Audit and Risk Committee.

Eija Ailasmaa, Matti Alahuhta, and Poju Zabludowicz 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 second quarter of 2015. All ongoing legal disputes are listed in the risk section of the company’s web site at www.outotec.com/investors.

CORPORATE STRUCTURE

The acquisition of Kempe Engineering's aluminum smelter technologies, and its service and spare parts businesses in the Middle East and Africa was closed on March 2, 2015.

In 2015, PPA amortizations from completed acquisitions are expected to be EUR 9 million.

SHARES AND SHARE CAPITAL

Outotec's shares are listed on the Nasdaq 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 2,028,053 Outotec shares, which represents a relative share of 1.11% of Outotec Oyj's shares and votes.

TRADING, MARKET CAPITALIZATION, AND SHAREHOLDERS

Shares on Nasdaq Helsinki

January-June 2015	No. of shares traded	Total value EUR	High EUR	Low EUR	Average EUR[1)]	Last paid EUR
OTE1V	107,620,696	601,236,340	6.85	4.35	5.59	5.78

[1)] *Volume weighted average*

	June 30, 2015	June 30, 2014
Market capitalization, EUR million	**1,058**	1,406
No. of shareholders	**31,721**	29,142
Nominee registered shareholders (no of registers 10), %	**28.1**	33.6
Finnish households, %	**18.1**	15.5

SHARE-BASED INCENTIVES

Outotec has a Share-based Incentive Program for the company's key personnel and Employee Share Savings Program for all employees globally. All shares related to the programs are acquired through public trading. More detailed information about present and past programs is available at www.outotec.com/cg.

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 the metals and mining industry. We also provide innovative solutions for industrial water treatment, the utilization of alternative energy sources and the chemical industry. Outotec shares are listed on Nasdaq Helsinki.