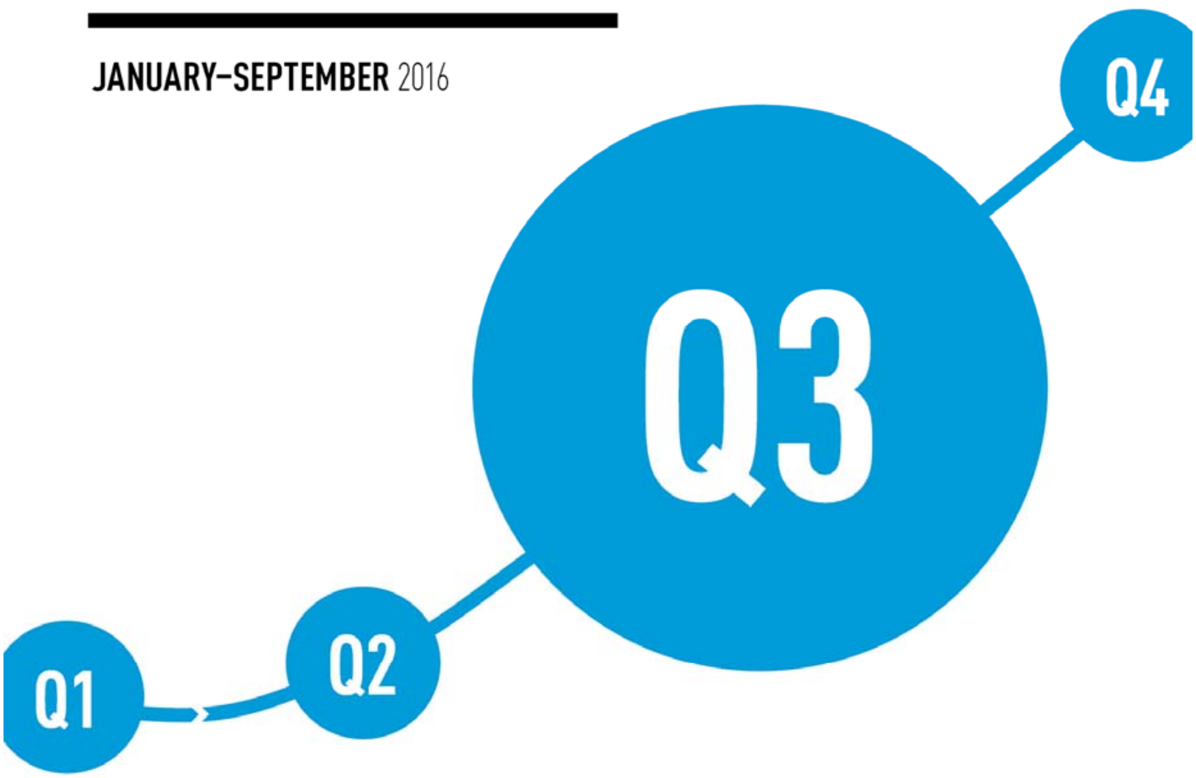
Q1-Q3 INTERIM REPORT

JANUARY–SEPTEMBER 2016



Sustainable use of
Earth's natural resources

Outotec

OCTOBER 28, 2016

INTERIM REPORT JANUARY-SEPTEMBER 2016

Minerals Processing recovering, continued challenges in Metals, Energy & Water

Financial guidance narrowed

January-September 2016 in brief (comparison period January-September 2015):

- Order intake: EUR 725 (923) million, -21% (in comparable currencies -17%)
- Service order intake: EUR 336 (387) million, -13% (in comparable currencies -7%)
- Order backlog: EUR 1,030 (1,117) million, -8%
- Sales: EUR 753 (895) million, -16% (in comparable currencies -12%)
- Service sales: EUR 320 (373) million, -14% (in comparable currencies -8%)
- EBIT: EUR -14 (18) million
- Adjusted EBIT*: EUR 2 (38) million
- Adjusted EBIT*: 0 (4)%
- Net cash flow from operating activities: EUR -73 (22) million
- Earnings per share: EUR -0.12 (0.03)

July-September 2016 in brief (comparison period July-September 2015):

- Order intake: EUR 274 (268) million, 2% (in comparable currencies 4%)
- Service order intake: EUR 121 (138) million, -12% (in comparable currencies -10%)
- Sales: EUR 245 (307) million, -20% (in comparable currencies -20%)
- Service sales: EUR 105 (129) million, -18% (in comparable currencies -17%)
- EBIT: EUR -1 (7) million
- Adjusted EBIT*: EUR 2 (15) million
- Adjusted EBIT*: 1 (5)%

Financial guidance for 2016 narrowed

Sales guidance is narrowed and due to the continued challenges in the Metals, Energy & Water segment adjusted EBIT is expected to be at the lower end of the guidance range:

- Sales will be approximately EUR 1.0-1.1 billion (previously 1.0–1.2), and
- Adjusted EBIT* will be approximately 2-3% (previously 2–4%)

* Excluding restructuring and acquisition-related costs as well as purchase price allocation amortizations.

Summary of the Group's key figures	Q3 2016	Q3 2015	Q1-Q3 2016	Q1-Q3 2015	Last 12 months	Q1-Q4 2015
Order intake, EUR million	**274.1**	268.4	**725.0**	922.7	992.2	1,189.9
Service order intake, EUR million	**121.4**	138.3	**335.5**	387.4	444.8	496.6
Share of services in order intake, %	**44.3**	51.5	**46.3**	42.0	44.8	41.7
Order backlog at the end of the period, EUR million	**1,029.7**	1,116.7	**1,029.7**	1,116.7	1,029.7	1,102.8
Sales, EUR million	**245.2**	307.2	**752.5**	895.5	1,058.3	1,201.2
Service sales, EUR million	**105.3**	129.2	**319.6**	373.3	457.6	511.3
Share of services in sales, %	**43.0**	42.1	**42.5**	41.7	43.2	42.6
Gross margin, %	**23.5**	27.9	**24.7**	28.4	25.2	27.9
Adjusted EBIT[1], EUR million	**1.6**	14.7	**1.7**	38.4	19.3	56.0
Adjusted EBIT[1], %	**0.7**	4.8	**0.2**	4.3	1.8	4.7
EBIT, EUR million	**-1.2**	6.7	**-14.3**	18.3	-44.8	-12.3
EBIT, %	**-0.5**	2.2	**-1.9**	2.0	-4.2	-1.0
Profit before taxes, EUR million	**-3.9**	2.5	**-21.5**	9.2	-53.6	-22.9
Net cash from operating activities, EUR million	**-23.1**	64.8	**-72.7**	21.9	-25.1	69.5
Net interest-bearing debt at the end of the period, EUR million	**-20.8**[2]	74.3	**-20.8**[2]	74.3	-20.8	39.9
Equity at the end of the period, EUR million	**534.5**	425.8	**534.5**	425.8	534.5	404.7
Equity-to-assets ratio at the end of the period, %	**41.9**[2]	32.2	**41.9**[2]	32.2	41.9	31.1
Gearing at the end of the period, %	**-3.9**[2]	17.4	**-3.9**[2]	17.4	-3.9	9.9
Working capital at the end of the period, EUR million	**-10.0**	-12.0	**-10.0**	-12.0	-10.0	-89.4
Return on investment, %, LTM	**-6.0**	3.7	**-6.0**	3.7	-6.0	-1.5
Return on equity, %, LTM	**-8.4**	1.5	**-8.4**	1.5	-8.4	-4.0
Personnel at the end of the period	**4,167**	4,913	**4,167**	4,913	4,167	4,859
Earnings per share, EUR	**-0.03**	0.01	**-0.12**	0.03	-0.25	-0.10

[1] *Excluding restructuring and acquisition-related costs and PPA amortizations.*

[2] *If the hybrid bond were treated as a liability the equity-to-assets ratio would be 30.2%, gearing 33.6%, and net interest-bearing debt EUR 129.2 million.*

President & CEO Markku Teräsvasara:

"The minerals processing market showed signs of recovery and our third quarter total order intake grew compared to last year. The market environment continued to be challenging for the metals refining segment. The service business suffered from weaker demand due to postponements in maintenance and modernization projects.

Our profitability and cashflow were impacted by weak performance in certain large Metals, Energy & Water projects. We are actively working on improving our performance in this segment.

We have been able to reduce fixed costs by EUR 56 million from a year ago, and the targeted EUR 70 million savings are on track. We continue cost saving actions, especially in the Metals, Energy & Water segment.

We have significant opportunities in our installed base, and we will now strongly focus on improving our service capabilities.

Outotec has developed and commercialized modular plant concepts. In the third quarter, we received three orders for modular plants with customer benefits, such as fast-track delivery and easy maintainability. We will continue to productize our solutions and services.

We expect the minerals processing market to continue gradual improvement, while metals refining is expected to remain weak. Customers are focusing on reducing their production costs and we do not expect major changes in the service market soon."

FURTHER INFORMATION

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FINANCIAL REPORTING SCHEDULE IN 2017

- Financial Statements Review 2016: February 13
- Interim Report for January-March 2017: May 4
- Interim Report for January-June 2017: July 27
- Interim Report for January-September 2017: November 2

The Financial Statements for 2016 will be published in week 9 of 2017. The 2017 Annual General Meeting is planned for March 30, 2017.

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OPERATING ENVIRONMENT

In the third quarter, mining and metals companies continued to focus especially on investments in their existing plants with fast returns as well as efficient inventory and cash flow management. Large investments are still developing slowly. Smaller equipment orders picked up somewhat, especially in the Minerals Processing segment, due to process enhancement needs and improved cash flows, but the upgrade market continued to be slow. Interest in technologies that minimize environmental impacts, such as sulfuric acid, off-gas handling, and tailings treatment, continued.

Market activity varied among metals, regions, and technologies. Markets in the Middle East, South and Central America, and Russia were more active, while those in Europe, North America, and Asia Pacific continued to be slow. Gold, copper, nickel, and zinc projects were most active. The waste-to-energy market is still active but investments will depend largely on subsidy regulation. Competition remained intense.

ORDER INTAKE AND BACKLOG

Order intake in the third quarter was EUR 274 (268) million, up 2% (4% in comparable currencies) from the comparison period. The increase was attributable to equipment and service orders in the Minerals Processing segment. Order intake in the reporting period totaled EUR 725 (923) million, down 21% (-17% in comparable currencies) from the comparison period. The decline was due to fewer large plant orders and upgrade services in the Metals, Energy & Water segment, especially in the first half of the year.

Service order intake in the third quarter decreased 12% (-10% in comparable currencies) from the comparison period to EUR 121 (138) million. The decline came mainly from fewer shutdown service orders. In the reporting period, service order intake decreased 13% (-7% in comparable currencies) from the comparison period and totaled EUR 336 (387) million mainly due to a decline in long-term service contracts and shutdown services.

Order intake by region, %	**Q1-Q3 2016**	Q1-Q3 2015	Q1-Q4 2015
EMEA (including CIS)	**51**	56	56
Americas	**29**	28	26
APAC	**20**	16	18
Total	**100**	100	100

Announced orders

Project/location (published) Booked into order backlog Q3/2016:	Customer	Value, EUR million	Business unit
Flotation and dewatering technology, Russia (August 15)	Not disclosed	Approx. 30	Minerals Processing
Process equipment (pyrite leach process), Mexico (August 23)	Goldcorp's Peñasquito Mine	Approx. 23	Minerals Processing
Process equipment to greenfield gold project, Senegal (August 26)	Lycopodium Minerals Pty Ltd.	Approx. 10	Minerals Processing

Mine backfill plant, Philippines (September 30)	OceanaGold (Philippines) Inc.	not disclosed, similar Approx. 10	Minerals Processing
Mine backfill plant, Australia (October 3)	MMG Limited	not disclosed, similar over 10	Minerals Processing
Two VSF®X Modular Solvent Extraction technology packages, Macedonia and Egypt (October 7)	Sardich MC in Kazandol and Desmet Ballestra S.p.A	25	Metals, Energy & Water
New modular flotation cPlant, Saudi Arabia (October 14)	Ma'aden Gold	Nearly 10	Minerals Processing
Booked into order backlog Q2/2016:			
Process equipment, Burkina Faso (April 25)	Houndé Gold Operation	13	Minerals Processing
Sulfuric acid technology, Egypt (June 2)	Intesca Industrial	Over 30	Metals, Energy & Water
Copper smelter and sulfuric acid plant revamp, South America (June 20)	not published	Over 33	Metals, Energy & Water
Process equipment for the greenfield Gökirmak copper project, Turkey (July 4)	Acacia Maden Isletmeleri	Approx. 14	Minerals Processing
Process equipment for the gold project, Kazakhstan (July 12)	Bakyrchik Mining	Approx. 15-20	Minerals Processing
Process equipment to iron project, Iran (July 26)	Shangdong Province Metallurgical Engineering	Approx. 10	Minerals Processing
Booked into order backlog Q1/2016:			
Proprietary equipment for a sulfuric acid plant, Finland (March 31)	Boliden	not disclosed	Metals, Energy & Water

The order backlog at the end of the reporting period was EUR 1,030 (1,117) million, down 8% from the comparison period. Services represented EUR 220 (245) million of the total order backlog. In addition to the reported backlog, Outotec has approximately EUR 200 (230) million in orders from Iran that are booked based on advances received.

At the end of the reporting period, Outotec had 25 (23) projects with an order backlog value in excess of EUR 10 million, accounting for 59 (64)% of the total backlog. It is estimated that roughly 30 (27)% or EUR 300 (300) million of the quarter-end order backlog value will be delivered in 2016.

SALES AND FINANCIAL RESULT

Sales and financial result EUR million	**Q3 2016**	Q3 2015	**Q1-Q3 2016**	Q1-Q3 2015	Last 12 months	Q1-Q4 2015
Sales	**245.2**	307.2	**752.5**	895.5	1,058.3	1,201.2
Service sales[1]	**105.3**	129.2	**319.6**	373.3	457.6	511.3
Share of service sales, %	**43.0**	42.1	**42.5**	41.7	43.2	42.6
Gross margin, %	**23.5**	27.9	**24.7**	28.4	25.2	27.9
Adjusted EBIT[2], EUR million	**1.6**	14.7	**1.7**	38.4	19.3	56.0
Adjusted EBIT[2], %	**0.7**	4.8	**0.2**	4.3	1.8	4.7
- Restructuring and acquisition-related costs[3]	**-1.0**	-5.7	**-10.4**	-13.1	-56.2	-58.9
- PPA amortization	**-1.9**	-2.3	**-5.6**	-7.0	-7.9	-9.4

EBIT	**-1.2**	6.7	**-14.3**	18.3	-44.8	-12.3
EBIT, %	**-0.5**	2.2	**-1.9**	2.0	-4.2	-1.0
Profit before taxes	**-3.9**	2.5	**-21.5**	9.2	-53.6	-22.9
Profit for the period	**-2.9**	1.8	**-16.9**	6.5	-40.5	-17.2
Unrealized and realized exchange gains and losses[4]	**-2.0**	-0.6	**-3.6**	-3.6	-5.3	-5.3

[1] Included in the sales figures of the two reporting segments.

[2] Excluding restructuring and acquisition-related costs and PPA amortizations.

[3] Including restructuring related costs of EUR 6.3 (12.8) million, acquisition-related costs of EUR 0.3 (1.4) million, and arbitration costs related to past acquisition EUR 3.9 (-) million. The comparison period included a positive impact of a EUR 1.1 million reduction from an earn-out payment liability related to acquisition.

[4] Related to foreign exchange forward agreements and bank accounts.

Sales in the third quarter decreased by 20% (-20% in comparable currencies) from the comparison period and totaled EUR 245 (307) million. Sales in the reporting period decreased by 16% (-12% in comparable currencies) from the comparison period and totaled EUR 753 (895) million. The low order intake in the latter part of 2015 and the first half of 2016 was the main reason for the decrease.

Service sales in the third quarter declined by 18% (-17% in comparable currencies) from the comparison period and totaled EUR 105 (129) million. The decline came from low service order intake in the first half of the year. In the reporting period, service sales declined 14% (-8% in comparable currencies) from the comparison period and totaled EUR 320 (373) million, representing 42 (42)% of sales. The decline came mainly from fewer upgrades and long-term service contracts in the Metals, Energy & Water segment.

Fixed costs in the third quarter, including selling and marketing, administrative, R&D and fixed delivery expenses declined 26% (in comparable currencies -26%) from the comparison period and totaled EUR 62 (84) million. Fixed costs in the reporting period declined 21% (in comparable currencies -20%) from the comparison period and totaled EUR 205 (261) million or 27 (29)% of sales.

Adjusted EBIT in the third quarter was EUR 2 (15) million and in the reporting period EUR 2 (38) million. Weak performance in certain projects in the Metals, Energy & Water segment impacted Outotec's profitability. The comparison period's profitability was improved by provision releases related to the progress, completion and risk assessment of projects and higher service sales.

Profit before taxes in the third quarter was EUR -4 (2) million and in the reporting period EUR -22 (9) million. It included net finance expenses of EUR 7 (9) million due to interest costs and valuation of foreign exchange forward agreements. Net profit in the third quarter was EUR -3 (2) million and in the reporting period EUR -17 (6) million. Net impact from taxes totaled EUR 5 (-3) million. Earnings per share were EUR -0.12 (0.03).

SEGMENTS

Minerals Processing

EUR million	Q3 2016	Q3 2015	Q1-Q3 2016	Q1-Q3 2015	Change %	Q1-Q4 2015
Order intake	**201.1**	148.1	**461.8**	393.0	**18**[1]	495.6
Sales	**128.9**	129.0	**360.7**	401.8	**-10**[2]	548.8
Service sales	**72.6**	78.2	**197.3**	228.7	**-14**[3]	311.9
Adjusted EBIT[4], EUR million	**12.0**	9.4	**21.9**	19.5		19.5
Adjusted EBIT[4], %	**9.3**	7.3	**6.1**	4.8		3.5
PPAs	**-0.8**	-0.8	**-2.4**	-2.5		-3.3
Restructuring and acquisition-related costs	**-0.4**	-3.1	**-5.6**	-6.1		-32.6
EBIT	**10.8**	5.4	**13.8**	10.8		-16.5
EBIT, %	**8.4**	4.2	**3.8**	2.7		-3.0
Unrealized and realized exchange gains and losses[5]	**-0.9**	1.5	**-1.0**	-2.6		-3.9

[1] In comparable currencies 26%
[2] In comparable currencies -5%
[3] In comparable currencies -7%
[4] Excluding restructuring and acquisition-related costs and PPA amortizations
[5] Related to foreign exchange forward agreements and bank accounts

In the reporting period, the Minerals Processing segment's order intake grew 18% from the comparison period mainly due to increased equipment orders. The segment's sales decreased 10% mainly due to a decline in spare part orders and the overall low order intake in the latter part of 2015 and the first half of 2016. Fixed cost savings balanced out the lower sales.

Metals, Energy & Water

EUR million	Q3 2016	Q3 2015	Q1-Q3 2016	Q1-Q3 2015	Change %	Q1-Q4 2015
Order intake	**72.9**	120.2	**263.2**	529.7	**-50**[1]	694.3
Sales	**116.5**	178.2	**392.0**	493.6	**-21**[2]	652.4
Service sales	**32.7**	51.0	**122.3**	144.6	**-15**[3]	199.4
Adjusted EBIT[4], EUR million	**-9.5**	7.5	**-16.6**	24.3		42.5
Adjusted EBIT[4], %	**-8.2**	4.2	**-4.2**	4.9		6.5
PPAs	**-1.0**	-1.5	**-3.1**	-4.5		-6.0
Restructuring and acquisition-related costs	**-0.6**	-2.3	**-2.7**	-6.2		-23.5
EBIT	**-11.2**	3.7	**-22.4**	13.6		13.0
EBIT, %	**-9.6**	2.1	**-5.7**	2.8		2.0
Unrealized and realized exchange gains and losses[5]	**-1.1**	-2.1	**-2.6**	-0.9		-1.5

[1] In comparable currencies -49%
[2] In comparable currencies -18%
[3] In comparable currencies -10%
[4] Excluding restructuring and acquisition-related costs and PPA amortizations
[5] Related to foreign exchange forward agreements and bank accounts

In the reporting period, the Metals, Energy & Water segment's order intake decreased 50% due to the decline in plant orders and low service volumes. The segment's order intake may vary between quarters due to the size and timing of plant orders as well as large periodic service orders. Currently, customers are developing large investments slowly. The segment's sales declined 21% due to fewer plant deliveries and upgrade services. Lower sales and weak performance in certain projects impacted profitability.

BALANCE SHEET, FINANCING AND CASH FLOW

Balance sheet, financing and cash flow EUR million	**Q3** **2016**	Q3 2015	**Q1-Q3** **2016**	Q1-Q3 2015	Last 12 months	Q1-Q4 2015
Net cash from operating activities	**-23.1**	64.8	**-72.7**	21.9	-25.1	69.5
Net interest-bearing debt at the end of the period	**-20.8**[1]	74.3	**-20.8**[1]	74.3	-20.8	39.9
Equity at the end of the period	**534.5**	425.8	**534.5**	425.8	534.5	404.7
Equity-to-assets ratio at the end of the period, %	**41.9**[1]	32.2	**41.9**[1]	32.2	41.9	31.1
Gearing at the end of the period, %	**-3.9**[1]	17.4	**-3.9**[1]	17.4	-3.9	9.9
Working capital at the end of the period	**-10.0**	-12.0	**-10.0**	-12.0	-10.0	-89.4

[1] If the hybrid bond were treated as a liability the equity-to-assets ratio would be 30.2%, gearing 33.6%, and net interest-bearing debt EUR 129.2 million.

The consolidated balance sheet total on September 30, 2016 was EUR 1,482 (1,527) million. Equity to shareholders of the parent company was EUR 531 (424) million, representing EUR 2.93 (2.34) per share. During the reporting period, Outotec issued a EUR 150 million hybrid bond. In addition, equity was impacted by negative net profit of EUR 17 million (EUR 6 million positive), actuarial losses related to defined pension plans of EUR 6 million (gains of EUR 2 million) and positive translation differences of EUR 2 million (EUR 13 million negative).

Outotec's cash and cash equivalents at the end of the reporting period totaled EUR 265 (267) million. The net cash from operating activities was EUR -73 (22) million. The main reasons for the change in cash flow were large projects tying up more capital, lack of large advance payments, and restructuring program related costs. The advance and milestone payments received at the end of the reporting period totaled EUR 207 (205) million. The advance and milestone payments to subcontractors were EUR 53 (52) million.

In the reporting period, the net effect of the drawdown of the hybrid bond (EUR 150 million) and repayment of bank loan (EUR 60 million) had a positive impact on cash and cash equivalents. In addition, the current debt of EUR 30 million in the form of short-term certificates of deposit was fully repaid in the second quarter.

Net interest-bearing debt at the end of September 2016 was EUR -21 (74) million and gearing was -4 (17)%. Outotec's equity-to-assets ratio was 42 (32)%. The company's capital expenditure, related mainly to IT programs and IPRs, totaled EUR 16 (79) million in the reporting period.

Guarantees for commercial commitments, including advance payment guarantees issued by the parent and other Group companies at the end of the reporting period, were EUR 461 (663) million.

COST SAVING PROGRAM

Outotec initiated a cost structure program in the fourth quarter of 2015. The program aims at EUR 70 million annualized savings in fixed costs compared to Q1-Q3/2015. The estimated restructuring costs from the program will be a maximum of EUR 40 million. The majority of the savings will materialize in 2016.

Cost savings achieved in the reporting period totaled EUR 56 million. Total restructuring costs at the end of the reporting period were EUR 35 million and in the third quarter EUR 1 million (Q2/2016: 3, Q1/2016: 2, Q4/2015: 28).

DEVELOPMENT OF PRODUCT, TECHNOLOGY, AND SERVICE OFFERING

In the reporting period, Outotec’s research and development expenses totaled EUR 41 (49) million, representing 5 (5)% of sales.

Outotec filed 46 (56) new priority applications, and 454 (427) new national patents were granted. At the end of the reporting period, Outotec had 774 (801) patent families, including a total of 6,717 (7,267) national patents or patent applications.

On September 15, Outotec announced a partnership with Thermo-System GmbH, a Germany-based global leader in low-energy drying technology, to complement its waste-to-energy and sludge incineration technologies. In this partnership Outotec will receive exclusive rights to market Thermo-System's low-energy drying method in connection with Outotec's thermal processing solutions in Scandinavia, the Baltic and the CIS countries. Outotec has a portfolio of comprehensive sludge treatment solutions for energy production and nutrient recycling.

Product launches in Q3/2016

On May 23, Outotec introduced a cost-effective modular product for water treatment – the Outotec® EWT-40. The Electrochemical Water Treatment process solution is a highly automated process to handle contaminated waste waters and effluents in remote mining and metallurgical operations. One Outotec EWT-40 module can treat 5-40 m^3 of waste water per hour, and the capacity can be easily increased by adding more transportable modules.

On August 17, Outotec announced the successful delivery of a new type of mine backfill system together with operation, maintenance and management services to OZ Minerals for the Prominent Hill copper-gold mine in South Australia. As Outotec is responsible for the backfill plant’s ongoing operation, it is delivering significant benefits to OZ Minerals which include a fixed price per cubic meter of fill, high plant availability, and operation at higher-than-designed fill rates.

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 that the company works to achieve in cooperation with its customers. According to its core value, “committed to sustainability”, Outotec intends to incorporate sustainability – consisting of all the social, economic, and environmental elements of sustainability – into every aspect of its operations.

Outotec announced on April 7, 2016, that it has published its annual sustainability report, describing the company's approach to sustainability, performance and achievements in 2015 as well as future targets. “Working for resource efficiency” is the theme of the report, illustrating the positive impacts of Outotec's solutions and services in the circular economy context.

PERSONNEL

At the end of September 2016, Outotec had a total of 4,167 (4,913) and on average 4,398 (4,853) employees in the reporting period. Temporary personnel accounted for 6 (8)% of the total personnel.

Personnel by region	September 30, 2016	September 30, 2015	Change	December 31, 2015
EMEA (including the CIS)	**2,822**	3,132	**-310**	3,159
Americas	**770**	1,079	**-309**	1,012
APAC	**575**	702	**-127**	688
Total	**4,167**	4,913	**-746**	4,859

At the end of the reporting period, the company had, in addition to its own personnel, 325 (514) full-time equivalent, contracted professionals working in project execution.

For the reporting period, salaries and other employee benefits totaled EUR 248 (276) million.

CHANGES IN THE MANAGEMENT

June 22, 2016: Outotec's Board of Directors appointed Mr. Markku Teräsvasara (51) as Outotec's new Chief Executive Officer. He commenced work in his new position on October 1, 2016. Mr. Pertti Korhonen left his CEO duties on June 22, 2016. CFO Mr. Jari Ålgars was the acting CEO during the transition period.

LEGAL DISPUTES

No new legal disputes were initiated during the reporting period. Ongoing material legal disputes are listed in the risk section of the company's website at www.outotec.com/investors.

OTHER ANNOUNCEMENTS IN Q3/2016

On September 15, Outotec announced a partnership with Thermo-System GmbH, a Germany-based global leader in low-energy drying technology, to complement its waste-to-energy and sludge incineration technologies. In this partnership, Outotec will get exclusive rights to market Thermo-System's low-energy drying method in connection with Outotec's thermal processing solutions in Scandinavia, the Baltic, and the CIS countries.

On July 27, Outotec announced that Mr. Markku Teräsvasara (51), (appointed as new CEO on June 22, 2016), would take up his new position on October 1, 2016. Mr. Teräsvasara transferred to Outotec from Atlas Copco, where he led the Mining and Rock Excavation Service Division in Sweden and previously the Surface Drilling Equipment Division based in China.

On July 1, Outotec announced its updated Disclosure Policy originally approved by the Board of Directors in 2007. The Disclosure Policy outlines the key principles on how Outotec communicates with the capital markets and other stakeholders.

SHORT-TERM RISKS AND UNCERTAINTIES

Uncertainty in the mining and metals industry remains high. The continued uncertainty of China's growth outlook, weak metals prices, weakening of emerging market economies, and lack of financing cause customers to postpone investments or service purchases. In some cases, existing projects may be put on hold or cancelled. There is also an increased risk of credit losses, considering the industry's challenges.

In the current difficult market situation, market risks, such as project default risks, are high. Outotec sees an increased risk of disputes related to project implementation, which may result in extra costs and penalties for delay and/or performance guarantees. In contracts relating to the delivery of major projects, the liquidated damages attributable to, for instance, delayed delivery or non-performance may be significant. In particular, Outotec sees significant risk of claims and credit losses relating to few large projects in the Metals, Energy and Water segment. Outotec has booked increased project costs and risk provisions for these projects. However, if these significant risks would materialize in full, they would have a material impact on Outotec’s financial results. Although Outotec has been able to complete major projects in the past and agree with customers on the remediation of possible delays or claims for non-performance, this is more difficult in the current market environment.

Risks related to Outotec’s business operations are high in certain markets, such as the Middle East, Russia, and Turkey. The geopolitical situation, sanctions, uncertainties around Brexit, the security situation, or economic conditions may change rapidly and cause ongoing projects to be delayed, suspended, or cancelled, or completely prevent Outotec from operating in these areas.

Outotec is involved in a number of disputes, including arbitration and court proceedings. Different interpretations of international contracts and laws may cause uncertainty in estimating the final outcome of these disputes. The enforceability of contracts in certain market areas may be weak or difficult to foresee.

Outotec’s policy is to hedge 100% of foreign exchange transaction risks. When there are significant currency fluctuations, the IFRS mark-to-market valuation of foreign exchange forward agreements principle may cause volatility in Outotec’s quarterly profit and loss statements. In the current market situation, the short-term risk and uncertainties involved may lead to decreasing headroom under financial covenants related to the capital structure and liquidity in Outotec’s main credit facilities.

More information about Outotec’s business risks and risk management is available in the Notes to the Financial Statements, as well as on the company’s website at www.outotec.com.

EVENTS AFTER THE REPORTING PERIOD

On October 24, Outotec announced that Mr. Kalle Härkki, D.Sc. (Tech.), has been appointed Executive Vice President and President of the Metals, Energy & Water segment as of October 24, 2016. Mr. Jyrki Makkonen, who has been acting head of the Metals, Energy & Water since April 2016 will return to his position as head of Non-Ferrous business line. Mr. Taneli Salervo, Vice President Strategy & Business Development of Minerals Processing, will lead the Minerals Processing segment until Mr. Härkki's permanent successor has been appointed.

On October 14, Outotec announced the delivery of a novel modular flotation cPlant to Saudi Arabian mining company Ma’aden Gold to modernize the Al Amar gold processing facilities. The order was worth nearly EUR 10 million and was booked in Outotec's 2016 third quarter order intake.

On October 10, Outotec celebrated its 10th anniversary and launched a history book "150 years' evolution toward a greener future - the Outotec story".

On October 7, Outotec announced two orders worth a total of EUR 25 million for the new VSF®X Modular Solvent Extraction technology. The orders were booked in Outotec's 2016 third quarter order intake.

On October 4, Outotec announced the following representatives for Outotec's Nomination Board: Mr. Kari A.J. Järvinen (Solidium Oy), Mr. Pekka Pajamo (Varma Mutual Pension Insurance Company), Mr. Mikko Mursula (Ilmarinen Mutual Pension Insurance Company), and Dr. Matti Alahuhta (Chairman of the Board of Directors of Outotec Oyj). The Nomination Board will give its proposals to the Board of Directors by February 15, 2017.

On October 3, Outotec announced an order from MMG Limited to design and deliver a paste backfill plant to MMG's Dugald River zinc mine in Australia. The contract price was not disclosed but similar plants typically cost over EUR 10 million. The order was booked in Outotec's 2016 third quarter order intake.

On October 1, Mr. Markku Teräsvasara (51) commenced work in his new position as Outotec's President and CEO.

MARKET OUTLOOK

We have seen increased activity in minerals processing, which we expect to continue. We expect metals processing markets to remain weak.

Customers' investment needs vary regionally and based on local environmental regulations. Market is expected to continue to be active in regions such as the Middle East, South and Central America, and Russia. Development of gold, copper, nickel, and zinc projects are expected to continue more active than aluminum and iron. Waste-to-energy solutions are in demand in certain areas but the market is volatile, as decisions depend on subsidies and environmental regulations. The scarcity and cost of water, as well as the need to improve emission control, are driving process modernizations. Increased interest in technologies that minimize environmental impacts, such as sulfuric acid, off-gas handling, and tailings treatment, is expected to continue.

The service business is dependent on the industry's production volumes and modernization needs. In addition, customers' need for productivity improvement creates opportunities for Outotec's performance solutions. However, customers' focus on cash flow optimization and pressure on pricing are expected to continue. Competition is expected to remain intense.

FINANCIAL GUIDANCE FOR 2016 NARROWED

Sales guidance is narrowed and due to the continued challenges in the Metals, Energy & Water segment adjusted EBIT is expected to be at the lower end of the guidance range:

- Sales will be approximately EUR 1.0-1.1 billion (previously 1.0–1.2), and
- Adjusted EBIT* will be approximately 2-3% (previously 2–4%)

* Excluding restructuring and acquisition-related costs as well as purchase price allocation amortizations.

Espoo, October 28, 2016

Outotec Oyj
Board of Directors

INTERIM FINANCIAL STATEMENTS (unaudited)

Consolidated statement of comprehensive income EUR million	**Q3 2016**	Q3 2015	**Q1-Q3 2016**	Q1-Q3 2015	Q1-Q4 2015
Sales	**245.2**	307.2	**752.5**	895.5	1,201.2
Cost of sales	**-187.4**	-221.6	**-566.9**	-641.5	-866.6
Gross profit	**57.7**	85.7	**185.7**	254.0	334.6
Other income	**0.1**	0.2	**0.7**	2.6	3.2
Selling and marketing expenses	**-26.6**	-26.7	**-85.1**	-82.7	-108.4
Administrative expenses	**-19.0**	-32.1	**-60.3**	-88.0	-113.9
Research and development expenses	**-10.3**	-14.2	**-40.9**	-49.0	-61.2
Other expenses	**-3.1**	-6.2	**-14.2**	-18.2	-66.1
Share of results of associated companies	**0.0**	-	**-0.2**	-0.4	-0.4
EBIT	**-1.2**	6.7	**-14.3**	18.3	-12.3
Finance income and expenses					
Interest income and expenses	**-1.2**	-1.5	**-3.5**	-3.7	-5.1
Market price gains and losses	**-1.0**	-1.8	**-1.9**	-2.5	-2.3
Other finance income and expenses	**-0.5**	-0.9	**-1.9**	-2.9	-3.2
Net finance income expense	**-2.7**	-4.2	**-7.3**	-9.0	-10.6
Profit before income taxes	**-3.9**	2.5	**-21.5**	9.2	-22.9
Income tax expenses	**1.0**	-0.7	**4.6**	-2.8	5.7
Profit for the period	**-2.9**	1.8	**-16.9**	6.5	-17.2
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit obligations	**-1.6**	-0.2	**-9.2**	3.0	0.5
Income tax relating to items that will not be reclassified to profit or loss	**0.5**	0.1	**2.7**	-0.9	-0.1
Items that may be subsequently reclassified to profit or loss					
Exchange differences on translating foreign operations	**-1.9**	-20.9	**2.1**	-12.9	-8.5
Cash flow hedges	**0.3**	0.4	**1.0**	-0.4	-2.0
Available for sale financial assets	**0.1**	0.0	**0.2**	0.0	0.0
Income tax relating to items that may be reclassified to profit or loss	**-0.1**	-0.1	**-0.3**	0.0	0.5
Other comprehensive income for the period	**-2.7**	-20.8	**-3.5**	-11.1	-9.6
Total comprehensive income for the period	**-5.6**	-19.1	**-20.4**	-4.7	-26.7
Profit for the period attributable to:					
Equity holders of the parent company	**-2.9**	1.6	**-17.1**	6.2	-17.3
Non-controlling interest	**0.0**	-0.1	**0.2**	-0.3	0.2
Total comprehensive income for the period attributable to:					
Equity holders of the parent company	**-5.6**	-19.2	**-20.6**	-4.9	-26.9
Non-controlling interest	**0.0**	-0.1	**0.2**	-0.3	0.2
Earnings per share for profit attributable to the equity holders of the parent company:					
Basic earnings per share, EUR	**-0.03**	0.01	**-0.12**	0.03	-0.10
Diluted earnings per share, EUR	**-0.03**	0.01	**-0.12**	0.03	-0.10

All figures in the tables have been rounded to the nearest whole number 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, 2016**	September 30, 2015	December 31, 2015
ASSETS			
Non-current assets			
Intangible assets	**396.6**	386.9	405.0
Property, plant and equipment	**66.9**	82.7	83.0
Deferred tax asset	**98.7**	95.2	88.6
Non-current financial assets			
Interest-bearing	**3.7**	3.6	4.1
Non-interest-bearing	**9.0**	8.1	8.0
Total non-current assets	**574.9**	576.4	588.7
Current assets			
Inventories[1]	**226.0**	210.8	202.2
Current financial assets			
Interest-bearing	**0.1**	0.2	0.1
Non-interest-bearing	**415.6**	472.8	439.7
Cash and cash equivalents	**265.3**	267.1	300.7
Total current assets	**907.0**	950.9	942.6
TOTAL ASSETS	**1,482.0**	1,527.3	1,531.4
EQUITY AND LIABILITIES			
Equity			
Share capital	**17.2**	17.2	17.2
Retained earnings	**289.8**	333.8	310.3
Hybrid bond	**150.0**	-	-
Other components of equity	**74.3**	72.8	74.3
Equity attributable to the equity holders of the parent company	**531.3**	423.7	401.8
Non-controlling interest	**3.2**	2.2	2.9
Total equity	**534.5**	425.8	404.7
Non-current liabilities			
Interest-bearing	**223.8**	279.8	291.4
Non-interest-bearing	**126.2**	129.8	123.8
Total non-current liabilities	**349.9**	409.5	415.2
Current liabilities			
Interest-bearing	**18.2**	59.6	47.7
Non-interest-bearing			
Advances received[2]	**206.8**	204.5	232.1
Other non interest-bearing liabilities	**372.5**	427.8	431.7
Total current liabilities	**597.6**	691.9	711.5
Total liabilities	**947.5**	1,101.5	1,126.7
TOTAL EQUITY AND LIABILITIES	**1,482.0**	1,527.3	1,531.4

[1] Of which advances paid for inventories amounted to EUR 53.2 million at September 30, 2016 (September 30, 2015: EUR 52.3 million, December 31, 2015: EUR 61.1 million).
[2] Gross advances received before percentage of completion revenue recognition amounted to EUR 1,553.5 million at September 30, 2016 (September 30, 2015: EUR 1,580.7 million, December 31, 2015: EUR 1,565.1 million).

Condensed consolidated statement of cash flows EUR million	**Q1-Q3** **2016**	Q1-Q3 2015	Q1-Q4 2015
Cash flows from operating activities			
Profit for the period	**-16.9**	6.5	-17.2
Adjustments for			
Depreciation and amortization	**31.3**	29.6	40.2
Other adjustments	**16.2**	7.2	-0.1
Decrease (+)/Increase (-) in working capital	**-93.9**	-10.5	54.1
Interest received	**3.9**	3.1	4.4
Interest paid	**-9.1**	-6.3	-8.6
Income tax paid	**-4.3**	-7.8	-3.3
Net cash from operating activities	**-72.7**	21.9	69.5
Purchases of assets	**-16.1**	-43.3	-56.1
Acquisition of subsidiaries and business operations, net of cash	**-3.0**	-27.7	-30.8
Acquisition of shares in associate companies	**-0.0**	-	-
Proceeds from sale of assets	**1.6**	0.3	0.6
Cash flows from other investing activities	**-**	-	-0.5
Net cash used in investing activities	**-17.5**	-70.8	-86.8
Cash flow before financing activities	**-90.2**	-48.9	-17.3
Repayments of non-current debt	**-68.0**	-8.0	-11.5
Borrowings of non-current debt	**-**	45.0	60.0
Decrease in current debt	**-28.4**	-1.8	-2.8
Increase in current debt	**0.8**	24.2	16.5
Hybrid bond	**150.0**	-	-
Dividends paid	**-**	-18.1	-18.1
Cash flows from other financing activities	**-0.9**	0.9	1.4
Net cash used in financing activities	**53.3**	42.1	45.4
Net change in cash and cash equivalents	**-36.8**	-6.8	28.2
Cash and cash equivalents at the beginning of the period	**300.7**	281.9	281.9
Foreign exchange rate effect on cash and cash equivalents	**1.5**	-7.9	-9.3
Net change in cash and cash equivalents	**-36.8**	-6.8	28.2
Cash and cash equivalents at the end of the period	**265.3**	267.1	300.7

Consolidated statement of changes in equity

	Attributable to the equity holders of the parent company									
EUR million	Share capital	Share premium fund	Fair value and other reserves	Treasury shares	Reserve for invested non-restricted equity	Hybrid bond	Cumulative translation differences	Retained earnings	Non-cont-rolling interest	Total equity
Equity at January 1, 2015	17.2	20.2	-13.1	-18.0	93.0	-	0.4	345.5	-	445.3
Dividends	-	-	-	-	-	-	-	-18.1	-	-18.1
Share-based compensation	-	-	-	0.6	0.7	-	-	0.2	-	1.4
Total comprehensive income for the period	-	-	1.8	-	-	-	-12.9	6.2	0.3	-4.7
Acquisition of non-controlling interest in subsidiaries	-	-	-	-	-	-	-	-	1.9	1.9
Other changes	-	-	-	-	-	-	-	0.0	-	0.0
Equity at September 30, 2015	17.2	20.2	-11.3	-17.4	93.8	-	-12.5	333.8	2.2	425.8
Equity at January 1, 2016	17.2	20.2	-14.2	-17.4	93.8	-	-8.1	310.3	2.9	404.7
Proceeds from hybrid bond	-	-	-	-	-	150.0	-	-	-	150.0
Hybrid bond expenses	-	-	-	-	-	-	-	-0.7	-	-0.7
Share-based compensation	-	-	-	1.6	1.9	-	-	-2.8	-	0.7
Total comprehensive income for the period	-	-	-5.6	-	-	-	2.1	-17.1	0.3	-20.3
Other changes	-	-	-	-	-	-	-	0.1	-	0.1
Equity at September 30, 2016	**17.2**	**20.2**	**-19.7**	**-15.8**	**95.7**	**150.0**	**-6.0**	**289.8**	**3.2**	**534.5**

Group key figures	**Q3 2016**	Q3 2015	**Q1-Q3 2016**	Q1-Q3 2015	Last 12 months	Q1-Q4 2015
Sales, EUR million	**245.2**	307.2	**752.5**	895.5	1,058.3	1,201.2
Gross margin, %	**23.5**	27.9	**24.7**	28.4	25.2	27.9
EBIT, EUR million	**-1.2**	6.7	**-14.3**	18.3	-44.8	-12.3
EBIT, %	**-0.5**	2.2	**-1.9**	2.0	-4.2	-1.0
Profit before taxes, EUR million	**-3.9**	2.5	**-21.5**	9.2	-53.6	-22.9
Profit before taxes in relation to sales, %	**-1.6**	0.8	**-2.9**	1.0	-5.1	-1.9
Net cash from operating activities, EUR million	**-23.1**	64.8	**-72.7**	21.9	-25.1	69.5
Net interest-bearing debt at the end of period, EUR million	**-20.8**[1]	74.3	**-20.8**[1]	74.3	-20.8	39.9
Gearing at the end of period, %	**-3.9**[1]	17.4	**-3.9**[1]	17.4	-3.9	9.9
Equity-to-assets ratio at the end of period, %	**41.9**[1]	32.2	**41.9**[1]	32.2	41.9	31.1
Working capital at the end of period, EUR million	**-10.0**	-12.0	**-10.0**	-12.0	-10.0	-89.4
Capital expenditure, EUR million	**4.0**	21.0	**16.2**	78.7	42.4	104.8
Capital expenditure in relation to sales, %	**1.6**	6.8	**2.2**	8.8	4.0	8.7
Return on investment, %, LTM	**-6.0**	3.7	**-6.0**	3.7	-6.0	-1.5
Return on equity, %, LTM	**-8.4**	1.5	**-8.4**	1.5	-8.4	-4.0
Order backlog at the end of period, EUR million	**1,029.7**	1,116.7	**1,029.7**	1,116.7	1,029.7	1,102.8
Order intake, EUR million	**274.1**	268.4	**725.0**	922.7	992.2	1,189.9
Personnel at the end of the period	**4,167**	4,913	**4,167**	4,913	4,167	4,859
Profit for the period in relation to sales, %	**-1.2**	0.6	**-2.2**	0.7	-3.8	-1.4
Research and development expenses, EUR million	**10.3**	14.2	**40.9**	49.0	53.1	61.2
Research and development expenses in relation to sales, %	**4.2**	4.6	**5.4**	5.5	5.0	5.1
Earnings per share, EUR	**-0.03**	0.01	**-0.12**	0.03	-0.25	-0.10
Equity per share, EUR	**2.93**	2.34	**2.93**	2.34	2.93	2.22

[1] *If the hybrid bond were treated as a liability: the equity-to-assets ratio would be 30.2%, gearing 33.6%, and net interest-bearing debt EUR 129.2 million.*

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	=	$\frac{\text{Profit for the period attributable to the equity holders of the parent company – hybrid bond interest}}{\text{Average number of shares during the period}}$
Diluted earnings per share	=	$\frac{\text{Profit for the period attributable to the equity holders of the parent company – hybrid bond interest}}{\text{Diluted average number of shares during the period}}$
Dividend per share	=	$\frac{\text{Dividend for the financial year}}{\text{Number of shares at the end of the period}}$
Adjusted EBIT	=	EBIT excluding (but not limited to) restructuring related transactions, merger and acquisition related costs and purchase price allocation amortizations and goodwill impairments
Comparable currencies, some key figures	=	Reporting period’s figures converted with comparison period’s foreign exchange rates

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. The 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 IFRS 9 and intends to fully adopt it in 2018. The Group has paid attention especially to the amendments in applying hedge accounting. It is not yet possible to estimate the impact of the new standard on the company's financial statements.
- IFRS 15 – Revenue from Contracts with Customers. The 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 its customers. It replaces IAS 18 and IAS 11 standards and related interpretations. The new standard includes a five-step guideline to the recognition of revenue from contracts with customers. Outotec is assessing the impact of IFRS 15 and intends to adopt it in 2018. The Group has especially paid attention to the identification of performance obligations and the criteria for the recognition of revenue over time. It is not yet possible to estimate the impact of the new standard on the company's financial statements.
- IFRS 16 – Leases. New standard requires lessees to recognize assets and liabilities for most leases. Leases are not classified as operating leases or finance leases anymore and all leases have a single accounting model with certain exemptions. For lessors there are not major changes. The new standard replaces the IAS 17 standard and related interpretations. Outotec is planning to assess the impacts of the standard and intends to adopt it in 2019.

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 the 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.

Alternative performance measures

Outotec has implemented the new European Securities and Market Authority (ESMA) guidelines on Alternative Performance Measures. The guidelines are aimed at promoting the usefulness and transparency of Alternative Performance Measures and are applied from July 3, 2016.

Outotec presents Adjusted EBIT as one Alternative Performance Measure. When calculating adjusted EBIT the following items are excluded: restructuring related transactions as well as merger and acquisition related costs, purchase price allocation amortizations, goodwill impairments and other similar items. Reconciliations are presented as part of the interim report tables. In addition, Outotec presents some key figures in comparable currencies. Comparable currencies are calculated by converting the reporting period's key figures by using the foreign exchange rates of the comparison period.

Restructuring and acquisition costs EUR million	**Q1-Q3 2016**	Q1-Q3 2015	Q1-Q4 2015
Costs related to restructuring[1, 2]	**-6.3**	-12.8	-48.9
Costs related to acquisitions[1]	**-0.3**	-1.4	-2.0
Reversal of earn-out liability from acquisitions[1]	**-**	1.1	1.0
Arbitration cost related to past acquisitions[1]	**-3.9**	-	-9.0

[1] *Excluded from adjusted EBIT*
[2] *Includes impairments on intangible, tangible and other long-term assets EUR 0.9 (in 2015: no impairments) million, personnel related restructurings of EUR 4.7 (in 2015: EUR 4.2) million and other restructuring related costs EUR 0.7 (in 2015: 8.7) million. In segment reporting the costs related to the restructuring program have been divided to Metals, Energy & Water EUR 2.6 (in 2015: 5.2) million, Minerals Processing 1.5 (in 2015: 6.9) million and unallocated items EUR 2.2 (in 2015: EUR 0.8) million.*

Income tax expenses EUR million	**Q1-Q3 2016**	Q1-Q3 2015	Q1-Q4 2015
Current taxes	**-5.6**	-14.9	1.7
Deferred taxes	**10.2**	12.1	4.0
Total income tax expenses	**4.6**	-2.8	5.7

Property, plant and equipment EUR million	**September 30, 2016**	September 30, 2015	December 31, 2015
Historical cost at the beginning of the period	**170.5**	159.3	159.3
Translation differences	**0.5**	-4.1	-2.5
Additions	**3.5**	11.9	15.6
Disposals	**-4.6**	-1.2	-5.4
Acquired subsidiaries	**-**	6.9	7.3
Reclassifications	**0.0**	-1.2	-3.7
Impairment during the period	**-14.7**	-	-
Historical cost at the end of the period	**155.3**	171.7	170.5
Accumulated depreciation and impairment at the beginning of the period	**-87.5**	-81.2	-81.2
Translation differences	**-0.2**	2.1	1.5
Disposals	**3.2**	1.0	4.8
Reclassifications	**-0.1**	-0.2	2.0
Impairment during the period	**6.8**	-	-
Depreciation during the period	**-10.6**	-10.7	-14.6

Accumulated depreciation and impairment at the end of the period	**-88.4**	-88.9	-87.5
Carrying value at the end of the period	**66.9**	82.7	83.0

Commitments and contingent liabilities EUR million	**September 30, 2016**	September 30, 2015	December 31, 2015
Guarantees for commercial commitments	**360.4**	454.9	415.9
Minimum future lease payments on operating leases	**110.0**	118.0	125.3

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 17.1 million at September 30, 2016 (September 30, 2015: EUR 17.5 million, December 31, 2015: EUR 14.3 million) and for commercial guarantees including advance payment guarantees EUR 460.8 million at September 30, 2016 (September 30, 2015: EUR 662.7 million, December 31, 2015: EUR 632.3 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, 2016**	September 30, 2015	December 31, 2015
Fair values, net	**-0.0[1]**	11.4[2]	2.7[3]
Nominal values	**548.0**	600.1	544.7

[1] Of which EUR -1.3 million designated as cash flow hedges (EUR -1.3 million from currency derivatives, EUR -0.0 million from interest derivatives) and EUR 6.2 million designated as fair value hedge from interest derivatives.
[2] Of which EUR -0.7 million designated as cash flow hedges (EUR -0.5 million from currency derivatives, -0.2 million from interest derivatives) and EUR 5.6 million designated as fair value hedge from interest derivatives.
[3] Of which EUR -2.3 million designated as cash flow hedges (EUR -2.1 million from currency derivatives, EUR -0.2 million from interest derivatives) and EUR 5.5 million designated as fair value hedge from interest derivatives.

Carrying amounts of financial assets and liabilities by category

September 30, 2016

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	0.0	-	-	-	-	-	0.0	0.0
- interest rate swaps	-	-	-	-	6.2	-	6.2	6.2
Other shares and securities	-	-	2.4	-	-	-	2.4	2.4
Trade and other receivables								
- interest-bearing	-	1.3	-	-	-	-	1.3	1.3
- non-interest-bearing	-	0.0	-	-	-	-	0.0	0.0
Current financial assets								
Derivative assets								
- foreign exchange forward contracts	1.4	-	-	-	0.1	-	1.5	1.5
Trade and other receivables								
- interest-bearing	-	0.1	-	-	-	-	0.1	0.1
- non-interest-bearing	-	414.1	-	-	-	-	414.1	414.1
Cash and cash equivalents	-	265.3	-	-	-	-	265.3	265.3
Carrying amount by category	**1.4**	**680.8**	**2.4**	**-**	**6.3**	**-**	**690.9**	**690.9**
Non-current financial liabilities								
Bonds	-	-	-	-	-	148.9	148.9	151.0
Loans from financial institutions	-	-	-	-	-	72.7	72.7	74.7
Finance lease liabilities	-	-	-	-	-	0.0	0.0	0.0
Derivative liabilities								
- foreign exchange forward contracts	-	-	-	0.0	0.4	-	0.4	0.4
Other non-current loans	-	-	-	-	-	2.1	2.1	2.1
Other non-current liabilities	-	-	-	-	-	1.7	1.7	1.7
Current financial liabilities								
Loans from financial institutions	-	-	-	-	-	18.0	18.0	18.9
Financial lease liabilities	-	-	-	-	-	0.0	0.0	0.0
Derivative liabilities								
- foreign exchange forward contracts	-	-	-	6.3	1.0	-	7.3	7.3
- interest rate swaps	-	-	-	-	0.0	-	0.0	0.0
Other current loans	-	-	-	-	-	0.2	0.2	0.2
Trade payables	-	-	-	-	-	103.5	103.5	103.5
Carrying amount by category	**-**	**-**	**-**	**6.3**	**1.4**	**347.3**	**355.0**	**359.9**

Carrying amounts of financial assets and liabilities by category

December 31, 2015

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	-	-	-	-	5.5	-	5.5	5.5
Other shares and securities	-	-	2.2	-	-	-	2.2	2.2
Trade and other receivables								
- interest-bearing	-	1.9	-	-	-	-	1.9	1.9
- non-interest-bearing	-	0.0	-	-	-	-	0.0	0.0
Current financial assets								
Derivative assets								
- foreign exchange forward contracts	3.3	-	-	-	0.1	-	3.5	3.5
Trade and other receivables								
- interest-bearing	-	0.1	-	-	-	-	0.1	0.1
- non-interest-bearing	-	436.2	-	-	-	-	436.2	436.2
Cash and cash equivalents	-	300.7	-	-	-	-	300.7	300.7
Carrying amount by category	3.3	738.9	2.2	-	5.7	-	750.1	750.1
Non-current financial liabilities								
Bonds	-	-	-	-	-	148.7	148.7	151.5
Loans from financial institutions	-	-	-	-	-	140.3	140.3	142.4
Finance lease liabilities	-	-	-	-	-	0.0	0.0	0.0
Derivative liabilities								
- foreign exchange forward contracts	-	-	-	0.0	1.0	-	1.0	1.0
Other non-current loans	-	-	-	-	-	2.3	2.3	2.3
Other non-current liabilities	-	-	-	-	-	2.0	2.0	2.0
Current financial liabilities								
Loans from financial institutions	-	-	-	-	-	18.4	18.4	19.3
Loans from pension institutions	-	-	-	-	-	0.2	0.2	0.2
Finance lease liabilities	-	-	-	-	-	0.0	0.0	0.0
Derivative liabilities								
- foreign exchange forward contracts	-	-	-	3.9	1.2	-	5.2	5.2
- interest rate swaps	-	-	-	-	0.2	-	0.2	0.2
Other current loans	-	-	-	-	-	29.1	29.1	29.1
Trade payables	-	-	-	-	-	129.2	129.2	129.2
Carrying amount by category	-	-	-	3.9	2.4	470.3	476.7	482.4

Fair value hierarchy
September 30, 2016

EUR million	Level 1	Level 2	Level 3	Total
Available for sale financial assets	0.2	-	2.2	2.4
Derivative financial assets	-	7.7	-	7.7
	0.2	**7.7**	**2.2**	**10.1**
Bonds	-	151.0	-	151.0
Loans from financial institutions	-	93.6	-	93.6
Derivative financial liabilities	-	7.8	-	7.8
	-	**252.4**	-	**252.4**
December 31, 2015				
Available for sale financial assets	0.0	-	2.2	2.2
Derivative financial assets	-	9.0	-	9.0
	0.0	9.0	2.2	11.2
Bonds	-	151.5	-	151.5
Loans from financial institutions	-	161.7	-	161.7
Loans from pension institutions	-	0.2	-	0.2
Derivative financial liabilities	-	6.3	-	6.3
	-	319.7	-	319.7

Available-for-sale financial assets (level 3 of fair value hierarchy) EUR million	**Q1-Q3 2016**	Q1-Q3 2015	Q1-Q4 2015
Carrying value at the beginning of the period	**2.2**	2.2	2.2
Translation differences	**0.0**	-0.0	0.0
Disposals	**-**	-0.0	-0.0
Carrying value at the end of the period	**2.2**	2.1	2.2

Related party transactions

Transactions and balances with associated companies EUR million	**Q1-Q3 2016**	Q1-Q3 2015	Q1-Q4 2015
Sales	**0.0**	0.0	0.0
Other income	**-**	0.1	0.1
Purchases	**0.4**	0.3	0.6
Trade and other receivables	**0.4**	0.2	0.2
Current liabilities	**0.1**	-	0.0
Loan receivables	**1.3**	1.4	1.9

Outotec has a 40% investment in Enefit Outotec Technology Oü from which the company had EUR 1.3 million loan receivable at September 30, 2016 (September 30, 2015: EUR 1.4 million, December 31, 2015: EUR 1.9 million).

Transactions and balances with management and prior management

Loan receivables from key management were EUR 0.0 million at September 30, 2016 (September 30, 2015: no loan receivables, December 31, 2015: EUR 0.0 million).

Segments' sales and EBIT by quarters

EUR million	**Q3/14**	Q4/14	Q1/15	Q2/15	**Q3/15**	Q4/15	Q1/16	Q2/16	**Q3/16**
Sales									
Metals, Energy & Water	**165.9**	212.6	141.0	174.5	**178.2**	158.8	127.2	148.3	116.5
Minerals Processing	**154.4**	190.6	136.4	136.4	**129.0**	147.0	112.5	119.3	128.9
Unallocated items[1] and intra-group sales	**0.1**	0.0	0.0	0.0	**0.0**	0.0	0.1	0.0	-0.2
Total	**320.3**	403.2	277.5	310.8	**307.2**	305.7	239.8	267.6	245.2
EBIT									
Metals, Energy & Water	**2.0**	-7.5	5.1	4.8	**3.7**	-0.6	-10.2	-1.1	-11.2
Minerals Processing	**8.9**	12.4	-0.1	5.5	**5.4**	-27.3	-0.3	3.3	10.8
Unallocated[2] and intra-group items	**-11.2**	-2.6	-1.4	-2.4	**-2.4**	-2.6	-1.8	-3.0	-0.9
Total	**-0.3**	2.3	3.6	8.0	**6.7**	-30.6	-12.3	-0.8	-1.2

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

RESOLUTIONS OF OUTOTEC'S AGM

Outotec Oyj's Annual General Meeting (AGM) was held on April 11, 2016, 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 2015.

Dividend

The AGM decided that no a dividend be distributed for the financial year ended on December 31, 2015.

The Board of Directors and auditors

The AGM decided that the number of the Board members, including the Chairman and Vice Chairman, shall be eight (8). Dr Matti Alahuhta, Ms Eija Ailasmaa, Ms Anja Korhonen, Mr Timo Ritakallio, Mr Chaim (Poju) Zabludowicz, Mr Ian W. Pearce and Mr Klaus Cawén were re-elected as members of the Board of Directors, and Mr Patrik Nolåker was elected as a new member of the Board, for the term expiring at the end of the next AGM.

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 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 percent will be paid in cash and 40 percent in the form of Outotec Oyj shares, which will be acquired from the stock exchange within one week from the date of the

Annual General Meeting, 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 will be paid no later than on May 11, 2016. 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 an aggregate maximum of 18,312,149 of the company’s own shares. The amount of shares corresponds to approximately 10 percent of all the current shares of the company. However, the company together with its subsidiaries cannot at any moment own more than 10 percent of all the 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 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 number of shares to be issued on the basis of this authorization shall not exceed an aggregate maximum of 18,312,149 shares, which 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 authorizations shall be in force until the closing of the next AGM.

Board's assembly meeting

In its assembly meeting the Board of Directors elected Anja Korhonen, Timo Ritakallio, Ian W. Pearce and Klaus Cawén 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 act as members of the Human Capital Committee with Matti Alahuhta as the Chairman of the Committee.

CHANGES IN SHAREHOLDING

On June 27, 2016, Outotec announced that Harris Associates Investment Trust’s Oakmark International Small Cap Fund's holding in shares of Outotec Oyj (OTE1V) on June 23, 2016 had fallen below 5% and were 8,807,514 shares, which represents 4.81% of the share capital and votes in the company.

On March 31, 2016, Outotec announced that Edinburgh Partners Limited's holdings in shares of Outotec Oyj on March 30, 2015 had fallen below 5% and were 8,951,358 shares, which represents 4.89% of the share capital. Of these shares voting authority applies to 6,167,802 (3.37%).

On February 29, 2016, Outotec announced that Edinburgh Partners Limited's holdings in shares of Outotec Oyj on February 26, 2016 had exceeded 5% and were 9,294,508 shares, which represents 5.08% of the share capital. Of these shares, voting authority applies to 6,167,802 (3.37%).

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 1,800,394 Outotec shares, which represents a relative share of 0.98% of Outotec Oyj's shares and votes.

TRADING, MARKET CAPITALIZATION, AND SHAREHOLDERS

Shares on NASDAQ Helsinki

January-September 2016	No. of shares traded	Total value EUR	High EUR	Low EUR	Average EUR[1]	Last paid EUR
OTE1V	212,013,708	771,365,868	5.12	2.49	3.64	4.28

[1] *Volume weighted average*

	September 30, 2016	September 30, 2015
Market capitalization, EUR million	**783**	605
No. of shareholders	**32,533**	32,489
Nominee registered shareholders (no of registers 10), %	**27.5**	28.8
Finnish private investors, %	**28.9**	19.1

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.