



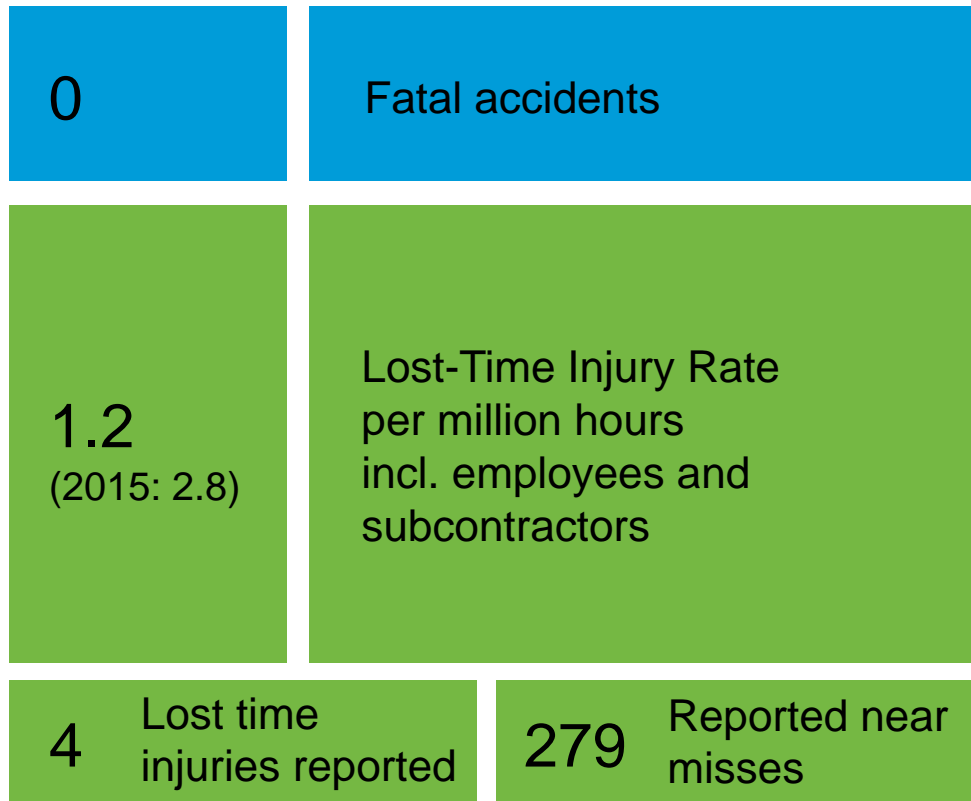
Outotec

Sustainable use of
Earth's natural resources

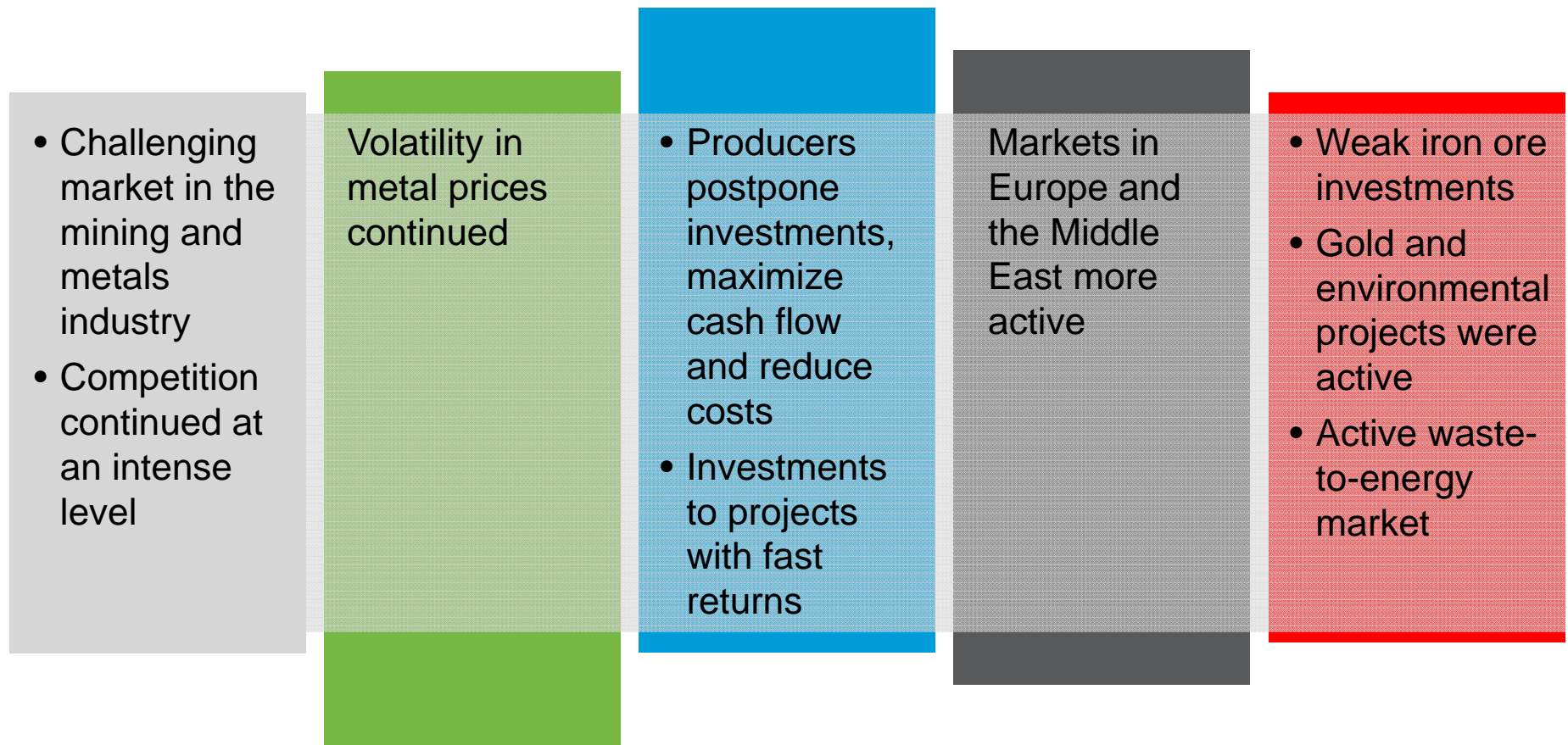
Interim Report

Q1 2016

Safety performance in Q1/2016



Challenging operating environment continued in Q1



Q1 in a nutshell

- Order intake declined in challenging markets
- Sales contracted due to the timing of larger orders in 2015 and customer-induced slowdown in project deliveries
- Adjusted EBIT negative due to lower sales and particularly lower provision releases
- Service order intake declined



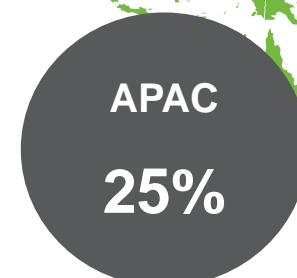
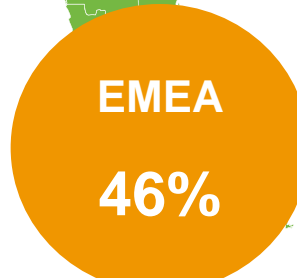
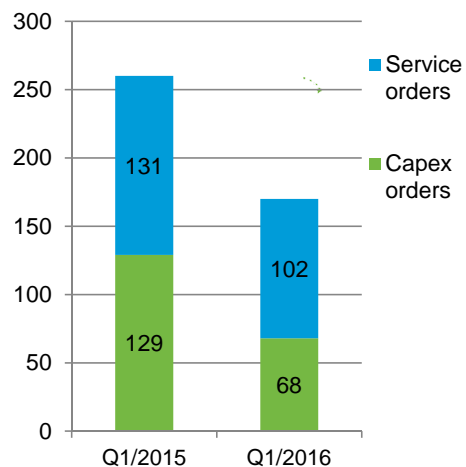
- Fixed costs reduced 9% and EUR 70 million cost structure program is on track
- Spare part orders and sales grew slightly
- Service sales -4%, growth 5% in comparable currencies
- EUR 150 million hybrid bond strengthened equity and cash and cash equivalents
- Market showed some signs of stabilization towards end of Q1

Capex order intake impacted by timing of large MEW orders; spare and wear parts orders improved, upgrade & modernization service orders declined

- Minerals Processing order intake: EUR 104 million, -11% (-2% in comparable currencies)
- Metals, Energy & Water order intake: EUR 66 million, -54% (-51% in comparable currencies)



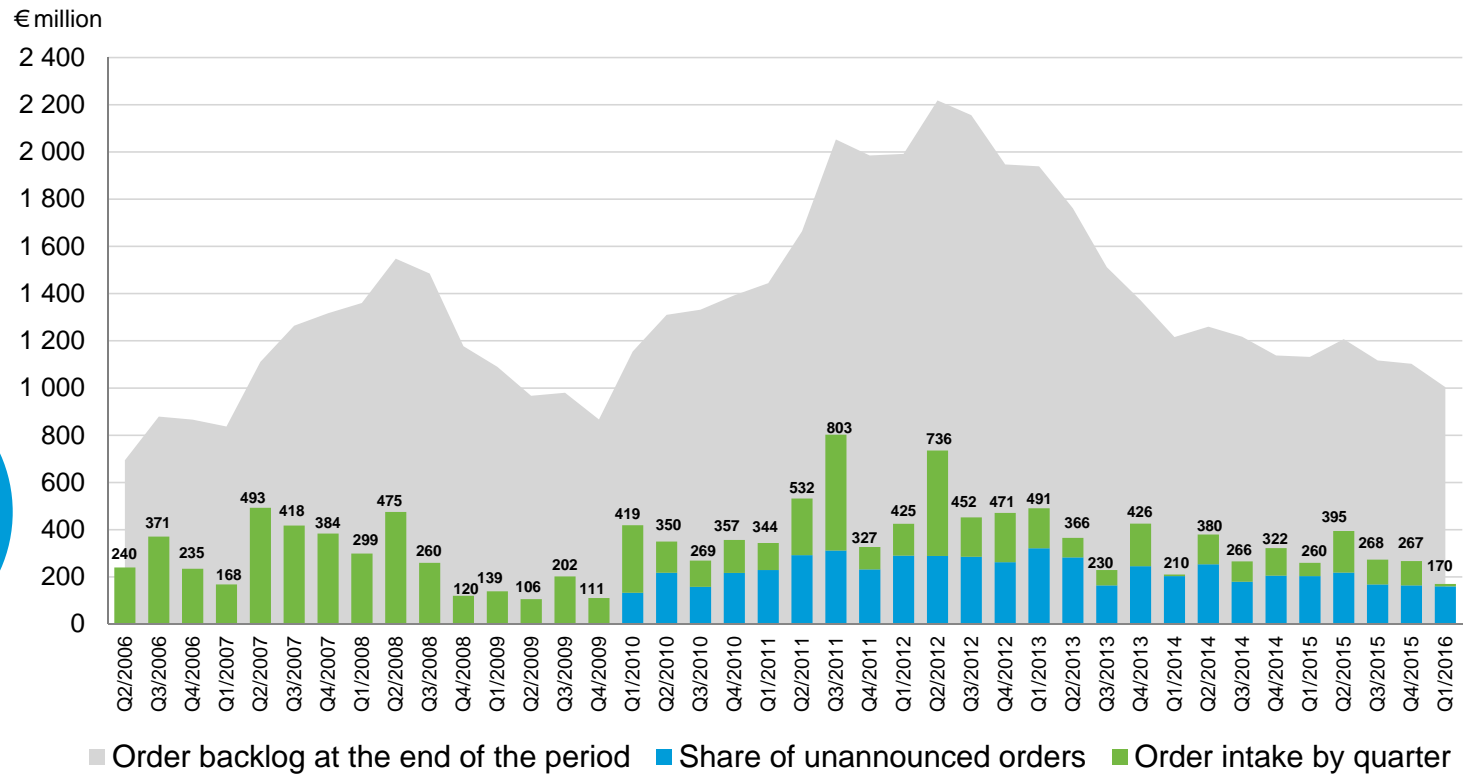
Sulfuric acid plant technology for Boliden Harjavalta, Finland
Value not disclosed



Order backlog declined due to low order intake

Iranian projects not included in Q1 end backlog: EUR 220 (193) million

Roughly EUR 600 million of the Q1 end backlog to be delivered in 2016

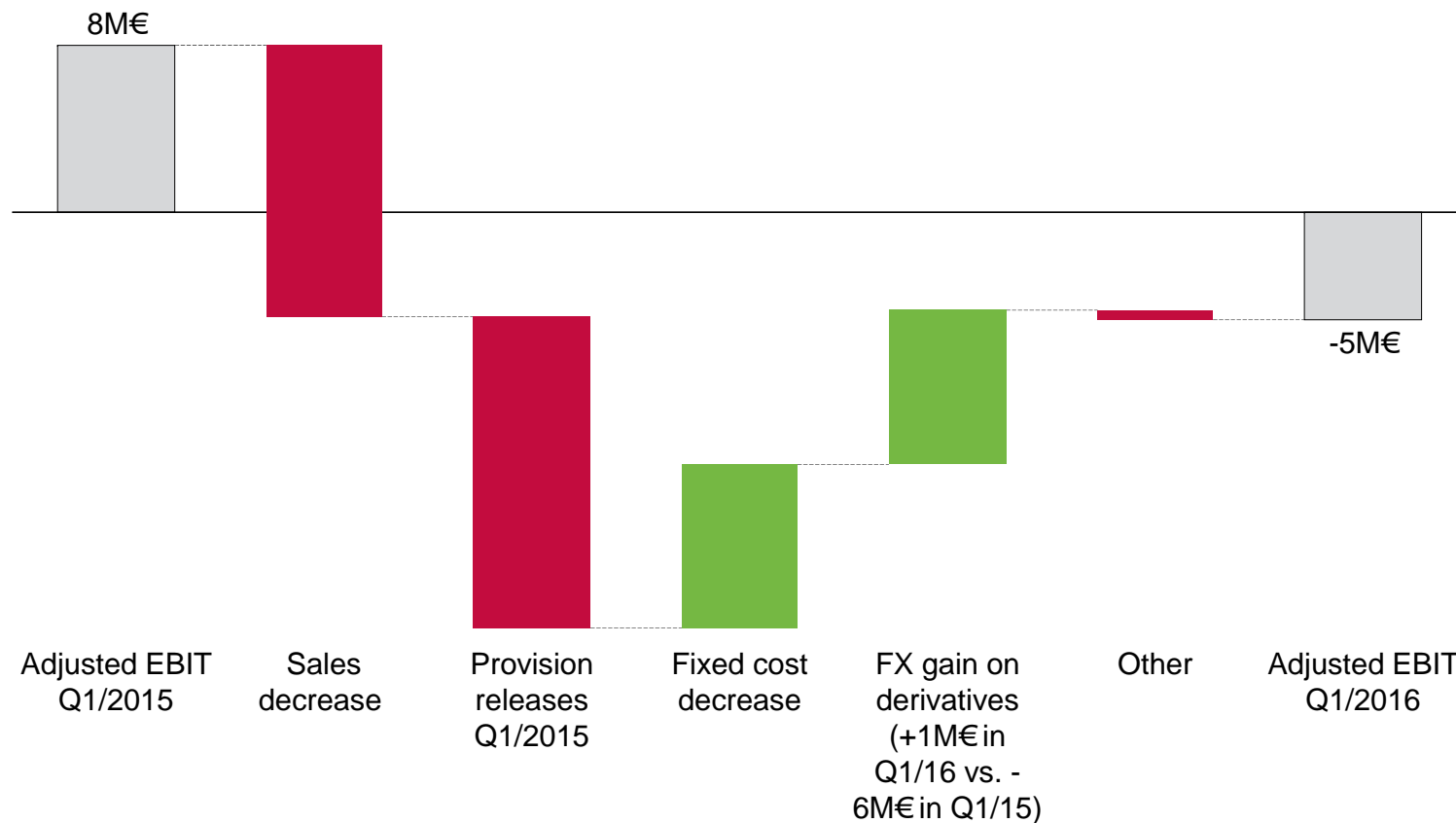


Fixed cost savings did not fully mitigate lower sales and particularly lower provision releases

EUR million	Q1 2016	Q1 2015	Change, %	Change, % in comparable currencies
Sales	240	278	-14%	-8%
Service sales	114	118	-4%	+5%
Share of services in sales, %	48	43		
Gross Margin, %	24	28		
Adjusted EBIT [*]	-5	8		
Adjusted EBIT [*] , %	-2	3		
- Restructuring and acquisition-related costs	-6	-2		
- PPA amortization	-2	-2		
EBIT	-12	4		
EBIT, %	-5	1		
Profit for the period	-12	1		

^{*} Excl. restructuring and acquisition-related costs and PPA amortizations.

Profitability impacted by volume and neutral provision releases, partly off-set by fixed cost savings

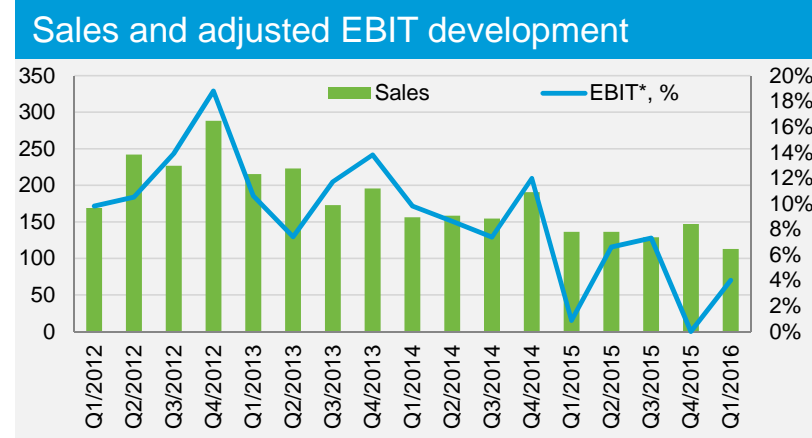


Minerals Processing – fewer plant and equipment orders weakened sales, profitability improved

- Fewer plant and equipment projects reduced sales.
- Spare parts sales were flat y-o-y.
- Adjusted EBIT improved despite lower sales due to lower fixed costs.

Minerals Processing	Q1 2016	Q1 2015	Change, %	Change in comp currency, %
EUR million				
Order intake	104	117	-11	-2
Sales	113	136	-18	-10
Service sales	64	76	-16	-5
Adjusted EBIT ^{*)}	5	1		
Adjusted EBIT ^{*)} , %	4	1		
Unrealized and realized losses related to valuation of FX forward agreements	2	-6		

^{*)} Excl. restructuring and acquisition-related costs.

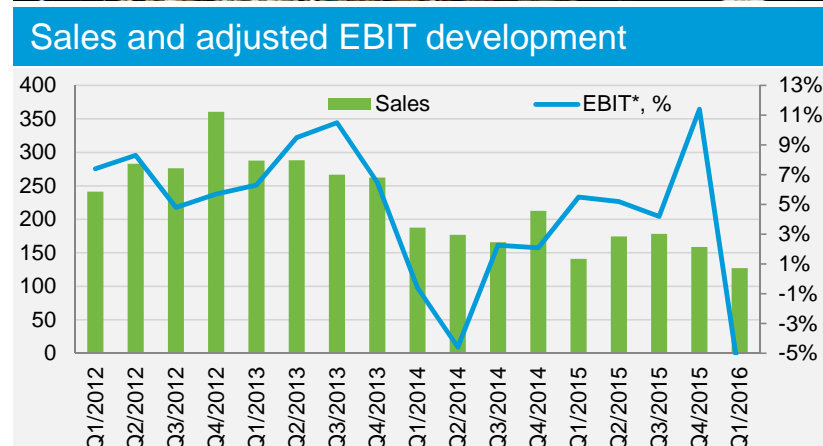


Metals, Energy & Water – order intake and profitability dropped, spare parts sales grew

- Timing of large plant orders reduced order intake.
- Sales declined due to fewer projects in implementation and their timing.
- Spare part sales grew moderately.
- Profitability weakened due to lower sales, lack of project provision releases and still too high fixed costs



Metals, Energy & Water EUR million	Q1 2016	Q1 2015	Change, %	Change in comp. currency, %
Order intake	66	143	-54	-51
Sales	127	141	-10	-7
Service sales	50	42	19	24
Adjusted EBIT ^{*)}	-9	8		
Adjusted EBIT ^{*)} , %	-7	5		
Unrealized and realized losses related to valuation of FX forward agreements	-1	-0		

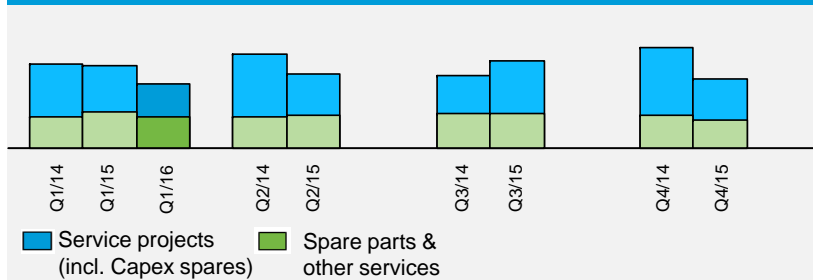


^{*)} Excl. restructuring and acquisition-related costs.

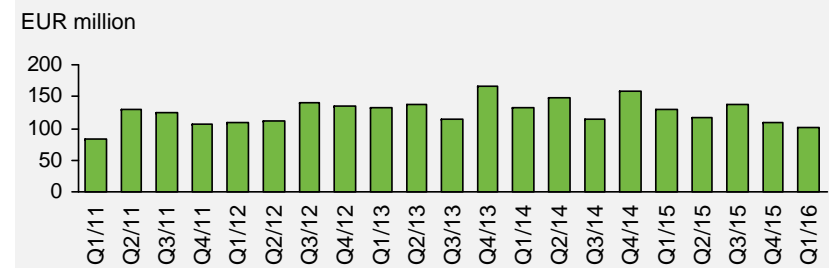
Service order intake and sales declined, spare part sales grew slightly

- Service orders -22% (-14% in comparable currencies) due to weak market for upgrades and modernizations
- Spare and wear part orders improved from Q4
- Service sales -4% (+5% in comparable currencies)
- Spare part sales grew slightly

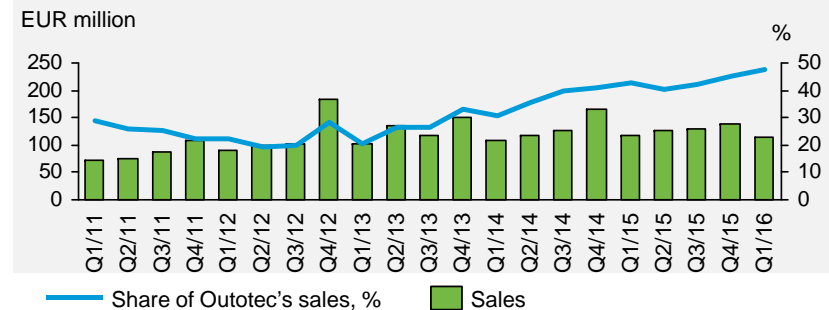
Split in service order intake



Service order intake by quarter



Service sales by quarter



Ongoing projects progressed, tying more capital and impacting negatively working capital and cash flow, low prepayments from new orders

EUR million	Q1 2016	Q1 2015
Cash from operations	6	11
Change in working capital	-37	-36
Interest	0	-0
Taxes	-2	-10
NET CASH FROM OPERATING ACTIVITIES	-34	-35
Capital expenditure	-4	-16
Acquisitions	-	-21
Other investing activities	1	-0
CASH FLOW AFTER INVESTING ACTIVITIES	-37	-72

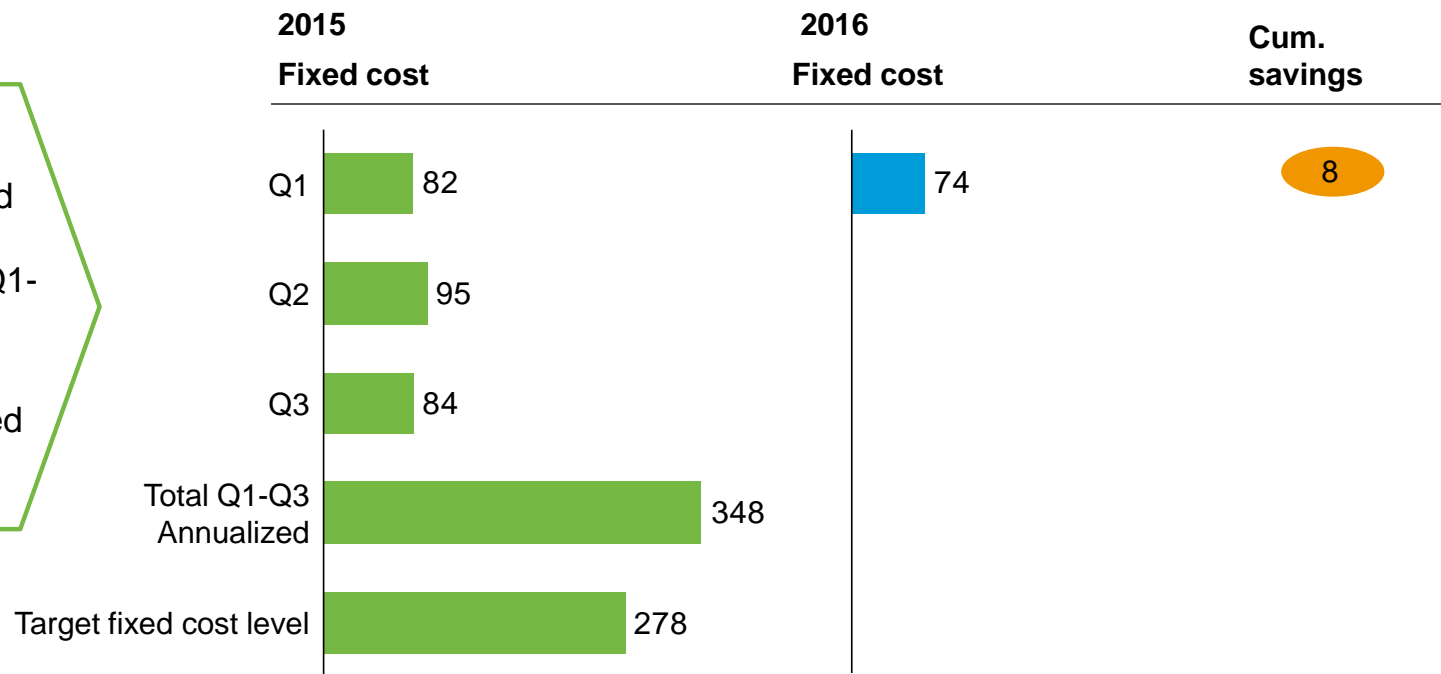
Cash and equity were positively impacted by the drawdown of the hybrid bond

	Q1 2016	Q1 2015
Net interest-bearing debt, EUR million	-69*	51
Gearing, %	-13*	11
Equity-to-assets ratio, %	41*	34
Return on investment, %, LTM	-2	0
Return on equity, %, LTM	-6	-1
Working capital at the end of the period, EUR million	-58	-2
Equity, EUR million	538	448
Balance sheet total, EUR million	1.556	1.482

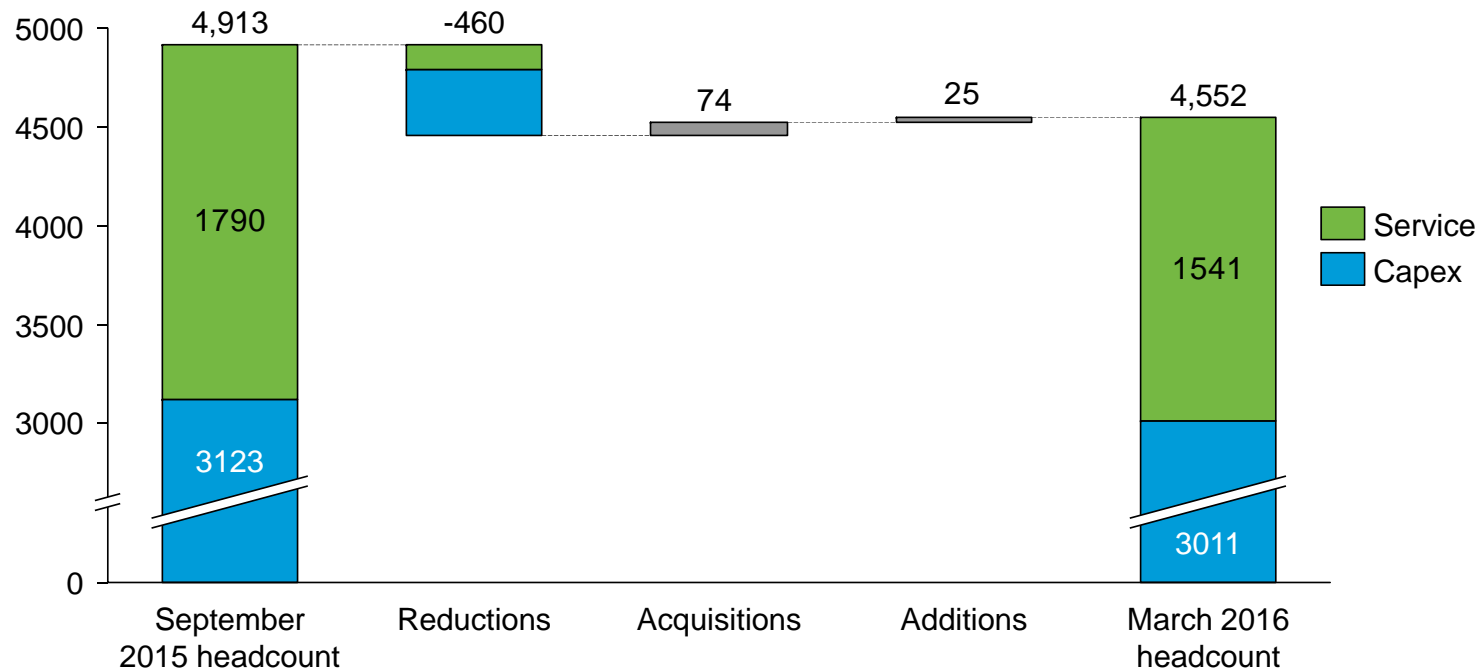
** If the hybrid bond would be treated as liabilities: Equity-to-assets ratio 29%, gearing 21%, and net interest-bearing debt would be EUR 81 million.*

EUR 70 million cost efficiency program is proceeding on plan, EUR 8 million quarterly net savings achieved

- Target is EUR 70 million annual fixed cost reduction compared to the Q1-Q3/2015 run rate.
- Of this, EUR 8 million was reached in Q1/2016.



Personnel development since September 2015



Key events after March 31, 2016

April 7, 2016

Outotec's 'Working for resource efficiency' sustainability report was published.

April 11, 2016

Outotec's Annual General Meeting was held in Helsinki.



April 18, 2016

Outotec and Sarda Energy and Minerals settled their dispute over obligations in a filter delivery (press release on September 27, 2013).

April 25, 2016

Outotec to deliver process equipment for Houndé Gold Operation in Burkina Faso, EUR 13 million order booked in Q2/2016.



Market outlook remains uncertain – investment forecast for 2016 lower than in 2015

Current metals supply capacity exceeds the demand, and further capacity adjustments are expected

The current market conditions and long-term metals price outlook is not supportive for investments

Sustainable solutions are in demand

Some geographic areas, such as the Middle East are more active

Waste-to-energy solutions are in demand in certain countries, but linked to subsidy and environmental regulations



Service business is dependent on the industry's production volumes and modernization needs

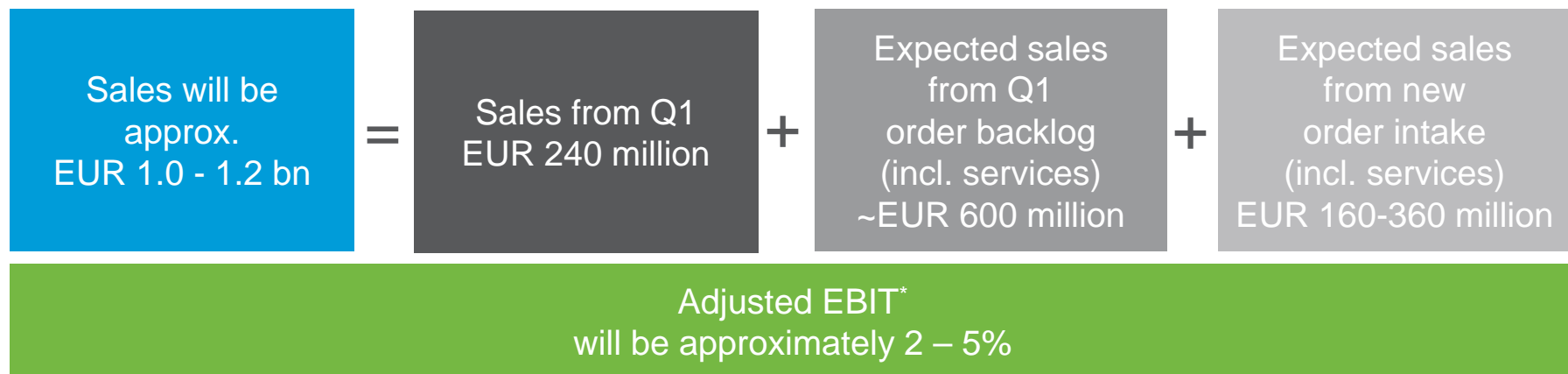
Key focus in 2016

- 1 Improve fixed and product costs
- 2 Develop service business
- 3 Seek opportunities from growth segments



Financial guidance for 2016 reiterated

Based on the current market outlook, customer business activity and assessment of order backlog, the management expects that in 2016:



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

The market weakened last year and the weakening accelerated towards the end of the year. The wide guidance range reflects the current volatility and limited visibility of the market.

We expect the profits to be weighted towards the second half of the year. Normal seasonality, the expected timing of project deliveries from the order backlog and the timing of savings impact from the restructuring program drive the annual phasing of the profit.

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Sustainable use of
Earth's natural resources