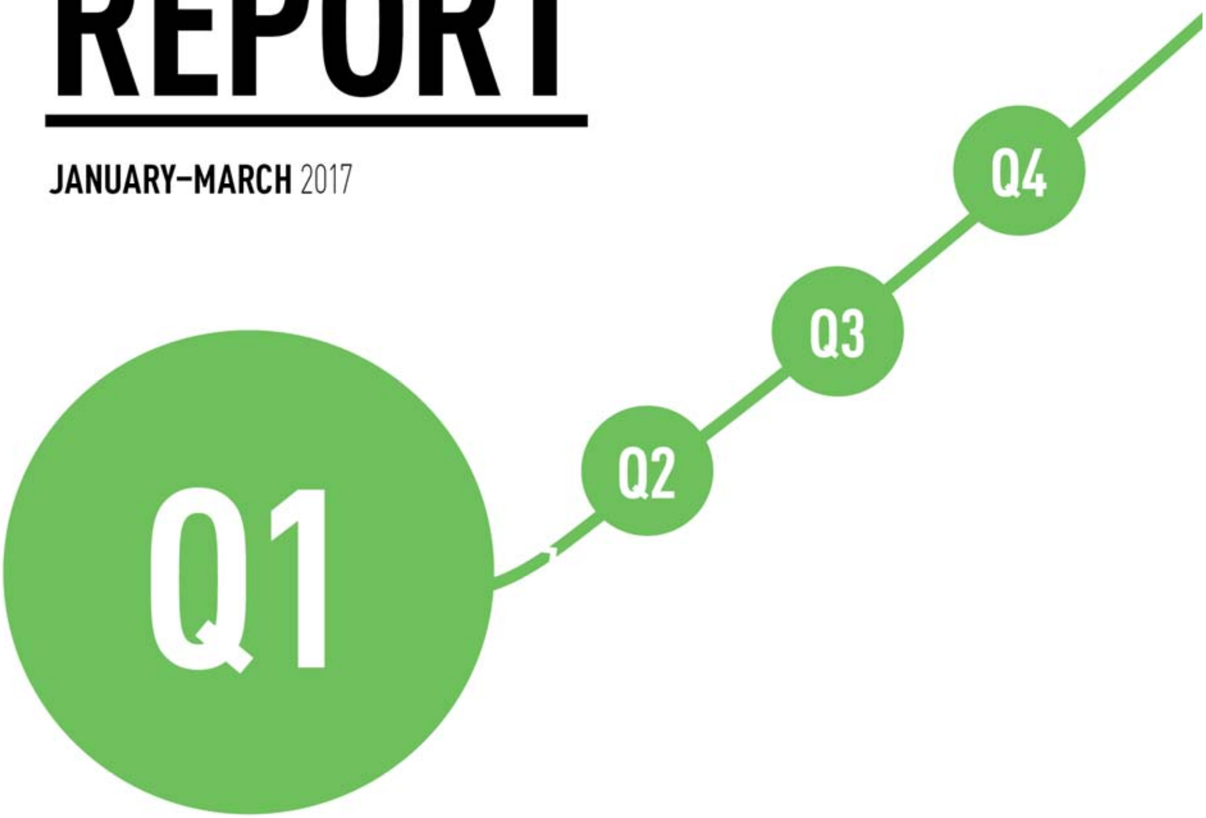
Q1 INTERIM REPORT

JANUARY–MARCH 2017



Sustainable use of
Earth's natural resources

Outotec

OUTOTEC OYJ

INTERIM REPORT JANUARY–MARCH 2017

Significantly improved order intake

"Our first quarter order intake improved significantly from the comparison period in 2016. The improvement reflects the more positive market sentiment in the mining industry but also the low order intake in the comparison period. In addition to equipment orders in minerals processing, we got some larger plant orders in metals refining. We were also able to increase our service order intake by 13%. Our profitability improved following savings on fixed costs and higher sales volumes, but cash flow remained negative due to the backlog of mature orders.

Our new organization, with a dedicated Services business unit operational since April 1, helps us to further strengthen our capabilities in serving our customers and winning new orders. We will continue working to restore the Metals, Energy & Water segment's profitability and review our product portfolio and strategy during the forthcoming months. Although our order intake improved significantly from last year, and sentiment in the mining market has improved, the timing of large plant orders is difficult to foresee," summarizes President & CEO **Markku Teräsvasara**.

Summary of key figures EUR million	**Q1** **2017**	Q1 2016	**Change** **%**	Change in comp. curr. %	Q1-Q4 2016
Order intake	**318.4**	170.2	**87**	83	1,007.7
Service order intake	**115.1**	101.9	**13**	8	443.3
Order backlog at end of period	**1,051.2**	1,004.5	**5**	-	1,002.1
Sales	**267.7**	239.8	**12**	7	1,057.9
Service sales	**98.7**	114.1	**-13**	-18	447.0
Gross margin, %	**23.4**	24.3			22.1
Adjusted EBIT[1]	**1.2**	-4.8			-23.0
Adjusted EBIT[1], %	**0.4**	-2.0			-2.2
EBIT	**-0.8**	-12.3			-67.7
EBIT, %	**-0.3**	-5.1			-6.4
Net cash from operating activities	**-34.1**	-33.6			-84.6
Earnings per share, EUR	**-0.03**	-0.07			-0.42

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

Financial guidance for 2017 reiterated in Q1

The guidance for 2017 is based on the current order backlog and market outlook, as well as achieved cost savings.

- Sales are expected to be approximately EUR 1,050–1,150 million, and
- Adjusted EBIT* is expected to be approximately 3–5%

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

MARKET DEVELOPMENT

In the first quarter, market activity continued at the year-end level, backed by metals prices. More projects were in the decision-making phase in comparison with the previous year. Although markets have developed positively, many customers continued to focus on improving their cash flow and profitability.

In the first quarter, gold, aluminum, copper, and zinc projects were most active. Customers in the Middle East, Central and South America, and Russia continued to invest more. Business across other markets was mainly related to smaller equipment deliveries. The Asian market was more subdued. Competition remained intense.

ORDER INTAKE AND BACKLOG

The order intake in the first quarter was EUR 318 (170) million, up 87% from the comparison period. The growth was attributable to equipment orders in the Minerals Processing segment as well as larger plant orders in the Metals, Energy & Water segment. Service order intake increased to EUR 115 (102) million, up 13% from the comparison period due to growth in spare parts.

Order intake by region, %	**Q1 2017**	Q1 2016	Q1-Q4 2016
EMEA	**53**	46	49
Americas	**35**	29	33
APAC	**12**	25	18
Total	**100**	100	100

Announced orders

Project/location (published) Booked into order backlog Q1/2017:	Value, EUR million	Segment
Filtration plant to copper concentrator expansion in Peru (January 19)	>15	Minerals Processing
Zinc plant technology to Mexico (March 22)	24	Metals, Energy & Water
Aluminium technology to Bahrain (April 13)	N/D	Metals, Energy & Water

The order backlog at the end of the reporting period was EUR 1,051 (1,005) million, up 5% from the comparison period. Services represented EUR 216 (194) million of the total order backlog. At the end of the reporting period, Outotec had 21 (22) projects with an order backlog value in excess of EUR 10 million, accounting for 56 (62) % of the total backlog. It is estimated that roughly 65 (60) % or EUR 680 (600) million of the March-end order backlog value will be delivered in 2017.

SALES AND FINANCIAL RESULT

Sales and financial result EUR million	**Q1** **2017**	Q1 2016	**Change** **%**	Change in comp. curr. %	Q1-Q4 2016
Sales	**267.7**	239.8	**12**	7	1,057.9
Service sales[1]	**98.7**	114.1	**-13**	-18	447.0
Share of service sales, %	**36.9**	47.6			42.3
Gross margin, %	**23.4**	24.3			22.1
Adjusted EBIT[2]	**1.2**	-4.8			-23.0
Adjusted EBIT[2], %	**0.4**	-2.0			-2.2
- Restructuring and acquisition-related costs[3]	**-0.0**	-5.6			-37.2
- PPA amortization	**-1.9**	-1.9			-7.4
EBIT	**-0.8**	-12.3			-67.7
EBIT, %	**-0.3**	-5.1			-6.4
Result before taxes	**-3.1**	-14.6			-78.1
Result for the period	**-2.6**	-11.5			-69.3
Unrealized and realized exchange gains and losses[4]	**2.3**	0.9			-8.1

[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 -1.0 (-1.6) million, acquisition-related costs of EUR -0.0 (-0.1) million, and no arbitration costs related to past acquisition (EUR -3.9 million). The reporting period also includes the positive impact of a EUR 0.9 million reduction from an earn-out payment liability related to acquisition.*

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

Sales in the first quarter increased 12% from the comparison period. Growth was attributable mainly to increased process equipment orders in the Minerals Processing segment in 2016. Service sales decreased by 13% from the comparison period representing 37 (48) % of sales. The reduction was due to the decline in shut-down service contracts in the Metals, Energy & Water segment.

Fixed costs in the first quarter, including selling and marketing, administrative, R&D and fixed delivery expenses, declined 5% (in comparable currencies -8%) from the comparison period, totaling EUR 70 (74) million, or 26 (31)% of sales.

Adjusted EBIT was positively impacted by increased sales, lower fixed costs, and unrealized and realized foreign exchange gains.

The result before taxes was EUR -3 (-15) million, including net finance expenses of EUR 2 (2) million due to interest costs and the valuation of foreign exchange forward agreements. The net result in the first quarter was EUR -3 (-12) million. The net impact from taxes totaled EUR 1 (3) million positive. Earnings per share totaled EUR -0.03 (-0.07).

MINERALS PROCESSING

Minerals Processing EUR million	**Q1** **2017**	Q1 2016	**Change** **%**	Change in comp. curr. %	Q1-Q4 2016
Order intake	**146.4**	104.4	**40**	35	626.7
Sales	**153.4**	112.5	**36**	31	539.5
Service sales	**68.3**	64.4	**6**	-0	283.1
Adjusted EBIT[1]	**11.3**	5.0			37.1
Adjusted EBIT[1], %	**7.4**	4.4			6.9
PPAs	**-0.8**	-0.8			-3.3

Restructuring and acquisition-related costs	**-0.3**	-4.5			-12.2
EBIT	**10.3**	-0.3			21.6
EBIT, %	**6.7**	-0.3			4.0
Unrealized and realized exchange gains and losses[2]	**-0.3**	1.8			-3.8

[1] Excluding restructuring and acquisition-related costs and PPA amortizations
[2] Related to foreign exchange forward agreements and bank accounts

The order intake in the Minerals Processing segment grew 40% from the comparison period mainly due to increased equipment orders. The service order intake, especially in spare parts, also contributed to growth. The segment's sales increased by 36% due to increased process equipment orders in 2016. Higher sales, reduced fixed costs, and high utilization rates improved the segment's profitability.

METALS, ENERGY & WATER

Metals, Energy & Water EUR million	**Q1 2017**	Q1 2016	**Change %**	Change in comp. curr. %	Q1-Q4 2016
Order intake	**171.9**	65.8	**161**	160	381.0
Sales	**114.3**	127.2	**-10**	-12	518.4
Service sales	**30.4**	49.7	**-39**	-40	163.9
Adjusted EBIT[1]	**-8.8**	-8.6			-55.0
Adjusted EBIT[1], %	**-7.7**	-6.8			-10.6
PPAs	**-1.1**	-1.0			-4.2
Restructuring and acquisition-related costs	**0.3**	-0.5			-22.9
EBIT	**-9.6**	-10.2			-82.1
EBIT, %	**-8.4**	-8.0			-15.8
Unrealized and realized exchange gains and losses[2]	**2.6**	-0.9			-4.0

[1] Excluding restructuring and acquisition-related costs and PPA amortizations
[2] Related to foreign exchange forward agreements and bank accounts

The order intake in the Metals, Energy & Water segment increased by 161% from the comparison period, mainly due to increased plant orders. Service orders remained approximately at the previous year's level. The segment's sales declined by 10% due to a low order intake in 2016, which resulted in a low opening order backlog for 2017. Lower sales, especially in services, as well as low utilization rates, weakened the segment's profitability.

BALANCE SHEET, FINANCING AND CASH FLOW

Balance sheet, financing and cash flow EUR million	**Q1 2017**	Q1 2016	Q1-Q4 2016
Net cash from operating activities	**-34.1**	-33.6	-84.6
Net interest-bearing debt at end of period [1]	**44.1**	-69.5	-4.5
Equity at end of period	**490.1**	538.4	498.1
Gearing at end of period, % [1]	**9.0**	-12.9	-0.9
Equity-to-assets ratio at end of period, % [1]	**39.4**	40.6	40.0
Working capital at end of period	**17.5**	-58.3	-23.5

[1] If the hybrid bond were treated as a liability: the net interest-bearing debt would be EUR 194.1 million, gearing 57.1%, and the equity-to-assets ratio 27.4% on March 31, 2017 (March 31, 2016: EUR 80.5 million, 20.7% and 29.3% respectively).

The consolidated balance sheet total on March 31, 2017 was EUR 1,422 (1,556) million. Equity attributable to shareholders of the parent company totaled EUR 487 (535) million, representing EUR 2.69 (2.96) per share. During the comparison period in 2016, Outotec issued a EUR 150 million hybrid bond. In addition, equity was impacted by the net result of EUR -3 (-12) million and translation differences of EUR 3 (-3) million.

Outotec's cash and cash equivalents at the end of the reporting period totaled EUR 195 (352) million. Net cash flow from operating activities was EUR -34 (-34) million, mainly due to the timing of projects, the mature order backlog, and the low level of advance payments. Advance and milestone payments received at the end of the reporting period came to EUR 178 (229) million. Advance and milestone payments to subcontractors totaled EUR 57 (48) million. In the reporting period, Outotec paid EUR 11 million in hybrid bond annual interest. The drawdown of the hybrid bond (EUR 150 million) in the comparison period 2016 had a positive impact on cash and cash equivalents.

Net interest-bearing debt on March 31, 2017 was EUR 44 (-69) million and gearing was 9 (-13) %. Outotec's equity-to-assets ratio was 39 (41) %. The company's capital expenditure, related mainly to IT programs and IPRs, totaled EUR 4 (7) 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, totaled EUR 544 (552) million.

RESEARCH & DEVELOPMENT

During the reporting period, Outotec's research and development expenses represented 5 (7) % of sales.

R&D	**Q1 2017**	Q1 2016
R&D expenses, EUR million	**14**	17
New priority applications filed	**15**	16
New national patents granted	**132**	97
Number of patent families	**785**	801
Number of national patents or patent applications	**6,806**	7,144

Product launches

Outotec's new 7-Axis Beam Mill Reline Machines set a new benchmark for safety and are the only mill reline machines on the market that fully comply with the European Machinery Directive.

PERSONNEL

At the end of the reporting period, Outotec had a total of 4,169 (4,552) employees. During the reporting period, it had an average of 4,151 (4,618) employees. Temporary personnel accounted for 5 (7) % of the total.

Personnel by region	**March 31, 2017**	March 31, 2016	**Change**	December 31, 2016
EMEA	**2,778**	2,956	**-178**	2,824
Americas	**833**	1,001	**-168**	801
APAC	**558**	595	**-37**	567
Total	**4,169**	4,552	**-383**	4,192

At the end of the reporting period, the company had, in addition to its own personnel, 359 (348) full-time equivalent, contracted professionals working in project execution.

Salaries and other employee benefits during the reporting period totaled EUR 91 (86) million.

CHANGES IN MANAGEMENT

Outotec appointed Mr. Kimmo Kontola as Executive Vice President and President of the Minerals Processing segment, and a member of the Executive Board of Outotec as of January 1, 2017.

RESOLUTIONS OF OUTOTEC'S AGM 2017

Outotec Oyj's Annual General Meeting (AGM) was held on March 30, 2017, in Helsinki, Finland. The AGM approved the parent company's financial statements and the consolidated financial statements and discharged the members of the Board of Directors and the President and CEO from liability for the 2016 financial year. The AGM decided that no dividend would be distributed for the financial year ending on December 31, 2016.

The AGM decided that the total number of Board members will be seven (7). Dr. Matti Alahuhta, Ms. Eija Ailasmaa, Mr. Klaus Cawén, Ms. Anja Korhonen, Mr. Patrik Nolåker, Mr. Ian W. Pearce, and Dr. Timo Ritakallio were re-elected as members of the Board of Directors for the term expiring at the end of the next AGM. The AGM elected Mr. Alahuhta as the Chairman, and Mr. Ritakallio as Vice Chairman of the Board of Directors.

The AGM confirmed the Board's remunerations for 2017 of which 60% will be paid in cash and 40% in shares:

- Chairman of the Board of Directors: EUR 72,000
- Members of the Board of Directors: EUR 36,000
- Vice Chairman of the Board and the Chairman of the Audit and Risk Committee: additional EUR 12,000
- Attendance fee EUR 600/meeting
- Reimbursement for the direct costs arising from Board-related work

PricewaterhouseCoopers Oy, a firm of Authorized Public Accountants, was re-elected as the company's auditor.

The AGM authorized the Board of Directors to decide on the repurchase of, as well as issuance of shares and special rights entitling holders to shares. Both authorizations relate to an aggregate maximum of 18,312,149 (approximately 10%) of the company's own shares. The authorizations shall be in force until the closing of the next AGM. The authorizations have not been exercised as of May 4, 2017.

The Board of Directors elected Ms. Korhonen (Chairman of the Committee), Mr. Cawén, Mr. Pearce, and Dr. Ritakallio as members of the Audit and Risk Committee.

Ms. Ailasmaa, Dr. Alahuhta (Chairman of the Committee), and Mr. Nolåker were elected as members of the Human Capital Committee.

OTHER MAIN ANNOUNCEMENTS AND EVENTS IN Q1/2017

March 29: Outotec's sustainability report 2016 ‘Resource efficiency to the forefront’ published.

January 20: Announcement of the appointment of Mr. Adel Hattab as Executive Vice President, Strategic Customers and Business Development as of April 1, 2017.

Outotec Executive Board as of April 1, 2017:

- Markku Teräsvasara, President and CEO
- Kalle Härkki, Executive Vice President, President of Metals, Energy & Water
- Kimmo Kontola, Executive Vice President, President of Minerals Processing
- Markku Teräsvasara (acting), Executive Vice President, President of Services
- Adel Hattab, Executive Vice President, Strategic Customers and Business Development
- Jari Ålgars, Chief Financial Officer
- Kaisa Aalto-Luoto, Senior Vice President, Human Resources & Communications
- Nina Kiviranta, Senior Vice President, General Counsel
- Olli Nastamo, Senior Vice President, Operational Excellence

January 18: Announcement that for the fifth consecutive year Outotec was included in the Global 100 Index of most sustainable companies in the world (rank 90th).

January 9: Announcement that Outotec had settled a patent dispute with Outokumpu regarding ferroalloys technology inventions.

SHORT-TERM RISKS AND UNCERTAINTIES

Although metals prices have recovered, major investments continue to develop slowly and new investments may be delayed. Existing projects may be put on hold or cancelled. Uncertainty around China’s economical outlook continues which may impact metals demand and prices. There is also a continued risk of credit losses, especially in receivables from emerging markets.

Outotec has identified a risk of disputes related to project execution, which may result in extra costs and/or penalties. In the contracts related to the delivery of major projects, the liquidated damages attributable to, for instance, delayed delivery or non-performance may be significant. In particular, Outotec has identified a significant risk of claims and credit losses related to a few large projects in the Metals, Energy & Water segment. If the project risks materialized in full, they could have a material impact on Outotec’s financial results and could lead to decreasing headroom under financial covenants related to the capital structure and liquidity.

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. This may result in a material impact on Outotec’s assets.

Outotec is involved in a number of disputes that may lead to arbitration and court proceedings. Differing 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 challenging or difficult to foresee.

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/investors.

MAIN EVENTS AFTER THE REPORTING PERIOD

April 19: Outotec announced the delivery of grinding and flotation technology for a copper concentrator in the value of EUR 17 million. The order from Russia has been booked in Outotec's 2017 second quarter order intake.

April 18: Outotec launched a new mobile app which provides immediate feedback from equipment inspections. The app allows technicians to capture all relevant technical data and images. After inspection, a preliminary report can be emailed immediately to the customer.

April 7: Changes were made to Outotec's own shares related to the payment of the free shares under the Employee Share Savings Plan for the 2014 savings period. The exact number of payable shares will be defined when the holding period of the Employee Share Savings Plan ends on May 15, 2017. The maximum reward is 190,000 shares.

MARKET OUTLOOK

Investments in minerals processing are expected to follow the industry's production levels, providing continued opportunities for process improvements, smaller equipment deliveries, and services. Gold and copper projects are likely to continue being most active, but other base metals projects are also showing increased activity.

The Metals, Energy & Water segment's wide technology portfolio provides opportunities in a number of end markets. Copper, zinc, gold and sulfuric acid projects are most active. Investments are often linked to regional and geopolitical needs. The timing of larger orders is particularly difficult to foresee.

FINANCIAL GUIDANCE FOR 2017 REITERATED

The guidance for 2017 is based on the current order backlog and market outlook, as well as achieved cost savings.

- Sales are expected to be approximately EUR 1,050-1,150 million, and
- Adjusted EBIT* is expected to be approximately 3-5%

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

Espoo, May 4, 2017

Outotec Oyj
Board of Directors

CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Consolidated statement of comprehensive income EUR million	**Q1 2017**	Q1 2016	Q1-Q4 2016
Sales	**267.7**	239.8	1,057.9
Cost of sales	**-204.9**	-181.6	-824.6
Gross profit	**62.8**	58.3	233.3
Other income	**3.4**	1.2	1.2
Selling and marketing expenses	**-32.5**	-27.1	-114.8
Administrative expenses	**-19.5**	-21.8	-85.5
Research and development expenses	**-13.6**	-17.1	-55.2
Other expenses	**-1.2**	-5.5	-46.4
Share of results of associated companies	**-0.1**	-0.2	-0.4
EBIT	**-0.8**	-12.3	-67.7
Finance income and expenses			
Interest income and expenses	**-1.0**	-1.3	-4.2
Market price gains and losses	**-0.6**	-0.3	-3.6
Other finance income and expenses	**-0.7**	-0.7	-2.6
Net finance income or expense	**-2.3**	-2.3	-10.4
Result before income taxes	**-3.1**	-14.6	-78.1
Income taxes	**0.5**	3.1	8.8
Result for the period	**-2.6**	-11.5	-69.3
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit obligations	**-2.9**	-3.6	-0.6
Income tax relating to items that will not be reclassified to profit or loss	**0.8**	1.0	0.2
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translating foreign operations	**2.7**	-2.8	14.4
Cash flow hedges	**3.7**	1.4	-1.6
Available for sale financial assets	**0.0**	0.1	0.1
Income tax relating to items that may be reclassified to profit or loss	**-1.0**	-0.4	0.4
Other comprehensive income for the period	**3.2**	-4.2	12.8
Total comprehensive income for the period	**0.6**	-15.7	-56.5
Result for the period attributable to:			
Equity holders of the parent company	**-2.6**	-11.6	-69.6
Non-controlling interest	**0.1**	0.1	0.3
Total comprehensive income for the period attributable to:			
Equity holders of the parent company	**0.6**	-15.9	-56.9
Non-controlling interest	**0.1**	0.1	0.4
Earnings per share for result attributable to the equity holders of the parent company:			
Basic earnings per share, EUR	**-0.03**	-0.07	-0.42
Diluted earnings per share, EUR	**-0.03**	-0.07	-0.42

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	**March 31, 2017**	March 31, 2016	December 31, 2016
ASSETS			
Non-current assets			
Intangible assets	**384.5**	403.0	386.3
Property, plant and equipment	**62.3**	73.7	65.9
Deferred tax asset	**100.0**	90.2	92.7
Non-current financial assets			
Interest-bearing	**3.9**	3.6	3.6
Non-interest-bearing	**7.4**	9.2	8.0
Total non-current assets	**558.0**	579.7	556.4
Current assets			
Inventories[1]	**227.6**	197.4	210.0
Current financial assets			
Interest-bearing	**0.1**	0.1	0.1
Non-interest-bearing	**440.3**	427.1	427.5
Cash and cash equivalents	**195.5**	351.5	233.0
Total current assets	**863.5**	976.0	870.6
TOTAL ASSETS	**1,421.5**	1,555.8	1,427.0
EQUITY AND LIABILITIES			
Equity			
Share capital	**17.2**	17.2	17.2
Retained earnings	**225.8**	298.0	237.1
Hybrid bond	**150.0**	150.0	150.0
Other components of equity	**93.8**	70.1	90.5
Equity attributable to the equity holders of the parent company	**486.8**	535.3	494.8
Non-controlling interest	**3.3**	3.0	3.3
Total equity	**490.1**	538.4	498.1
Non-current liabilities			
Interest-bearing	**183.7**	231.8	183.7
Non-interest-bearing	**106.6**	122.1	103.5
Total non-current liabilities	**290.3**	353.9	287.3
Current liabilities			
Interest-bearing	**55.0**	47.5	43.1
Non-interest-bearing			
Advances received[2]	**178.3**	229.1	180.7
Other non interest-bearing liabilities	**407.8**	386.9	417.8
Total current liabilities	**641.1**	663.5	641.6
Total liabilities	**931.4**	1,017.4	928.9
TOTAL EQUITY AND LIABILITIES	**1,421.5**	1,555.8	1,427.0

[1] Of which advances paid for inventories amounted to EUR 56.8 million at March 31, 2017 (March 31, 2016: EUR 47.8 million, December 31, 2016: EUR 52.5 million).
[2] Gross advances received before percentage of completion revenue recognition amounted to EUR 1,445.2 million at March 31, 2017 (March 31, 2016: EUR 1,584.9 million, December 31, 2016: EUR 1,446.2 million).

Condensed consolidated statement of cash flows EUR million	**Q1** **2017**	Q1 2016	Q1-Q4 2016
Cash flows from operating activities			
Result for the period	**-2.6**	-11.5	-69.3
Adjustments for			
Depreciation and amortization	**10.4**	10.5	42.6
Other adjustments	**3.5**	6.7	20.5
Decrease (+)/Increase (-) in working capital	**-42.3**	-37.3	-66.8
Interest received	**0.9**	0.8	4.8
Interest paid	**-1.7**	-0.6	-9.9
Income tax paid	**-2.4**	-2.1	-6.4
Net cash from operating activities	**-34.1**	-33.6	-84.6
Purchases of assets	**-4.6**	-3.8	-21.7
Acquisition of subsidiaries and business operations, net of cash	**-0.2**	-	-3.0
Acquisition of shares in associate companies	**-**	-0.0	-0.0
Proceeds from sale of assets	**0.5**	0.6	1.8
Cash flows from other investing activities	**-0.2**	0.0	0.0
Net cash used in investing activities	**-4.5**	-3.3	-22.9
Cash flow before financing activities	**-38.6**	-36.9	-107.5
Repayments of non-current debt	**-0.1**	-60.2	-111.5
Decrease in current debt	**-4.0**	-1.1	-35.6
Increase in current debt	**14.9**	2.2	30.1
Hybrid bond	**-**	150.0	150.0
Interest paid on hybrid bond	**-11.1**	-	-
Cash flows from other financing activities	**-0.2**	-1.1	-0.9
Net cash used in financing activities	**-0.5**	89.8	32.1
Net change in cash and cash equivalents	**-39.1**	52.9	-75.5
Cash and cash equivalents at beginning of period	**233.0**	300.7	300.7
Foreign exchange rate effect on cash and cash equivalents	**1.6**	-2.1	7.8
Net change in cash and cash equivalents	**-39.1**	52.9	-75.5
Cash and cash equivalents at end of period	**195.5**	351.5	233.0

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	Total equity attributable to equity holders of parent company	Non-controlling interest	Total equity
Equity at January 1, 2016	17.2	20.2	-14.2	-17.4	93.8	-	-8.1	310.3	401.8	2.9	404.7
Proceeds from hybrid bond	-	-	-	-	-	150.0	-	-	150.0	-	150.0
Hybrid bond expenses	-	-	-	-	-	-	-	-0.9	-0.9	-	-0.9
Share-based compensation	-	-	-	-	-	-	-	0.3	0.3	-	0.3
Total comprehensive income for the period	-	-	-1.4	-	-	-	-2.8	-11.6	-15.8	0.1	-15.7
Equity at March 31, 2016	17.2	20.2	-15.6	-17.4	93.8	150.0	-10.9	298.0	535.3	3.0	538.4
Equity at January 1, 2017	17.2	20.2	-15.7	-15.9	95.7	150.0	6.2	237.1	494.8	3.3	498.1
Hybrid bond interest (net of tax)	-	-	-	-	-	-	-	-8.9	-8.9	-	-8.9
Share-based compensation	-	-	-	-	-	-	-	0.2	0.2	-	0.2
Total comprehensive income for the period	-	-	0.5	-	-	-	2.7	-2.6	0.6	0.1	0.7
Equity at March 31, 2017	**17.2**	**20.2**	**-15.2**	**-15.9**	**95.7**	**150.0**	**8.9**	**225.8**	**486.8**	**3.3**	**490.1**

Key figures	**Q1 2017**	Q1 2016	Last 12 months	Q1-Q4 2016
Order intake, EUR million	**318.4**	170.2	1,155.8	1,007.7
Service order intake, EUR million	**115.1**	101.9	456.6	443.3
Share of service in order intake, %	**36.2**	59.9	39.5	44.0
Order backlog at end of period, EUR million	**1,051.2**	1,004.5	1,051.2	1,002.1
Sales, EUR million	**267.7**	239.8	1,085.8	1,057.9
Service sales, EUR million	**98.7**	114.1	431.6	447.0
Share of service in sales, %	**36.9**	47.6	39.8	42.3
Gross margin, %	**23.4**	24.3	21.9	22.1
Adjusted EBIT[1], EUR million	**1.2**	-4.8	-17.0	-23.0
Adjusted EBIT[1], %	**0.4**	-2.0	-1.6	-2.2
EBIT, EUR million	**-0.8**	-12.3	-56.3	-67.7
EBIT, %	**-0.3**	-5.1	-5.2	-6.4
Result before taxes, EUR million	**-3.1**	-14.6	-66.7	-78.1
Result before taxes in relation to sales, %	**-1.1**	-6.1	-6.1	-7.4
Result for the period in relation to sales, %	**-1.0**	-4.8	-5.6	-6.6
Earnings per share, EUR	**-0.03**	-0.07	-0.38	-0.42
Net cash from operating activities, EUR million	**-34.1**	-33.6	-85.1	-84.6
Net interest-bearing debt at end of period, EUR million [2]	**44.1**	-69.5	44.1	-4.5
Gearing at end of period, % [2]	**9.0**	-12.9	9.0	-0.9
Equity-to-assets ratio at end of period, % [2]	**39.4**	40.6	39.4	40.0
Equity at the of the period	**490.1**	538.4	490.1	498.1
Equity per share, EUR	**2.69**	2.96	2.69	2.73
Working capital at the of period, EUR million	**17.5**	-58.3	17.5	-23.5
Capital expenditure, EUR million	**4.5**	7.2	18.9	21.6
Capital expenditure in relation to sales, %	**1.7**	3.0	1.7	2.0
Research and development expenses, EUR million	**13.6**	17.1	51.7	55.2
Research and development expenses in relation to sales, %	**5.1**	7.1	4.8	5.2
Return on investment, %, LTM	**-7.6**	-2.4	-7.6	-9.4
Return on equity, %, LTM	**-11.7**	-5.9	-11.7	-15.4
Personnel at end of period	**4,169**	4,552	4,169	4,192

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

[2] If the hybrid bond were treated as a liability: the net interest-bearing debt would be EUR 194.1 million, gearing 57.1%, and the equity-to-assets ratio 27.4% on March 31, 2017 (March 31, 2016: EUR 80.5 million, 20.7% and 29.3% respectively).

Definitions for key financial figures

Net interest-bearing debt	=	Interest-bearing debt - interest-bearing assets	
Gearing	=	$\frac{\text{Net interest-bearing debt}}{\text{Total equity}}$	× 100
Equity-to-assets ratio	=	$\frac{\text{Total equity}}{\text{Total assets - advances received}}$	× 100
Return on investment	=	$\frac{\text{EBIT + finance income}}{\text{Total assets – non-interest-bearing debt (average for the period)}}$	× 100
Return on equity	=	$\frac{\text{Result for the period}}{\text{Total equity (average for the period)}}$	× 100
Research and development expenses	=	Research and development expenses in the statement of comprehensive income (including expenses covered by grants received)	
Earnings per share	=	$\frac{\text{Result for the period attributable to the equity holders of the parent company – hybrid bond interest}}{\text{Average number of shares during the period}}$	
Diluted earnings per share	=	$\frac{\text{Result for the period attributable to the equity holders of the parent company – hybrid bond interest}}{\text{Diluted average number of shares during the period}}$	
Dividend per share	=	$\frac{\text{Dividend for the financial year}}{\text{Number of shares at end of period}}$	
Adjusted EBIT (aEBIT)	=	EBIT excluding (but not limited to) restructuring related transactions, costs related to mergers and acquisitions, purchase price allocation amortizations, and goodwill impairments	
Comparable currencies, some key figures	=	Reporting period's figures converted using foreign exchange rates from the comparison period	
Working capital	=	Other non-current assets + Inventories + Trade and other receivables + Project related receivables + Derivatives (assets) - Provisions - Trade and other payables - Net advances received - Other project liabilities - Derivatives (liabilities)	

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 2017, nor has Outotec early-adopted them:

IFRS 9 – Financial Instruments:

- The new standard replaces the 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 through 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. The 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 is not expecting categorization of financial assets to significantly affect the income statement or balance sheet. The Group has paid attention especially to the amendments in applying hedge accounting. The changes are expected to at least moderately improve the applicability of foreign exchange cash flow hedge accounting in Outotec's business operations and therefore to some extent decrease volatility in the income statement. Thechanges to hedge accounting are not expected to significantly affect the balance sheet.
- The Group has established a model for evaluating credit losses under IFRS 9. This model is not expected to have a significant impact on the income statement or balance sheet.

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 the IAS 18 and IAS 11 standards and related interpretations. The new standard includes a five-step procedure for recognizing revenue from contracts with customers.
- Outotec is assessing the impact of IFRS 15 and intends to adopt it in 2018. Outotec expects to transition to the new standard with the full retrospective method. The Group has especially paid attention to the identification of performance obligations and the criteria for the recognition of revenue over time.
- Based on the impact analysis, management's current understanding is that there will be no significant impact on the Group's income statement and balance sheet. Management has assessed certain scenarios during the evaluation project. These scenarios mainly relate to combining contracts, identifying of performance obligations, evaluating variable considerations and defining the method for revenue recognition. The new standard will, to

some extent, even out margin recognition over time, because of combining contracts. Certain customer contracts that are currently recognized as revenue over time, would be recognized at a point in time according to IFRS 15. However, the current understanding is, that these changes will not have significant impact on the income statement or balance sheet.

IFRS 16 – Leases

- The new standard requires lessees to recognize assets and liabilities for most leases. Leases will no longer be classified as operating leases or finance leases, and all leases will have a single accounting model with certain exemptions. There are no major changes for lessors. 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.

Restructuring and acquisition costs EUR million	**Q1 2017**	Q1 2016	Q1-Q4 2016
Personnel-related restructuring costs	**-1.0**	-1.4	-18.8
Impairments on non-current assets	**0.0**	0.0	-10.7
Other restructuring related costs	**-**	-0.2	-1.9
Total costs related to restructuring	**-1.0**	-1.6	-31.3
Costs related to acquisitions	**-0.0**	-0.1	-1.5
Reversal of earn-out liability from acquisitions	**0.9**	-	-
Arbitration cost related to past acquisitions	**-**	-3.9	-4.4
Total restructuring and acquisition costs [1]	**-0.0**	-5.6	-37.2
Restructuring and acquisition costs are allocated to:			
Minerals Processing	**-0.3**	-4.5	-12.2
Metals, Energy & Water	**0.3**	-0.5	-22.9
Unallocated items	**-0.0**	-0.5	-2.1

[1] *Excluded from adjusted EBIT.*

Income taxes EUR million	**Q1 2017**	Q1 2016	Q1-Q4 2016
Current taxes	**-2.7**	-3.0	-10.4
Deferred taxes	**3.2**	6.1	19.2
Total income taxes	**0.5**	3.1	8.8

Property, plant and equipment EUR million	**March 31, 2017**	March 31, 2016	December 31, 2016
Historical cost at beginning of period	**155.5**	170.5	170.5
Translation differences	**0.9**	-0.2	2.6
Additions	**1.8**	0.8	6.2
Disposals	**-1.1**	-0.4	-5.3
Reclassifications	**-0.0**	-0.0	-0.1
Impairment during the period	**-3.4**	-10.5	-18.3
Historical cost at end of period	**153.8**	160.2	155.5
Accumulated depreciation and impairment at beginning of period	**-89.7**	-87.5	-87.5
Translation differences	**-0.7**	-0.0	-0.9
Disposals	**0.7**	0.3	3.6
Reclassifications	**0.0**	0.0	0.2
Depreciation during the period	**-3.3**	4.4	-14.6
Impairment during the period	**1.5**	-3.7	9.5
Accumulated depreciation and impairment at end of period	**-91.4**	-86.5	-89.7
Carrying value at the end of the period	**62.3**	73.7	65.9

Commitments and contingent liabilities EUR million	**March 31, 2017**	March 31, 2016	December 31, 2016
Guarantees for commercial commitments	**417.6**	383.4	434.3
Minimum future lease payments on operating leases	**101.5**	117.2	105.6

No securities or collateral have been pledged. Commercial guarantees are related to performance obligations for 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 13.4 million at March 31, 2017 (March 31, 2016: EUR 10.2 million, December 31, 2016: EUR 13.6 million) and for commercial commitments including advance payment guarantees EUR 544.0 million at March 31, 2017 (March 31, 2016: EUR 551.7 million, December 31, 2016: EUR 551.2 million). High exposure of on-demand guarantees may increase the risk of claims that may have an impact on the liquidity of Outotec.

Derivative instruments

Currency and interest derivatives EUR million	**March 31, 2017**	March 31, 2016	December 31, 2016
Fair values, net	**2.8**	4.5	-0.5
of which designated as cash flow hedges from currency derivatives	**-0.7**	0.5	-3.2
of which designated as cash flow hedges from interest derivatives	**-**	-0.2	-
of which designated as fair value hedge from interest derivatives	**4.8**	6.3	5.3
Nominal values	**674.0**	480.9	646.2

Carrying amounts of financial assets and liabilities by category

March 31, 2017

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	0.0
- interest rate swaps	-	-	-	-	4.8	-	4.8	4.8
Other shares and securities	-	-	2.4	-	-	-	2.4	2.4
Trade and other receivables								
- interest-bearing	-	1.5	-	-	-	-	1.5	1.5
- non-interest-bearing	-	0.0	-	-	-	-	0.0	0.0
Current financial assets								
Derivative assets								
- foreign exchange forward contracts	5.4	-	-	-	1.0	-	6.3	6.3
Trade and other receivables								
- interest-bearing	-	0.1	-	-	-	-	0.1	0.1
- non-interest-bearing	-	434.0	-	-	-	-	434.0	434.0
Cash and cash equivalents	-	195.5	-	-	-	-	195.5	195.5
Carrying amount by category	**5.4**	**631.1**	**2.4**	**-**	**5.8**	**-**	**644.6**	**644.6**
Non-current financial liabilities								
Bonds	-	-	-	-	-	149.1	149.1	152.7
Loans from financial institutions	-	-	-	-	-	32.7	32.7	34.2
Finance lease liabilities	-	-	-	-	-	0.0	0.0	0.0
Derivative liabilities								
- foreign exchange forward contracts	-	-	-	0.0	0.0	-	0.0	0.0
Other non-current loans	-	-	-	-	-	1.9	1.9	1.9
Other non-current liabilities	-	-	-	-	-	1.6	1.6	1.6
Current financial liabilities								
Loans from financial institutions	-	-	-	-	-	11.8	11.8	12.6
Financial lease liabilities	-	-	-	-	-	0.0	0.0	0.0
Derivative liabilities								
- foreign exchange forward contracts	-	-	-	6.6	1.7		8.2	8.2
Other current loans	-	-	-	-	-	43.2	43.2	43.2
Trade payables	-	-	-	-	-	87.0	87.0	87.0
Carrying amount by category	**-**	**-**	**-**	**6.6**	**1.7**	**327.3**	**335.6**	**341.5**

Carrying amounts of financial assets and liabilities by category

December 31, 2016

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	-	-	-	-	5.3	-	5.3	5.3
Other shares and securities	-	-	2.3	-	-	-	2.3	2.3
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	3.7	-	-	-	0.1	-	3.8	3.8
Trade and other receivables								
- interest-bearing	-	0.1	-	-	-	-	0.1	0.1
- non-interest-bearing	-	423.7	-	-	-	-	423.7	423.7
Cash and cash equivalents	-	233.0	-	-	-	-	233.0	233.0
Carrying amount by category	3.7	658.2	2.3	-	5.4	-	669.6	669.6
Non-current financial liabilities								
Bonds	-	-	-	-	-	149.0	149.0	151.2
Loans from financial institutions	-	-	-	-	-	32.7	32.7	34.4
Finance lease liabilities	-	-	-	-	-	0.0	0.0	0.0
Derivative liabilities								
- foreign exchange forward contracts	-	-	-	0.1	1.1	-	1.2	1.2
Other non-current loans	-	-	-	-	-	2.0	2.0	2.0
Other non-current liabilities	-	-	-	-	-	1.6	1.6	1.6
Current financial liabilities								
Loans from financial institutions	-	-	-	-	-	12.9	12.9	13.7
Finance lease liabilities	-	-	-	-	-	0.0	0.0	0.0
Derivative liabilities								
- foreign exchange forward contracts	-	-	-	6.2	2.2	-	8.4	8.4
Other current loans	-	-	-	-	-	30.2	30.2	30.2
Trade payables	-	-	-	-	-	88.4	88.4	88.4
Carrying amount by category	-	-	-	6.3	3.3	316.9	326.5	331.1

Fair value hierarchy

March 31, 2017 EUR million	**Level 1**	**Level 2**	**Level 3**	**Total**
Available-for-sale financial assets	0.1	-	2.2	2.4
Derivative financial assets	-	11.1	-	11.1
	0.1	**11.1**	**2.2**	**13.5**
Bonds	-	152.7	-	152.7
Loans from financial institutions	-	46.7	-	46.7
Derivative financial liabilities	-	8.3	-	8.3
	-	**207.7**	-	**207.7**
December 31, 2016				
Available-for-sale financial assets	0.1	-	2.2	2.3
Derivative financial assets	-	9.1	-	9.1
	0.1	9.1	2.2	11.4
Bonds	-	151.2	-	151.2
Loans from financial institutions	-	48.1	-	48.1
Derivative financial liabilities	-	9.6	-	9.6
	-	208.9	-	208.9

Available-for-sale financial assets (level 3 of fair value hierarchy) EUR million	**Q1** **2017**	Q1 2016	Q1-Q4 2016
Carrying value at beginning of period	**2.2**	2.2	2.2
Translation differences	**0.0**	0.0	0.0
Disposals	**-**	-	-
Carrying value at end of period	**2.2**	2.2	2.2

Related party transactions

Transactions and balances with associated companies EUR million	**Q1** **2017**	Q1 2016	Q1-Q4 2016
Sales	**-**	0.0	0.0
Other income	**-**	-	-
Purchases	**0.1**	0.1	1.0
Loan receivables	**1.5**	1.3	1.3
Trade and other receivables	**0.7**	0.4	0.5
Current liabilities	**0.1**	0.0	0.1

Outotec has a 40% investment in Enefit Outotec Technology Oü from which the company had EUR 1.5 million loan receivable at March 31, 2017 (March 31, 2016 and December 31, 2016: EUR 1.3 million).

Transactions and balances with management and prior management

There were no loan receivables from current key management at March 31, 2017 (March 31, 2016 and December 31, 2016: EUR 0.0 million). Loan receivables from former key management were EUR 0.1 million at March 31, 2017.

Segments' sales and operating result by quarters

EUR million	**Q1/15**	Q2/15	Q3/15	Q4/15	**Q1/16**	Q2/16	Q3/16	Q4/16	**Q1/17**
Sales									
Minerals Processing	**136.4**	136.4	129.0	147.0	**112.5**	119.3	128.9	178.8	**153.4**
Metals, Energy & Water	**141.0**	174.5	178.2	158.8	**127.2**	148.3	116.5	126.4	**114.3**
Unallocated items[1] and intra-group sales	**0.0**	0.0	0.0	0.0	**0.1**	-0.0	-0.2	0.1	**0.0**
Total	**277.5**	310.8	307.2	305.7	**239.8**	267.6	245.2	305.4	**267.7**
EBIT									
Minerals Processing	**-0.1**	5.5	5.4	-27.3	**-0.3**	3.3	10.8	7.8	**10.3**
Metals, Energy & Water	**5.1**	4.8	3.7	-0.6	**-10.2**	-1.1	-11.2	-59.7	**-9.6**
Unallocated[2] and intra-group items	**-1.4**	-2.4	-2.4	-2.6	**-1.8**	-3.0	-0.9	-1.6	**-1.4**
Total	**3.6**	8.0	6.7	-30.6	**-12.3**	-0.8	-1.2	-53.5	**-0.8**

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

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

SHARES AND SHARE CAPITAL

Outotec's shares are listed on the Nasdaq Helsinki exchange (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 meetings.

OUTOTEC OYJ OWN SHAREHOLDING

At the end of the reporting period, the company directly held a total of 1,804,401 Outotec shares, representing 0.99% of Outotec Oyj's shares and votes.

TRADING, MARKET CAPITALIZATION, AND SHAREHOLDERS

Shares on NASDAQ Helsinki

January-March 2017	Number of shares traded	Total value EUR	High EUR	Low EUR	Average EUR[1]	Last paid EUR
OTE1V	70,119,920	381,761,658	5.96	4.88	5.44	5.69

[1] *Volume weighted average*

	March 31, 2017	March 31, 2016
Market capitalization, EUR million	**1,041**	608
Number of shareholders	**28,066**	34,881
Nominee registered shareholders (number of registers 10), %	**34.3**	24.5
Finnish private investors, %	**24.7**	22.4

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.

FINANCIAL REPORTING SCHEDULE AND EVENTS IN 2017

- Half-year review: July 27
- Outotec CMD: September 21
- Interim Report Q1-Q3: November 2

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. www.outotec.com.