

INTERIM REPORT

January–September 2013



Sustainable use of
Earth's natural resources

Outotec

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INTERIM REPORT JANUARY-SEPTEMBER 2013

Order intake declined in uncertain market conditions, solid profitability

Reporting period January-September 2013 in brief (2012 corresponding period):

- Order intake: EUR 1,086.3 (1,613.2) million, -33%
- Order backlog: EUR 1,735.6 (2,155.8) million, -19%
- Sales: EUR 1,454.4 (1,437.6) million, +1%
- Service sales: EUR 355.2 (291.9) million, +22%
- Operating profit from business operations¹⁾: EUR 122.4 (119.8) million, +2%
- Earnings per share: EUR 0.44 (0.42), +5%

July-September 2013 in brief (2012 corresponding period):

- Order intake: EUR 229.6 (452.4) million, -49%
- Sales: EUR 440.1 (502.8) million, -12%
- Service sales: EUR 116.8 (101.7) million, +15%
- Operating profit from business operations¹⁾: EUR 44.1 (44.7) million, -1%

Lowered financial guidance for 2013 (published on October 17, 2013)

Outotec's sales guidance has been lowered due to several reasons. The continued macroeconomic uncertainty has slowed down customers' capex investments. Some projects have progressed slower than expected due to delays in customer payments. In addition, a EUR 30 million order was cancelled in September. The lower sales volume is the main reason for lowering the operating profit margin guidance.

Outotec expects that in 2013:

- Sales will be approximately EUR 1.9-2.1 billion, and
- Operating profit margin from business operations¹⁾ will be approximately 8.5-9.5%

Previous financial guidance:

Based on the strong order backlog, current market outlook, and customer tendering activity, the management expects that in 2013:

- Sales will be approximately EUR 2.1-2.3 billion, and
- Operating profit margin from business operations¹⁾ will be approximately 9.5-10.5%

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

Summary of key figures

	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	Last 12 months	Q1-Q4 2012
Sales, EUR million	440.1	502.8	1,454.4	1,437.6	2,104.2	2,087.4
Gross margin, %	22.5	19.3	20.8	20.3	21.1	20.8
Operating profit from business operations, EUR million	44.1	44.7	122.4	119.8	196.4	193.8
Operating profit from business operations, %	10.0	8.9	8.4	8.3	9.3	9.3
Operating profit, EUR million	45.0	41.0	116.5	109.4	191.4	184.3
Operating profit margin, %	10.2	8.1	8.0	7.6	9.1	8.8
Profit before taxes, EUR million	43.1	39.6	110.9	107.4	183.1	179.7
Net cash from operating activities, EUR million	-61.1	13.4	-39.5	80.4	-42.8	77.1
Net interest-bearing debt at the end of period, EUR million	-112.4	-301.4	-112.4	-301.4	-112.4	-264.7
Gearing at the end of period, %	-23.5	-71.2	-23.5	-71.2	-23.5	-56.0
Working capital at the end of period, EUR million	-45.4	-255.9	-45.4	-255.9	-45.4	-191.3
Return on investment, %	29.8	34.9	27.3	31.4	34.6	37.0
Return on equity, %	26.3	27.0	22.1	24.6	29.1	29.4
Order backlog at the end of period, EUR million	1,735.6	2,155.8	1,735.6	2,155.8	1,735.6	1,947.1
Order intake, EUR million	229.6	452.4	1,086.3	1,613.2	1,557.5	2,084.4
Personnel, average for the period	4,984	4,663	4,929	4,356	4,886	4,456
Earnings per share, EUR	0.17	0.16	0.44	0.42	0.73	0.70

President and CEO Pertti Korhonen:

"The continued uncertainty of the global economy as well as the further slowdown of the mining industry's capex investments and cuts in opex spending resulted in a disappointingly low order intake in the third quarter. Accumulated slowdown in the current year's order intake started to have an impact also on our sales. This, combined with some delayed deliveries due to customers' late payments in a few projects and the cancellation of one order, triggered a downgrade of our full-year sales and profit guidance.

Our service sales continued to grow and, despite lower level of total sales in the third quarter, we maintained solid profitability. In order to secure our future profitability in an uncertain market environment, we announced a program to reduce our annual operational costs by up to EUR 50 million.

Going forward, we will continue to focus on growing our order intake and ensuring a solid order backlog. Our mid- to long-term sales funnel has remained strong and we expect to close some larger orders in the coming quarters. The demand for services, including long-term service contracts, is expected to grow. Mining companies have during the recent years suffered from exceeding their investment budgets and are now seeking to reduce their investment risks and maximize the return on assets. Although this has lead into a lower overall capex, it opens up opportunities for Outotec as we can offer our customers best return on investment with predictable investment cost, faster time to cash flow and guaranteed process performance."

CHANGES IN SEGMENT REPORTING

Outotec's two new business areas are forming the IFRS 8 operating segments. The new reporting segments are effective from this January-September Interim Report 2013.

Main changes relating to the new segment reporting are:

- In the new segment reporting one segment is in charge of the customer delivery and thus all related sales and costs of sales are directly allocated to that segment. Previously, the customer delivery was reported and allocated by technology leading to several intra-group transactions between the segments.
- Based on the new operative reporting principles, costs related to share-based incentive programs have been allocated to the reported segments. Previously, these items were included in unallocated costs.

Restated Q1-Q2 2013 figures were published on October 18, 2013. > [Stock exchange release](#)

Further information

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FINANCIAL REPORTING SCHEDULE IN 2014

- Financial Statements Review 2013: February 7, 2014
- Interim Report for January-March: April 29, 2014
- Interim Report for January-June: July 31, 2014
- Interim Report for January-September: October 30, 2014

The Financial Statements for 2013 will be published in week 10. The Annual General Meeting 2014 is planned for March 31, 2014.

CAPITAL MARKETS DAY 2013

Outotec's CMD 2013 will be held on December 3-4, 2013 in London. Registration details and the agenda will be published on Outotec's web site in week 45.

DISTRIBUTION

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Main media
www.outotec.com

INTERIM REPORT JANUARY-SEPTEMBER 2013

OPERATING ENVIRONMENT

Metals prices have slightly improved during the last months. However, mining companies have been hesitant in committing to new investments and have cut their operational spending due to the continued uncertainty of the global economy, and the need to optimize their free cash flows. In addition, the devaluation of several currencies, uncertainties related to changes in political power, and taxation slowed down investment decisions. The cuts in operational spending have weakened the demand for services in the third quarter.

Markets in North and South America were weaker, while customers in the Central America, the Middle East, Russia, and Sub-Saharan Africa continued to develop minerals processing and metallurgical projects especially in copper, aluminum, sulfuric acid, and precious metals. In Asia Pacific, more so in China, the focus has been increasingly on environmental investments. Australia's market has seen some recovery supported by change in political power. In South East Asia, there has been a continued drive for local investments in order to capture more value from natural resources.

Low energy prices as well as uncertainties in subsidy regulation for alternative and renewable energy solutions in certain countries have slowed down investments despite the overall interest in sustainable energy solutions.

As there are fewer projects in the market, competition in many areas has become more fierce, putting pressure on pricing. Project financing continued to be available for good projects.

ORDER INTAKE

Order intake in the third quarter totaled EUR 229.6 (452.4) million, down 49% from the comparison period. One suspended project (received in the first quarter of 2013) was cancelled in September, which reduced the order intake in the third quarter by EUR 30 million. Order intake in the reporting period totaled EUR 1,086.3 (1,613.2) million, down 33% from the comparison period. Calculated with the comparison period's foreign exchange rates, the order intake at September-end 2013 would have been 5% higher. Service order intake in the third quarter was EUR 115.1 (140.1) million, down 18% from the comparison period, which included one large shutdown project accounting for approximately 12% of the service order intake. The decline from the comparison period was mainly due to decreased demand for shutdown services, upgrades, and capex spare parts as a result of customers' cash flow optimization. Service order intake in the reporting period totaled EUR 387.1 (362.8) million, up 7% from the comparison period. In the reporting period, orders from Europe (including the CIS), the Middle East, and Africa (EMEA) represented 54%, the Americas 22%, and Asia Pacific 23% of the total order intake.

Published orders in the third quarter:

Project	Customer	Project location	Value, EUR million (booked in order intake)	BA	Expected delivery time
Modernization of a copper smelter	PASAR	Philippines	Over 12 (Q3/2013)	Metals, Energy & Water	
Green anode plant and rodding shop technology	ETI Alüminyum	Turkey	Approx. 15 (Q3/2013)	Metals, Energy & Water	By the end of 2014
Flash smelting technology to the upgrade of a copper smelter	Rio Tinto	US	Approx. 14 (Q3/2013)	Metals, Energy & Water	
Technology license as well as the basic and detail engineering for a potential alumina refinery	DUBAL	United Arab Emirates	Not disclosed (Q3/2013)	Metals, Energy & Water	
Minerals processing technology (published on Oct 11, 2013)	Grupo Peñoles	Mexico	Over 47 (Q3/2013)	Minerals Processing	During the second half of 2014

ORDER BACKLOG

The order backlog at the end of the reporting period was EUR 1,735.6 (2,155.8) million, down 19% from the comparison period. Cancellation of a suspended project reduced the order backlog by EUR 30 million. Services represented EUR 224.3 (260.2) million of the total order backlog. At the end of the reporting period, Outotec had 38 (43) projects with an order backlog value in excess of EUR 10 million, accounting for 69 (70)% of the total backlog. Based on the quarter-end project evaluation, management estimates that roughly 33 (27)% (approximately EUR 580 (580) million) of the September-end order backlog value will be delivered in 2013.

At the end of September 2013, the order backlog included 5 suspended projects with a total value of approximately EUR 34 million which accounted for approximately 2% of the total backlog. The suspensions were related to customers' cash flow optimization, site-related matters, financing, and permitting.

SALES AND FINANCIAL RESULT

Sales and financial result EUR million	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	Last 12 months	Q1-Q4 2012
Sales	440.1	502.8	1,454.4	1,437.6	2,104.2	2,087.4
Service sales ¹⁾	116.8	101.7	355.2	291.9	539.3	476.0
Share of service sales, %	26.5	20.2	24.4	20.3	25.6	22.8
Gross margin, %	22.5	19.3	20.8	20.3	21.1	20.8
Operating profit from business operations	44.1	44.7	122.4	119.8	196.4	193.8
- one-time costs (related to M&A)	4.1	-0.5	3.9 ⁵⁾	-1.3	8.2	3.0 ⁴⁾
- PPA amortization ²⁾	-3.2	-3.2	-9.8	-9.2	-13.2	-12.5
Operating profit	45.0	41.0	116.5	109.4	191.4	184.3
FX impact (realized and unrealized) ³⁾	2.6	3.6	5.9	-0.2	8.2	2.1
Operating profit, %	10.2	8.1	8.0	7.6	9.1	8.8
- from business operations, %	10.0	8.9	8.4	8.3	9.3	9.3

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

²⁾ In 2013, the estimated total impact for PPA amortizations from acquisitions is approximately EUR 13 million

³⁾ Unrealized and realized exchange gains and losses related to currency forward contracts

⁴⁾ One-time items in 2012 totaled a gain of EUR 3.0 million including acquisition related costs of EUR 2.7 million, restructuring related costs of EUR 0.6 million, and the positive impact of EUR 6.3 million reduction from EPI earn-out payment liability.

⁵⁾ In the reporting period one-time items totaled a gain of EUR 3.9 million including acquisition related costs of EUR 0.3 million and positive impact of EUR 4.2 million related to reduction of earn-out payment liabilities from EPI (EUR 1.3 million) and TME Group (EUR 2.8 million) acquisitions.

Sales in the third quarter fell 12% from the comparison period mainly due to the declined order intake in 2013. The service sales continued to grow due to the acquisitions completed in 2012. Sales in the reporting period remained on the same level as in the comparison period of which EMEA (incl. the CIS) represented 55%, the Americas 27%, and Asia Pacific 18%. Calculated with the comparison period's foreign exchange rates sales would have been 3% higher.

The operating profit margin from business operations in the third quarter of 2013 improved from the comparison period due to project mix and progress, higher share of services, and reduced bonus accruals. The operating profit margin from business operations in the reporting period was affected by an increase in fixed costs of EUR 15.2 million resulting from higher administrative costs and investments in R&D activities. Profit before taxes in the reporting period was EUR 110.9 (107.4) million. It included net finance expenses of EUR 5.6 (expense of 1.9) million. The increase from the comparison period was primarily due to the valuation of financial hedges as well as lower net cash position and related lower interest income. Net profit for the reporting period was EUR 78.8 (75.5) million. Taxes totaled EUR 32.1 (31.9) million. Earnings per share were EUR 0.44 (0.42).

BALANCE SHEET, FINANCING AND CASH FLOW

Balance sheet, financing and cash flow EUR million	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	Last 12 months	Q1-Q4 2012
Net cash from operating activities	-61.1	13.4	-39.5	80.4	-42.8	77.1
Net interest-bearing debt at the end of the period	-112.4	-301.4	-112.4	-301.4	-112.4	-264.7
Equity at the end of the period	478.3	423.3	478.3	423.3	478.3	472.7
Equity-to-assets ratio at the end of the period, %	36.1	35.8	36.1	35.8	36.1	37.1
Gearing at the end of the period, %	-23.5	-71.2	-23.5	-71.2	-23.5	-56.0
Working capital at the end of the period	-45.4	-255.9	-45.4	-255.9	-45.4	-191.3
Return on investment, %	29.8	34.9	27.3	31.4	34.6	37.0
Return on equity, %	26.3	27.0	22.1	24.6	29.1	29.4
Earnings per share, EUR	0.17	0.16	0.44	0.42	0.73	0.70

The consolidated balance sheet total was EUR 1,604.8 (1,605.8) million at the end of the reporting period. The equity to shareholders of the parent company was EUR 478.3 (422.1) million, representing EUR 2.64 (2.34) per share.

The reporting period's net cash flow from operating activities declined from the comparison period due to an increase in working capital. The change in working capital was due to decreased order intake, related advance payments and delays in timing of milestone payments. The advance and milestone payments at the end of the reporting period were EUR 279.5 (424.6) million, representing a decrease of 34% from the comparison period. The advance and milestone payments paid to subcontractors at the end of the reporting period were EUR 30.7 (63.1) million.

Outotec's cash and cash equivalents totaled EUR 364.7 (September 30, 2012: 364.3, December 31, 2012: 358.6) million. Cash and cash equivalents was impacted by the increased working

capital, the dividend payment of EUR 54.9 (38.9) and the issuance of a EUR 150.0 million bond of which EUR 148.6 million was received as cash inflow in September 2013. In addition, cash outflow relating to the acquisition was EUR 11.9 (29.1) million and cash inflow from emissions of Finnish short-term certificates of deposit totaling EUR 15.0 (0.0) million. The company invests its excess cash in short-term money market instruments such as bank deposits and corporate commercial certificates of deposit.

Outotec's financing structure is strong and liquidity good. Net interest-bearing debt at the end of the reporting period was EUR -112.4 (September 30, 2012: -301.4, December 31, 2012: -264.7) million. Outotec's equity-to-assets ratio was 36.1 (35.8)%. The company's capital expenditure in the reporting period was EUR 39.5 (48.4) million including mainly acquisition, as well as investments in R&D-related equipment.

Outotec's return on equity for the reporting period was 22.1 (24.6)%, and the return on investment was 27.3 (31.4)%.

At the end of the reporting period, guarantees for commercial commitments, including advance payment guarantees issued by the parent and other Group companies, were EUR 582.1 (568.6) million.

EUR 150 MILLION BOND ISSUE

As a part of Outotec's long-term financing strategy, the company issued a EUR 150 million fixed rate unsecured bond in September 2013. The funds can be used for general corporate purposes and the arrangement primarily supports the company's organic and inorganic growth objectives. The bond matures in seven (7) years and pays an annual coupon of 3.75%. The bond is listed on NASDAQ OMX Helsinki Ltd. Nordea Markets and SEB act as lead arrangers for the transaction. The listing prospectus is available on [Outotec's website](#).

CORPORATE STRUCTURE

On May 2, 2013, Outotec announced the opening of its office in Jakarta, Indonesia.

On March 19, 2013, Outotec completed the acquisition of the Australian-based Scanalyse Holdings Pty Ltd. Scanalyse is a software technology company that provides services in process equipment condition and performance monitoring. The acquisition price was not disclosed.

In 2013, the estimated total impact for PPA amortizations from completed acquisitions is approximately EUR 13 million.

RESEARCH AND TECHNOLOGY DEVELOPMENT

In the reporting period, Outotec's research and technology development expenses totaled EUR 34.9 (29.3) million, an increase of 19% from the comparison period and representing 2.4 (2.0)% of sales. Outotec filed 51 (45) new priority applications, and 259 (219) new national patents were granted. At the end of the reporting period, Outotec had 695 (610) patent families, including a total of 6,156 (5,618) national patents or patent applications.

Outotec won the 2013 Rio Tinto Eureka Prize for Commercialization of Innovation with Outotec® MillMapper and Outotec® CrusherMapper technologies. MillMapper and CrusherMapper are globally patented technologies and are the first in the world to measure, model and manage liners

in grinding mills and crushers. The innovation was rewarded with the prestigious Australian Museum Eureka Prize on September 4, 2013.

Product launches in the third quarter

The Outotec HIGmill was added to the Outotec comminution portfolio in 2012, and the first HIGmill is included as part of the comminution package in a sulphides application for a customer project in Africa. HIG1600 regrind mills were selected for this project due to the fact that they make it possible to reduce particle size significantly in one pass.

Outotec launched ARTS™, a new tracking system for anodes and rods in primary aluminum smelters. It is a combination of an anode and rod identification and tracking system, together with a customized database and analytical software. ARTS™ effectively tracks both anodes and rods, helping to control the quality of anodes, improve overall smelter performance and rod shop operations.

Outotec has introduced a novel VSF®X solution for solvent extraction. It is the first fully modularized solvent extraction plant concept in the world. The solution is based on the use of prefabricated, transportable settlers, which allow cost-efficient and fast track on-site installation with lower risk. Moreover, isolated from the soil the solution immediately alerts about possible solvent leaks, thus improving environmental safety. Thanks to easy dismantling and installation, the modules can be re-used and transported to the new location after the site closes.

PERSONNEL

At the end of the reporting period, Outotec had a total of 4,978 (4,662) employees. Personnel were primarily recruited for service business and project implementation. Acquisitions increased personnel by 53 from September-end 2012 and by 41 in the reporting period. Outotec had on average 4,929 (4,356) employees. The average number of personnel grew by 573 over the comparison period. Temporary personnel accounted for approximately 8 (8)% of the total number of employees.

Personnel by region	Sep 30, 2013	Sep 30, 2012	Change %	Dec 31, 2012
EMEA (including CIS)	2,861	2,565	12	2,642
Americas	1,286	1,372	-6	1,400
Asia Pacific	831	725	15	763
Total	4,978	4,662	7	4,805

At the end of the reporting period, the company had, in addition to its own personnel, 585 (800) full-time equivalent, contracted professionals working in project execution. The number of contracted workers at any given time changes with the active project mix and project commissioning, local legislation and regulations, as well as seasonal fluctuations.

In the reporting period, salaries and other employee benefits totaled EUR 289.9 (252.2) million. The increase from the comparison period was due to personnel additions and wage increases.

CHANGES IN TOP MANAGEMENT

Three new members have been appointed to the Executive Board in the third quarter: Mr Olli Nastamo as Senior Vice President, Operational Excellence (as of August 1, 2013); Mr Kimmo Kontola, EVP, President of APAC Region; and Ms Pia Käll, SVP, Strategy and M&A (as of July 1, 2013).

CHANGES IN SHAREHOLDINGS

On September 13, 2013, Outotec Oyj received a notice of the following change in shareholding: holdings of BlackRock, Inc. (USA Tax ID 32-0174421, SEC CIK Code#: 0001364742) - voting right held by BlackRock Investment Management (UK) Limited - in shares of Outotec Oyj (OTE1V) on May 10, 2012, fell below 5% and were 9,128,280 (before the free share issue (split) on April 3, 2013: 2,282,070) shares, which represents 4.98% of the share capital and votes in the company.

On March 20, 2013, the holdings of Solidium Oy (business code 2245475-9) in shares of Outotec Oyj (OTE1V) exceeded 10% and amounted to 4,592,373 shares, which represents 10.03% of the share capital and votes in the company.

OTHER ANNOUNCEMENTS IN Q3 2013

On September 27, 2013, Outotec announced that Indian-based steel producer Sarda Energy and Minerals Ltd. (SEML) has submitted an application for arbitration at the International Court of Arbitration against the company in a dispute regarding a filter delivery. Outotec finds these allegations to be completely without merit.

On September 12, 2013, Outotec announced that it had been selected to the Dow Jones Sustainability Europe Index for 2013-2014.

On September 4, 2013, Outotec announced that the Board of Directors has decided to continue Outotec's Employee Share Savings Plan (announced on September 25, 2012) for the calendar year 2014. The Plan commenced on January 1, 2013, and approximately 34% of employees participate in it during the first saving period. The following saving periods are subject to a separate Board decision.

SHORT-TERM RISKS AND UNCERTAINTIES

Outotec's global business operations are subject to various political, economic, and social conditions, as well as site-related impacts. In the current economic environment, conditions may rapidly change and have a negative impact on Outotec's customers. Customers may postpone order placement, delay project execution, and suspend or cancel projects. Services sales may fluctuate depending on customers' capacity utilization rates and cash flow optimization. Outotec may operate in politically unstable areas where potential economic sanctions or trade restrictions may cause project delays and cancellations or even prevent Outotec's business operations.

As part of its overall project delivery, Outotec often gives process performance guarantees and takes liabilities for the warranty period defects. Projects in Outotec's order backlog may contain risks related to delivery, quality, functionality or costs. Large turnkey projects may involve more risks, due to their complex scope, long delivery times, and contractual liabilities. Operation and maintenance service contracts may include risks related to performance, personnel, and working capital. In order to manage these risks, Outotec has developed close management of both the

project itself and, in particular, the supply chain. Outotec aims to mitigate project risks through contract management, advance and milestone payments, and in some cases gradual booking of orders in the backlog according to actual project progress. According to standard practice, all unfinished projects are evaluated quarterly and provisions for performance guarantees and warranty period guarantees are updated.

Outotec follows the percentage of completion method for project revenue and profit recognition. Based on project time schedules, management estimates the revenues to be recognized from the order backlog for the calendar year. As a result, deviations in project time schedules may have an impact on the company's financial projections. Quarterly and annual financial results may also fluctuate due to changes in the sales mix and the relative share of services, changes in foreign exchange rates, timing of new orders, license income associated with certain technologies, and project completions. The nature of international business and different interpretations of international and local tax rules and regulations may cause additional direct or indirect taxes for Outotec, thus reducing the company's profit for the period.

Outotec's business model is primarily based on customer advance and milestone payments as well as on-demand guarantees issued by Outotec's relationship banks. Securing the continuity of Outotec's business operations and supporting the strategic objectives requires that the company has sufficient funding available under all circumstances. Cash held by the company is primarily invested in short-term bank deposits and in Finnish corporate short-term certificates of deposit. Outotec's customers and subcontractors may experience financial difficulties and a lack of financing may result in lower sales as well as project and payment delays or credit losses.

Currency fluctuations may create volatility in profitability. Approximately 60% of Outotec's total cash flow was denominated in euros. The rest is divided among various currencies, including the US dollar, Australian dollar, Brazilian real, Canadian dollar, and South African rand. The weight of any given currency in new projects can substantially fluctuate, but most cash-flow-related risks are hedged over the short-term and long-term. Natural hedging is used as widely as possible and the remaining open foreign exchange exposures related to committed cash flows are fully hedged using primarily forward agreements.

Outotec is involved in a few arbitral and court proceedings. Different interpretations of international contracts may cause uncertainty in estimating the final outcome of the disputes. However, management expects that these cases and their outcomes will have no material effect on Outotec's financial position.

The most relevant risks related to Outotec's business are presented in more detail on the company's website at www.outotec.com.

EVENTS AFTER THE REPORTING PERIOD

On October 8, 2013, Outotec announced that the company had been recognized in the Nordic Carbon Disclosure Leadership Index (CDLI) for the fifth consecutive year.

On October 17, 2013, Outotec announced that the company lowered its financial guidance regarding sales and operating profit margin for 2013.

On October 17, 2013, Outotec announced that the company will start an efficiency improvement program targeting up to EUR 50 million annualized savings in operational costs by the end of 2014 compared to the Q3/2013 situation. The majority of the savings will materialize in 2014. The

estimated one-time costs from the program for 2013 and 2014 will be at maximum EUR 30 million. The company will start employee cooperation negotiations on the possible reduction of workforce among the entire personnel. The planned measures are estimated to lead to the reduction of a maximum of 500 employees globally through redundancies, retirements, and ending fixed-term agreements. The reduction measures will be realized gradually starting in late 2013 and ending by mid-2014. In addition, temporary lay-offs may be used to achieve the targeted savings.

On October 18, 2013, Outotec announced to the further strengthening of its position as a leader in dewatering solutions by establishing a Dewatering Technology Center in Lappeenranta, Finland.

MARKET OUTLOOK

Continued uncertainty in the global economy, weakness in currency rates, high metal inventories and capacity increases may contribute to continued slowness in mining capex spending. However, there are significant differences in the market sentiment and outlook between geographical market areas and metals. Large project prospects continue to exist in certain markets. Mining and metal companies continue to seek ways to reduce investment risks as well as maximize free cash flow and improve existing operations. Demand for services is expected to remain solid due to the need to optimize operations. There are opportunities to continue to grow the services business by further penetrating large installed base with new services solutions. Project financing continues to be available for solid projects; however, putting together the financing packages by the customers may take time.

The EMEA region offers opportunities for Outotec especially in copper and aluminum projects. The Middle East market is expected to remain positive, driven by the region's access to competitive energy and strategic initiatives to seek diversification for their economies outside the oil and gas industry. In addition, the fertilizer industry is growing as companies are able to utilize local raw materials, including phosphate rock. The market in Africa, particularly in Sub-Saharan areas, remains attractive, especially for energy-efficient and environmentally sound copper processing solutions. The European market has a vast installed base of all types of mining and metallurgical processing plants, which offers Outotec a solid base for services as well as for upgrades improving a plant's efficiency and environmental friendliness. In the CIS, the market for copper and aluminum processing solutions continues to be active and there is also a strong market for Outotec's support in operation and maintenance services, as in metallurgical processing in general, to further increase the feasibility of these projects.

The outlook for the Americas region is weaker due to the increased hesitance in investment decision-making. Individual projects are still being developed. Certain regions in South America are imposing stricter environmental regulations and socio-economic requirements, slowing down investments in the short-term but creating opportunities for Outotec in the long-term. In Central America, investments in new or improved capacity continue; however, new initiatives in mining taxes may postpone investment decisions in the short-term.

In the APAC region, concerns about growth in China have decreased and this is expected improve the sentiment in the region. There are good opportunities for Outotec's solutions in ferroalloy and iron processing in China due to their higher energy-efficiency and lower emissions. Changes and uncertainties in local mining legislation are delaying decision-making in some countries in the SEAP region, such as Indonesia.

In many countries, especially in the EMEA and APAC region, there is a need for biomass and waste-to-energy solutions. In Outotec's solutions several raw materials can be used to create energy while solving a local waste problem.

In the mid- to long-term, the market outlook for minerals and metals, as well as alternative energy and industrial water treatment, is positive. In minerals and metals processing, new investments are needed, as current production capacity and ongoing investments in new capacity are not sufficient to fulfill long-term metals demand. In addition, declining ore grades and more complex ores require investments in capacity and advanced technology to enable the sufficient recovery of metals. Tightening environmental regulations, increasing energy efficiency requirements, and the scarcity of fresh water also increase the need for sustainable technology. All in all, industrial companies are increasingly focusing on the social and environmental impacts of their operations and thus need sustainable processing technologies. These trends create favorable opportunities for Outotec and its life cycle solutions, providing the best return on the customer's investment with predictable costs, time to market, and process performance reducing the overall risks of the investment.

LOWERED FINANCIAL GUIDANCE FOR 2013 (published on October 17, 2013)

Outotec's sales guidance has been lowered due to several reasons. The continued macroeconomic uncertainty has slowed down customers' capex investments. Some projects have progressed slower than expected due to delays in customer payments. In addition, a EUR 30 million order was cancelled in September. The lower sales volume is the main reason for lowering the operating profit margin guidance.

Outotec expects that in 2013:

- Sales will be approximately EUR 1.9-2.1 billion, and
- Operating profit margin from business operations¹⁾ will be approximately 8.5-9.5%

Previous financial guidance:

Based on the strong order backlog, current market outlook, and customer tendering activity, the management expects that in 2013:

- Sales will be approximately EUR 2.1-2.3 billion, and
- Operating profit margin from business operations¹⁾ will be approximately 9.5-10.5%

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

Espoo, October 30, 2013

Outotec Oyj
Board of Directors

INTERIM FINANCIAL STATEMENTS (unaudited)

Consolidated Statement of Comprehensive Income

EUR million

	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	Q1-Q4 2012
Sales	440.1	502.8	1,454.4	1,437.6	2,087.4
Cost of sales	-340.9	-405.9	-1,152.5	-1,145.8	-1,653.9
Gross profit	99.1	96.9	301.9	291.8	433.6
Other income	7.0	0.2	11.3	0.5	9.3
Selling and marketing expenses	-22.5	-23.2	-74.1	-73.0	-103.1
Administrative expenses	-27.4	-25.2	-86.8	-78.4	-110.0
Research and development expenses	-11.0	-10.5	-34.9	-29.3	-41.6
Other expenses	-0.8	2.9	-1.3	-2.0	-3.6
Share of results of associated companies	0.6	-0.1	0.5	-0.3	-0.3
Operating profit	45.0	41.0	116.5	109.4	184.3
Finance income and expenses					
Interest income and expenses	0.5	1.2	1.9	4.3	5.1
Market price gains and losses	-0.9	-1.1	-3.5	-1.6	-2.6
Other finance income and expenses	-1.5	-1.5	-4.0	-4.7	-7.0
Net finance income	-1.8	-1.4	-5.6	-1.9	-4.6
Profit before income taxes	43.1	39.6	110.9	107.4	179.7
Income tax expenses	-12.5	-11.4	-32.1	-31.9	-51.9
Profit for the period	30.7	28.1	78.8	75.5	127.8
Other comprehensive income					
Exchange differences on translating foreign operations	-6.5	0.1	-18.2	4.8	-0.6
Cash flow hedges	-0.1	7.5	-3.7	6.7	9.4
Actuarial losses on defined benefit pension plans	-	-2.0	-0.1	-6.1	-8.1
Available for sale financial assets	0.0	0.0	-0.1	-0.0	-0.1
Income tax relating to components of other comprehensive income	-0.1	-1.3	-0.3	0.1	1.9
Other comprehensive income for the period	-6.7	4.3	-22.4	5.6	2.5
Total comprehensive income for the period	24.0	32.4	56.4	81.1	130.2
Profit for the period attributable to:					
Equity holders of the parent company	30.7	28.1	78.8	75.5	127.8
Non-controlling interest	-	-	-	-	-
Total comprehensive income for the period attributable to:					
Equity holders of the parent company	24.0	32.4	56.4	81.1	130.2
Non-controlling interest	-	-	-	-	-
Earnings per share for profit attributable to the equity holders of the parent company:					
Basic earnings per share, EUR	0.17	0.16	0.44	0.42	0.70
Diluted earnings per share, EUR	0.17	0.16	0.44	0.42	0.70

All figures in the tables have been rounded and consequently the sum of individual figures may deviate from the sum presented. Key figures have been calculated using exact figures.

Condensed Consolidated Statement of Financial Position EUR million	September 30, 2013	September 30, 2012	December 31, 2012
ASSETS			
Non-current assets			
Intangible assets	330.1	323.1	335.0
Property, plant and equipment	79.5	73.3	75.3
Deferred tax asset	55.9	52.5	57.1
Non-current financial assets			
Interest-bearing	3.4	4.0	3.8
Non interest-bearing	5.1	2.0	2.4
Total non-current assets	473.9	455.0	473.6
Current assets			
Inventories ¹⁾	175.7	222.4	180.8
Current financial assets			
Interest-bearing	0.2	0.0	0.2
Non interest-bearing	590.4	564.1	619.7
Cash and cash equivalents	364.7	364.3	358.6
Total current assets	1,130.9	1,150.8	1,159.3
TOTAL ASSETS	1,604.8	1,605.8	1,632.9
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the equity holders of the parent company	478.3	422.1	471.5
Non-controlling interest	-	1.2	1.2
Total equity	478.3	423.3	472.7
Non-current liabilities			
Interest-bearing	217.4	41.2	74.3
Non interest-bearing	125.0	109.1	118.3
Total non-current liabilities	342.4	150.3	192.6
Current liabilities			
Interest-bearing	38.4	25.7	23.6
Non interest-bearing			
Advances received ²⁾	279.5	424.6	358.8
Other non interest-bearing liabilities	466.2	581.8	585.1
Total current liabilities	784.1	1 032.1	967.6
Total liabilities	1,126.5	1,182.5	1,160.2
TOTAL EQUITY AND LIABILITIES	1,604.8	1,605.8	1,632.9

¹⁾ Of which advances paid for inventories amounted to EUR 30.7 million at September 30, 2013 (September 30, 2012: EUR 63.1 million, December 31, 2012: EUR 46.4 million)

²⁾ Gross advances received before percentage of completion revenue recognition amounted to EUR 1,991.8 million at September 30, 2013 (September 30, 2012: EUR 1,692.8 million, December 31, 2012: EUR 1,672.1 million)

Condensed Consolidated Statement of Cash Flows EUR million	Q1-Q3 2013	Q1-Q3 2012	Q1-Q4 2012
Cash flows from operating activities			
Profit for the period	78.8	75.5	127.8
Adjustments for			
Depreciation and amortization	27.0	22.9	31.4
Other adjustments	33.7	38.2	64.4
Increase in working capital	-133.5	-29.7	-93.0
Interest received	4.0	5.9	7.4
Interest paid	-1.5	-1.4	-2.4
Income tax paid	-48.1	-31.1	-58.4
Net cash from operating activities	-39.5	80.4	77.1
Cash flows from investing activities			
Purchases of assets	-31.4	-31.5	-47.5
Acquisition of subsidiaries and business operations, net of cash	-11.9	-29.1	-34.6
Proceeds from sale of assets	0.2	0.3	0.9
Cash flows from other investing activities	-0.1	-0.1	-2.5
Net cash used in investing activities	-43.3	-60.3	-83.8
Cash flow before financing activities	-82.8	20.0	-6.6
Cash flows from financing activities			
Repayments of non-current debt	-6.9	-4.9	-8.7
Borrowings of non-current debt	148.6	-	40.0
Decrease in current debt	-0.2	-2.3	-9.2
Increase in current debt	16.8	4.9	3.0
Purchase of treasury shares	-	-19.3	-19.3
Related party net investment to Outotec Oyj shares	-	-0.2	-0.2
Dividends paid	-54.9	-38.9	-38.9
Cash flows from other financing activities	-1.0	1.0	-0.0
Net cash used in financing activities	102.4	-59.6	-33.2
Net change in cash and cash equivalents	19.6	-39.6	-39.9
Cash and cash equivalents at the beginning of the period	358.6	402.5	402.5
Foreign exchange rate effect on cash and cash equivalents	-13.6	1.4	-4.0
Net change in cash and cash equivalents	19.6	-39.6	-39.9
Cash and cash equivalents at the end of the period	364.7	364.3	358.6

Consolidated Statement of Changes in Equity

	Attributable to the equity holders of the parent company									
						Reserve for invested non- restricted equity	Cumulative translation differences	Retained earnings	Non- cont- rolling interest	Total equity
EUR million	Share capital	Share premium fund	Other reserves	Fair value reserves	Treasury shares					
Equity at January 1, 2012	17.2	20.2	0.4	-5.0	-7.5	87.7	25.1	256.5	1.1	395.7
Dividends paid	-	-	-	-	-	-	-	-38.9	-	-38.9
Management incentive plan for Outotec Executive Board ¹⁾	-	-	-	-	-0.2	-	-	-	0.1	-0.1
Purchase of treasury shares	-	-	-	-	-19.3	-	-	-	-	-19.3
Share-based compensation	-	-	-	-	1.5	-	-	3.0	-	4.5
Total comprehensive income for the period	-	-	-	0.8	-	-	4.8	75.5	-	81.1
Other changes	-	-	0.0	-	-	-	-	0.4	-	0.4
Equity at September 30, 2012	17.2	20.2	0.5	-4.2	-25.5	87.7	29.9	296.5	1.2	423.3
Equity at January 1, 2013	17.2	20.2	0.5	-1.9	-25.5	87.7	24.5	348.9	1.2	472.7
Dividends	-	-	-	-	-	-	-	-54.9	-	-54.9
Dissolution of Management incentive plan for Outotec Executive Board ¹⁾	-	-	-	-	4.3	1.4	-	-4.5	-1.2	-
Share-based compensation	-	-	-	-	3.1	-	-	0.1	-	3.3
Total comprehensive income for the period	-	-	-	-4.3	-	-	-18.2	78.8	-	56.4
Other changes	-	-	-	-	-	-	-	0.9	-	0.9
Equity at September 30, 2013	17.2	20.2	0.5	-6.2	-18.1	89.1	6.3	369.3	-	478.3

¹⁾ The Board of Directors of Outotec executed the AGM authorization and decided on May 8, 2013, to execute a share exchange where Outotec allocates 442,115 existing Outotec Oyj shares to the shareholders of Outotec Management Oy (established in 21 May, 2010) against the shares of Outotec Management Oy. The number of shares allocated to the Executive Board members was based on the individual's ownership share of Outotec Management Oy. The number of shares given in the share exchange was determined on the basis of Outotec Management Oy's net assets on May 7, 2013, and divided with trade volume-weighted average quotation of Outotec share on the NASDAQ OMX Helsinki on May 7, 2013.

Group key figures	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	Last 12 months	Q1-Q4 2012
Sales, EUR million	440.1	502.8	1,454.4	1,437.6	2,104.2	2,087.4
Gross margin, %	22.5	19.3	20.8	20.3	21.1	20.8
Operating profit, EUR million	45.0	41.0	116.5	109.4	191.4	184.3
Operating profit margin, %	10.2	8.1	8.0	7.6	9.1	8.8
Profit before taxes, EUR million	43.1	39.6	110.9	107.4	183.1	179.7
Profit before taxes in relation to sales, %	9.8	7.9	7.6	7.5	8.7	8.6
Net cash from operating activities, EUR million	-61.1	13.4	-39.5	80.4	-42.8	77.1
Net interest-bearing debt at the end of period, EUR million	-112.4	-301.4	-112.4	-301.4	-112.4	-264.7
Gearing at the end of period, %	-23.5	-71.2	-23.5	-71.2	-23.5	-56.0
Equity-to-assets ratio at the end of period, %	36.1	35.8	36.1	35.8	36.1	37.1
Working capital at the end of period, EUR million	-45.4	-255.9	-45.4	-255.9	-45.4	-191.3
Capital expenditure, EUR million	11.8	14.4	39.5	48.4	67.3	76.2
Capital expenditure in relation to sales, %	2.7	2.9	2.7	3.4	3.2	3.7
Return on investment, %	29.8	34.9	27.3	31.4	34.6	37.0
Return on equity, %	26.3	27.0	22.1	24.6	29.1	29.4
Order backlog at the end of period, EUR million	1,735.6	2,155.8	1,735.6	2,155.8	1,735.6	1,947.1
Order intake, EUR million	229.6	452.4	1,086.3	1,613.2	1,557.5	2,084.4
Personnel, average for the period	4,984	4,663	4,929	4,356	4,886	4,456
Profit for the period in relation to sales, %	7.0	5.6	5.4	5.3	6.2	6.1
Research and development expenses, EUR million	11.0	10.5	34.9	29.3	47.3	41.6
Research and development expenses in relation to sales, %	2.5	2.1	2.4	2.0	2.2	2.0
Earnings per share, EUR	0.17	0.16	0.44	0.42	0.73	0.70
Equity per share, EUR	2.64	2.34	2.64	2.34	2.64	2.61

Definitions for Key Financial Figures

Net interest-bearing debt	=	Interest-bearing debt - interest-bearing assets	
Gearing	=	Net interest-bearing debt	× 100
		Total equity	
Equity-to-assets ratio	=	Total equity	× 100
		Total assets - advances received	
Return on investment	=	Operating profit + finance income	× 100
		Total assets – non interest-bearing debt (average for the period)	
Return on equity	=	Profit for the period	× 100
		Total equity (average for the period)	
Research and development expenses	=	Research and development expenses in the statement of comprehensive income (including expenses covered by grants received)	
Earnings per share	=	Profit for the period attributable to the equity holders of the parent company	
		Average number of shares during the period, as adjusted for stock split	
Dividend per share	=	Dividend for the financial year	
		Number of shares at the end of the period, as adjusted for stock split	

NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME AND FINANCIAL POSITION

Outotec has applied the following revised or new standards and interpretations since the beginning of 2013:

- IAS 1 – Financial statement presentation. The main change resulting from these amendments is a requirement for entities to group items presented in ‘other comprehensive income’ (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.
- IAS 19 – Employee benefits. From January 1, 2013, Outotec adopted the amendments to IAS 19 (revised) Employee benefits. The most significant changes relate to the accounting for defined benefit obligations and plan assets. The amendments require the recognition of changes in benefit obligations and in fair value of plan assets when they occur, and hence eliminate the corridor approach permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Amounts recorded in profit or loss are limited to current and past service costs, gains or losses on settlements, and net interest income (expense). The opening statement of financial position 2012 and other comparative figures have been restated accordingly.
- IFRS 13 – Fair value measurement. The standard provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs.

Outotec’s two new business areas are forming the IFRS 8 operating segments. The new reporting segments are effective from this January-September Interim Report 2013.

Main changes relating to the new segment reporting are:

- In the new segment reporting one segment is in charge of the customer delivery and thus all related sales and costs of sales are directly allocated to that segment. Previously, the customer delivery was reported and allocated by technology leading to several intra-group transactions between the segments.
- Based on the new operative reporting principles, costs related to share-based incentive programs have been allocated to the reported segments. Previously, these items were included in unallocated costs.

Use of estimates

IFRS requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Accounting estimates are employed in the financial statements to determine reported amounts, including the realizability of certain assets, the useful lives of tangible and intangible assets, income taxes, provisions, pension obligations, and impairment of goodwill. These estimates are based on the management’s best knowledge of current events and actions; however, it is possible that the actual results may differ from the estimates used in the financial statements.

Reporting segment - Metals, Energy & Water

EUR million

	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	Change %	Q1-Q4 2012
Sales	266.6	276.2	842.7	800.6	5	1,161.2
Operating profit from business operations ¹⁾	27.9	13.4	73.6	54.7	35	75.2
Operating profit from business operation, %	10.5	4.8	8.7	6.8		6.5
Operating profit	27.0	10.6	68.0	46.6	46	71.3
Operating profit, %	10.1	3.8	8.1	5.8		6.1
FX impact ²⁾	1.3	1.8	2.3	-0.3		0.9

¹⁾ Excluding one-time items and PPA amortizations

²⁾ Unrealized and realized exchange gains and losses related to currency forward contracts

Reporting segment - Minerals Processing

EUR million

	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	Change %	Q1-Q4 2012
Sales	172.8	226.8	611.1	637.8	-4	926.0
Operating profit from business operations ¹⁾	20.2	31.5	59.6	73.5	-19	127.6
Operating profit from business operation, %	11.7	13.9	9.7	11.5		13.8
Operating profit	22.0	30.6	59.3	71.1	-17	122.0
Operating profit, %	12.7	13.5	9.7	11.1		13.2
FX impact ²⁾	1.2	1.4	3.6	0.0		0.8

¹⁾ Excluding one-time items and PPA amortizations

²⁾ Unrealized and realized exchange gains and losses related to currency forward contracts

Major non-recurring items in operating profit

EUR million

	Q1-Q3 2013	Q1-Q3 2012	Q1-Q4 2012
One-time costs related to reorganization of business	-	-	-0.6
Impairment of available for sale shares	-0.4	-	-
Costs related to acquisitions	-0.3	-1.3	-2.7
Reversal of earn-out liability from acquisitions	4.2	-	6.3

Income tax expenses

EUR million

	Q1-Q3 2013	Q1-Q3 2012	Q1-Q4 2012
Current taxes	-26,2	-45,6	-64,6
Deferred taxes	-5,8	13,6	12,6
Total income tax expenses	-32,1	-31,9	-51,9

Property, plant and equipment	September 30,	September 30,	December 31,
EUR million	2013	2012	2012
Historical cost at the beginning of the period	166.7	144.8	144.8
Translation differences	-4.9	1.3	-0.1
Additions	16.3	15.9	21.2
Disposals	-0.5	-1.0	-3.3
Acquired subsidiaries	0.2	4.5	5.2
Reclassifications	-0.3	-1.4	-1.0
Historical cost at the end of the period	177.6	163.9	166.7
Accumulated depreciation and impairment at the beginning of the period	-91.4	-82.2	-82.2
Translation differences	1.9	-0.6	-0.0
Disposals	0.3	0.8	2.6
Reclassifications	0.6	0.1	0.1
Depreciation during the period	-9.6	-8.6	-11.8
Accumulated depreciation and impairment at the end of the period	-98.1	-90.5	-91.4
Carrying value at the end of the period	79.5	73.3	75.3

Commitments and contingent liabilities	September 30,	September 30,	December 31,
EUR million	2013	2012	2012
Pledges and mortgages	0.0	0.2	-
Guarantees for commercial commitments	208.8	269.8	273.5
Minimum future lease payments on operating leases	147.2	152.7	157.8

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 24.7 million at September 30, 2013 (September 30, 2012: EUR 28.5 million, December 31, 2012: 22.4 million) and for commercial guarantees including advance payment guarantees EUR 582.1 million at September 30, 2013 (September 30, 2012: EUR 568.6 million, December 31, 2012: 570.6 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	September 30,	September 30,	December 31,
EUR million	2013	2012	2012
Fair values, net	11.0 ¹⁾	4.2 ²⁾	11.6 ³⁾
Nominal values	763.0	799.0	871.3

¹⁾ of which EUR 4.3 million designated as cash flow hedges (EUR 4.0 million from currency derivatives, EUR 0.2 from interest derivatives) and 1.6 million designated as fair value hedge from interest derivatives

²⁾ of which EUR 4.9 million designated as cash flow hedges (EUR 4.9 million from currency derivatives, no interest derivatives)

³⁾ of which EUR 10.1 million designated as cash flow hedges (EUR 10.0 million from currency derivatives, EUR 0.0 million from interest derivatives)

Carrying amounts of financial assets and liabilities by categories
September 30, 2013

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	Financial liabilities measured at amortized cost	Carrying amounts by balance sheet item	Fair value
Non-current financial assets							
Derivative assets							
- foreign exchange forward contracts	2.6	-	-	-	-	2.6	2.6
- interest rate swaps	1.8	-	-	-	-	1.8	1.8
Other shares and securities	-	-	0.8	-	-	0.8	0.8
Trade and other receivables							
- interest-bearing	-	2.6	-	-	-	2.6	2.6
- non interest-bearing	-	0.0	-	-	-	0.0	0.0
Current financial assets							
Derivative assets							
- foreign exchange forward contracts	11.2	-	-	-	-	11.2	11.2
Trade and other receivables							
- interest-bearing	-	0.2	-	-	-	0.2	0.2
- non interest-bearing	-	579.2	-	-	-	579.2	579.2
Cash and cash equivalents	-	364.7	-	-	-	364.7	364.7
Carrying amount by category	15.6	946.7	0.8	-	-	963.1	963.1
Non-current financial liabilities							
Bonds	-	-	-	-	148.1	148.1	150.0
Loans from financial institutions	-	-	-	-	61.0	61.0	61.0
Loans from pension institutions	-	-	-	-	3.5	3.5	3.5
Finance lease liabilities	-	-	-	-	-	-	-
Derivative liabilities							
- foreign exchange forward contracts	-	-	-	0.1	-	0.1	0.1
Other non-current loans	-	-	-	-	3.1	3.1	3.1
Other non-current liabilities	-	-	-	-	2.7	2.7	2.7
Current financial liabilities							
Loans from financial institutions	-	-	-	-	12.0	12.0	12.0
Loans from pension institutions	-	-	-	-	6.3	6.3	6.5
Finance lease liabilities	-	-	-	-	-	-	-
Derivative liabilities							
- foreign exchange forward contracts	-	-	-	4.6	-	4.6	4.6
Other current loans	-	-	-	-	20.2	20.2	20.2
Trade payables	-	-	-	-	109.7	109.7	109.7
Carrying amount by category	-	-	-	4.6	366.4	371.0	373.1

December 31, 2012

	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	Financial liabilities measured at amortized cost	Carrying amounts by balance sheet item	Fair value
Non-current financial assets							
Derivative assets							
- foreign exchange forward contracts	2.3	-	-	-	-	2.3	2.3
- interest rate swaps	0.0	-	-	-	-	0.0	0.0
Other shares and securities	-	-	1.3	-	-	1.3	1.3
Trade and other receivables							
- interest-bearing	-	2.5	-	-	-	2.5	2.5
- non interest-bearing	-	0.0	-	-	-	0.0	0.0
Current financial assets							
Derivative assets							
- foreign exchange forward contracts	18.0	-	-	-	-	18.0	18.0
Trade and other receivables							
- interest-bearing	-	0.2	-	-	-	0.2	0.2
- non interest-bearing	-	601.7	-	-	-	601.7	601.7
Cash and cash equivalents	-	358.6	-	-	-	358.6	358.6
Carrying amount by category	20.3	963.1	1.3	-	-	984.7	984.7
Non-current financial liabilities							
Loans from financial institutions	-	-	-	-	64.3	64.3	64.3
Loans from pension institutions	-	-	-	-	6.7	6.7	6.8
Derivative liabilities							
- foreign exchange forward contracts	-	-	-	0.4	-	0.4	0.4
Other non-current loans	-	-	-	-	3.3	3.3	3.3
Other non-current liabilities	-	-	-	-	3.9	3.9	3.9
Current financial liabilities							
Loans from financial institutions	-	-	-	-	12.0	12.0	12.0
Loans from pension institutions	-	-	-	-	6.3	6.3	6.6
Derivative liabilities							
- foreign exchange forward contracts	-	-	-	8.2	-	8.2	8.2
Other current loans	-	-	-	-	5.3	5.3	5.3
Trade payables	-	-	-	-	175.9	175.9	175.9
Carrying amount by category	-	-	-	8.6	277.7	286.4	286.8

Fair value hierarchy
September 30, 2013

EUR million	Level 1	Level 2	Level 3	Total
Available for sale financial assets	0.1	-	0.7	0.8
Derivative financial assets	-	15.6	-	15.6
	0.1	15.6	0.7	16.4
Derivative financial liabilities	-	4.6	-	4.6
	-	4.6	-	4.6
December 31, 2012				
Available for sale financial assets	0.2	-	1.2	1.3
Derivative financial assets	-	20.3	-	20.3
	0.2	20.3	1.2	21.6
Derivative financial liabilities	-	8.6	-	8.6
	-	8.6	-	8.6

Available-for-sale financial assets (level 3 of fair value hierarchy)

EUR million	Q1-Q3 2013	Q1-Q3 2012	Q1-Q4 2012
Carrying value at the beginning of the period	1.2	0.9	0.9
Translation differences	0.0	0.0	0.0
Additions	-	-	0.2
Fair valuations	-0.1	-0.0	-0.1
Impairment	-0.4	-	-
Carrying value at the end of the period	0.7	1.0	1.2

Related party transactions

Transactions and balances with associated companies

EUR million	Q1-Q3 2013	Q1-Q3 2012	Q1-Q4 2012
Sales	2.6	-	0.2
Other income	0.1	0.0	0.0
Purchases	0.4	-0.4	-0.4
Trade and other receivables	2.2	0.5	0.3
Current liabilities	3.2	2.1	2.5
Loan receivables	2.6	1.6	2.5

Business combinations

Scanalyse Holdings Pty Ltd

Outotec has acquired the Australian-based Scanalyse Holdings Pty Ltd. The acquisition was completed in March 2013. Scanalyse is a software technology company that provides services in process equipment condition and performance monitoring.

The purchase price has been allocated to technologies. The remaining goodwill of approximately EUR 7.0 million is mainly based on experienced personnel of Scanalyse and synergy benefits. Purchase price allocation is preliminary and will be finalized during 2013.

Unaudited September 2012 and December 2012 restated for amended IAS 19 Employee Benefits

From January 1, 2013, Outotec adopted the amendments to IAS 19 (revised) Employee benefits. The most significant changes relate to the accounting for defined benefit obligations and plan assets. The amendments require the recognition of changes in benefit obligations and in fair value of plan assets when they occur, and hence eliminate the corridor approach permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Amounts recorded in profit or loss are limited to current and past service costs, gains or losses on settlements, and net interest income (expense).

The opening statement of financial position 2012 and other comparative figures have been restated accordingly. The below table summarizes the effects in September 2012 and December 2012 financial statements.

September 30, 2012

Statement of Comprehensive Income

EUR million	Reported	Adjustment	Restated
Remeasurement of defined pension plan booked to other comprehensive income	-	-6.1	-6.1
Income tax effect	-	1.8	1.8

Statement of Financial Position

EUR million	Reported	Adjustment	Restated
Deferred tax assets	49.2	3.4	52.5
Remeasurement of defined pension plan booked to equity	-	-8.1	8.1
Defined benefit pension liabilities	27.1	11.5	38.5

December 31, 2012

Statement of Comprehensive Income

EUR million	Reported	Adjustment	Restated
Remeasurement of defined pension plan booked to other comprehensive income	-	-8.1	-8.1
Income tax effect	-	2.4	2.4

Statement of Financial Position

EUR million	Reported	Adjustment	Restated
Deferred tax assets	53.2	3.9	57.1
Remeasurement of defined pension plan booked to equity	-	-9.5	-9.5
Defined benefit pension liabilities	27.2	13.5	40.7

Segments' sales and operating profit by quarters

EUR million	Q1/12	Q2/12	Q3/12	Q4/12	Q1/13	Q2/13	Q3/13
Sales							
Metals, Energy & Water	241.5	282.9	276.2	360.7	287.8	288.3	266.6
Minerals Processing	168.9	242.1	226.8	288.2	215.3	223.0	172.8
Unallocated items ¹⁾ and intra-group sales	0.1	-0.5	-0.1	0.9	-0.2	0.2	0.7
Total	410.4	524.4	502.8	649.8	502.9	511.4	440.1
Operating profit							
Metals, Energy & Water	15.4	20.6	10.6	24.6	15.9	25.1	27.0
Minerals Processing	15.7	24.8	30.6	50.9	21.8	15.5	22.0
Unallocated items ²⁾ and intra-group items	-3.6	-4.5	-0.2	-0.6	-6.0	-0.8	-4.0
Total	27.6	40.8	41.0	74.9	31.7	39.9	45.0

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

²⁾ Unallocated items primarily include group management and administrative services

RESOLUTIONS OF THE 2013 ANNUAL GENERAL MEETING

Outotec Oyj's Annual General Meeting (AGM) was held on March 26, 2013, 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 2012.

Dividend

The AGM decided that a dividend of EUR 1.20 per share be paid for the financial year ended on December 31, 2012, (the dividend of EUR 54.9 (April 11, 2012: 38.9) million was paid on April 16, 2013).

The Board of Directors

The AGM decided on the number of Board members, including the Chairman and Vice Chairman, to be seven (7). Ms. Eija Ailasmaa, Mr. Tapani Järvinen, Mr. Hannu Linnoinen, Mr. Timo Ritakallio, and Mr. Chaim (Poju) Zabłudowicz were re-elected as members of the Board of Directors. Dr. Matti Alahuhta and Ms. Anja Korhonen were elected as new Board members for the term expiring at the end of the next AGM. Furthermore, the AGM elected Dr. Matti Alahuhta as the Chairman of the Board of Directors.

The AGM confirmed the annual remunerations to the Board members as follows: EUR 72,000 for the Chairman of the Board of Directors and EUR 36,000 for each of the other members of the Board of Directors, as well as an additional EUR 12,000 for both the Vice Chairman of the Board, and the Chairman of the Audit Committee; and that the members of the Board each be paid EUR 600 for attendance at each Board and committee meeting as well as reimbursement for direct costs arising from Board work.

Of the annual remuneration, 60% would be paid in cash and 40% in the form of Outotec Oyj shares, which would be acquired for the members from the stock exchange, within one week of the AGM 2013 date, in amounts corresponding to EUR 28,800 for the Chairman, EUR 19,200 for the Vice Chairman and Chairman of the Audit Committee each, and EUR 14,400 for each of the other

members. The part of the annual fee payable in cash corresponds to the approximate sum necessary for the payment of the income taxes on the remunerations and would be paid no later than April 30, 2013. The annual fees shall encompass the full term of office of the Board of Directors.

Auditors

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

Free share issue (split)

The AGM resolved to give a free share issue (split) as follows:

- Three new shares were issued for each existing share in accordance with shareholders' pre-emptive rights, altogether 137,341,119 new shares were issued.
- Each shareholder, who was registered on the record date on Tuesday, April 2, 2013, in the shareholders' register of the company, was entitled to receive shares on the basis of the free share issue (split).
- The new shares were registered on Tuesday, April 2, 2013. The new shares generated shareholder rights from that date. No dividend decided upon by the AGM was paid to the new shares for the year 2012.

The free share issue (split) was executed in the book-entry system and required no actions from the shareholders. The free share issue (split) did not affect the company's share capital or capital structure.

Board's authorizations

The AGM authorized the Board of Directors to resolve upon the repurchase of the company's own shares as follows:

- The company may repurchase the maximum number of 18,312,148 shares using free equity and deviating from the shareholders' pre-emptive rights to the shares, provided that the number of own shares held by the company will not exceed ten (10) percent of all shares of the company.
- The shares are to be repurchased in public trading at the NASDAQ OMX Helsinki at the price established in the trading at the time of acquisition.

The authorization shall be in force until the next AGM. The Board has not executed this authorization as of October 30, 2013.

The AGM authorized the Board of Directors to resolve upon the issuance of shares and other special rights entitling to shares as follows:

- The authorization includes the right to issue new shares, distribute own shares held by the company, and the right to issue special rights referred to in Chapter 10, Section 1 of the Companies Act.
- The total number of new shares to be issued and own shares held by the company to be distributed under the authorization may not exceed 18,312,148 shares. The Board of Directors may deviate from the shareholders' pre-emptive subscription rights.
- The Board of Directors is entitled to decide on the terms of the share issue.

The authorization shall be in force until the next AGM. On May 8, 2013, Outotec's Board exercised this authorization and dissolved Outotec Management Oy through a share exchange. Outotec allocated 442,115 Outotec Oyj shares to the shareholders of Outotec Management Oy against the shares of Outotec Management Oy. Outotec's Board exercised its authorization for 256,852

Outotec Oyj shares, which was part of the total allocation of 514,160 for the Share-based Incentive Program's earning period 2012.

The AGM further authorized the Board of Directors to donate an aggregate amount of EUR 100,000 to non-profit purposes or to universities. The authorization shall be in force until December 31, 2013.

Shareholders' Nomination Board

The Annual General Meeting decided to establish a permanent Shareholders' Nomination Board. Its duties consist of successor candidate search, preparation and presentation of member candidates, and remuneration matters. The Nomination Board consists of the three biggest shareholders, and the Chairman of the Board of Directors. As of October 1, 2013, Outotec's three largest shareholders were Solidium Oy, Tamares Nordic Investments Bv and Ilmarinen Mutual Pension Insurance Company.

Board's assembly meeting

At its assembly meeting the Board of Directors elected Timo Ritakallio as the Vice Chairman of the Board of Directors. In addition, the Board elected Anja Korhonen, Hannu Linnoinen, Timo Ritakallio, and Chaim (Poju) Zabludowicz as members of the Audit and Risk Committee. Hannu Linnoinen acts as the Chairman of the Audit and Risk Committee.

Eija Ailasmaa, Matti Alahuhta, and Tapani Järvinen will act as members of the Human Capital Committee with Matti Alahuhta as the Chairman of the Committee.

LEGAL DISPUTES

On September 27, 2013, Outotec announced that Indian-based steel producer Sarda Energy and Minerals Ltd. (SEML) has submitted application for arbitration at the International Court of Arbitration against the company in a dispute regarding a filter delivery. Outotec finds these allegations to be completely without merit.

On January 24, 2013, Outotec submitted an application for summons against Outokumpu Oyj in a patent dispute regarding a new invention in ferroalloys technology.

SUSTAINABILITY

Outotec's approach to sustainability is defined in the company's mission, strategy, values, corporate responsibility policy, and management system documents. Outotec's most significant impact on sustainability occurs indirectly through its customers' operations. "Sustainable use of Earth's natural resources" is the mission the company works towards achieving, in cooperation with customers. According to its core value "committed to sustainability", Outotec intends to incorporate sustainability into all aspects of its operations, comprising the social, economic, and environmental elements of sustainability.

On September 12, 2013, Outotec announced that it had been selected to the Dow Jones Sustainability Europe Index for 2013-2014.

On March 25, 2013, Outotec published its sustainability report 2012. Key achievements in 2012 include a comprehensive Code of Conduct, new long-term targets set for the sustainability work, and a high proportion 89% (2011: 87%) of environmental goods and services (EGS) in the 2012 order intake.

In January, Outotec was ranked 12th in The Global 100 list of the world's most sustainable companies by Corporate Knights. Overall, The Global 100 drew companies from 22 countries on six continents and this was the first time Outotec was included in the index. The Corporate Knights media and investment research company has screened all global mid and large cap listed companies for The Global 100 list. Of these, 4,000 companies, the 350 most sustainable were selected for further analysis, measuring their performance against 12 indicators.

FREE SHARE ISSUE (SPLIT)

The shares issued in the free share issue (split) approved by Outotec's AGM on March 26, 2013, were entered in the share register on April 2, 2013. The total number of Outotec's shares increased to 183,121,492 as shareholders were issued with three new shares for each old share. The new shares became subject to public trading as of April 3, 2013. The free share issue (split) did not affect the company's share capital or capital structure. Share-based key figures have been restated to reflect the increased number of shares. > [Stock exchange release on April 2, 2013](#).

SHARES AND SHARE CAPITAL

Outotec's shares are listed on the NASDAQ OMX 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 1,321,629 Outotec shares (including third party agreement), which represents a relative share of 0.7% of Outotec Oyj's shares and votes.

Outotec possesses the shares owned by Outotec Management Oy, which has been consolidated into the Group's balance sheet. At the end of the reporting period, Outotec Management Oy held 813,736 or 0.44% of Outotec shares, which have been accounted for as treasury shares on Outotec's balance sheet.

Third party agreement

Outotec has an agreement with a third-party service provider concerning administration and hedging of the share-based incentive program for key personnel. These shares are accounted for as treasury shares in Outotec's consolidated balance sheet. At the end of the reporting period, the amount of these treasury shares was 20,596.

TRADING, MARKET CAPITALIZATION, AND SHAREHOLDERS

The figures in the table below have been adjusted to reflect the increased number of shares after the free share issue (split).

Shares on NASDAQ OMX Helsinki Ltd

January-September 2013	No. of shares traded	Total value EUR	High EUR	Low EUR	Average EUR ¹⁾	Last paid EUR
OTE1V	160,990,817	2,329,553,683	13.03	8.26	10.86	10.12

¹⁾ Volume weighted average

	September 30, 2013	September 30, 2012
Market capitalization, EUR million	1,853	1,692
No. of shareholders	25,344	15,324
Nominee registered shareholders (13), %	35.2	47.4
Finnish households, %	14.2	11.0

SHARE-BASED INCENTIVE PROGRAMS AND EMPLOYEE SHARE SAVINGS PLAN

Share-based Incentive Program 2013-2015

On January 16, 2013, Outotec announced that the Board of Directors had decided to adopt a new Share-based Incentive Program for the company's key personnel. The program comprises three earning periods starting 2013, 2014, and 2015. Each earning period can be from one to three years. The first earning period, which commenced on January 1, lasts for the calendar year 2013. The Board of Directors determines on an annual basis the maximum amount of shares to be allocated in each calendar year, participants in the program, the amount of the maximum reward for each individual, the length of earning period and the earning criteria, and the targets established for them.

A precondition for Executive Board members being eligible for the Share-based Incentive Program is that they participate in Outotec's Employee Share Savings Plan.

Earning period 2013

The Board of Directors approved 170 individuals for the Program's 2013 earning period and set targets for earnings per share, order intake, and sales growth compared to key competitors. The maximum share reward for the 2013 earning period equals 806,500 Outotec shares and a cash payment that equals income taxes.

Share-based Incentive Program 2010-2012

Outotec's Board of Directors decided on April 23, 2010, to adopt a share-based incentive program 2010-2012 for the company's key personnel. The costs related to these periods are allocated over three years.

Earning period 2010

A total of 552,576 Outotec shares were allocated for the 2010 earning period with a cost of approximately EUR 9.6 million, which was booked for the financial periods 2010-2012.

Earning period 2011

A total of 499,656 Outotec shares were allocated for the 2011 earning period with a cost of approximately EUR 9.3 million, which is booked for the financial periods 2011-2013.

Earning period 2012

A total of 514,160 Outotec shares were allocated for the 2012 earning period with a cost of approximately EUR 10.2 million, which is booked for the financial periods 2012-2014.

Employee Share Savings Plan

Outotec's Board of Directors decided on September 25, 2012, to launch an Employee Share Savings Plan for Outotec employees globally. The plan commenced on January 1, 2013, with the first savings period being one calendar year. Approximately 34% of employees in 22 countries have signed up. Participation in Finland, Sweden, and five other countries exceeds 50% of the employees. In September 2013, Outotec's Board of Directors decided to continue the Employee Share Savings Plan for the calendar year 2014. The following saving periods are subject to a separate Board decision.

DISSOLUTION OF OUTOTEC MANAGEMENT OY

On May 8, 2013, Outotec announced the dissolution of Outotec Management Oy (Executive Board members' incentive program) through a share exchange. Outotec's Board of Directors used the Annual General Meeting's authorization and allocated 442,115 Outotec Oyj shares to the shareholders of Outotec Management Oy against the shares of Outotec Management Oy. > [Stock exchange release on May 8, 2013](#).

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, Outotec has developed over decades many breakthrough technologies. The company also provides innovative solutions for industrial water treatment, the utilization of alternative energy sources, and the chemical industry. With a global network of sales and service centers, research facilities and approximately 5,000 experts, Outotec generated annual sales of approximately EUR 2 billion in 2012. Outotec shares are listed on NASDAQ OMX Helsinki. www.outotec.com