
FINANCIAL

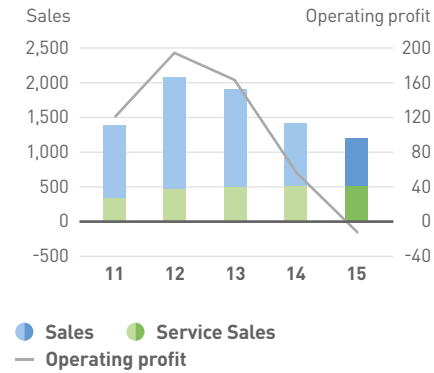
STATEMENTS

2015

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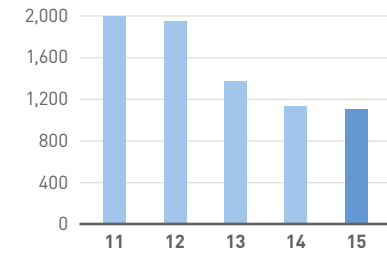
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SALES AND OPERATING PROFIT*, EUR MILLION

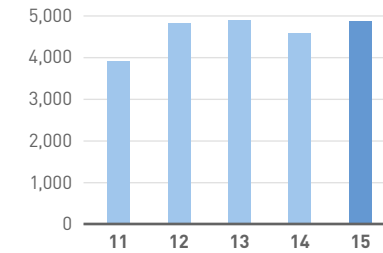


*1 excluding one-time items and PPA amortizations

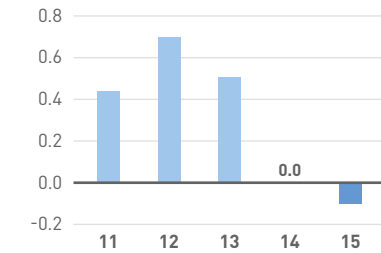
ORDER BACKLOG, EUR MILLION



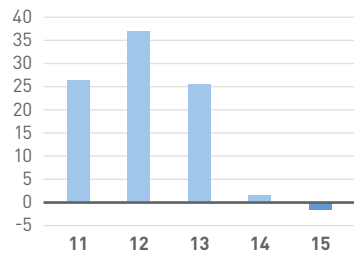
PERSONNEL



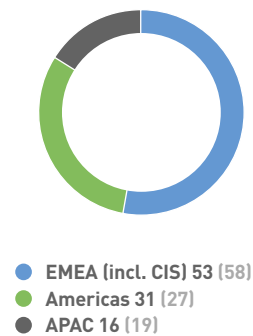
EARNINGS PER SHARE, EUR



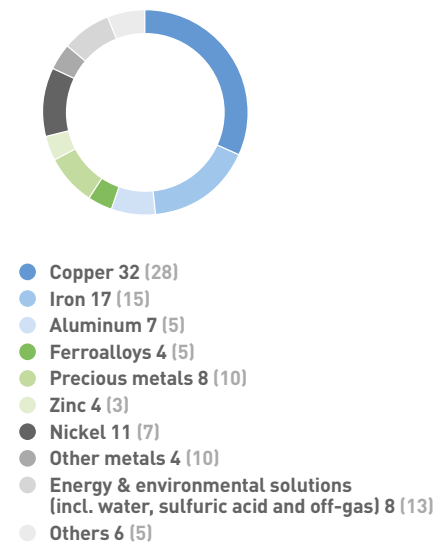
RETURN ON INVESTMENT, %



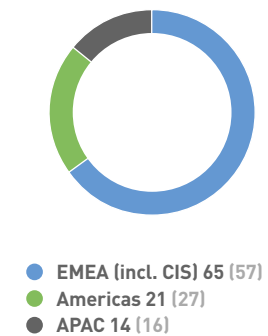
SALES BY REGION, %



SALES BY MATERIALS, %



PERSONNEL BY REGION, %



YEAR 2015 WAS EXTREMELY CHALLENGING IN THE MINING AND METALS INDUSTRY. THE GROWTH OF METALS DEMAND SLOWED DOWN AND METALS PRICES WEAKENED ON AVERAGE BY 30% AND HIT THE LOW LEVELS OF YEAR 2009.

Increased uncertainty of China's growth outlook and accelerated weakening of metals prices led to further deterioration of the market environment in the second half of 2015. Continued uncertainty and shrinking profitability have caused producers to cut production, postpone investments, and seek all possible measures to maximize cash flow and reduce costs, which also had an impact on the service market towards the end of the year.

I am pleased that we were able to achieve a flat order intake in the very difficult market conditions. Although our mining and metals related orders went down in line with the market, we were able to win orders in the waste-to-energy sector due to competitive offering and a more active market. Many governments are seeking ways to decarbonize energy production and produce energy from waste rather than dump it to landfills. Our service order intake declined as the producers continued to postpone their modernization activities. On

Orders
for spare and
wear parts
increased

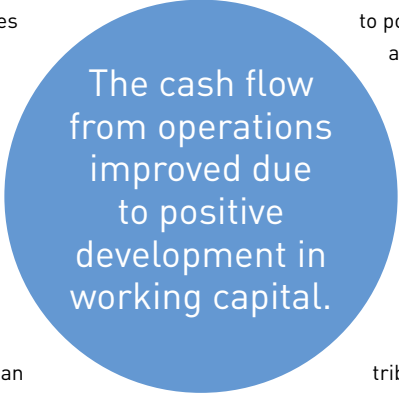


the other hand, orders for spare and wear parts increased as we continue to increase the coverage of our installed base.

Our full year sales contracted due to customers' fewer investment projects and slower progress in them. Full year service sales were equal to the previous year's level despite the market having declined. Customer-induced slowdown in project deliveries as well as lower demand for modernization services were reasons for declining sales in the fourth quarter.

Our EBITA before one-time costs and purchase price allocations of M&A cases was on the same level as in 2014. Our gross profit deteriorated due to lower sales, but gross margin improved significantly due to the larger share of services in sales and improved project margins. The 45 million euro cost savings program reached its gross cost reduction targets, but its net effects were diluted by lower than planned resource utilization, currency exchange effects, and extraordinary IPR litigation costs.

The profit before taxes was negative due to significant one-time costs from restructuring programs and risk provisions related to certain old litigation cases. The cash flow from operations improved due to positive development in working capital. Outotec made four acquisitions in order to strengthen the service and technology offerings in promising growth segments.



The cash flow
from operations
improved due
to positive
development in
working capital.

The market outlook in the mining and metals industry is challenging and difficult to predict due to the slower outlook for global economic and metals demand growth, weak metal prices, supply overcapacity, and the highly leveraged balance sheets of many producers. We expect the plant and equipment demand to further

contract in 2016 and the service demand to be weaker due to postponements of maintenance and modernization activities. In response to the soft market outlook, we are implementing the previously announced actions to adjust our operating model and fixed costs to counter the lower sales. These actions are progressing as planned and are key to improving our profitability. Improving the free cash flow and ensuring a solid balance sheet are key priorities for us in 2016.

I would like to extend my gratitude to all Outotec employees for their dedication and contribution during 2015 amid this challenging market environment. I would also like to express a special thank you to our customers and business partners for their trust and confidence. Finally, I would like to thank our shareholders for investing in Outotec during these challenging times and for sharing our mission of 'Sustainable use of Earth's natural resources'.

PERTTI KORHONEN

President and CEO

REPORT BY BOARD OF DIRECTORS

OPERATING ENVIRONMENT

Year 2015 was extremely challenging in the mining and metals industry. The growth of metals demand slowed down and metals prices weakened on average by 30% and hit the low levels of 2009. The increased uncertainty of China's growth outlook and accelerated weakening of metals prices led to further deterioration of the markets. Continued uncertainty and shrinking profitability has caused producers to cut production, postpone their investments further, and seek all possible measures to maximize cash flow and reduce costs. This had also an impact on the services market towards the end of the year.

Markets in Europe and the Middle East were somewhat more active, while those in Asia Pacific, Africa, Eurasia, and the Americas progressed slowly. Investments were directed predominantly to projects that improved the efficiency of existing operations and yield fast returns. Zinc, copper, and aluminum projects were more active, while gold and iron ore investments continued to be weak. Waste-to-energy projects developed more actively, especially in the UK.

Competition continued at an intense level.

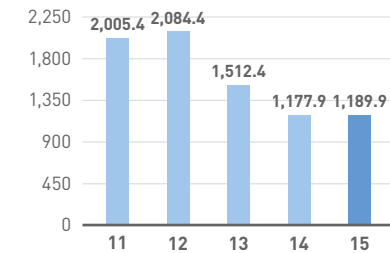
ORDER INTAKE AND BACKLOG

Order intake in 2015 totaled EUR 1,190 (1,178) million, up 1% (-2% in comparable currencies) from 2014. Of the orders received in 2015, 58 (50)% came from the Metals, Energy, & Water segment and 42 (50)% from the Minerals Processing segment.

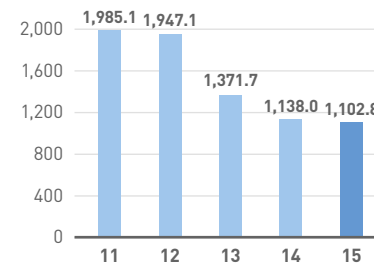
In 2015, service order intake decreased 11% (-13% in comparable currencies) from 2014 and totaled EUR 497 (555) million. The decrease was mainly due to the lower level of equipment upgrade and operation and maintenance services. Spare and wear part orders grew.

Order intake by region, %	2015	2014
EMEA (including the CIS)	56	40
Americas	26	37
APAC	18	23
Total	100	100

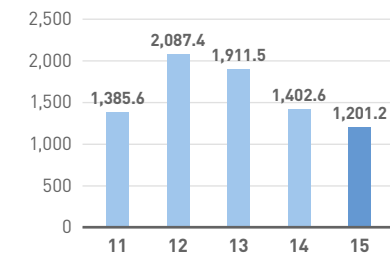
ORDER INTAKE, EUR MILLION



ORDER BACKLOG, EUR MILLION



SALES, EUR MILLION



Announced orders in 2015 Project/location (published)	Customer	Value, EUR Million	Business area
Ferrochrome plant, China (January 7, 2016)	Mintal Group	Over 25	Metals, Energy & Water
Two waste-to-energy plants, UK (December 4, 2015)	Not published	43	Metals, Energy & Water
Waste-to-energy plant, UK (December 3, 2015)	M+E Group	35	Metals, Energy & Water
Kolme teknologia- ja palvelutilausta uusiutuvan energian tuottajilta, Iso-Britannia ja Kanada (12.10.2015)	Not published	55	Metals, Energy & Water
Iron ore beneficiation plant, Iran (September 1, 2015)	Iran International Engineering Company	45 (of which 10 in Q3/2015)	Minerals Processing
Tailings treatment plant, Finland (August 18, 2015)	Yara	Over 40	Minerals Processing
Two alumina calcination plants, UAE (July 8, 2015)	Emirates Global Aluminium	Over 80	Metals, Energy & Water
Aluminum rodshop technology, China (June 26, 2015)	Chiping Xinyuan Aluminium	Over 12	Metals, Energy & Water
Iron ore pelletizing technology, Iran (June 1, 2015)	B-MISCO	Not published, but typically 80–100 (<10 booked in Q2/2015)	Metals, Energy & Water
Technology and services for zinc plant, Mexico (April 14, 2015)	Met-Mex Peñoles	Approx. 60	Metals, Energy & Water
Modular copper solvent extraction technology, and services, South America (April 24, 2015)	Not published	Approx. 30	Metals, Energy & Water
Technology to aluminum smelter, UAE (April 14, 2015)	EMAL	Over 10	Metals, Energy & Water
Zinc concentrate direct leaching technology, Norway (April 13, 2015)	Boliden	Not published, but typically 10–20	Metals, Energy & Water
Technology and O&M services for a waste-to-energy plant, UK (March 23, 2015)	Levenseat Renewable Energy Limited	Approx. 60 (30 in Q1/2015)	Metals, Energy & Water

ORDER BACKLOG

The order backlog at the end of 2015 was EUR 1,103 (1,138) million, including services EUR 229 (247) million, or 21%. Outotec has approximately EUR 230 (150) million of orders from Iran which are not included in the reported order backlog, because orders are booked only for the value equaling to received prepayments.

At the end of 2015, Outotec had 24 (19) projects with an order backlog value in excess of EUR 10 million, accounting for 66 (58)% of the total backlog. Based on management estimates, roughly 70 (81)% or EUR 760 (925) million of the quarter-end order backlog value will be delivered in 2016.

Sales and financial result EUR million	2015	2014
Sales	1,201.2	1,402.6
Service sales ¹⁾	511.3	519.0
Share of service sales, %	42.6	37.0
Gross margin, %	27.9	22.9
EBITA (excluding one-time items)	56.0	56.0
EBITA (excluding one-time items), %	4.7	4.0
- one-time items ²⁾	-58.9	-37.2
- PPA amortization	-9.4	-8.4
EBIT	-12.3	10.4
EBIT, %	-1.0	0.7
Profit before taxes	-22.9	0.2
Profit for the period	-17.2	0.2
Unrealized and realized exchange gains and losses ³⁾	-5.3	-8.8

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

²⁾ During the January–December 2015 period, one-time items totaled EUR -58.9 (-37.2) million including acquisition-related costs of EUR -2.0 (-0.7) million, restructuring costs of EUR -48.9 (-36.6) million, arbitration provisions EUR -9.0 (-) million and EUR 1.0 (-) million reduction from earn-out payment liability related to acquisition.

³⁾ Related to foreign exchange forward agreements and bank accounts.

Sales in 2015 decreased by 14% [-15% in comparable currencies] from 2014 and totaled EUR 1,201 (1,403) million. The main reasons for the lower sales in 2015 were the weak order intake in 2014 and customer-driven postponements in project deliveries.

In 2015, service sales declined 1% [-2% in comparable currencies] from 2014 and totaled EUR 511 (519) million, representing 43 (37)% of sales. The decline came mainly from technical, equipment upgrades and plant modernizations, and O&M services, while operational

spare parts sales grew. However, the typical customers' discretionary spend for spare parts did not materialize at the end of 2015.

Improved project execution and higher share of service sales had a positive impact on EBITA (excluding one-time items) in 2015. In 2015, the unrealized and realized losses from the valuation of foreign exchange forward agreements amounted to EUR 5 (loss of 9) million. In 2015, one-time costs totaled EUR 59 million, including EUR 49 million restructuring costs, EUR 9 million provision for

Sales by region EUR million	2015	2014	% 2015	Change %
EMEA (incl. the CIS)	640.7	809.2	53	-20.8
Americas	368.5	327.0	31	12.7
APAC	192.0	266.5	16	-28.0
Total	1,201.2	1,402.6	100	-14.4

Sales by materials %	2015	2014
Copper	32	28
Nickel	11	7
Zinc	4	3
Ferroalloys	4	5
Aluminum	7	5
Iron	17	15
Precious metals	8	10
Other metals	4	10
Energy and environmental solutions (incl. water, sulfuric acid and off-gas)	8	13
Others	6	5
Total	100	100

anticipated arbitration costs related to ongoing legal cases from past acquisitions, and EUR 1 million in net impact from acquisitions.

Fixed costs in 2015, including selling and marketing, administrative, R&D, and fixed delivery expenses, were EUR 334 (332) million (in comparable currencies EUR 331 million), or 28 (24)% of sales. Cost saving actions reduced fixed costs by approximately EUR 32 million in 2015. Lower resource utilization due to customers' delays in certain projects, currency impacts, IPR related litigation costs, acquisi-

tions and depreciations from investments increased costs by EUR 35 million.

Profit before taxes was negative EUR 23 (0) million. It included net finance expenses of EUR 11 (10) million. Profit for 2015 was negative EUR 17 (0) million. Net impact from taxes was EUR 6 million positive. Earnings per share were EUR -0.10 (0.00).

SEGMENTS

Minerals Processing

Highlights in 2015

- Weak order intake in the minerals processing solutions continued
- Profitability weakened due to lower sales
- Operational spare part sales increased.

Reporting segment – Minerals Processing EUR million	2015	2014	Change %
Order intake	495.6	593.6	-17¹⁾
Sales	548.8	659.6	-17²⁾
Service sales	311.9	319.6	-2³⁾
EBITA (excluding one-time items)	19.5	63.2	
EBITA (excluding one-time items), %	3.5	9.6	
PPAs	-3.3	-3.4	
One-time items	-32.6	-13.9	
EBIT	-16.5	45.9	
EBIT, %	-3.0	7.0	
Unrealized and realized exchange gains and losses ⁴⁾	-3.9	-4.1	

¹⁾ In comparable currencies -16%

²⁾ In comparable currencies -17%

³⁾ In comparable currencies -3%

⁴⁾ Related to foreign exchange forward agreements and bank accounts

In 2015, the Minerals Processing market continued to be slow as customers minimized their investments and reduced operating costs. The segment's order intake in 2015 decreased by 17% (-16% in comparable currencies) from the comparison period, which was mainly due to a decrease in equipment orders as well as O&M, technical, and equipment upgrade services.

The segment's sales in 2015 declined 17% (-17% in comparable currencies) mainly due to fewer plant and equipment orders in 2014. Service sales in 2015 decreased by 2% (-3% in comparable currencies) from 2014. The decrease came mainly from technical and equipment upgrade services. Competition continued at an intense level.

Metals, Energy & Water

Highlights in 2015

- Multiple aluminum, zinc, iron, and energy solutions increased order intake
- Improved profitability due to improved project execution and product cost improvements
- Flat service sales despite weak modernization demand.

Reporting segment – Metals, Energy & Water EUR million	2015	2014	Change %
Order intake	694.3	584.1	19¹⁾
Sales	652.4	743.1	-12²⁾
Service sales	199.4	199.4	-0³⁾
EBITA (excluding one-time items)	42.5	-1.1	
EBITA (excluding one-time items), %	6.5	-0.2	
PPAs	-6.0	-5.0	
One-time items	-23.5	-12.2	
EBIT	13.0	-18.2	
EBIT, %	2.0	-2.5	
Unrealized and realized exchange gains and losses ⁴⁾	-1.5	-4.5	

¹⁾ In comparable currencies 12%

²⁾ In comparable currencies -13%

³⁾ In comparable currencies -1%

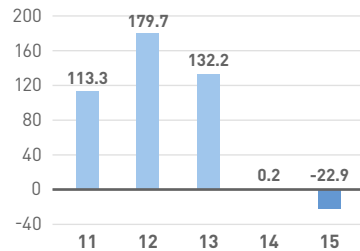
⁴⁾ Related to foreign exchange forward agreements and bank accounts

The Metals, Energy & Water segment's order intake in 2015 improved from the comparison period due to good progress made in waste-to-energy solutions. The segment's order intake in the reporting period increased by 19% (12% in comparable currencies) from the comparison period. In 2015, the segment's sales declined by 12% (-13% in comparable

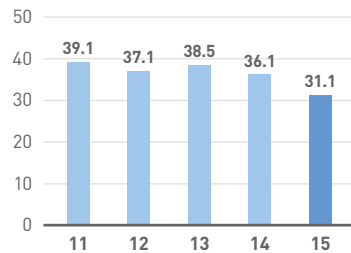
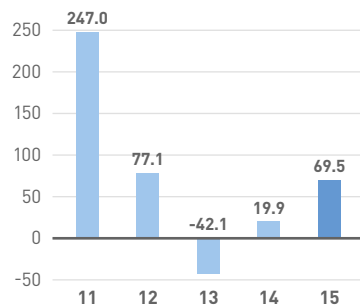
currencies) due to the low order intake in 2014.

Service sales in 2015 remained on previous year's level (-1% in comparable currencies). The Kempe acquisition balanced out weak modernization services market. Improved project execution was the main reason for segment's improved profitability.

PROFIT BEFORE TAXES, EUR MILLION



EQUITY RATIO, %

NET CASH FROM OPERATING ACTIVITIES,
EUR MILLIONBalance sheet, financing and cash flow
EUR million

	2015	2014
Net cash from operating activities	69.5	19.9
Net interest-bearing debt at the end of the period	39.9	-5.8
Equity at the end of the period	404.7	445.3
Equity-to-assets ratio at the end of the period, %	31.1	36.1
Gearing at the end of the period, %	9.9	-1.3
Working capital at the end of the period	-89.4	-28.2

The consolidated balance sheet total was EUR 1,531 (1,442) million on December 31, 2015. The equity to shareholders of the parent company was EUR 402 (445) million, representing EUR 2.22 (2.47) per share. The dividend payment of EUR 18 million (paid on April 16, 2015), negative translation differences of EUR 9 million (EUR 9 million positive), and EUR 17 million negative net profit all had an impact upon equity.

Outotec's cash and cash equivalents at the end of 2015 totaled EUR 301 (282) million. The net cash from operating activities in the fourth quarter of 2015 was EUR 48 (38) million, and in 2015 EUR 70 (20) million. Working capital development and lower taxes contributed positively to the cash flow. The advance and milestone payments received at the end of 2015 were EUR 232 (208) million. The advance and milestone payments paid to subcontractors at the end of the reporting period were EUR 61 (35) million.

Investments, acquisitions and dividends contributed to cash outflow. Cash inflow from interest-bearing debt drawdowns was EUR 77 million. Outotec invests its excess cash in short-term money market instruments such

as bank deposits and corporate commercial certificates of deposit.

Outotec increased its investments in 2015. Net interest-bearing debt at the end of 2015 was EUR 40 (-6) million. Gearing at the end of 2015 was 10 (-1)%. Outotec's equity-to-assets ratio was 31 (36)%. The company's capital expenditure in 2015 totaled EUR 105 (69) million, of which acquisitions accounted for EUR 42 (8) million and the rest was related mainly to IT systems and R&D equipment. Since 2011, Outotec has been investing in consolidating and integrating its fragmented IT platforms and business processes. Year 2015 was the last year of these significant investments and the roll out has now been completed.

At the end of 2015, guarantees for commercial commitments, including advance payment guarantees issued by the parent and other Group companies, were EUR 632 (511) million.

COST SAVINGS PROGRAMS

EUR 45 million program closed

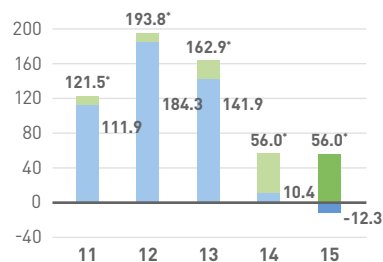
Outotec's EUR 45 million cost savings program (announced on October 30, 2014) has been completed. The achieved annualized savings at the end of 2015 totaled EUR 45 million, the majority of which came from the reduction of 568 employees. Acquisitions in 2015 increased the headcount by 449 people, mainly in services.

Total one-time costs for the program were EUR 42 million at the end of 2015. In 2015, one-time costs were EUR 21 million (Q4/2014: EUR 21 million).

New EUR 70 million program

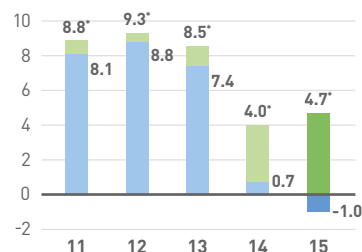
Outotec initiated an additional cost structure program in the fourth quarter of 2015 as a response to the further weakening of the market during the second half of the year. The program aims at EUR 70 million annualized savings in fixed costs compared to the Q3/2015 situation. The majority of the savings will materialize in 2016. The estimated one-time costs from the program will be at maximum EUR 40 million. The planned measures may lead to

OPERATING PROFIT, MILJ. EUR



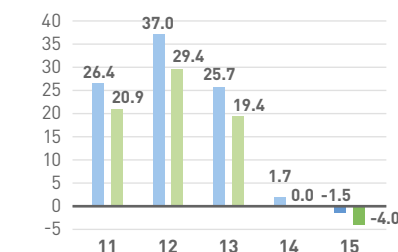
*1 excluding one-time items and PPA amortizations

OPERATING PROFIT MARGIN, %



*1 excluding one-time items and PPA amortizations

RETURN ON INVESTMENT AND EQUITY, %



● Return on investment
● Return on equity

the reduction of maximum of 650 permanent employees globally.

One-time costs in the fourth quarter of 2015 were EUR 28 million.

CORPORATE STRUCTURE

New operating structure

On November 20, 2015, Outotec announced changes in its operating structure as of January 1, 2016. In the new operating model, Outotec's business operations consist of two Business Units – Minerals Processing and Metals, Energy & Water – and a Markets Unit. The Business Units continue as reporting segments and the Markets Unit will be responsible for managing customer relationships and geographical Market Areas as well as spare and wear part and field service business.

Acquisitions

On December 15, 2015, Outotec announced that it had successfully completed the acquisition of the business of Sinter Plant Services CC in South Africa. The acquisition price was not disclosed.

On November 23, 2015, the acquisition of the majority of the shares in Biomin South Africa Pty. Ltd. and certain assets from Biomin Technologies S.A. in Switzerland was completed. The acquisition price was not disclosed.

On August 13, 2015, the acquisition of Kovit Engineering was completed. The acquisition price was not disclosed.

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

In 2016, PPA amortizations from completed acquisitions are expected to be EUR 10 million.

PRODUCT, TECHNOLOGY AND SERVICE OFFERING DEVELOPMENT

On April 8, 2015, Outotec published the reclassified research and development expenses per January 1, 2015 including 2014 comparison figures. The reclassification of costs is consistent with the redefinition of the product management business processes.

In 2015, Outotec's research and development expenses totaled EUR 61 (57) million, and represented 5 (4)% of sales.

Outotec filed 93 (62) new priority applications and 531 (370) new national patents were granted. At the end of 2015, Outotec had 824 (749) patent families, including a total of 7,458 (6,769) national patents or patent applications. According to the Finnish Patent and Registration Office, of the domestic companies, in 2015, Outotec had the highest number (74) of patent applications of companies in Finland.

On December 15, Outotec completed the acquisition of the business of Sinter Plant Ser-

vices CC in South Africa. Sinter Plant Services provides spare parts and life-cycle services to South African ferrochrome plants from its service center and manufacturing facility close to Johannesburg. The acquisition complements Outotec's service offering to South African ferrochrome plants.

On November 23, Outotec completed the acquisition of the majority of the shares in Biomin South Africa Pty. Ltd. and certain assets from Biomin Technologies S.A. in Switzerland. Outotec got the full intellectual property and marketing rights of BIOX® bio-oxidation technology. BIOX® bio-oxidation is a proven method for the pre-treatment of refractory gold ores, and it complements Outotec's portfolio of gold processing technologies.

On October 22, Outotec announced that it had agreed with GIW Industries, Inc., a subsidiary of KSB Partners, to enter into partnership for the sales and marketing of GIW® slurry pumps and related services to metal mining

customers globally. GIW Industries is an international leader in design of high performance slurry pumps, which are used in minerals processing grinding, flotation and dewatering circuits. The partnership will expand Outotec's service offering and enhance its value to its customers.

On September 8, Outotec announced the establishment of a Dewatering Technology Center in Lappeenranta, Finland, to further strengthen its position as a leader in dewatering solutions. The center is dedicated to developing new products, processes, and services for solid-liquid separation and raw material reuse for the entire life cycle of processing plants. Outotec's customers are constantly looking for more efficient processes in mineral slurry dewatering, process water reuse, and by-product handling in metals and chemical processing, as well as in industrial water treatment.

On August 13, Outotec announced that it had acquired Canadian company Kovit Engineering Limited to complement its tailings management solutions. Kovit Engineering is one of the leading technical consulting and engineering companies specializing in surface and underground mine tailings solutions. The acquisition complements Outotec's existing dewatering and tailings treatment solutions and services as well as strengthens Outotec's position as a global provider of sustainable tailings management solutions.

On March 2, Outotec announced that it had completed the acquisition of Kempe Engineering's aluminum smelter technologies as well as its service and spare parts businesses in the Middle East and Africa. The acquisition of

Kempe will strengthen Outotec's technology and service business in the Middle East and Africa, doubling the installed base and providing new capabilities to expand the service business in the region. A large amount of Kempe's proprietary equipment will complement Outotec's aluminum product portfolio and enable further growth of Outotec's equipment and spare parts business globally.

Product launches 2015

Outotec cPlant concept

Outotec has developed and is launching a new cPlant concept for flotation of ores. The modularized Outotec® cPlant provides a novel way to design, manufacture, transport, install, operate and maintain a flotation plant with environmentally sound and safe methods and lower total cost of ownership. The Outotec® cPlant can be fully automated utilizing modern online analyzers and process control systems. The modular concept enables fast-track deliveries, efficient logistics, predefined costs, fast installation, and easy maintenance. The standardized modules are easy to replace or upgrade, securing a reliable operation of a minerals processing plant.

A new tool for estimating value of flotation cell replacement

In October, Outotec introduced a new tool for estimating the value of flotation cell replacement. The tool provides a fast and effective way to evaluate how much operating costs will decrease and what the monetary values of gained process improvements by replacing aging flotation cells with Outotec TankCell®

technology will be. Based on the given parameters and case specific values for electricity, slurry and other variables, the tool not only recommends the solution, but also calculates the savings for the new flotation circuit solution.

Modular hydrometallurgical precious metals process

In May, Outotec introduced a novel modular hydrometallurgical process enabling the high direct recovery of precious metals that is cost-effective and has a low environmental impact. The process can be adapted for a variety of different applications and combined with other precious metals technologies. High grade silver and gold are melted and cast into ingots or granules, while impurities can be converted into saleable products such as selenium, copper telluride, and lead sulfate to improve operational profitability.

Ilmenite smelting with DC furnace

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

Steam dryer pilot plant for sewage sludges

In June, Outotec introduced a pilot plant at the Life+ conference in Sweden. It has been developed in collaboration with KIC InnoEnergy and the University of Stuttgart to demonstrate efficient biomass use in energy production

and the recovery of nutrients. Outotec's dryers and gasification technology can now be used for sewage sludge, farmyard manure, and biomass slurries in renewable energy applications.

SUSTAINABILITY

Outotec's approach to sustainability is defined in the company's mission, strategy, values, code of conduct, and management system documents. Outotec's most significant impact on sustainability occurs indirectly through its customers' resource-efficient operations. "Sustainable use of Earth's natural resources" is the mission the company works towards achieving, in cooperation with its 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 November 26, 2015, Outotec's sustainability report 2014 received Readers' Choice award in the competition evaluating all 173 of the Nasdaq Helsinki-listed companies' corporate responsibility reports. Outotec's report was amongst the top 10 reports in the competition and this was the fourth consecutive year that the company's report was chosen as the Readers' Choice, this time in two categories – by Media and NGOs.

On September 10, 2015, Outotec announced that it had been selected for the third consecutive year to the Dow Jones Sustainability Europe Index for 2015–2016. As much as 90% of Outotec's order intake in 2014 comprised of environmental goods and services according to the OECD (Organisation for Economic

Co-operation and Development) criteria. The company has developed many breakthrough technologies for metals and minerals processing and is also creating innovative solutions for the renewable energy industry and industrial water treatment.

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

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

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

On March 27, 2015, Outotec published its annual sustainability report, which describes the company's approach to sustainability, performance, and achievements during 2014 as well as future targets. Key achievements were the larger positive effect (5.9 million tonnes CO₂-e emissions avoided) from the use of Outotec's five metals-related technologies

and the share of Environmental Goods and Services in order intake, which reached 90% for the first time.

On January 22, 2015, Outotec announced that it was ranked 12th on the 2015 Global 100 Most Sustainable Corporations in the World (Global 100) Index. This was the third consecutive year Outotec was included in the index (ranking 3rd in 2014).

PERSONNEL

At the end of 2015, Outotec had a total of 4,859 (4,571) employees of whom 1,684 (1,507) were service-related employees. Outotec had on average 4,855 (4,845) employees in the reporting period. Temporary personnel accounted for 8 (8)% of the total personnel.

Outotec's headcount totaled 4,948 at September-end 2014 when the EUR 45 million cost saving program started. As part of the plan, personnel numbers have been reduced by 568. Acquisitions in 2015 increased the headcount by 449 people, mainly in services.

At the end of 2015, the company had, in addition to its own personnel, 405 (454) 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 2015, salaries and other employee benefits totaled EUR 353 (363) million.

Personnel by region	December 31, 2015	December 31, 2014	Change
EMEA (including the CIS)	3,159	2,627	532
Americas	1,012	1,214	-202
APAC	688	730	-42
Total	4,859	4,571	288

CHANGES IN OUTOTEC'S MANAGEMENT

On November 20, 2015, in relation to the changes in the company's operational structure, Outotec announced changes in its Executive Board. The Executive Board members and their responsibilities as of January 1, 2016 will be:

- Mr. Pertti Korhonen, President and CEO
- Dr. Kalle Härkki, Executive Vice President, President of Minerals Processing Business Unit
- Mr. Robin Lindahl, Executive Vice President, President of Metals, Energy & Water Business Unit (until May 1, 2016)
- Mr. Adel Hattab, Executive Vice President, President of Markets Unit
- Mr. Jari Älgars, Chief Financial Officer, Finance & Control
- Ms. Nina Kiviranta, Senior Vice President, Legal, Contract Management & Corporate Responsibility
- Ms. Pia Kåll, Senior Vice President, Strategy, Marketing & Operational Excellence
- Ms. Kirsi Nuotto, Senior Vice President, Human Resources & Communications

On September 22, Outotec announced the nomination of Mr. Jari Älgars, M.Sc. (Econ) as the Chief Financial Officer and member of the Outotec Executive Board from October 1, 2015.

Mr. Mikko Puolakka, CFO, continued working for Outotec until January 31, 2016, ensuring the smooth transition of his responsibilities to his successor.

On September 22, Outotec announced that Ms. Minna Aila, Senior Vice President, Marketing, Communications, and Corporate Responsibility and member of Outotec Executive Board, will pursue her career outside of the company as of October 18, 2015. Her previous duties are currently being covered by other Executive Board Members.

On September 18, Mr. Björn Rosengren, member of Outotec's Board of Directors since 2014, resigned from Outotec's Board. He was nominated CEO for Sandvik AB, which operates in the same industry as Outotec.

RESOLUTIONS OF THE 2015 ANNUAL GENERAL MEETING

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

Financial Statements

The AGM approved the parent company and the consolidated Financial Statements, and discharged the members of the Board of Directors and the President and CEO from liability for the financial year 2014.

Dividend

The AGM approved the parent company and the consolidated Financial Statements, and discharged the members of the Board of Directors and the President and CEO from liability for the financial year 2014.

The Board of Directors

The AGM decided that the number of the Board members, including Chairman and Vice Chairman, should be eight (8). Dr. Matti Alahuhta, Ms. Eija Ailasmaa, Ms. Anja Korhonen, Mr. Timo Ritakallio, Mr. Björn Rosengren and Mr. Poju Zabłudowicz were re-elected as members of the Board of Directors, and while Mr. Ian W. Pearce and Mr. Klaus Cawén were elected as new members of the Board. On September 18, 2015, Björn Rosengren resigned from Outotec's Board. He has been nominated as the CEO for Sandvik AB, operating in the same industry as Outotec.

The AGM elected Matti Alahuhta as the Chairman and Timo Ritakallio as the Vice Chairman of the Board of Directors.

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

Of the annual remuneration, 60% will be paid in cash and 40% in the form of Outotec

Oyj shares, which will be acquired from the stock exchange within one week of the date of the AGM, in amounts corresponding to EUR 28,800 for the Chairman, EUR 19,200 each for the Vice Chairman of the Board and the Chairman of the Audit and Risk Committee, and EUR 14,400 for each of the other members of the Board of Directors. The part of the annual fee payable in cash corresponds to the approximate sum necessary for the payment of the income taxes on the annual remuneration and will be paid no later than April 30, 2015. The annual fees encompass the full term of office of the Board of Directors. The attendance fee will be paid in cash.

Auditor

Public Accountants PricewaterhouseCoopers Oy was re-elected as the company's auditor. The auditor will be paid remuneration against the auditor's reasonable invoice approved by the company.

Board's authorizations

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

- Maximum number of the company's own shares to be repurchased is 18,312,149 (corresponds to approximately 10% of all the current shares of the company).
- Own shares may be repurchased on the basis of this authorization only by using unrestricted equity.
- Own shares can be repurchased at a price formed in trading on the regulated market on the date of the repurchase or otherwise at a price formed on the market.

- The Board of Directors is entitled to decide how shares are repurchased.
- Own shares may be repurchased in a way other than in proportion to the shares held by the shareholders (directed repurchase).
- The authorization shall be in force until the closing of the next AGM.

As of February 9, 2016, the Board has not executed this authorization.

The AGM further authorized the Board of Directors to decide on the issuance of shares and the issuance of special rights entitling to shares, referred to in Chapter 10, Section 1 of the Companies Act as follows:

- The maximum number of shares to be issued is 18,312,149 shares (corresponds to approximately 10% of all the current shares of the company).
- The Board of Directors is entitled to decide on all terms of the issuance of shares and of special rights entitling to shares and it is entitled to deviate from the shareholders' pre-emptive subscription rights (directed issue).
- This authorization applies to both the issuance of new shares and the conveyance of own shares held by the company.
- The authorization shall be in force until the closing of the next AGM.

On April 28, 2015, Outotec announced that the Board of Directors had decided on a directed share issuance of a total maximum number of 77,227 Outotec shares held by the company as a payment of the Share-based Incentive Program 2013–2015 from the 2014 earning

period. The reward equals 10.95% of the eligible maximum reward for the earning period; it can be paid to a maximum of 167 Outotec employees and is at maximum 100,621 shares. The 23,394 Outotec shares held by the Share-based Incentive Program's third-party administrator were used as part of the reward payment.

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

Amendment of Articles of Association

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

Amendment of the Charter of the Nomination Board

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

Board's assembly meeting

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

acts as the Chairman of the Audit and Risk Committee.

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

LEGAL DISPUTES IN 2015

On December 27, 2013, Outotec announced that Outotec and the Brazilian mining company MMX Sudeste Mineração S.A. (MMX) had started separate arbitration processes against each other at the International Court of Arbitration in a dispute regarding the delivery of 17 filters. On January 27, 2016, Outotec announced that the arbitration court's final decision for Outotec had a EUR 6.4 million negative impact. This has been booked in non-recurring items in the fourth quarter of 2015.

On September 15, 2015, Outotec announced that the company and Yanggu Xiangguang Copper Co. (Yanggu) have settled all legal disputes regarding license agreements and intellectual property rights relating to Outotec Flash Smelting technology (Press Release on April 2, 2014, and Stock Exchange Release on March 23, 2015). Yanggu has withdrawn its application for summons at the High Court of Shandong Province in China and Outotec has withdrawn its arbitration process at the ICC International Court of Arbitration. These settlements have no impact on Outotec's financial guidance for 2015.

On September 7, 2015, Outotec announced that the Price Supervision and Anti-Monopoly Bureau of the National Development and Reform Commission of the P.R. China (NDRC) has closed its investigations of Outotec's mar-

TRADING, MARKET CAPITALIZATION, AND SHAREHOLDERS

Shares on NASDAQ Helsinki January-December 2015	No. of shares traded	Total value EUR	High EUR	Low EUR	Average EUR ¹⁾	Last paid EUR
OTE1V	236,182,191	1,120,463,587	6.85	3.10	4.74	3.40

¹⁾ Volume weighted average

	December 31, 2015	December 31, 2014
Market capitalization, EUR million	623	803
No. of shareholders	33,830	32,408
Nominee registered shareholders (no of registers 11), %	27.0	27.9
Finnish private investors, %	21.1	19.0

ket position regarding the Flash Smelting and Flash Converting technologies in China (Stock Exchange Release on March 23, 2015). Outotec has been cooperating with NDRC during the investigation and undertaken to adapt modifications required by Chinese anti-monopoly laws into Outotec's license agreements in China. Outotec will continue its Flash Smelting and Flash Converting technology business in China.

On August 28, 2015, Outotec announced that the Arbitral Tribunal has issued an award concerning the patent dispute between Outotec and Outokumpu Oyj relating to ferroalloys technology inventions. According to the award, rights of ownership and use of the inventions belong to both Outotec and Outokumpu jointly. In addition, the Arbitral Tribunal stated that Outokumpu had breached the Technology Cooperation Agreement between the parties.

Outotec's claims for compensation were dismissed as premature. Outotec will disclose separately possible implications of the Arbitral tribunal's awards to the legal proceedings related to the same technologies at the Helsinki District Court.

No new legal disputes were started in the fourth quarter of 2015. Ongoing material legal disputes are listed in the risk section of the company's website at www.outotec.com/investors.

SHARES AND SHARE CAPITAL

Outotec's shares are listed on the Nasdaq Helsinki (OTE1V). At the end of the reporting period, Outotec's share capital was EUR 17,186,442,52, consisting of 183,121,492 shares. Each share entitles its holder to one vote at the company's general shareholder meetings.

OUTOTEC OYJ OWN SHAREHOLDING

At the end of the reporting period, the company held directly a total of 2,030,011 Outotec shares, which represents a relative share of 1.1% of Outotec Oyj's shares and votes.

Outotec has an agreement with a third-party service provider concerning the administration and hedging of the Share-based Incentive Program for key personnel. At the end of 2015, the number of these shares was 675.

SHARE-BASED INCENTIVES

Outotec has a Share-based Incentive Program for the company's key personnel and an 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.

CHANGES IN SHAREHOLDING IN 2015

On November 26, 2015, Edinburgh Partners Limited announced that its holdings in shares of Outotec Oyj on November 25, 2015 had fallen below 5% and were 9,121,184 shares, which represents 4.98% of the share capital. Of these shares voting authority applies for 6,349,964 (3.47%).

On August 28, 2015, Harris Associates Investment Trust announced that its Oakmark International Small Cap Funds' holdings in shares of Outotec Oyj on August 26, 2015 had exceeded 5% and were 9,336,814 shares, which represents 5.10% of the share capital.

On July 30, 2015, Mandarin Gestion announced that its holdings in shares of Outotec Oyj on July 30, 2015 had fallen below 5% and were 9,009,106 shares, which represents 4.92% of the share capital.

On July 27, 2015, Mandarin Gestion announced that its holdings in shares of Outotec Oyj on July 24, 2015 had exceeded 5% and were 9,253,697 shares, which represents 5.05% of the share capital.

On July 8, 2015, Harris Associates L.P. announced that its holdings in shares of Outotec Oyj on July 6, 2015 had exceeded 5% and were 9,289,114 shares, which represents 5.07% of the share capital.

On January, 29, 2015, Franklin Templeton Investment Management Limited announced that its Franklin Templeton Investment Funds' holdings in shares of Outotec Oyj on January 27, 2015 had fallen below 5% and were 8,862,083 shares, which represents 4.84% of the share capital.

On January 23, 2015, Edinburgh Partners Limited announced that its holdings in shares

of Outotec Oyj on January 21, 2015 had exceeded 5% and were 9,231,529 shares, which represents 5.04% of the share capital. Of these shares voting authority applies for 6,303,343 (3.44%).

SHORT-TERM RISKS AND UNCERTAINTIES

Increased uncertainty at China's growth outlook, weakened metals prices, weakening of emerging market economies, or lack of financing may cause customers to postpone investments or service purchases. In some cases, existing projects may be put on hold or cancelled. There is also an increased risk of credit losses, considering mining customers' poor cash flows and weakened financials.

In the current difficult market situation, Outotec sees an increased risk of disputes relating to project implementation, cost overruns, delayed delivery, or guaranteed performance. In the contracts that relate to delivery of major projects, the liquidated damages claims attributable to for instance delayed delivery or non-performance may have a material impact on the financials results of Outotec.

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

Outotec is involved in a number of arbitration and court proceedings. Different interpretations of international contracts and laws may cause uncertainty in estimating the final

outcome of the disputes. Outotec makes provisions for the amounts related to the claims, when an unfavorable outcome is probable and the amount can be reasonably estimated.

Approximately 60% of Outotec cash flows are denominated in euros. Outotec's policy is to hedge 100% of transaction risks. When there are significant currency fluctuations, the IFRS mark to market valuation of foreign exchange forward agreements principle may cause volatility in Outotec's quarterly profit and loss statements. In the current market situation, the short-term risk and uncertainties involved may lead to decreasing headroom under financial covenants related to capital structure and liquidity in Outotec's main credit facilities.

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

EVENTS AFTER THE REPORTING PERIOD

On December 27, 2013, Outotec announced that Outotec and the Brazilian mining company MMX Sudeste Mineração S.A. (MMX) had started separate arbitration processes against each other at the International Court of Arbitration in a dispute regarding the delivery of 17 filters. On January 27, 2016, Outotec announced that the arbitration court's final decision for Outotec had a EUR 6.4 million negative impact. This has been booked in non-recurring items in the fourth quarter of 2015.

On January 25, 2016, Outotec announced that Robin Lindahl, Executive Vice President and President of Metals, Energy & Water business has decided to leave Outotec to join

Normet Group as their new President and CEO on May 1, 2016 at the latest.

On January 21, 2016, Outotec announced that it was ranked the world's third most sustainable company on the Global 100 Index of Corporate Knights. Outotec has also received the Silver Class distinction for its excellent sustainability performance in RobecoSAM's annual Corporate Sustainability Assessment.

On January 7, 2016, Outotec announced that it had agreed with Mintal Group on the design and delivery of a ferrochrome plant for Mintal in Baotou, China. The contract value exceeds EUR 25 million and has been booked in the fourth quarter 2015 order intake.

On January 4, 2016, Outotec announced that it had completed employee cooperation negotiations and as a result, 150 jobs have been reduced in Finland.

MARKET OUTLOOK

If the uncertainties regarding China's economy continue, it will likely continue to depress both metals prices and the outlook for metals demand growth. The industry is expected to continue adjusting the capacity down, which over time should start supporting the strengthening of metals prices and increase the attractiveness of maintenance and new investments. Until today, however, the announced and implemented production cuts have not yet had a material positive effect on the demand and supply outlook and metals prices. Most producers are suffering from the current market conditions and long-term price outlook is not supportive for investment, because the long-term consensus prices are still much below investment incentive prices.

Most mining and metals analysts are forecasting a flat or somewhat lower investment level for 2016.

There is demand for sustainable solutions in certain minerals and metals processing areas due to tightening environmental regulations and companies' need to better manage their environmental risks. The scarcity and cost of water is another important driver for process modernizations, but sluggish industry sentiment and customers' cash flow constraints continue to slow down project development and postpone investments in general. Some geographic areas such as the Middle East offer attractive business opportunities as governments want to develop and diversify their countries' economies.

Service business is dependent on the industry's production volumes and the investment appetite for maintaining, upgrading and modernizing the production assets. Customers' pressures to improve productivity creates opportunities for performance services business. The reduction of operating costs and maximization of free cash flow are expected to continue, putting pressure on the demand for, and pricing of, services.

Waste-to-energy solutions are in demand in certain countries. However, as the decision making in these countries is linked to subsidy and environmental regulations as well as energy prices, the development of this market will be volatile.

FINANCIAL GUIDANCE FOR 2016

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

- Sales will be approximately EUR 1.0–1.2 billion, and
- Adjusted EBIT* will be approximately 2–5%

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

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

*¹ Excluding restructuring and acquisition-related costs as well as purchase price allocation amortizations.

BOARD OF DIRECTORS PROPOSAL FOR PROFIT DISTRIBUTION

The Board of Directors of Outotec proposes to the Annual General meeting that no dividend will be paid for year ending December 31, 2015. According to the financial statement for December 31, 2015, the parent company distributable funds total EUR 309.7 million. There have been no substantial changes in the financial position of the company after the balance sheet date.

Corporate governance statement

Corporate governance statement has been given as a separate statement and it is available on Outotec's internet pages, www.outotec.com.

Espoo, February 9, 2016

Outotec Oyj
Board of Directors
Matti Alahuhta (chairman)
Timo Ritakallio (Vice chairman)
Eija Ailasmaa
Klaus Cawén
Anja Korhonen
Ian W. Pearce
Chaim (Poju) Zabłudowicz
Pertti Korhonen, President and CEO

CONSOLIDATED FINANCIAL STATEMENTS, IFRS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Note	2015	2014
Sales	3, 5	1,201.2	1,402.6
Cost of sales	8	-866.6	-1,082.1
Gross profit		334.6	320.5
Other income	6	3.2	1.6
Selling and marketing expenses	8	-108.4	-102.5
Administrative expenses	8	-113.9	-104.7
Research and development expenses	8	-61.2	-56.9
Other expenses	7	-66.1	-47.2
Share of results of associated companies	16	-0.4	-0.3
Operating profit		-12.3	10.4
Finance income	11	4.6	6.0
Finance expenses	11	-12.9	-14.4
Market price gains and losses	11	-2.3	-1.8
Net finance income		-10.6	-10.2
Profit before income taxes		-22.9	0.2
Income tax expenses	12	5.7	-0.1
Profit for the period		-17.2	0.2

EUR million	Note	2015	2014
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit obligations		0.5	-7.5
Income tax relating to items that will not be reclassified to profit or loss		-0.1	2.2
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translating foreign operations		-8.5	8.7
Cash flow hedges		-2.0	-1.6
Available for sale financial assets		0.0	-0.1
Income tax relating to items that may be reclassified to profit or loss		0.5	0.0
Other comprehensive income for the period		-9.6	1.8
Total comprehensive income for the period		-26.7	1.9
Profit for the period attributable to:			
Equity holders of the parent company		-17.3	0.2
Non-controlling interest		0.2	-
Total comprehensive income for the period attributable to:			
Equity holders of the parent company		-26.9	1.9
Non-controlling interest		0.2	-
Earnings per share for profit attributable to the equity holders of the parent company:			
Basic earnings per share, EUR	13	-0.10	0.00
Diluted earnings per share, EUR	13	-0.10	0.00

The Notes on pages 22 to 63 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million Note **31.12.2015** 31.12.2014

ASSETS

Non-current assets

Intangible assets	14	405.0	350.5
Property, plant and equipment	15	83.0	78.1
Deferred tax assets	12	88.6	70.5
Investments in associated companies	16	0.1	0.4
Available-for-sale financial assets ¹⁾	17	2.2	2.2
Derivative financial instruments	19	5.6	6.5
Trade and other receivables	21		
Interest-bearing ¹⁾		1.9	1.4
Non interest-bearing		2.4	2.4
Total non-current assets		588.7	512.0

Current assets

Inventories	20	202.2	170.0
Derivative financial instruments	19	3.5	6.2
Trade and other receivables	21		
Interest-bearing ¹⁾		0.1	0.2
Non interest-bearing		436.2	471.8
Cash and cash equivalents ¹⁾	22	300.7	281.9
Total current assets		942.6	930.1

TOTAL ASSETS		1,531.4	1,442.1
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¹⁾ Included in net interest-bearing debt.

The Notes on pages 22 to 63 are an integral part of these consolidated financial statements.

EUR million Note **31.12.2015** 31.12.2014

EQUITY AND LIABILITIES

Equity attributable to the equity holders of the parent company

Share capital		17.2	17.2
Share premium fund		20.2	20.2
Treasury shares		-17.4	-18.0
Reserve for invested non-restricted equity		93.8	93.0
Other reserves		-14.2	-13.1
Retained earnings		319.6	345.8
Profit for the period		-17.3	0.2
		401.8	445.3

Non-controlling interest		2.9	-
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Total equity	23	404.7	445.3
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Non-current liabilities

Interest-bearing debt ¹⁾	26	291.4	242.6
Derivative financial instruments	19	1.0	0.4
Deferred tax liabilities	12	51.9	36.7
Employee benefits	24	51.8	50.7
Provisions	25	1.1	17.4
Trade and other payables	27	18.0	10.3
Total non-current liabilities		415.2	358.1

Current liabilities

Interest-bearing debt ¹⁾	26	47.7	30.7
Derivative financial instruments	19	5.4	8.3
Current tax liabilities		4.6	21.5
Provisions	25	81.4	48.0
Trade and other payables	27	572.4	530.1
Total current liabilities		711.5	638.7

Total liabilities		1,126.7	996.9
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TOTAL EQUITY AND LIABILITIES		1,531.4	1,442.1
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CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Note	31.12.2015	31.12.2014
Cash flows from operating activities			
Profit for the period		-17.2	0.2
Adjustments for			
Taxes	12	-5.7	0.1
Depreciation and amortization	14, 15	40.2	32.6
Impairment	14, 15, 21	0.8	10.1
Share of results of associated companies	16	0.4	0.3
Gains and losses on sale of property, plant and equipment	6, 7	0.1	0.0
Interest income	11	-4.5	-5.4
Interest expense	11	9.3	9.2
Other adjustments		-0.5	7.5
		40.1	54.4
Change in working capital			
Increase (-) and decrease (+) in trade and other receivables		23.4	82.4
Increase (-) and decrease (+) in inventories		-34.7	11.5
Increase (+) and decrease (-) and in trade and other payables		45.4	-121.8
Decrease (-) and increase (+) in provisions		19.9	26.8
		54.1	-1.2
Interest received		4.4	5.6
Interest paid		-8.6	-8.7
Income tax paid		-3.3	-30.3
Net cash from operating activities		69.5	19.9

EUR million	Note	31.12.2015	31.12.2014
Cash flows from investing activities			
Acquisition of subsidiaries and business operations	4	-30.8	-8.0
Purchases of property, plant and equipment	15	-15.1	-18.3
Purchases of intangible assets	14	-41.0	-38.9
Proceeds from sale of intangible and tangible assets	14, 15	0.6	1.7
Change in other non-current receivables		-0.5	-1.8
Net cash used in investing activities		-86.8	-65.2
Cash flows from financing activities			
Repayments of non-current debt		-11.5	-13.7
Borrowings of non-current debt		60.0	45.0
Decrease in current debt		-2.8	-2.5
Increase in current debt		16.5	6.1
Dividends paid		-18.1	-36.6
Repayments of finance lease liabilities		-	-0.0
Change in other financing activities		1.4	0.4
Net cash used in financing activities		45.4	-1.3
Net change in cash and cash equivalents		28.2	-46.6
Cash and cash equivalents at January 1		281.9	323.7
Foreign exchange rate effect on cash and cash equivalents		-9.3	4.8
Net change in cash and cash equivalents		28.2	-46.6
Cash and cash equivalents at December 31	22	300.7	281.9

The Notes on pages 22 to 63 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to the equity holders of the Company

EUR million	Note	Share capital	Share premium fund	Other reserves	Fair value reserves	Treasury shares	Reserve for invested non-restricted equity	Cumulative translation differences	Retained earnings	Non-controlling interest	Total equity
Equity at January 1, 2014		17.2	20.2	0.5	-6.7	-18.1	92.7	-8.2	379.8	-	477.4
Profit for the period		-	-	-	-	-	-	-	0.2	-	0.2
Other comprehensive income for the period	11	-	-	-	-6.9	-	-	8.7	-	-	1.8
Total comprehensive income for the period		-	-	-	-6.9	-	-	8.7	0.2	-	1.9
Dividends paid	23	-	-	-	-	-	-	-	-36.6	-	-36.6
Share-based compensation	10	-	-	-	-	0.1	0.4	-	1.7	-	2.2
Other changes		-	-	-0.0	-	-	-	-	0.4	-	0.4
Equity at December 31, 2014		17.2	20.2	0.4	-13.6	-18.0	93.0	0.4	345.5	-	445.3
Profit for the period		-	-	-	-	-	-	-	-17.3	0.2	-17.2
Other comprehensive income for the period	11	-	-	-	-1.0	-	-	-8.5	-	-	-9.6
Total comprehensive income for the period		-	-	-	-1.0	-	-	-8.5	-17.3	0.2	-26.7
Dividends paid	23	-	-	-	-	-	-	-	-18.3	-	-18.3
Share-based compensation	10	-	-	-	-	0.6	0.7	-	0.2	-	1.5
Acquisition of non-controlling interest in subsidiaries		-	-	-	-	-	-	-	-	2.7	2.7
Other changes		-	-	0.0	-	-	-	-	0.2	-	0.2
Equity at December 31, 2015		17.2	20.2	0.4	-14.6	-17.4	93.8	-8.1	310.3	2.9	404.7

The Notes on pages 22 to 63 are an integral part of these consolidated financial statements.

RECLASSIFICATION OF PRODUCT MANAGEMENT COSTS

In Outotec's income statement all costs related to technical product management have been included as of January 1, 2015 in Research and Development (R&D) expenses, and all costs related to commercial product management have been included in Selling and Marketing expenses. Previously some of the costs related to product management activi-

ties were reported in the Cost of Sales above the Gross Margin in the income statement.

Since 2011, Outotec has been developing and deploying uniform global business processes and related information technology platforms. The company has now established a more comprehensive technical product management process as part of its R&D, and a

commercial product management process as part of its selling and marketing. The reclassification of product management costs is consistent with the redefinition of the product management business processes and reflects the true nature of these activities in the profit and loss statement.

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

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

RECLASSIFIED FIGURES FOR 2014 (CHANGES ON BOLD IN THE TABLE)

EUR million	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1-Q4 2014
Sales	343.9	335.2	320.3	403.2	1,402.6
Cost of sales	-269.2	-263.8	-238.3	-310.7	-1,082.1
Gross profit	74.7	71.4	82.0	92.5	320.5
Gross profit, %	21.7	21.3	25.6	22.9	22.9
Other income	0.2	0.5	0.1	0.8	1.6
Selling and marketing expenses	-24.6	-25.3	-24.8	-27.7	-102.5
Administrative expenses	-24.2	-26.9	-27.6	-26.1	-104.7
Research and development expenses	-15.5	-14.9	-13.3	-13.2	-56.9
Other expenses	-1.8	-5.0	-16.7	-23.7	-47.2
Share of results of associated companies	-	-0.1	0.0	-0.1	-0.3
EBIT	8.7	-0.3	-0.3	2.3	10.4
R&D expenses of sales, %	4.5	4.4	4.2	3.3	4.1

2014 REPORTED FIGURES (BEFORE RECLASSIFICATION)

EUR million	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1-Q4 2014
Sales	343.9	335.2	320.3	403.2	1,402.6
Cost of sales	-276.9	-270.6	-245.4	-315.7	-1,108.6
Gross profit	67.0	64.6	74.9	87.5	294.0
Gross profit, %	19.5	19.3	23.4	21.7	21.0
Other income	0.2	0.5	0.1	0.8	1.6
Selling and marketing expenses	-22.6	-23.6	-23.0	-26.5	-95.6
Administrative expenses	-24.2	-26.9	-27.6	-26.1	-104.7
Research and development expenses	-9.8	-9.9	-8.1	-9.6	-37.3
Other expenses	-1.8	-5.0	-16.7	-23.7	-47.2
Share of results of associated companies	-	-0.1	0.0	-0.1	-0.3
EBIT	8.7	-0.3	-0.3	2.3	10.4
R&D expenses of sales, %	2.9	2.9	2.5	2.4	2.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Outotec Oyj ("the company" or "Parent company") is a Finnish public limited liability company organized under the laws of Finland with its registered office in Espoo. The parent company, Outotec Oyj, has been listed on the Nasdaq Helsinki since 2006.

Outotec is a leading global provider of process solutions, technologies, and services for the mining and metallurgical industries. The company utilizes its extensive experience and advanced process know-how by providing plants, equipment, and services based mainly on proprietary technologies. Outotec works in close partnership with its customers and provides environmentally sound and energy saving solutions.

Outotec and its subsidiaries (collectively "the Group" or "Outotec") operate through two business areas which are also reporting segments: Minerals Processing and Metals, Energy & Water. The service business is reported under the two segments. However, its sales volume, order intake and order backlog are also reported separately.

In 2015, Outotec had 4,859 employees in 34 countries (1,481 in Finland) and generated sales of EUR 1,201.2 million. A copy of the financial statements of Outotec is available at the Group's website www.outotec.com.

The Board of Directors has authorized the Consolidated Financial Statements for issue on February 8, 2016. According to Finnish

Limited Liability Companies Act the shareholders have right to approve or to reject the Consolidated Financial Statements in the Annual General Meeting held after issuing. The Annual General Meeting also has the right to make the decision to change the Consolidated Financial Statements.

2. ACCOUNTING PRINCIPLES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Basis of preparation

The consolidated financial statements of Outotec have been prepared in compliance with International Financial Reporting Standards (IFRS) as adopted by the European Union by applying the IAS and IFRS standards as well as SIC and IFRIC interpretations in force at December 31, 2015. Notes to the consolidated financial statements have been prepared also in accordance with Finnish accounting Standards and Finnish corporate legislation. The consolidated financial statements are presented in millions of euros and have been prepared on the historical cost basis, unless otherwise stated in the accounting principles or disclosures.

Adoption of new and amended standards

Outotec has applied revised standards and interpretations that have become effective during the accounting period. The amendments

did not have a material impact on the result or the financial position of the Group or on the presentation of the financial statements.

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

- IAS 1 – Presentation of Financial Statements. The aim of the amendments is to improve and simplify the disclosures in financial statements. The amendments clarify guidance on materiality, the aggregation of income statement and balance sheet items, the presentation of subtotals, the structure of financial statements and the disclosure of accounting principles. Outotec is assessing the presentation of its financial statements. If changes will be made, they are intended to be adopted in 2016.
- IFRS 9 – Financial Instruments. New standard replaces current standard IAS 39 Financial Instruments: Recognition and measurement. It addresses the classification, measurement and recognition of financial assets and financial liabilities. Based on IFRS 9, financial assets are required to be classified into three measurement categories: amortized cost, fair value through profit or loss. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. Standard also changes the recognition of impairment losses and the application of hedge accounting. Outotec is assessing the impact of IFRS 9 and intends to fully adopt it in 2018. The Group has paid attention especially to the amendments in applying hedge accounting. It is not yet possible to estimate the impact of the new standard to financial statements.
- IFRS 15 – Revenue from Contracts with Customers. New standard aims to establish principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It replaces IAS 18 and IAS 11 standards and related interpretations. New standard includes five step guidelines to recognition of revenue from contracts with customers. Outotec is assessing the impact of IFRS 15 and intends to adopt it in 2018. The Group has paid attention especially to the identifying of performance obligations and the criteria for over time recognition of revenue. It is not yet possible to estimate the impact of the new standard to financial statements.

There are no other IFRS standards, amendments to standards or interpretations that are not yet effective that would be expected to have a material impact on the Group's financial statements.

Use of estimates

The preparation of the financial statements in accordance with 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 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, revenue recognition of long-term construction contracts, income taxes, project liabilities pension obligations, and impairment of goodwill. The basis for the estimates is described in more detail in these accounting principles and in connection with the relevant disclosure to the financial statement. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from the estimates used in the financial statements.

Principles of consolidation

The consolidated financial statements include the parent company Outotec Oyj and all subsidiaries where the parent company is in control of the company. The group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the

entity and has ability to affect those returns through its power over the entity. Disposed subsidiaries are included in the consolidated financial statement until the controlling right is finished and acquired subsidiaries from the date where the Group has gained the control. Associated companies, in which Outotec has significant influence, but not control, over the financial and operating policies, are included in the consolidated financial statements using the equity method. When Outotec's share of losses exceeds the interest in the associated company, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associated companies. The interest in an associated company is the carrying amount of the investment under the equity method together with any long-term interest that, in substance, forms part of the investor's net investment in the associated company. The Group's share of the result of the associated companies has been presented as separate item in the statement of comprehensive income. The Group's share of changes in associated companies' other comprehensive income have been booked similarly. Associated companies of the Group have not had other comprehensive income items in the reporting period 2014 or 2015.

Acquired companies are accounted for using the purchase method, according to which the assets, liabilities, and contingent liabilities of the acquired company are measured at fair value at the date of acquisition. Goodwill arising on an acquisition represents the excess of the cost of the acquisition, non-controlling interest and previous ownership

at the acquired subsidiary over the fair value of the net identifiable assets, liabilities, and contingent liabilities acquired. The share of the non-controlling interest is recognized at the fair value or value which corresponds with the relative share of the acquired entity's net assets. Subsidiaries acquired during the year are included in the consolidated financial statements from the date of their acquisition and disposed subsidiaries are included up to the date of sale.

The purchase price related to subsidiary acquisitions includes possible assets at the fair value, liabilities of the acquirer for the earlier owners of the company and issued equity shares. Also possible contingent liabilities or assets at the fair value are considered as a part of the payment. Costs related to the acquisition are recognized in profit or loss when incurring or when services are rendered.

All intra-group transactions, receivables, liabilities, and unrealized margins, as well as distribution of profits within the Group, are eliminated in the consolidation. Net profit or loss for the reporting period and comprehensive income items are allocated to the parent company's shareholders and non-controlling interest parties and are presented in the comprehensive income. The share of the non-controlling interest is disclosed separately from the equity belonging to the shareholders of the parent company. The comprehensive income is allocated to the shareholders of the parent company and non-controlling parties even if this concludes to a negative share for the non-controlling interest unless non-controlling interest has no conclusive application to cover the loss exceeding the investment. Changes

in subsidiary shares that do not conclude the loss of the control are reported as changes in equity.

In consolidated financial statements translation differences, which arise from translating hedging instruments of net investments in foreign operations, debts, and similar investments are booked to other comprehensive income and cumulative translation difference is presented in equity. Translation reserve and post-acquisition cumulative translation differences from acquired foreign companies are booked to other comprehensive income and presented as a separate item in equity.

Operating segments

An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other operating segments. The operating segments are based on the Group's internal organization and financial reporting structure.

The reportable operating segments according to IFRS 8 are Minerals Processing and Metals, Energy & Water. Outotec's highest operative decision maker (according to IFRS 8) is the President and CEO of the parent company of Outotec Group with the support of the Executive Board. The President and CEO assess the Group's financial position and its development as a whole and based on the two business areas.

Geographical information is based on the three main areas where the Group has activities. The Regions are Americas, EMEA (including Europe, Middle East, Africa and CIS

countries) and APAC (including Asia, Pacific, China and India).

Foreign currency transactions

Items of each subsidiary included in the consolidated financial statements are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that subsidiary ("the functional currency"). The consolidated financial statements are presented in euros, which is the functional currency of the parent company. Group companies' foreign currency transactions are translated into functional currencies using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into functional currencies at the exchange rates prevailing at the reporting date. Foreign exchange gains and losses resulting from the settlement or translation of monetary interest-bearing assets and liabilities denominated in foreign currencies and related derivatives are recognized in financial income and expenses. Foreign exchange differences arising in respect of other financial instruments are included in operating profit under sales, purchases or other income and expenses. Comprehensive income and cash flows of subsidiaries, whose functional and reporting currencies is not euro, are translated into euros at the average exchange rates during the financial period. Their statements of financial positions are translated at the exchange rates prevailing at the reporting date. The differences between average exchange rates and reporting date

rates are entered into equity and the change entered in other comprehensive income.

Revenue recognition

Sales are recognized after the significant risks and rewards that are connected with ownership have been transferred to the buyer, and the Group retains neither a continuing managerial involvement to the degree usually associated with ownership, nor effective control of those goods. Revenues from services are recorded when the service has been performed. Sales are shown net of indirect sales taxes and discounts.

Revenue from long-term construction contracts is recognized based on the stage of completion when the outcome of the project can be reliably measured. The outcome of the project can be measured reliably, when total contract revenues and expenses can be measured reliably and when the progress of the project can be measured reliably and it is probable that the economic benefits associated with the project will flow to the Group. When the outcome of the project cannot be measured reliably, revenue shall be recognized only to the extent of contract costs incurred that is probable that they will be recoverable.

The stage of completion is measured by using the cost-to-cost method under which the percentage of completion is defined as the ratio of costs incurred to total estimated costs. Revenue recognition according to the stage of completion is based on the estimates of anticipated contract revenues and expenses and on the reliable measurement of the project progress. Revenue recognized and result

will be adjusted if the estimates of the project outcome change. The cumulative effect of a change in the estimates will be recorded in the financial period in which the change was first time estimated and known. The expected loss of the project shall be recognized as an expense immediately.

All unfinished projects under the method of the percentage of completion are reviewed and the needed project liabilities are updated. In projects where the stage of completion is close to 100%, liabilities for performance guarantees, warranty period guarantees, possible provisions for project losses, and changes in accruals for project expenses are evaluated and made. Risks related to new commercialized products are also evaluated and quantified, and the necessary accruals are reserved.

License income is recognized on an accrual basis in accordance with the substance of the relevant technology transfer agreement.

Research and development expenses

Research expenses are expensed as they are incurred. Development costs are capitalized when it is probable that a development project will generate future economic benefits, and certain criteria, including commercial and technological feasibility, have been met. Capitalized development expenses comprise mainly materials, supplies, direct labor, and related overhead costs. The carrying value of capitalized development expenses in the statement of financial position represents the cost less accumulated depreciation and any impairment charges. Capitalized development expenses are amortized on a systematic basis

over their expected useful live. If the carrying value of capitalized development expenses exceeds the amount of the cash flows expected to be generated by the asset, the difference shall be recognized as an expense immediately.

Operating profit

Operating profit is the net amount that equals to sales less cost of sales, added with other operating income, less selling and marketing, administration and research and development expenses, less other operating expenses and added with the share of the result of the associated companies.

Income tax expenses

The Group income tax expense includes taxes of the Group companies based on taxable profit for the period, together with tax adjustments for previous periods and the change in deferred income taxes. The income tax effects of items recognized directly in equity or in other comprehensive income are similarly recognized. The share of results of associated companies is reported in the statement of comprehensive income as calculated from net profit and thus includes the income tax charge. Deferred income taxes are stated using the liability method, as measured with enacted tax rates, to reflect the net tax effects of all temporary differences between the financial reporting and tax bases of assets and liabilities. The main temporary differences arise from timing differences in revenue recognition, tax losses carried forward, depreciation differences, provisions for operating expenses and other items as well as project

provisions. Deductible temporary differences are recognized as a deferred tax asset to the extent that it is probable that future taxable profits will be available, against which the deductible temporary difference can be utilized.

Non-recurring items

Non-recurring or one-time items are unusual items in the statement of comprehensive income that do not occur regularly and thus are not normal business operations in Outotec. They are one-time expenses or income that the management does not expect to encounter again. Non-recurring items are reported under other operating expenses or income and defined in the Note 8.

Goodwill and other intangible assets

Goodwill arising on an acquisition represents the excess of the cost of the acquisition over the fair value of the net identifiable assets, liabilities, and contingent liabilities acquired. Goodwill is stated at cost and is not amortized, but tested annually for impairment. In respect of associated companies, the carrying amount of goodwill is included in the carrying amount of the investment.

Other intangible assets include customer relationships, capitalized development expenses, patents, copyrights, licenses, and software. The valuation of intangible assets acquired in a business combination is based on fair value. Development costs or acquisition costs of new software clearly associated with an identifiable product, which will be controlled by the Group and has probable economic benefit exceeding its cost beyond one year, are recognized as an intangible asset and

depreciated over the software's expected useful life. Associated costs include staff costs of the development team. An intangible asset is recognized only if it is probable that the future economic benefits that are attributable to the asset will flow to the Group, and the cost of the asset can be measured reliably. All other expenditure is expensed as incurred.

Periods of amortization used for intangible assets are:

Intangible rights	3–20 years
Software	3–10 years

Property, plant and equipment

Property, plant and equipment acquired by Group companies are stated at historical cost, less impairment, except the assets of acquired companies that were stated at their fair values at the date of acquisition. Depreciation is calculated based on the useful lives of the assets. The carrying value of the property, plant and equipment in the statement of financial position represents the cost less accumulated depreciation and any impairment charges.

Depreciation is based on the following expected useful lives:

Buildings	10–20 years
Machinery and equipment	5–20 years
Research and development equipment	3–10 years
Land is not depreciated.	

The expected useful lives of non-current assets are reviewed at each reporting date and, where they differ significantly from previous estimates, depreciation periods are changed

accordingly. Ordinary repairs and maintenance costs are charged to the statement of comprehensive income during the financial year in which they are incurred. The cost of major renovations is included in the asset's carrying amount when it is probable that the Group will derive future economic benefits in excess of the originally assessed standard of performance of the existing asset. Major renovations are depreciated over the useful lives of the related assets. Gains and losses on sales and disposals are determined by comparing the received proceeds with the carrying amount and are included in operating profit.

Government grants

Government or other grants are recognized as income on a systematic basis over the periods necessary to match them with the related costs, which they are intended to compensate. Investment grants are recognized as revenue on a systematic basis over the useful life of the asset. In the statement of financial position, investment grants are deducted from the value of the asset they relate to.

Impairments

Property, plant and equipment and other non-current assets, including goodwill and intangible assets, are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Goodwill and intangible assets which are not yet available for use are tested at least annually. For the purposes of assessing impairment, assets are grouped at the lowest cash generating unit level for which there is

separately identifiable, mainly independent, cash inflows and outflows. An impairment loss is the amount by which the carrying amount of the assets exceeds the recoverable amount. The recoverable amount is the asset's value in use. The value in use is determined by reference to discounted future cash flows expected to be generated by the asset. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount. However, the reversal must not result in the adjusted value being higher than the carrying amount that would have been determined if no impairment loss had been recognized in prior years. Impairment losses recognized for goodwill are not reversed.

Leases

Leases of property, plant and equipment, where the lessee has substantially all the rewards and risks of ownership of an asset, are classified as finance leases. The lessee capitalizes the finance leases at the commencement of the lease term at the lower of the fair value of the leased property or the estimated present value of the underlying lease payments. Each lease payment is allocated between the capital liability and finance charges, to achieve a constant interest rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in interest-bearing liabilities with the interest element of the finance charge being recognized in the statement of comprehensive income over the lease period. Property, plant and equipment acquired under finance lease contracts are

depreciated over the shorter of the useful life of the asset or lease period. Leases of assets where the lessor retains all the risks and benefits of ownership are classified as operating leases. Payments made under other rental agreements, are expensed on a straight-line basis over the lease periods.

Financial instruments

Financial instruments are classified as loans and receivables, held-to-maturity investments, available-for-sale financial assets, financial liabilities at amortized cost, and financial assets and liabilities at fair value through profit and loss. Equity investments are classified as available-for-sale financial assets. Interest-bearing securities and convertible loan receivables are classified as financial assets at fair value through profit and loss. However, highly liquid marketable securities with maturity not exceeding three months are classified as cash equivalents.

According to the IFRS 7 standard, the company is required to classify available-for-sale financial assets into the following fair value hierarchy levels:

- Level 1 - fair values are measured using quoted prices (unadjusted) in active markets for identical instruments
- Level 2 - fair values are measured using directly or indirectly observable inputs, other than those included in Level 1
- Level 3 - fair values are measured using inputs that are not based on observable market data.

Available-for-sale financial assets, as well as financial assets and liabilities at fair value

through profit and loss, are measured at fair value and the valuation is based on quoted rates and market prices and appropriate valuation models. Unlisted equity securities for which fair value cannot be reliably measured are recognized at cost less impairment. The unrealized fair value changes of available-for-sale financial assets are recognized in other comprehensive income and presented in fair value reserve of equity net of taxes. In the event such an asset is disposed of, the accumulated fair value changes are released from equity to financial income and expenses in the statement of comprehensive income. Impairments of available-for-sale financial assets are recognized in the statement of comprehensive income. Purchases and sales of available-for-sale financial assets are recognized at the trade date.

Loans and receivables as well as all financial liabilities, except for derivatives, are recognized at the settlement date and measured at amortized cost using the effective interest rate method. Transaction costs are included in the initially recognized amount. The need for impairment is assessed separately for each loan receivable and when realized it is deducted from the carrying value. The impairment shall be based on evidence that it is probable that the Group will not be able to collect the loan receivable according to initial terms. Financial assets and liabilities at fair value through profit and loss are recognized at the trade date and measured at fair value.

All derivatives, including embedded derivatives, are initially recognized at fair value on the date Outotec has entered into the derivative contract, and are subsequently re-meas-

ured at fair value. Determination of fair values is based on quoted market prices and rates, discounting of cash flows, and option valuation models.

Fair values of currency forwards and swaps are determined by discounting the future nominal cash flows with relevant interest rates and then converting the discounted cash flows to the base currency using spot rates. The fair value of currency options is determined by utilizing commonly applied option valuation models.

The majority of Outotec's derivatives are hedging underlying operative transactions although in accordance with the IAS 39 standard they are not classified as hedging instruments as they do not meet the IAS 39 standard criteria for hedge accounting. The fair value changes of these derivatives are recognized in operating profit under other income and expenses. However, if the derivative is assigned to financial items, the fair value changes are recognized in financial income and expenses.

For those projects where cash flow hedge accounting is applied, the effectiveness of the hedge is tested and documented according to IAS 39. The hedge results are recognized in the statement of comprehensive income in the same periods as the project revenue. The hedged cash flows are mainly customer prepayments that are recognized as revenue in the statement of comprehensive income using the percentage of completion method. The respective proportion of the hedge results has been recognized in the statement of comprehensive income as an adjustment to sales, and the remaining part in the other comprehensive income and presented in the cash flow hedge

reserve in equity. The amounts in the cash flow hedge reserve also include a respective proportion of the realized result of hedges of customer prepayments that have already taken place but not recognized in statement of comprehensive income.

All recognized fair value changes to equity are net of tax.

Commitments and contingent liabilities

Outotec Oyj has issued commercial guarantees in connection with long-term construction contracts on its own and on behalf of its subsidiaries. Guarantees have been given in order to secure customers' advance payments or counter secure commercial guarantees given by a bank to a customer or financing needs of local subsidiaries. Certain guarantees relate also to other commercial contractual obligations.

Guarantees, pledges, and mortgages have been presented as commitments and contingent liabilities in notes to the consolidated financial statements.

Guarantees issued will be discharged as agreed under the terms of the commercial contract and the contract of guarantee.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the weighted average cost method or FIFO method (first-in, first-out). The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs, and related production overheads, but excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of busi-

ness, less the estimated costs of completion and the estimated costs necessary to make the sale.

Trade receivables

Trade receivables are carried at their anticipated realizable value, which is the original invoice amount less an estimated valuation allowance for impairment of these receivables. A valuation allowance for impairment of trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Trade receivables are classified in compliance with IFRS 7 to loans and receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities in the statement of financial position.

Treasury shares

The purchase of treasury shares with associated transaction costs has been deducted from shareholder's equity in the consolidated financial statements. Accordingly assigning of the treasury shares increases the shareholder's equity with a fair value.

Provisions

Provisions are recognized in the statement of financial position when Outotec has a present legal or constructive obligation as a result

of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions can arise from warranty period guarantees or provisions for project losses, restructuring plans, litigation, tax or from environmental plans.

Employee benefits

Pension obligations

Group companies in different countries have various pension plans in accordance with local conditions and practices. The plans are classified as either defined contribution plans or defined benefit plans.

Defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity the group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present values of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income

in the period in which they arise. Past-service costs are recognized immediately in income.

Share-based payments

The fair value of share-based payment is measured on the day on which the share-based payment plan is agreed upon between the counterparties. Since the person is not entitled to receive dividends during the earning period, the dividends expected to be paid have been deducted from the share price of the grant date when measuring the fair value. The component settled in shares will be recognized in shareholders' equity and the payment settled in cash in liabilities. Correspondingly, the fair value of the liability incurred in respect of a cash-settled transaction is re-measured on each reporting date until the reward payment, and the fair value of the liability will thus change in accordance with the Outotec share price.

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 lasted for the calendar year 2013, the second earning period for the calendar year 2014 and the third earning period for the calendar year 2015. 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.

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.

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. In September 2013, Outotec's Board of Directors decided to continue the Employee Share Savings Plan for the calendar year 2014, in October 2014 for the calendar year 2015 and in September 2015 for the calendar year 2016. The following saving periods are subject to a separate Board decision.

Dividends

The dividend proposed by the Board of Directors is not deducted from distributable equity until approved by the annual General meeting of Shareholders.

Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to the equity

holders of the parent company by the outstanding weighted average number of shares during the period, excluding the number of purchased treasury shares. Also shares given based on share-based incentive programs are excluded, if the restriction period is still on going. Diluted earnings per share is calculated by taking into account the diluting effect of employee share saving plan and share-based incentive programs. In addition to the weighted average number of shares outstanding, the denominator includes the shares earned in the programs. Earned shares have been proportioned to the average market price during the period if they haven't been given out yet.

3. OPERATING SEGMENTS

Outotec's business operations are divided into operating segments. The operating segments are based on the Group's internal organization and financial reporting structure. Outotec's reportable operating segments are: Minerals Processing and Metals, Energy & Water. Outotec's highest operative decision maker (Chief Operating Decision maker according to IFRS 8) is the President and CEO of the parent company of Outotec Group with the support of the Executive Board. The President and CEO assess the Group's financial position and its development as a whole and based on the two operating segments. Pricing of inter-segment transactions is based on current market prices. Segment assets and liabilities are operative items, which are used in a segment's business operations or which can on a reasonable basis be allocated to the segments. Unallocated items include taxes, financial items, and items which are common for the whole

group. Investments consist of additions in intangible and tangible assets, which are used on during more than one financial year.

Minerals Processing

Outotec provides the mining industry with sustainable mineral processing solutions, from pre-feasibility studies to complete plants and life cycle services. Outotec's comprehensive offering makes the efficient and profitable treatment of virtually all ore types possible.

In 2015, Kovit Engineering Ltd. was acquired to Minerals Processing business area.

Metals, Energy & Water

Outotec provides sustainable solutions for metal processing, renewable energy production and industrial water treatment.

Metals include extensive range of metal processing solutions for processing virtually all types of ores and concentrates to refined metals.

Energy includes innovative solutions for biomass, coal, sludge, agricultural and industrial by-products as well as oil shale and phosphorus recycling from sewage sludge ashes.

Water includes solutions producing water that meets environmental discharge standards, maximize water recycling, and reduce water and energy consumption.

In 2015, Kempe Engineering Pty Ltd, Biomin South Africa Pty. Ltd. and business of Sinter Plant Services CC were acquired to Metals, Energy & Water business area.

3.1 OPERATING SEGMENTS

2015 EUR million	Metals, Energy & Water	Minerals Processing	Reportable segments total	Unallocated items	Eliminations	Group
External sales	652.4	548.8	1,201.2	-	-	1,201.2
Inter-segment sales	-	-	-	32.2	-32.2	-
Sales	652.4	548.8	1,201.2	32.2	-32.2	1,201.2
Share of results of associated companies	-0.4	-	-0.4	-	-	-0.4
Operating profit	13.0	-16.5	-3.5	-8.8	-	-12.3
Financial income and expenses	-	-	-	-	-	-10.6
Profit before taxes	-	-	-	-	-	-22.9
Income taxes	-	-	-	-	-	5.7
Net profit for the financial year	-	-	-	-	-	-17.2
Depreciation and amortization	-21.0	-18.9	-39.9	-0.3	-	-40.2
Impairments	-0.4	-0.4	-0.8	-	-	-0.8
Non interest-bearing assets	492.4	561.4	1,053.7	83.8	-16.7	1,120.8
Investments in associated companies	0.1	-	0.1	-	-	0.1
Other interest-bearing assets	-	-	-	-	-	304.9
Income tax receivable	-	-	-	-	-	17.0
Deferred tax assets	-	-	-	-	-	88.6
Total assets						1,531.4
Non interest-bearing liabilities	419.5	274.0	693.6	37.4	0.0	731.0
Interest-bearing liabilities	-	-	-	-	-	339.1
Income tax liabilities	-	-	-	-	-	4.6
Deferred tax liabilities	-	-	-	-	-	51.9
Total liabilities	-	-	-	-	-	1,126.7
Capital expenditure	41.7	38.7	80.4	24.4	-	104.8

2014 EUR million	Metals, Energy & Water	Minerals Processing	Reportable segments total	Unallocated items	Eliminations	Group
External sales	743.1	659.6	1,402.6	-	-	1,402.6
Inter-segment sales	-	-	-	33.7	-33.7	-
Sales	743.1	659.6	1,402.6	33.7	-33.7	1,402.6
Share of results of associated companies	-0.3	-	-0.3	-	-	-0.3
Operating profit	-18.2	45.9	27.6	-17.4	-	10.4
Financial income and expenses	-	-	-	-	-	-10.2
Profit before taxes	-	-	-	-	-	0.2
Income taxes	-	-	-	-	-	-0.1
Net profit for the financial year	-	-	-	-	-	0.2
Depreciation and amortization	-15.5	-16.8	-32.3	-0.3	-	-32.6
Impairments	-	-	-	-10.1	-	-10.1
Non interest-bearing assets	455.0	545.2	1,000.2	72.4	-16.8	1,055.8
Investments in associated companies	0.4	-	0.4	-	-	0.4
Other interest-bearing assets	-	-	-	-	-	285.7
Income tax receivable	-	-	-	-	-	29.7
Deferred tax assets	-	-	-	-	-	70.5
Total assets	-	-	-	-	-	1,442.1
Non interest-bearing liabilities	368.2	265.4	633.6	31.7	0.0	665.3
Interest-bearing liabilities	-	-	-	-	-	273.3
Income tax liabilities	-	-	-	-	-	21.5
Deferred tax liabilities	-	-	-	-	-	36.7
Total liabilities	-	-	-	-	-	996.9
Capital expenditure	11.9	34.2	46.1	22.5	-	68.5

3.2 INFORMATION ABOUT GEOGRAPHICAL AREAS

EUR million	Americas	EMEA	APAC	Inter-area eliminations	Investments in associated companies	Consolidated
2015						
Sales by destination ¹⁾	368.5	640.7	192.0	-	-	1,201.2
Sales by origin ²⁾	341.0	924.5	213.0	-277.3	-	1,201.2
Non-current assets ²⁾	59.9	325.6	45.1	57.5	0.1	488.2
Capital expenditure ²⁾	13.3	87.3	4.2	-	-	104.8
2014						
Sales by destination ¹⁾	327.0	809.2	266.5	-	-	1,402.6
Sales by origin ²⁾	310.2	1,070.6	292.0	-270.2	-	1,402.6
Non-current assets ²⁾	58.9	284.9	40.3	44.6	0.4	429.0
Capital expenditure ²⁾	4.8	61.3	2.4	-	-	68.5

¹⁾ Sales by destination is presented for external sales.

²⁾ Sales, non-current assets and capital expenditure are presented by the location of the company.

3.3 INFORMATION ABOUT MAJOR CUSTOMERS

In 2015 and 2014 there were no such external customers from which recognized sales would have been over ten percent of Group's total sales.

4. BUSINESS COMBINATIONS

Acquisitions during 2015

Kovit Engineering

Kovit Engineering Ltd In August 2015, Outotec completed the acquisition of Kovit Engineering Limited. Kovit Engineering is specialized in surface and underground mine tailings solutions. The acquisition complements Outotec's existing dewatering and tailings treatment solutions and services as well as strengthens Outotec's position as a global provider of sustainable tailings management solutions. The annual sales of the acquired businesses are some EUR 5–10 million. Approximately 30 of Kovit's employees joined Outotec. The acquisition price is not disclosed. The goodwill of approximately EUR 6 million is mainly based

on the personnel know-how, order pipeline and synergy benefits.

Biomin

In November 2015, Outotec completed the acquisition of the majority of the shares in Biomin South Africa Pty. Ltd. and certain assets from Biomin Technologies S.A. in Switzerland. Biomin's BIOX® bio-oxidation is a proven method for the pre-treatment of refractory gold ores, and it complements Outotec's portfolio of gold processing technologies. The annual sales of the acquired businesses are some millions of euros. The acquisition price is not disclosed.

The goodwill of approximately EUR 4 million is mainly based on the personnel know-how, customer relationships and synergy benefits. Purchase price allocation is preliminary and will be finalized during Q1 2016.

Sinter Plant Services

In December 2015, Outotec completed the acquisition of the business of Sinter Plant Services CC in South Africa. Sinter Plant Services provides spare parts and services to South African ferrochrome plants. The acquisition complements Outotec's service offering to South African ferrochrome plants. Sinter Plant Services' some 40 employees were transferred to Outotec. The annual sales of the acquired business are some millions of euros. The acquisition price is not disclosed.

The goodwill of approximately EUR 2 million is mainly based on the customer relationships and synergy benefits. Purchase price allocation is preliminary and will be finalized during Q1 2016.

Kovit Engineering, Biomin and Sinter Plant Services

EUR million	Note	Fair values recorded on acquisition at Dec 31, 2015	Carrying amounts prior to acquisition
Technologies	14	3.1	-
Intangible assets	14	0.1	-
Property, plant and equipment	15	0.8	0.8
Inventories	20	0.3	0.3
Trade and other receivables	21	1.6	1.5
Cash and cash equivalents	22	0.8	0.8
Total assets		6.6	3.5
Interest bearing liabilities	26	0.7	0.7
Deferred tax liabilities	12	0.8	-
Trade and other payables	27	1.7	1.7
Total liabilities		3.3	2.4
Net assets		3.3	1.1
Acquisition cost	14	15.4	
Non-controlling interest at fair value		0.8	
Exchange differences		-0.0	
Goodwill		12.8	
Acquisition cost paid		7.5	
Cash and cash equivalents in subsidiary acquired		0.8	
Exchange differences		-0.1	
Cash flow effect at December 31, 2015		6.7	
Earn-out liability December 31, 2015		8.4	

Kempe Engineering

In March 2015, Outotec completed the acquisition of Kempe Engineering's aluminum smelter technologies, as well as its service and spare parts businesses in the Middle East and Africa. The acquisition strengthens Outotec's technology and service business in the Middle East and Africa, doubling the

installed base and providing new capabilities to expand the service business in the region. Kempe also brings additional best cost country sourcing and a manufacturing facility in the United Arab Emirates. The annual sales of the acquired businesses are approximately EUR 25 million. 371 of Kempe's employees

Kempe Engineering

EUR million	Note	Fair values recorded on acquisition at Dec 31, 2015	Carrying amounts prior to acquisition
Technologies	14	7.0	-
Property, plant and equipment	15	6.7	6.2
Inventories	20	0.6	0.5
Trade and other receivables	21	5.4	5.4
Cash and cash equivalents	22	1.7	1.7
Total assets		21.4	13.8
Interest bearing liabilities	26	0.9	0.9
Deferred tax liabilities	12	0.8	-
Trade and other payables	27	2.1	2.1
Total liabilities		3.8	3.0
Net assets		17.6	10.8
Acquisition cost	14	27.7	
Non-controlling interest at fair value		1.9	
Goodwill		12.0	
Acquisition cost paid		25.0	
Cash and cash equivalents in subsidiary acquired		1.7	
Cash flow effect at December 31, 2015		23.2	
Earn-out liability December 31, 2015		2.8	

joined Outotec. The purchase price has been allocated to technologies. The remaining goodwill of approximately EUR 12 million is mainly based on the personnel knowhow and synergy benefits.

Effect of acquired business combinations on Outotec Group's sales and profit for the period in 2015.

Outotec's sales for January 1–December 31, 2015 would have been EUR 1,213.5 million and loss for the period EUR 15.9 million if all acquisitions would have been completed on January 1, 2015.

5. CONSTRUCTION CONTRACTS

EUR million	2015	2014
Revenue from construction contracts recognized as income during the financial year	688.0	819.2
Incurred costs and profits (less recognized losses) related to work in progress constructions contracts at the end of financial year	1,813.5	1,809.1
Advances received related to work in progress construction contracts ¹⁾	1,510.5	1,533.3
Gross amount due from customers related to work in progress construction contracts	145.0	172.7
Gross amount due to customers related to work in progress construction contracts ²⁾	177.6	109.5

¹⁾ Includes gross advances received related to work in progress construction contracts.

²⁾ Includes net advances received after percentage of completion revenue recognition.

6. OTHER INCOME

EUR million	2015	2014
Gains on sale of intangible and tangible assets	0.4	0.6
Reversal of earn-out liability from acquisitions	1.2	-
Other income	1.6	1.0
	3.2	1.6

7. OTHER EXPENSES

EUR million	2015	2014
Losses on disposals of intangible and tangible assets	-0.2	-0.3
Impairments of intangible assets and property, plant and equipment	-0.8	-11.3
One-time costs related to reorganization of business	-48.1	-25.6
Costs related to acquisitions	-2.2	-0.7
Market price losses from derivatives	-5.3	-8.8
Arbitration cost	-9.0	-
Other expenses	-0.5	-0.7
	-66.1	-47.2

8. FUNCTION EXPENSES BY NATURE

EUR million	2015	2014
Merchandise and raw materials	-478.4	-516.6
Logistics expenses	-22.2	-26.3
Employee benefit expenses	-353.4	-362.8
Rents and leases	-32.2	-32.7
Depreciation and amortization ¹⁾	-40.2	-32.6
Change in inventories	18.1	-31.9
Services purchased ²⁾	-151.5	-217.1
Other expenses ³⁾	-90.3	-126.3
	-1,150.1	-1,346.3

¹⁾ Purchase price allocation amortizations related to acquisitions were 9.4 million in 2015 (2014: 8.4 million).

²⁾ Services purchased includes audit fees of EUR 0.9 million (2014: EUR 0.9 million) and fees for ancillary services of EUR 0.5 million (2014: EUR 0.5 million) paid to the companies operated by the firm of independent public accountants PWC in different countries.

³⁾ Includes grants received EUR 3.0 million in 2015 (2014: EUR 2.3 million).

Expenses by function include cost of sales, selling and marketing, administrative as well as research and development expenses.

Other income and expenses comprise following non-recurring items, which have affected financial performance for the period:

Non-recurring items EUR million	2015	2014
One-time costs related to reorganization of business ^{1) 2)}	-48.9	-36.6
Costs related to acquisitions ¹⁾	-2.0	-0.7
Reversal of earn-out liability from acquisitions ¹⁾	1.0	-
Arbitration cost ¹⁾	-9.0	-

¹⁾ Excluded from operating profit from business operations

²⁾ Includes impairments and impairment provisions related to intangible, tangible and other long-term assets EUR 9.4 (in 2014: EUR 11.4), personnel related restructurings EUR 20.1 million (2014: EUR 20.1 million) and other restructuring related costs EUR 19.3 million (2014: EUR 5.1 million). In segment reporting the one-time related costs related to the restructuring costs related to the restructuring program have been divided to Metals, Energy & Water EUR 19.0 million (2014: EUR 12.2 million), Minerals Processing EUR 27.0 million (2014: EUR 13.9 million) and unallocated items EUR 2.8 million (2014: EUR 10.5 million).

9. EMPLOYEE BENEFIT EXPENSES

EUR million	2015	2014
Wages and salaries	-290.3	-299.4
Share based payments	-2.1	-3.5
Social security costs	-26.8	-27.2
Pension and other post-employment benefits		
Defined benefit plans	-2.9	-2.5
Defined contribution plans	-26.1	-26.6
Other post-employment benefits	-0.5	-0.3
Other personnel expenses	-4.6	-3.4
	-353.4	-362.8

Personnel related restructuring cost of EUR 20.1 million (2014: EUR 20.1 million) are reported in other expenses.

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 lasted for the calendar year 2013, the second earning period for the calendar year 2014 and the third earning period for the calendar year 2015. 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.

Earning period 2013

A total of 36,423 Outotec shares were allocated for the 2013 earning period with a cost of approximately EUR 0.7 million, which is booked for the financial periods 2013–2015.

Earning period 2014

A total of 98,156 Outotec shares were allocated for the 2014 earning period with a cost of approximately EUR 1.4 million, which is booked for the financial periods 2014–2016.

Earning period 2015

The Board of Directors set targets for earnings per share, order intake, and sales of services business, as well as authorized the CEO to decide the individuals for the Program's 2015 earning period. At the end of 2015, there were 168 participants with a right to earn a maximum number of 809,000 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 498,072 Outotec shares were allocated for the 2011 earning period with a cost of approximately EUR 9.2 million, which was booked for the financial periods 2011–2013.

Earning period 2012

A total of 490,766 Outotec shares were allocated for the 2012 earning period with a cost of approximately EUR 9.0 million, which was 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 and continued in 2014 (September 4, 2013) and 2015 (17.10.2014). The Board of Directors decided to continue the plan also in 2016 (September 30, 2015). The following saving periods are subject to a separate Board decision. The total savings of employees have been capped to EUR 7 million in 2013 and EUR 6 million in

2014, 2015 and 2016. Globally approximately 34% of Outotec employees in 2013 and 33% in 2014 were participating in Employee Share Savings Plan and in 2015, the participation rate was 27%.

For information about key management employee benefits, please see Note 31. Related party transactions.

10. SHARE-BASED PAYMENTS

Share-based payments include share-based incentive program for key personnel and employee share savings plan.

Share-based incentive program

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 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.

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 were allocated over three years.

The reward paid on the basis of the share ownership plan will be paid in the spring of the year following the close of the earning period as a combination of shares and a cash. The cash proportion is intended for covering taxes and tax-related payments. The reward will not be paid if the person's employment ends before the close of the earning period. The person must also hold the earned shares and remain employed for at least two years after the close of the earning period.

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 and continued in 2014 (September 4, 2013) and 2015 (17.10.2014). The Board of Directors decided to continue the plan also in 2016 (September 30, 2015). The following saving periods are subject to a separate Board decision. The total savings of employees have been capped to EUR 7 million in 2013 and EUR 6 million in 2014, 2015 and 2016. Globally approximately 34% of Outotec employees in 2013 and 33% in 2014 were participating in Employee Share Savings Plan and in 2015, the participation rate was 27%.

The shares are purchased to employees once per quarter. Outotec gives one free share against each purchased share after three years ownership period for the savings period 2013 and one free share against two purchased share for the savings period 2014. Shares are given to the participants after the three years ownership period has ended. Free shares are granted to the persons if person owns the shares until the end of the vesting period and is employed by the company.

Key characteristics of the share ownership plans are listed in the table below:

Basic data 31.12.2015	Employee Share Savings Plan			Share-based Incentive Program 2013–2015			Share-based Incentive Program 2010–2012
	Savings period 2015	Savings period 2014	Savings period 2013	Earning period 2015	Earning period 2014	Earning period 2013	Earning period 2012
Grant dates	10.12.2014	11.12.2013	14.12.2012	6.3.2015 30.10.2015	12.6.2014 27.11.2014	30.5.2013 22.10.2013	28.3.2012 27.8.2012
Form of the reward	Equity and cash	Equity and cash	Equity and cash	Equity and cash	Equity and cash	Equity and cash	Equity and cash
Target group	Personnel	Personnel	Personnel	Key personnel	Key personnel	Key personnel	Key personnel
Beginning of earning period	1.1.2015	1.1.2014	1.1.2013	1.1.2015	1.1.2014	1.1.2013	1.1.2012
End of earning period	15.5.2018	15.5.2017	15.5.2016	31.12.2015	31.12.2014	31.12.2013	31.12.2012
Vesting conditions	Share ownership, employment until the end of the ownership period	Share ownership, employment until the end of the ownership period	Share ownership, employment until the end of the ownership period	Net order intake, EPS, Outotec Services sales, employment until the end of the ownership period	Net order intake, EPS, sales growth, employment until the end of the ownership period	Net order intake, EPS, sales growth, employment until the end of the ownership period	Net order intake, EPS, sales growth, employment until the end of the ownership period
End of restriction/ownership period	15.5.2018	15.5.2017	15.5.2016	1.1.2018	1.1.2017	1.1.2016	1.1.2015
Maximum contractual life, years	3.4	3.4	3.4	2.8	2.6	2.6	2.8
Remaining contractual life, years	2.4	1.4	0.4	2.0	1.0	0.0	0.0
Number of persons at 31.12.2015	1,186	1,428	1,477	168	163	159	0

The changes in the amounts of share ownership plan in the 2015 financial year are presented in the table below. Since the cash component of the share reward is also recognised as a share-based expense, the amounts below are presented in gross terms, i.e. the share reward figures include both the reward paid in shares and a number of shares corresponding to the amount of the reward paid in cash. The amounts of the beginning of the period have been adjusted to the free share issue (split).

Changes in the 2015 financial year	Savings period 2015	Savings period 2014	Savings period 2013	Earning period 2015	Earning period 2014	Earning period 2013	Earning period 2012	Total	Weighted remaining contractual life in years
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Gross amounts at January 1, 2015, number of shares *

Outstanding at the beginning of the period	312,817	182,863	424,007	0	2,001,250	78,280	124,511	3,123,728	
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Changes during the period, number of shares

Share reward granted	6,618	64,265	0	2,085,000	0	0	0	2,155,883	
Share reward forfeited	1,687	8,133	19,752	2,085,000	1,693,765	1,558	5,360	3,815,254	
Share reward exercised	0	0	0	0	176,418	0	80,450	256,868	
Share reward expired	0	0	0	0	0	31,593	38,701	70,294	

Gross amounts at December 31, 2015, number of shares *

Outstanding at the end of the period	304,512	238,996	404,255	0	131,067	45,129	0	1,123,959	1.71
Exercisable at the end of the period	304,512	238,996	404,255	0	131,067	45,129	0	1,123,959	

*Number of shares include cash-settled payments of the plan (in terms of number of shares). The amount of cash to be paid in conjunction with the Share-based Incentive Program corresponds to an assumption of the plan terms maximum number, i.e. 1.5 times the value of shares at the time of transfer.

Fair value determination

IFRS 2 requires an entity to measure the shares granted to employees at their fair value at the day at which the share-based payment is agreed upon between the counterparties. Since the person is not entitled to receive dividends during the earning period, the dividends expected to be paid have been deducted from the share price of the grant date when measuring the fair value. Since the share reward is paid as a combination of shares and cash, the measurement of the fair value of the

reward consists of two parts under IFRS 2: the component settled in shares and the component settled in cash. The component settled in shares will be recognized in shareholders' equity and the payment settled in cash in liabilities. Correspondingly, the fair value of the liability incurred in respect of a cash-settled transaction is remeasured at each reporting date until the reward payment, and the fair value of the liability will thus change in accordance with the Outotec share price. Inputs to the fair value determination of the rewards

expensed during the financial year 2015 are listed in the below table. The total fair value of the rewards is based on the company's estimate on December 31, 2015 as to the number of share to be eventually vesting. The fair value of granted share rewards during the financial year are presented as weighted average values. The fair values of the previous periods have been adjusted to the free share issue (split).

Measurement of fair value of the share reward	Granted 2015	Granted 2014	Granted 2013	Granted 2012
Share price at the grant date, EUR	-	9.9	10.0	10.0
Expected dividends, EUR	-	0.3	0.2	0.2
Fair value per share accounted for as equity-settled reward, EUR	-	9.6	9.9	9.9
Fair value per share of the cash-settled reward at the settlement date/ at the end of the period, EUR	-	4.3	4.4	3.4
Fair value at December 31, 2015, EUR million	-	2.1	1.8	0.3

Effect on earnings during the period and financial position at December 31, 2015 EUR million	2015	Granted 2015	Granted 2014	Granted 2013	Granted 2012
Expenses for the financial year, share-based payments	2.0	-	0.9	0.5	0.6
Expenses for the financial year, share-based payments, equity-settled	1.4	-	0.5	0.3	0.6
Liabilities arising from share-based payments 31 December 2015	1.1	-	0.2	0.3	0.7

Effect on earnings during the period and financial position at December 31, 2014 EUR million	2014	Granted 2014	Granted 2013	Granted 2012
Expense recognized for the period from share-based payments	3.5	0.2	0.1	3.1
Expense accounted for as equity-settled share-based payment	2.2	0.1	0.1	2.0
Value of liability for cash-settled share-based payments Dec 31, 2014	1.1	0.1	0.4	0.6

11. FINANCE INCOME AND EXPENSES

Recognized in profit or loss

EUR million	2015	2014
Interest income on bank deposits and commercial papers	2.6	3.5
Interest income on loans and receivables	0.5	0.4
Interest income on derivatives	1.4	1.5
Other finance income	0.1	0.6
Total finance income	4.6	6.0
Interest expenses		
Financial liabilities measured at amortized cost		
Current and non-current debt	-9.2	-8.8
Financial liabilities at fair value through profit or loss		
Derivatives	-0.3	-0.5
Other finance expenses	-3.4	-5.1
Total finance expenses	-12.9	-14.4
Exchange gains and losses	-2.6	-1.8
Fair value changes from interest rate derivatives	-0.8	4.2
Change in fair value revaluation reserve	-0.1	0.5
Other fair value changes	1.0	-4.7
Other market price gains and losses	0.3	0.0
Total market price gains and losses	-2.3	-1.8
Total finance income and expenses	-10.6	-10.2

Exchange gains and losses recognized in profit or loss

EUR million	2015	2014
In sales	-8.9	-4.8
In purchases	-7.2	-1.7
In other income and expenses	-5.3	-8.8
In finance income and expenses	-2.6	-1.8
	-24.0	-17.1

Recognized in other comprehensive income

EUR million	2015	2014
Exchange differences on translating foreign operations	-8.5	8.7
Cash flow hedges	-2.0	-1.6
Income tax related to cash flow hedges	0.5	0.0
Available for sale financial assets	0.0	-0.1
	-10.0	7.0

12. INCOME TAX EXPENSES

Income tax expenses recognized in profit or loss

EUR million	2015	2014
Current taxes		
Accrued taxes for the year		
Finnish companies	-0.5	-4.0
Companies outside Finland	-4.7	-10.7
Tax adjustments for prior years		
Finnish companies	-0.2	0.0
Companies outside Finland	7.3	-6.5
	1.7	-21.2
Deferred taxes		
Deferred taxes		
Finnish companies	4.7	5.1
Companies outside Finland	2.7	14.3
Effect of consolidation and eliminations	-3.3	1.7
	4.0	21.1
Total income tax expenses	5.7	-0.1
Income taxes recognized in other comprehensive income		
EUR million	2015	2014
Income tax related to cash flow hedges	0.5	0.0
Income tax related to defined benefit plans	-0.1	2.2

The difference between income taxes at the statutory tax rate in Finland (20%) and income taxes recognized in the combined income statement is reconciled as follows:

EUR million	2015	2014
Hypothetical income taxes at Finnish tax rate on consolidated profit before tax	4.6	0.0
Effect of different tax rates outside Finland	4.4	-0.2
Non-credited foreign withholding taxes	-0.4	-1.2
Tax effect of non-deductible expenses and tax exempt income	-6.3	2.4
Tax effect of losses and temporary differences for which no deferred tax asset is recognized	-1.4	-0.9
Previous year losses for which deferred tax asset is recognized	0.4	0.1
Utilization of tax losses for which no deferred tax asset was recognized	0.0	0.3
Effect of consolidation and eliminations	0.8	-1.3
Taxes for prior years	7.0	-6.5
Adjustments to prior years' deferred taxes	-3.8	7.0
Effect of enacted change in future tax rates	0.2	0.2
Share-based payment plan tax deduction in excess of IFRS cost	-0.2	-0.2
Other items	0.4	0.1
Income taxes recognized in profit or loss	5.7	-0.1
Deferred taxes in consolidated statement of financial position		
EUR million	2015	2014
Deferred tax assets	88.6	70.5
Deferred tax liabilities	51.9	36.7
	36.6	33.8

Deferred taxes have been reported as a net balance of those companies that file a consolidated tax return or that may otherwise be consolidated for current tax purposes.

Changes in deferred tax assets and liabilities during the financial year

2015 EUR million	January 1	Recognized in profit or loss	Recognized in other com- prehensive income	Acquired subsidiaries	Translation differences	Decem- ber 31
Deferred tax assets						
Tax losses carried forward	11.3	14.9	-	-	-0.1	26.2
Timing difference in revenue recognition	6.5	-5.5	-	-	0.1	1.1
Pension provisions	1.8	0.2	-	-	-	2.1
Depreciation difference	16.8	-0.4	-	-	0.5	16.9
Project provisions	11.8	0.2	-	-	-0.2	11.7
Effects of consolidation and eliminations	5.1	0.4	-	-	-	5.5
Valuation loss on assets and derivative instruments	6.0	-	0.4	-	0.0	6.3
Provisions for operating expenses and other items	12.7	6.1	-	-	-0.0	18.8
Purchase price allocation	0.2	-0.2	-	-	-	-
Netting of deferred tax	-1.8	1.8	-	-	-	-0.0
	70.5	17.5	0.4	-	0.2	88.6
Deferred tax liabilities						
Timing difference in revenue recognition	18.1	11.3	-	-	0.1	29.5
Depreciation difference	6.6	0.5	-	-	-	7.0
Other untaxed reserves	-	-	-	-	-	-
Purchase price allocation	9.9	-1.0	-	1.6	-	10.5
Valuation gain on assets and derivative instruments	0.0	-	-0.0	-	-	-
Other temporary differences	3.9	1.0	-	-	-	4.9
Netting of deferred tax	-1.8	1.8	-	-	-	-0.0
	36.7	13.5	-0.0	1.6	0.1	51.9
Net deferred tax asset	33.8	4.0	0.4	-1.6	0.1	36.6

Changes in deferred tax assets and liabilities during the financial year

2014 EUR million	January 1	Recognized in profit or loss	Recognized in other com- prehensive income	Acquired subsidiaries	Translation differences	Decem- ber 31
Deferred tax assets						
Tax losses carried forward	2.4	7.9	-	-	1.0	11.3
Timing difference in revenue recognition	3.7	2.2	-	-	0.6	6.5
Pension provisions	0.3	1.5	-	-	-	1.8
Depreciation difference	16.3	0.5	-	-	-	16.8
Project provisions	11.2	0.4	-	-	0.2	11.8
Effects of consolidation and eliminations	3.9	1.3	-	-	-	5.1
Valuation loss on assets and derivative instruments	3.9	-	2.0	-	0.0	6.0
Provisions for operating expenses and other items	13.3	-1.0	-	-	0.4	12.7
Purchase price allocation	0.1	0.1	-	-	-	0.2
Netting of deferred tax	-2.2	0.4	-	-	-	-1.8
	52.9	13.3	2.0	-	2.2	70.5
Deferred tax liabilities						
Timing difference in revenue recognition	18.1	-0.0	-	-	-0.0	18.1
Depreciation difference	5.7	0.9	-	-	-	6.6
Other untaxed reserves	0.4	-0.4	-	-	-	-
Purchase price allocation	10.9	-1.0	-	-	-	9.9
Valuation gain on assets and derivative instruments	0.2	-	-0.2	-	-	0.0
Other temporary differences	11.7	-7.8	-	-	-	3.9
Netting of deferred tax	-2.2	0.4	-	-	-	-1.8
	44.7	-7.8	-0.2	-	-0.0	36.7
Net deferred tax asset	8.2	21.1	2.2	-	2.2	33.8

Deferred tax assets of EUR 15.9 million (2014: EUR 14.3 million) have not been recognized in the consolidated financial statements as the realization of the tax benefit included in these assets is not probable. Majority of these unrecognized deferred tax assets relate to tax losses and tax credits amounting to EUR 44.2 million (2014: EUR 33.3 million), of which EUR 8.6 million will expire within five years and EUR 35.6 million after five years.

The consolidated balance sheet includes net deferred tax assets of EUR 42.2 million (2014: EUR 14.9 million) in subsidiaries, which have generated losses in current or in prior year. The recognition of the assets is based on result estimates, which indicate that the realization of these deferred tax assets is probable.

Deferred tax liability on the undistributed earnings of subsidiaries, to the extent that the decision to distribute has not already been made, has not been recognized on the consolidated balance sheet as distribution of the earnings is in the control of Outotec and such distribution is not probable within foreseeable future. The amount of such undistributed earnings in subsidiaries, which may attract withholding or other tax consequences upon distribution, was at the end of the year 2015 EUR 187.3 million (2014: EUR 211.0 million).

13. EARNINGS PER SHARE

	2015	2014
Result attributable to the equity holders of the parent Company, EUR million	-17.3	0.2
Weighted average number of shares, in thousands	180,960	180,469
Weighted average number of shares, dilution adjusted, in thousands	181,579	181,549
Earnings per share for profit attributable to the equity holders of the parent company:		
Basic earnings per share, EUR	-0.10	0.00
Diluted earnings per share, EUR	-0.10	0.00

Basic earnings per share are calculated by dividing the net profit attributable to equity holders of the parent company by the weighted average number of shares outstanding. Diluted earnings per share is calculated by adjusting the weighted average number of shares by the effect of diluting shares of employee share saving plan and share-based incentive programs.

14. INTANGIBLE ASSETS

EUR million	Intangible asset, internally generated ¹⁾	Intangible asset, acquired ^{2), 3)}	Goodwill	Advances paid and construction work in progress	Total
Historical cost at January 1, 2015	0.7	213.3	205.6	19.6	439.3
Translation differences	0.0	2.4	2.2	0.0	4.6
Additions	-	32.4	-	7.9	40.3
Disposals	-	-1.0	-	-	-1.0
Acquired subsidiaries	-	10.1	25.1	-	35.2
Reclassifications	-	26.2	-	-15.1	11.1
Impairment during the period	-	-1.8	-	-	-1.8
Historical cost at December 31, 2015	0.7	281.6	232.8	12.4	527.7
Accumulated amortization and impairment at January 1, 2015	-0.7	-86.5	-1.3	-	-88.8
Translation differences	-0.0	-1.1	-0.0	-	-1.1
Disposals	-	0.9	-	-	0.9
Reclassifications	-	-9.3	-	-	-9.3
Amortization during the period	-	-25.3	-	-	-25.3
Impairment during the period	-	1.0	-	-	1.0
Accumulated amortization and impairment at December 31, 2015	-0.7	-120.4	-1.4	-	-122.6
Carrying value at December 31, 2015	-	161.3	231.4	12.4	405.0

¹⁾ There were no internally generated assets in the end of 2015 and 2014.

²⁾ Of which carrying value of patents amounted to EUR 21.3 million (2014: EUR 18.8 million), licenses EUR 8.2 million (2014: EUR 6.9 million), IT software EUR 64.7 million (2014: EUR 37.3 million) and other acquired intangible assets EUR 67.0 million (2014: EUR 63.8 million) including purchase price fair valuation EUR 43.7 million (2014: EUR 44.9 million).

³⁾ Does not include new received grants in 2015 and 2014

Amortization by function

EUR million	2015	2014
Cost of sales	-2.9	-2.7
Selling and marketing expenses	-1.9	-2.1
Administrative expenses	-10.1	-5.8
Research and development expenses	-10.4	-8.5
	-25.2	-19.1

EUR million	Intangible asset, internally generated ¹⁾	Intangible asset, acquired ^{2), 3)}	Goodwill	Advances paid and construction work in progress	Total
Historical cost at January 1, 2014	1.2	185.9	197.6	16.5	401.2
Translation differences	-0.0	4.0	0.5	-	4.5
Additions	-	25.5	-	17.5	43.0
Disposals	-	-0.5	-	-0.0	-0.5
Acquired subsidiaries	-	-	7.5	-	7.5
Reclassifications	-0.4	10.1	-	-14.4	-4.7
Impairment during the period	-	-11.7	-	-	-11.7
Historical cost at December 31, 2014	0.7	213.3	205.6	19.6	439.3
Accumulated amortization and impairment at January 1, 2014	-1.2	-77.4	-1.3	-	-80.0
Translation differences	0.0	-1.3	-0.0	-	-1.3
Disposals	-	0.3	-	-	0.3
Reclassifications	0.4	9.6	-	-	10.0
Amortization during the period	-	-19.4	-	-	-19.4
Impairment during the period	-	1.6	-	-	1.6
Accumulated amortization and impairment at December 31, 2014	-0.7	-86.5	-1.3	-	-88.8
Carrying value at December 31, 2014	-	126.8	204.1	19.6	350.5

Impairments on intangible assets during the financial year

The Group has recorded writedowns of EUR 0.8 million from intangible assets (2014: EUR 10.0 million). In 2015 writedowns were related to intellectual property rights. The impairments have been recorded under other expenses in the Statement of Comprehensive income.

Impairment testing of goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) which is the lowest level of assets for which there are separately identifiable cash flows. In 2015 the testing was performed on Business Area level, which is the cash-generating unit for Outotec, according to the current business organization and responsibilities. Calculations are prepared during the fourth quarter of the year. Based on the conducted impairment testing there was no need for goodwill impairment in year 2015.

Goodwill allocation to the segments
EUR million

	2015	2014
Metals, Energy & Water	137.0	116.0
Minerals Processing	94.3	88.2
	231.4	204.1

The recoverable amount of a CGU is determined based on value-in-use calculations (discounted cash flow method). The planning period for cash flows is five years. The cash flow projections are based on long-range financial plan which is the outcome of the strategy approved by the Management and the Board. In defining the long-range plans for each CGUs, the management makes use of growth, demand, and price estimates by market research institutions. Furthermore, the estimated sales and profits and the CGU-specific long-range plan are based on the current backlog and estimated order intake as well as cost development. The most important

assumptions relate to gross margin levels in various products and the estimated overall gross margin level in relation to fixed costs. Cash flows beyond the five year period are calculated using the terminal value method, where the EBITDA (=earnings before interest, taxes, amortizations and depreciation) of the fifth planning period is multiplied by six.

The discount rate applied to cash flow projections is the weighted average pre-tax cost of capital (WACC) as defined for Outotec. The components of WACC are the risk-free long-term government bond rates, market and industry risk premiums, cost of debt, and target capital structure.

Key assumptions used in the calculations
EUR million

	2015	2014
Discount rate	9.1	8.0
EBITDA multiple	6.0	6.0

The impairment testing process includes a sensitivity analysis in which the business area cash flow estimates were reduced in Metals, Energy & Water by 50 percent and in Minerals Processing 20 percent. Discount rates were increased by 2 percentage points. Under the basic scenario, the value-in-use calculations were on average 2 (2014: 3) times higher

than the assets employed of the business areas. In the sensitivity analysis the ratio was decreased to 1.4 (2014: 1.8). Based on the sensitivity analysis, it is not probable that the recoverable amount will fall below the carrying amount at December 31, 2015, even if the assumptions used in the sensitivity analysis will face reasonable permanent changes.

15. PROPERTY, PLANT AND EQUIPMENT

EUR million	Land	Buildings	Machinery	Office equipment	Other tangible assets	Advances paid and construction work in progress	Total
Historical cost at January 1, 2015	2.4	30.2	73.3	45.6	2.5	5.4	159.3
Translation differences	0.1	-0.0	-1.6	-1.0	0.1	0.0	-2.5
Additions	-	4.7	7.4	2.8	0.2	0.5	15.6
Disposals	-	-0.1	-2.0	-3.1	-	-0.0	-5.4
Acquired subsidiaries	0.0	3.4	3.2	0.7	-	-	7.3
Reclassifications	0.1	2.2	0.1	-1.3	0.0	-4.9	-3.7
Historical cost at December 31, 2015	2.6	40.4	80.2	43.6	2.8	0.9	170.5
Accumulated depreciation and impairment at January 1, 2015	0.1	-9.8	-40.5	-29.2	-1.7	-0.0	-81.2
Translation differences	-	0.1	0.8	0.7	-0.0	-0.0	1.5
Disposals	-	0.1	2.1	2.7	-	-	4.8
Reclassifications	-0.1	-0.0	0.5	1.6	-0.0	0.0	2.0
Depreciation during the period	-	-1.7	-7.5	-5.2	-0.2	-	-14.6
Accumulated depreciation and impairment at December 31, 2015	-	-11.4	-44.6	-29.5	-1.9	-	-87.5
Carrying value at December 31, 2015	2.6	29.0	35.6	14.1	0.9	0.9	83.0
Historical cost at January 1, 2014	2.2	26.8	86.3	44.8	2.1	8.7	170.9
Translation differences	0.1	0.2	0.6	0.7	0.1	0.3	2.0
Additions	0.1	4.8	5.6	4.4	0.1	3.5	18.5
Disposals	-	-0.3	-1.9	-3.9	-0.2	-0.3	-6.6
Reclassifications	-0.1	-1.3	-17.2	-0.3	0.4	-6.9	-25.4
Impairment during period	-	-	-	-0.0	-	-	-0.0
Historical cost at December 31, 2014	2.4	30.2	73.3	45.6	2.5	5.4	159.3
Accumulated depreciation and impairment at January 1, 2014	-	-9.3	-54.5	-27.0	-1.1	-	-92.0
Translation differences	-	-0.1	-0.3	-0.4	-0.1	-0.0	-0.8
Disposals	-	-	1.5	3.5	0.0	-	5.1
Reclassifications	0.1	0.8	19.1	0.1	-0.3	-	19.9
Depreciation during the period	-	-1.3	-6.4	-5.6	-0.2	-	-13.5
Impairment during the period	-	-	-	0.0	-	-	0.0
Accumulated depreciation and impairment at December 31, 2014	0.1	-9.8	-40.5	-29.2	-1.7	-0.0	-81.2
Carrying value at December 31, 2014	2.5	20.3	32.8	16.4	0.8	5.4	78.1

Depreciation by function

EUR million	2015	2014
Cost of sales	-7.2	-7.7
Selling and marketing expenses	-0.9	-1.1
Administrative expenses	-3.6	-2.3
Research and development expenses	-3.2	-2.2
	-14.9	-13.5

Impairments on property, plant and equipment during the financial year

The Group has not recorded any impairment related to property, plant and equipment in 2015 (2014: EUR 0.0 million).

Assets leased by finance lease agreements

EUR million	2015	2014
Historical cost	-	0.0
Acquired subsidiaries	0.0	-
Accumulated depreciation	-0.0	-0.0
Carrying value at December 31	0.0	-

All finance lease agreements are related to machinery and equipment.

16. INVESTMENTS IN ASSOCIATED COMPANIES

EUR million	2015	2014
Investments in associated companies at cost		
Historical cost at January 1	1.7	0.5
Translation differences	0.0	0.0
Additions	-	1.1
Impairments	-	-
Historical cost at December 31	1.7	1.7
Equity adjustment to investments in associated companies at January 1	-0.8	-0.5
Share of results of associated companies	-0.4	-0.3
Impairments	-	-
Equity adjustment to investments in associated companies at December 31	-1.2	-0.8
Carrying value of investments in associated companies at December 31	0.5	0.8

Summary of financial information for associated companies 2015

EUR million	Domicile	Assets	Liabilities	Sales	Profit/loss	Ownership, %
Enefit Outotec Technology Oü	Estonia	6.2	6.6	0.8	-0.1	40.0
GreenExergy AB	Sweden	0.7	0.3	0.7	-0.0	45.0
Middle East Metals Processing Company Ltd.	Saudi Arabia	0.5	0.4	-	-	49.0

Summary of financial information for associated companies 2014

EUR million	Domicile	Assets	Liabilities	Sales	Profit/loss	Ownership, %
Enefit Outotec Technology Oü	Estonia	6.8	5.8	2.5	-1.0	40.0
GreenExergy AB	Sweden	0.8	0.4	0.6	-0.2	45.0
Middle East Metals Processing Company Ltd.	Saudi Arabia	0.4	0.3	-	-0.0	49.0

17. AVAILABLE-FOR-SALE FINANCIAL ASSETS

EUR million	2015	2014
Carrying value at January 1	2.2	0.8
Translation differences	0.0	0.0
Additions	-	1.5
Disposals	-0.0	-
Fair value changes	0.0	-0.1
Carrying value at December 31	2.2	2.2
Listed equity securities	0.0	0.0
Unlisted equity securities	2.2	2.2
Fair value reserve in equity at January 1	-0.1	-0.0
Fair value changes	0.0	-0.1
Fair value reserve in equity at December 31	-0.1	-0.1

18. FINANCIAL RISK MANAGEMENT**Financial Risk Management and Insurances**

According to Outotec's Financial Risk Management policy the CEO and the Executive Board monitor implementation of risk management procedures in coordination with the Board of Directors. The CFO is responsible for implementation and development of financial risk management.

The Board's Audit and Risk Committee oversees how the management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit and Risk Committee is assisted by Internal Audit, which undertakes both regular and ad hoc reviews of risk management controls and procedures.

Financial risks consist of market, credit and liquidity risks. Market risks are caused by changes in foreign exchange and interest rates, as well as commodity or other prices. Especially changes in foreign exchange rates may have a significant impact on Group's earnings, cash flows and balance sheet. As the main principle Outotec's business units hedge their market risks by entering into agreements with Group Treasury, which does most of the financial contracts with banks and other financial institutions. Outotec's Treasury is also responsible for managing certain Group level risks, such as interest rate risk and foreign currency transaction risk in accordance with the Financial Risk Management policy.

In addition, the Group is sensitive to the fluctuations of raw material, external suppliers and subcontractors. The price fluctuation

is prevented and the availability of raw material ascertained by long-term contracts, timing of the acquisitions, and fixed contract prices.

Foreign exchange rate risk

Major part of Outotec's sales is, and a significant part of costs arise in euros, US dollars, Australian dollars, Chilean peso and South African rand.

The overall objective of foreign exchange risk management is to limit the short-term negative impact on earnings and cash flow from exchange rate fluctuations, therefore increasing the predictability of the financial results.

Foreign exchange risk is the principal market risk within Outotec and as such has a significant potential impact on the income statement and balance sheet.

The currencies related to sales and costs can vary materially depending on the projects. Outotec hedges most of its fair value risk. Cash flow risk related to firm commitments is hedged almost completely, within subsidiary specific limits defined in Financial Risk Management policy, whereas forecasted and probable cash flows are hedged only selectively with financial instruments based on separate decisions. Major part of cash flow risk hedging takes place operatively by matching sales and cost currencies, and the remaining open net positions are normally hedged with derivative contracts (typically forward agreements). Hedging currency pairs with large difference in interest rates may increase hedging costs. Subsidiary level foreign exchange exposures are monitored and consolidated on a monthly basis.

Substantial part of derivative contracts hedge underlying business transactions, although they do not fulfill the criteria for applying hedge accounting according to IAS 39. However, Outotec is applying hedge accounting for derivative contracts in selected projects. In this description of financial risk management the term hedging has been used in its broadest sense, and therefore it also includes usage of non-hedge-accounted derivatives.

Outotec does not typically hedge its equity translation risk. The total non-euro-denominated equity of Outotec's foreign subsidiaries and associated companies was on December 31, 2015 EUR 317.4 million (December 31, 2014: EUR 299.3 million).

In certain cases commercial contracts may include so called embedded derivatives, the volume of these may at times amount to a substantial share of all derivatives.

On December 31, 2015 Outotec had the following foreign exchange derivative contract amounts, including embedded derivatives (more detailed information of foreign exchange exposures in note 19):

EUR million	2015	2014
Foreign exchange derivative contracts	429.7	461.8

See the tables "Transaction risk" and "Sensitivity of financial instruments on foreign exchange rates"

The currency exposure related to Russian ruble has been limited during 2015 and transaction risks have been hedged with derivative agreements.

Interest rate risk

Interest rate risk is the risk of repricing and price caused by the changes in market interest rates. To control interest rate risks in the loan portfolio the Group has agreed both fixed and floating rate instruments. On December 31, 2015 the share of fixed rate loans of all interest-bearing debt was 65.5 percent.

Significant part of the financial investments have short-term interest rate as a reference rate. On December 31, 2015 Outotec had EUR 300.7 million of cash and cash equivalent funds (December 31, 2014: EUR 281.9 million), majority of which is invested in short-term money market instruments. The advance payments received from projects in the emerging markets and the related financial investments cause occasionally interest rate risks. The largest interest rate exposures are in euros, United States dollars and Chilean pesos.

The Group is designating derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model and account for fixed rate financial liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would affect profit or loss for fixed rate instruments. On December 31, 2015 the total nominal value of interest rate swaps was EUR 115.0 million (December 31, 2014: EUR 115.0 million).

For variable rate interest-bearing financial investments a shift of one percentage point would have increased (decreased) profit or loss by EUR 0.7 million for December 31, 2015 (December 31, 2014: EUR 0.9 million) and for variable rate interest bearing-debt by EUR 1.5

million for December 31, 2015 (December 31, 2014: EUR 0.9 million).

Securities price risk

Outotec is the owner of 5 million shares of Pacific Ore Limited. The shares are quoted in ASX of Australia. Outotec does not have any material amounts of other listed equity securities which are classified as available-for-sale.

Credit risks

Credit risk arises from the potential failure of a counterparty to meet its contractual payment obligations. In addition, counterparty risk arises in conjunction with financial investments and hedging instruments. The objective of credit and counterparty risk management is to minimize in a cost efficient manner the losses incurred as a result of counterparty not fulfilling its obligations.

Outotec's trade receivables and other potential sources of sales contract related credit risk are generated by a large number of customers worldwide, but occasionally risk concentrations may develop due to large individual contracts. Outotec's Operational Risk Management Policy has been created to manage the various project related risks and address them in a concised manner. The policy and related procedures require identification of counterparty risks in a project together with the evaluation of the available and cost efficient mitigation of risks with contractual terms and/or different financial instruments. The credit risks related to business operations can be mitigated for example by the use of advance payments and other payment terms under sales contracts, project specific credit

insurances and letters of credit. The trade receivable exposures are reviewed regularly in Outotec's project level and other operative reporting. During 2015 the reporting of overdue external trade receivables, their rotation periods and collection was intensified further. Geographically the trade receivables are mostly from Asia 34.9% (December 31, 2014 33.6%), South America 17.3% (December 31, 2014 15.0%), Europe (including CIS) 16.6% (December 31, 2014 11.4%), Africa 8.9% (December 31, 2014 14.1%), Australia and Pacific 8.2% (December 31, 2014 8.6%). More detailed analysis of trade receivables is included in note 21.

Outotec's Treasury manages substantial part of the credit risk related to Group's financial investments. Outotec seeks to reduce these risks by limiting the counterparties to banks, other financial institutions and other counterparties, which have a good credit standing. Investments related to liquidity management are made in liquid money market instruments with, as far as possible, low credit risk and within pre-agreed credit limits and maturities. The limits are reviewed regularly. Part of Outotec's project advance payments can be invested in local money markets in emerging countries.

The total amount of credit risk is the carrying amount of group financial assets that amounted to EUR 750.1 million on December 31, 2015 (December 31, 2014: EUR 770.3 million). See note 28.

Particular measures have been introduced in relation of managing counterparty risks in Russian Federation during 2015; enhanced payment terms in sales contracts and pay-

ment security instruments, i.e. letters of credits and credit risk guarantees, have been utilized among the others.

Insurances

Outotec Oyj acquires Group wide insurances on a case by case basis covering all or part of Group companies' insurance needs. Furthermore Outotec companies acquire local insurances on a case by case basis in separately defined areas and specific delivery contracts. The most important insurance lines relate to liability. On the other hand, decisions to insure credit risks in projects are usually made on a project by project basis.

General liability is the most important line of insurance and a major part of insurance premiums paid relate to these type of risks. For production units Outotec has adequate property damage and business interruption insurance cover.

Liquidity risk

Outotec ensures required liquidity through a combination of cash management, liquid investment portfolios, and committed and uncommitted facilities. Liquidity and refinancing risks are sought to be reduced with availability of sufficient amount of credit lines, which have a balanced maturity profile. Efficient cash and liquidity management is also reducing liquidity risk.

Outotec's Treasury raises centrally most of the Group's interest-bearing debt.

Outotec's subsidiaries have had some local credit lines of their own, which mostly have been counter-guaranteed by Outotec Oyj. The

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share of long term loans was 89.0% of the total interest-bearing loan portfolio.

With regards to interest bearing debt the Group has available the following committed line of credit:

- EUR 100 million multicurrency revolving credit facility that is unsecured. Final maturity of the revolving credit facility is on January 15, 2020.

Additionally Outotec has several bilateral un-committed commercial bank guarantee limits the total aggregate nominal value of which exceeds EUR 500 million.

See the tables "Contractual cash flows of liabilities" and "Cash and cash equivalents and committed unutilized credit facilities".

Capital management

Outotec's gearing ratio was 9.9% on December 31, 2015 (-1.3% on December 31, 2014). The Board's target is to maintain a strong capital base in order to maintain investor, creditor and market confidence and to sustain future development of the business and the capability to pay dividends. The capital structure of the Group is reviewed by the Board of Directors on a regular basis and the Board has in 2014 set the following long-term target:

- Gearing at maximum 50%.

The Board of Directors of Outotec has a mandate to purchase its own shares on the market.

Certain externally imposed capital requirements exist. Outotec's main credit facilities from financial institutions include financial covenants related to adjusted equity ratio and liquidity. The Group has operated in compliance with the covenants during 2006–2015.

Transaction risk	USD exposure in companies reporting in EUR		USD exposure in companies reporting in AUD		AUD exposure in companies reporting in EUR		EUR exposure in companies reporting in SEK	
	2015	2014	2015	2014	2015	2014	2015	2014
EUR million								
Bank accounts	-2.8	-1.0	0.9	2.3	0.9	0.1	0.2	3.7
Trade receivables	25.8	17.8	2.7	7.4	4.8	1.4	4.6	7.7
Trade payables	-1.3	-2.6	-0.4	-0.6	-7.6	-4.6	-1.4	-4.3
Loans and receivables	1.5	17.7	-	-	65.3	65.1	-	-
Net balance sheet exposure	23.3	31.9	3.2	9.1	63.5	61.9	3.5	7.1
Sales order book	88.8	66.6	5.7	-	3.0	0.9	8.3	20.2
Purchase order book	-13.0	-15.6	-3.4	-3.8	-1.2	-2.2	-	-12.1
	75.8	51.0	2.2	-3.8	1.8	-1.3	8.3	8.1
Hedges:								
Foreign exchange forward contracts	-92.3	-87.4	-4.6	-5.1	-70.3	-64.0	-11.9	-15.0
Total net exposure	6.8	-4.5	0.9	0.2	-5.1	-3.4	-0.1	0.2

Sensitivity of financial instruments on foreign currency exchange rates

EUR million	2015		2014	
	Effect on profit or loss	Effect on equity	Effect on profit or loss	Effect on equity
+/-10% change in EUR/USD exchange rate	-0.6/+0.8	+6.9/-8.4	+1.7/-2.0	+3.4/-4.1
+/-10% change in EUR/AUD exchange rate	+0.6/-0.8		+0.2/-0.2	
+/-10% change in EUR/SEK exchange rate	-0.8/+0.9		-0.7/+0.9	
+/-10% change in AUD/USD exchange rate	+0.1/-0.1		-0.4/+0.4	

The following assumptions were made when calculating the sensitivity to changes in exchange rates:

The variation in currency is assumed to be +/- 10%. The position includes currency denominated financial assets and liabilities, such as borrowings, deposits, trade and other receivables, liabilities, and cash and cash equivalents, as well as derivative financial instruments. The position excludes order book items and cash flow hedges.

Contractual cash flows of liabilities at December 31, 2015

EUR million	2016 ¹⁾	2017	2018	2019	2020	2021	2022-	Total
Bonds								
Finance charges	-5.6	-5.6	-5.6	-5.6	-5.6	-	-	-28.1
Repayments	-	-	-	-	-150.0	-	-	-150.0
Loans from financial institutions								
Finance charges	-3.0	-2.0	-1.4	-0.6	-0.3	-	-	-7.3
Repayments	-18.4	-47.6	-64.1	-4.1	-24.5	-	-	-158.7
Loans from pension institutions								
Finance charges	-0.0	-	-	-	-	-	-	-0.0
Repayments	-0.2	-	-	-	-	-	-	-0.2
Finance lease liabilities								
Rents	-0.0	-0.0	-0.0	-0.0	-0.0	-	-	-0.0
Other long-term loans								
Finance charges	-0.1	-0.1	-0.1	-0.1	-0.1	-0.0	-0.0	-0.5
Repayments	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.7	-2.7
Other Current loans								
Finance charges	-0.0	-	-	-	-	-	-	-0.0
Repayments	-30.0	-	-	-	-	-	-	-30.0
Derivative liabilities								
Designated as cash flow hedges								
Outflow	-71.2	-6.5	-12.3	-	-	-	-	-90.1
Inflow	69.6	6.1	11.4	-	-	-	-	87.1
Other derivative contracts								
Outflow	-160.7	-1.2	-	-	-	-	-	-161.9
Inflow	156.5	1.2	-	-	-	-	-	157.7
Trade payables	-129.2	-	-	-	-	-	-	-129.2

¹⁾ Repayments in 2016 are included in current debt.

All non-current debt will be repaid by the end of 2023. Average maturity of long-term debt was 4.33 years and the average interest rate 2.67%.

Contractual cash flows of liabilities at December 31, 2014

EUR million	2015 ¹⁾	2016	2017	2018	2019	2020	2021-	Total
Bonds								
Finance charges	-5.6	-5.6	-5.6	-5.6	-5.6	-5.6	-	-33.8
Repayments	-	-	-	-	-	-150.0	-	-150.0
Loans from financial institutions								
Finance charges	-2.2	-1.5	-1.3	-0.7	-0.6	-0.5	-1.2	-8.0
Repayments	-15.1	-10.9	-47.6	-4.1	-4.1	-4.1	-20.5	-106.4
Loans from pension institutions								
Finance charges	-0.0	-0.0	-	-	-	-	-	-0.0
Repayments	-0.2	-0.2	-	-	-	-	-	-0.4
Finance lease liabilities								
Rents	-	-	-	-	-	-	-	-
Other long-term loans								
Finance charges	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.6
Repayments	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-1.0	-3.0
Other Current loans								
Finance charges	-0.0	-	-	-	-	-	-	-0.0
Repayments	-15.0	-	-	-	-	-	-	-15.0
Derivative liabilities								
Designated as cash flow hedges								
Outflow	-40.4	-0.2	-	-	-	-	-	-40.6
Inflow	39.1	0.0	-	-	-	-	-	39.1
Other derivative contracts								
Outflow	-233.0	-2.6	-3.6	-	-	-	-	-239.2
Inflow	225.0	2.6	3.7	-	-	-	-	231.3
Trade payables	-116.7	-	-	-	-	-	-	-116.7

¹⁾ Repayments in 2015 are included in current debt.

All non-current debt will be repaid by the end of 2025. Average maturity of long-term debt was 5.01 years and the average interest rate 3.01%.

Maturity analysis for guarantee contracts at December 31, 2015

EUR million	2016	2017	2018	2019	2020	2021–
Guarantees for financing	-14.3	-	-	-	-	-
All commercial guarantees including down payment guarantees	-622.7	-0.1	-1.3	-0.7	-0.0	-7.6

Maturity analysis for guarantee contracts at December 31, 2014

EUR million	2015	2016	2017	2018	2019	2020–
Guarantees for financing	-16.6	-0.5	-	-	-	-
All commercial guarantees including down payment guarantees	-501.8	-0.3	-0.1	-0.1	-1.3	-7.4

All sales project related commercial guarantees are included in short term liabilities as they secure ongoing contractual obligations. However, claims that affect liquidity have

historically been rare. There was no claim to a guarantee in 2015 (previous claim to a guarantee was settled through a payment of EUR 0.1 million in 2013).

Cash and cash equivalents and committed unutilized credit facilities

EUR million	2015	2014
Cash at bank and in hand	234.0	192.8
Short term bank deposits	52.6	59.7
Cash equivalent marketable securities	14.0	29.5
Overdraft facilities	15.8	14.3
Revolving and other credit facilities	100.0	160.0

19. DERIVATIVE INSTRUMENTS

Fair values of derivative contracts

Remaining maturity		Positive fair value			Negative fair value			
		1-2	2-3		1-2	2-3		
EUR million	<1 year	years	years	3- years	<1 year	years	years	3- years

2015

Foreign exchange forward contracts								
Designated as cash flow hedges	0.1	-	-	-	-1.2	-0.3	-0.6	-
Other foreign exchange forward contracts	3.3	0.0	-	-	-3.9	-0.0	-	-
Interest rate swaps								
Designated as cash flow hedges	-	-	-	-	-0.2	-	-	-
Designated as fair value hedges	-	-	-	5.5	-	-	-	-
Total	3.5	0.0	-	5.5	-5.4	-0.3	-0.6	-

2014

Foreign exchange forward contracts								
Designated as cash flow hedges	0.1	-	-	-	-1.0	-	-	-
Other foreign exchange forward contracts	6.1	0.0	-	-	-7.3	-0.1	-0.0	-
Interest rate swaps								
Designated as cash flow hedges	-	-	-	-	-	-0.3	-	-
Designated as fair value hedges	-	-	-	6.5	-	-	-	-
Total	6.2	0.0	-	6.5	-8.3	-0.4	-0.0	-

Fair values are estimated based on market rates and prices and discounted future cash flows.

Nominal values of derivative contracts

Remaining maturity EUR million	<1 year	1–2 years	2–3 years	3– years
2015				
Foreign exchange forward contracts				
Designated as cash flow hedges	77.9	6.3	11.9	-
Other foreign exchange forward contracts	328.8	4.8	-	-
Interest rate swaps				
Designated as cash flow hedges	40.0	-	-	-
Designated as fair value hedges	-	-	-	75.0
Total	446.6	11.1	11.9	75.0
2014				
Foreign exchange forward contracts				
Designated as cash flow hedges	62.4	-	-	-
Other foreign exchange forward contracts	392.3	3.4	3.6	-
Interest rate swaps				
Designated as cash flow hedges	-	40.0	-	-
Designated as fair value hedges	-	-	-	75.0
Total	454.8	43.4	3.6	75.0
Effect of cash flow hedges				
EUR million			2015	2014
Recognized in profit and loss				
In other expenses			-0.1	0.0
Adjustment to sales			-6.5	-4.0
Recognized in equity				
As deferred tax asset			0.6	0.1
Hedge result			-2.4	-0.3

20. INVENTORIES

EUR million	2015	2014
Work in progress	81.7	70.6
Finished goods, merchandise and raw materials	59.5	64.8
Advance payments	61.1	34.7
	202.2	170.0

21. TRADE AND OTHER RECEIVABLES

EUR million	2015	2014
Non-current		
Interest-bearing		
Loans receivable from associated companies	1.9	1.4
Non interest-bearing		
Other receivables	2.4	2.4
Current		
Interest-bearing		
Loans receivable	0.1	0.2
Non interest-bearing		
Trade receivables	200.0	197.0
Project related receivables	146.1	179.6
Current tax assets	17.0	29.7
VAT receivable	45.9	48.6
Grants and subsidies receivable	5.4	2.8
Other accruals	4.3	5.5
Other receivables	17.5	8.6
	436.2	471.8
Trade receivables (gross)	205.2	202.0
Doubtful trade receivables		
Doubtful trade receivables at January 1	5.0	4.0
Translation differences	-0.2	-0.1
Additions	2.5	2.3
Deductions	-1.7	-1.2
Recovery of doubtful receivables	-0.4	-
Doubtful trade receivables at December 31	5.1	5.0
Total trade receivables	200.0	197.0

The ageing of trade receivables:		
EUR million	2015	2014
Not due	80.8	105.1
Overdue by:		
Between 1 and 30 days	29.1	23.1
Between 31 and 60 days	12.9	11.1
Between 61 and 180 days	33.0	30.5
Between 181 and 360 days	20.9	12.9
Over 361 days	28.4	19.3
Total trade receivables (gross)	205.2	202.0

Maximum exposure to credit risk for trade receivables by geographic region:		
EUR million	2015	2014
Finland	1.8	2.6
Germany	1.0	1.0
CIS	17.3	3.4
Rest of Europe	16.6	18.1
North America	10.5	14.3
South America	38.2	33.2
Australia	18.0	18.9
Asia	77.0	74.2
Africa	19.7	31.2
Total	200.0	197.0

Trade receivables are according to the customer's location.

22. CASH AND CASH EQUIVALENTS

EUR million	2015	2014
Cash at bank and in hand	234.0	192.8
Short term bank deposits	52.6	59.7
Cash equivalent marketable securities	14.0	29.5
	300.7	281.9

Majority of Outotec's investments were made in the following currencies: Euro, U.S. dollar and Chilean peso. Relevant reference rate of euro has varied during 2015 between -0.21–0.01%. U.S. dollar reference rate varied between 0.01–1.03% and Chilean peso reference rate between 2.81–4.03%.

23. EQUITY

Share capital and share premium fund

EUR million	Number of shares, 1,000	Share capital	Share premium fund	Other reserves	Fair value reserves	Treasury shares	Reserve for invested non-restricted equity	Total
31.12.2015	183,121	17.2	20.2	0.4	-14.6	-17.4	93.8	99.5
31.12.2014	183,121	17.2	20.2	0.4	-13.6	-18.0	93.0	99.3

Outotec Oyj's shares were entered into the Finnish Book-Entry Securities System on September 25, 2006. Outotec's share capital was EUR 17,186,442.52 at December 31, 2015 (December 31, 2014: EUR 17,186,442.52) consisting of 183,121,492 shares. Each share entitles its holder to one vote at the general meetings of shareholders of the company.

Share premium fund

Share premium fund includes the share premium paid over the nominal share value in Outotec Oyj.

Other reserves

Other reserves include reserve fund and other reserves. Reserve fund includes amounts transferred from the distributable equity under the Articles of Association or by a decision by General Meeting of Shareholders. Other reserves include other items based on the local regulations of the group companies.

Fair value reserves

The fair value reserves includes the fair value change of available-for-sale financial instruments, effective portion of fair value

change based on hedge accounting applied to derivatives and changes in actuarial estimates related to defined pension plans. The changes in the reserve are stated in comprehensive income.

Treasury shares

Outotec has an agreement with a third-party service provider concerning administration and hedging of share-based incentive program for key personnel. As part of this agreement, for hedging the underlying cash flow risk, the service provider purchased Outotec shares during 2009 and 2008. The purchase of Outotec shares by third-party service provider have been accounted as treasury shares in Outotec's consolidated balance sheet. At the end of the year 2014, the amount of these treasury shares was 675 (2014: 18,034). Outotec's consolidated balance sheet and consolidated changes in equity reflect the substance of the arrangement with a deduction amounting to EUR 0.0 million (2014: EUR 0.0 million) in equity.

On September 10, 2012, Outotec purchased a total of 2,000,000 of the company's own shares through public trading. In December 31,

2013 Outotec Management Oy was merged to Outotec Oyj. In the merger 813,736 shares, previously owned by Outotec Management Oy, were transferred. At the end of the year the number of these shares was 2,030,011 (2014: 2,104,411) and book value EUR 17.4 million. (2014: EUR 17.9 million).

Reserve for invested non-restricted equity

Outotec completed acquisition of control in Larox through directed share in 2009 and made a mandatory public tender offer for the remaining Larox shares. In 2010 Outotec announced the final result of the tender offer, according to which the Larox shares in Outotec ownership represented approximately 98.5% of all the Larox shares and approximately 99.7% of all the votes attached to the Larox shares. In 2010 the Arbitral Tribunal confirmed that Outotec has gained title to all the Larox shares by lodging security for the payment of the redemption price and the interest accruing thereon. Most of the consideration for the Larox shares purchased was paid in the form of 15,121,492 (2009: 11,053,676) new Outotec shares which totalled to EUR 88.1 million

(2009: EUR 63.4 million). EUR 0.4 million of these new Outotec shares are reported under share capital and EUR 87.7 million under the reserve for invested non-restricted equity.

The fair value changes of disposals have been booked to the reserve for invested non-restricted equity. The disposals were related to acquisition of Outotec Management Oy and share-based incentive programs.

Dividend

The Board of Directors will propose that no dividend will be paid for 2015. The parent company's distributable funds were EUR 309.7 million at December 31, 2015.

24. EMPLOYEE BENEFIT OBLIGATIONS

Outotec has several pension plans in various countries, which are mainly classified as defined contribution pension plans. Defined benefit pension plans are in Germany. The basis for all the plans is a fixed pension amount earned for every service year. The amount depends on the salary group at date of retirement. In case of early retirement the pension is reduced until the normal retirement age. Furthermore there are entitlements for widow's and orphan's pensions which are part of the spouse's pension. Other post-employment benefits relate to retirement medical arrangements in Germany.

Pension and other post-employment benefits

Amounts recognized in the income statement

EUR million	2015	2014
Defined benefit pension expenses	-2.9	-2.6
Defined contribution pension expenses	-26.6	-26.5
Other post-employment benefits	-0.1	-0.1
	-29.6	-29.2

By function	Defined benefit pension plans		Other post-employment benefits	
EUR million	2015	2014	2015	2014
Cost of sales	-1.4	-1.8	-	-0.1
Selling and marketing expenses	-0.4	-0.3	-	-0.0
Administrative expenses	-0.4	-0.4	-0.1	-0.0
Research and development expenses	-0.7	-0.1	-	-0.0
	-2.9	-2.6	-0.1	-0.1

Pension cost in employee benefit expenses	Defined benefit pension plans		Other post-employment benefits	
EUR million	2015	2014	2015	2014
Current service cost	-1.7	-1.2	-	0.0
Interest cost	-1.1	-1.3	-0.1	-0.1
Employee contributions	-0.2	-0.2	-	-
	-2.9	-2.6	-0.1	-0.1

Amounts recognized in the statement of financial position related to defined benefit pension plans and to other post-employment benefits

Movement in the present value of the defined benefit obligation EUR million	Defined benefit pension plans		Other post- employment benefits	
	2015	2014	2015	2014
Unfunded obligation at January 1	47.0	37.6	3.7	3.4
Prior year adjustment to opening balance	0.5	0.7	-0.1	0.1
Service cost	1.7	1.2	-	0.0
Interest cost	1.1	1.3	0.1	0.1
Actuarial gains(+) and losses (-) 1)	-0.5	7.2	-0.0	0.3
Employee contributions	0.2	0.2	-	-
Benefits paid	-1.4	-1.3	-0.2	-0.2
Unfunded obligation at December 31	48.5	47.0	3.4	3.7
Expected benefit payments				
2016				1.8
2017				1.8
2018				1.9
2019				2.0
2020				2.0
Next 5 years				11.0

The weighted average duration of the defined benefit obligation was 16.9 years on December 31, 2015.

Principal actuarial assumptions

%	2015	2014
Discount rate	2.20	2.25
Future benefit increase expectation	1.80	1.80

Assumption for the retirement age follows the normal age in Germany. Assumptions regarding the mortality are done according to the actuarial guidelines and are based on the local statistics and knowledge. Other post-employment benefit obligations are influenced by the medical cost trend.

Sensitivity analysis of principal actuarial assumptions

%	Change in assumption	Impact of increase	Impact of decrease
Discount rate	0.25	-4.0	4.3
Future benefit increase expectation	0.25	2.2	-2.1
Medical cost trend expectation	1.00	0.6	-0.6
Change in expensed lifetime	1 year	3.2	-3.2

Above sensitivity analysis is calculated by changing one assumption while others are expected to remain unchanged. In reality this is unlikely and assumptions may correlate with each others. Defined benefit liability in the sensitivity analysis is calculated with the same method as in the balance sheet.

Defined benefit plans expose The Group for different type of risks the most relevant being the interest risk. In case assumptions behind the discount rate change substantially and the discount rate decreases significantly, also present value of the defined benefit plan obligations increases. Outotec's discount rate

is based on the markets for fixed interest long running papers.

Defined benefit plans include lifetime benefits for the beneficiaries. Therefore decrease in mortality assumption increases the pension and health care obligations.

25. PROVISIONS

EUR million	Project provisions ¹⁾	Other provisions ²⁾	2015
Non-current			
Provisions at January 1	17.4	0.0	17.4
Translation differences	0.0	0.0	0.0
Additions	0.0	1.1	1.1
Provisions utilized during the period	-0.2	-	-0.2
Provisions released	-1.2	-	-1.2
Reclassifications	-15.4	-	-15.4
Other changes	-0.7	-	-0.7
Provisions at December 31	-	1.1	1.1
Current			
Provisions at January 1	31.3	16.7	48.0
Translation differences	-0.4	-0.2	-0.6
Additions	38.2	39.8	78.0
Acquired subsidiaries	0.1	-	0.1
Provisions utilized during the period	-31.3	-17.0	-48.3
Provisions released	-13.2	-	-13.2
Reclassifications	15.4	-	15.4
Other changes	2.1	-0.0	2.1
Provisions at December 31	42.1	39.3	81.4

Provisions are based on best estimates on the balance sheet date.

¹⁾ Non-current project provisions have been reclassified as current project provision. Current project provisions include EUR 34.8 million warranty provisions and EUR 7.4 million project loss provisions at December 31, 2015.

²⁾ Current other provisions include EUR 30.2 million restructuring provisions at December 31, 2015.

26. INTEREST-BEARING LIABILITIES

EUR million	Carrying amount		Fair value	
	2015	2014	2015	2014
Non-current				
Bonds and debentures	148.7	148.5	151.5	153.0
Loans from financial institutions	140.3	91.3	142.4	94.6
Loans from pension institutions	-	0.2	-	0.2
Finance lease liabilities	0.0	-	0.0	-
Other non-current loans	2.3	2.7	2.3	2.7
	291.4	242.6	296.2	250.5
Current				
Loans from financial institutions	18.4	15.1	19.3	16.1
Loans from pension institutions	0.2	0.2	0.2	0.2
Finance lease liabilities	0.0	-	0.0	-
Other current loans	29.1	15.4	29.1	15.4
	47.7	30.7	48.6	31.7

The fair value of interest-bearing liabilities is higher compared to the carrying value due to valuation of the fixed-interest loans when using current interest rate level, which is lower than the fixed rate.

Finance lease liabilities	Minimum lease payments		Present value of minimum lease payments	
EUR million	2015	2014	2015	2014
Not later than 1 year	0.0	-	0.0	-
1–2 years	0.0	-	0.0	-
2–3 years	0.0	-	0.0	-
3–4 years	0.0	-	0.0	-
4–5 years	0.0	-	0.0	-
Future finance charges	0.0	-	0.0	-

27. TRADE AND OTHER PAYABLES

EUR million	2015	2014
Non-current		
Other non-current liabilities	7.6	9.0
Earnout liability	10.3	1.4
	18.0	10.3
Non interest-bearing		
Trade payables	129.2	116.7
Advances received	232.1	207.6
Project related liabilities	119.1	121.1
Accrued employee-related expenses	31.6	45.1
VAT payable	22.4	13.8
Withholding tax and social security liabilities	5.7	12.0
Earnout liability	2.0	1.8
Other accruals	24.3	10.4
Other payables	6.0	1.7
	572.4	530.1

28. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

2015	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
EUR million								
Non-current financial assets								
Derivative assets								
Foreign exchange forward contracts	0.0	-	-	-	-	-	0.0	0.0
Interest rate swaps	-	-	-	-	5.5	-	5.5	5.5
Other shares and securities	-	-	2.2	-	-	-	2.2	2.2
Trade and other receivables								
Interest-bearing	-	1.9	-	-	-	-	1.9	1.9
Non interest-bearing	-	0.0	-	-	-	-	0.0	0.0
Current financial assets								
Derivative assets								
Foreign exchange forward contracts	3.3	-	-	-	0.1	-	3.5	3.5
Trade and other receivables								
Interest-bearing	-	0.1	-	-	-	-	0.1	0.1
Non interest-bearing	-	436.2	-	-	-	-	436.2	436.2
Cash and cash equivalents	-	300.7	-	-	-	-	300.7	300.7
Carrying amount by category	3.3	738.9	2.2	-	5.7	-	750.1	750.1
Non-current financial liabilities								
Bonds	-	-	-	-	-	148.7	148.7	151.5
Loans from financial institutions	-	-	-	-	-	140.3	140.3	142.4
Finance lease liabilities	-	-	-	-	-	0.0	0.0	0.0
Derivative liabilities								
Foreign exchange forward contracts	-	-	-	0.0	1.0	-	1.0	1.0
Other non-current loans	-	-	-	-	-	2.3	2.3	2.3
Other non-current liabilities	-	-	-	-	-	2.0	2.0	2.0
Current financial liabilities								
Loans from financial institutions	-	-	-	-	-	18.4	18.4	19.3
Loans from pension institutions	-	-	-	-	-	0.2	0.2	0.2
Finance lease liabilities	-	-	-	-	-	0.0	0.0	0.0
Derivative liabilities								
Foreign exchange forward contracts	-	-	-	3.9	1.2	-	5.2	5.2
Interest rate swaps	-	-	-	-	0.2	-	0.2	0.2
Other current loans	-	-	-	-	-	29.1	29.1	29.1
Trade payables	-	-	-	-	-	129.2	129.2	129.2
Carrying amount by category	-	-	-	3.9	2.4	470.3	476.7	482.4

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2014	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
EUR million								
Non-current financial assets								
Derivative assets								
Foreign exchange forward contracts	0.0	-	-	-	-	-	0.0	0.0
Interest rate swaps	-	-	-	-	6.5	-	6.5	6.5
Other shares and securities	-	-	2.2	-	-	-	2.2	2.2
Trade and other receivables								
Interest-bearing	-	1.4	-	-	-	-	1.4	1.4
Non interest-bearing	-	0.0	-	-	-	-	0.0	0.0
Current financial assets								
Derivative assets								
Foreign exchange forward contracts	6.1	-	-	-	0.1	-	6.2	6.2
Trade and other receivables								
Interest-bearing	-	0.2	-	-	-	-	0.2	0.2
Non interest-bearing	-	471.8	-	-	-	-	471.8	471.8
Cash and cash equivalents	-	281.9	-	-	-	-	281.9	281.9
Carrying amount by category	6.1	755.3	2.2	-	6.6	-	770.3	770.3
Non-current financial liabilities								
Bonds	-	-	-	-	-	148.5	148.5	153.0
Loans from financial institutions	-	-	-	-	-	91.3	91.3	94.6
Loans from pension institutions	-	-	-	-	-	0.2	0.2	0.2
Derivative liabilities								
Foreign exchange forward contracts	-	-	-	0.1	-	-	0.1	0.1
Interest rate swaps	-	-	-	-	0.3	-	0.3	0.3
Other non-current loans	-	-	-	-	-	2.7	2.7	2.7
Other non-current liabilities	-	-	-	-	-	2.4	2.4	2.4
Current financial liabilities								
Loans from financial institutions	-	-	-	-	-	15.1	15.1	16.1
Loans from pension institutions	-	-	-	-	-	0.2	0.2	0.2
Derivative liabilities								
Foreign exchange forward contracts	-	-	-	7.3	1.0	-	8.3	8.3
Other current loans	-	-	-	-	-	15.4	15.4	15.4
Trade payables	-	-	-	-	-	116.7	116.7	116.7
Carrying amount by category	-	-	-	7.4	1.4	392.3	401.1	409.9

Loans have been valued at current market rates which causes differences against carrying values.

Fair value hierarchy

The revised IFRS 7 standard requires use of three-level fair value hierarchy of financial instruments. For more information please see the principles to the consolidated financial statements.

2015				
EUR million	Level 1	Level 2	Level 3	Total
Available for sale financial assets	0.0	-	2.2	2.2
Derivative financial assets	-	9.0	-	9.0
	0.0	9.0	2.2	11.2
Bonds	-	151.5	-	151.5
Loans from financial institutions	-	161.7	-	161.7
Loans from pension institutions	-	0.2	-	0.2
Derivative financial liabilities	-	6.3	-	6.3
	-	319.7	-	319.7
2014				
EUR million	Level 1	Level 2	Level 3	Total
Available for sale financial assets	0.0	-	2.2	2.2
Derivative financial assets	-	12.7	-	12.7
	0.0	12.7	2.2	14.9
Bonds	-	153.0	-	153.0
Loans from financial institutions	-	110.7	-	110.7
Loans from pension institutions	-	0.4	-	0.4
Derivative financial liabilities	-	8.7	-	8.7
	-	272.8	-	272.8

Offsetting financial assets and financial liabilities

Dec 31, 2015		Gross amounts of recognised financial liabilities set off in the balance sheet	Net amounts of financial assets presented in the balance sheet	Related amounts not set off in the balance sheet		
	Gross amounts of recognised financial assets			Financial instruments	Cash collateral received	Net amount
Derivative financial assets	9.0	-	9.0	-3.0	-	6.0
Total	9.0	-	9.0	-3.0	-	6.0
Dec 31, 2015		Gross amounts of recognised financial assets set off in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Related amounts not set off in the balance sheet		
	Gross amounts of recognised financial liabilities			Financial instruments	Cash collateral received	Net amount
Derivative financial liabilities	6.3	-	6.3	-3.0	-	3.3
Total	6.3	-	6.3	-3.0	-	3.3
Dec 31, 2014		Gross amounts of recognised financial liabilities set off in the balance sheet	Net amounts of financial assets presented in the balance sheet	Related amounts not set off in the balance sheet		
	Gross amounts of recognised financial assets			Financial instruments	Cash collateral received	Net amount
Derivative financial assets	12.5	-	12.5	-4.5	-	8.0
Total	12.5	-	12.5	-4.5	-	8.0
Dec 31, 2014		Gross amounts of recognised financial assets set off in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Related amounts not set off in the balance sheet		
	Gross amounts of recognised financial liabilities			Financial instruments	Cash collateral received	Net amount
Derivative financial liabilities	8.7	-	8.7	-4.5	-	4.2
Total	8.7	-	8.7	-4.5	-	4.2

29. COMMITMENTS AND CONTINGENT LIABILITIES

EUR million	2015	2014
Guarantees for commercial commitments at December 31	415.9	307.5

No securities or collateral have been pledged. Commercial guarantees are related to performance obligations of project and equipment deliveries. These are issued by financial institutions or Outotec Oyj on behalf of group companies. The total value of commercial guarantees above does not include advance payment guarantees issued by the parent or other group companies or guarantees for financial obligations. The total amount

of guarantees for financing issued by group companies amounted to EUR 14.3 million at December 31, 2015 (December 31, 2014: 17.3 million) and for commercial guarantees including advance payment guarantees EUR 632.3 million at December 31, 2015 (December 31, 2014: 511.0 million). High exposure of on-demand guarantees may increase the risk of claims that may have an impact on the liquidity of Outotec.

Present value of minimum lease payments on operating leases

EUR million	2015	2014
Not later than 1 year	22.4	21.4
1–2 years	20.9	19.0
2–3 years	16.3	16.6
3–4 years	12.9	13.0
4–5 years	11.3	11.1
Later than 5 years	41.6	50.6
Present value of minimum lease payments	125.3	131.7

Major off-balance sheet investment commitments

The Group has no major off-balance sheet investment commitments at December 31, 2015.

30. LEGAL DISPUTES

On September 15, 2015, Outotec announced that the company and Yanggu Xiangguang Copper Co. (Yanggu) have settled all legal disputes regarding license agreements and intellectual property rights relating to Outotec Flash Smelting technology (Press Release on April 2, 2014 and Stock Exchange Release on March 23, 2015). Yanggu has withdrawn its application for summons at the High Court of Shandong Province in China and Outotec has withdrawn its arbitration process at the ICC International Court of Arbitration. These settlements have no impact on Outotec's financial guidance for 2015.

On September 7, 2015, Outotec announced that the Price Supervision and Anti-Monopoly Bureau of the National Development and Reform Commission of the P.R. China (NDRC) has closed its investigations of Outotec's market position regarding the Flash Smelting and Flash Converting technologies in China (Stock Exchange Release on March 23, 2015). Outotec has been cooperating with NDRC during the investigation and undertaken to adapt modifications required by Chinese anti-monopoly laws into Outotec's license agreements in China. Outotec will continue its Flash Smelting and Flash Converting technology business in China.

On August 28, 2015, Outotec announced that the Arbitral Tribunal has issued an award concerning the patent dispute between Outotec and Outokumpu Oyj relating to ferroalloys technology inventions. According to the award, rights of ownership and use of the inventions belong to both Outotec and Outokumpu jointly. In addition, the Arbitral Tribunal stated that

Outokumpu had breached the Technology Cooperation Agreement between the parties. Outotec's claims for compensation were dismissed as premature. Outotec will disclose separately possible implications of the Arbitral Tribunal's awards to the legal proceedings related to the same technologies at the Helsinki District Court.

On December 27, 2013, Outotec announced that Outotec and the Brazilian mining company MMX Sudeste Mineração S.A. (MMX) had started separate arbitration processes against each other at the International Court of Arbitration in a dispute regarding the delivery of 17 filters. On January 27, 2016, Outotec announced that the arbitration court's final decision for Outotec was EUR 6.4 million negative. This has been booked in non-recurring items in the fourth quarter of 2015.

On September 27, 2013, Outotec announced that Sarda Energy and Minerals Ltd (SEML) submitted application for arbitration at the International Court of Arbitration against Outotec in dispute regarding a filter delivery in 2007. The content value was approximately EUR 0.6 million. SEML's claim equals approximately 18 million US dollars. The ICC arbitration is on-going.

All ongoing legal disputes are listed in the risk section of the company's web site at www.outotec.com/investors.

31. RELATED PARTY TRANSACTIONS

Transactions and balances with associated companies

EUR million	2015	2014
Sales	0.0	2.1
Other Income	0.1	0.1
Purchases	0.6	0.2
Loan receivables	1.9	1.4
Trade and other receivables	0.2	0.6
Current liabilities	0.0	0.4

Outotec has a 40 percent investment in Enefit Outotec Technology Oü from which the company has EUR 1.9 million loan receivable at December 31, 2015 (December 31, 2014: 1.4 million). During 2015 Outotec has not converted any loan to equity (2014: EUR 1.1 million).

Transactions and balances with management

Loan receivables from key management were EUR 0.0 million at December 31, 2015.

No loan receivables at December 31, 2014.

Employee benefits for key management

EUR million	2015	2014
Executive Board (including President and CEO)		
Wages, salaries and other short-term employee benefits	4.3	4.7
Share-based payments	0.5	0.2
Statutory pension payments	0.7	0.6
Defined benefit pensions ¹⁾	-	0.1
Total	5.5	5.6

President and CEO

Wages, salaries and other short-term employee benefits	0.7	0.7
Share-based payments	0.1	0.1
Statutory pension payments	0.1	0.1
Total	0.9	0.8

¹⁾ Further information in the note 24 Employee benefit obligations.

During year 2015 Executive Board received a total number of 42,555 Outotec shares (2014: 13,956) as part of the share-based incentive program (including in short-term employee benefits), of which CEO Pertti Korhonen received a total of 6,750 (2014: 3,000).

Fees paid to the Board of Directors

EUR thousand	2015	2014
Matti Alahuhta ((Chairman)	84.0	82.9
Timo Ritakallio (Vice Chairman)	59.4	58.8
Eija Ailasmaa	48.0	48.6
Klaus Cawén	43.8	-
Anja Korhonen	59.4	48.0
Ian W. Pearce	44.4	-
Poju Zabłudowicz	43.8	43.2
Björn Rosengren	41.4	42.0
Tapani Järvinen	4.2	48.6
Hannu Linnoinen	3.0	60.0
Carl-Gustaf Bergström	-	0.6
Karri Kaitue	-	0.6
	431.4	433.3

32. EVENTS AFTER THE BALANCE SHEET DATE

On January 27, 2016, Outotec announced that Outotec (Filters) Oy and the Brazilian mining company MMX Sudeste Mineração S.A. (MMX) started in December 2013 a separate arbitration processes against each other at the International Court of Arbitration. The arbitration court's final decision for Outotec was EUR 6.4 million negative. This has been booked in non-recurring items in the fourth quarter of 2015

On January 25, 2016, Outotec announced that Robin Lindahl, Executive Vice President and President of Metals, Energy & Water business has decided to leave Outotec to join Normet Group as their new President and CEO latest on May 1, 2016.

On January 21, 2016, Outotec announced that it was ranked the world's third most sustainable company on the Global 100 Index of Corporate Knights. Outotec has also received the Silver Class distinction for its excellent sustainability performance in RobecoSAM's annual Corporate Sustainability Assessment.

On January 7, 2016, Outotec announced that it had agreed with Mintal Group on the design and delivery of a ferrochrome plant for Mintal in Baotou, China. The contract value exceeds EUR 25 million and has been booked in the fourth quarter 2015 order intake

On January 4, 2016, Outotec announced that it had completed employee cooperation negotiations and as a result, 150 jobs are reduced in Finland.

33. SUBSIDIARIES

Subsidiaries at December 31, 2015	Country	Group holding, %
Ausiron Development Corporation Pty. Ltd.	Australia	100
Biomim South Africa (Pty) Ltd	South Africa	51
International Project Services Ltd. Oy	Finland	100
Larox AB	Sweden	100
Larox India Private Ltd.	India	100
Larox SA (Proprietary) Ltd.	South Africa	100
MP Metals Processing Engineering Oy	Finland	100
OOO Larox	Russia	100
OOO Outotec Norilsk	Russia	100
Outotec (Canada) Ltd.	Canada	100
Outotec (Ceramics) Oy	Finland	100
Outotec (Chile) S.A.	Chile	100
Outotec (Filters) GmbH	Germany	100
Outotec (Filters) Oy	Finland	100
Outotec (Finland) Oy	Finland	100
Outotec (Ghana) Limited	Ghana	100
Outotec (Kazakhstan) LLP	Kazakhstan	100
Outotec (Netherlands) B.V.	The Netherlands	100
Outotec (New Caledonia) S.A.R.L.	New Caledonia	100
Outotec (Norway) AS	Norway	100
Outotec (Peru) S.A.C.	Peru	100
Outotec (Polska) Sp. z o.o.	Poland	100
Outotec (RSA) (Pty) Ltd.	South Africa	100
Outotec (Spain) S.L.	Spain	100
Outotec (Sweden) AB	Sweden	100
Outotec (UK) Ltd.	Great Britain	100
Outotec (USA) Inc.	United States	100
Outotec (Zambia) Ltd.	Zambia	100
Outotec Africa Holdings (Pty) Ltd	South Africa	100
Outotec Ausmelt Pty Ltd	Australia	100
Outotec Austria GmbH	Austria	100
Outotec B.V.	The Netherlands	100
Outotec Deutschland GmbH	Germany	100

All companies owned directly by the parent company Outotec Oyj are included.
The Group holding corresponds to the Group's share of voting rights.

Subsidiaries at December 31, 2015	Country	Group holding, %
Outotec Engineering DMCC	United Arab Emirates	100
Outotec Engineering Mozambique Ltda	Mozambique	100
Outotec Engineering RAK LLC	United Arab Emirates	100
Outotec Engineering Tete Ltda	Mozambique	100
Outotec GmbH & Co KG	Germany	100
Outotec Holding GmbH	Germany	100
Outotec India Private Ltd.	India	100
Outotec International Holdings Oy	Finland	100
Outotec Mexico S.A. de C.V.	Mexico	100
Outotec Middle East Industrial Projects Consultancy LLC	United Arab Emirates	100
Outotec Mongolia LLC	Mongolia	100
Outotec Morocco LLC	Morocco	100
Outotec Namibia (Pty.) Ltd	Namibia	100
Outotec Pty. Ltd.	Australia	100
Outotec Saudi Arabia LLC	Saudi Arabia	100
Outotec Services (RSA) (Pty) Ltd	South Africa	100
Outotec Servicios Industriales Ltda.	Chile	100
Outotec Shanghai Co. Ltd.	People's Republic of China	100
Outotec Suzhou Co., Ltd.	People's Republic of China	100
Outotec Tecnologia Brasil Ltda	Brazil	100
Outotec Trading & Contracting WLL	Qatar	70
Outotec Turkey Metal Enerji ve su Teknolojileri Anonim Sirket	Turkey	100
Outotec Turula Oy	Finland	100
Petrobau Ingenieur Bulgaria EOOD	Bulgaria	100
PT. Outotec Technology Solutions	Indonesia	100
Scanalyse Chile S.A.	Chile	100
Scanalyse Holding Pty Ltd	Australia	100
Scanalyse Pty Ltd	Australia	100
Scheibler Filters Ltd.	Great Britain	100
ZAO Outotec St. Petersburg	Russia	100

¹⁾ Shares and stock held by the parent company Outotec Oyj.

²⁾ Companies were acquired or established in 2015.

Branch Offices at December 31, 2015

International Project Services Ltd. Oy Ogranak, branch office in Serbia
 Outotec Pty. Ltd, Sri Lanka, branch office in Sri Lanka
 Outotec (RSA) (Pty) Ltd. Zambia, branch office in Zambia
 Outotec (Filters) Oy Sucursal, branch office in Peru
 Outotec GmbH - Abu Dhabi Branch Office, branch office in United Arab Emirate
 Outotec (Netherlands) B.V. Philippine Branch, branch office in Philippines

Changes in 2015

Kumpu GmbH merged with Outotec Deutschland GmbH on January 1, 2015.
 Outotec Engineering JLT changed its name to Outotec Engineering DMCC on January 8, 2015
 Outotec Filters Australia Pty. Ltd. deregistered on February 5, 2015
 Backfill Specialists Pty Ltd deregistered on February 5, 2015
 Outotec Africa Holdings (Pty) Ltd established on March 1, 2015
 Outotec Engineering Mozambique Ltda acquired on March 1, 2015
 Outotec Engineering RAK LLC acquired on March 1, 2015
 Outotec Engineering Tete Ltda acquired on March 1, 2015
 Outotec Trading & Contracting WLL acquired on March 1, 2015
 Outotec Services (RSA) (Pty) Ltd established on June 5, 2015
 Kovit Engineering Ltd acquired on August 10, 2015
 Auburn Project Management Inc. dissolved on October 1, 2015
 Kovit Engineering Ltd merged to Outotec (Canada) Ltd. on November 1, 2015
 Scanalyse Processamento de Dados Ltda liquidated on November 10, 2015
 Biomin South Africa (Pty) Ltd acquired on November 18, 2015
 Outotec Middle East Industrial Projects Consultancy LLC established on December 17, 2015

Changes in 2014

Outotec (New Caledonia) S.A.R.L. established 20.1.2014
 Outotec Turkey Metal Enerji ve su Teknolojileri Anonim Sirketi were established on 19.2.2014
 Scanalyse Inc merged to Outotec USA Inc. 1.4.2014
 Outotec Engineering JLT established 17.4.2014
 Because of change in legal form, on 15 July 2014, Outotec GmbH name changed to Outotec GmbH & Co KG
 Outotec (Spain) S.L. incorporation completed 28.8.2014
 Aisco Systems Inc. Chile y Compañia Ltda liquidated on 9.9.2014
 Larox OOO liquidated 19.9.2014
 Outotec Morocco LLC established 3.10.2014
 Outotec (Australasia) Pty. Ltd. was deregistered on 19th October 2014
 Outotec Austria GmbH was established 17.12.2014

KEY FINANCIAL FIGURES, IFRS

Key financial figures of the Group		2015	2014	2013	2012	2011	2010	2009	2008	2007
Scope of activity										
Sales	EUR million	1,201.2	1,402.6	1,911.5	2,087.4	1,385.6	969.6	877.7	1,217.9	1,000.1
change in sales	%	-14.4	-26.6	-8.4	50.7	42.9	10.5	-27.9	21.8	35.1
exports from and sales outside Finland, of total sales	%	98.0	98.6	99.0	97.4	94.2	95.6	93.6	95.0	95.7
Capital expenditure	EUR million	104.8	68.5	53.0	76.2	98.3	96.7	98.0	23.9	11.6
in relation to sales	%	8.7	4.9	2.8	3.7	7.1	10.0	11.2	2.0	1.2
Research and development expenses ¹⁾	EUR million	61.2	56.9	48.7	41.6	33.5	28.5	20.5	20.2	19.9
in relation to sales	%	5.1	4.1	2.6	2.0	2.4	2.9	2.3	1.7	2.0
Personnel at December 31		4,859	4,571	4,855	4,805	3,883	3,130	3,128	2,674	2,144
average for the year		4,855	4,845	4,927	4,456	3,516	3,151	2,612	2,483	2,031
Order backlog at the end of the period		1,102.8	1,138.0	1,371.7	1,947.1	1,985.1	1,393.1	867.4	1,176.7	1,317.2
Order intake		1,189.9	1,177.9	1,512.4	2,084.4	2,005.4	1,394.7	557.1	1,153.8	1,463.0
Profitability										
Operating profit	EUR million	-12.3	10.4	141.9	184.3	111.9	41.6	58.6	120.2	96.1
in relation to sales	%	-1.0	0.7	7.4	8.8	8.1	4.3	6.7	9.9	9.6
Profit before taxes	EUR million	-22.9	0.2	132.2	179.7	113.3	37.1	60.9	136.3	104.8
in relation to sales	%	-1.9	0.0	6.9	8.6	8.2	3.8	6.9	11.2	10.5
Gross margin	%	27.9	22.9	20.7	20.8	24.0	26.2	21.7	21.5	20.4
Return on equity	%	-4.0	0.0	19.4	29.4	20.9	7.6	14.9	42.6	43.3
Return on investment	%	-1.5	1.7	25.7	37.0	26.4	9.2	20.9	61.6	59.8
Financing and financial position										
Equity-to-assets ratio at the end of the period	%	31.1	36.1	38.5	37.1	39.1	41.2	45.1	35.0	38.2
Gearing at the end of the period	%	9.9	-1.3	-18.2	-56.0	-84.9	-56.2	-55.8	-139.0	-136.4
Net interest-bearing debt	EUR million	39.9	-5.8	-87.1	-264.7	-339.1	-200.9	-191.0	-314.6	-292.9
Net cash generated from operating activities	EUR million	69.5	19.9	-42.1	77.1	247.0	87.5	-28.8	106.6	143.0
Dividends	EUR million	- ²⁾	18.1	36.6	54.9	38.9	34.3	32.0	42.0	39.9

¹⁾ Reclassification of product management costs in 2015. The 2014 figures have been restated.

²⁾ The Board of Directors' proposal to the Annual General Meeting on April 11, 2016.

QUARTERLY INFORMATION (UNAUDITED)

EUR million	Q1/14	Q2/14	Q3/14	Q4/14	Q1/15	Q2/15	Q3/15	Q4/15
Sales								
Metals, Energy & Water	187.7	176.9	165.9	212.6	141.0	174.5	178.2	158.8
Minerals Processing	156.2	158.4	154.4	190.6	136.4	136.4	129.0	147.0
Unallocated items ¹⁾ and intra-group sales	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Total	343.9	335.2	320.3	403.2	277.5	310.8	307.2	305.7
Operating profit								
Metals, Energy & Water	-2.9	-9.9	2.0	-7.5	5.1	4.8	3.7	-0.6
Minerals Processing	13.5	11.1	8.9	12.4	-0.1	5.5	5.4	-27.3
Unallocated items ²⁾ and intra-group sales	-1.8	-1.6	-11.2	-2.6	-1.4	-2.4	-2.4	-2.6
Total	8.7	-0.3	-0.3	2.3	3.6	8.0	6.7	-30.6
Order backlog at the end of period	1,215.9	1,259.7	1,217.3	1,138.0	1,132.2	1,207.2	1,116.7	1,102.8

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

²⁾ Unallocated items primarily include group management and administrative services.

SHARE-RELATED KEY FIGURES

Share-related key figures

EUR million		2015	2014	2013	2012	2011	2010
Earnings per share	EUR	-0.10	0.00	0.51	0.70	0.44	0.15
Equity per share	EUR	2.22	2.47	2.64	2.61	2.19	1.97
Dividend per share	EUR	- ¹⁾	0.10	0.20	0.30	0.21	0.19
Dividend payout ratio	%	-	10,497	40	43	49	129
Dividend yield	%	-	2.3	2.6	2.8	2.3	1.6
Price/earnings ratio		-34.0	4,608.1	14.9	15.0	20.8	78.6
Development of share price							
Average trading price	EUR	4.74	6.88	10.01	9.52	8.80	7.19
Lowest trading price	EUR	3.10	4.19	6.55	7.58	5.97	4.71
Highest trading price	EUR	6.85	9.28	13.03	11.67	11.70	11.81
Trading price at the end of the period	EUR	3.40	4.39	7.61	10.59	9.10	11.56
Market capitalization at the end of the period	EUR million	622.6	803.2	1,393.6	1,939.7	1,666.4	2,116.9
Development in trading volume							
Trading volume	1,000 shares	236,182	255,600	242,841	352,500	326,440	399,768
In relation to weighted average number of shares	%	130.5	141.6	134.3	194.3	179.8	220.3
Adjusted average number of shares		180,959,804	180,469,018	180,827,549	181,436,638	181,517,634	181,427,449
Number of shares at the end of the period ²⁾		180,956,227	180,470,383	181,149,768	180,568,692	182,082,532	181,330,952

¹⁾ The Board of Directors' proposal to the Annual General Meeting on April 11, 2016.

²⁾ Number of registered shares at December 31, 2015 was 183,121,492 [at December 31, 2014: 183,121,492].

DEFINITIONS OF KEY FINANCIAL FIGURES

Research and development expenses = $\frac{\text{Research and development expenses in the statement of comprehensive income (including expenses covered by grants received)}}{\text{Total equity (average for the period)}}$ × 100

Return on equity = $\frac{\text{Profit for the period}}{\text{Total equity (average for the period)}}$ × 100

Return on investment = $\frac{\text{Operating profit + finance income}}{\text{Total assets - non-interest-bearing debt (average for the period)}}$ × 100

Net interest-bearing debt = Interest-bearing debt - Interest-bearing assets

Equity-to-assets ratio = $\frac{\text{Total equity}}{\text{Total assets - advances received}}$ × 100

Gearing = $\frac{\text{Net interest-bearing debt}}{\text{Total equity}}$ × 100

Earnings per share = $\frac{\text{Profit for the period attributable to the equity holders of the parent company}}{\text{Average number of shares during the period, as adjusted for stock split}}$

Equity per share = $\frac{\text{Equity attributable to the equity holders}}{\text{Number of shares at the end of the period, as adjusted for stock split}}$

Dividend per share = $\frac{\text{Dividend for the financial year}}{\text{Number of the shares at the end of period, as adjusted for stock split}}$

Dividend payout ratio = $\frac{\text{Dividend for the financial year}}{\text{Profit for the period attributable to the equity holders of the parent company}}$ × 100

Dividend yield = $\frac{\text{Dividend per share}}{\text{Adjusted trading price at the end of the period}}$ × 100

Price/earnings ratio (P/E) = $\frac{\text{Adjusted trading price at the end of the period}}{\text{Earnings per share}}$

Average trading price = $\frac{\text{EUR amount traded during the period}}{\text{Adjusted number of shares traded during the period}}$

Market capitalization at end of the period = Number of shares at the end of period × trading price at the end of the period

Trading volume = Number of shares traded during the period, and in relation to the weighted average number of shares during the period

PARENT COMPANY FINANCIAL STATEMENTS, FAS

INCOME STATEMENT OF THE PARENT COMPANY

EUR million	Note	2015	2014
Sales	2	32.2	33.7
Cost of sales	3, 5, 7	-3.1	-2.9
Gross profit		29.2	30.7
Other operating income	4	0.0	1.3
Selling and marketing expenses	5, 6, 7	-0.0	-0.2
Administrative expenses	5, 6, 7	-39.7	-35.0
Research and development expenses	5, 7	-1.9	-3.6
Other operating expenses	8	-4.7	-12.6
Operating profit		-17.1	-19.5
Finance income	9, 11	17.3	68.5
Finance expenses	10, 11	-17.1	-22.9
Net finance income		0.2	45.6
Profit before extraordinary items		-17.0	26.1
Extraordinary items	12	27.3	11.0
Profit before appropriations and taxes		10.3	37.1
Income tax expenses	13	-0.2	-0.8
Profit for the period		10.1	36.3

BALANCE SHEET OF THE PARENT COMPANY

EUR million	Note	December 31, 2015	December 31, 2014
ASSETS			
Non-current assets	14		
Intangible assets		62.6	46.8
Property, plant and equipment		1.2	1.1
Non-current financial assets		556.5	431.1
Total non-current assets		620.3	479.0
Current assets			
Inventories	15	0.1	0.0
Non-current receivables	16	32.4	33.5
Current receivables	16	188.5	231.0
Cash and cash equivalents		106.6	125.5
Total current assets		327.7	390.1
TOTAL ASSETS		947.9	869.1

EUR million	Note	December 31, 2015	December 31, 2014
EQUITY AND LIABILITIES			
Shareholders' equity	17		
Share capital		17.2	17.2
Share premium fund		20.2	20.2
Cash flow hedging reserve		-0.2	-0.3
Treasury shares		-17.4	-18.0
Reserve for invested non-restricted equity		97.0	96.4
Retained earnings		220.0	202.4
Profit for the period		10.1	36.3
Total shareholders' equity		346.9	354.2
Liabilities	18		
Non-current liabilities		295.5	246.4
Current liabilities		305.6	268.5
Total liabilities		601.0	514.9
TOTAL EQUITY AND LIABILITIES		947.9	869.1

CASH FLOW STATEMENT OF THE PARENT COMPANY

EUR million	2015	2014
Cash flows from operating activities		
Profit before extraordinary items	-17.0	26.1
Adjustments for		
Depreciation and amortization	8.5	6.5
Impairment	-	10.1
Interest income	-6.8	-7.6
Dividend income	-4.4	-48.9
Interest expenses	8.6	8.4
Other adjustments ¹⁾	-0.8	-1.8
	-11.9	-7.2
Change in working capital		
Decrease (+) in current receivables	-0.6	133.0
Decrease (+) in inventories	-0.0	0.0
Increase (+), decrease (-) in current liabilities	5.3	1.4
	-7.2	127.2
Dividends received	4.4	3.4
Interest received	7.1	7.8
Interest paid	-8.6	-8.3
Income tax paid	6.3	2.4
Net cash from operating activities	2.1	132.6

EUR million	2015	2014
Cash flows from investing activities		
Purchases of intangible and tangible assets	-24.4	-22.5
Acquisition of subsidiaries and other equity investments	-125.4	-60.2
Net cash used in investing activities	-149.8	-82.6
Cash flows from financing activities		
Increase (+) in long-term debt	60.0	45.0
Decrease (-) in long-term debt	-10.8	-7.1
Increase (+), decrease (-) in current debt	32.0	-132.1
Increase (-), decrease (+) in non-current loans receivable	0.1	-1.0
Decrease (+) in current loans receivable	54.8	3.9
Sales of treasury shares	0.4	0.1
Dividends paid	-18.3	-36.6
Cash flow from group contributions	11.0	40.0
Other financing cash flow	-0.5	0.5
Net cash from financing activities	128.8	-87.5
Net change in cash and cash equivalents	-18.9	-37.5
Cash and cash equivalents at January 1	125.5	163.1
Net change in cash and cash equivalents	-18.9	-37.5
Cash and cash equivalents at December 31	106.6	125.5

¹⁾ Includes gains and losses on sale of fixed assets, change in provisions and unrealized exchange gains and losses.

1. ACCOUNTING PRINCIPLES

The financial statements of Outotec Oyj have been prepared according to Finnish Accounting Standards (FAS). The accounting principles for the parent company's financial statements are the same as those for the consolidated financial statements, with the exceptions presented below.

Income taxes

Income tax expenses in income statement consist of accrued taxes for the financial year and tax adjustments to previous years. Deferred tax liabilities and assets have not been recognized but disclosed in the notes to the financial statements.

Non-current financial assets

Non-current financial assets are measured at cost or if the estimated future income is expected to be permanently lower than the book value, the difference is recognized as a write-down.

2. SALES BY MARKET AREA

EUR million	2015	2014
Europe	27.5	29.8
Africa	0.3	0.2
Asia	0.9	0.5
North and South America	2.3	1.8
Australia	1.2	1.4
	32.2	33.7

3. COST OF SALES

EUR million	2015	2014
Merchandise and supplies	-0.0	-0.0
Logistics expenses	-0.0	-0.0
Employee benefit expenses	-1.9	-1.5
Rents and leases	-0.3	-0.2
Depreciation and amortization	-	-0.0
Services purchased	-0.3	-0.8
Other expenses	-0.5	-0.4
	-3.1	-2.9

4. OTHER OPERATING INCOME

EUR million	2015	2014
Exchange gains of forward contracts	-	0.1
Other income	0.0	1.2
	0.0	1.3

5. PERSONNEL EXPENSES

EUR million	2015	2014
Wages and salaries	-12.8	-12.3
Pension contributions	-2.4	-2.4
Other personnel expenses	-0.7	-0.7
	-15.9	-15.5

of which wages and salaries for key management

Members of the Board of Directors	-0.4	-0.4
CEO	-0.7	-0.7
Other members of Executive Committee	-2.8	-2.6
	-4.0	-3.8

of which pension expenses for key management

CEO	-0.1	-0.1
Other members of Executive Committee	-0.4	-0.4
	-0.5	-0.5

During year 2015 executive board members in Outotec Oyj received a total number of 20,043 Outotec shares (2014: 9,456) as part of the share-based incentive program (including in short-term employee benefits). The portion of CEO Pertti Korhonen was 6,750 shares.

There are no special pension arrangements for key management, instead pension arrangements are according to normal legislation.

Loan receivables from key management were EUR 0.0 million at December 31, 2015. No loan receivables at December 31, 2014.

Number of personnel	2015	2014
Average number of personnel for the period	149	149
Personnel at December 31	146	140

6. AUDITOR FEES

EUR million	2015	2014
Auditing fees	-0.1	-0.2
Tax advising fees	-0.1	-0.1
Other services	-0.2	-0.0
	-0.4	-0.2

7. DEPRECIATION AND AMORTIZATION

EUR million	2015	2014
Depreciation and amortization according to plan	-8.5	-6.5
	-8.5	-6.5
Depreciation and amortization by group of assets		
Intangible assets	-1.6	-2.1
Other long-term expenses	-6.4	-3.8
Machinery and equipment	-0.5	-0.6
	-8.5	-6.5
Depreciation and amortization by function		
Cost of sales	-	-0.0
Administrative expenses	-8.5	-5.6
Research and development expenses	-	-0.9
	-8.5	-6.5

8. OTHER OPERATING EXPENSES

EUR million	2015	2014
Impairment of other long-term expenses	-	-10.0
Impairment of tangible assets	-	-0.1
Restructuring	-2.3	-1.7
Exchange losses of forward contracts	-2.0	-0.8
Other expenses	-0.4	-
	-4.7	-12.6

9. FINANCE INCOME

EUR million	2015	2014
Dividend income	4.4	48.9
Interest income	6.8	7.6
Finance income	3.9	4.0
Exchange gains from loans and receivables	1.1	3.3
	16.3	63.8
Finance income from subsidiaries ¹⁾		
Dividend income	4.4	48.9
Interest income and other finance income	9.2	9.7
	13.7	58.6

¹⁾ Finance income from subsidiaries are included in finance income above

10. FINANCE EXPENSES

EUR million	2015	2014
Interest expenses	-8.6	-8.4
Finance expenses	-2.1	-4.0
Exchange losses from loans and receivables	-2.5	-0.8
Exchange losses from forward agreements	-3.0	-5.0
	-16.2	-18.2
Finance expenses to subsidiaries ¹⁾		
Interest expenses	-0.3	-0.7

¹⁾ Finance expenses to subsidiaries are included in finance expenses above

11. DERIVATIVES UNDER HEDGE ACCOUNTING

EUR million	2015	2014
Fair value changes from interest rate derivatives ¹⁾	-0.8	4.2
Change in fair value revaluation reserve ^{1) 2)}	-0.1	0.5
Other fair value changes ²⁾	1.0	-4.7
	0.0	0.0

¹⁾ Changes in fair value are included in finance income of income statement

²⁾ Changes in fair value are included in finance expenses of income statement

Treasury operations of the Group are centralized in Outotec Oyj.

12. EXTRAORDINARY ITEMS

EUR million	2015	2014
Group contributions received	27.3	11.0

13. INCOME TAX EXPENSES

EUR million	2015	2014
Income tax expenses from previous year	-	-0.0
Income tax expenses from extraordinary items	-	-2.2
Income tax expenses from operations	-0.2	1.4
	-0.2	-0.8
Deferred tax assets		
Temporary differences	1.7	3.8

14. NON-CURRENT ASSETS

EUR million	Intangible assets		Tangible assets	
	Patents and licenses	Long-term expense items	Total	Property, plant and equipment
Historical cost at January 1, 2015	8.5	43.7	52.3	3.2
Additions	3.2	23.3	26.6	0.6
Disposals	-	-0.0	-0.0	-0.8
Historical cost at December 31, 2015	11.8	67.1	78.8	3.0
Accumulated amortization and impairment at January 1, 2015	-3.1	-13.6	-16.7	-2.1
Amortization during period	-1.6	-6.4	-8.0	-0.5
Amortization from disposals during period	-	0.0	0.0	0.8
Accumulated amortization and impairment at December 31, 2015	-4.6	-20.1	-24.7	-1.8
Construction in progress at December 31, 2015	-	8.5	8.5	-
Carrying value at December 31, 2015	7.1	55.5	62.6	1.2
Historical cost at January 1, 2014	33.5	30.5	64.1	4.2
Additions	2.5	24.9	27.4	0.4
Disposal	-27.5	-	-27.5	-
Impairment	-	-11.7	-11.7	-1.4
Historical cost at December 31, 2014	8.5	43.7	52.3	3.2
Accumulated amortization and impairment at January 1, 2014	-12.4	-11.4	-23.8	-2.8
Amortization during period	-2.1	-3.8	-5.9	-0.6
Amortization from disposals during period	11.4	-	11.4	-
Amortization from impairment during period	-	1.6	1.6	1.3
Accumulated amortization and impairment at December 31, 2014	-3.1	-13.6	-16.7	-2.1
Construction in progress at December 31, 2014	-	11.2	11.2	-
Carrying value at December 31, 2014	5.5	41.3	46.8	1.1

Long-term financial assets EUR million	Shares in subsidiaries	Other shares and holdings	Total
Historical cost at January 1, 2015	430.9	0.2	431.1
Additions	125.4	-	125.4
Carrying value at December 31, 2015	556.3	0.2	556.5
Historical cost at January 1, 2014	353.7	0.2	353.9
Additions	77.3	-	77.3
Carrying value at December 31, 2014	430.9	0.2	431.1

Investments in subsidiary shares are disclosed in more detail in the Group note 33.

15. INVENTORIES

EUR million	2015	2014
Materials and supplies	0.1	0.0
	0.1	0.0

16. RECEIVABLES

EUR million	2015	2014
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Non-current receivables

Interest-bearing		
Loans receivable	26.9	27.0
Non interest-bearing		
Unrealized exchange gains of forward contracts	5.6	6.5
	32.4	33.5

Current receivables

Interest-bearing		
Loans receivable	106.0	160.6
Other receivables from group companies	5.6	4.8
Non interest-bearing		
Trade receivables	35.2	31.7
Prepaid expenses and accrued income	3.2	10.0
Other receivables	38.6	24.0
	188.5	231.0

Prepaid expenses and accrued income		
Interest receivables	2.5	2.8
Tax receivables	0.7	7.2
Other receivables	0.1	0.0
	3.2	10.0

Receivables from subsidiaries

Non-current receivables

Interest-bearing		
Loans receivable	26.9	27.0

Current receivables

Interest-bearing		
Loans receivable	105.9	160.6
Other receivables from group companies	5.6	4.8
Non interest-bearing		
Trade receivables	35.1	31.4
Prepaid expenses and accrued income	2.0	2.4
Group contribution receivables	27.3	11.0
Other receivables	4.6	4.8
	207.5	241.8

17. SHAREHOLDERS' EQUITY

EUR million	2015	2014
Share capital	17.2	17.2
Share premium fund	20.2	20.2
Treasury shares	-17.4	-18.0
Cash flow hedging reserve, foreign exchange	-0.2	-0.3
Reserve for invested non-restricted equity	97.0	96.4
Retained earnings at January 1	238.7	238.8
Dividend	-18.3	-36.6
Change in value of treasury shares	-0.6	-0.2
Dividend related to treasury shares	0.2	0.4
Profit for the period	10.1	36.3
Total shareholders' equity at December 31	346.9	354.2
Distributable funds		
Reserve for invested non-restricted equity	97.0	96.4
Treasury shares	-17.4	-18.0
Retained earnings	220.0	202.4
Profit for the period	10.1	36.3
Distributable funds at December 31	309.7	317.1

Outotec has an agreement with a third-party service provider concerning administration and hedging of share-based incentive program for key personnel. As part of this agreement, for hedging the underlying cash flow risk, the service provider purchased Outotec shares during 2009 and 2008. The purchase of Outotec shares by third-party service provider have been accounted as treasury shares in Outotec's consolidated balance sheet. At the end of the year 2014, the amount of these treasury shares was 675 (2014: 18,034). Outotec's consolidated balance sheet and consolidated changes in equity reflect the substance of

the arrangement with a deduction amounting to EUR 0.0 million (2014: EUR 0.0 million) in equity.

On September 10, 2012, Outotec purchased a total of 2,000,000 of the company's own shares through public trading. In December 31, 2013 Outotec Management Oy was merged to Outotec Oyj. In the merger 813,736 shares, previously owned by Outotec Management Oy, were transferred. At the end of the year the number of these shares was 2,030,011 (2014: 2,104,411) and book value EUR 17.4 million. (2014: EUR 17.9 million).

18. LIABILITIES

EUR million	2015	2014
Non-current liabilities		
Interest-bearing		
Bonds	154.4	155.1
Loans from financial institutions	140.2	90.9
Non interest-bearing		
Unrealized exchange losses of forward contracts	1.0	0.4
	295.5	246.4
Current liabilities		
Interest-bearing		
Loans from subsidiaries	120.2	108.2
Other current loans from group companies	150.2	130.2
Non interest-bearing		
Trade payables	12.6	3.1
Accrued expenses and prepaid income	11.7	13.3
Other current liabilities	10.8	13.7
	305.6	268.5
Accrued expenses and prepaid income		
Accrued personnel expenses	3.3	3.5
Other liabilities	8.4	9.8
	11.7	13.3
Liabilities to subsidiaries		
Current liabilities		
Interest-bearing		
Current loans	79.5	82.4
Other current loans from group companies	150.2	130.2
Non interest-bearing		
Trade payables	0.4	0.8
Accrued expenses and prepaid income	0.1	0.1
Other current liabilities	1.5	0.9
	231.7	214.6

19. COMMITMENTS

EUR million	2015	2014
Guarantees		
On behalf of subsidiaries		
For financing	12.3	11.7
For other commitments	624.6	500.8
On behalf of own commercial commitments (excluding advance payment guarantees)	7.7	10.2

The total value of commercial guarantees issued by the parent company on behalf of subsidiaries includes advance payment guarantees EUR 216.5 million at December 31, 2015 (at December 31, 2014: EUR 203.5 million).

The total amount of guarantees for commercial commitments including advance payment guarantees issued by the parent company amounted to EUR 632.3 million at December 31, 2015 (at December 31, 2014: EUR 511.0 million).

Minimum future lease payments on operating leases

Not later than 1 year	8.3	9.9
1–2 years	7.8	8.2
2–3 years	6.1	7.5
3–4 years	5.4	5.8
4–5 years	5.3	5.3
Later than 5 years	36.0	40.9
	68.9	77.7

20. DERIVATIVE INSTRUMENTS

EUR million	2015	2014
Net fair values		
Contracts made with financial institutions		
Foreign exchange forward contracts	-1.4	-2.2
Interest rate swaps	5.4	6.2
Contracts made with subsidiaries		
Foreign exchange forward contracts	1.8	3.8
	5.7	7.8

Nominal values

Contracts made with financial institutions		
Foreign exchange forward contracts	369.8	374.7
Interest rate swaps	115.0	115.0
Contracts made with subsidiaries		
Foreign exchange forward contracts	244.4	234.8
	729.2	724.4

SHARES AND SHAREHOLDERS

Outotec Oyj's shares are listed on the Nasdaq Helsinki (OMXH). The trading symbol of Outotec is OTE1V and trading lot is one share.

Shares and share capital

At the end of 2015, 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 shareholders' meetings.

Outotec Oyj's own shareholding

At the end of 2015, the company held directly a total 2,030,011 Outotec shares, which represents a relative share of 1.1% of Outotec Oyj's shares and votes.

Board's authorizations

The Annual General Meeting 2015 authorized Outotec's Board of Directors to determine the repurchase of the company's own shares, and to issue new shares. The maximum number of shares related to both authorizations is 18,312,149. The authorizations are valid until the closing of the next Annual General Meeting. On April 28, 2015, Outotec announced that the Board of Directors has used this authorization and decided on issuance of a total maximum number of 77,227 shares held by the company for payment of the reward of the Share-based Incentive Program 2013–2015 from the 2014 earning period.

The AGM further authorized the Board of Directors to decide on donations in the aggregate amount of EUR 70,000 to universities, institutions of higher education or other

non-profit purposes. The authorization shall be in force until the closing of the next Annual General Meeting.

Board and management shareholding

The total shareholding of the Board of Directors, CEO and Executive Board at the end of 2015 was 676,040 Outotec shares. More details of the individual shareholdings can be found at the company's website at www.outotec.com/cg.

Dividend policy

The Board of Directors has on November 27, 2014 adopted a dividend policy whereby the company aims to propose for the approval

of the company's shareholders dividends representing on average 40% of the annual net income of Outotec for the preceding financial year. The amount of future dividends, will be subject to Outotec's future earnings, financial, condition, cash flows, and working capital requirements. In addition, investments in either organic growth or acquisitions as part of Outotec's growth strategy may impact the level of future dividends. Although the Board of Directors has no reason to believe that dividend payments under this policy will not generally be made, there is no assurance on payment of any annual dividend or on the amount of dividend in any given year.

Board of Directors' proposal for profit distribution

The Board of Directors will propose that no dividend will be paid for 2015. The parent company's distributable funds were EUR 309.7 million at December 31, 2015.

SHARES ON NASDAQ HELSINKI LTD

January-December 2015	No. of shares traded	Total value EUR	High EUR	Low EUR	Average EUR ¹⁾	Last paid EUR
OTE1V	236,182,191	1,120,463,587	6.85	3.10	4.74	3.40
31.12.2015						31.12.2014
Market capitalization, EUR million					623	803
No. of shareholders					33,830	32,408
Nominee registered shareholders (11), %					27.0	27.9
Finnish households, %					21.1	19.0

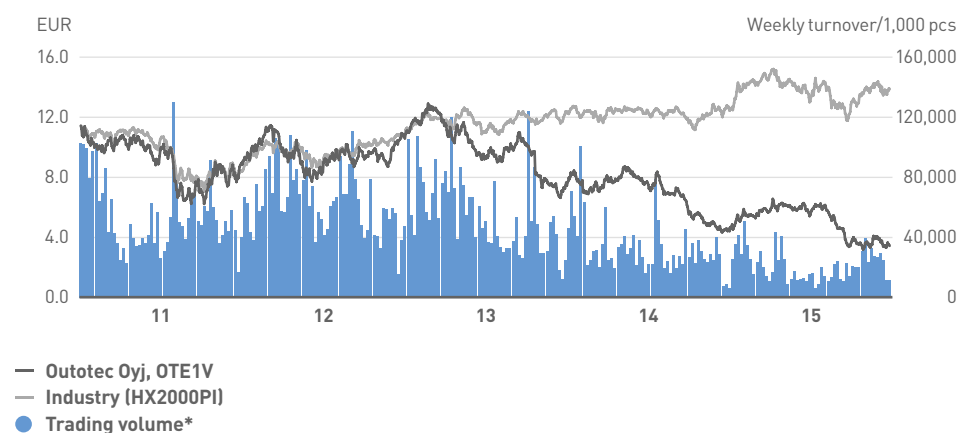
¹⁾ Volume weighted average

DIVIDEND PAYMENT

Year	Dividend per share, EUR	Pay out ratio, %	Yield, %
2008 (financial year 2007)	0.24	51	2.5
2009 (financial year 2008)	0.25	45	9.3
2010 (financial year 2009)	0.18	76	2.8
2011 (financial year 2010)	0.19	129	1.6
2012 (financial year 2011)	0.21	49	2.3
2013 (financial year 2012)	0.30	43	2.8
2014 (financial year 2013)	0.20	40	2.6
2015 (financial year 2014)	0.10	10,497	2.3
2016 (financial year 2015)	- ¹⁾	-	-

¹⁾ The Board of Directors' proposal to the Annual General Meeting on April 11, 2016.

OUTOTEC SHARE PRICE PERFORMANCE AND TURNOVER IN NASDAQ HELSINKI



*¹⁾In 2015, Nasdaq Helsinki's share accounted for 73.6% (2014: 45.1%) of all shares traded.
Source: Fidessa Fragulator

SHARE-RELATED KEY FIGURES

		2015	2014
Earnings per share	EUR	-0.10	0.00
Equity per share	EUR	2.22	2.47
Dividend per share	EUR	- ¹⁾	0.10
Dividend payout ratio	%	-	10,497
Dividend yield	%	-	2.3
Price/earnings ratio		-34.0	4,608.1
Development of share price			
Average trading price	EUR	4.74	6.88
Lowest trading price	EUR	3.10	4.19
Highest trading price	EUR	6.85	9.28
Trading price at the end of period	EUR	3.40	4.39
Market capitalization at the end of period	EUR million	622.6	803.2
Development in trading volume			
Trading volume	1,000 shares	236,182	255,600
In relation to weighted average number of shares	%	130.5	141.6
Adjusted average number of shares		180,959,804	180,469,018
Number of shares at the end of period ²⁾		180,956,227	180,470,383

¹⁾ The Board of Directors' proposal to the Annual General Meeting on April 11, 2016.

²⁾ Number of registered shares at December 31, 2015 was 183,121,492 (at December 31, 2014: 183,121,492).

DISTRIBUTION OF SHAREHOLDINGS ON DECEMBER 31, 2015

Number of shares	Number of shareholders	% of shareholders	Number of shares	% of shares
1–100	5,178	15.3	319,305	0.2
101–1,000	19,490	57.6	9,151,812	5.0
1,001–10,000	8,467	25.0	23,451,680	12.8
10,001–100,000	619	1.8	15,236,472	8.3
100,001–1,000,000	65	0.2	17,511,480	9.6
1,000,001+	11	0.0	117,450,743	64.1
Total	33,830	100.0	183,121,492	100.0
In the joint book-entry account	0	0.0	0	0.0
In special accounts	0	0.0	0	0.0
Number of shares issued	33,830	100.0	183,121,492	0.0
Nominee registered	11	0.0	47,981,241	26.2

LARGEST SHAREHOLDERS ON DECEMBER 31, 2015

Shareholders	Shares	% of shares and votes
Solidium Oy	26,919,524	14.7
Varma Mutual Pension Insurance Company	12,778,363	6.98
Ilmarinen Mutual Pension Insurance Company	11,126,539	6.08
Tamames Nordic Investments B.V.	10,192,356	5.57
The State Pension Fund	4,100,000	2.24
Keva	2,425,120	1.32
Outotec Oyj	2,030,011	1.11
Mandatum Life Insurance Company Limited	1,032,939	0.56
Holding Manutas Oy	1,000,000	0.55
OP Life Assurance Company Ltd	799,145	0.44
Total	72,403,997	39.55

SHAREHOLDERS BY GROUP ON DECEMBER 31, 2015

Sectors	Number of holdings	% of shares and votes
Nominee registered and non-Finnish holders	1,016	27.01
Finnish institutions, companies and foundations	1,916	51.86
Finnish private investors	30,898	21.13
Total	33,830	100

AUDITOR'S REPORT

To the Annual General Meeting of Outotec Oyj

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Outotec Oyj for the year ended December 31, 2015. The financial statements comprise the consolidated statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate

arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements

and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Consolidated Financial Statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the Company's Financial Statements and the Report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Espoo, February 17, 2016

PricewaterhouseCoopers Oy
Authorised Public Accountants

MARKKU KATAJISTO

Authorised Public Accountant

BOARD OF DIRECTORS

Matti Alahuhta

born 1952, Finnish citizen

D. Sc. (Tech.), D. Sc. (Tech.) h.c.

Board member and chairman of the Board of Directors since 2013, chairman of the Human Capital Committee

Positions of trust: Chairman of the Board of DevCo Partners, Confederation of Finnish Industries and Aalto University Foundation, member of the Board of KONE Corporation, ABB Group, and AB Volvo
Shareholding on Dec 31, 2015:
111,013 Outotec Oyj shares
Independent of the company and owner

Timo Ritakallio

born 1962, Finnish citizen

LL.M., MBA

Board member since 2011, vice chairman of the Board since 2013, member of the Audit and Risk Committee

President and CEO of Ilmarinen Mutual Pension Insurance Company

Positions of trust: Member of the Board of Directors of Securities Market Association, and chairman of the Board of Directors of the Finnish Pension Alliance TELA, member of the Shareholders' Nomination Board of several exchange-listed companies and member of the Board of Directors of a couple of foundations

Shareholding on Dec 31, 2015:

14,105 Outotec Oyj shares

Independent of the company and owner

Eija Ailasmaa

born 1950, Finnish citizen

M. Soc. Sc., Graduate of the Sanoma School of Journalism

Board member since 2010, member of the Human Capital Committee

CEO of Sanoma Media B.V. 2003–2011

Positions of trust: Member of the Board of Directors and Audit Committee of Huhtamäki Oyj
Shareholding on Dec 31, 2015:
7,050 Outotec Oyj shares
Independent of the company and owner

Klaus Cawén

LL.M Columbia University, LL.M. University of Helsinki

b. 1957, Finnish citizen

Board member since March 30, 2015, member of the Audit and Risk Committee
Executive Vice President, member of the Executive Board of KONE Corporation

Positions of trust: Member of the Board of Directors of Oy Karl Fazer Ab, Toshiba Elevator and Building Systems Corporation, and East Office of Finnish Industries Ltd
Shareholding on Dec 31, 2015:

4,516 Outotec Oyj shares

Independent of the company and owner

Anja Korhonen

born 1953, Finnish citizen

M. Sc. (Econ.)

Board member since 2013, member of the Audit and Risk Committee
Senior Vice President, Corporate Controller of Nokia Corporation until 2011

Positions of trust: Member of the Board of Directors of Oriola-KD Oyj
Shareholding on Dec 31, 2015:
6,405 Outotec Oyj shares
Independent of the company and owner

Ian W. Pearce

B.Sc., University of the Witwatersrand, South Africa

b. 1957, Canadian citizen

Board member since March 30, 2015, member of the Audit and Risk Committee
X2 Resources (UK), Founding Partner

Positions of trust: Chair of the Board of MineSense (Canada)
Shareholding on Dec 31, 2015:
2,516 Outotec Oyj shares
Independent of the company and owner

Poju Zabłudowicz

born 1953, Finnish citizen

B.A. (Economics and International Relations)
Board member since 2012, member of the Human Capital Committee

Chairman and CEO of Tamares Group

Positions of trust: Member of the Board of Mustavaara Kaivos Oy, patron of Finnish British Chamber of Commerce, member of the Board of Kiasma - Museum of Contemporary Art, council member of Tate Modern International, and co-founder and trustee of The Zabłudowicz Collection.

Shareholding on Dec 31, 2015:

7,050 Outotec Oyj shares

Independent of the company and owner

Björn Rosengren

Born 1959, Swedish citizen

M.Sc. (Mechanical Eng.)

Member of the Board of Directors 2014–September 18, 2015

Detailed information about members of the Board of Directors: www.outotec.com/cg.

EXECUTIVE BOARD

Pertti Korhonen

born 1961, Finnish citizen

M. Sc. (Electronics Engineering)

President and CEO, Chairman of the Executive Board

President and CEO of Outotec since 2010, member of the Executive Board and employed by Outotec since 2009

Shareholding on Dec 31, 2015:

192,736 Outotec Oyj shares

Positions of trust: Member of the Supervisory Board of WWF Finland, Chairman of the Board of Climate Leadership Council, Vice Chairman of the Federation of Finnish Technology Industries, Vice chair of International Chamber of Commerce ICC Finland, member of the Finnish Council of International Chamber of Commerce, member of the Board of Finland Chamber of Commerce, and Association of Finnish Steel and Metal Producers, steering group member of Finland's External Economic Relations, member of the supervisory board of Foundation for Pediatric Research

Kimmo Kontola

born 1962, Finnish citizen

MBA, B.Sc. (Chemical Eng.)

Executive Vice President, President of Americas region

Member of the Executive Board since 2013, employed by Outotec since 2006, employed by Outokumpu Group 1988–1992 and 2000–2006

Shareholding on Dec 31, 2015:

19,096 Outotec Oyj shares

Adel Hattab

born 1962, Finnish citizen

M. Sc. (Eng.), MBA

Executive Vice President, President of EMEA region

Member of Outotec Executive Board and employed by the company since 2014

Shareholding on Dec 31, 2015:

14,041 Outotec Oyj shares

Stuart Sneyd

born 1968, Australian citizen

B. Eng (Chem.), MBA

Executive Vice President, President of APAC-region

Member of the Executive Board since 2014, employed by Outotec since 2006, employed by Outokumpu Group 1995–2006

Shareholding on Dec 31, 2015:

15,774 Outotec Oyj shares

Robin Lindahl

born 1964, Finnish citizen

M.Sc. (Econ.)

Executive Vice President, President of Metals, Energy & Water business area

Member of the Executive Board and employed by Outotec since 2011

Shareholding on Dec 31, 2015:

50,809 Outotec Oyj shares

Positions of trust: Member of the Board and chairman of Audit Committee of Norvestia Oyj

Kalle Härkki

born 1969, Finnish citizen

D. Sc. (Tech.)

Executive Vice President, President of Minerals Processing business area

Member of the Executive Board since 2010, employed by Outotec since 2006,

employed by Outokumpu group 1998–2006

Shareholding on Dec 31, 2015:

83,771 Outotec Oyj shares

Michael Frei

born 1968, Swiss citizen

Ph. D. (Tech.)

Senior Vice President, Delivery & Chief Procurement Officer

Member of the Executive Board and employed by Outotec since 2010

Shareholding on Dec 31, 2015:

56,627 Outotec Oyj shares

Kari Knuutila

born 1958, Finnish citizen

D. Sc. (Tech.)

Chief Technology Officer

Member of the Executive Board since 2011, employed by Outotec since 2006,

employed by Outokumpu Group 1986–2006

Shareholding on Dec 31, 2015:

67,840 Outotec Oyj shares

Positions of trust: Member of the Board of VTT Technical Research Center of Finland Ltd, Finnish Academy of Technology, and Industry Council of Technology Academy of Finland (TAF), part-time director and research professor of Oulu Mining School, University of Oulu.

Olli Nastamo

born 1956, Finnish citizen

M.Sc. (Eng.)

Senior Vice President, Operational Excellence

Member of the Executive Board and employed by Outotec since 2013

Shareholding on Dec 31, 2015:

5,457 Outotec Oyj shares

Jari Ålgars

Born 1964
M. Sc. (Econ.)
Chief Financial Officer
Member of the Executive Board and employed
by the company since October 1, 2015
Shareholding on Dec 31, 2015:
0 Outotec Oyj shares

Kirsi Nuotto

born 1959, Finnish citizen
M.A. (French, Communications)
Senior Vice President, Human Resources;
Communications and Corporate Responsibility
Member of the Executive Board and employed
by Outotec since 2013
Shareholding on Dec 31, 2015:
6,586 Outotec Oyj shares

Nina Kiviranta

born 1964, Finnish citizen
Master of Laws
General Counsel
Member of the Executive Board and employed
by Outotec since 2013
Shareholding on Dec 31, 2015:
5,309 Outotec Oyj shares

Pia Kåll

born 1980, Finnish citizen
M.Sc. (Engineering Physics and Mathematics)
Senior Vice President, Corporate Strategy,
Product Management and Marketing
Member of the Executive Board and employed
by Outotec since 2013
Shareholding on Dec 31, 2015:
5,339 Outotec Oyj shares

**Other Executive Board members
during 2015:**

Mikko Puolakka, Chief Financial Officer, January 1-September 30
Minna Aila, Senior Vice President, Marketing,
Communications and Corporate Responsibility,
January 1-September 30

**NEW EXECUTIVE BOARD FROM
JANUARY 1, 2016**

Outotec has changed the composition of the
Executive Board in connection with the new
corporate structure as of January 1, 2016.
New members of the Executive Board are:

Pertti Korhonen, President and CEO
Kalle Härkki, Executive Vice President, President of Minerals Processing Business Unit
Robin Lindahl, Executive Vice President, President of Metals, Energy & Water Business Unit
Adel Hattab, Executive Vice President, President of Markets Unit
Jari Ålgars, Chief Financial Officer, Finance & Control
Nina Kiviranta, Senior Vice President, Legal, Contract Management & Corporate Responsibility
Pia Kåll, Senior Vice President, Strategy, Marketing & Operational Excellence
Kirsi Nuotto, Senior Vice President, Human Resources & Communications

More detailed information about the Executive Board members is available at
www.outotec.com/cg.

INVESTOR INFORMATION

CORPORATE GOVERNANCE STATEMENT AND POLICY

Outotec's Corporate Governance Statement 2015 has been given separately from the Financial Statements. The Statement as well as Outotec's Corporate Governance Policy in its entirety are available on Outotec's website at www.outotec.com/cg.

ANNUAL GENERAL MEETING 2016

The Annual General Meeting 2016 will be held on April 11, 2016 at 11.00 a.m. (Finnish time) at Messukeskus Helsinki, Conference Centre entrance, Messuaukio 1, 00521 Helsinki, Finland.

DIVIDEND

The Board of Directors proposes to the Annual General Meeting 2016 that no dividend will be paid for the financial year 2015. More information at www.outotec.com/agm.

INTERIM REPORTS 2016

- January–March on April 27, 2016
- January–June on July 27, 2016
- January–September on October 28, 2016

SHARE INFORMATION

Listing: Nasdaq Helsinki, OMXH
Trading symbol: OTE1V
No of shares: 183,121,492 (Feb 9, 2016)
Sector: Industry
ISIN: FI0009014575

ANALYSTS

Analysts following Outotec at
www.outotec.com/investors.

CONSENSUS

Consensus estimates provided by Vara
Research at www.outotec.com/investors.

INVESTOR RELATIONS CONTACT

Ms Riitta Lind, Executive Assistant
Tel. +358 (0)20 529 2005,
riitta.lind@outotec.com