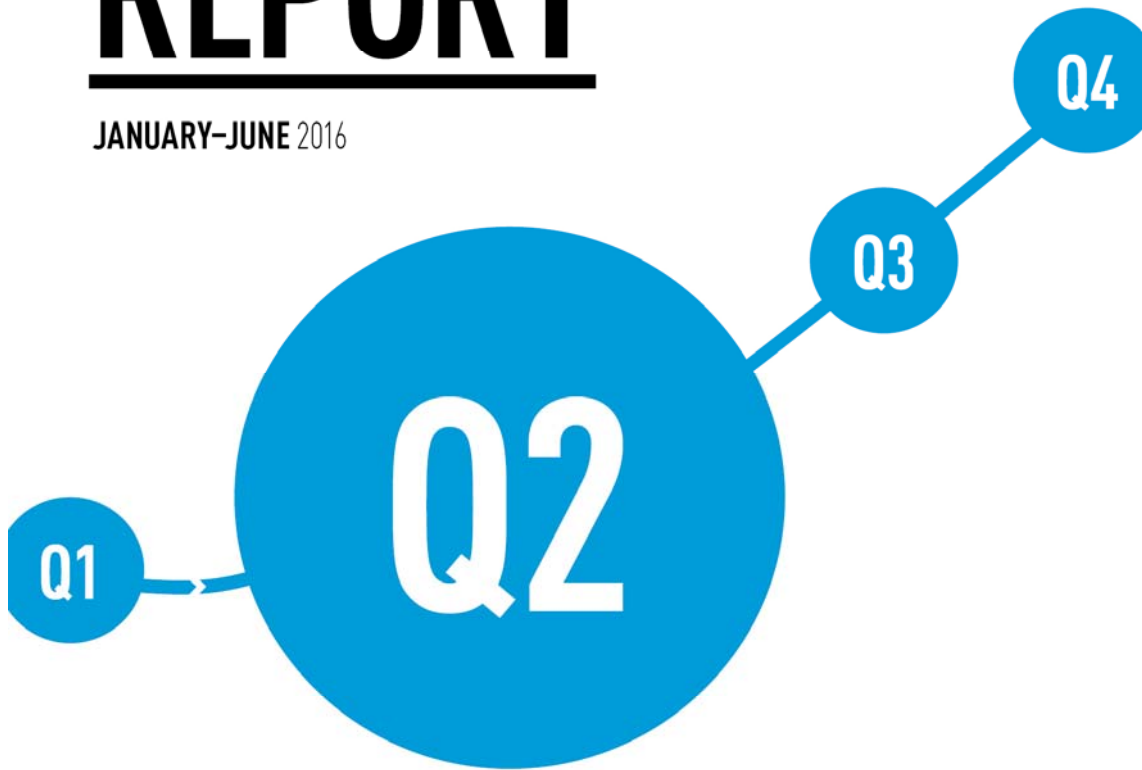


Q1-Q2 INTERIM REPORT

JANUARY-JUNE 2016



 Sustainable use of
Earth's natural resources

Outotec

JULY 27, 2016

INTERIM REPORT JANUARY-JUNE 2016

Minerals Processing stabilizing; Metals, Energy & Water remains challenging

Profitability guidance range narrowed

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

- Order intake: EUR 451 (654) million, -31% (in comparable currencies -26%)
- Service order intake: EUR 214 (249) million, -14% (in comparable currencies -5%)
- Order backlog: EUR 1,017 (1,207) million, -16%
- Sales: EUR 507 (588) million, -14% (in comparable currencies -9%)
- Service sales: EUR 214 (244) million, -12% (in comparable currencies -4%)
- EBIT: EUR -13 (12) million
- Adjusted EBIT*: EUR 0 (24) million
- Adjusted EBIT*: 0 (4)%
- Net cash flow from operating activities: EUR -50 (-43) million
- Earnings per share: EUR -0.09 (0.03)

April-June 2016 in brief (comparison period April-June 2015):

- Order intake: EUR 281 (395) million, -29% (in comparable currencies -23%)
- Service order intake: EUR 112 (118) million, -5% (in comparable currencies +5%)
- Sales: EUR 268 (311) million, -14% (in comparable currencies -9%)
- Service sales: EUR 100 (126) million, -20% (in comparable currencies -13%)
- EBIT: EUR -1 (8) million
- Adjusted EBIT*: EUR 5 (16) million
- Adjusted EBIT*: 2 (5)%

Financial guidance for 2016: sales reiterated, profitability guidance range narrowed

Based on the continued challenges of the Metals, Energy & Water segment, current order backlog and uncertain market condition, the management narrows its profitability guidance range and expects that in 2016:

- Sales will be approximately EUR 1.0–1.2 billion, and
- Adjusted EBIT* will be approximately 2–4% (previously 2–5%)

The wide guidance range reflects the current volatility of the market.

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

Summary of the Group's key figures	Q2 2016	Q2 2015	Q1-Q2 2016	Q1-Q2 2015	Last 12 months	Q1-Q4 2015
Order intake, EUR million	280.7	394.7	450.9	654.3	986.5	1,189.9
Service order intake, EUR million	112.2	117.8	214.1	249.0	461.7	496.6
Share of services in order intake, %	40.0	29.9	47.5	38.1	46.8	41.7
Order backlog at the end of the period, EUR million	1,017.3	1,207.2	1,017.3	1,207.2	1,017.3	1,102.8
Sales, EUR million	267.6	310.8	507.4	588.3	1,120.3	1,201.2
Service sales, EUR million	100.2	125.8	214.3	244.1	481.5	511.3
Share of services in sales, %	37.5	40.5	42.2	41.5	43.0	42.6
Gross margin, %	26.1	28.8	25.2	28.6	26.3	27.9
Adjusted EBIT ¹ , EUR million	4.9	16.1	0.1	23.7	32.4	56.0
Adjusted EBIT ¹ , %	1.8	5.2	0.0	4.0	2.9	4.7
EBIT, EUR million	-0.8	8.0	-13.0	11.6	-36.9	-12.3
EBIT, %	-0.3	2.6	-2.6	2.0	-3.3	-1.0
Profit before taxes, EUR million	-3.1	5.8	-17.6	6.7	-47.3	-22.9
Net cash from operating activities, EUR million	-16.1	-7.6	-49.7	-42.9	62.8	69.5
Net interest-bearing debt at the end of the period, EUR million	-49.8²	105.0	-49.8²	105.0	-49.8	39.9
Equity at the end of the period, EUR million	539.7²	444.1	539.7²	444.1	539.7	404.7
Equity-to-assets ratio at the end of the period, %	41.7²	33.4	41.7²	33.4	41.7	31.1
Gearing at the end of the period, %	-9.2²	23.7	-9.2²	23.7	-9.2	9.9
Working capital at the end of the period, EUR million	-36.5	38.7	-36.5	38.7	-36.5	-89.4
Return on investment, %, LTM	-3.9	1.8	-3.9	1.8	-3.9	-1.5
Return on equity, %, LTM	-7.3	0.4	-7.3	0.4	-7.3	-4.0
Personnel at the end of the period	4,298	4,948	4,298	4,948	4,298	4,859
Earnings per share, EUR	-0.03	0.02	-0.09	0.03	-0.21	-0.10

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

² If the hybrid bond were treated as a liability: the equity-to-assets ratio would be 30.1%, gearing 25.7%, and net interest-bearing debt EUR 100.2 million.

CFO and acting CEO Jari Älgars:

“Low metal prices, China’s uncertain growth outlook and the profitability challenges of the industry continue to put pressure on producers to cut production and postpone investments. There was slight recovery from the particularly weak first quarter especially in the Minerals Processing segment’s market. The Metals, Energy & Water segment’s market was slow, translating into lower order intake.

In the second quarter, our order intake declined 23% and sales declined 9% from the comparison period in comparable currencies. We were able to reduce our fixed costs and the adjusted EBIT was EUR 5 million. The net profit was EUR -3 million due to restructuring costs. Outotec repaid EUR 30 million debt and the company’s liquidity and equity remained solid. Improving our free cash flow and ensuring a solid balance sheet continue to be our key priorities.

We continued to invest in R&D with a focus on cost competitive solutions to better meet our customers’ demanding environment. We are currently delivering the first demo cells of one of our achievements, the new modular cPlant Flotation, which is enabling fast track to production.

The market outlook in the mining and metals industry remains weak, and therefore the timing of projects is difficult to predict. Service demand is expected to be weaker due to postponements in maintenance and modernization projects and customers' focus on reducing their production costs. In the current environment, it is increasingly difficult to finalize projects and collect overdue receivables, and we have increased our efforts in both of these areas.

While we have made significant progress in right-sizing our fixed costs, we were not able to fully compensate for the lower sales and the continued challenges of the Metals, Energy & Water segment. Thus, we will continue our saving efforts.”

FINANCIAL REPORTING SCHEDULE IN 2016

- Interim Report for January-September: October 28, 2016

FURTHER INFORMATION

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INTERIM REPORT JANUARY-JUNE 2016

OPERATING ENVIRONMENT

The uncertain market situation in the mining and metals industry continued in the second quarter. Metal producers postponed larger investments and continued to focus on optimizing their cash flows, investing mainly in existing capacity with fast returns or for environmental reasons.

Market activity continued on the same level as at the end of the first quarter but varied among metals, regions and technologies. Markets in EMEA and South America were more active, while those in Asia Pacific and Eurasia continued to be slow. Gold, copper and sulfuric acid projects were most active. Demand for services slowed down somewhat as producers continued to optimize costs. Waste-to-energy solutions are globally in demand, but investments depend largely on subsidy regulation. Competition remained intense.

ORDER INTAKE AND BACKLOG

Order intake in the second quarter was EUR 281 (395) million, down 29% (-23% in comparable currencies) from the comparison period. Order intake in the reporting period totaled EUR 451 (654) million, down 31% (-26% in comparable currencies) from the comparison period. The decline was mainly due to fewer plant and equipment orders.

Service order intake in the second quarter decreased 5% (+5% in comparable currencies) from the comparison period and was EUR 112 (118) million. In the reporting period, service order intake decreased 14% (-5% in comparable currencies) from the comparison period, mainly due to a decline in long-term service contracts and upgrades, and totaled EUR 214 (249) million.

Order intake by region, %	Q1-Q2 2016	Q1-Q2 2015	Q1-Q4 2015
EMEA (including CIS)	53	52	56
Americas	31	32	26
APAC	16	16	18
Total	100	100	100

Announced orders

Project/location (published)	Customer	Value, EUR million	Business unit
Booked into order backlog Q2/2016:			
Process equipment, Burkina Faso (April 25, 2016)	Houndé Gold Operation	13	Minerals Processing
Sulfuric acid technology, Egypt (June 2, 2016)	Intesca Industrial	Over 30	Metals, Energy & Water
Copper smelter and sulfuric acid plant revamp, South America (June 20, 2016)	not published	Over 33	Metals, Energy & Water
Process equipment for the greenfield Gökirmak copper project, Turkey (July 4, 2016)	Acacia Maden Isletmeleri	Approx. 14	Minerals Processing
Process equipment for the gold project, Kazakhstan (July 12, 2016)	Bakyrchik Mining	Approx. 15-20	Minerals Processing
Process equipment to iron project, Iran (July 26, 2016)	Shangdong Province Metallurgical Engineering	Approx. 10	Minerals Processing

Booked into order backlog Q1/2016:

Design and delivery of proprietary equipment for a sulfuric acid plant, Finland (March 31, 2016)	Boliden	not disclosed	Metals, Energy & Water
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The order backlog at the end of the reporting period was EUR 1,017 (1,207) million, down 16% from the comparison period. Services represented EUR 212 (262) million of the total order backlog. In addition, Outotec has approximately EUR 185 (225) million in orders from Iran that will be booked, based on advances received.

At the end of the reporting period, Outotec had 25 (23) projects with an order backlog value in excess of EUR 10 million, accounting for 62 (62)% of the total backlog. It is estimated that roughly 48 (50)% or EUR 490 (600) million of the quarter-end order backlog value will be delivered in 2016.

SALES AND FINANCIAL RESULT

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

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

Sales and financial result	Q2	Q2	Q1-Q2	Q1-Q2	Last 12	Q1-Q4
EUR million	2016	2015	2016	2015	months	2015
Sales	267.6	310.8	507.4	588.3	1,120.3	1,201.2
Service sales ¹	100.2	125.8	214.3	244.1	481.5	511.3
Share of service sales, %	37.5	40.5	42.2	41.5	43.0	42.6
Gross margin, %	26.1	28.8	25.2	28.6	26.3	27.9
Adjusted EBIT ² , EUR million	4.9	16.1	0.1	23.7	32.4	56.0
Adjusted EBIT ² , %	1.8	5.2	0.0	4.0	2.9	4.7
- Restructuring and acquisition-related costs ³	-3.9	-5.6	-9.4	-7.4	-61.0	-58.9
- PPA amortization	-1.8	-2.4	-3.7	-4.7	-8.3	-9.4
EBIT	-0.8	8.0	-13.0	11.6	-36.9	-12.3
EBIT, %	-0.3	2.6	-2.6	2.0	-3.3	-1.0
Profit before taxes	-3.1	5.8	-17.6	6.7	-47.3	-22.9
Profit for the period	-2.5	4.0	-14.0	4.7	-35.9	-17.2
Unrealized and realized exchange gains and losses ⁴	-2.5	3.5	-1.6	-3.0	-3.9	-5.3

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

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

³ Including restructuring related costs of EUR 5.3 (7.7) million, acquisition-related costs of EUR 0.3 (0.9) million, and arbitration costs related to past acquisition EUR 3.9 (-) million. The comparison period included a positive impact of a EUR 1.2 million reduction from an earn-out payment liability related to acquisition.

⁴ Related to foreign exchange forward agreements and bank accounts.

Sales in the second quarter decreased by 14% (-9% in comparable currencies) from the comparison period and totaled EUR 268 (311) million. Sales in the reporting period decreased by 14% (-9% in comparable currencies) from the comparison period and totaled EUR 507 (588) million. The timing of plant and equipment orders in 2015 and weak service order intake in 2016 were the main reasons for the decrease.

Service sales in the second quarter declined 20% (-13% in comparable currencies) from the comparison period and totaled EUR 100 (126) million. In the reporting period, service sales declined 12% (-4% in comparable currencies) from the comparison period and totaled EUR 214 (244) million, representing 42 (41)% of sales. The decline came mainly from fewer upgrades and long-term service contracts.

Fixed costs in the second quarter, including selling and marketing, administrative, R&D and fixed delivery expenses declined 27% (in comparable currencies -25%) from the comparison period and totaled EUR 69 (95) million. Fixed costs in the reporting period declined 19% (in comparable currencies -17%) from the comparison period and totaled EUR 143 (177) million or 28 (30)% of sales.

Adjusted EBIT in the second quarter was EUR 5 (16) million and in the reporting period EUR 0 (24) million, weakening from the comparison periods but improving sequentially. Provision releases related to the progress, completion and risk assessment of projects and higher service sales improved the profitability in the comparison period.

Profit before taxes in the second quarter was EUR -3 (6) million and in the reporting period EUR -18 (7) million. It included net finance expenses of EUR 5 (5) million due to interest costs and valuation of foreign exchange forward agreements. Net profit in the second quarter was EUR -3 (4) million and in the reporting period EUR -14 (5) million. Net impact from taxes totaled EUR 4 (-2) million. Earnings per share were EUR -0.09 (0.03).

SEGMENTS

Minerals Processing

EUR million	Q2 2016	Q2 2015	Q1-Q2 2016	Q1-Q2 2015	Change %	Q1-Q4 2015
Order intake	156.2	127.9	260.6	244.8	6 ¹	495.6
Sales	119.3	136.4	231.8	272.8	-15 ²	548.8
Service sales	60.3	74.1	124.7	150.5	-17 ³	311.9
Adjusted EBIT ⁴ , EUR million	4.8	8.9	9.8	10.1		19.5
Adjusted EBIT ⁴ , %	4.1	6.6	4.2	3.7		3.5
PPAs	-0.8	-0.9	-1.6	-1.7		-3.3
Restructuring and acquisition-related costs	-0.7	-2.5	-5.2	-3.0		-32.6
EBIT	3.3	5.5	3.0	5.4		-16.5
EBIT, %	2.8	4.1	1.3	2.0		-3.0
Unrealized and realized exchange gains and losses ⁵	-1.9	2.3	-0.1	-4.1		-3.9

¹ In comparable currencies 17%

² In comparable currencies -8%

³ In comparable currencies -7%

⁴ Excluding restructuring and acquisition-related costs and PPA amortizations

⁵ Related to foreign exchange forward agreements and bank accounts

In the reporting period, the Minerals Processing segment's order intake grew 6% from the comparison period mainly due to increase in plant and equipment orders. The segment's sales declined 15% mainly due to a decline in spare parts and fewer plant and equipment projects.

Metals, Energy & Water

EUR million	Q2 2016	Q2 2015	Q1-Q2 2016	Q1-Q2 2015	Change %	Q1-Q4 2015
Order intake	124.5	266.8	190.3	409.5	-54 ¹	694.3
Sales	148.3	174.5	275.5	315.4	-13 ²	652.4
Service sales	39.9	51.7	89.6	93.6	-4 ³	199.4
Adjusted EBIT ⁴ , EUR million	1.5	9.2	-7.1	16.9		42.5
Adjusted EBIT ⁴ , %	1.0	5.2	-2.6	5.3		6.5
PPAs	-1.0	-1.6	-2.1	-3.1		-6.0
Restructuring and acquisition-related costs	-1.6	-2.8	-2.1	-3.9		-23.5
EBIT	-1.1	4.8	-11.3	9.9		13.0
EBIT, %	-0.7	2.8	-4.1	3.1		2.0
Unrealized and realized exchange gains and losses ⁵	-0.6	1.2	-1.5	1.1		-1.5

¹ In comparable currencies -51%

² In comparable currencies -9%

³ In comparable currencies 2%

⁴ Excluding restructuring and acquisition-related costs and PPA amortizations

⁵ Related to foreign exchange forward agreements and bank accounts

In the reporting period, the Metals, Energy & Water segment's order intake decreased 54% due to the decline in plant orders and services. Plant orders vary widely between quarters due to their size and timing. The segment's sales declined 13%. Most of the decline came from fewer plant deliveries. Lower sales and fewer project provision releases related to the progress, completion and risk assessment of projects weakened the profitability in the reporting period.

BALANCE SHEET, FINANCING AND CASH FLOW

Balance sheet, financing and cash flow	Q2 2016	Q2 2015	Q1-Q2 2016	Q1-Q2 2015	Last 12 months	Q1-Q4 2015
EUR million						
Net cash from operating activities	-16.1	-7.6	-49.7	-42.9	62.8	69.5
Net interest-bearing debt at the end of the period	-49.8 ¹	105.0	-49.8 ¹	105.0	-49.8	39.9
Equity at the end of the period	539.7	444.1	539.7	444.1	539.7	404.7
Equity-to-assets ratio at the end of the period, %	41.7 ¹	33.4	41.7 ¹	33.4	41.7	31.1
Gearing at the end of the period, %	-9.2 ¹	23.7	-9.2 ¹	23.7	-9.2	9.9
Working capital at the end of the period	-36.5	38.7	-36.5	38.7	-36.5	-89.4

¹ If the hybrid bond were treated as a liability: the equity-to-assets ratio would be 30.1%, gearing 25.7%, and net interest-bearing debt EUR 100.2 million.

The consolidated balance sheet total on June 30, 2016 was EUR 1,500 (1,501) million. Equity to shareholders of the parent company was EUR 537 (442) million, representing EUR 2.96 (2.44) per share. During the reporting period, Outotec issued a EUR 150 million hybrid bond. In addition, equity was impacted by negative net profit of EUR 14 million (EUR 5 million positive), actuarial losses related to defined pension plans of EUR 5 million (gains of EUR 2 million) and positive translation differences of EUR 4 million (EUR 8 million positive).

Outotec's cash and cash equivalents at the end of the reporting period totaled EUR 299 (239) million. As ongoing projects progressed, they were tying more capital, and had a negative impact on working capital and cash flow. The net cash from operating activities was EUR -50 (-43) million.

The advance and milestone payments received at the end of the reporting period totaled EUR 207 (170) million. The advance and milestone payments to subcontractors were EUR 46 (38) million.

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

The net interest-bearing debt at the end of June 2016 was EUR -50 (105) million and gearing was -9 (24)%. Outotec's equity-to-assets ratio was 42 (33)%. The company's capital expenditure, related mainly to IT programs and IPR's, totaled EUR 12 (58) million in the reporting period.

Guarantees for commercial commitments, including advance payment guarantees issued by the parent and other Group companies at the end of the reporting period, were EUR 462 (668) million.

COST SAVING PROGRAMS

EUR 70 million program

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

Achieved cost savings in the reporting period totaled EUR 34 million. Restructuring costs were EUR 5 (Q1/2016: 2, Q4/2015: 28) million.

PRODUCT, TECHNOLOGY, AND SERVICE OFFERING DEVELOPMENT

In the reporting period, Outotec's research and development expenses totaled EUR 31 (35) million, and represented 6 (6)% of sales.

Outotec filed 27 (37) new priority applications, and 218 (233) new national patents were granted. At the end of the reporting period, Outotec had 772 (785) patent families, including a total of 6,485 (7,055) national patents or patent applications.

Product launch in Q2 2016

On May 23, 2016 Outotec introduced a cost-effective modular product for water treatment - Outotec® EWT-40. The Electrochemical Water Treatment process solution is a highly automated process to handle contaminated waste waters and effluents in remote mining and metallurgical operations. One Outotec EWT-40 module can treat 5-40 m³ of waste water per hour, and the capacity can be easily increased by adding more transportable modules in operation.

SUSTAINABILITY

Outotec's approach to sustainability is defined in the company's mission, strategy, values, code of conduct, and management system documents. Outotec's most significant impact on sustainability occurs indirectly through its customers' resource-efficient operations. "Sustainable use of Earth's natural resources" is the mission that the company works to achieve, in cooperation with its customers. According to its core value, "committed to sustainability", Outotec intends to

incorporate sustainability – consisting of all the social, economic, and environmental elements of sustainability – into every aspect of its operations.

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

PERSONNEL

At the end of the reporting period, Outotec had a total of 4,298 (4,948) employees of whom 1,343 (1,827) were service-related employees. Outotec had on average 4,478 (4,825) employees in the reporting period. Temporary personnel accounted for 6 (9)% of the total personnel.

Personnel by region	June 30, 2016	June 30, 2015	Change	December 31, 2015
EMEA (including the CIS)	2,858	3,114	-256	3,159
Americas	861	1,111	-250	1,012
APAC	579	723	-144	688
Total	4,298	4,948	-650	4,859

At the end of the reporting period, the company had, in addition to its own personnel, 319 (484) full-time equivalent, contracted professionals working in project execution.

For the reporting period, salaries and other employee benefits totaled EUR 171 (189) million.

CHANGES IN THE MANAGEMENT

June 22, 2016: Outotec's Board of Directors appointed Mr. Markku Teräsvasara (51) as Outotec's new Chief Executive Officer. He will commence in his new position on October 1, 2016. CFO Jari Älgars is the acting CEO until the new CEO will commence his duties. Mr. Pertti Korhonen left his CEO duties on June 22, 2016.

LEGAL DISPUTES

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

RESOLUTIONS OF OUTOTEC'S AGM

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

Financial Statements

The AGM approved the parent company and the consolidated Financial Statements, and discharged the members of the Board of Directors and the President and CEO from liability for the financial year 2015.

Dividend

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

The Board of Directors and auditors

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

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

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

Of the annual remuneration, 60 percent will be paid in cash and 40 percent in the form of Outotec Oyj shares, which will be acquired from the stock exchange within one week from the date of the Annual General Meeting, in amounts corresponding to EUR 28,800 for the Chairman, EUR 19,200 for the Vice Chairman of the Board and the Chairman of the Audit and Risk Committee each, and EUR 14,400 for each of the other members of the Board of Directors. The part of the annual fee payable in cash corresponds to the approximate sum necessary for the payment of the income taxes on the annual remuneration and will be paid no later than on May 11, 2016. The annual fees encompass the full term of office of the Board of Directors. The attendance fee will be paid in cash.

Auditor

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

Board's authorizations

The AGM authorized the Board of Directors to decide on the repurchase of an aggregate maximum of 18,312,149 of the company's own shares. The amount of shares corresponds to approximately 10 percent of all the current shares of the company. However, the company together with its subsidiaries cannot at any moment own more than 10 percent of all the shares of the company. Own shares may be repurchased on the basis of this authorization only by using unrestricted equity. Own shares can be repurchased at a price formed in trading on regulated market on the date of the repurchase or otherwise at a price formed on the market. The Board of Directors is entitled to decide how shares are repurchased. Own shares may be repurchased otherwise than in proportion to the shares held by the shareholders (directed repurchase).

The AGM further authorized the Board of Directors to decide on the issuance of shares and the issuance of special rights entitling to shares referred to in Chapter 10, Section 1 of the Companies Act as follows: The number of shares to be issued on the basis of this authorization shall not exceed an aggregate maximum of 18,312,149 shares, which corresponds to approximately 10 percent of all the current shares of the company. The Board of Directors is entitled to decide on all terms of the issuance of shares and of special rights entitling to shares and it is entitled to deviate

from the shareholders' pre-emptive subscription rights (directed issue). This authorization applies to both the issuance of new shares and the conveyance of own shares held by the company.

The authorizations shall be in force until the closing of the next AGM.

Board's assembly meeting

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

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

CHANGES IN SHAREHOLDING

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

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

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

OTHER ANNOUNCEMENTS IN Q2 2016

June 7, 2016: Outotec updated its long-term financial targets (announced on November 27, 2014) to reflect the changed market situation. The dividend target has been omitted.

The updated long-term financial targets are:

- Sales growing faster than the market
- Annual average service sales growth 5-15% (previously 10-20%)
- Reach 10% adjusted EBIT margin by 2020 (previously 3-5 years from 2015)
- Gearing at maximum 50%

April 27, 2016: Outotec's Board of Directors decided to issue Outotec's own shares for the payment of the free shares of Outotec's Employee Share Savings Plan from the 2013 savings period and for other possible rewards paid in shares. Approximately 1,420 Outotec employees were eligible for free shares from the 2013 saving period. The estimated rewards paid in shares in total is maximum of 282,000 shares.

April 18, 2016: Outotec and Sarda Energy and Minerals have settled their dispute over obligations in a filter delivery (press release on September 27, 2013).

SHORT-TERM RISKS AND UNCERTAINTIES

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

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

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

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

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

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

EVENTS AFTER THE REPORTING PERIOD

July 26, 2016: Markku Teräsvasara assumes the duties of Outotec's CEO on October 1, 2016

July 26, 2016: Order of process equipment to the Iron Concentrate Project Sangar in North-Eastern Iran. Value is approximately EUR 10 million and the order has been booked in the second quarter.

July 12, 2016: Order of process equipment for Bakyrchik Mining's gold project in Kyzyl, Kazakhstan. Value was not disclosed but typically such scopes have been valued approximately EUR 15-20 million. The order was received and booked in the second quarter.

July 4, 2016: Order of process equipment for Acacia Maden's Gökirmak greenfield copper project in Turkey. Contract value is approximately EUR 14 million and the order has been received and booked in the second quarter.

July 1, 2016: Outotec updated its Disclosure Policy originally approved by the Board of Directors in 2007. Disclosure Policy now describes disclosing of transactions made by Executive Board and Board of Directors and their closely associated persons.

MARKET OUTLOOK

Metal prices are expected to be depressed as long as global macroeconomic conditions and China's growth projections are uncertain. The current market conditions and long-term consensus metal price outlook is not supportive for investments. The supply capacity of metals currently exceeds demand, and further capacity adjustments are expected.

The market for sustainable solutions is expected to remain solid due to tightening environmental regulations. The scarcity and cost of water as well as need for improved emission control drive process modernizations. Certain regions, such as the Middle East, are more active, as governments want to develop and diversify their countries' economies. Waste-to-energy solutions are in demand in certain countries but the market is volatile, as decisions are made on the back of subsidies and environmental regulations.

Service business is dependent on the industry's production volumes and modernization needs. In addition, customer pressure to improve productivity creates service opportunities. However, customers' focus on maximizing their free cash flow continue to exert pressure on the demand and pricing of services.

Financial guidance for 2016: sales reiterated, profitability guidance range narrowed

Based on the continued challenges of the Metals, Energy & Water segment, current backlog and uncertain market condition, the management narrows its profitability guidance range and expects that in 2016:

- Sales will be approximately EUR 1.0–1.2 billion, and
- Adjusted EBIT* will be approximately 2–4% (previously 2–5%)

The wide guidance range reflects the current volatility of the market.

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

Espoo, July 27, 2016

Outotec Oyj
Board of Directors

INTERIM FINANCIAL STATEMENTS (unaudited)

Consolidated statement of comprehensive income	Q2	Q2	Q1-Q2	Q1-Q2	Q1-Q4
EUR million	2016	2015	2016	2015	2015
Sales	267.6	310.8	507.4	588.3	1,201.2
Cost of sales	-197.9	-221.2	-379.4	-420.0	-866.6
Gross profit	69.7	89.6	128.0	168.3	334.6
Other income	0.4	3.7	0.6	2.3	3.2
Selling and marketing expenses	-31.4	-29.3	-58.6	-56.0	-108.4
Administrative expenses	-19.4	-30.2	-41.2	-55.9	-113.9
Research and development expenses	-13.5	-20.3	-30.6	-34.9	-61.2
Other expenses	-6.5	-5.4	-11.0	-12.0	-66.1
Share of results of associated companies	0.0	-0.1	-0.2	-0.4	-0.4
EBIT	-0.8	8.0	-13.0	11.6	-12.3
Finance income and expenses					
Interest income and expenses	-0.9	-1.2	-2.2	-2.3	-5.1
Market price gains and losses	-0.6	-0.1	-1.0	-0.7	-2.3
Other finance income and expenses	-0.8	-0.9	-1.4	-1.9	-3.2
Net finance income expense	-2.3	-2.2	-4.6	-4.9	-10.6
Profit before income taxes	-3.1	5.8	-17.6	6.7	-22.9
Income tax expenses	0.6	-1.7	3.6	-2.0	5.7
Profit for the period	-2.5	4.0	-14.0	4.7	-17.2
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit obligations	-4.0	3.3	-7.6	3.3	0.5
Income tax relating to items that will not be reclassified to profit or loss	1.2	-1.0	2.2	-1.0	-0.1
Items that may be subsequently reclassified to profit or loss					
Exchange differences on translating foreign operations	6.8	-10.6	4.0	8.0	-8.5
Cash flow hedges	-0.7	-0.2	0.7	-0.8	-2.0
Available for sale financial assets	0.0	-0.0	0.1	0.0	0.0
Income tax relating to items that may be reclassified to profit or loss	0.2	0.1	-0.2	0.2	0.5
Other comprehensive income for the period	3.4	-8.5	-0.8	9.7	-9.6
Total comprehensive income for the period	0.9	-4.5	-14.8	14.4	-26.7
Profit for the period attributable to:					
Equity holders of the parent company	-2.6	3.9	-14.2	4.6	-17.3
Non-controlling interest	0.0	-0.1	0.2	-0.1	0.2
Total comprehensive income for the period attributable to:					
Equity holders of the parent company	0.9	-4.6	-15.0	14.3	-26.9
Non-controlling interest	0.0	-0.1	0.2	-0.1	0.2
Earnings per share for profit attributable to the equity holders of the parent company:					
Basic earnings per share, EUR	-0.03	0.02	-0.09	0.03	-0.10
Diluted earnings per share, EUR	-0.03	0.02	-0.09	0.03	-0.10

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

Condensed consolidated statement of financial position EUR million	June 30, 2016	June 30, 2015	December 31, 2015
ASSETS			
Non-current assets			
Intangible assets	400.4	385.2	405.0
Property, plant and equipment	69.0	84.7	83.0
Deferred tax asset	95.9	83.2	88.6
Non-current financial assets			
Interest-bearing	3.6	3.6	4.1
Non-interest-bearing	9.2	8.7	8.0
Total non-current assets	578.2	565.4	588.7
Current assets			
Inventories ¹	208.3	210.1	202.2
Current financial assets			
Interest-bearing	0.0	0.2	0.1
Non-interest-bearing	414.4	485.9	439.7
Cash and cash equivalents	299.1	239.4	300.7
Total current assets	921.8	935.5	942.6
TOTAL ASSETS	1,500.0	1,501.0	1,531.4
EQUITY AND LIABILITIES			
Equity			
Share capital	17.2	17.2	17.2
Retained earnings	292.3	331.5	310.2
Hybrid bond	150.0	-	-
Other components of equity	77.0	93.5	74.3
Equity attributable to the equity holders of the parent company	536.6	442.3	401.8
Non-controlling interest	3.1	1.8	2.9
Total equity	539.7	444.1	404.7
Non-current liabilities			
Interest-bearing	228.3	283.9	291.4
Non-interest-bearing	122.6	115.8	123.8
Total non-current liabilities	350.8	399.8	415.2
Current liabilities			
Interest-bearing	18.1	57.9	47.7
Non-interest-bearing			
Advances received ²	206.9	169.8	232.1
Other non interest-bearing liabilities	384.5	429.3	431.7
Total current liabilities	609.5	657.1	711.5
Total liabilities	960.3	1,056.9	1,126.7
TOTAL EQUITY AND LIABILITIES	1,500.0	1,501.0	1,531.4

¹ Of which advances paid for inventories amounted to EUR 46.0 million at June 30, 2016 (June 30, 2015: EUR 38.3 million, December 31, 2015: EUR 61.1 million).

² Gross advances received before percentage of completion revenue recognition amounted to EUR 1,544.9 million at June 30, 2016 (June 30, 2015: EUR 1,586.2 million, December 31, 2015: EUR 1,565.1 million).

Condensed consolidated statement of cash flows	Q1-Q2	Q1-Q2	Q1-Q4
EUR million	2016	2015	2015
Cash flows from operating activities			
Profit for the period	-14.0	4.7	-17.2
Adjustments for			
Depreciation and amortization	20.8	19.3	40.2
Other adjustments	15.2	3.7	-0.1
Decrease (+)/Increase (-) in working capital	-65.6	-66.6	54.1
Interest received	1.7	1.7	4.4
Interest paid	-1.4	-0.6	-8.6
Income tax paid	-6.4	-5.1	-3.3
Net cash from operating activities	-49.7	-42.9	69.5
Purchases of assets	-11.2	-31.5	-56.1
Acquisition of subsidiaries and business operations, net of cash	-2.9	-22.0	-30.8
Acquisition of shares in associate companies	-0.0	-	-
Proceeds from sale of assets	1.5	0.5	0.6
Cash flows from other investing activities	-0.0	-	-0.5
Net cash used in investing activities	-12.6	-53.0	-86.8
Cash flow before financing activities	-62.3	-95.9	-17.3
Repayments of non-current debt	-63.8	-3.6	-11.5
Borrowings of non-current debt	-	45.0	60.0
Decrease in current debt	-27.7	-1.4	-2.8
Increase in current debt	0.6	26.2	16.5
Hybrid bond	150.0	-	-
Dividends paid	-	-18.1	-18.1
Cash flows from other financing activities	-1.1	1.2	1.4
Net cash used in financing activities	58.1	49.3	45.4
Net change in cash and cash equivalents	-4.2	-46.6	28.2
Cash and cash equivalents at the beginning of the period	300.7	281.9	281.9
Foreign exchange rate effect on cash and cash equivalents	2.5	4.1	-9.3
Net change in cash and cash equivalents	-4.2	-46.6	28.2
Cash and cash equivalents at the end of the period	299.1	239.4	300.7

Consolidated statement of changes in equity

Attributable to the equity holders of the parent company										
EUR million	Share capital	Share premium fund	Fair value and other reserves	Treasury shares	Reserve for invested non-restricted equity	Hybrid bond	Cumulative translation differences	Retained earnings	Non-controlling interest	Total equity
Equity at January 1, 2015	17.2	20.2	-13.1	-18.0	93.0	-	0.4	345.5	-	445.3
Dividends	-	-	-	-	-	-	-	-18.1	-	-18.1
Share-based compensation	-	-	-	0.6	0.7	-	-	-0.5	-	0.8
Total comprehensive income for the period	-	-	1.7	-	-	-	8.0	4.6	0.1	14.4
Acquisition of non-controlling interest in subsidiaries	-	-	-	-	-	-	-	-	1.7	1.7
Other changes	-	-	-	-	-	-	-	0.0	-	0.0
Equity at June 30, 2015	17.2	20.2	-11.5	-17.4	93.7	-	8.5	331.5	1.8	444.1
Equity at January 1, 2016	17.2	20.2	-14.2	-17.4	93.8	-	-8.1	310.3	2.9	404.7
Proceeds from hybrid bond	-	-	-	-	-	150.0	-	-	-	150.0
Hybrid bond expenses	-	-	-	-	-	-	-	-0.7	-	-0.7
Share-based compensation	-	-	-	1.6	1.9	-	-	-2.8	-	0.7
Total comprehensive income for the period	-	-	-4.8	-	-	-	4.0	-14.2	0.2	-14.8
Other changes	-	-	-	-	-	-	-	-0.2	-	-0.2
Equity at June 30, 2016	17.2	20.2	-19.0	-15.8	95.7	150.0	-4.1	292.3	3.1	539.7

Group key figures	Q2 2016	Q2 2015	Q1-Q2 2016	Q1-Q2 2015	Last 12 months	Q1-Q4 2015
Sales, EUR million	267.6	310.8	507.4	588.3	1,120.3	1,201.2
Gross margin, %	26.1	28.8	25.2	28.6	26.3	27.9
EBIT, EUR million	-0.8	8.0	-13.0	11.6	-36.9	-12.3
EBIT, %	-0.3	2.6	-2.6	2.0	-3.3	-1.0
Profit before taxes, EUR million	-3.1	5.8	-17.6	6.7	-47.3	-22.9
Profit before taxes in relation to sales, %	-1.2	1.9	-3.5	1.1	-4.2	-1.9
Net cash from operating activities, EUR million	-16.1	-7.6	-49.7	-42.9	62.8	69.5
Net interest-bearing debt at the end of period, EUR million	-49.8¹	105.0	-49.8¹	105.0	-49.8	39.9
Gearing at the end of period, %	-9.2¹	23.7	-9.2¹	23.7	-9.2	9.9
Equity-to-assets ratio at the end of period, %	41.7¹	33.4	41.7¹	33.4	41.7	31.1
Working capital at the end of period, EUR million	-36.5	38.7	-36.5	38.7	-36.5	-89.4
Capital expenditure, EUR million	5.0	15.7	12.2	57.7	59.3	104.8
Capital expenditure in relation to sales, %	1.9	5.0	2.4	9.8	5.3	8.7
Return on investment, %, LTM	-3.9	1.8	-3.9	1.8	-3.9	-1.5
Return on equity, %, LTM	-7.3	0.4	-7.3	0.4	-7.3	-4.0
Order backlog at the end of period, EUR million	1,017.3	1,207.2	1,017.3	1,207.2	1,017.3	1,102.8
Order intake, EUR million	280.7	394.7	450.9	654.3	986.5	1,189.9
Personnel at the end of the period	4,298	4,948	4,298	4,948	4,298	4,859
Profit for the period in relation to sales, %	-0.9	1.3	-2.8	0.8	-3.2	-1.4
Research and development expenses, EUR million	13.5	20.3	30.6	34.9	57.0	61.2
Research and development expenses in relation to sales, %	5.0	6.5	6.0	5.9	5.1	5.1
Earnings per share, EUR	-0.03	0.02	-0.09	0.03	-0.21	-0.10
Equity per share, EUR	2.96	2.44	2.96	2.44	2.96	2.22

¹ If the hybrid bond were treated as a liability: the equity-to-assets ratio would be 30.1%, gearing 25.7%, and net interest-bearing debt EUR 100.2 million.

Definitions for key financial figures

Net interest-bearing debt	=	Interest-bearing debt - interest-bearing assets
Gearing	=	$\frac{\text{Net interest-bearing debt}}{\text{Total equity}} \times 100$
Equity-to-assets ratio	=	$\frac{\text{Total equity}}{\text{Total assets - advances received}} \times 100$
Return on investment	=	$\frac{\text{Operating profit + finance income}}{\text{Total assets - non-interest-bearing debt (average for the period)}} \times 100$
Return on equity	=	$\frac{\text{Profit for the period}}{\text{Total equity (average for the period)}} \times 100$
Research and development expenses	=	Research and development expenses in the statement of comprehensive income (including expenses covered by grants received)
Earnings per share	=	$\frac{\text{Profit for the period attributable to the equity holders of the parent company - hybrid bond interest}}{\text{Average number of shares during the period}}$
Diluted earnings per share	=	$\frac{\text{Profit for the period attributable to the equity holders of the parent company - hybrid bond interest}}{\text{Diluted average number of shares during the period}}$
Dividend per share	=	$\frac{\text{Dividend for the financial year}}{\text{Number of shares at the end of the period}}$
Adjusted EBIT	=	EBIT excluding (but not limited to) restructuring related transactions, merger and acquisition related costs and purchase price allocation amortizations and goodwill impairments
Comparable currencies, some key figures	=	Reporting period's figures converted with comparison period's foreign exchange rates

NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME AND FINANCIAL POSITION

These Interim Financial Statements are prepared in accordance with IAS 34 Interim Financial Reporting. In these Interim Financial Statements, the same accounting policies and methods have been applied as in the latest Annual Financial Statements. These Interim Financial Statements are unaudited.

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

- IFRS 9 – Financial Instruments. The new standard replaces current standard IAS 39 Financial Instruments: Recognition and measurement. It addresses the classification, measurement and recognition of financial assets and financial liabilities. Based on IFRS 9, financial assets are required to be classified into three measurement categories: amortized cost, fair value through other comprehensive income, or fair value through profit or loss. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. Standard also changes the recognition of impairment losses and the application of hedge accounting. Outotec is assessing the impact of IFRS 9 and intends to fully adopt it in 2018. The Group has paid attention especially to the amendments in applying hedge accounting. It is not yet possible to estimate the impact of the new standard on the company's financial statements.
- IFRS 15 – Revenue from Contracts with Customers. The new standard aims to establish principles for reporting useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with its customers. It replaces IAS 18 and IAS 11 standards and related interpretations. The new standard includes a five-step guideline to the recognition of revenue from contracts with customers. Outotec is assessing the impact of IFRS 15 and intends to adopt it in 2018. The Group has especially paid attention to the identification of performance obligations and the criteria for the recognition of revenue over time. It is not yet possible to estimate the impact of the new standard on the company's financial statements.
- IFRS 16 – Leases. New standard requires lessees to recognize assets and liabilities for most leases. Leases are not classified as operating leases or finance leases anymore and all leases have a single accounting model with certain exemptions. For lessors there are not major changes. The new standard replaces the IAS 17 standard and related interpretations. Outotec is planning to assess the impacts of the standard and intends to adopt it in 2019.

Use of estimates

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

Restructuring and acquisition costs	Q1-Q2	Q1-Q2	Q1-Q4
EUR million	2016	2015	2015
Costs related to restructuring ^{1, 2}	-5.3	-7.7	-48.9
Costs related to acquisitions ¹	-0.3	-0.9	-2.0
Reversal of earn-out liability from acquisitions ¹	-	1.2	1.0
Arbitration cost related to past acquisitions ¹	-3.9	-	-9.0

¹ Excluded from adjusted EBIT

² Includes impairments on intangible, tangible and other long-term assets EUR 0.9 (in 2015: no impairments) million, personnel related restructurings of EUR 3.8 (in 2015: EUR 3.1) million and other restructuring related costs EUR 0.6 (in 2015: 4.6) million. In segment reporting the costs related to the restructuring program have been divided to Metals, Energy & Water EUR 2.0 (in 2015: 3.2) million, Minerals Processing 1.2 (in 2015: 4.0) million and unallocated items EUR 2.1 (in 2015: EUR 0.5) million.

Income tax expenses	Q1-Q2	Q1-Q2	Q1-Q4
EUR million	2016	2015	2015
Current taxes	-6.2	-12.8	1.7
Deferred taxes	9.8	10.8	4.0
Total income tax expenses	3.6	-2.0	5.7

Property, plant and equipment	June 30,	June 30,	December 31,
EUR million	2016	2015	2015
Historical cost at the beginning of the period	170.5	159.3	159.3
Translation differences	0.7	1.1	-2.5
Additions	2.1	8.9	15.6
Disposals	-4.4	-1.2	-5.4
Acquired subsidiaries	-	6.5	7.3
Reclassifications	-0.0	-1.4	-3.7
Impairment during the period	-14.7	-	-
Historical cost at the end of the period	154.3	173.2	170.5
Accumulated depreciation and impairment at the beginning of the period	-87.5	-81.2	-81.2
Translation differences	-0.3	-0.5	1.5
Disposals	3.1	0.8	4.8
Reclassifications	-0.1	-0.2	2.0
Impairment during the period	6.8	-	-
Depreciation during the period	-7.3	-7.3	-14.6
Accumulated depreciation and impairment at the end of the period	-85.2	-88.5	-87.5
Carrying value at the end of the period	69.0	84.7	83.0

Commitments and contingent liabilities	June 30,	June 30,	December 31,
EUR million	2016	2015	2015
Guarantees for commercial commitments	355.9	454.4	415.9
Minimum future lease payments on operating leases	114.3	123.4	125.3

No securities or collateral have been pledged. Commercial guarantees are related to performance obligations of project and equipment deliveries. These are issued by financial institutions or Outotec Oyj on behalf of group companies. The total value of commercial guarantees above does not include advance payment guarantees issued by the parent or other group companies or guarantees for financial obligations. The total amount of guarantees for financing issued by group companies amounted to EUR 11.0 million at June 30, 2016 (June 30, 2015: EUR 14.2 million, December 31, 2015: EUR 14.3 million) and for commercial guarantees including advance payment guarantees EUR 461.5 million at June 30, 2016 (June 30, 2015: EUR 668.4 million, December 31, 2015: EUR 632.3 million). High exposure of on-demand guarantees may increase the risk of claims that may have an impact on the liquidity of Outotec.

Derivative instruments

Currency and interest derivatives	June 30,	June 30,	December 31,
EUR million	2016	2015	2015
Fair values, net	0.0¹	4.3 ²	2.7 ³
Nominal values	518.0	630.4	544.7

¹ Of which EUR -2.6 million designated as cash flow hedges (EUR -2.5 million from currency derivatives, EUR -0.1 million from interest derivatives) and EUR 6.4 million designated as fair value hedge from interest derivatives.

² Of which EUR -1.8 million designated as cash flow hedges (EUR -1.5 million from currency derivatives, -0.3 million from interest derivatives) and EUR 6.2 million designated as fair value hedge from interest derivatives.

³ Of which EUR -2.3 million designated as cash flow hedges (EUR -2.1 million from currency derivatives, EUR -0.2 million from interest derivatives) and EUR 5.5 million designated as fair value hedge from interest derivatives.

Carrying amounts of financial assets and liabilities by category

June 30, 2016

EUR million	Financial assets at fair value through profit or loss	Loans and receivables	Available-for-sale financial assets	Financial liabilities at fair value through profit or loss	Derivatives under hedge accounting	Financial liabilities measured at amortized cost	Carrying amounts by balance sheet item	Fair value
Non-current financial assets								
Derivative assets								
- foreign exchange forward contracts	0.0	-	-	-	-	-	0.0	0.0
- interest rate swaps	-	-	-	-	6.4	-	6.4	6.4
Other shares and securities	-	-	2.3	-	-	-	2.3	2.3
Trade and other receivables								
- interest-bearing	-	1.3	-	-	-	-	1.3	1.3
- non-interest-bearing	-	0.0	-	-	-	-	0.0	0.0
Current financial assets								
Derivative assets								
- foreign exchange forward contracts	1.9	-	-	-	0.1	-	2.1	2.1
Trade and other receivables								
- interest-bearing	-	0.0	-	-	-	-	0.0	0.0
- non-interest-bearing	-	412.4	-	-	-	-	412.4	412.4
Cash and cash equivalents	-	299.1	-	-	-	-	299.1	299.1
Carrying amount by category	2.0	712.8	2.3	-	6.5	-	723.6	723.6
Non-current financial liabilities								
Bonds	-	-	-	-	-	148.9	148.9	149.3
Loans from financial institutions	-	-	-	-	-	76.8	76.8	79.0
Finance lease liabilities	-	-	-	-	-	0.0	0.0	0.0
Derivative liabilities								
- foreign exchange forward contracts	-	-	-	0.0	0.6	-	0.6	0.6
Other non-current loans	-	-	-	-	-	2.6	2.6	2.6
Other non-current liabilities	-	-	-	-	-	1.7	1.7	1.7
Current financial liabilities								
Loans from financial institutions	-	-	-	-	-	17.7	17.7	18.5
Loans from pension institutions	-	-	-	-	-	0.1	0.1	0.1
Financial lease liabilities	-	-	-	-	-	0.0	0.0	0.0
Derivative liabilities								
- foreign exchange forward contracts	-	-	-	5.8	2.0	-	7.8	7.8
- interest rate swaps	-	-	-	-	0.1	-	0.1	0.1
Other current loans	-	-	-	-	-	0.4	0.4	0.4
Trade payables	-	-	-	-	-	118.2	118.2	118.2
Carrying amount by category	-	-	-	5.8	2.7	366.3	374.8	378.3

Carrying amounts of financial assets and liabilities by category
December 31, 2015

EUR million	Financial assets at fair value through profit or loss	Loans and receivables	Available-for-sale financial assets	Financial liabilities at fair value through profit or loss	Derivatives under hedge accounting	Financial liabilities measured at amortized cost	Carrying amounts by balance sheet item	Fair value
Non-current financial assets								
Derivative assets								
- foreign exchange forward contracts	0.0	-	-	-	-	-	0.0	0.0
- interest rate swaps	-	-	-	-	5.5	-	5.5	5.5
Other shares and securities	-	-	2.2	-	-	-	2.2	2.2
Trade and other receivables								
- interest-bearing	-	1.9	-	-	-	-	1.9	1.9
- non-interest-bearing	-	0.0	-	-	-	-	0.0	0.0
Current financial assets								
Derivative assets								
- foreign exchange forward contracts	3.3	-	-	-	0.1	-	3.5	3.5
Trade and other receivables								
- interest-bearing	-	0.1	-	-	-	-	0.1	0.1
- non-interest-bearing	-	436.2	-	-	-	-	436.2	436.2
Cash and cash equivalents	-	300.7	-	-	-	-	300.7	300.7
Carrying amount by category	3.3	738.9	2.2	-	5.7	-	750.1	750.1
Non-current financial liabilities								
Bonds								
Bonds	-	-	-	-	-	148.7	148.7	151.5
Loans from financial institutions								
Loans from financial institutions	-	-	-	-	-	140.3	140.3	142.4
Finance lease liabilities								
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								
Loans from financial institutions	-	-	-	-	-	18.4	18.4	19.3
Loans from pension institutions								
Loans from pension institutions	-	-	-	-	-	0.2	0.2	0.2
Finance lease liabilities								
Finance lease liabilities	-	-	-	-	-	0.0	0.0	0.0
Derivative liabilities								
- foreign exchange forward contracts	-	-	-	3.9	1.2	-	5.2	5.2
- interest rate swaps	-	-	-	-	0.2	-	0.2	0.2
Other current loans	-	-	-	-	-	29.1	29.1	29.1
Trade payables	-	-	-	-	-	129.2	129.2	129.2
Carrying amount by category	-	-	-	3.9	2.4	470.3	476.7	482.4

Fair value hierarchy

June 30, 2016

EUR million	Level 1	Level 2	Level 3	Total
Available for sale financial assets	0.1	-	2.2	2.3
Derivative financial assets	-	8.5	-	8.5
	0.1	8.5	2.2	10.8
Bonds	-	149.3	-	149.3
Loans from financial institutions	-	97.5	-	97.5
Loans from pension institutions	-	0.1	-	0.1
Derivative financial liabilities	-	8.5	-	8.5
	-	255.4	-	255.4
December 31, 2015				
Available for sale financial assets	0.0	-	2.2	2.2
Derivative financial assets	-	9.0	-	9.0
	0.0	9.0	2.2	11.2
Bonds	-	151.5	-	151.5
Loans from financial institutions	-	161.7	-	161.7
Loans from pension institutions	-	0.2	-	0.2
Derivative financial liabilities	-	6.3	-	6.3
	-	319.7	-	319.7

Available-for-sale financial assets (level 3 of fair value hierarchy)	Q1-Q2	Q1-Q2	Q1-Q4
EUR million	2016	2015	2015
Carrying value at the beginning of the period	2.2	2.2	2.2
Translation differences	0.0	0.0	0.0
Disposals	-	-	-0.0
Carrying value at the end of the period	2.2	2.2	2.2

Related party transactions

Transactions and balances with associated companies	Q1-Q2	Q1-Q2	Q1-Q4
EUR million	2016	2015	2015
Sales	0.0	0.0	0.0
Other income	-	-	0.1
Purchases	0.3	-0.0	0.6
Trade and other receivables	0.4	0.3	0.2
Current liabilities	0.1	-	0.0
Loan receivables	1.3	1.4	1.9

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

Transactions and balances with management and prior management

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

Segments' sales and EBIT by quarters

EUR million	Q2/14	Q3/14	Q4/14	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16
Sales									
Metals, Energy & Water	176.9	165.9	212.6	141.0	174.5	178.2	158.8	127.2	148.3
Minerals Processing	158.4	154.4	190.6	136.4	136.4	129.0	147.0	112.5	119.3
Unallocated items ¹ and intra-group sales	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Total	335.2	320.3	403.2	277.5	310.8	307.2	305.7	239.8	267.6
EBIT									
Metals, Energy & Water	-9.9	2.0	-7.5	5.1	4.8	3.7	-0.6	-10.2	-1.1
Minerals Processing	11.1	8.9	12.4	-0.1	5.5	5.4	-27.3	-0.3	3.3
Unallocated ² and intra-group items	-1.6	-11.2	-2.6	-1.4	-2.4	-2.4	-2.6	-1.8	-3.0
Total	-0.3	-0.3	2.3	3.6	8.0	6.7	-30.6	-12.3	-0.8

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

² Unallocated items primarily include group management and administrative services

SHARES AND SHARE CAPITAL

Outotec's shares are listed on the Nasdaq Helsinki (OTE1V). At the end of the reporting period, Outotec's share capital was EUR 17,186,442.52, consisting of 183,121,492 shares. Each share entitles its holder to one vote at the company's general shareholder meetings.

OUTOTEC OYJ OWN SHAREHOLDING

At the end of the reporting period, the company held directly a total of 1,797,526 Outotec shares, which represents a relative share of 0.98% of Outotec Oyj's shares and votes.

TRADING, MARKET CAPITALIZATION, AND SHAREHOLDERS

Shares on NASDAQ Helsinki

January-June 2016	No. of shares traded	Total value EUR	High EUR	Low EUR	Average EUR ¹	Last paid EUR
OTE1V	148,274,721	497,934,600	4.48	2.49	3.35	4.04

¹ Volume weighted average

	June 30, 2016	June 30, 2015
Market capitalization, EUR million	741	1,058
No. of shareholders	32,954	31,721
Nominee registered shareholders (no of registers 10), %	28.3	28.1
Finnish private investors, %	28.8	18.1

SHARE-BASED INCENTIVES

Outotec has a Share-based Incentive Program for the company's key personnel and Employee Share Savings Program for all employees globally. All shares related to the programs are acquired through public trading. More detailed information about present and past programs is available at www.outotec.com/cg.

Outotec provides leading technologies and services for the Sustainable use of Earth's natural resources. As the global leader in minerals and metals processing technology, we have developed many breakthrough technologies over the decades for our customers in the metals and mining industry. We also provide innovative solutions for industrial water treatment, the utilization of alternative energy sources and the chemical industry. Outotec shares are listed on Nasdaq Helsinki.