Sustainable use of Earth’s natural resources

Company presentation
July 27, 2016
Safety performance in Q1-Q2/2016

<table>
<thead>
<tr>
<th>0</th>
<th>Fatal accidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5 (2015: 2.8)</td>
<td>Lost-Time Injury Rate per million hours incl. employees and subcontractors</td>
</tr>
<tr>
<td>10 Lost time injuries reported</td>
<td>1,207 Reported near misses</td>
</tr>
</tbody>
</table>
Outotec at a glance

Key figures

<table>
<thead>
<tr>
<th></th>
<th>FY 2015</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales, EUR million</td>
<td>1,201</td>
<td>1,403</td>
</tr>
<tr>
<td>Share of services in sales, %</td>
<td>43</td>
<td>37</td>
</tr>
<tr>
<td>Gross Margin, %</td>
<td>28</td>
<td>23</td>
</tr>
<tr>
<td>EBITA, % (excl. one-time items)</td>
<td>4.7</td>
<td>4.0</td>
</tr>
<tr>
<td>Gearing, %</td>
<td>9.9</td>
<td>-1.3</td>
</tr>
<tr>
<td>Equity ratio, %</td>
<td>31.1</td>
<td>36.1</td>
</tr>
<tr>
<td>Balance sheet total, EUR million</td>
<td>1,531</td>
<td>1,442</td>
</tr>
</tbody>
</table>

Business overview

- Outotec is a global leader in minerals and metals processing technology delivering to more than 80 countries
- HQ in Finland, some 4,300 employees (Q2/2016) in 34 countries
- Outotec designs and delivers tailored solutions for minerals and metals processing, water treatment, and producing energy from biomass and wastes
- Company develops technologies which utilize natural resources, raw materials, energy and water efficiently, and minimize the plant’s lifetime costs

Financial performance

Geographic coverage

- Outotec R&D, sales and service centers
- Outotec manufacturing/assembly

*) Combined basis
2010 onwards represents adj. EBIT, excl. restructuring and acquisition-related costs as well as purchase price allocation amortizations.
A century of accumulated expertise 1/2

1910
Outokumpu Oy founded in Finland to benefit from the large copper deposit found in eastern Finland

1940-1960
- Flash smelting process revolutionizes the world’s copper smelting and leads to the formation of a technology division
- 1949: metallurgical research center established in Pori, Finland
- 1954: technology sales begin when Japanese company Furukawa buys a flash smelting license

1965
Department established for the licensing of technology and selling of know-how for copper, zinc, nickel, and ferrochrome processing

1975
Internationalization through establishment of sales offices in North and South America

1980-2000
Growth through acquisitions
- Rammer (hydraulic hammers)
- Roxon (belt conveyors)
- Candor (galvanizing)
- Aisco Systems (aluminum smelter equipment)
- Supaflo (thickeners)
- Wennberg (cathode stripping machines)
- Indepco (engineering)
- Carpo and Inprosys (physical separation)
- Eberhard Hoesch & Söhne (filters)

2001
- Merger of two major players: Outokumpu Technology acquires Lurgi Metallurgie
- Other acquisitions:
  - Royal Pannevis (filters)
  - KDH Aluminum Technology (aluminum smelter technology)
  - Nordberg Mills’ grinding technology

OUTOKUMPU

OUTOKUMPU TECHNOLOGY

LURGI METALLURGIE

1881
Metallgesellschaft established for metal trading and activities; expanded to mining and metallurgical plants

1990
Lurgi Chemie, Metallurgie und Industrieanlagenbau established, focusing on metallurgy, sulfuric acid plants, and general engineering

1995
Lurgi Metallurgie focuses solely on metallurgy and sulfuric acid plants

CONTINUED...
A century of accumulated expertise 2/2

2001
Merger of two major players
Outokumpu Technology acquires Lurgi Metallurgie
Other acquisitions:
• Royal Parnows (lithium)
• KEMI Aluminium Technology (aluminium smelter technology)
• Nordberg Mills' grinding technology

2006
More out of ore
Outokumpu Technology Oyj listed on the Helsinki Stock Exchange and launched as an independent company; name changed to Outotec Oyj in 2007

2011
Acquisitions:
• Klin Services Australia
• Energy Products of Idaho
• ASH DOD (phosphorus recycling business)
• Vertical Pressure Filter technology

2013
Acquisitions:
• Scantrol (measurement software)

2015
Acquisitions:
• Kempe Engineering
• Kvist Engineering (tailings management solutions)
• Bionix South Africa's BIOX® bio-oxidation technology
• Serter Plant Services

2003
Boliden Conftech engineering, precious metals technology merges with Outokumpu Technology as part of industry restructuring

2004
Acquisition:
• Auburn Group (maintenance and shutdown services)

2008
Sustainable use of Earth's natural resources
Acquisitions:
• Larox (complementing the ore-to-metal value chain with filters)
• Mittal (grinding mill services)
• Ausmelt (smelting and recycling)
• Ekmetal (special steel structures for acid plants)

2012
Acquisitions:
• Backfill Specialists
• TME Group (services)
• Damil Manufaktur (services)
• Numcore (3D imaging)

2014
Acquisitions:
• Republic Alternative Technologies
• KALDOE Anlagenbau
Proven track record with thousands of references globally

- 130 non-ferrous smelters
- 650 sulfuric acid plants
- 1,100 grinding mills
- 10,000 flotation units
- 1,800 thickeners
- 3,500 filters
- 20 pelletizing and sintering plants for chromites (ferroalloys), and 9 ferroalloy smelters
- 340 iron ore sintering plants
- 67 iron ore pelletizing plants
- 290 fluidized bed roasting plants
- 50 alumina calcination plants
- 109 fluidized bed energy systems for biomass
R&D investments have resulted in many market leadership technologies:

- #1 in ferrous pelletizing
- #1 in copper solvent extraction and tankhouse
- #1 in large, emission efficient ACID plants
- #1 in non-ferrous smelting/converting
- #1 in ferrochrome smelting
- #1 in alumina calcination, aluminium paste plants and rod shops
- Among top3 in concentrator equipment

Strong digital process assets

6,485 national patents & applications (Q2/2016)
Long-term customer relationships with the industry’s top companies

In history, top ten customers have accounted for some 35% of sales.

<table>
<thead>
<tr>
<th>Major global mining companies</th>
<th>Intermediate sized companies</th>
<th>Local mining and metallurgical companies in emerging regions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glencore Xstrata</td>
<td>Boliden, ENRC</td>
<td>Vedanta, Polyus, Petropavlovsk, Polysius, KGHM, KGHM Polska S.A., Votorantim, Vedanta</td>
</tr>
<tr>
<td>Barrick</td>
<td>Vale, KGHM Polska S.A.</td>
<td>Codelco</td>
</tr>
<tr>
<td>Anglo American, Noble Nickel</td>
<td></td>
<td>Petrocuivre</td>
</tr>
</tbody>
</table>

**Selected reference customers of Outotec**

**Peers and competitors**

**Minerals Processing:**
Andritz, BGRIMM, CITIC, FLSmidth, Krupp Polysius, Metso, PERI, Tenova (Delkor), Thermo Fisher, WesTech, Xstrata Technology

**Metals, Energy & Water:**
Alcan, Alstom, Andritz, Brochet, BSIET, Danieli, Downer, FLSmidth, Foster Wheeler, GEA, Jacobs (Aker), Kobelco, MECS, Mesco, Midrex, Siemens, SMS Meer, SMS Siemag, Solios, Stultz, Tenova (Bateman, Pyromet), Valmet, Veolia Water, Xstrata Technology

**Services:**
FLS, Metso, local competitors, internal maintenance departments

Engineering: AMEC, Ausenco, Bechtel, Challeco, Enfi, Fluor, Hatch, MCC, NERIN, NFC, SNC-Lavalin, SRK, Worley Parsons

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Share of sales by end product

* Incl. water, sulfuric acid and off-gas
Outotec’s strategy
Outotec provides life-cycle solutions for minerals and metals processing and energy production.

Application area of Outotec’s technologies.

- Mineral Processing
- Metal Processing
- Manufacturing
- Recycling
- Users
- Energy Production
- Natural Resources
- ores
- Minerals
- Water
CAPEX and OPEX markets are under strain as producers seek to reduce costs

- Oversupply in most metals and minerals
- Slowing metals demand growth
- Low metals prices
- Further uncertainty from China: 2%-pts change in China GDP growth means 1%-pts change in global metals demand

Outotec addressable mining and metals market
CAPEX and OPEX spend, EUR billions

Note: Capex includes Outotec’s addressable market for iron ore, copper, gold, alumina, aluminum, nickel, lead and zinc. OPEX includes spares, wears and labor.
Sources: Wood Mackenzie, Outotec analysis (May 2016)
Metals demand is forecasted to grow 2-4%.

<table>
<thead>
<tr>
<th></th>
<th>SUPPLY</th>
<th></th>
<th>DEMAND</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016F Production, Mt</td>
<td>2016F Consumption, Mt</td>
<td>CAGR% 2015-25E</td>
</tr>
<tr>
<td>Aluminium</td>
<td>57,8</td>
<td>57,6</td>
<td>2,7 %</td>
</tr>
<tr>
<td>Copper</td>
<td>22,5</td>
<td>22,3</td>
<td>1,8 %</td>
</tr>
<tr>
<td>Zinc</td>
<td>14,0</td>
<td>14,5</td>
<td>2,4 %</td>
</tr>
<tr>
<td>Nickel</td>
<td>2,0</td>
<td>1,9</td>
<td>1,4 %</td>
</tr>
</tbody>
</table>

Source: Wood Mackenzie, Morgan Stanley, Outotec analysis
2016 copper production ranked on all-in-sustaining cost

Sustaining capital = costs needed to maintain the operation over a mine's life that do not generate additional revenue for the operation
Productivity improvement needed in mining and metals industry

Mining productivity declined considerably during commodities boom cycle

Declining metals prices and high cash costs have caused financial distress to mining companies

Copper Mine Production Financials Performances

Source: WoodMackenzie, Outotec analysis
Service sales target: average growth 5-15%

**Grow performance services**
- Introduce new service solutions improving customers’ productivity
- Leverage industry leading process knowledge and digital solutions
- Gain sharing based on performance

**Grow spare & wear parts business**
- Increase penetration to installed base
- Capture opportunities in commercial spare & wear parts
- Strengthen the end-to-end supply chain

**Strengthen service capabilities and intensity**
- Strengthen field service presence at customers and service delivery capabilities
- Bolt on M&A to increase service intensity and accelerate service capability building

**Current State:** Our penetration to installed base is still low (below 15%), customers need services that improve productivity and reduce opex
Offering industry’s most sustainable processing technologies

Our handprint is bigger than our footprint
Thousands of tons of CO₂-equivalent

<table>
<thead>
<tr>
<th>Year</th>
<th>Handprint</th>
<th>Footprint</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>5,400</td>
<td>45</td>
</tr>
<tr>
<td>2014</td>
<td>5,900</td>
<td>35</td>
</tr>
<tr>
<td>2015</td>
<td>6,600</td>
<td>34</td>
</tr>
</tbody>
</table>

- **Handprint**: Greenhouse gas emissions avoided through use of Outotec’s technologies
- **Footprint**: Outotec's greenhouse gas emissions

The 3rd most sustainable company in the world (2016)

Environmental Goods and Services equals to 90% of orders (2014-15)

Our handprint is bigger than our footprint
Thousands of tons of CO₂-equivalent
Strategy roadmap

<table>
<thead>
<tr>
<th>Profitability</th>
<th>Stabilize profitability</th>
<th>Grow</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed cost right-sizing</td>
<td>Continuous improvement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scalable operating model, improved product cost and sourcing</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Service focus</th>
<th>Performance services, service M&amp;A</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitiveness of Spare &amp; Wear parts</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Growth</th>
<th>Service growth</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjacent segment growth</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Our people</th>
<th>Creating high performing team</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Strengthening service competences</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Empowering and engaging leadership</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Target</th>
<th>Shareholder return</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Customer satisfaction and service growth</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sales growth</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Engaged and empowered professionals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Long-term financial targets (updated June 7, 2016)

| Financial targets | • Sales growing faster than the market  
• Annual average service sales growth 5-15%  
• Reach 10% adjusted EBIT margin* by 2020  
• Gearing at maximum 50% |

* Excluding restructuring and acquisition-related costs as well as purchase price allocation amortizations.
Q1-Q2 2016 financial information
Minerals Processing stabilizing; Metals, Energy & Water remains challenging

| Minerals Processing market stabilizing | Low metal prices are not promoting new investments | Investments to existing capacity with fast returns and environmental reasons | Slowness in services as producers focus on cost optimization | EMEA and South America more active markets, gold, copper, sulfuric acid and waste-to-energy most active |

July 27, 2016
OUTOTEC IR presentation
Q2 in a nutshell

- Continued challenges in the Metals, Energy & Water segment
- Project finalization and payment collection remain challenging
- Despite significant savings, work still remain

- Savings program proceeds, fixed costs reduced by 19%
- Plant and equipment orders in Minerals Processing segment increased
- Service order intake +5% in comparable currencies
Plant and equipment orders picked up in minerals processing

• Minerals Processing order intake: EUR 261 million, 6%
  (17% in comparable currencies)
• Metals, Energy & Water order intake: EUR 190 million, -54%
  (-51% in comparable currencies)

- Process equipment for Houndé Gold, Burkina Faso
  - 13 M€
- Copper smelter and acid plant revamp, South America
  - Over 33 M€
- Process equipment for Bakyrchik Mining, Kazakhstan
  - Approx. 15-20 M€
- Process equipment for SDM iron concentrator, Iran
  - Approx. 10 M€
- Sulfuric acid plant for Intesca Industrial, Egypt
  - Over 30 M€

<table>
<thead>
<tr>
<th>Region</th>
<th>Orders</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMERICAS</td>
<td>31%</td>
</tr>
<tr>
<td>EMEA</td>
<td>53%</td>
</tr>
<tr>
<td>APAC</td>
<td>16%</td>
</tr>
</tbody>
</table>
Stable order backlog

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Order backlog at the end of the period</th>
<th>Share of unannounced orders</th>
<th>Order intake by quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>02/2006</td>
<td>240</td>
<td>371</td>
<td>235</td>
</tr>
<tr>
<td>03/2006</td>
<td>371</td>
<td>493</td>
<td>168</td>
</tr>
<tr>
<td>04/2006</td>
<td>493</td>
<td>418</td>
<td>384</td>
</tr>
<tr>
<td>01/2007</td>
<td>418</td>
<td>475</td>
<td>299</td>
</tr>
<tr>
<td>02/2007</td>
<td>475</td>
<td>260</td>
<td>120</td>
</tr>
<tr>
<td>03/2007</td>
<td>260</td>
<td>139</td>
<td>106</td>
</tr>
<tr>
<td>04/2007</td>
<td>139</td>
<td>111</td>
<td>202</td>
</tr>
<tr>
<td>01/2008</td>
<td>111</td>
<td>419</td>
<td>350</td>
</tr>
<tr>
<td>02/2008</td>
<td>350</td>
<td>384</td>
<td>269</td>
</tr>
<tr>
<td>03/2008</td>
<td>384</td>
<td>344</td>
<td>344</td>
</tr>
<tr>
<td>04/2008</td>
<td>344</td>
<td>532</td>
<td>736</td>
</tr>
<tr>
<td>01/2009</td>
<td>532</td>
<td>425</td>
<td>452</td>
</tr>
<tr>
<td>02/2009</td>
<td>425</td>
<td>471</td>
<td>491</td>
</tr>
<tr>
<td>03/2009</td>
<td>471</td>
<td>366</td>
<td>426</td>
</tr>
<tr>
<td>04/2009</td>
<td>366</td>
<td>230</td>
<td>210</td>
</tr>
<tr>
<td>01/2010</td>
<td>230</td>
<td>380</td>
<td>380</td>
</tr>
<tr>
<td>02/2010</td>
<td>380</td>
<td>266</td>
<td>266</td>
</tr>
<tr>
<td>03/2010</td>
<td>266</td>
<td>322</td>
<td>322</td>
</tr>
<tr>
<td>04/2010</td>
<td>322</td>
<td>260</td>
<td>260</td>
</tr>
<tr>
<td>01/2011</td>
<td>260</td>
<td>268</td>
<td>268</td>
</tr>
<tr>
<td>02/2011</td>
<td>268</td>
<td>267</td>
<td>267</td>
</tr>
<tr>
<td>03/2011</td>
<td>267</td>
<td>170</td>
<td>170</td>
</tr>
<tr>
<td>04/2011</td>
<td>170</td>
<td>281</td>
<td>281</td>
</tr>
</tbody>
</table>

Roughly EUR 490 million of the Q2 end backlog to be delivered in 2016

Iranian projects not included in Q2 end backlog: EUR 185 (225) million

Order backlog at the end of the period | Share of unannounced orders | Order intake by quarter
Timing of plant and equipment orders in 2015 and weak service order intake in 2016 decreased sales

<table>
<thead>
<tr>
<th>EUR million</th>
<th>Q2 2016</th>
<th>Q2 2015</th>
<th>Q1-Q2 2016</th>
<th>Q1-Q2 2015</th>
<th>Change, %</th>
<th>In comparable currencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>268</td>
<td>311</td>
<td>507</td>
<td>588</td>
<td>-14%</td>
<td>-9%</td>
</tr>
<tr>
<td>Service sales</td>
<td>100</td>
<td>126</td>
<td>214</td>
<td>244</td>
<td>-12%</td>
<td>-4%</td>
</tr>
<tr>
<td>Share of services in sales, %</td>
<td>37</td>
<td>40</td>
<td>42</td>
<td>41</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Margin, %</td>
<td>26</td>
<td>29</td>
<td>25</td>
<td>29</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EBIT*</td>
<td>5</td>
<td>16</td>
<td>0</td>
<td>24</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EBIT*, %</td>
<td>2</td>
<td>5</td>
<td>0</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Restructuring and acquisition-related costs</td>
<td>-4</td>
<td>-6</td>
<td>-9</td>
<td>-7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- PPA amortization</td>
<td>-2</td>
<td>-2</td>
<td>-4</td>
<td>-5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>-1</td>
<td>8</td>
<td>-13</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT, %</td>
<td>-0</td>
<td>3</td>
<td>-3</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the period</td>
<td>-3</td>
<td>4</td>
<td>-14</td>
<td>5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Excl. restructuring and acquisition-related costs and PPA amortizations.
Fixed cost savings not fully compensating lower sales

*Decline yoy 19%, in comparable currencies 17%
Minerals Processing

- Improved order intake
- Fixed costs savings starting to show
- Service sales impacted by low order intake in Q1

<table>
<thead>
<tr>
<th>Minerals Processing</th>
<th>Q1-Q2 2016</th>
<th>Q1-Q2 2015</th>
<th>Change, %</th>
<th>Change in comp currency, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>261</td>
<td>245</td>
<td>6</td>
<td>17</td>
</tr>
<tr>
<td>Sales</td>
<td>232</td>
<td>273</td>
<td>-15</td>
<td>-8</td>
</tr>
<tr>
<td>Service sales</td>
<td>125</td>
<td>150</td>
<td>-17</td>
<td>-7</td>
</tr>
<tr>
<td>Adjusted EBIT*)</td>
<td>10</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EBIT*) %</td>
<td>4</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized and realized losses related to valuation of FX forward agreements</td>
<td>-0</td>
<td>-4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Excl. restructuring and acquisition-related costs and PPA amortizations
Metals, Energy & Water

- Metals refining orders on a low level
- Demand for sulfuric acid and off-gas solutions
- Profitability remained challenging

<table>
<thead>
<tr>
<th>Metals, Energy &amp; Water EUR million</th>
<th>Q1-Q2 2016</th>
<th>Q1-Q2 2015</th>
<th>Change, %</th>
<th>Change in comp. currency, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>190</td>
<td>409</td>
<td>-54</td>
<td>-51</td>
</tr>
<tr>
<td>Sales</td>
<td>275</td>
<td>315</td>
<td>-13</td>
<td>-9</td>
</tr>
<tr>
<td>Service sales</td>
<td>90</td>
<td>94</td>
<td>-4</td>
<td>2</td>
</tr>
<tr>
<td>Adjusted EBIT*)</td>
<td>-7</td>
<td>17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EBIT*, %</td>
<td>-3</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized and realized losses related to valuation of FX forward agreements</td>
<td>-1</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Excl. restructuring and acquisition-related costs and PPA amortizations

Sales and adjusted EBIT development
Upgrade and long-term service contract orders and sales declined

- Cost optimization puts pressure on services
- Upgrades and shut down services postponed
- Spare part inventories optimized

Service order intake by quarter

Service sales by quarter

Split in service order intake

Share of Outotec’s sales, %

EUR million

EUR million
Ongoing projects tied up more capital

<table>
<thead>
<tr>
<th>EUR million</th>
<th>Q1-Q2 2016</th>
<th>Q1-Q2 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash from operations</td>
<td>22</td>
<td>28</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>-66</td>
<td>-67</td>
</tr>
<tr>
<td>Interest</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Taxes</td>
<td>-6</td>
<td>-5</td>
</tr>
<tr>
<td><strong>NET CASH FROM OPERATING ACTIVITIES</strong></td>
<td>-50</td>
<td>-43</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>-11</td>
<td>-32</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>-3</td>
<td>-22</td>
</tr>
<tr>
<td>Other investing activities</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td><strong>CASH FLOW AFTER INVESTING ACTIVITIES</strong></td>
<td>-62</td>
<td>-96</td>
</tr>
</tbody>
</table>
Liquidity & equity remained solid, EUR 30 million debt repaid

<table>
<thead>
<tr>
<th></th>
<th>Q2 2016</th>
<th>Q2 2015</th>
<th>Q4 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest-bearing debt, EUR million</td>
<td>-50*</td>
<td>105</td>
<td>40</td>
</tr>
<tr>
<td>Gearing, %</td>
<td>-9*</td>
<td>24</td>
<td>10</td>
</tr>
<tr>
<td>Equity-to-assets ratio, %</td>
<td>42*</td>
<td>33</td>
<td>31</td>
</tr>
<tr>
<td>Return on investment, %, LTM</td>
<td>-4</td>
<td>2</td>
<td>-1</td>
</tr>
<tr>
<td>Return on equity, %, LTM</td>
<td>-7</td>
<td>0</td>
<td>-4</td>
</tr>
<tr>
<td>Working capital at the end of the period, EUR million</td>
<td>-37</td>
<td>39</td>
<td>-89</td>
</tr>
<tr>
<td>Equity, EUR million</td>
<td>540</td>
<td>444</td>
<td>405</td>
</tr>
<tr>
<td>Balance sheet total, EUR million</td>
<td>1,500</td>
<td>1,501</td>
<td>1,531</td>
</tr>
</tbody>
</table>

* If the hybrid bond were treated as a liability: Equity-to-assets ratio 30%, gearing 26%, and net interest-bearing debt would be EUR 100 million.
Fixed cost savings achieved as planned

- Target is EUR 70 million annual fixed cost reduction compared to Q1-Q3/2015 run rate.
- Of this, EUR 34 million was reached in Q1-Q2/2016.

<table>
<thead>
<tr>
<th></th>
<th>2015 Fixed cost</th>
<th>2016 Fixed cost</th>
<th>Cumulative savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>82</td>
<td>74</td>
<td>8</td>
</tr>
<tr>
<td>Q2</td>
<td>95</td>
<td>69</td>
<td>34</td>
</tr>
<tr>
<td>Q3</td>
<td>84</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Q1-Q3 Annualized</td>
<td>348</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target fixed cost level</td>
<td>278</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Key events after June 30, 2016

**July 27, 2016**
Markku Teräsvasara assumes the duties of Outotec’s CEO on October 1, 2016

**July 27, 2016**
Order of process equipment to the Iron Concentrate Project Sangan in North-Eastern Iran. Approx. EUR 10 million order has been booked in the second quarter.

**July 1, 2016**
Outotec updated its Disclosure Policy

**July 4, 2016**
Outotec to deliver process equipment for Acacia Maden’s Gökirmak greenfield copper project in Turkey, EUR 14 million order booked in Q2/2016.

**July 12, 2016**
Outotec to deliver process equipment for Bakyrchik Mining’s gold project in Kyzyl, Kazakhstan. Order booked in Q2/2016, value not disclosed.
Market outlook remains uncertain – industry’s investment forecast for 2016 lower than in 2015

Further capacity adjustments expected in the current metals supply capacity, which exceeds the demand.

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

Sustainable solutions are in demand due to tightening environmental regulations.

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

Waste-to-energy solutions are in demand in certain countries but linked to subsidies and environmental regulations.

Process modernizations are driven by the scarcity and cost of water as well as emission control.

Service opportunities through productivity improvement
Key focus in 2016

1. Improve fixed and product costs
2. Develop service business
3. Seek opportunities from growth segments
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** guidance for 2016 reiterated
- **Profitability guidance range** narrowed

**Expected sales from Q2 order backlog** (incl. services) ~EUR 490 million

**Expected sales from new order intake** (incl. services) EUR 3-200 million

**Sales will be approx. EUR 1.0 - 1.2 bn**

\[
\text{Sales from Q1-Q2 EUR 507 million} \quad + \quad \text{Expected sales from Q2 order backlog (incl. services) ~EUR 490 million} \quad + \quad \text{Expected sales from new order intake (incl. services) EUR 3-200 million}
\]

**Adjusted EBIT**

will be approximately 2 – 4%

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

*Excluding restructuring and acquisition-related costs as well as purchase price allocation amortizations.*
Profitability roadmap from 2015 to 2016

*Incl. cost structure program and other actions
Interest bearing loans and hybrid bond, repayment profile

- Hybrid bond
- OP Corporate Bank loan
- EIB R&D loan
- NIB R&D loan
- Senior unsecured bond
- Other IB debt
Ongoing projects tying more capital, negative impact on working capital and cash flow

- Working capital is driven by Order Intake due to advance payments
- Capex is expected to decrease from past years
- Cash flow typically stronger in H2 than in H1
Equity to assets ratio, gearing and liquidity at healthy levels

Cash at hand

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>171</td>
<td>291</td>
<td>318</td>
<td>258</td>
<td>280</td>
<td>403</td>
<td>359</td>
<td>324</td>
<td>282</td>
<td>301</td>
<td>299</td>
</tr>
</tbody>
</table>
Customer solutions
Services and solutions for minerals processing

- Sorting
- Comminution
- Beneficiation
- Dewatering

MINERAL PROCESSING

- Water management
- Digitalization
- Automation
- Services

MINING

ORES, MINERALS, WATER

Backfill

Landfill

Construction materials

MINERAL PROCESSING

CONCENTRATE

INDUSTRIAL MINERALS

METAL PROCESSING

Equipment reuse
We offer sustainable life cycle solutions for minerals processing sites

- Quality, Environment, Health, Safety
- Process expertise
- Maximized plant productivity
- Optimized operating costs
- R&D

- Shortage of skilled labor
- Declining ore grade and increasing mineralogical complexity
- Higher community expectations and legal requirements in terms of environmental responsibility
- Declining ore grade and increasing mineralogical complexity
- Shortage of skilled labor
Minerals processing customer case: Ore sorting

Declining ore grade and increasing mineralogical complexity
Laiva Gold mine is owned by Nordic Mines. Nordic Mines is a Nordic mining and exploration company aiming to become one of the leading gold producers in Europe and at the same time to be a role model in environmental mining.

Customer challenge:
- Mine is closed because of low head grade ore
- Study completed around Outotec ore sorting solution considering reopening the mine

Outotec solution:
- Outotec sensor-based ore sorting solution removing waste rock and improving the head grade.
- When waste rock is removed there is less ore feed to the crushing and grinding circuit, reducing energy and water consumption
Study indicates that the Outotec ore sorting solution enables reopening the mine:

“The economic assessment for the Laiva Gold Mine indicated the potential for restarting the site, which can be operated on a long-term basis at a broad range of commodity prices. Base-case net present value of €77 million, producing 529,000 troy ounces of gold over a seven-year mine life.”
Minerals processing customer cases: Comminution
Reducing mill downtime at a gold mine
Customer case, comminution

Customer challenges:
- Excessive grinding mill downtime during the year leading to decreased yearly production
- Unplanned mill downtime due to liner failure
- Inadequate tooling
- Limited reline shutdown planning
- Coordination between different maintenance vendors
- In total of over 340 hours downtime due to mill maintenance
Reducing mill downtime at a gold mine
Customer case, comminution

Solution:
• Pre shutdown planning
• Liner redesign – to reduce the number of pieces
• Tooling improvements – liner handler, skid steers & hand tooling
• Changes to liner fixtures & fittings
• Continuous Improvement Program
• Optimizing liner life time through Outotec patented MillMapper™ software
Reducing mill downtime at a gold mine
Customer case, comminution

Customer benefits:
• 50% less downtime due to mill maintenance
• In total a reduction of 170 hours of reline incurred downtime
• Safer, less labor intensive relines
• Circa 12-14 million USD in additional production revenue
HIGmill™ fine grinding for FQM Kevitsa
Customer case, comminution

Customer challenges
• Kevitsa mine started production 2012 – copper circuit followed by nickel circuit
• As ore-body mined, valuable minerals became finer and more difficult to recover
• 12% copper not recovered in copper circuit due to poor liberation
• If liberation poor, copper-nickel separation insufficient
• Existing plant in arctic circle with limited footprints

• First Quantum Minerals (FQM) Kevitsa Mine in Northern Finland
• Copper and Nickel operation
• HIGmill Project commissioned in 2015
HIGmill fine grinding for FQM Kevitsa
Customer case, comminution

Outotec solution:

• Mineral analysis showed very fine grind < 20 micron required for copper & nickel liberation
• Outotec conducted laboratory HIGmill fine grinding and mineral recovery (flotation) tests
• Test showed full-scale HIGmill would improve mineral recovery and grade
• HIGmill chosen as most energy efficient and smallest footprint technology on market today
• Installation & commissioning only 2 weeks; Feb 2015
• Outotec provided ramp-up and operation support
Customer benefits:

- HIGmill improved overall plant performance
- Copper loss to nickel circuit improved from 12% to 8%
- Overall copper recovery increased by up to 1.5%
  - 1.5% increase represents around $1million increase in final copper value, after smelting and refining to produce LME grade copper
- Improved concentrate grades
  - Less nickel in final copper concentrate
  - Less copper in final nickel concentrate
- Installed & commissioned without effecting production
- HIGmill allowed coarser primary grind and hence higher plant throughput
- More metal out of same ton of ore < 2 year payback
Minerals processing customer case: Flotation
Turn-key flotation retrofit with fast turnaround
Customer case, flotation

Customer challenge:
• Poor flotation performance in terms of copper and gold recovery
• Flotation circuit had poor availability
• Substantial maintenance requirements
• Limited time available for shutdown

Outotec solution:
• In-depth metallurgical assessment identified large improvement potential in the flotation plant
• Retrofit of 10 x 160 m³ flotation cells
• A full turn-key delivery
• Advanced operator training with Outotec´s Virtual Experience training

Yamana Gold is a Canadian-based gold producer, with mines and operations in Canada, Mexico, Brazil, Argentina and Chile. The Chapada (or Maracá) open pit gold-copper mine in Brazil began production in 2007. Retrofit project commissioned in 2016.
Turn-key flotation retrofit with fast turnaround
Customer case, flotation

Customer benefits:
• Greater stability and control of flotation cells
• Significantly decreased energy consumption with Outotec cells (40%)
• Minimized production losses during installation and commissioning
• Increased flotation circuit availability, leading to increased production
• Improved recovery of coarse particles
Minerals processing customer case: Dewatering
Digitalization creating new growth and opportunities - managing water balance and quality at mine sites

Solution: Intelligent digital solution for monitoring and managing data on the mine site’s water balance and quality.

Value: Sustainable balance of water supply and consumption, while stabilizing production and reducing business risks.

Outotec experts explaining the challenges and introducing the Outotec solution. More info and registration: [www.outotec.com](http://www.outotec.com)
Holistic process water management reduces operational risks, OPEX and effluents.
Holistic tailings management can bring significant cost savings and reduces safety risks

- Holistic tailings management covers both surface and underground operations.
- Paste and dry stacking technologies combined with closed water loops are the best available technologies for conserving water within the concentrator environment.
- The short and long term risks can be significantly reduced by reducing the amount of water in the surface tailings storage facility.
Technological solutions for metal processing

<table>
<thead>
<tr>
<th>Process</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sintering and pelletizing</td>
<td></td>
</tr>
<tr>
<td>Smelting and refining</td>
<td></td>
</tr>
<tr>
<td>Direct and smelting reduction of iron ore</td>
<td></td>
</tr>
<tr>
<td>Calcination</td>
<td></td>
</tr>
<tr>
<td>Roasting</td>
<td></td>
</tr>
<tr>
<td>Gas cleaning and sulfuric acid</td>
<td></td>
</tr>
<tr>
<td>Leaching and solution purification</td>
<td></td>
</tr>
<tr>
<td>Solvent extraction</td>
<td></td>
</tr>
<tr>
<td>Electrorefining and electrowinning</td>
<td></td>
</tr>
<tr>
<td>Process control</td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td></td>
</tr>
</tbody>
</table>

**MINERAL PROCESSING**

**CONCENTRATE**

**MANUFACTURING**

**SULFURIC ACID**

**FERTILIZER PRODUCTION**

**METALS, SALTS, CHEMICALS**

**SLAG, RESIDUES, RECYCLED METAL**
Customer case
Full solution
Metals, Energy & Water
Codelco Ministro Hales
Customer challenge

- 1990 - Ore deposit in the Antofagasta region in Chile was discovered by Codelco
- Ore with very high content of impurities, primarily arsenic causing challenge in processing
- Commercial terms for the concentrate not favourable for selling
Codelco Ministro Hales
Outotec solution

- 1991: Codelco and Outotec start working together on solving the challenges
- 2010: Investment decision made
- 2014: Commissioning completed
- 2016: Official inauguration
Codelco Ministro Hales
Outotec solution

- Several studies and test campaigns over the years to identify best metallurgical solution
- Complete, integrated process which is based on patented Outotec solutions and technologies and proven Outotec proprietary equipment
- Arsenic levels of the concentrate lowered without losing sulphur
- Sustainable water and effluent treatment in challenging environment
Partial roasting
• Patented Outotec solution which removes over 90% of the arsenic in the ore concentrate
• Exceeding 605,000 tpa concentrate (110%)

Gas Cleaning
• Outotec’s proprietary gas cleaning and sulfuric acid production technology eliminates over 99.9% of the gaseous emission of the facility.

Effluent Treatment
• Outotec’s proprietary effluent treatment technology cleans the process effluents and recirculates clean water back to the process.
Customer case
Modernization
Metals, Energy & Water
Norilsk Nickel, Nadezhda Flash Smelting Furnace No.1 modernization
Customer challenge

- Changing raw material base requires dealing with low-heat value and more complex concentrates
- Very tight implementation schedule
- Supplier responsible for providing Russian Safety Approvals which is normally out of scope
Norilsk Nickel, Nadezhda Flash Smelting Furnace No.1 modernization
Outotec solution

- Higher capacity feeder and concentrate burner and new furnace cooling elements and cooling monitoring system based on Outotec proprietary technologies
- Pre-planning and experienced personnel
- Extensive performance guarantees combined with a long-term service contract
- Using internal and external resources to obtain Russian Safety Approvals
- Short implementation and down time and fast ramp up after start up
БЛАГОДАРНОСТЬ

Dear employees of Outotec!

Thank you for successful implementation of one of the significant stage of the modernization and capacity expansion project of Nadezhda Metallurgical Plant named after M.I. Kolesnikov – Flash Smelting Furnace № 1 Reconstruction.

This is a key project in Norilsk Nickel Development Strategy. You had a difficult target to reconstruct the smelting unit in existing production environment. Such rebuilds have never been made in such a short period anywhere in the world and we have a right to call it unique.

You have successfully implemented the task and again showed that you are high-class specialists who are able to complete the most complicated technical solutions.

I wish you further professional success, deserved assessment of your work, prosperity and splendorful health to you and to your families.

With Best Regards,

Director
Nadezhda metallurgical plant
named after M.I. Kolesnikova
PJSC MMC “Norilsk Nickel”

E.V. Borzenko
December 2015
Customer case
Profitability improvement
Metals, Energy & Water
Pelletizing Segregation Solution
Customer challenge

- Customer had a profitability challenge in an iron-ore pelletizing plant in Brazil
- Improvement was required through
  - Improved productivity
  - Improved product quality
  - Reduced fuel consumption
Pelletizing Segregation Solution
Outotec solution

• Assess to identify improvement potential
  • Plant Performance Assessment
  • CFD Study
  • Pot Grate Tests
• Design a tailored solution
  • 3D area scanning
  • Double Deck Roller Screen basic design.
  • Shutdown planning
• Deliver a holistic, safe & efficient implementation
  • Detail design for modernization
  • Retrofit new Outotec Double Deck Roller Screen
  • Shutdown execution
• Verify & support performance results
  • Segregation verification test
  • Energy efficiency test

Delivered Value*
✓ 10.5% fuel savings
✓ Improved productivity
✓ 2,8 M€ annual OPEX savings*
✓ 6 month payback*

*Value Assumptions:
Natural Gas: € 0.37/Nm3, Anthracite: € 0.12/kg
Only estimates based on pot grate tests.
Solutions and services for energy production

- Combustion and gasification
- Heat recovery
- Flue gas cleaning
- Bio energy
- Waste to Energy
- Services

AGRICULTURE

PHOSPHORUS

BIOMASS

COMBUSTIBLE WASTE MUNICIPAL SLUDGE

STEAM, ELECTRICITY, ENERGY PRODUCTION

Agriculture

Phosphorus

Biogas

Combustible waste municipal sludge

Steam, electricity, energy production

Users
Customer case
Waste to Energy
Metals, Energy & Water
ERZ Zürich, sludge incineration plant

Customer challenge

• Sustainable solution required to treat sewage sludge from the entire canton of Zürich, Switzerland covering over 70 waste water treatment plants!
• March 2013 – public must approve such an investment in a referendum. 96% vote in favor, project goes ahead
• Summer 2015 – commissioning complete and plant goes into operation
• October 2015 – official inauguration
ERZ Zürich, sludge incineration plant

Customer challenge

- Limitations for sewage sludge disposal in landfill and as fertilizer
- High transport and logistics costs for sludge containing > 70% water
- Strict emissions limits with plant location in the heart of Zürich
ERZ Zürich, sludge incineration plant
Outotec solution

- Self-sustaining thermal treatment of sewage sludge without additional fuel.
  - Thermal incineration of sewage sludge using Outotec fluidized bed technology
  - Thermal dryer using heat from the process.
- State-of-the-art flue gas cleaning system
- Phosphorus recovery possible from ash
Customer case
Waste to Energy
Metals, Energy & Water
UK moving to a new renewable energy subsidy scheme

Ending of the previous subsidy scheme resulted in record high order intake for Outotec Waste to Energy solutions for Advanced staged gasification using renewable fuels

6 plants & four 12-year O&M

New subsidy scheme continued to be good for Outotec Waste to Energy technologies

1 plant, next CFD auction expected late 2016
Levenseat Renewable Ltd
Customer challenge

- UK is exporting high amounts of RDF to be incinerated in Europe
- High landfill cost in the UK
• Waste to Energy plant in UK
• Gasification of waste is an environmentally friendly way of efficiently converting waste to energy
• Reliable and tested solution based on the Outotec Fluidized bed technology with over 100 references
• 2015 Contract signing
• 2017 Expected start up
Our solutions target to address customer challenges and improve their performance and efficiency

- Improved health and safety
- Decreased operating cost
- Improved equipment and process efficiency
- Improved environmental efficiency
- Improved capital efficiency

Service offering building blocks:
- Advisory Services
- Maintenance Services
- Operations Services
- Remote Services
- Spare and Wear Parts
- Training Services
- Upgrades

Decreased operating cost
Improved health and safety
Improved environmental efficiency
Improved equipment and process efficiency
Improved capital efficiency
Improved capital efficiency
## Share information

<table>
<thead>
<tr>
<th>Shareholders June 30, 2016</th>
<th>Shares</th>
<th>% of shares and votes</th>
<th>Change +/-</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Solidium Oy</td>
<td>27,265,232</td>
<td>14.89</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2 Varma Mutual Pension Insurance Company</td>
<td>12,778,363</td>
<td>6.98</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3 Ilmarinen Mutual Pension Insurance Company</td>
<td>11,234,530</td>
<td>6.14</td>
<td>-300,000</td>
<td>-2.6</td>
</tr>
<tr>
<td>4 Tamares Nordic Investments B.V.</td>
<td>10,192,356</td>
<td>5.57</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>5 The State Pension Fund</td>
<td>4,100,000</td>
<td>2.24</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>6 Kumera Oy</td>
<td>2,426,136</td>
<td>1.32</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>7 Keva</td>
<td>2,425,120</td>
<td>1.32</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>8 Outotec Oy</td>
<td>1,797,526</td>
<td>0.98</td>
<td>-590</td>
<td>-0.03</td>
</tr>
<tr>
<td>9 Holding Manutus Oy</td>
<td>1,600,000</td>
<td>0.87</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>10 Kumpulainen Vesa</td>
<td>1,033,758</td>
<td>0.56</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>11 Mandatum Life Insurance Company Limited</td>
<td>1,032,939</td>
<td>0.56</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>12 Sijoitusrahasto Aktia Capital</td>
<td>1,000,751</td>
<td>0.55</td>
<td>271,385</td>
<td>37.21</td>
</tr>
<tr>
<td>13 Etera Mutual Pension Insurance Company</td>
<td>717,000</td>
<td>0.39</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>14 OP Life Assurance Company Ltd</td>
<td>716,465</td>
<td>0.39</td>
<td>-21,689</td>
<td>-2.94</td>
</tr>
<tr>
<td>15 Security Trading Oy</td>
<td>625,000</td>
<td>0.34</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>16 Etola Erkki</td>
<td>600,000</td>
<td>0.33</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>17 Kaleva Mutual Insurance Company</td>
<td>550,000</td>
<td>0.30</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>18 Tiiviste-Group OY</td>
<td>500,000</td>
<td>0.27</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>19 SEB Finlandia Investment Fund</td>
<td>469,801</td>
<td>0.26</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>20 Veritas Pension Insurance Company Ltd.</td>
<td>367,900</td>
<td>0.20</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
POC and cashflow profile example

→ Timing of large project completions affects quarterly earnings

NOTE: The figures are illustrative and vary project by project.