



January – March 2007

Tapani Järvinen, President and CEO  
Outotec Oyj, former Outokumpu Technology Oyj

**Outotec**  
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# New name – same expertise

- New name Outotec was taken in use on April 24, 2007
- As Outokumpu Technology, we have had a very good reputation and image among customers
- Name Outotec
  - has a strong link to the history
  - unites all our global businesses
  - shows that we are a technology company
  - provides a good platform for further growth
- The same brand values remain and we'll continue to deliver 'More out of ore'
- New website [www.outotec.com](http://www.outotec.com) and e-mail addresses @outotec.com



# Highlights in Q1

- Sales grew by 47% and amounted to EUR 211.7 million (Q1/2006: EUR 144.2 million)
- Operating profit improved by 234% to EUR 13.6 million (Q1/2006: EUR 4.1 million)
- Net cash flow from operating activities totaled EUR 21.1 million (Q1/2006: EUR –3.3 million)
- Order intake was EUR 168.1 million (Q1/2006: EUR 185.6 million)
- Order backlog strengthened by 32% and was EUR 836.5 million (Q1/2006: EUR 633.5 million)

# Market development in Q1

- Positive sentiment and strong overall investment activity in the mining and metals industry continued
- Investments mostly in iron ore, aluminum, copper, zinc and nickel projects
- Tight market conditions and good price outlook for nickel encourage all available nickel projects
- Healthy metals demand outlook in China and India provide positive short-term market sentiment

# Largest orders in Q1



# Financial targets and dividend policy

**Outotec has defined sustainable profitable growth as its objective and adopted the following financial targets:**

**EPS Growth**

- Average annual increase in earnings per share in excess of 10%

**Minimum Operating Profit Margin**

- Annual operating profit margin always above 5%

**Balance Sheet**

- Strong balance sheet providing operational flexibility and enabling Outotec to finance potential acquisitions

**Dividends representing approximately 40% of the annual net income**

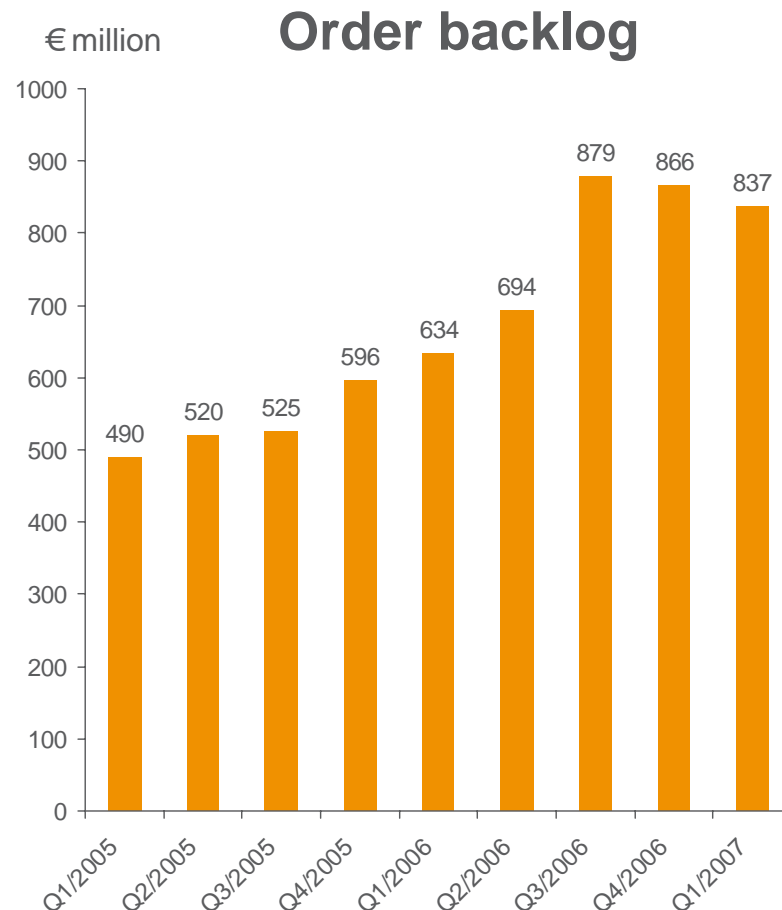
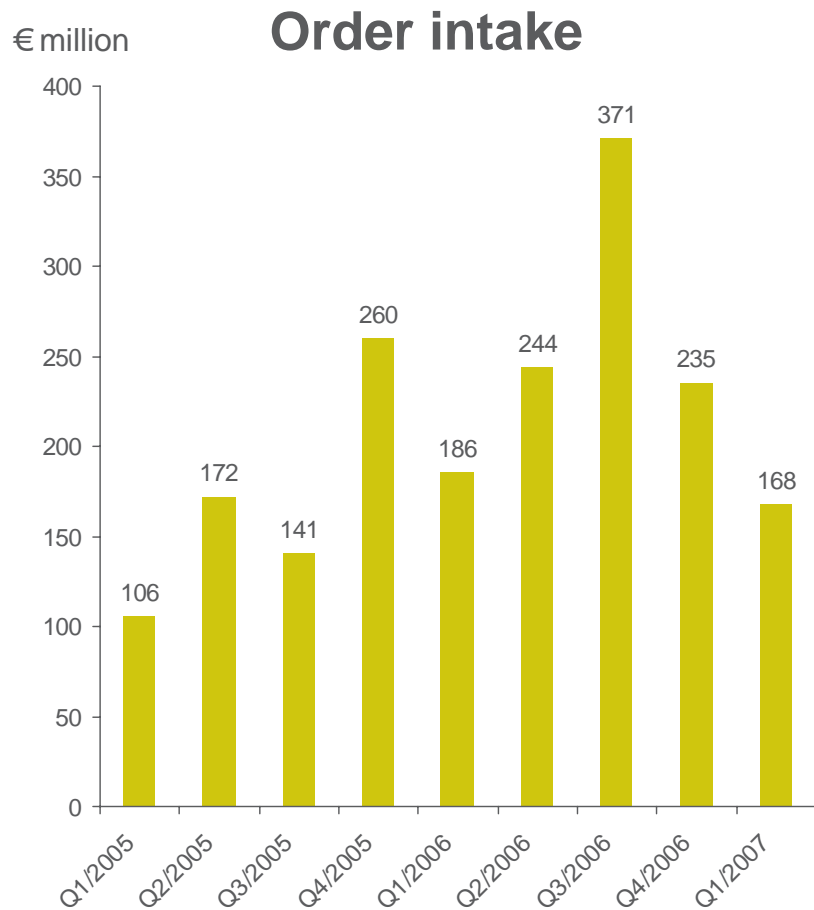
# Order intake development

EUR million	Q1 2007	Q1 2006	2006
Order intake	168.1	185.6	1,032.2
Order backlog <sup>*)</sup>	836.5	633.5	866.4
Sales	211.7	144.2	740.4

*\*) at the end of the period*

- Some large orders that were expected during the first quarter are anticipated in the second quarter of 2007
- Order backlog grew by 32% compared to Q1/2006
- Some 75% of the current backlog is estimated to be delivered in 2007 and the rest in 2008 and 2009
- Sales increased by 47%

# Strong order backlog



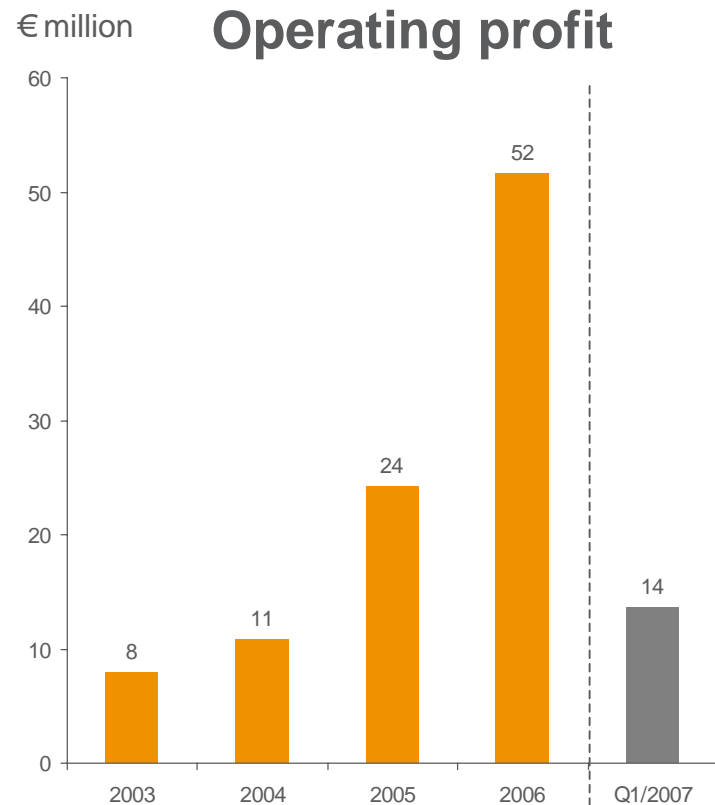
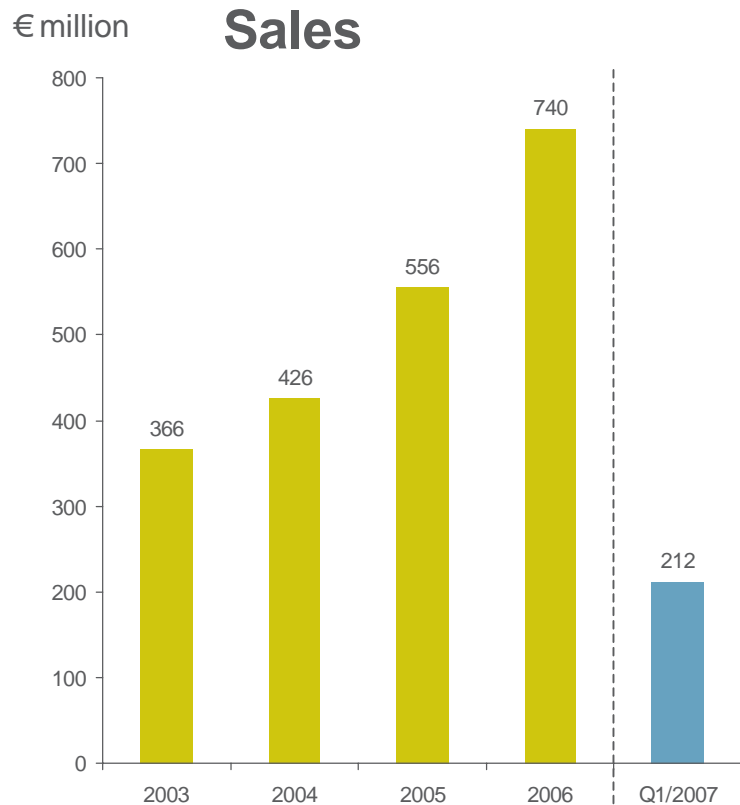


# Operating profit improved significantly

EUR million	Q1 2007	Q1 2006	2006
Operating profit	13.6	4.1	51.6
Profit before taxes	15.3	5.3	56.6
Earnings per share, €	0.25	0.10	0.88

- Significant improvement in operating profit due to volume growth, improvement in some implementation projects and releases of project provisions of accepted projects
- Return on equity was 27.6% during Q1/2007
- Return on investment (ROI) was 44.5% during Q1/2007

# Strong growth in sales and profitability



# Sales by division

EUR million	Q1 2007	Q1 2006	2006
Minerals Processing	55.2	36.4	256.6
Base Metals	60.1	44.9	192.3
Metals Processing	97.5	62.9	292.2
Other businesses	6.7	6.6	32.6
Unallocated items and intra-group sales	-7.8	-6.7	-33.2
<b>TOTAL</b>	<b>211.7</b>	144.2	740.4

# Operating profit by division

EUR million	Q1 2007	Q1 2006	2006
Minerals Processing	1.9	-3.7	12.7
Base Metals	9.4	5.6	23.6
Metals Processing	4.7	4.1	21.2
Other businesses	0.0	-0.5	0.3
Unallocated items and intra-group sales	-2.4	-1.5	-6.1
<b>TOTAL</b>	<b>13.6</b>	4.1	51.6

# Capital structure

EUR million	Q1 2007	Q1 2006	2006
Net cash from operating activities	21.1	-3.3	67.8
Net interest-bearing debt <sup>*)</sup>	-187.8	-108.3	-170.0
Equity <sup>*)</sup>	154.3	112.6	144.1
Equity-to-assets ratio, % <sup>*)</sup>	35.6	40.1	36.9
Gearing, % <sup>*)</sup>	-121.7	-96.2	-118.0
Working capital <sup>*)</sup>	-129.7	-99.1	-122.3

*\*) at the end of the period*

- Cash flow improved despite the strong growth and that capital was tied up in project deliveries and inventories
- Working capital continued to be strong due to advance payments from new projects

# Outlook for 2007

## Market

- The mining and metals industry remains robust and the underlying supply and demand imbalance encourages the industry to invest both in greenfield projects and expansions.

## Outotec

- Good financial performance, coupled with strong order backlog in the first quarter of 2007, provides a solid base for the remainder of the year.
- Outotec's management is confident that the company has the resources and capacity to meet the expected growth in 2007.

Outotec reiterates its full year outlook in terms of sales and operating profit:

- In 2007, the management expects similar sales growth than during 2006.
- Operating profit is expected to grow clearly from 2006.
- Management estimates that the closing order backlog for 2007 will exceed that of previous year-end.



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[www.outotec.com](http://www.outotec.com)

# Questions & answers