



Interim report January – March 2008

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Outotec
More out of ore

Order intake grew 78% and good profit performance continued

EUR million	Q1/2008	Q1/2007	Change-%
Sales	225.6	211.7	+ 7
Operating profit	21.0	13.6	+ 54
Profit before taxes	23.1	15.3	+ 51
Earnings per share, EUR	0.39	0.25	+ 56
Order intake	298.8	168.1	+ 78
Order backlog ^{*)}	1,359.6	836.5	+ 63
Net cash from operating activities	40.7	21.1	+ 93
Return on investment, %	47.4	44.5	+ 7

**) At the end of the period*

Market development

- Positive sentiment and strong investment activity in the mining and metals industry continued, driven by healthy global industrial production and consumption of metals.
- Investments in base metals, aluminum, ferrous metals, ferroalloys and sulfuric acid projects.
- New potential projects continued to emerge in rapidly developing economies. Activity continued also in traditional mining countries and in the Middle East.
- Customer industry consolidation continued strong.
- Ore bodies are depleting, environmental regulations are tightening and requirements for energy-efficiency are growing, which all provide new opportunities for Outotec and its advanced technologies.

Largest orders in Q1



Modernization of KGHM's copper flash smelting furnace, Poland
€ 10 million



Engineering and project services for Boliden and Norilsk Nickel plants, Finland

- Total order intake in Q1 was EUR 298.8 million (Q1/2007: EUR 168.1 million)



Minerals processing technology to Brazil and Bulgaria
€ 21 million




Aluminum smelter technology to China
€ 17 million



Two iron ore sinter plants for Bhushan Steel, India
€ 18 million *)



Ferrochrome technology for Asa Metals, South Africa
€ 25 million

● **Outotec offices**

*) Announced after the reporting period

Order intake and backlog grew significantly

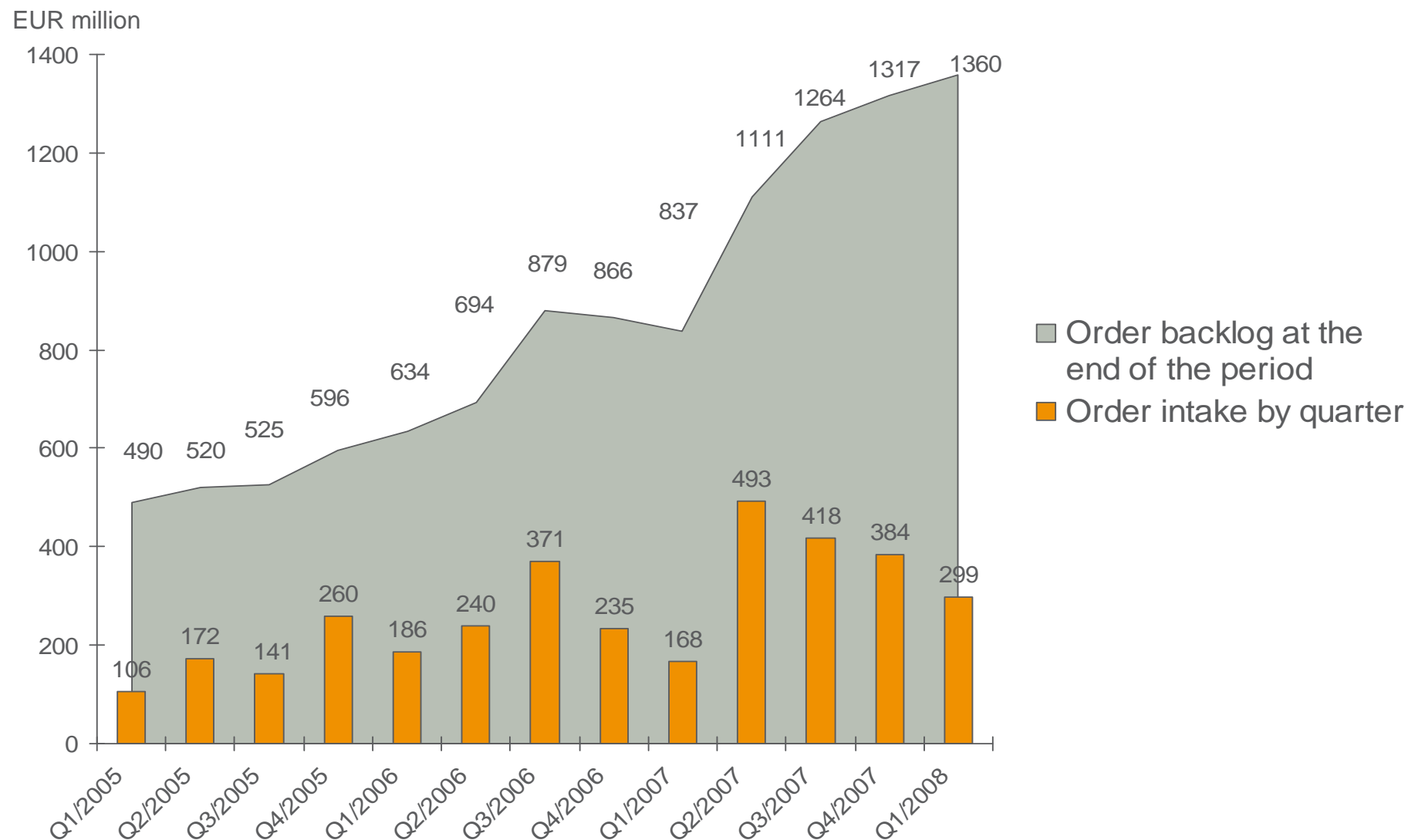
EUR million	Q1 2008	Q1 2007	LTM ^{*)}	2007
Order intake	298.8	168.1	1,593.8	1,463.0
Order backlog ^{**)}	1,359.6	836.5	1,359.6	1,317.2
Sales	225.6	211.7	1,014.0	1,000.1

^{*)} Last twelve months

^{**)} At the end of the period

- Order intake grew by 78% and order backlog by 63% compared to Q1/2007
- Some 60% of the current backlog is estimated to be delivered in 2008 and the rest in 2009 and beyond

Order intake and backlog development



Good profit performance continued

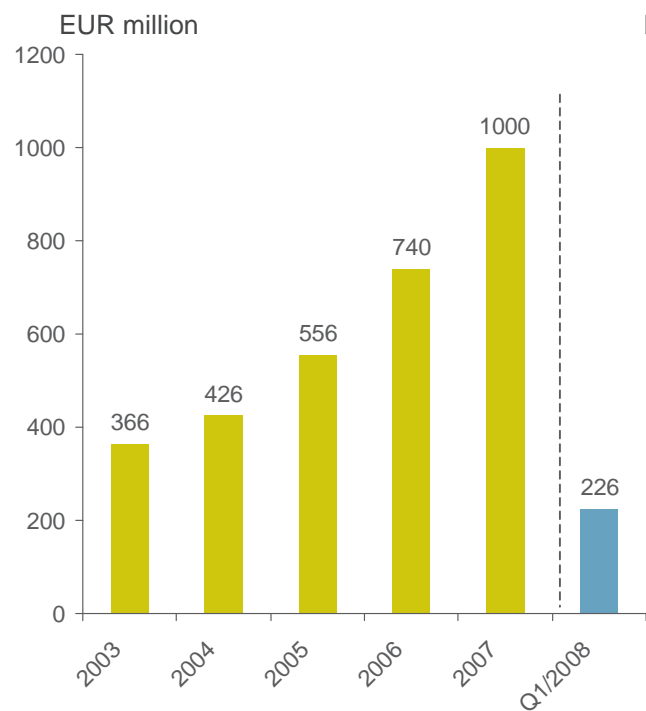
EUR million	Q1 2008	Q1 2007	LTM ^{*)}	2007
Gross margin, %	20.4	19.0	20.7	20.4
Operating profit	21.0	13.6	103.4	96.1
Operating profit margin, %	9.3	6.4	10.2	9.6
Profit before taxes	23.1	15.3	112.6	104.8
Earnings per share, EUR	0.39	0.25	1.99	1.85

**) Last twelve months*

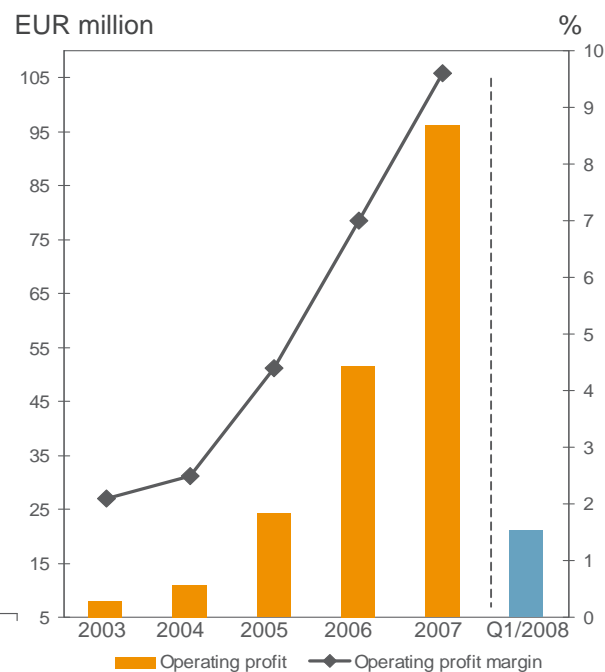
- Return on equity (ROE) was 33.2% and return on investment (ROI) was 47.4% during Q1/2008

Sales and profitability development

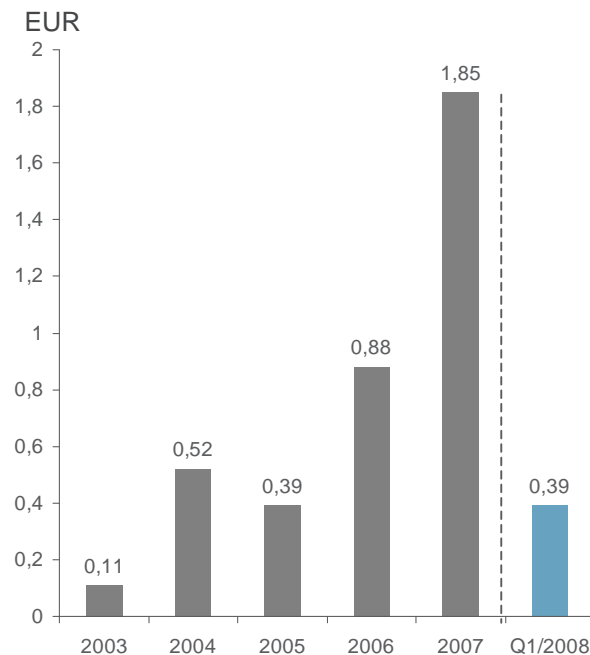
Sales



Operating profit



Earnings per share



Sales by division

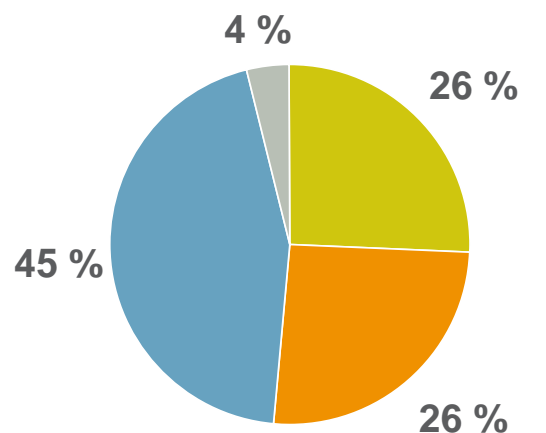
EUR million	Q1 2008	Q1 2007	2007
Minerals Processing	60.1	55.2	302.9
Base Metals	60.1	60.1	274.2
Metals Processing	104.6	97.5	432.3
Other businesses	9.1	6.7	37.8
Unallocated items and intra-group sales	- 8.3	- 7.8	- 47.0
TOTAL	225.6	211.7	1,000.1

Operating profit by division

EUR million	Q1 2008	In relation to division's sales	Q1 2007	In relation to division's sales	2007
Minerals Processing	4.1	6.8 %	1.9	3.5 %	25.2
Base Metals	6.3	10.6 %	9.4	15.6 %	43.9
Metals Processing	12.3	11.8 %	4.7	4.8 %	38.1
Other businesses	0.4	4.2 %	0.0	0.6 %	2.2
Unallocated items and intra-group sales	- 2.2		- 2.4		- 13.3
TOTAL	21.0	9.3 %	13.6	6.4 %	96.1

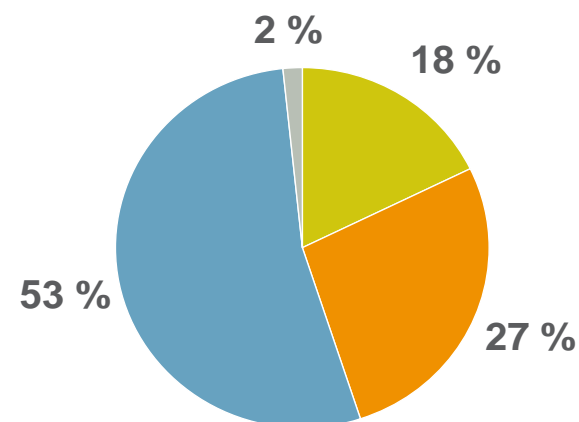
Sales and operating profit by division

Sales Q1/2008



- Minerals Processing
- Base Metals
- Metals Processing
- Other businesses

Operating profit Q1/2008



- excluding Unallocated items and intra-group sales

Services and after sales business

- The service business is included in the figures of Outotec's three business divisions and it is reported as a total on Corporate level
- Target is to grow the service business to the annual level of EUR 250-300 million by the end of 2010.
- The sales volume of the service business in Q1 totaled EUR 20.8 million (Q1/2007: EUR 15.3 million)

*Spare parts and
maintenance
contracts*



Plant audits

*Modernization and
debottlenecking*



*Studies and
expert services*



*Training of
customers'
personnel*

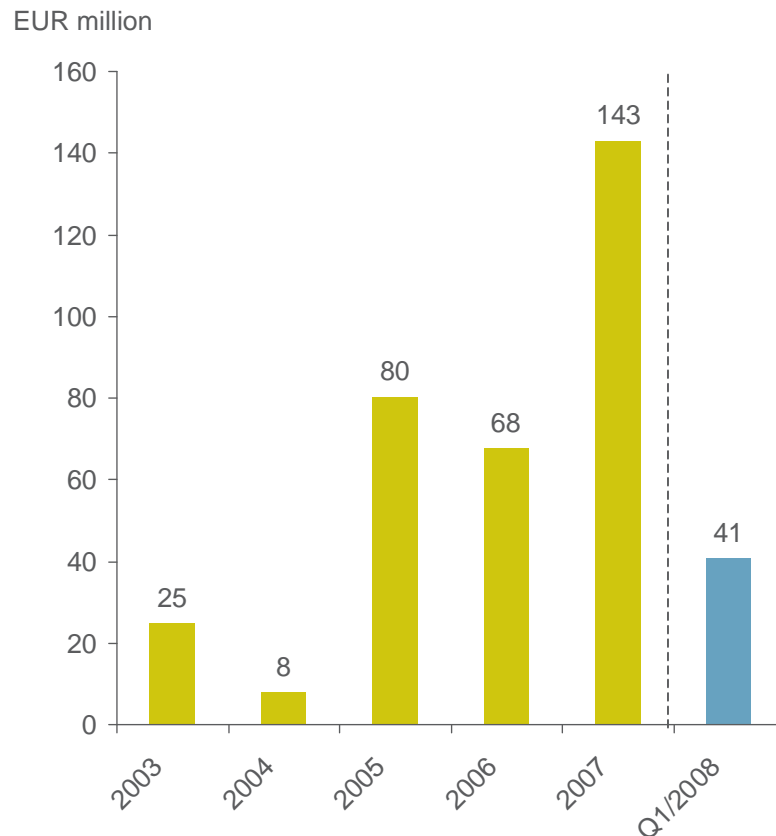


Capital structure

EUR million	Q1 2008	Q1 2007	2007
Net cash from operating activities	40.7	21.1	143.0
Net interest-bearing debt ^{*)}	- 316.8	- 187.8	- 292.9
Equity ^{*)}	177.8	154.3	214.8
Equity-to-assets ratio, % ^{*)}	34.3	35.6	38.2
Gearing, % ^{*)}	- 178.2	- 121.7	- 136.4
Working capital ^{*)}	- 176.7	- 129.7	- 153.9
ROI, %	47.4	44.5	59.8
ROE, %	33.2	27.6	43.3

^{*)} At the end of the period

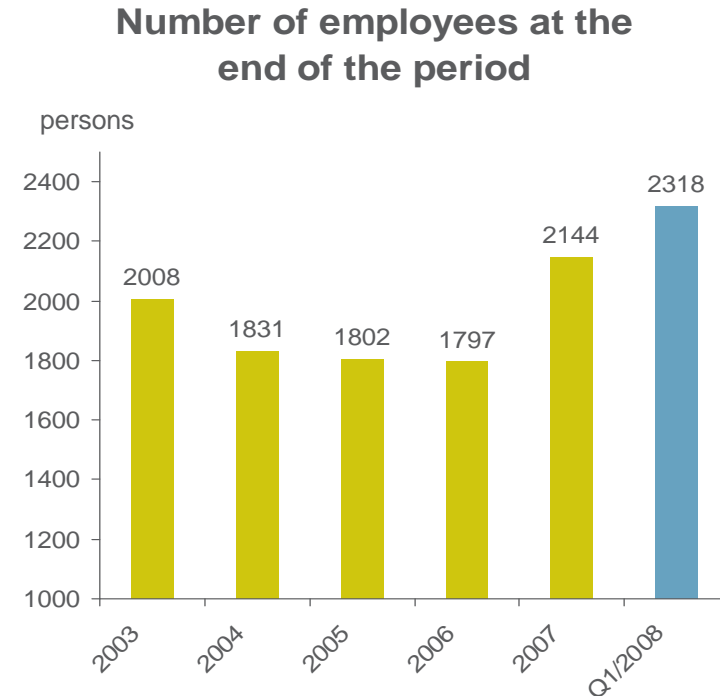
Net cash from operating activities



- A strong net cash flow from operating activities due to good result, improved working capital and interest income
- The AGM decided to pay 0.95 euro dividend per share
- EUR 39.9 million were paid as dividends in April 2008

Personnel

- An average of 2,185 employees during the first quarter (Q1/2007: 1,860)
- Increase due to business growth and active recruitment
- Workforce planning and resourcing is of top priority in Outotec's human capital roadmap to enable further growth
- Several actions started to improve performance management, rewarding and employer image in order to ensure expertise for future needs



In addition to own employees, Outotec had over 500 full-time equivalent contracted people in project execution during Q1/2008.

Events after the reporting period

- Outotec announced the order from Bhushan Steel Ltd (BSL) for two iron ore sinter plants to be built at BSL's integrated steel works in Meramandali, India (EUR 18 million, included in Q1 order backlog).
- Outotec received two grinding technology orders from Nordic Mines AB of Sweden and Polymetal Trading Ltd of Russia (EUR 25 million).
- Outotec agreed with Shougang Jingtang United Iron & Steel Co. Ltd on the delivery of new environmentally sound technology for Shougang's iron ore pelletizing plant to be built in Caofeidan, China (EUR 29 million).

Outlook for 2008

Market

Outotec's market outlook is expected to remain good in 2008. The mining and metals industry's outlook continues robust, and the tightness in the supply of metals encourages Outotec's customer industry to invest extensively in new plants, modernization projects, and expansions. Driven by the good market situation, the demand for Outotec's process technologies and services is expected to continue on a good level in 2008.

Outotec

Outotec reiterates its full-year outlook in terms of sales and operating profit. Based on the strong existing order backlog and new order prospects, the management expects that in 2008:

- sales will grow over 25% compared to 2007, and
- operating profit will improve from 2007 and the operating profit margin will be moderately above the 2007 level, depending on the mix of new orders received and the timing of project completions.

Furthermore, the management estimates that the closing order backlog for 2008 will exceed that of the previous year-end.



More out of ore!

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Q&A