



Interim report January – June 2008

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Outotec

More out of ore

Record-high order backlog - strong net cash flow from operations

EUR million	Q1-Q2 2008	Q1-Q2 2007	Change-%	2007
Sales	501.0	438.8	+ 14	1,000.1
Operating profit	43.8	37.1	+ 18	96.1
Profit before taxes	50.0	39.9	+ 25	104.8
Earnings per share, EUR	0.83	0.64	+ 30	1.85
Order intake	774.2	660.9	+ 17	1,463.0
Order backlog ^{*)}	1,548.4	1,110.8	+ 39	1,317.2
Net cash from operating activities	124.2	22.3	+ 457	143.0
Return on investment, %	50.1	54.8	- 9	59.8
Return on equity, %	33.8	35.6	- 5	43.3

**) At the end of the period*

Markets

- 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 ferrous metals, base metals and sulfuric acid projects. Cross-selling opportunities continued to emerge in other process industries, particularly in the fertilizer industry.
- New potential projects continued to emerge in rapidly developing economies.
- Customer industry consolidation continued.
- Lower-grade and more complex ore bodies need to be mined, environmental regulations are tightening and requirements for energy-efficiency are growing, which all provide new opportunities for Outotec and its advanced technologies.

Largest orders



Modernization of KGHM's copper flash smelting furnace, Poland

€ 10 million

- Order intake was EUR 774.2 million (Q1-Q2/2007: EUR 660.9 million)
- Order intake in Q2 was EUR 475.4 million (Q2/2007: EUR 492.9 million)



Engineering and project services for Boliden and Norilsk Nickel, Finland



Minerals processing technology to Brazil and Bulgaria

€ 30 million



Grinding mills for Nordic Mines, Polymetal, and undisclosed customer
 € 25 million + € 75 million *)



Sulfuric acid plant technology for Pequiven, Venezuela

€ 90 million



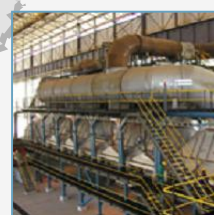
Aluminum smelter technology to China

€ 17 million



Copper SX-EW plant for SPCC, Peru

USD 150 million (over € 90 million) *) **)



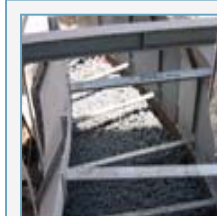
Ferrochrome technology for Asa Metals, South Africa

€ 25 million



Iron ore pelletizing plant for Shougang, China

€ 29 million



Two iron ore sinter plants for Bhushan Steel, India

€ 18 million

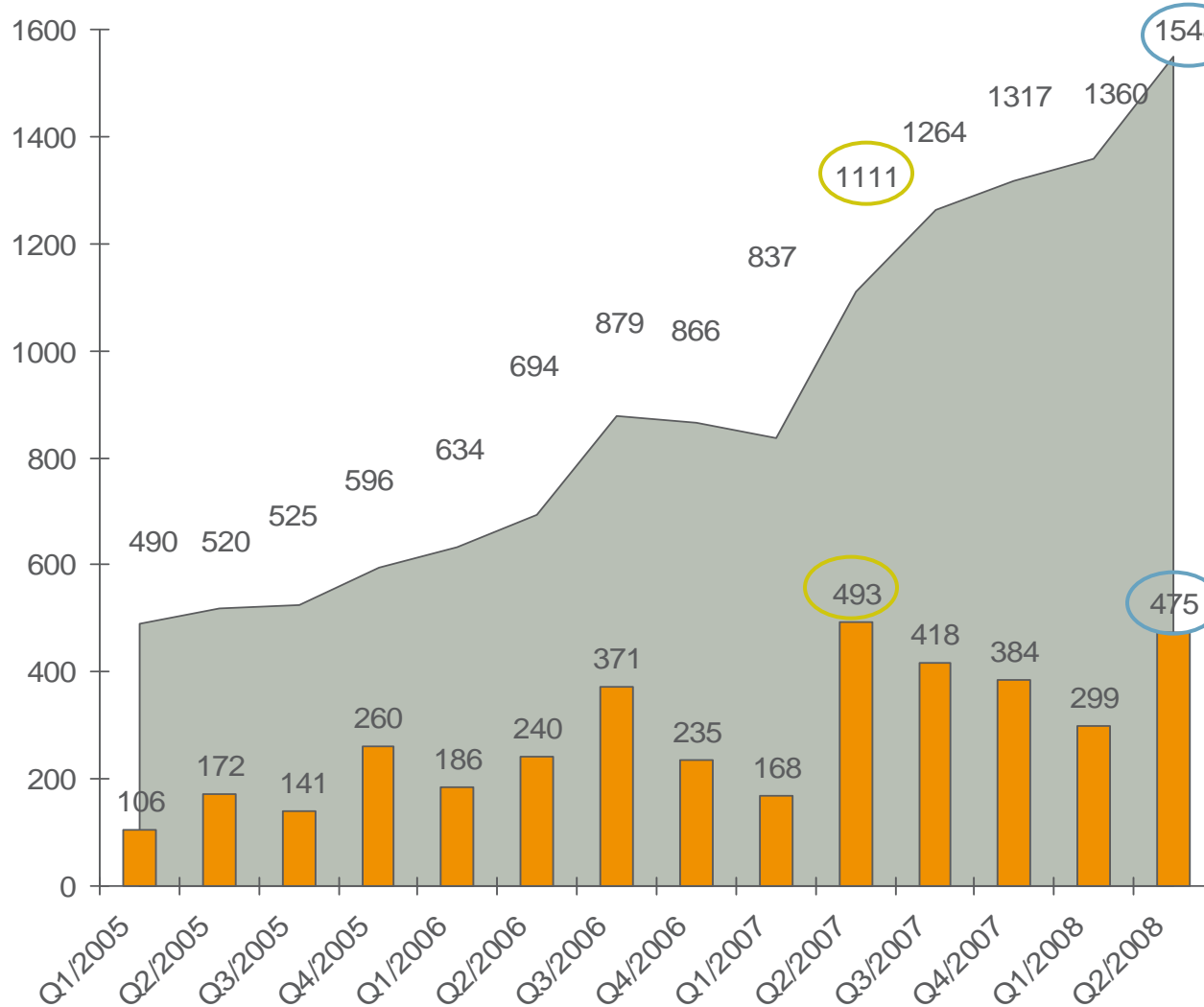
*) Announced after the reporting period

**) USD 90 million included in Q2 order backlog

● *Outotec offices*

Order intake and backlog development

EUR million



- Order intake grew by 17% and order backlog by 39% compared to Q1-Q2/2007

- 46% of the current backlog is estimated to be delivered in 2008 and the rest in 2009 and beyond

Order backlog at the end of the period
 Order intake by quarter

Profitability

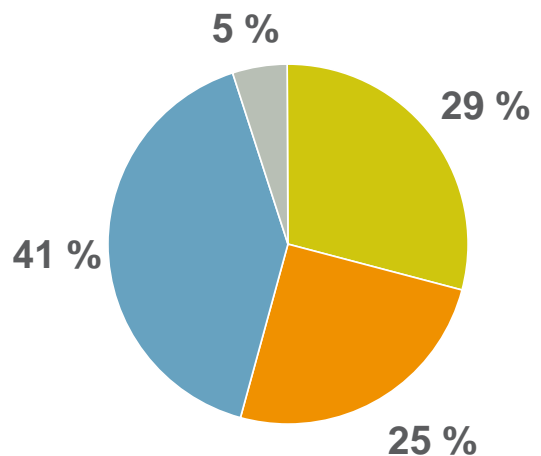
EUR million	Q1-Q2 2008	Q1-Q2 2007	Q2 2008	Q2 2007	LTM ^{*)}	2007
Gross margin, %	20.3	20.5	20.3	21.9	20.3	20.4
Operating profit	43.8	37.1	22.9	23.4	102.8	96.1
Operating profit margin, %	8.7	8.5	8.3	10.3	9.7	9.6
Profit before taxes	50.0	39.9	26.8	24.6	114.9	104.8
Earnings per share, EUR	0.83	0.64	0.44	0.40	2.04	1.85

^{*)} Last twelve months

- Return on equity (ROE) was 33.8% and return on investment (ROI) was 50.1% in Q1-Q2/2008

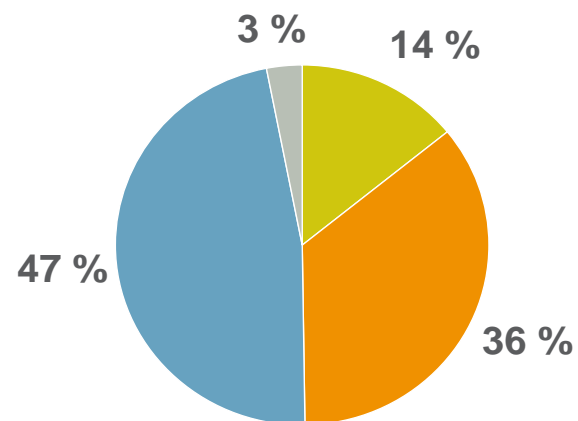
Sales and operating profit by division

Sales Q1-Q2/2008



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

Operating profit Q1-Q2/2008



- excluding unallocated items and intra-group sales

Sales by division

EUR million	Q1-Q2 2008	Q1-Q2 2007	Q2 2008	Q2 2007	2007
Minerals Processing	152.8	119.7	92.7	64.6	302.9
Base Metals	132.0	124.6	72.0	64.5	274.2
Metals Processing	213.9	198.4	109.2	100.9	432.3
Other businesses	25.8	15.6	16.7	8.9	37.8
Unallocated items and intra-group sales	- 23.4	- 19.5	-15.0	- 11.7	- 47.0
TOTAL	501.0	438.8	275.5	227.1	1,000.1

Operating profit by division

EUR million	Q1-Q2 2008	In relation to division sales	Q1-Q2 2007	In relation to division sales	Q2 2008	In relation to division sales	Q2 2007	In relation to division sales	2007	In relation to division sales
Minerals Processing	7.3	4.8%	5.3	4%	3.2	3.5%	3.3	5%	25.2	8.3%
Base Metals	18.2	13.8%	22.5	18%	11.9	16.5%	13.2	20%	43.9	16.0%
Metals Processing	24.1	11.3%	15.1	8%	11.8	10.8%	10.5	10%	38.1	8.8%
Other businesses	1.6	6.1%	0.6	4%	1.2	7.1%	0.6	6%	2.2	5.7%
Unallocated and intra-group items	- 7.3		- 6.5		- 5.1		- 4.1		-13.3	
TOTAL	43.8	8.7%	37.1	8.5%	22.9	8.3%	23.4	10.3%	96.1	9.6%

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.
- The 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-Q2 totaled EUR 51.6 million (Q1-Q2/2007: EUR 33.0 million), up 56% from the corresponding 2007 figure.
- Sales of the service business in Q2 totaled EUR 30.8 million (Q2/2007: EUR 17.7 million)

*Spare parts and
maintenance
contracts*



Plant audits

*Modernization and
debottlenecking*



*Studies and
expert services*



*Training of
customers'
personnel*



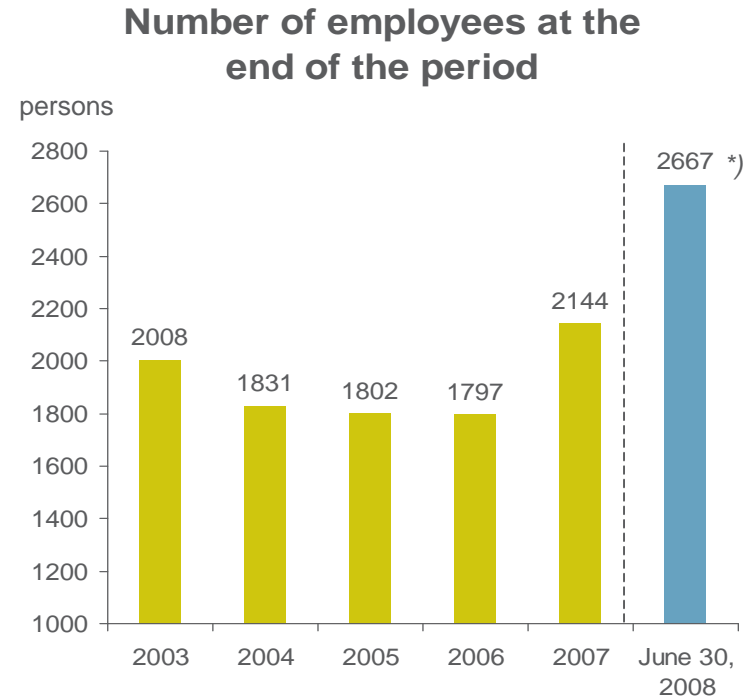
Capital structure

EUR million	Q1-Q2 2008	Q1-Q2 2007	Q2 2008	Q2 2007	2007
Net cash from operating activities	124.2	22.3	83.6	1.2	143.0
Net interest-bearing debt ^{*)}	- 358.5	-176.3	- 358.5	-176.3	- 292.9
Equity ^{*)}	198.7	159.9	198.7	159.9	214.8
Equity-to-assets ratio, % ^{*)}	40.0	39.8	40.0	39.8	38.2
Gearing, % ^{*)}	- 180.4	-110.3	- 180.4	-110.3	- 136.4
Working capital ^{*)}	- 240.3	-105.5	- 240.3	-105.5	- 153.9
ROI, %	50.1	54.8	60.0	64.0	59.8
ROE, %	33.8	35.6	39.6	42.6	43.3

^{*)} At the end of the period

Personnel

- An average of 2,365 employees during the first half of 2008 (Q1-Q2/2007: 1,925)
- 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 600 full-time equivalent contracted people in project execution during Q1-Q2/2008.

*) Including 675 temporary employees

Events after the reporting period

- Outotec signed a five-year agreement with Boliden concerning consulting, engineering and project services for Boliden's mines and smelters in Sweden and Tara mine in Ireland.
- Outotec won a significant order (EUR 75 million, included in Q2 order backlog) for the delivery of grinding technology to a major international mining company.
- Outotec agreed with Southern Peru Copper Corporation (SPCC) for the delivery of a copper solvent extraction and electrowinning plant for the Tía María project in Peru. The contract value is USD 150 million (over EUR 90 million), out of which USD 90 million is already included in Outotec's 2008 second quarter order backlog.
- Outotec sold its 17.9 percent holding of Intune Circuits Ltd, an RFID antenna producer, to Savcor Group Ltd.

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 favorable market situation, the demand for Outotec's process technologies and services is expected to continue on a strong level in 2008.

Outotec

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

- sales will grow over 25% compared to 2007,
- 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, and that
- the closing order backlog for 2008 will exceed that of the previous year-end.



More out of ore!

www.outotec.com



Grinding mill delivery in
Kanshansi, Zambia

Q&A