



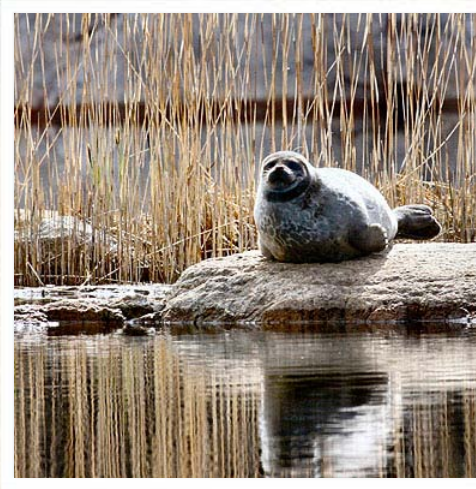
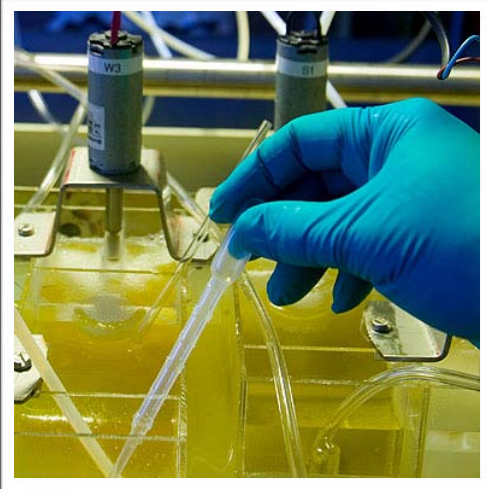
Interim Report January - March 2010

Pertti Korhonen

President and CEO, Outotec Oyj

April 23, 2010

Outotec
More out of ore

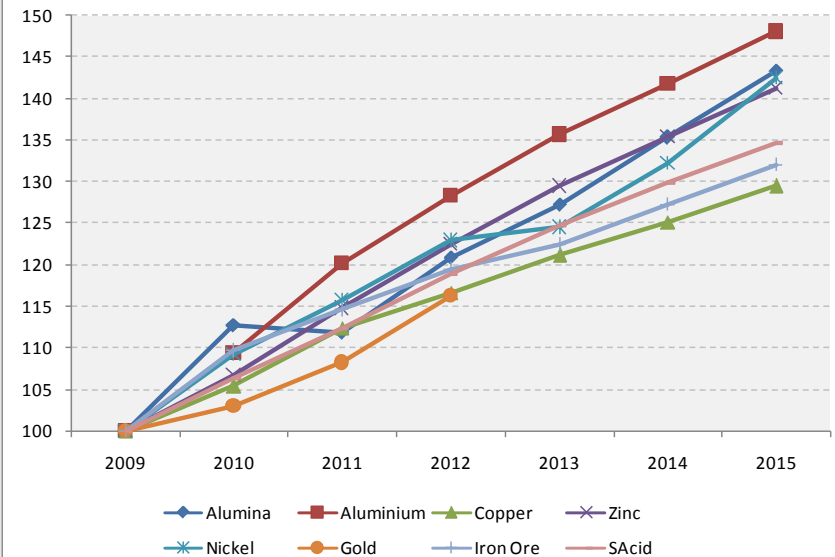


Financial information Q1/2010

Operating environment

- Market sentiment in the mining and metals industry improved, but there is still idle production capacity.
- Strong metals prices and reduced inventory levels suggesting recovery in the real economy.
- Many mining and metals companies have continued to upgrade their investment plans.
- Long-term outlook for all metals is solid.
- Investments in new capacity in developing economies.
- Competitive situation continued to be intensive because of fewer new projects.
- Outotec was able to defend its gross margins thanks to its asset light operating model.

Demand growth for selected commodities 2009-15
(rebased 2009=100)



DEMAND	CAGR% 09-15	Increase pa, Kt	2009 production, Mt
Alumina, SGA	6.2 %	5 203	73.2
Aluminium	6.8 %	2 818	37
Copper	4.4 %	850	18.3
Zinc	5.9 %	701	11.2
Nickel	6.1 %	92	1.3
Gold (09-12)*	5.2 %	135	2550
Iron ore	4.7 %	110	2170
Sulfuric acid	5.1 %	10 799	187

*gold in tons

Sources: Brook Hunt, RBS, CRU

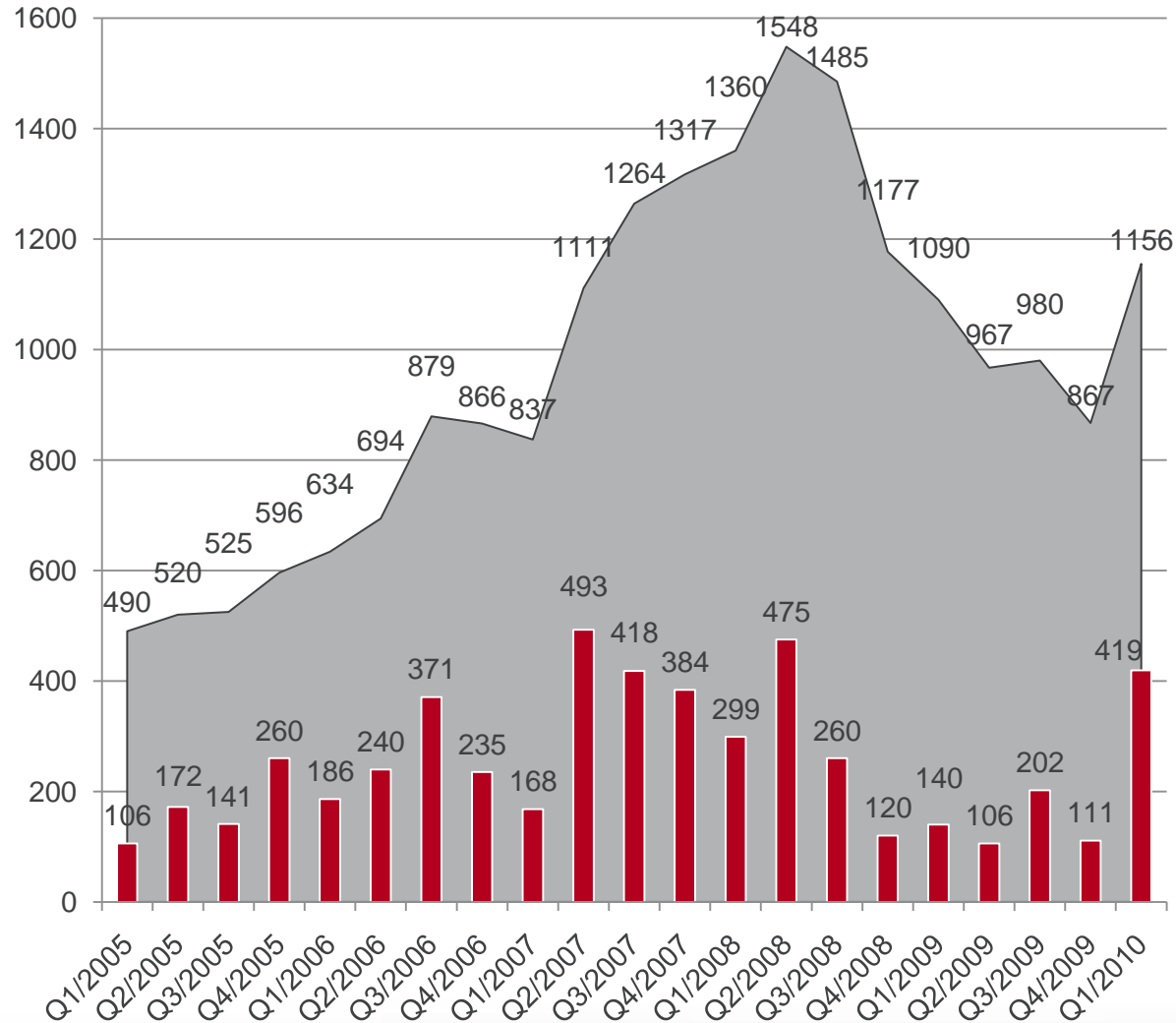
Largest orders in Q1

- Order intake EUR 419.4 million (Q1/2009: EUR 139.3 million)



Order intake and backlog development

EUR million



- Order intake in Q1/2010 was 201% and order backlog 6% higher compared to March 31, 2009
- Roughly 54% of the current backlog is estimated to be delivered in 2010 and the rest in 2011 and beyond

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

Low revenue recognition in Q1/2010

EUR million	Q1 2010	Q1 2009	Change-%	Last 12 months	2009
Sales	187.0	231.6	-19.2	833.1	877.7
Gross margin, %	24.4	20.4	19.6	22.6	21.7
Operating profit from operations	3.3		-79.7		
- one-time restructuring cost	-12.4				
- PPA amortization	-3.2				
+ revaluation of Ausmelt shares	<u>+2.2</u>				
Reported operating profit	- 10.1	16.3		32.2	58.6
Operating profit margin, %					
- from operations	1.8	7.0		3.9	6.7
- reported	-5.4				
Profit before taxes	-10.3	18.0		32.6	60.9

Increased market activity resulted in high order intake

EUR million	Q1 2010	Q1 2009	Last 12 months	2009
Earnings per share, EUR	-0.16	0.30	0.55	1.01
Order intake	419.4	139.3	837.2	557.1
Order backlog at the end of the period	1,155.7	1,090.4	1,155.7	867.4
Net cash from operating activities	7.5	-10.7	-10.6	-28.8
Return on investment, %	-11.1	34.7	12.6	20.9
Return on equity, %	-8.9	23.7	8.9	14.9

Sales by division

EUR million	Q1 2010	Q1 2009	2009
Minerals Processing	48.2	84.5	338.2
Base Metals	31.9	44.8	136.4
Metals Processing	72.5	97.2	378.8
Larox	31.2	-	-
Other businesses	8.9	18.3	60.4
Unallocated items and intra- group sales	-5.6	-13.2	-36.2
TOTAL	187.0	231.6	877.7

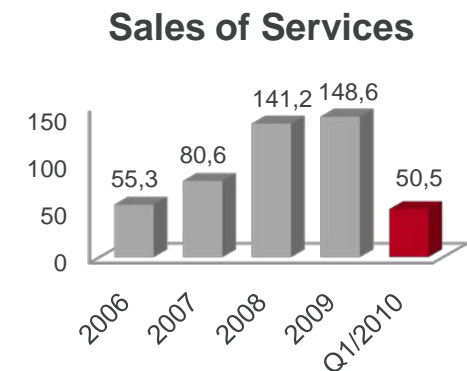
Operating profit by division

EUR million	Q1 2010	In relation to division sales, %	Q1 2009	In relation to division sales, %	2009
Minerals Processing	-0.3	-0.6	6.1	7.3	29.2
Base Metals	-1.8	-5.7	4.3	9.6	8.4
Metals Processing	9.1	12.6	8.9	9.2	36.0
Larox*)	-3.0	-9.5	-	-	-
Other businesses	-1.7	-19.1	-0.4	-1.9	-1.5
Unallocated and intra-group items	-12.5		-2.7		-13.5
TOTAL	-10.1	-5.4	16.3	7.0	58.6

*) including PPA amortization of EUR -2.9 million

Services business

- Sales of the Services business increased by 63% to EUR 50.5 million (Q1/2009: EUR 30.9 million), representing some 27% (Q1/2009: 13%) of Outotec's sales. The growth came from Larox.
- The target is to grow the Services business to the annual level of EUR 250-300 million by the end of 2010.
- The Services business is included in the sales figures of Outotec's business divisions and Other businesses, and it is reported as a total on the Group level.



Capital structure

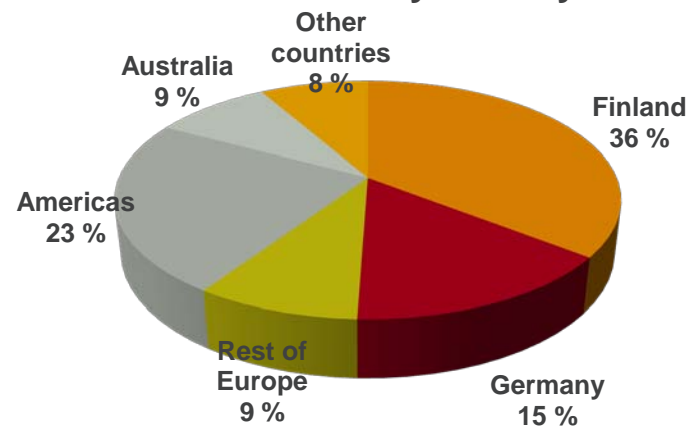
EUR million	Q1 2010	Q1 2009	2009
Net cash from operating activities	7.5	-10.7	-28.8
Net interest-bearing debt ^{*)}	-179.5	-254.8	-191.0
Equity ^{*)}	310.1	197.2	342.4
Equity-to assets ratio, % ^{*)}	40.7	35.6	45.1
Gearing, % ^{*)}	-57.9	-129.2	-55.8
Working capital ^{*)}	-79.0	-146.8	-62.8
ROI, %	-11.1	34.7	20.9
ROE, %	-8.9	23.7	14.9

^{*)} At the end of the period

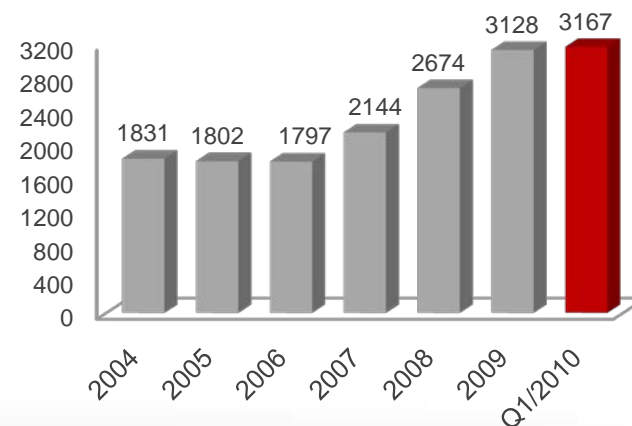
Personnel

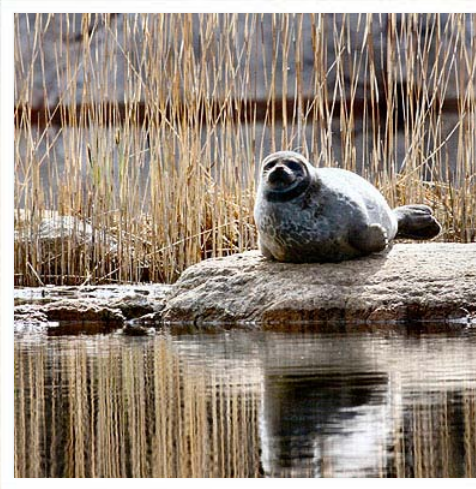
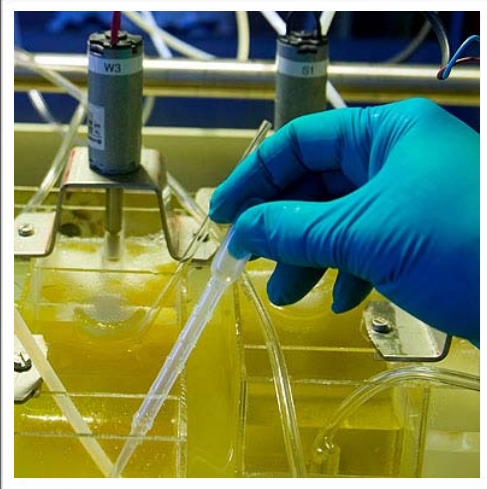
- 3,167 employees (Q1/2009: 2,557), an increase of 610 individuals due to acquisitions
 - 557 from Larox
 - 45 from Ausmelt
- Temporary personnel accounted for 6% of the total number of employees.
- Additionally some 230 FTE contracted people in projects (2009 year-end: 250 FTE)
- Employee negotiations in Finland; 84 employees were made redundant in April, total personnel reduction globally forecasted to be 170 during 2010

Personnel by country



Number of employees at the end of the period

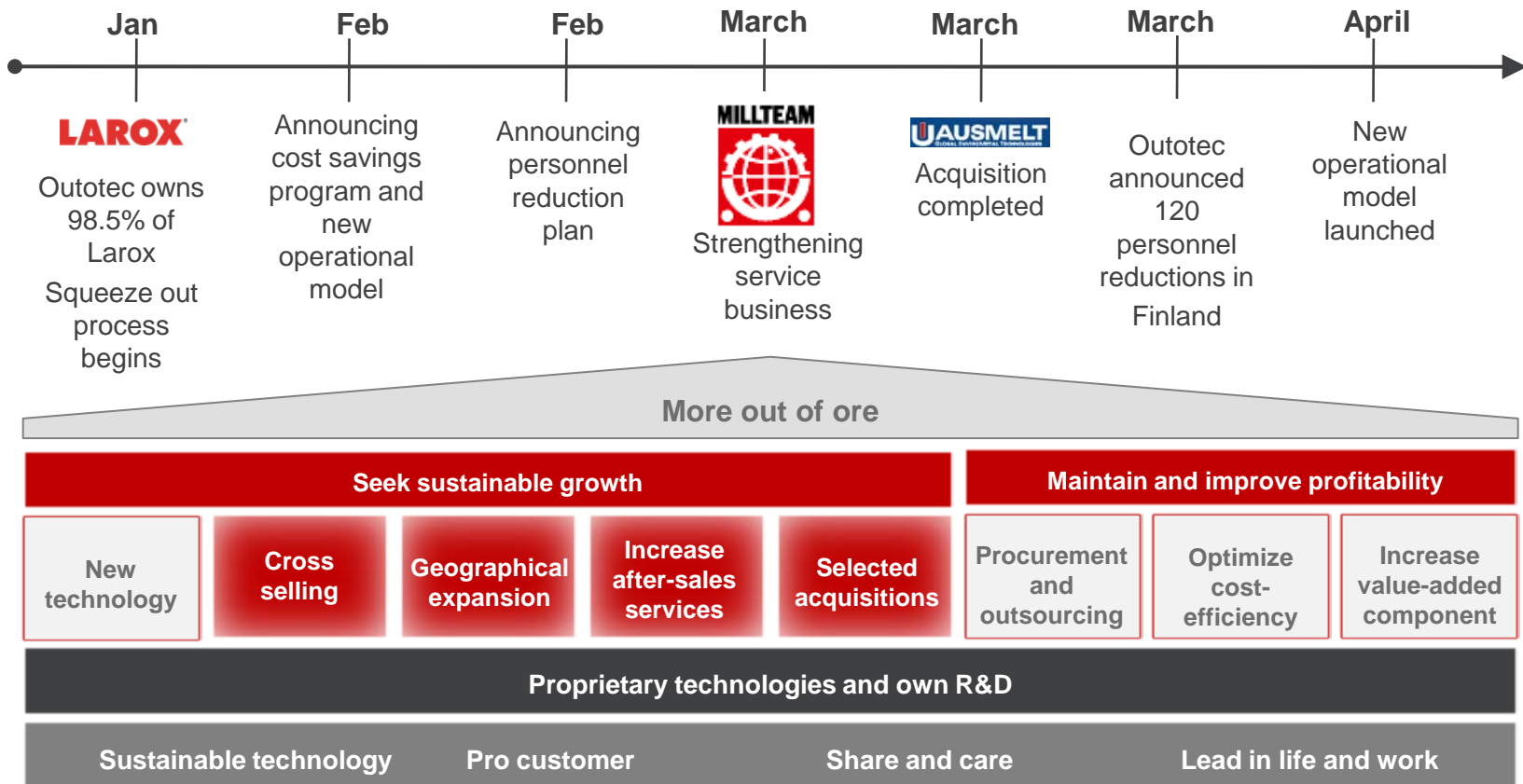




Strategy in action

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Actions in Q1/2010



Selected acquisitions as part of growth strategy

o Larox

- Larox filtration technologies complement Outotec's product portfolio and enable Outotec to offer customers total solutions for minerals concentrators and metallurgical plants as well as comprehensive services and process guarantees.
- Increases Outotec's service business by approximately EUR 70 million annually.
- Competitive landscape after Larox acquisition:

Company	Grinding	Flotation	Thickening & Clarifying	Physical Separation	Analyzers & Automation	Filters
Outotec / Larox	✓	✓	✓	✓	✓	✓
Metso Minerals	✓	✓	✓	✓	✓	✓
FLS (GL&V)	✓	✓	✓			✓
Krupp Polysius	✓	✓				
Roche Mining (MT)				✓		
Thermo Electron Corporation					✓	
Schultzer						✓
Diemme						✓
Bateman/Delcor						✓

No direct one-to-one competitors, but a number of players competing with part of the portfolio

Acquisitions

○ Ausmelt

- Complements Outotec's smelting technologies. Outotec® Flash Smelting is suitable for copper and nickel primary smelting in large scale plants, whereas Ausmelt technology is suitable for small to mid-size plants and for other feed materials, such as ferrous metals, zinc, lead and tin concentrates, zinc bearing residues, and various secondary and waste materials.
- Outotec smelting technology portfolio:

	Primary					Secondary		Residues			
	Copper	Nickel	Lead	Tin	Precious metals	Copper	Lead	Slag fuming	Spend potlining	Zinc dusts	Zinc residues
Outotec® Flash Smelting	✓	✓									
Outotec® Kaldo			✓		✓	✓	✓	✓			
Ausmelt	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

■ Existing technology
 ■ Additional technology
 ■ New technology

Selected acquisitions as part of growth strategy

○ Millteam

- Millteam offers maintenance services for mining companies and has special expertise in grinding mill service.
- Supports Outotec's strategy to expand the service business.
- With the new service center in Sweden Outotec can provide better life-cycle services for its customers in Europe and the CIS area.
- Annual sales volume EUR 4 million, 35 employees



New operational model effective as of April 2010

Customers

Market Operations (incl. Market Areas)

Supply

Business Infrastructure

Strategy

Technology Management

Finance & Control

Legal Affairs

Human Capital

Non-ferrous Solutions

Ferrous Solutions

Energy, Light Metals & Environmental Solutions

Services

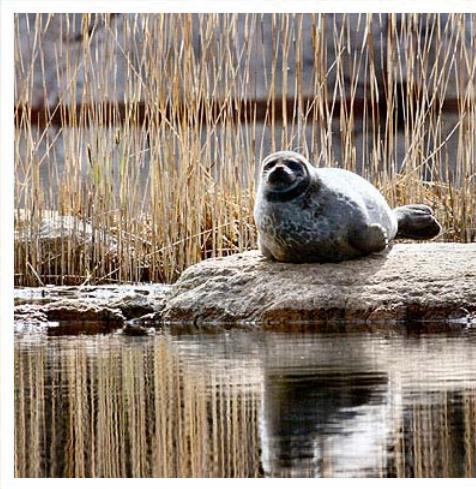
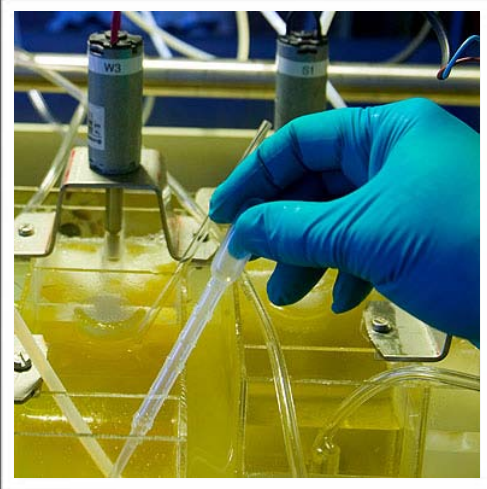
Segments to be reported as of Q2

Cost savings program

- EUR 25 million annualized savings in operational fixed costs, comprising also the fixed costs of sales, compared to Q4/2009 level
 - Organizational restructuring
 - Synergy benefits from recent acquisitions
 - Personnel reductions
 - Developing the purchasing function
- In Q1, one-time costs EUR 12.4 million, which lead to approximately EUR 7 million sustainable annualized cost savings beginning in the second quarter
 - Fixed asset write-offs
 - Provisions related to personnel reductions in Finland
- Full effect as of 2011

Priorities for 2010

- Win new orders
- Implement the new operational model
- Integrate Larox, Ausmelt and Millteam businesses
- Achieve cost savings
- Accelerate the growth of the Services business



Outlook and financial guidance

Market outlook for 2010

Markets

- The overall market sentiment is supported by improving macro-economic outlook, growing metals demand and strong commodity prices.
- Most of the growth in global metals consumption will come from developing economies and China is expected to represent nearly 50% of the growth in 2010. Metals demand outside China shows also signs of recovery.
- There is also a continuous demand for modernization and debottlenecking at mine sites and metals processing plants, as well as for energy-efficient and sustainable solutions.
- According to mining and metals companies' announcements, their investments will increase in 2010 compared to 2009. There are many active sales projects, which are expected to turn into orders in 2010 or later, which is in line with normal industry lead times when planning capital investments.
- Despite of the strengthening market outlook, there is still idle production capacity.

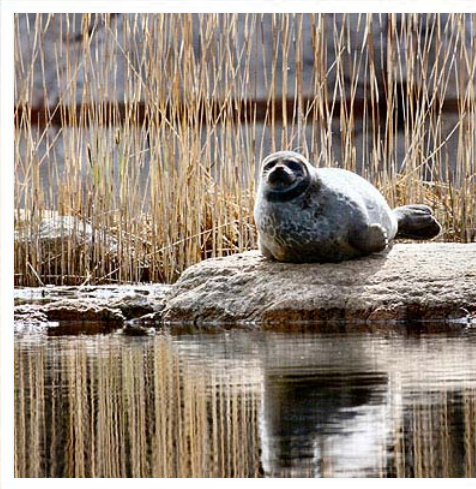
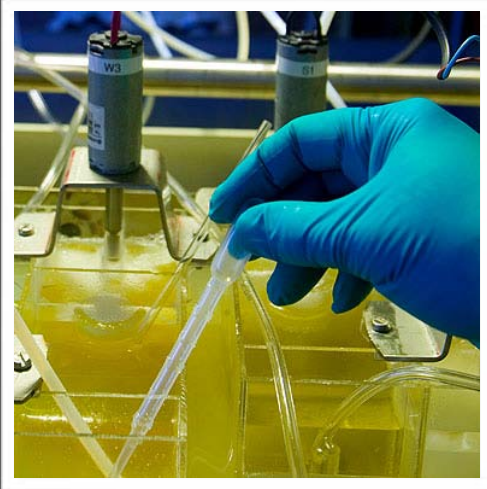
Revised financial guidance for 2010

Due to the post-cyclical nature of Outotec's business and a low order intake in 2009, the year 2010 will be challenging. Based on the actual order intake during the first quarter, management expects that in 2010:

- order intake will be significantly higher compared to 2009
- sales will grow to approximately EUR 1 billion due to the Larox and Ausmelt acquisitions, and
- operating profit, which includes EUR 10 million purchase price allocation amortizations, will remain on the same level as in 2009, excluding one-time items.

In 2010, one-time costs, which are included in one-time items, are estimated to be in the range of EUR 20-25 million (previous estimate: EUR 20 million). One-time costs, which are related to restructuring initiatives, are estimated to be recorded in the first half of 2010. One-time costs related to the integration of the acquired businesses are estimated to be recorded in the financial results of the third quarter (previous estimate: first half).

Operating profit is dependent on exchange rates, product mix, timing of new orders, and project completions.



Q & A

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