FINANCIAL STATEMENTS REVIEW

2010

January-December

Outotec develops and provides technology solutions for the sustainable use of Earth's natural resources. As the global leader in minerals and metals processing technology, Outotec has developed over decades several breakthrough technologies. The company also offers innovative solutions for the chemical industry, industrial water treatment and the utilization of alternative energy sources. Outotec shares are listed on the NASDAQ OMX Helsinki. www.outotec.com

Outotec

February 8, 2011

Financial Statements Review January-December 2010

Strong order intake and service sales growth

Board of Directors' dividend proposal: EUR 0.75 per share

January-December 2010 in brief (2009):

- Order intake: EUR 1,394.7 million (EUR 557.1 million), +150.4%
- Sales: EUR 969.6 million (EUR 877.7 million), +10.5%
- Services sales: EUR 282.5 million (EUR 148.6 million), +90.1%
- Operating profit excluding one-time items and purchase price allocation amortizations: EUR 74.7 million (EUR 58.6 million), +27.4%
- Operating profit: EUR 41.6 million (EUR 58.6 million), -29.1%
- Earnings per share: EUR 0.59 (EUR 1.01), -41.8%
- Order backlog: EUR 1,393.1 million (EUR 867.4 million), +60.6%
- Net cash flow from operating activities: EUR 87.5 million, (EUR -28.8 million)

October-December 2010 in brief (Q4/2009):

- Order intake: EUR 356.6 million (EUR 110.5 million), +222.7%
- Sales: EUR 330.3 million (EUR 219.8 million), +50.3%
- Operating profit excluding one-time items and PPA amortizations: EUR 33.4 million (EUR 13.3 million), +151.0%
- Operating profit: EUR 28.1 million (EUR 13.3 million), +111.0%
- Net cash flow from operating activities: EUR -4.8 million, (EUR -43.9 million)

New Segment reporting started on April 1, 2010.

Financial guidance for 2011
Based on a strong opening order backlog and active market, in 2011:

- order intake is expected to continue to grow,
- sales are expected to grow to approximately EUR 1.25-1.35 billion, and
- operating profit is expected to improve from 2010 and operating profit margin from business operations is expected to be approximately 8-9%.

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

President and CEO Pertti Korhonen:

"2010 was eventful for Outotec. The year began with us having a low order backlog and limited market visibility. Thus, our first priority was to win new orders and to secure our profitability. Thanks to excellent order intake, solid project execution, strong Services business growth and cost efficiency improvement measures, we achieved the targets that we had set for 2010. The growing demand for metals and materials to meet the needs of the emerging economies drove companies to invest in new technologies and services. I am very satisfied with the excellent development in our order intake and backlog during last year. In addition to a strong basic demand, we received several large orders particularly from the emerging markets. Well over half of our sales came from the emerging markets and the strong copper, iron and gold prices were reflected in strong growth in related investments, accounting for some 40% of our last year's sales. Sales grew due to the technology and service businesses of four acquisitions. The integration of these companies progressed well and some synergies were already realized. We successfully launched our new global operational model as a platform for future growth, defined our strategy for the coming years and announced new long term financial targets. In addition, we achieved the targeted EUR 25 million annualized savings in fixed operational costs and plan to reinvest a substantial amount in R&D and building our global operational platform and respective tools to ensure long term growth and profitability improvement going forward. At year-end, our order backlog was once again on a healthy level, which, together with a positive market outlook, has given us a good start for 2011."

Summary of key figures	**Q4 2010**	Q4 2009	**Q1-Q4 2010**	Q1-Q4 2009	Change %
Sales, EUR million	**330.3**	219.8	**969.6**	877.7	+10.5
Gross margin, %	**26.9**	24.1	**26.2**	21.7	
Operating profit excluding one-time items and PPA amortizations, EUR million	**33.4**	13.3	**74.7**	58.6	+27.4
Operating profit margin excluding one-time items and PPA amortizations, %	**10.1**	6.1	**7.7**	6.7	
Operating profit including PPA amortizations, excluding one-time items, EUR million	**31.6**	13.3	**65.3**	58.6	+11.3
Operating profit margin including PPA amortizations, excluding one-time items, %	**9.6**	6.1	**6.7**	6.7	
Operating profit, EUR million	**28.1**	13.3	**41.6**	58.6	-29.1
Operating profit margin, %	**8.5**	6.1	**4.3**	6.7	
Profit before taxes, EUR million	**25.0**	13.3	**37.1**	60.9	-39.1
Net cash from operating activities, EUR million	**-4.8**	-43.9	**87.5**	-28.8	
Net interest-bearing debt at the end of period, EUR million	**-200.9**	-191.0	**-200.9**	-191.0	+5.2
Gearing at the end of period, %	**-56.2**	-55.8	**-56.2**	-55.8	
Equity-to-assets ratio at the end of the period, %	**41.2**	45.1	**41.2**	45.1	
Working capital at the end of period, EUR million	**-113.5**	-62.8	**-113.5**	-62.8	+80.8
Return on investment, %	**26.7**	18.0	**9.2**	20.9	
Return on equity, %	**21.4**	12.4	**7.6**	14.9	
Order backlog at the end of period, EUR million	**1,393.1**	867.4	**1,393.1**	867.4	+60.6
Order intake, EUR million	**356.6**	110.5	**1,394.7**	557.1	+150.4
Personnel, average for the period	**3,124**	2,744	**3,151**	2,612	
Earnings per share, EUR	**0.40**	0.21	**0.59**	1.01	-41.8
Dividend per share, EUR	**-**	-	**0.75***	0.70	+7.14

*) Board of Directors proposal for dividend per share

FINANCIAL STATEMENTS REVIEW JANUARY-DECEMBER 2010

OPERATING ENVIRONMENT

The overall market conditions continued to further strengthen throughout 2010. The mining and metals industry continued on the recovery path supported by a positive long term outlook for metals demand in the emerging economies. The production capacity utilization rate increased and investments in new production were commenced which also increased equipment and service sales. Following the recession, companies had an accumulated need to invest in their existing operations and investment plans were revitalized. In 2010, the customer negotiation activity was especially strong in copper, gold and iron projects, but activity around other metals was also recovering. The mining and metals industry benefitted from strong metals prices; however, the uncertainty that still prevailed in the financial markets continued to have an impact on the investment activities of some companies. Decision-making, particularly regarding major projects involving construction of new capacity, took time. Drive for sustainable solutions continued strong and the requirements on the technology were getting stricter, which is positive for Outotec.

Outotec delivers advanced technology solutions which enable customers to minimize their processes' life time costs and environmental impacts. This has helped in winning new orders with normal gross margins and customary payment terms despite intensive competition.

ORDER INTAKE

Order intake in 2010 amounted to EUR 1,394.7 million (2009: EUR 557.1 million) including large plant deliveries, technology and equipment deliveries as well as services. In the reporting period, orders from South America represented roughly one-fourth and Southern Africa one-fifth of the total order intake. The rest of the orders came from various market areas such as Asia-Pacific, Europe, the Middle East and North America. The orders received in the fourth quarter of 2010 totaled EUR 356.6 million (Q4/2009: EUR 110.5 million).

Major new orders in the fourth quarter:

- Sintering and ferrochrome smelting technology for Outokumpu, Finland (EUR 45 million);
- Drinking water supply scheme to the Ampara District, Sri Lanka (EUR 70 million); and
- Integrated digestion and evaporation facility for Ma'aden Aluminium project in Saudi Arabia together with Hatch (total EUR 50 million, with roughly equal share of the work between Outotec and Hatch). Small portion became effective in the order backlog in 2010 and the rest by project milestones in 2011 and 2012.

Major new orders in the third quarter:

- Copper concentrator technology for IRASCO, Italy, project in Iran (EUR 40 million);
- Iron ore sintering plant for Steel Authority of India Ltd, India (value not disclosed but typically technology solutions with corresponding scope range from EUR 20 to 25 million); and
- Electric furnace and related services for Konkola Copper Mines, Zambia (EUR 13 million).

Major new orders in the second quarter:

- Copper solvent extraction and electrowinning plant for Minera Lumina Copper, Chile (EUR 65 million);
- Flotation circuit and filtration technology for Australia's Karara Iron Ore project (over EUR 28 million);
- Flotation technology for First Quantum Minerals, Finland and Zambia (EUR 20 million);
- Chromite sintering technology for Xstrata Merafe, South Africa (EUR 17 million); and
- Kaldo furnace technology for Boliden's Rönnskär copper smelter, Sweden (value not disclosed).

Major new orders in the first quarter:

- Sinter plant for Kalagadi Manganese, South Africa (EUR 119 million);
- Copper roasting, off-gas and sulfuric acid plants for Codelco, Chile (EUR 116 million);
- Copper smelter technology for Tongling Non-Ferrous Metals Group, China (EUR 15 million);
- Precious metal plant for Baiyin Non Ferrous Group, China (EUR 6 million);
- Pelletizing technology for Bhushan Power & Steel Plant, India (value not disclosed); and
- Sintering technology for JSW Steel Limited, India (value not disclosed).

ORDER BACKLOG

The order backlog at the end of 2010 totaled EUR 1,393.1 million, which is 61% higher than at the previous year-end (December 31, 2009: EUR 867.4 million).

At the end of 2010, Outotec's order backlog included 25 projects with an order backlog value in excess of EUR 10 million, accounting for 67% of the total backlog. Management estimates that roughly 69% (approximately EUR 960 million) of the current backlog value will be delivered in 2011 and the rest in 2012 and beyond. The order backlog at the end of 2010 included roughly EUR 50 million (September 30, 2010: EUR 60 million) in suspended projects.

SALES AND FINANCIAL RESULT

Outotec's sales in 2010 totaled EUR 969.6 million (2009: EUR 877.7 million). The growth in sales came from acquisitions. Underlying sales were affected by the low order backlog in the beginning of the year and because revenue recognition from large orders received in 2010 was slow in the early phases. Sales for the fourth quarter of 2010 were EUR 330.3 million (Q4/2009: EUR 219.8 million), which was 50% higher than in the comparison period due to the higher order backlog and increased equipment and service sales.

The Services business, which is included in the sales figures of the three other business areas, totaled EUR 282.5 million in 2010 (2009: EUR 148.6 million), up 90% from the comparison period and accounting for 29% of sales (2009: 17%). The sales of the Services business in the fourth quarter totaled EUR 100.5 million (Q4/2009: EUR 45.2 million) accounting for 30% of sales. The service business sales grew both organically and through acquisitions. Supported by the Larox and Millteam acquisitions, Outotec achieved its service business sales target of EUR 250-300 million by the end of 2010 which was set in the beginning of 2008.

In the reporting period, the operating profit excluding one-time items and purchase price allocation (PPA) amortizations was EUR 74.7 million, representing 7.7% of sales. The increase in operating profit before one-time items and PPA amortizations resulted from a higher sales volume, better gross margin of 26.2% (2009: 21.7%) and improvement of fixed cost structure compared to the comparison period. One-time costs related to restructuring in the reporting period amounted to EUR 26.5 million, approximately half of which came from asset write-offs and the rest from costs and provisions caused by personnel reductions and one-time items related to the integration of acquired companies. PPA amortizations for the reporting period were EUR 9.4 million.

Operating profit was EUR 41.6 million (2009: EUR 58.6 million). The unrealized and realized exchange gains related to currency forward contracts improved profitability by EUR 1.9 million (2009: unrealized and realized loss of EUR 0.1 million). The result for the reporting period also included EUR 2.2 million net positive effect from the Ausmelt acquisition including EUR 3.3 million revaluation gain and EUR 1.1 million acquisition costs.

The profitability continued to improve in the fourth quarter of 2010 due to increased sales. The operating profit before one-time items and PPA amortizations was EUR 33.4 million, representing 10.1% of sales. The operating profit in the fourth quarter was EUR 28.1 million (Q4/2009: EUR 13.3 million). Successful project completions and high proportion of service business were the main reasons for the high 26.9% gross margin in the fourth quarter 2010 (Q4/2009: 24.1%). The unrealized and realized exchange losses related to currency forward contracts decreased profitability by EUR 1.4 million (Q4/2009: unrealized and realized loss of EUR 1.6 million).

In 2010, Outotec's fixed costs were EUR 188.5 million (2009: EUR 131.6 million). The increase was primarily due to the fixed costs of acquired companies and due to higher sales and marketing expenses reflecting the strong market and related tendering and quotation activity.

Outotec's profit before taxes for the reporting period was EUR 37.1 million (2009: EUR 60.9 million). It included net finance expense of EUR 4.5 million (2009: net finance income EUR 2.2 million). The net finance expense increased primarily due to low interest rates and fees related to the new financing credit facilities. Profit for the period was EUR 26.7 million (2009: EUR 42.3 million), impacted by one-time costs related to restructuring and PPA amortizations. Taxes totaled EUR 10.4 million (2009: EUR 18.6 million). Earnings per share were EUR 0.59 (2009: EUR 1.01).

Outotec's return on equity for the reporting period was 7.6% (2009: 14.9%), and return on investment was 9.2% (2009: 20.9%).

Sales and Operating Profit by Segment EUR million	**Q4 2010**	Q4 2009	**Q1-Q4 2010**	Q1-Q4 2009	Change %
Sales					
Non-ferrous Solutions	**223.9**	115.9	**623.3**	482.6	+29.2
Ferrous Solutions	**43.2**	49.9	**131.5**	146.7	-10.3
Energy, Light Metals and Environmental Solutions	**65.3**	56.3	**222.8**	258.7	-13.9
Unallocated items*) and intra-group sales	**-2.2**	-2.3	**-8.0**	-10.3	
Total	**330.3**	219.8	**969.6**	877.7	+10.5
Operating profit					
Non-ferrous Solutions	**23.2**	7.9	**26.1**	35.1	-25.6
Ferrous Solutions	**8.2**	5.1	**11.3**	9.5	+19.7
Energy, Light Metals and Environmental Solutions	**11.4**	6.8	**26.8**	27.6	-3.0
Unallocated**) and intra-group items	**-14.7**	-6.5	**-22.6**	-13.5	
Total	**28.1**	13.3	**41.6**	58.6	-29.1

*) Unallocated items primarily include invoicing of group management and administrative services.
**) Unallocated items primarily include group management and administrative services.

Major Non-recurring Items in Operating Profit EUR million	**Q4 2010**	Q4 2009	**Q1-Q4 2010**	Q1-Q4 2009
One-time costs related to restructuring				
Non-ferrous Solutions	**0.3**	-	**-18.3**	-
Ferrous Solutions	**0.0**	-	**-1.2**	-
Energy, Light Metals and Environmental Solutions	**0.0**	-	**-1.8**	-
Unallocated items	**-4.5**	-	**-5.2**	-
Net effect from acquisition costs and revaluation of Ausmelt Ltd. Shares				
Non-ferrous Solutions	**-**	-	**2.2**	-
Impairment loss from Pacific Ore Ltd's shares				
Unallocated items	**-**	-	**-**	-2.5
Arbitration settlement				
Non-ferrous Solutions	**-**	-	**-**	2.4

PPA amortizations related to acquisitions, which mainly affected the operating profit of the Non-ferrous Solutions business area, were EUR 9.4 million in 2010 and EUR 1.8 million in Q4/2010.

Non-ferrous Solutions

Sales in the Non-ferrous Solutions business area in 2010 increased by 29% from the comparison period and totaled EUR 623.3 million (2009: EUR 482.6 million). The increase in sales was due to acquisitions. Operating profit excluding one-time items and PPA amortizations was EUR 50.6 million and operating profit was EUR 26.1 million (2009: EUR 35.1 million). The unrealized and realized exchange losses related to currency forward contracts decreased profitability by EUR 0.8 million (2009: unrealized and realized loss of EUR 2.0 million).

Ferrous Solutions

Sales in the Ferrous Solutions business area in 2010 totaled EUR 131.5 million (2009: EUR 146.7 million). The 10% decrease in sales compared to 2009 was due to fewer projects in the active delivery phase. The operating profit excluding one-time items was EUR 12.6 million and operating profit was EUR 11.3 million (2009: EUR 9.5 million). In the second half of 2010, project completions and final acceptances by customers improved business area's profitability. Higher sales and marketing expenses and one-time items related to the savings program had a negative impact on the operating profit.

Energy, Light Metals and Environmental Solutions

Sales in the Energy, Light Metals and Environmental Solutions business area in 2010 totaled EUR 222.8 million (2009: EUR 258.7 million). The 14% decline in sales was mainly due to a lower order intake in 2009 as well as to the fact that fewer projects were in a phase where major deliveries are carried out and therefore revenue recognition was lower. In addition, some large projects progressed slower than scheduled due to factors outside Outotec's project scope. Operating profit excluding one-time items and PPA amortizations was EUR 28.9 million and operating profit was EUR 26.8 million (2009: EUR 27.6 million). Although sales were lower the operating profit margin remained on a high level of 12% due to successful project completions. The unrealized and realized exchange gains related to currency forward contracts increased profitability by EUR 2.2 million (2009: unrealized and realized gain of EUR 2.9 million).

Sales by destination, %	**2010**	2009
Europe (including CIS)	**20**	22
Africa	**12**	9
Asia	**22**	31
Australia and Pacific countries	**12**	6
North America	**11**	5
South America	**23**	27
Total	**100**	100

Sales by metals, %	**2010**	2009
Copper	**25**	20
Iron	**12**	17
Aluminium	**7**	10
Ferroalloys	**3**	3
Precious metals	**11**	15
Zinc	**5**	5
Nickel	**7**	6
Sulfuric acid	**8**	16
Other metals	**6**	-
Other (including energy, water, chemical industry)	**16**	8
Total	**100**	100

BALANCE SHEET, FINANCING AND CASH FLOW

The consolidated balance sheet total was EUR 1,068.0 million (December 31, 2009: EUR 909.6 million) at the end of 2010. The equity to shareholders of the parent company was EUR 356.7 million (December 31, 2009: EUR 315.0 million), representing EUR 7.87 (2009: EUR 7.09) per share.

The net cash flow from operating activities in 2010 was EUR 87.5 million (2009: EUR -28.8 million). The net cash flow was positive because of advance payments, which related to the high order intake. Gearing remained on the same level as previous year-end and was -56.2% (December 31, 2009: -55.8%).

Outotec's working capital amounted to EUR -113.5 million at the end of 2010 (December 31, 2009: EUR -62.8 million). During the reporting period, working capital developed positively due to advance payments of the large orders received.

At the end of 2010, Outotec's cash and cash equivalents totaled EUR 280.3 million (December 31, 2009: EUR 258.5 million). The received large orders and related advance payments improved the cash position. The change in cash and cash equivalents was also affected by the dividend payment of EUR 32.0 million in April 2010 (March 2009: EUR 42.0 million). The company invests its excess cash in short-term money market instruments such as bank deposits and corporate commercial papers.

Outotec's financing structure remained strong and liquidity was good. Net interest-bearing debt at the end of 2010 was EUR -200.9 million (December 31, 2009: EUR -191.0 million). The advance payments received at the end of the reporting period totaled EUR 198.7 million (December 31, 2009: EUR 150.9 million), representing an increase of 32% from the comparison period. Outotec's equity-to-assets ratio was 41.2% (December 31, 2009: 45.1%). The company's capital expenditure in 2010 was EUR 96.7 million (2009: EUR 98.0 million), of which EUR 77.2 million was related to acquisitions. Other capital expenditure included investments mainly in information technology, machinery and intellectual property rights.

At the end of the reporting period guarantees for commercial commitments, including advance payment guarantees issued by the parent and other Group companies were EUR 308.1 million (December 31, 2009: EUR 321.3 million). At the end of the reporting period, the total volume of pledges and mortgages was EUR 0.6 million (December 31, 2009: EUR 33.4 million). The reduction since the year-end 2009 was due to the repayment of most of Larox's external credit facilities.

On November 25, 2010, Outotec signed two credit facilities; EUR 500 million Multicurrency Revolving Guarantee Issuance Facility and EUR 50 million Multicurrency Revolving Credit Facility (The "Facilities"). The 3+1+1 year Facilities have been put in place to refinance Outotec's existing guarantee and revolving credit facilities and to provide Outotec guarantees and liquidity for general corporate purposes.

On April 23, 2010, Outotec established a continuous commercial paper program for domestic investors consisting of a principal amount of EUR 100 million. By the end of the reporting period, Outotec had emitted EUR 10.0 million worth of commercial papers.

COST SAVINGS PROGRAM

Outotec's aim was to achieve EUR 25 million annualized savings in operational fixed costs, including the fixed costs of sales, by the end of 2010 compared to the fourth quarter of 2009 with full effect in 2011. Savings were planned to be achieved through the implementation of the new operational model and synergy benefits from acquisitions. To achieve these savings, one-time costs were expected to be approximately EUR 25 million.

In 2010, one-time items related to the cost savings program and the integration of the acquired businesses totaled EUR 26.5 million. Approximately half of these items came from asset write-offs and the rest from provisions related to personnel reductions and other non-personnel related costs. The total personnel reduction in Finland was 97, including retirements and the termination of temporary contracts. In 2010, the total personnel reduction globally was 161.

The cost saving program was closed at the end of 2010 and it will lead, with comparable foreign exchange rates, to EUR 26.2 million annualized operational fixed costs savings of which EUR 23 million are cash effective. In 2010, the realized cost savings from operational fixed costs and one-time items totaled EUR 16.4 million with full effect in 2011.

CORPORATE STRUCTURE

New operational model and reporting segments

As of April 1, 2010 Outotec's businesses were re-organized into four business areas, three of which are reporting segments. The new reporting segments are:

- **Non-ferrous Solutions**, consists of businesses related to the processing of copper, nickel, zinc, lead, gold, silver and platinum group metals as a full process chain from ore to metal as well as industrial minerals. The acquired businesses Larox, Ausmelt and Millteam are included in this business area;

- **Ferrous Solutions**, consists of businesses related to the processing of iron ores and other ferriferous materials to produce concentrates, pellets, sinter, direct reduced and hot briquette iron, ferroalloys and titanium feedstock;

- **Energy, Light Metals and Environmental Solutions**, consists of businesses related to energy (including oil shale, oil sands and biomass materials), alumina, aluminum and light metals processing. Business area's environmental solutions include sulfuric acid plants, applications for gas cleaning and heat recovery systems, as well as industrial water treatment. The acquisition of Edmeston is included in the business area.

Services business

The Services business is included in the figures of the three reporting segments; however, its sales volume is also reported separately. This business area focuses on developing and growing the service business globally and providing life cycle services to customers.

The business areas are supported by a global matrix structure including marketing, sales and local delivery operations in geographical market areas, as well as shared global functions. Globally shared functions allow for a flexible and efficient use of company technologies, capabilities and resources.

Reflecting the new operational model, Outotec published restated comparison figures with allocations of the one-time items by business area on June 30, 2010 for the reporting periods January-December 2009 and January-March 2010. Full year figures for the period 2006 to 2010 are published in the context of Outotec's Financial Statements 2010.

The Group's cost allocation principles in the new reporting segment structure have not been changed and the company continues to apply the same accounting principles as before.

Acquisitions

Larox acquisition

The acquisition of Larox was closed in June 2010. Larox develops and delivers industrial filters for separating solids from liquids and its filtration solutions are primarily used in the mining and metallurgical industries worldwide as well as in chemical processing. With the acquisition, Outotec can now provide complete solutions covering a wide range of technologies and services for the entire value chain from ore to metal. Larox recorded sales in 2009 of EUR 150 million; the company had about 550 employees and operated in over 40 countries. The acquisition price was approximately EUR 90 million, which was paid mostly with shares. The targeted EUR 7 million synergy benefits from global sales and service networks as well as administration were partially realized in 2010 and will have full affect in 2011.

Ausmelt acquisition

The acquisition of Ausmelt was closed in March 2010. Ausmelt develops, designs, and supplies the Top Submerged Lance (TSL) smelting technology for the production and recycling of metals and processing of industrial wastes. Ausmelt's TSL technology complements Outotec's smelting technology portfolio. As a result of the acquisition, Outotec now has the industry's strongest non-ferrous smelting solutions portfolio covering both primary smelting from small to large-scale plants using a variety of feed materials, such as copper, nickel, ferrous metals, zinc, lead and tin concentrates and zinc-bearing residues, as well as the smelting of various secondary and waste materials. An additional benefit of Ausmelt technology is that it allows the recovery of valuable metals from by-products. Ausmelt sales in 2009 were approximately EUR 10 million and it had 40 employees based mainly in Australia and Asia. The acquisition price paid in cash was approximately AUD 49 million (approximately EUR 30 million).

Edmeston acquisition

Outotec acquired Swedish Edmeston AB in May 2010. The company has unique capabilities in special stainless steel grades suitable for use in highly corrosive environments. The acquisition further strengthens Outotec's position especially in sulfuric acid plant solutions through proprietary equipment and particularly in services for own and also other installed plants. Edmeston's sales in 2009 were approximately EUR 10 million and the company employed 10 professionals. The acquisition price, which was paid in cash, was not disclosed.

Millteam acquisition

Outotec acquired Millteam Sweden's service business in March 2010. Millteam offers maintenance services, complete installations, installation supervision, maintenance inspections and service of equipment for mining companies and it has special expertise in grinding mill service. The Millteam acquisition supports Outotec's strategy to expand its service offerings. With its new service center in Sweden, Outotec can now provide better life cycle services for its customers in Europe and the CIS region. The terms and conditions related to the acquisition were realized on April 1, 2010. Millteam's sales in 2009 were approximately EUR 4 million and the company employed 35 professionals. The acquisition price, which was paid in cash, was not disclosed.

Purchase price allocation amortizations related to acquisitions were EUR 9.4 million in 2010 and EUR 1.8 million in Q4/2010 (2011: approximately EUR 4 million).

Other changes in corporate structure

In December, Outotec announced that it had merged its Finnish subsidiary, Outotec Research Oy, with Outotec (Finland) Oy and transferred the parent company Outotec Oyj's operative business to Outotec (Finland) Oy from the beginning of 2011. The change in the company structure does not affect Outotec's current operational model or reporting structure. The integration of acquisitions and the simplification of the Outotec legal company structure worldwide proceeded as planned in 2010 and will continue in 2011.

RESEARCH AND TECHNOLOGY DEVELOPMENT

In the reporting period, Outotec's research and technology development expenses totaled EUR 28.5 million (2009: EUR 20.5 million), representing 2.9% of sales (2009: 2.3%). Outotec filed 50 new priority patent applications (2009: 56), and 287 new national patents have been granted (2009: 286).

In December, Outotec commissioned a new CO_2 removal pilot plant at its R&D center in Frankfurt am Main, Germany. It complements Outotec's circulating fluidized bed (CFB) pilot plant allowing for the cleaning of process gas from iron ore direct reduction as well as from coal and biomass gasification. The new pilot plant plays an important role in the development of Outotec's new offerings for the energy industry providing the testing facilities to reduce the carbon footprint of coal and biomass-based energy production as well as in the testing of oil winning from oil shale and oil sand. The pilot installation also allows Outotec to fully demonstrate its proprietary Circofer® process for the direct reduction of fine iron ores based on coal.

In December Outotec launched new service products for filters, namely filter cloths and ceramic plates, which are tailored to perform with Outotec Larox® filters. Filter media are crucial for filtration efficiency. New Outotec Larox Filter Cloths enable optimized performance and process results for each application and filter. The filter cloth collection covers the entire permeability range.

In September, Outotec joined an industrial research program from the University of Alberta aimed at fostering sustainable water use in Canadian oil sands extraction. Outotec is currently collaborating with companies Kemira and Suncor Energy Services, the Canadian government and the Alberta Water Research Institute to establish a Natural Science and Engineering Research Council of Canada (NSERC) industrial research chair titled "Water Quality Management for Oil Sands Extraction" at the

University of Alberta in Edmonton, Canada. The five-year long research program focuses on water quality management studies to address water consumption, reuse and recycling by the in situ oil sands extraction industry.

In September, Outotec and Kemira signed a strategic cooperation agreement to develop, promote and support the companies' businesses in minerals and oil sands processing as well as associated industrial water treatment solutions. This cooperation combines Outotec's capability in minerals and oil sands processing technology with Kemira's experience in water chemistry and related applications to offer customers process optimization enabling cost-efficiency, sustainability and quality improvements.

In October, Outotec announced its cooperation with the National Development Corporation of Mongolia to conduct a conceptual study for a copper smelter to be located in Sainshand, Mongolia. The Mongolian government plans to build an industrial complex in Sainshand to add value to mineral deposits including its Oyu Tolgoi copper mining project and to diversify its economy.

In November, Outotec announced it would donate EUR 300,000 to Aalto University Foundation, EUR 150,000 to University of Oulu, EUR 100,000 to Lappeenranta University of Technology and EUR 50,000 to Åbo Akademi University. This had originally been decided at Outotec Oyj's Annual General Meeting on March 18, 2010 authorizing the Board of Directors to determine a donation not to exceed EUR 600,000 to Finnish universities.

SUSTAINABILITY

In December, Outotec signed the United Nations Global Compact initiative and is committed to its principles of human rights, environment, labor and fighting corruption. The Global Compact initiative is additional evidence of Outotec’s aim to further advance sustainability and social responsibility principles in its business practices.

In October, Outotec was ranked third best among Nordic companies by the Carbon Disclosure Project (CDP) in the Carbon Disclosure Leadership Index, which is a key component of CDP's annual Nordic 200 Report. Outotec's score in the CDP ranking was 90/100. Outotec participated in the CDP for the first time in 2009 and was commended for its climate change disclosure.

In April, Outotec and Brazilian alumina producer Alunorte received an energy efficiency award at the Hannover Messe 2010. Alunorte was presented with the "Special Recognition" award for using optimization processes in its cyclones to improve heat transfer and cut down on pressure losses thus resulting in energy savings and more stable operation. Alunorte uses Outotec® calcining technology in its production.

NEW STRATEGIC PRIORITIES AND LONG TERM FINANCIAL TARGETS

In November 2010, Outotec announced new strategic priorities and financial targets. The company's goal remains continuous profitable growth. Going forward, Outotec intends to focus on providing sustainable life cycle solutions, which guarantee the best return on a customer's investment. In addition to further strengthening its technology portfolio for the entire value chain from ore to metals, Outotec plans to leverage its core technology assets in expanding to adjacent industries such as energy and industrial water treatment. The company also plans to strengthen its presence in emerging markets, and targets to improve its productivity and scalability.

New long-term financial targets to ensure continuous profitable growth

- Growth: Outotec targets to grow faster than the market resulting in compound average annual sales growth target in the range of 10-20%.
- Profitability: Outotec's annual operating profit margin from business operations is targeted to be on average at 10%, excluding one-time costs and purchase price allocations of acquired businesses.
- Balance sheet: Outotec targets to maintain a strong balance sheet in order for the company to have operational flexibility and execute acquisitions.

These new targets replace the previous long-term financial targets of annual average EPS growth exceeding 10% along with a 5% operating profit margin floor, and a strong balance sheet.

Dividend policy

The Board of Directors adopted a dividend policy in November in which the company aims to propose for the approval of the company's shareholders dividends representing at least 40% of the annual net income of Outotec for the preceding financial year.

The amount of future dividends, if any, will be subject to Outotec's future earnings, financial, condition, cash flows, and working capital requirements. In addition, investments in either organic growth or acquisitions as part of Outotec's growth strategy may impact the level of future dividends.

Though the Board of Directors has no reason to believe that dividend payments under this policy will not generally be made, there can be no assurance that any annual dividend will actually be paid, nor can there be any assurance as to the amount to be paid in any given year.

New service business target

Outotec has also set a new growth target for its service business. The company aims to grow the sales of its services to an annual level of EUR 500 million by the end of 2015. Growth is planned to be achieved both organically and through acquisitions, expanding the scope of deliveries and new life cycle service offerings.

PERSONNEL

At the end of 2010, Outotec had a total of 3,130 employees (December 30, 2009: 3,128) of which 584 employees came from acquired business. In 2010, Outotec had on average 3,151 employees (2009: 2,612). The average number of Outotec's personnel increased by 539 from the comparison period mainly through acquisitions. Temporary personnel accounted for about 8% of the total number of employees.

Distribution of Personnel by Country	**Dec 31, 2010**	Dec 31, 2009	**change %**
Finland	**1,056**	1,145	**-7.8**
Germany	**444**	472	**-5.9**
Rest of Europe	**327**	283	**15.5**
Americas	**759**	740	**2.6**
Australia	**271**	239	**13.3**
Rest of the world	**273**	249	**9.6**
Total	**3,130**	3,128	**0.1**

At the end of 2010, the company had, in addition to its own personnel, approximately 328 (December 30, 2009: 250) full-time equivalent, contracted professionals working in project execution. The number of contracted workers at any given time changes with the active project mix and project commissioning, local legislation and regulations as well as seasonal fluctuations.

In 2010, salaries and other employee benefits totaled EUR 224.4 million (2009: EUR 159.5 million).

In November, Outotec announced that the Board of Directors had decided to establish a Human Capital Committee and elected Carl-Gustaf Bergström, Chairman of the Board, as Chairman of the Committee. Other members are Karri Kaitue and Tapani Järvinen. The Human Capital Committee is to ensure that all human capital related practices support the strategic aims of the business and enable the recruitment, development, motivation and retention of key personnel. The leadership capacity of current and future Outotec leaders is on HCC's special focus. In addition, HCC is to ensure that compensation arrangements support achieving long term business objectives and growth in shareholder value. The committee will also prepare matters pertaining to the appointment of the CEO and his/her possible deputy and other executives as well as the identification of their successors.

CHANGES IN TOP MANAGEMENT

In October, Outotec announced the appointment of Mr. Mikko Puolakka, M.Sc. (Econ.), as chief financial officer and member of the Executive Board as of December 1, 2010.

In February, Outotec announced that a new executive board had been appointed to replace its executive and management committees. The new executive board took charge when Outotec shifted into the new operational model on April 1, 2010. The members of the executive board with responsibility areas are:

Pertti Korhonen, President and Chief Executive Officer
Mikko Puolakka, Finance and control
Jari Rosendal, Non-ferrous Solutions business
Pekka Erkkilä, Ferrous Solutions business
Peter Weber, Energy, Light Metals and Environmental Solutions business
Kalle Härkki, Services business
Martti Haario, Market Operations
Michael Frei, Supply
Ari Jokilaakso, Human Capital
Tapio Niskanen, Business Infrastructure
Mika Saariaho, Corporate development

SHARE-BASED INCENTIVE PROGRAMS AND EXECUTIVE BOARD SHARE OWNERSHIP PLAN

Outotec has two share-based incentive programs: Share-based incentive program 2008-2010 (announced on March 3, 2008) and Share-based Incentive Program 2010-2012 (announced on April 23, 2010).

Share-based Incentive Program 2008-2010

No shares were allocated for the 2009 earnings period. The board of directors also decided not to select individuals or earning criteria for the 2010 earning period since the Incentive Program 2010-2012 replaces the old program.

Share-based Incentive Program 2010-2012

Outotec's board of directors decided to adopt a new share-based incentive program for the company's key personnel. The program has three earning periods: calendar years 2010, 2011 and 2012. The board determines the amount of the maximum reward for each individual, the earning criteria and the targets established for them separately on an annual basis.

The board approved 71 individuals in the scope of the Incentive Program 2010-2012 for the 2010 earning period, which began on January 1, 2010. The reward is based on the achievement of the targets set for cost savings, order intake and earnings per share. The reward will be paid in 2011 in the company's shares and as a cash payment which equals income taxes. The individual must hold the earned shares for at least two years following the end of the earning period. If the individual's employment ends during this engagement period, (s)he has to return all or part of the earned shares to the company without compensation.

The maximum total reward for the 2010 earning period of the Incentive Program 2010-2012 is equal to the value of 361,750 Outotec shares, and the maximum value of the rewards of the entire Incentive Program 2010-2012 is equal to approximately 1,000,000 shares, including the cash payment.

Executive Board share ownership plan

On May 21, 2010 Outotec’s board of directors determined a new share ownership plan directed to the members of the Outotec executive board. As part of the plan, the executive board members established Outotec Management Oy company, whose entire share capital is owned by them. The purpose of the plan is to commit executive board members to Outotec by encouraging them to acquire and hold Outotec shares and thus increase the company's shareholder value in the long run. They invest a considerable amount of their own funds in company shares and partly through a loan provided by Outotec. The company's board of directors granted to Outotec Management Oy an interest-bearing loan at the maximum amount of EUR 4,980,000 to finance the acquisition of the Outotec shares. The members of the executive board members hold approximately 0.34% of Outotec shares through the company.

Outotec has consolidated Outotec Management Oy into the Group's balance sheet. At the end of 2010, Outotec Management Oy held 191,211 (February 8, 2011: 191,211) Outotec shares which have been accounted as treasury shares in Outotec's balance sheet. This has decreased the Group's equity by EUR 5.1 million. More detailed information regarding the plan's effects to the Group's equity are presented in the Consolidated Statement of Changes in Equity table.

RESOLUTIONS OF THE 2010 ANNUAL GENERAL MEETING

Outotec Oyj's annual general meeting was held on March 18, 2010, in Espoo, Finland. The meeting was opened by the chairman of the board of directors, Mr. Risto Virrankoski, and chaired by Mr. Tomas Lindholm, attorney-at-law.

Financial Statements

The annual general meeting approved the parent company and the consolidated financial statements, and they also discharged the board of directors' members and the CEO from liability for the financial year 2009.

Dividend

The annual general meeting participants decided that a dividend of EUR 0.70 per share be paid for the financial year ended December 31, 2009. The dividends, EUR 32.0 million, were paid on April 8, 2010.

The Board of Directors

The annual general meeting participants decided on the number of board members, including chairman and vice chairman, to be six (6). Mr. Carl-Gustaf Bergström, Mr. Karri Kaitue, Mr. Hannu Linnoinen and Mr. Anssi Soila were re-elected as members of the board of directors and Ms. Eija Ailasmaa and Mr. Tapani Järvinen were elected as new board members for the term expiring at the end of the next annual general meeting. The annual general meeting elected Mr. Carl-Gustaf Bergström as the chairman of the board of directors.

The annual general meeting participants confirmed the remunerations to the board members as follows: chairman EUR 5,000 per month and other board members EUR 3,000 per month each, vice chairman and chairman of the audit committee an additional EUR 1,000 per month each, and each board member EUR 500 for attendance at each board and committee meeting as well as reimbursement for direct costs stemming from board work.

During its assembly meeting the Board of Directors elected Mr. Karri Kaitue as the vice chairman of the board of directors. In addition, the board elected Ms. Eija Ailasmaa, Mr. Anssi Soila and Mr. Hannu Linnoinen as members of the audit committee. Mr. Linnoinen acts as the chairman of the audit committee.

Auditors

KPMG Oy Ab, Authorized Public Accountants, was re-elected as the company's auditor, with Mauri Palvi as auditor in charge.

Board's authorizations

The annual general meeting participants authorized the board of directors to resolve the repurchase of the company's shares as follows:

- The company may repurchase the maximum number of 4,578,037 shares using free equity and deviating from the shareholders' pre-emptive rights to the shares, provided that the number of shares held by the company will not exceed ten (10) % of all company shares.

- The shares are to be repurchased in public trading at the NASDAQ OMX Helsinki at the price established in the trading at the time of acquisition.

The authorization shall be in force until the next annual general meeting. This authorization has not been executed as of February 8, 2011.

The annual general meeting participants authorized the board of directors to resolve issues of shares and other special rights entitling to shares as follows:

- The authorization includes the right to issue new shares, distribute shares held by the company, and the right to issue special rights referred to in Chapter 10, Section 1 of the Companies Act. This authorization to the board of directors does not, however, entitle the board of directors to issue share option rights as an incentive to the personnel.

- The total number of new shares to be issued and shares held by the company to be distributed under the authorization may not exceed 4,578,037 shares.

- The board of directors is entitled to set the terms of the share issue, such as the grounds for determining the subscription price of the shares and the final subscription price as well as the approval of the subscriptions, the allocation of the issued new shares and the final amount of issued shares.

The authorizations shall be in force until the next annual general meeting. This authorization has not been executed as of February 8, 2011.

The annual general meeting participants amended Section 9 of the Articles of Association so that the notice to convene the general meeting shall be issued no later than 28 days prior to the general meeting.

Participants also authorized the board of directors to decide on a donation to Finnish universities of their choice from the company’s distributable assets. The amount is not to exceed EUR 600,000. Outotec’s board of directors executed the authorization given by the Annual General Meeting 2009. This authorization was executed in conjunction with the Larox acquisition. The total number of shares issued was 3,780,373 (2,763,419 shares in December 2009 and 1,016,954 shares in February 2010).

SHARES AND SHARE CAPITAL

Outotec's shares are listed on the NASDAQ OMX Helsinki (OTE1V). At the end of the reporting period, Outotec’s share capital was EUR 17,186,442.52 consisting of 45,780,373 shares. Each share entitles its holder to one vote at the company’s general shareholder meetings.

TRADING, MARKET CAPITALIZATION AND SHAREHOLDERS

In the reporting period, the volume-weighted average price for a share in the company was EUR 28.76; the highest quotation for a share was EUR 47.25 and the lowest EUR 18.85. The trading of Outotec shares in the reporting period exceeded 100 million shares, with a total value of over EUR 2,879 million. At the end of the reporting period, Outotec's market capitalization was EUR 2,117 million and the last quotation for the share was EUR 46.24. At the end of the reporting period, the company did not hold any treasury shares for trading purposes.

Outotec has an agreement with a third-party service provider concerning administration and hedging of the share-based incentive program for key personnel. These shares are accounted as treasury shares in Outotec's consolidated balance sheet. At the end of the reporting period, the amount of these treasury shares was 332,534. There have been no purchases of Outotec shares based on this agreement during the reporting period.

Outotec has consolidated Outotec Management Oy (incentive plan for Outotec executive board members) into the Group's balance sheet. At the end of the reporting period, Outotec Management Oy held 191,211 (February 8, 2011: 191,211) Outotec shares which have been accounted as treasury shares in Outotec's balance sheet. This has decreased the Group's equity by EUR 5.1 million. More detailed information regarding the Plan's effects to the Group's equity are presented in the Consolidated Statement of Changes in Equity table.

At the end of the reporting period, Outotec had 15,114 shareholders. Shares held in 17 nominee registers accounted for 57.4% and Finnish households held roughly 13.6% of all Outotec shares.

EVENTS AFTER THE REPORTING PERIOD

On January 21, 2011 Outotec signed a contract with SNC-Lavalin, a Canadian engineering and construction company, to design and deliver a new copper flash smelting furnace and related services to RTB Bor's smelter in Serbia. The contract value exceeded EUR 60 million.

SHORT-TERM RISKS AND UNCERTAINTIES

Risks related to the global operating environment

Outotec's global business operations are subject to various political, economic and social conditions. Operations in global markets may present risks related to economic and political instability. Conditions may rapidly change and create delays and changes in order placement and execution.

Risks related to Outotec's business

In the project risk assessment during the reporting period, all unfinished projects were evaluated and provisions for performance guarantees and warranty period guarantees were updated. There were no material changes in the Group's project risk provisions.

Due to the international project business, different interpretations of international and local tax rules and regulations may cause additional direct or indirect taxes for Outotec, which would reduce the company's net result.

At the end of the reporting period, Outotec's order backlog included roughly EUR 50 million in suspended projects (September 30, 2010: EUR 60 million). Some of the suspended projects may be cancelled or renegotiated. In any market situation, there is a risk of postponement and delays in project business.

Acquisitions are an integral part of Outotec's growth strategy. There is a risk that the estimated synergy benefits will not materialize as planned.

Outotec is involved in a few arbitral and court proceedings. Outotec management expects that these cases and their outcome will have no material effect on Outotec's financial result.

The global economic uncertainty may reduce the demand for Outotec's products and services. Volatility in sales may affect the operating profit margin as the adjustments in fixed costs may become effective with a delay. Outotec's gross margin is also impacted by project mix. Particularly orders which include license fees have a major impact on the gross margin.

Financial risks

There is a risk that customers and suppliers may experience financial difficulties and a lack of financing may result in project delays as well as bankruptcies, which can also result in losses for Outotec. These risks are reduced by advance and milestone payments and letters of credit. In the reporting period, there were no material credit losses related to payments by Outotec's counter-parties and at the year-end all receivables were reviewed and credit loss provisions were updated.

Outotec's business model is based primarily on customer advance payments and on-demand guarantees issued by Outotec's relationship banks. Changes in advance payments received have an impact on the liquidity of Outotec. Exposure to on-demand guarantees has remained high. Cash held by Outotec is primarily invested in short-term bank deposits and in Finnish corporate short-term commercial papers. The lower interest rate levels reduce the interest income generated from these investments.

More than half of Outotec's total cash flow is denominated in euros. The rest is divided among various currencies, including the US dollar, Australian dollar, Brazilian real, Canadian dollar, and South African rand. The weight of any given currency in new projects can fluctuate substantially, but most cash-flow-related risks are hedged in the short and long term. In the short-term, currency fluctuations may create volatility in the operating profit. The forecasted and probable cash flows are selectively hedged and are always on the basis of separate decisions and risk analysis. Natural hedging is used as widely as possible and the remaining open foreign exchange exposures related to committed cash flows are fully hedged using derivative instruments. The cost of hedging is taken into account in project pricing.

MARKET OUTLOOK

The International Monetary Fund estimates the global economy will grow at a rate of 4.4% in 2011. While advanced economies are estimated to grow approximately 2.5%, developing economies are growing at a rate of 6.5%. The purchasing manager index has globally been above the 50-point index value indicating steady growth rates in manufacturing, albeit with some trend differences across economies. These factors in conjunction with strong metals prices imply a good metals demand for 2011.

Based on market institutes' estimates, demand for the most important metals is expected to grow by 4 to 7% annually. The greatest demand still comes from developing countries in which construction is strong and many industries are rapidly growing. The focus, and the construction, of additional capacity have shifted considerably over the past decade. The greatest growth potential lies not only in the emerging markets such as India, China and CIS, but particularly in countries which are rich in raw materials such as Brazil and Chile, or rich in energy resources such as the Middle East region, thereby catering to the growing demand of the emerging markets. In contrast, demand growth for metals in Europe, North America, Africa and Australia has been flat.

Several drivers can be seen in Outotec's customer industries, with the most significant involving sustainable technologies, companies focusing on their core capability areas, networking and emphasis on cooperation, strong growth in developing countries while the growth in developed countries is evening out. The progress of globalization as well as urbanization increases the need for metals but, at the same time, their production brings about further load on the environment.

Despite the capacity increases implemented over the last few years, metals production is not sufficient to satisfy the continuously growing demand. Companies in the mining and metals industries will need to increase their production and make it more efficient. Tightening efficiency and environmental requirements and the decreasing metal content of ore bodies continue to attract investments in plant modernization, optimization and increased automation. Rising energy prices are also driving the industry to improve processes in order to achieve lower unit costs.

In addition, there is a continuous need for modernizing and debottlenecking at mine sites and metals processing plants as well as for building more energy-efficient and sustainable plants. According to several mining and metals companies' announcements, their investments will increase in 2011 compared to 2010. Following the recession, many sales projects have been reactivated, but industry lead times are long, especially in large investments. Polarization of the global metals market is also seen when new planned investments in metals refining are moving closer to the end markets in emerging economies.

Non-ferrous Solutions

The activity in the non-ferrous technology market continues to strengthen. Primarily gold and copper projects are being developed. Investments in new mining production are progressing faster than investments in the downstream metals processing technologies. Competition continues to be tight for new projects. However, long-term fundamentals are strong as ore grades decline and more processing capacity and advanced technology solutions will be needed, both in concentrators and metals refining. Yet, environmental regulations grow tougher and the cost of energy and water is climbing; increasing the need for new and modern technological solutions. In 2010, Outotec's leading market position in providing complete solutions to the ore-to-metal value chain was further enhanced with its acquisitions of Larox, Ausmelt and Millteam which brought additional technologies and service capabilities to the company.

Ferrous Solutions

There are strong signs that the demand for raw materials used in steel making, iron ore and coking coal will continue at record levels. The demand for stainless steel raw materials shows strong growth and the activity in ferroalloy projects is continuously strengthening. Brazil, India and South Africa continue to rapidly develop their infrastructure and to utilize their large natural resource base. There are several steel plant expansions and new investments under development particularly in Brazil and India, catering mainly to the Chinese market where concentrates and pellets are in continuous demand. Outotec's sustainable solutions - both in ferroalloys as well as in iron ore sintering and pelletizing technologies – continue to be in strong demand because of their energy efficiency and environmental aspects. In the future, unconventional techniques, such as the direct reduction of iron ore, offer more and more opportunities to use lower grade raw material resources as well as optimized energy production and the reduction of CO_2 emissions.

Energy, Light Metals and Environmental Solutions

Rising oil prices and the depletion of oil reserves increases the demand for alternative energy sources, such as oil shale, oil sands, and biomass. The world's recoverable oil shale and oil sand resources are at least ten times greater than those of conventional oil reserves, with large deposits found in the US, Canada, Brazil, China, Jordan, Russia and Estonia. Outotec and Eesti Energia have jointly developed a new technology Enefit using Outotec's circulating fluidized bed core technology. This technology will be used in Eesti Energia's oil shale plant currently under construction in Narva, Estonia. The Enefit technology can be applied globally for processing oil shales and oil sands.

The demand for aluminum is also growing. Consequently, aluminum and thus bauxite and alumina projects are being revitalized, not only in China, and in regions which cater to the Chinese market, but also in locations where bauxite and/or in particular low-cost energy is available. Thus, the Middle East is leveraging its advantageous energy position by building new smelters and refining capacity.

The business area's environmental solutions include sulfuric acid plants as well as applications for gas cleaning and heat recovery systems. The outlook for the sulfuric acid market remains positive as sulfuric acid is needed in hydrometallurgical processes and is produced as a by-product in the pyrometallurgical processes including the minimization of environments impacts of the process. The sulfuric acid market is also driven by continuous need from the fertilizer industry. In addition to sulfuric acid plants, any metallurgical processes require off-gas cleaning and effluent and water treatment technologies to limit environmental impacts. Outotec's market position as a supplier of advanced sulfuric acid plants has been further strengthened by its acquisition of Edmeston.

New opportunities in environmental technologies, such as materials recycling and waste management as well as industrial waste water treatment are continuously increasing.

Services business

Outotec's Services business is driven by capacity utilization levels, modernizations, upgrades and new capital investment projects. Customer needs for spare parts, services and modernizations are increasing due to re-commissioning of production lines. Customers have various needs for services ranging from single spare parts to completely outsourced service agreements. This industry trend creates growth opportunities on many levels and supports the company's goal to be a life cycle partner for its customers. The acquired businesses will further bolster Outotec's service offering and capabilities globally.

FINANCIAL GUIDANCE FOR 2011

Based on a strong opening order backlog and active market, in 2011:

- order intake is expected to continue to grow,
- sales are expected to grow to approximately EUR 1.25-1.35 billion, and
- operating profit is expected to improve from 2010 and operating profit margin from business operations is expected to be approximately 8-9%.

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

Espoo, February 8, 2011

Outotec Oyj
Board of Directors

For further information, please contact:

Outotec Oyj

Pertti Korhonen, President and CEO
tel. +358 20 529 211

Mikko Puolakka, CFO
tel. +358 20 529 2002

Rita Uotila, Vice President - Investor Relations
tel. +358 20 529 2003, mobile +358 400 954141

Eila Paatela, Director - Corporate Communications
tel. +358 20 529 2004, mobile +358 400 817198

Format for e-mail addresses: firstname.lastname@outotec.com

CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Consolidated Statement of Comprehensive Income EUR million	Q4 2010	Q4 2009	Q1-Q4 2010	Q1-Q4 2009
Sales	**330.3**	219.8	**969.6**	877.7
Cost of sales	**-241.3**	-166.7	**-715.7**	-687.5
Gross profit	**88.9**	53.1	**253.9**	190.1
Other income	**1.0**	0.6	**7.1**	4.1
Selling and marketing expenses	**-23.3**	-16.4	**-85.0**	-56.5
Administrative expenses	**-23.4**	-14.7	**-75.1**	-54.6
Research and development expenses	**-7.8**	-4.6	**-28.5**	-20.5
Other expenses	**-7.2**	-4.5	**-30.6**	-3.9
Share of results of associated companies	**-0.1**	-0.1	**-0.3**	-0.2
Operating profit	**28.1**	13.3	**41.6**	58.6
Finance income and expenses				
Interest income and expenses	**-0.3**	1.0	**1.5**	5.2
Market price gains and losses	**-0.7**	-0.3	**-1.7**	0.6
Other finance income and expenses	**-2.1**	-0.8	**-4.4**	-3.5
Net finance income	**-3.1**	-0.1	**-4.5**	2.2
Profit before income taxes	**25.0**	13.3	**37.1**	60.9
Income tax expenses	**-6.7**	-4.3	**-10.4**	-18.6
Profit for the period	**18.3**	9.0	**26.7**	42.3
Other comprehensive income				
Exchange differences on translating foreign operations	**10.5**	4.4	**25.5**	19.5
Cash flow hedges	**0.1**	1.5	**0.9**	2.7
Income tax relating to cash flow hedges	**0.0**	-0.2	**-0.2**	-0.3
Available for sale financial assets	**0.1**	2.6	**0.3**	2.4
Income tax relating to available for sale financial assets	**0.0**	-0.0	**0.0**	-0.0
Other comprehensive income for the period	**10.6**	8.2	**26.5**	24.3
Total comprehensive income for the period	**29.0**	17.2	**53.1**	66.6
Profit for the period attributable to:				
Equity holders of the parent company	**18.3**	9.0	**26.7**	42.3
Non-controlling interest	**-**	-	**-**	-
Total comprehensive income for the period attributable to:				
Equity holders of the parent company	**29.0**	17.2	**53.1**	66.6
Non-controlling interest	**-**	-	**-**	**-**
Earnings per share for profit attributable to the equity holders of the parent company:				
Basic earnings per share. EUR	**0.40**	0.21	**0.59**	1.01
Diluted earnings per share. EUR	**0.40**	0.21	**0.59**	1.01

All figures in the tables have been rounded and consequently the sum of individual figures may deviate from the sum presented. Key figures have been calculated using exact figures.

Condensed Consolidated Statement of Financial Position EUR million	**December 31, 2010**	December 31, 2009
ASSETS		
Non-current assets		
Intangible assets	**223.8**	170.2
Property, plant and equipment	**52.7**	52.1
Non-current financial assets		
Interest-bearing	**2.5**	5.1
Non interest-bearing	**40.0**	37.2
Total non-current assets	**319.0**	264.6
Current assets		
Inventories *)	**101.0**	93.2
Current financial assets		
Interest-bearing	**0.5**	0.7
Non interest-bearing	**367.2**	292.7
Cash and cash equivalents	**280.3**	258.5
Total current assets	**748.9**	645.0
TOTAL ASSETS	**1,068.0**	909.6
EQUITY AND LIABILITIES		
Equity		
Equity attributable to the equity holders of the parent company	**356.7**	315.0
Non-controlling interest	**1.0**	27.4
Total equity	**357.7**	342.4
Non-current liabilities		
Interest-bearing	**56.6**	41.2
Non interest-bearing	**98.1**	98.2
Total non-current liabilities	**154.7**	139.4
Current liabilities		
Interest-bearing	**25.7**	32.0
Non interest-bearing		
Advances received **)	**198.7**	150.9
Other non interest-bearing liabilities	**331.1**	244.9
Total current liabilities	**555.5**	427.8
Total liabilities	**710.2**	567.2
TOTAL EQUITY AND LIABILITIES	**1,068.0**	909.6

*) Of which advances paid for inventories amounted to EUR 17.9 million at December 31, 2010 (December 31, 2009 EUR 17.0 million).
**) Gross advances received before percentage of completion revenue recognition amounted to EUR 1,042.1 million at December 31, 2010 (December 31, 2009 EUR 1,041.2 million).

Condensed Consolidated Statement of Cash Flows EUR million	**Q1-Q4** **2010**	Q1-Q4 2009
Cash flows from operating activities		
Profit for the period	**26.7**	42.3
Adjustments for		
Depreciation and amortization	**19.0**	12.1
Other adjustments	**28.1**	21.4
Decrease (+) / increase (-) in working capital	**41.0**	-75.0
Interest received	**5.2**	6.1
Interest paid	**-0.9**	-0.7
Income tax paid	**-31.6**	-34.9
Net cash from operating activities	**87.5**	-28.8
Purchases of assets	**-16.8**	-17.0
Acquisition of subsidiaries. net of cash	**-38.8**	-1.9
Acquisition of business operations	**-2.3**	-
Acquisition of shares in associated companies	**-0.2**	-10.4
Proceeds from disposal of subsidiaries	**0.8**	-
Proceeds from sale of assets	**5.2**	0.0
Change in other investing activities	**-**	-0.2
Net cash used in investing activities	**-52.1**	-29.5
Cash flow before financing activities	**35.3**	-58.3
Repayments of non-current debt	**-17.3**	-0.2
Borrowings of non-current debt	**30.0**	30.6
Decrease in current debt	**-17.7**	-
Increase in current debt	**11.4**	1.7
Purchase of treasury shares	**-**	-3.3
Related party net investment to Outotec Oyj shares *)	**-4.1**	-
Dividends paid	**-32.0**	-42.0
Change in other financing activities	**0.4**	-0.2
Net cash used in financing activities	**-29.4**	-13.4
Net change in cash and cash equivalents	**5.9**	-71.7
Cash and cash equivalents at the beginning of the period	**258.5**	317.8
Foreign exchange rate effect on cash and cash equivalents	**15.9**	12.5
Net change in cash and cash equivalents	**5.9**	-71.7
Cash and cash equivalents at the end of the period	**280.3**	258.5

*) Consolidation of Outotec Management Oy (incentive plan for Outotec executive board members). At the end of the reporting period, Outotec Management Oy held 191,211 Outotec shares which have been accounted as treasury shares in Outotec's consolidated statement of financial position.

Consolidated Statement of Changes in Equity

	Attributable to the equity holders of the parent company									
EUR million	Share capital	Share premium fund	Other reserves	Fair value reserves	Treasury shares	Reserve for invested non-restricted equity	Cumulative translation differences	Retained earnings	Non-controlling interest	Total equity
Equity at January 1, 2009	16.8	20.2	0.1	-3.7	-9.4	-	-16.0	218.5	-	226.4
Dividends paid	-	-	-	-	-	-	-	-42.0	-	-42.0
Share issue	-	-	-	-	-	63.4	-	-	-	63.4
Purchase of treasury shares	-	-	-	-	-3.3	-	-	-	-	-3.3
Treasury shares issued to key employees	-	-	-	-	8.1	-	-	-4.8	-	3.3
Share-based payments: value of received services	-	-	-	-	-	-	-	0.0	-	0.0
Total comprehensive income for the period	-	-	-	4.8	-	-	19.5	42.3	-	66.6
Non-controlling interest related to Larox Group acquisition	-	-	-	-	-	-	-	-	27.4	27.4
Other changes	-	-	0.2	-	-	-	-	0.4	-	0.6
Equity at December 31, 2009	16.8	20.2	0.3	1.1	-4.6	63.4	3.5	214.3	27.4	342.4
Equity at January 1, 2010	16.8	20.2	0.3	1.1	-4.6	63.4	3.5	214.3	27.4	342.4
Dividends paid	-	-	-	-	-	-	-	-32.0	-	-32.0
Share issue	0.4	-	-	-	-	24.3	-	-	-	24.7
Management incentive plan for Outotec Executive Board *)	-	-	-	-	-5.1	-	-	-	1.0	-4.1
Share-based payments: value of received services	-	-	-	-	-	-	-	0.7	-	0.7
Total comprehensive income for the period	-	-	-	1.0	-	-	25.5	26.7	-	53.1
Non-controlling interest related to Larox Group acquisition	-	-	-	-	-	-	-	-	-27.4	-27.4
Other changes	-	-	0.1	-	-	-	-	0.3	-	0.4
Equity at December 31, 2010	**17.2**	**20.2**	**0.4**	**2.1**	**-9.7**	**87.7**	**29.0**	**210.0**	**1.0**	**357.7**

*) Consolidation of Outotec Management Oy (incentive plan for Outotec executive board members). At the end of the reporting period, Outotec Management Oy held 191,211 Outotec shares which have been accounted as treasury shares in Outotec's consolidated statement of financial position.

Key figures	**Q4 2010**	Q4 2009	**Q1-Q4 2010**	Q1-Q4 2009
Sales, EUR million	**330.3**	219.8	**969.6**	877.7
Gross margin, %	**26.9**	24.1	**26.2**	21.7
Operating profit, EUR million	**28.1**	13.3	**41.6**	58.6
Operating profit margin, %	**8.5**	6.1	**4.3**	6.7
Profit before taxes, EUR million	**25.0**	13.3	**37.1**	60.9
Profit before taxes in relation to sales, %	**7.6**	6.0	**3.8**	6.9
Net cash from operating activities, EUR million	**-4.8**	-43.9	**87.5**	-28.8
Net interest-bearing debt at the end of period, EUR million	**-200.9**	-191.0	**-200.9**	-191.0
Gearing at the end of period, %	**-56.2**	-55.8	**-56.2**	-55.8
Equity-to-assets ratio at the end of period, %	**41.2**	45.1	**41.2**	45.1
Working capital at the end of period, EUR million	**-113.5**	-62.8	**-113.5**	-62.8
Capital expenditure, EUR million	**9.8**	84.8	**96.7**	98.0
Capital expenditure in relation to sales, %	**3.0**	38.6	**10.0**	11.2
Return on investment, %	**26.7**	18.0	**9.2**	20.9
Return on equity, %	**21.4**	12.4	**7.6**	14.9
Order backlog at the end of period, EUR million	**1,393.1**	867.4	**1,393.1**	867.4
Order intake, EUR million	**356.6**	110.5	**1,394.7**	557.1
Personnel, average for the period	**3,124**	2,744	**3,151**	2,612
Profit for the period in relation to sales, %	**5.6**	4.1	**2.8**	4.8
Research and development expenses, EUR million	**7.8**	4.6	**28.5**	20.5
Research and development expenses in relation to sales, %	**2.4**	2.1	**2.9**	2.3
Earnings per share, EUR	**0.40**	0.21	**0.59**	1.01
Equity per share, EUR	**7.87**	7.09	**7.87**	7.09
Dividend per share, EUR	**-**	-	**0.75***	0.70

*) Board of Directors proposal for dividend per share

NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME AND FINANCIAL POSITION

This financial statements review is prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting policies and methods have been applied in this financial statements review as in the recent annual financial statements and also the following revised standards have been applied which have been effective from the beginning of 2010. This financial statements review is unaudited.

Adoption of new and revised IFRS standards and IFRIC -interpretations

Outotec has applied the following revised standards since the beginning of 2010:

- IFRS 3 Business Combinations. The revised standard allows entity to measure non-controlling interest at fair value or at proportionate share of the underlying net assets. In business combinations achieved in stages, previously held equity interest shall be measured at fair value at acquisition date and the result of the fair valuation shall be recognized in profit or loss. Costs related to acquisition shall be expensed when incurred. The revised standard has been applied to the acquisition of Ausmelt Ltd, Millteam Sweden’s service business and Edmeston AB. The Ausmelt Ltd shares acquired in 2009 have been measured at fair value and the fair value change has been recognized in profit or loss. In addition, costs related to Ausmelt Ltd acquisition have been recognized in profit or loss when incurred.

- IAS 27 Consolidated and Separate Financial Statements. Accounting for changes in a parent’s ownership interest in a subsidiary depends on whether the change results in a loss or gain of control. Changes that do not result in a loss or gain of control are accounted for as equity transactions and when changes result in loss or gain of control transaction is recognized in profit or loss. The revised standard has been applied to the acquisition of Ausmelt Ltd, Millteam Sweden’s service business and Edmeston AB. The acquired Ausmelt Ltd shares were valued at fair value when Outotec reached the majority ownership and the result was recognized in profit or loss.

- IFRS Annual improvements

Outotec has also applied the following revised standards since the beginning of 2010, which are not expected to have an impact on Group's financial statements:

- IFRS 2 Group Cash-Settled Share-Based Payment Transactions (effective date for annual periods beginning on or after January 1, 2010)

- IAS 39 Financial Instruments: Recognition and Measurement: Eligible Hedged Items (effective date for annual periods beginning on or after July 1, 2009).

Outotec will estimate the impacts of the following standards and will apply the new standards from the financial period beginning January 1, 2011 onwards:

- IAS 24 Related Party Disclosures (effective date for annual periods beginning on or after January 1, 2011)

- IAS 32 Financial Instruments: Presentation: Classification of Rights Issues (effective date for annual periods beginning on or after February 1, 2010)

- IFRIC 14 – Prepayments of a Minimum Funding Requirement (effective date for annual periods beginning on or after January 1, 2011)

- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective date for annual periods beginning on or after July 1, 2010).

New Operational Model and Changes in the Operating Segments

Reflecting the new operational model announced in February 2010, Outotec's business structure has changed. Financial reporting according to the new structure began on April 1, 2010. The new reportable operating segments according to IFRS 8 are Non-ferrous Solutions, Ferrous Solutions, and Energy, Light Metals and Environmental Solutions. For more information regarding new operating segments, please see the Financial Statements Review January-December 2010 section "New Operational Model and Reporting Segments"

Outotec published the 2009 comparison figures related to change in operating segments in a stock exchange release on June 30, 2010.

Use of estimates

IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Accounting estimates are employed in the financial statements to determine reported amounts, including the realizability of certain assets, the useful lives of tangible and intangible assets, income taxes, provisions, pension obligations, impairment of goodwill. These estimates are based on management's best knowledge of current events and actions; however, it is possible that the actual results may differ from the estimates used in the financial statements.

Major Non-Recurring Items in Operating Profit EUR million	**Q1-Q4** **2010**	Q1-Q4 2009
One-time costs related restructuring	**-26.5**	-
Net effect from acquisition costs and revaluation of Ausmelt Ltd. shares	**2.2**	-
Impairment loss from Pacific Ore Ltd's shares	**-**	-2.5
Arbitration settlement	**-**	2.4

Income Tax Expenses EUR million	**Q1-Q4** **2010**	Q1-Q4 2009
Current taxes	**-30.9**	-13.7
Deferred taxes	**20.5**	-4.9
Total income tax expenses	**-10.4**	-18.6

Property. Plant and Equipment EUR million	**December 31,** **2010**	December 31, 2009
Historical cost at the beginning of the period	**117.8**	87.6
Translation differences	**4.5**	3.3
Additions	**10.7**	14.9
Disposals	**-3.6**	-0.9
Acquired subsidiaries	**1.6**	12.9
Reclassifications	**-2.0**	-0.0
Historical cost at the end of the period	**128.9**	117.8
Accumulated depreciation and impairment at the beginning of the period	**-65.7**	-58.1
Translation differences	**-2.6**	-1.8
Disposals	**2.2**	1.0
Reclassifications	**1.9**	0.2
Impairment during the period	**-2.4**	-
Depreciation during the period	**-9.6**	-7.0
Accumulated depreciation and impairment at the end of the period	**-76.2**	-65.7
Carrying value at the end of the period	**52.7**	52.1

Commitments and Contingent Liabilities EUR million	**December 31,** **2010**	December 31, 2009
Pledges and mortgages	**0.6**	33.4
Guarantees for commercial commitments	**184.7**	218.2
Minimum future lease payments on operating leases	**70.5**	64.4

The pledges and mortgages are used to secure credit facilities in Outotec (Shanghai) Co. Ltd and in Outotec India Private Limited. The above value of commercial guarantees does not include advance payment guarantees issued by the parent or other group companies. The total amount of guarantees for financing issued by group companies amounted to EUR 36.5 million at December 31, 2010 (December 31, 2009: EUR 47.1 million) and for commercial guarantees including advance payment guarantees EUR 308.1 million at December 31, 2010 (December 31, 2009: EUR 321.3 million).

Derivative Instruments		
Currency Forwards EUR million	**December 31, 2010**	December 31, 2009
Fair values, net	**-1.3 *)**	-1.9**)
Nominal values	**444.4**	319.3

*) of which EUR 0.0 million designated as cash flow hedges.
**) of which EUR 1.4 million designated as cash flow hedges

Related Party Transactions

Balances with Key Management

Outotec's board of directors granted to Outotec Management Oy an interest-bearing loan at the maximum amount of EUR 5.0 million to finance the acquisition of the Outotec shares. The amount of the outstanding loan was EUR 4.1 million at December 31, 2010.

Transactions and Balances with Associated Companies EUR million	**Q1-Q4 2010**	Q1-Q4 2009
Sales	**0.1**	0.1
Purchases	**-0.7**	-
Trade and other receivables	**0.4**	0.1
Current liabilities	**0.2**	0.4
Loan receivables	**0.2**	-

Business Combinations

Acquisition of Larox Group

Outotec completed the acquisition of control in Larox through directed share issue on December 21, 2009 and made a mandatory public tender offer for the remaining Larox shares. On January 27, 2010 Outotec announced the final result of the tender offer, according to which the Larox shares in Outotec ownership represented approximately 98.5% of all the Larox shares and approximately 99.7% of all the votes attached to the Larox shares. On June 10, 2010 the Arbitral Tribunal confirmed that Outotec has gained title to all the Larox shares by lodging security for the payment of the redemption price and the interest accruing thereon. The redemption price and accrued interest was paid during the third quarter 2010.

The total purchase price of Larox shares was EUR 94.5 million including capitalized transaction costs of EUR 4.1 million. Most of the consideration for the Larox shares purchased was paid in the form of 3,780,373 new Outotec shares, which totaled to EUR 88.1 million.

The following purchase price allocation was finalized during the fourth quarter of 2010. The purchase price has been allocated to intangible assets such as technologies, trademarks and customer relationships. The goodwill is mainly based on experienced personnel of Larox and on the synergy benefits that has been estimated to be at least EUR 7 million annually. Synergy benefits come partly from combining Larox and Outotec sales and service networks and partly from Larox's better growth opportunities as a part of Outotec. During the fourth quarter of 2010, fair value of intangible assets and other receivables were updated. These adjustments were minor and they did not have any effect on profit or loss.

EUR million	Fair values recorded on acquisition	Carrying amounts prior to acquisition
Intangible assets	**41.2**	17.4
Property. plant and equipment	**11.9**	12.9
Inventories	**26.3**	22.8
Trade and other receivables	**40.7**	39.0
Cash and cash equivalents	**1.5**	1.5
Total assets	**121.8**	93.8
Interest-bearing liabilities	**34.6**	34.6
Deferred tax liabilities	**12.0**	1.7
Trade and other payables	**32.0**	32.0
Total liabilities	**78.6**	68.3
Net assets	**43.2**	25.5
Acquisition cost (equity)	**88.1**	
Acquisition cost (cash)	**6.5**	
Goodwill	**51.3**	
Cash and cash equivalents in subsidiaries acquired	**1.5**	
Acquisition cost paid in cash at December 31, 2010	**4.4**	
Acquisition cost paid at December 31, 2009	**2.0**	
Cash flow effect at December 31, 2010	**4.4**	

Effect of Larox acquisition on Outotec Group's sales and profit for the period in 2009

Outotec's sales for January 1, 2009- December 31, 2009 would have been EUR 1,027.9 million and profit for the period EUR 31.8 million if the acquisition carried out during the period had been completed on January 1, 2009

Acquisition of Ausmelt Limited

On March 23, 2010 Outotec successfully completed the acquisition of the Australian-listed company Ausmelt Ltd and now owns 100% of all the company's shares and votes. The acquisition price of the shares was approximately AUD 49 million (approximately EUR 30 million). Due to IFRS 3 requirements, all shares of Ausmelt Ltd were valued at fair value when Outotec reached the majority ownership which increased the value of the shares of Ausmelt Ltd by approximately EUR 3.3 million. In addition, transaction costs of EUR 1.1 million were recognized under Other Expenses in the Statement of Comprehensive Income.

Ausmelt's principal activities are the development, design, engineering and supply of Top Submerged Lance (TSL) smelting technology for the production of metals and processing of industrial wastes. Ausmelt's TSL technology complements Outotec's smelting technology portfolio. Outotec currently has flash smelting technology for copper and nickel primary smelting in large scale plants, whereas Ausmelt's TSL technology is suitable for small to mid-size plants as well as a variety of other feed materials, such as ferrous metals, zinc, lead and tin concentrates, zinc bearing residues, and various secondary and waste materials. An additional benefit of the technology is that it allows for the recovery of valuable metals from by-products.

The sales of the acquired company in the reporting period from date of acquisition to December 31, 2010 was EUR 11.1 million and profit for the period EUR -0.1 million.

The following purchase price allocation was finalized during the fourth quarter of 2010. The purchase price has been allocated to intangible assets (technology, order backlog, customer relations) and property, plant and equipment. The goodwill is mainly based on Ausmelt's experienced personnel and the synergy benefits that are expected to come from Ausmelt's better growth opportunities as a part of Outotec as it benefits from Outotec's global sales network. During the fourth quarter of 2010, there were only minor adjustments to fair values of intangible assets and property, plant and equipment compared to purchase price allocation presented in the interim report for January - September 2010. These adjustments did not have any effect on profit or loss.

EUR million	Fair values recorded on acquisition	Carrying amounts prior to acquisition
Intangible assets	**10.1**	0.5
Property, plant and equipment	**1.2**	0.2
Inventories	**0.6**	0.6
Trade and other receivables	**2.5**	2.5
Cash and cash equivalents	**4.4**	4.4
Total assets	**18.7**	8.2
Deferred tax liabilities	**3.1**	-
Trade and other payables	**8.3**	8.3
Total liabilities	**11.4**	8.3
Net assets	**7.3**	-0.1
Acquisition cost	**36.6**	
IFRS fair valuation of shares	**3.3**	
Translation differences	**-0.4**	
Goodwill	**32.3**	
Cash and cash equivalents in subsidiaries acquired	**4.4**	
Acquisition cost paid in cash at December 31, 2010	**26.2**	
Acquisition cost paid in cash at December 31, 2009	**10.4**	
Exchange differences	**-2.2**	
Cash flow effect at December 31, 2010	**19.6**	

Other acquired businesses

Outotec completed acquisition of Millteam Sweden's service business on March 18, 2010.

Outotec has strengthened its service business with its acquisition of Millteam Sweden's businesses. Millteam offers maintenance services, complete installations, installation supervision, maintenance inspections and service of equipment for mining companies and has special expertise in grinding mill service. The annual sales volume of the Millteam business is approximately EUR 4 million and it employs 35 persons. The Millteam acquisition supports Outotec's strategy to expand and enhance its service business. With its new service center in Sweden, Outotec can provide better life cycle services to customers in Europe and the CIS region.

Outotec complemented its sulfuric acid production technologies with the acquisition of Edmeston AB shares on May 17, 2010.

Edmeston AB is a Swedish, Gothenburg-based company specializing in engineering and supply of process equipment used primarily in sulfuric acid plants. Edmeston has unique know-how of special stainless steel grades suitable for use in highly corrosive environment. Edmeston's annual revenues are approximately EUR 10 million, and it employs around a dozen professionals. The acquisition of Edmeston strengthens Outotec's position as the leading provider of sulfuric acid production technology. Edmeston complements Outotec's offerings to sulfuric acid plant operators allowing Outotec to enhance its service level particularly in equipment refurbishments and upgrades.

The sales of the acquired businesses in the reporting period from date of acquisitions to December 31, 2010 were EUR 11.4 million and profit for the period EUR 1.4 million.

The acquisition price of Millteam Sweden service business and Edmeston AB was approximately SEK 170 million (approximately EUR 19 million). Transaction costs of EUR 0.3 million have been recognized under Administrative Expenses in the Statement of Comprehensive Income.

The following purchase price allocation is combined and it was finalized during the fourth quarter of 2010. The purchase price has been allocated to intangible assets such as technologies, trademarks and customer relationships. In addition, property, plant and equipment have been adjusted to fair value. The goodwill is primarily based on the companies' experienced personnel and the synergy benefits that are expected to come from better growth opportunities as a part of Outotec.

EUR million	Fair values recorded on acquisition	Carrying amounts prior to acquisition
Intangible assets	**5.4**	-
Property, plant and equipment	**0.4**	0.1
Inventories	**3.1**	3.1
Trade and other receivables	**0.3**	0.3
Cash and cash equivalents	**0.9**	0.9
Total assets	**10.1**	4.4
Deferred tax liabilities	**1.3**	-
Trade and other payables	**2.2**	2.2
Total liabilities	**3.5**	2.2
Net assets	**6.6**	2.3
Acquisition cost	**19.1**	
Translation differences	**-0.6**	
Goodwill *)	**11.9**	
Cash and cash equivalents in subsidiaries acquired	**0.9**	
Acquisition cost paid in cash at December 31, 2010	**19.1**	
Exchange differences	**-1.1**	
Cash flow effect at December 31, 2010	**17.1**	

*) of which EUR 0.8 million is deductible for tax purposes.

Effect of acquired business combinations on Outotec Group's sales and profit for the period in 2010

Outotec's sales for January 1, 2010- December 31, 2010 would have been EUR 974.6 million and profit for the period EUR 27.7 million if the acquisition of Millteam business operations and Edmeston AB would have been completed on January 1, 2010. Larox Group and Ausmelt have been consolidated into Outotec Group from the beginning of 2010.

Segments' Sales and Operating Profit by Quarters EUR million	Q1/09	Q2/09	Q3/09	**Q4/09**	Q1/10	Q2/10	Q3/10	**Q4/10**
Sales								
Non-ferrous Solutions	129.9	132.2	104.6	**115.9**	113.5	141.3	144.6	**223.9**
Ferrous Solutions	27.7	34.2	34.9	**49.9**	20.0	32.9	35.5	**43.2**
Energy, Light Metals and Environmental Solutions	76.8	74.3	51.3	**56.3**	54.6	52.6	50.3	**65.3**
Unallocated items *) and intra-group sales	-2.7	-3.1	-2.2	**-2.3**	-1.0	-3.0	-1.8	**-2.2**
Total	231.6	237.6	188.7	**219.8**	187.0	223.8	228.5	**330.3**
Operating profit								
Non-ferrous Solutions	10.5	7.3	9.4	**7.9**	-15.4	4.8	13.5	**23.2**
Ferrous Solutions	1.6	0.2	2.6	**5.1**	-2.5	1.4	4.2	**8.2**
Energy, Light Metals and Environmental Solutions	7.0	9.2	4.6	**6.8**	10.0	1.9	3.5	**11.4**
Unallocated **) and intra-group items	-2.7	-2.7	-1.5	**-6.5**	-2.2	-2.6	-3.1	**-14.7**
Total	16.3	13.9	15.1	**13.3**	-10.1	5.5	18.1	**28.1**

*) Unallocated items primarily include invoicing of group management and administrative services.
**) Unallocated items primarily include group management and administrative services.

FINANCIAL REPORTING SCHEDULE IN 2011

Outotec will publish the following financial reports in 2011:

- Interim Report for January - March 2011, Friday, April 29;
- Interim Report for January - June 2011, Friday, July 29; and
- Interim Report for January - September 2011, Thursday, October 27.

ANNUAL GENERAL MEETING 2011

The Annual General Meeting is scheduled for March 22, 2011 in Espoo, Finland. Outotec's Annual Report 2010 will be published in Week 8. More information regarding the AGM as well as Annual Report 2010 in PDF and HTML formats are available at www.outotec.com.

Definitions for Key Financial Figures

Net interest-bearing debt	=	Interest-bearing debt - interest-bearing assets	
Gearing	=	Net interest-bearing debt / Total equity	× 100
Equity-to-assets ratio	=	Total equity / Total assets - advances received	× 100
Return on investment	=	Operating profit + finance income / Total assets - non interest-bearing debt (average for the period)	× 100
Return on equity	=	Profit for the period / Total equity (average for the period)	× 100
Research and development expenses	=	Research and development expenses in the statement of comprehensive income (including expenses covered by grants received)	
Earnings per share	=	Profit for the period attributable to the equity holders of the parent company / Average number of shares during the period, as adjusted for stock split	
Dividend per share	=	Dividend for the financial year / Number of shares at the end of the period, as adjusted for stock split	