Interim Report January – June 2010

Pertti Korhonen

President and CEO, Outotec Oyj

August 5, 2010

Outotec

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New reporting segments as of April 1, 2010

Non-ferrous Solutions

- for the processing of copper, nickel, zinc, lead, gold, silver and platinum group metals in the entire value chain from ore to metal

Ferrous Solutions

- for the processing of iron ores and other ferriferous materials to produce concentrates, pellets, sinter, DRI/HBI, ferroalloys and titanium feedstock

Energy, Light Metals and Environmental Solutions

- for sulfuric acid production, off-gas handling, alumina refining, roasting, calcining, biomass processing, oil shale & oil sands processing and industrial water treatment

Services business is included in the figures of the three reporting segments, but its sales volume is also reported separately.

Changes in Executive Board

- **Pertti Korhonen**, President and CEO, Chairman of the EB
- **Vesa-Pekka Takala**, Chief Financial Officer until July 31, 2010
- **Jari Rosendal**, Non-ferrous Solutions business area
- **Pekka Erkkilä**, Ferrous Solutions business area as of April 12, 2010
- **Peter Weber**, Energy, Light Metals and Environmental Solutions business area
- **Kalle Härkki**, Services business area
- **Martti Haario**, Market Operations
- **Tapio Niskanen**, Business Infrastructure
- **Ari Jokilaakso**, Human Capital
- **Mika Saariaho**, Strategy as of August 1, 2010
- **Michael Frei**, Supply as of September 1, 2010

Financial information Q1–Q2/2010

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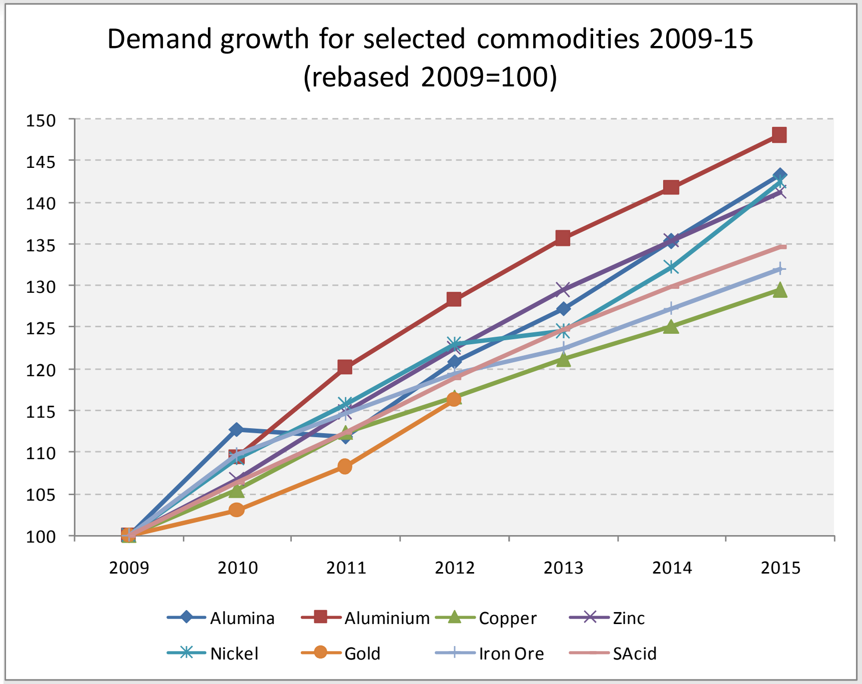
Operating environment

Overall market conditions improved

- The mining and metals industry showed signs of recovery supported by the positive long-term outlook for metals demand in the emerging economies.
- Metals demand continued to grow and inventory levels declined.
- Following the recession, companies had an accumulated need to invest in their existing operations and investment plans were revitalized.
- As the production utilization rates increase, the need for various services grows.

Competitive situation

- Outotec was able to defend its gross margins thanks to its technological leadership and asset light operating model.

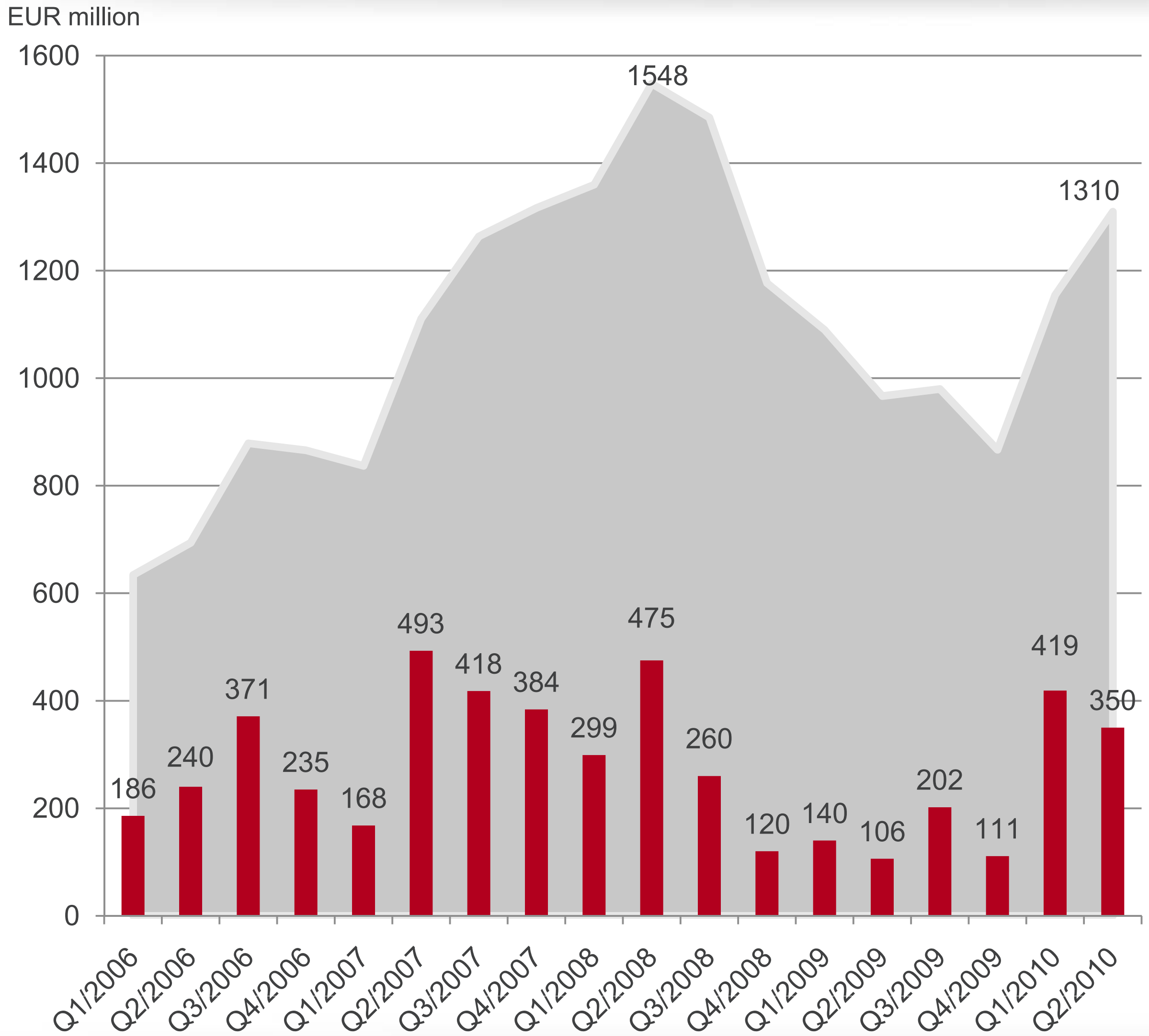


DEMAND	CAGR% 09-15	Increase pa, Kt	2009 production, Mt
Alumina, SGA	6.2 %	5 203	73.2
Aluminium	6.8 %	2 818	37
Copper	4.4 %	850	18.3
Zinc	5.9 %	701	11.2
Nickel	6.1 %	92	1.3
Gold (09-12)*	5.2 %	135	2550
Iron ore	4.7 %	110	2170
Sulfuric acid	5.1 %	10 799	187

*gold in tons

Sources: Brook Hunt, RBS, CRU

Strong order intake and backlog development



- Order intake was 214% higher in Q1-Q2/2010 and 231% higher in Q2/2010 than in the 2009 comparison period
- Order backlog was EUR 1,310 million, 36% higher compared to June 30,2009 and 51% higher than on Dec 31, 2009
- Roughly 40% (EUR 530 million) of the backlog is estimated to be delivered in 2010 and the rest in 2011 and beyond

Largest orders received

- Order intake EUR 769.1 million (Q1–Q2/2009: EUR 245.1 million)
- 1/3 of the total came from South America, ¼ from South Africa

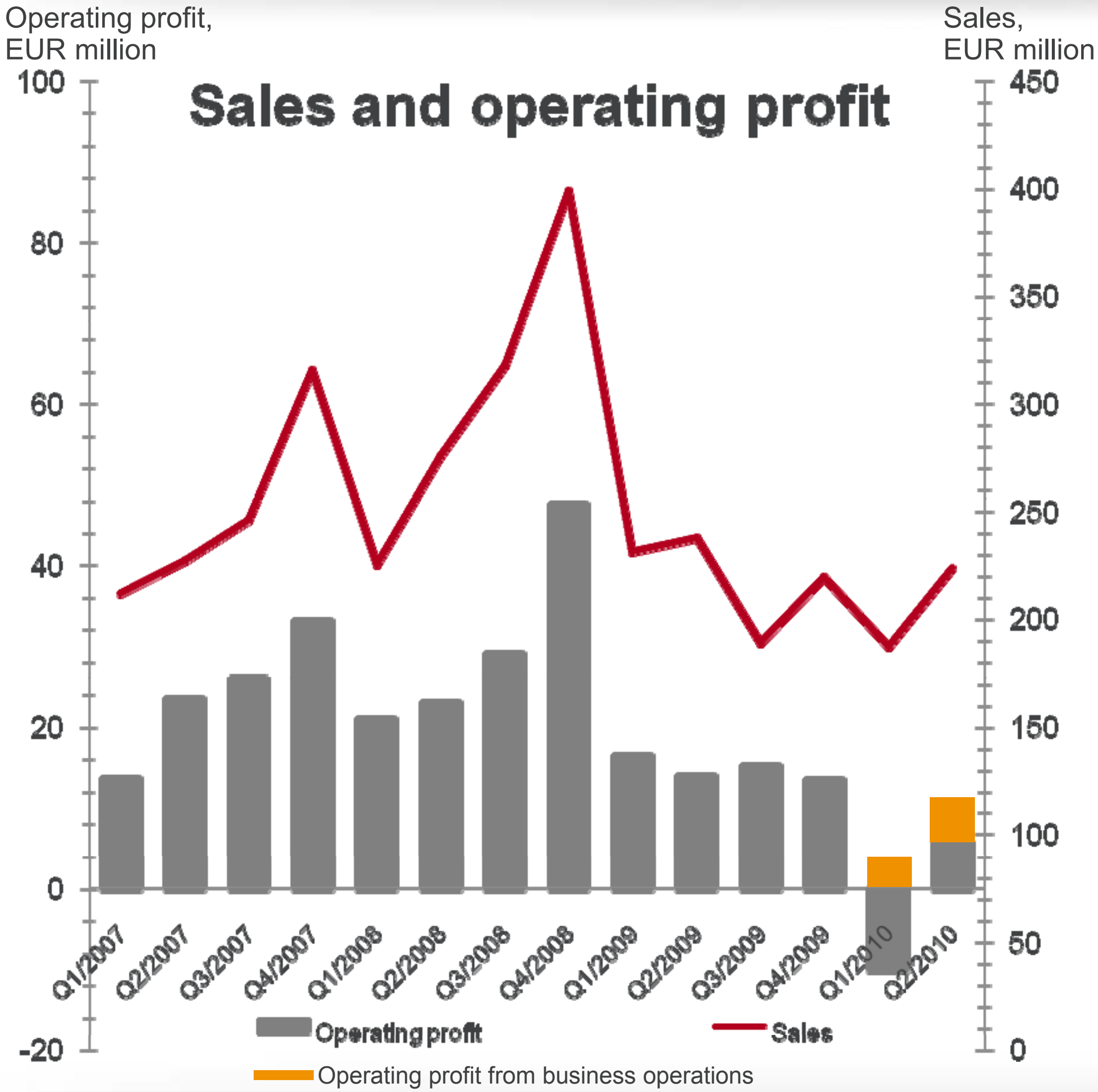
Gross margin improved in Q1-Q2

EUR million	Q1-Q2 2010	Q1-Q2 2009	Change	Last 12 months	2009
Order intake	**769.1**	245.1	214%	1,081.1	557.1
Sales	**410.8**	469.2	-12%	819.3	877.7
Gross margin, %	**25.0**	19.3	30%	24.6	21.7
Operating profit from operations	**14.9**		-51%		
-one-time restructuring cost	**-16.1**				
- PPA amortization	**-5.6**				
+ revaluation of Ausmelt shares	**+2.2**				
Reported operating profit	**-4.6**	30.2	-115%	23.8	58.6
Operating profit margin, %					
- from operations	**3.6**		-44%		
- reported	**-1.1**	6.4	-118%	2.9	6.7

High order intake and gross margin in Q2

EUR million	**Q2 2010**	Q2 2009	Change
Order intake	**349.7**	105.8	231%
Sales	**223.8**	237.6	-6%
Gross margin, %	**25.5**	18.3	39%
Operating profit from operations -one-time restructuring cost - PPA amortization + revaluation of Ausmelt shares Reported operating profit	**11.3** **-3.7** **-2.2** **-** **5.5**	 13.9	-19% -61%
Operating profit margin, % - from operations - reported	 **5.1** **2.4**	 5.9	 -13% -58%

Profitability improved in Q2



- Operating profit from business operations in Q1-Q2/2010 was EUR 14.9 million (3.6% of sales)
- One-time costs relating to the savings program were EUR 16.1 million, which reduced the operating profit
- Operating profit in Q2 was EUR 5.5 million and clearly improved from the previous quarter (Q1/2010: EUR -10.1 million)

Non-ferrous Solutions

- Sales picked up in Q2 due to increased order intake and acquired businesses
- Operating profit from business operations was positive EUR 5.9 million, but restructuring of the businesses and PPA amortizations turned the reported operating profit negative
- Purchase price allocation amortizations related to acquisitions reduced the operating profit by EUR 5.5 million

EUR million	**Q2 2010**	Q2 2009	**Q1-Q2 2010**	Q1-Q2 2009	Change	2009
Sales	**141.3**	132.2	**254.8**	262.1	-3%	482.6
Operating profit from operations	**10.0**	7.3	**5.9**	17.7	-67%	35.1
Reported operating profit	**4.8**	7.3	**-10.6**	17.7	-160%	35.1
Operating profit margin from operations, %	**7.1**	5.5	**2.3**	6.8	-66%	7.3
Reported operating profit margin, %	**3.4**	5.5	**-4.2**	6.8	-162%	7.3

Ferrous Solutions

- Fewer projects were in delivery phase, which resulted in lower sales in the beginning of the year
- Operating profit from business operations was slightly positive, but higher marketing and selling costs and one-time items related to the savings program reduced the operating profit

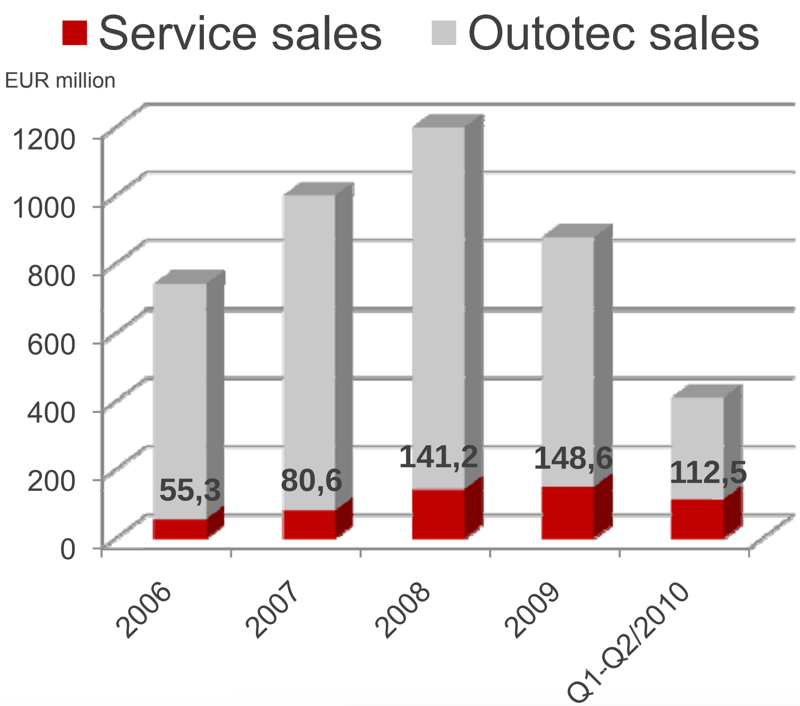
EUR million	**Q2 2010**	Q2 2009	**Q1-Q2 2010**	Q1-Q2 2009	Change	2009
Sales	**32.9**	34.2	**52.9**	61.9	-15%	146.7
Operating profit from operations	**2.4**	0.2	**0.1**	1.8	-94%	9.5
Reported operating profit	**1.4**	0.2	**-1.1**	1.8	-162%	9.5
Operating profit margin from operations, %	**7.2**	0.5	**0.2**	2.8	-93%	6.4
Reported operating profit margin, %	**4.3**	0.5	**-2.1**	2.8	-175%	6.4

Energy, Light Metals and Environmental Solutions

- Sales reduced due to low order intake in 2009 and thereby fewer projects were in delivery phase in Q2/2010
- Operating profit from business operations was good at EUR 13 million
- High operating profit margin, 11.1%, which increased from the comparison period

EUR million	**Q2 2010**	Q2 2009	**Q1-Q2 2010**	Q1-Q2 2009	Change	2009
Sales	**52.6**	74.3	**107.2**	151.1	-29%	258.7
Operating profit from operations	**2.7**	9.2	**13.0**	16.2	-20%	27.6
Reported operating profit	**1.9**	9.2	**11.9**	16.2	-27%	27.6
Operating profit margin from operations, %	**5.1**	12.4	**12.1**	10.7	13%	10.7
Reported operating profit margin, %	**3.5**	12.4	**11.1**	10.7	4%	10.7

Services



- Sales of the Services increased by 53% to EUR 112.5 million (Q1-Q2/2009: EUR 73.4) million). The growth came from acquired businesses.
- Services represent 27% (Q1-Q2/2009: 16%) of Outotec's sales.
- Supported by the acquisitions of Larox and Millteam, Outotec remains on track in terms of achieving its service business sales target of EUR 250-300 million by the end of 2010.

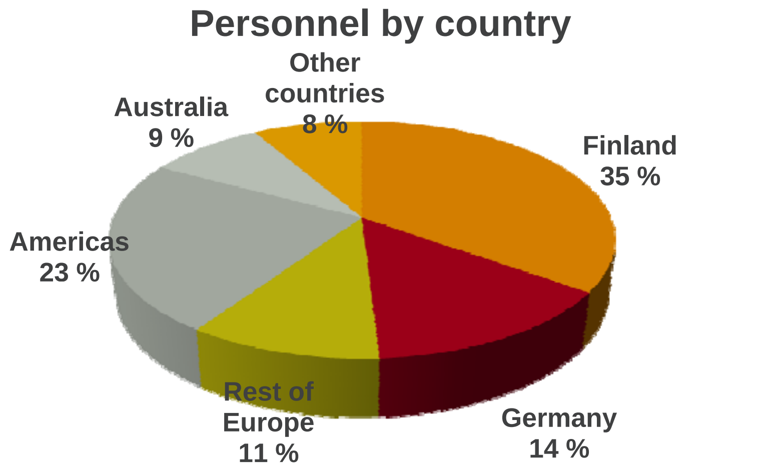
Capital structure

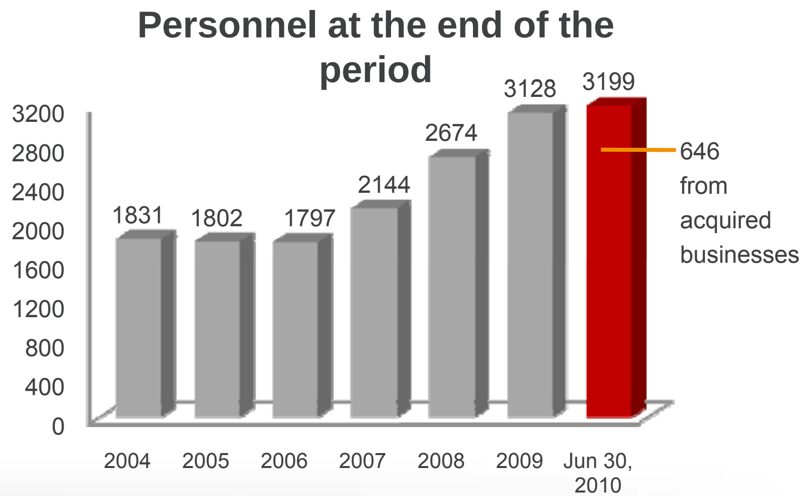
EUR million	**Q2 2010**	Q2 2009	**Q1-Q2 2010**	Q1-Q2 2009	2009
Net cash from operating activities	**34.6**	23.4	**42.0**	12.6	-28.8
Net interest-bearing debt*)	**-166.8**	-278.3	**-166.8**	-278.3	-191.0
Equity*)	**322.2**	219.0	**322.2**	219.0	342.4
Equity-to assets ratio, %*)	**42.9**	40.2	**42.9**	40.2	45.1
Gearing, %*)	**-51.8**	-127.1	**-51.8**	-127.1	-55.8
Working capital*)	**-107.8**	-150.7	**-107.8**	-150.7	-62.8
ROI, %	**5.6**	30.8	**-2.9**	30.9	20.9
ROE, %	**5.1**	17.9	**-2.0**	19.6	14.9
Earnings per share, EUR	**0.09**	0.22	**-0.07**	0.53	1.01

**) At the end of the period*

Personnel

- 3,199 employees (June 30, 2009: 2,549), an increase of 650 individuals of which 646 came from acquisitions
- Temporary personnel accounted for 8% of the total number of employees.
- Additionally some 250 FTE contracted people in projects (March 31, 2010: 230 FTE)
- Employee negotiations in Finland; 84 employees were made redundant in April, total personnel reduction globally forecasted to be 170 during 2010





Events after the reporting period

- In August, Outotec announced a contract with RB Met Engineering (Pty) Ltd and Xstrata Merafe PSV on the delivery of chromite sintering technology to Xstrata Merafe's ferrochrome plant located in Rustenburg in South Africa. The contract value is approximately EUR 17 million. The order is included in Outotec's 2010 second quarter order intake and backlog.

Strategy in action

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Actions in 2010

Jan	Feb	March	March	March	April	May	June
LAROX Outotec owns 98.5% of Larox Squeeze out process begins	Cost savings program, new operational model and personnel negotiating	MILLTEAM Strengthening service business	AUSMELT Acquisition completed	Outotec concluded personnel reductions in Finland	New operational model launched	EDMESTON Acquisition completed	Outotec gained title to all the shares in Larox and started integration

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Seek sustainable growth
- New technology
- Cross selling
- Geographical expansion
- Increase after-sales services
- Selected acquisitions

Maintain and improve profitability
- Procurement and outsourcing
- Optimize cost-efficiency
- Increase value-added component

Proprietary technologies and own R&D

Sustainable technology | **Pro customer** | **Share and care** | **Lead in life and work**

Actions and status of 2010 strategic priorities

Objective	Actions	Status
Win new orders	• Order intake in H1/2010 grew over 200% from 2009	
Keep on delivering	• Deliveries from the backlog are lagging behind in some areas	
Implement the new operational model	• New organization launched in April • Start to operate according to the new model • Develop common processes and tools	
Integrate acquired businesses	• Integration plans in place • Implementation of the plans	
Achieve EUR 25 million cost savings	• EUR 4.6 million saved in H1/2010 and on track to meet EUR 25 million annualized savings	
Grow the Services business to EUR 250-300 million	• On track to meet the target	

Cost savings program

- EUR 25 million annualized savings in operational fixed costs, comprising also the fixes costs of sales, compared to Q4/2009 level with full effect in 2011
  - Organizational restructuring
  - Synergy benefits from recent acquisitions
  - Personnel reductions
  - Development of the purchasing function
- In Q1-Q2/2010, one-time costs were EUR 16.1 million, which will lead to EUR 10 million sustainable annualized cost savings
  - Fixed asset write-offs
  - Provisions related to personnel reductions mainly in Finland
- Realized savings in Q1-Q2/2010 were EUR 4.6 million

Priorities for 2010

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

Market outlook and financial guidance

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Market outlook for 2010

Markets

- The overall market sentiment is supported by growing metals demand in the emerging economies. Metals demand outside China also shows signs of recovery.
- In addition, there is a continuous need for modernizing and debottlenecking at mine sites and metals processing plants as well as for building energy-efficient and sustainable plants.
- Following the recession, there are many active sales projects, but industry lead times tend to be long, especially in large investments.

Market outlook for 2010

Markets by business area

Non-ferrous Solutions

- The activity is picking up. Especially, gold, copper and zinc projects are becoming active.

Ferrous Solutions

- There are strong signs that the demand for seaborne raw materials for 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 picking up.

Energy, Light Metals and Environmental Solutions

- The demand for aluminum is growing and, consequently, alumina and bauxite projects are revitalizing.
- Based on the continuous need for metals, and thus the processing of concentrates, the outlook for the sulfuric acid market remains positive.
- New opportunities in energy and environmental technologies are continuously increasing.

Services

- As the production capacity utilization rates increase, the need for various services, such as spares, maintenance, modernizations, upgrades, and new capital investment projects increase.

Financial guidance for 2010

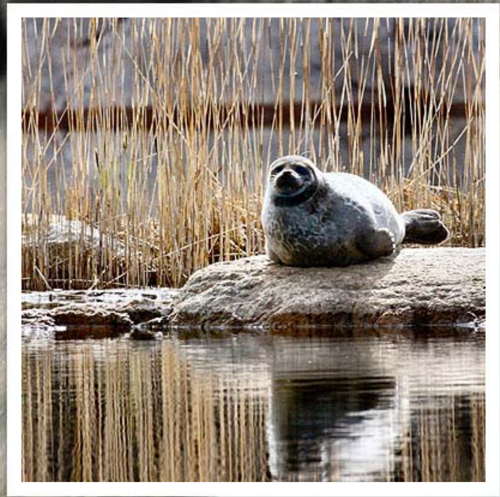
Outotec

Based on the order intake in the reporting period, management expects that in 2010:

- order intake will be significantly higher compared to 2009
- sales will grow to approximately EUR 1 billion due to 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. One-time costs related to the integration of the acquired businesses are estimated to be recorded in the financial results of the third quarter.

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


Q & A

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