



Interim Report January — September 2010

Pertti Korhonen

President and CEO, Outotec Oyj

October 22, 2010

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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
- **Mikko Puolakka**, Chief Financial Officer as of December 1, 2010
- **Jari Rosendal**, Non-ferrous Solutions
- **Pekka Erkkilä**, Ferrous Solutions
- **Peter Weber**, Energy, Light Metals and Environmental Solutions
- **Kalle Härkki**, Services business
- **Martti Haario**, Market Operations
- **Michael Frei**, Supply
- **Ari Jokilaakso**, Human Capital
- **Tapio Niskanen**, Business Infrastructure
- **Mika Saariaho**, Strategy



Financial information Q1-Q3/2010

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Operating environment

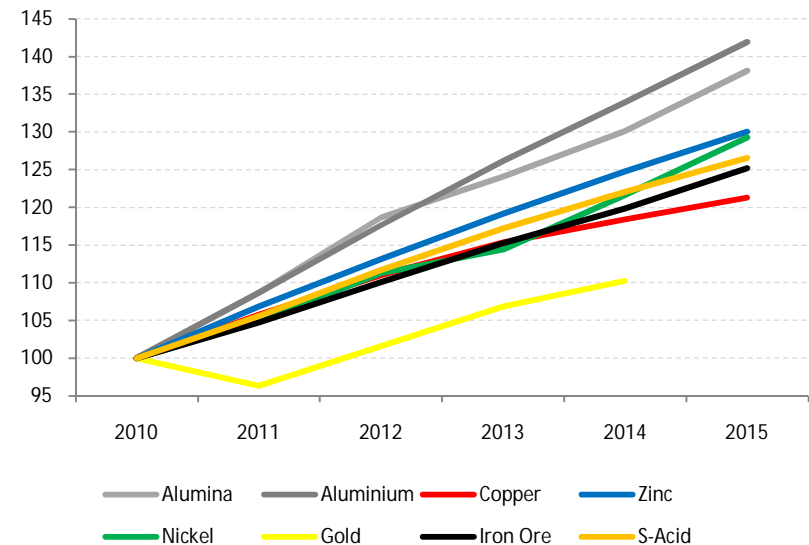
Overall market conditions strengthened further

- Positive long-term outlook for metals demand in the emerging economies supports mining and metals industry.
- Metals demand continued to grow and inventory levels declined.
- 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.
- The customer negotiation activity was especially strong in iron, copper and gold projects.
- The mining and metals industry is benefiting from strong metals prices.

Competitive situation

- Outotec was able to win new orders with normal gross margins and customary payment terms.

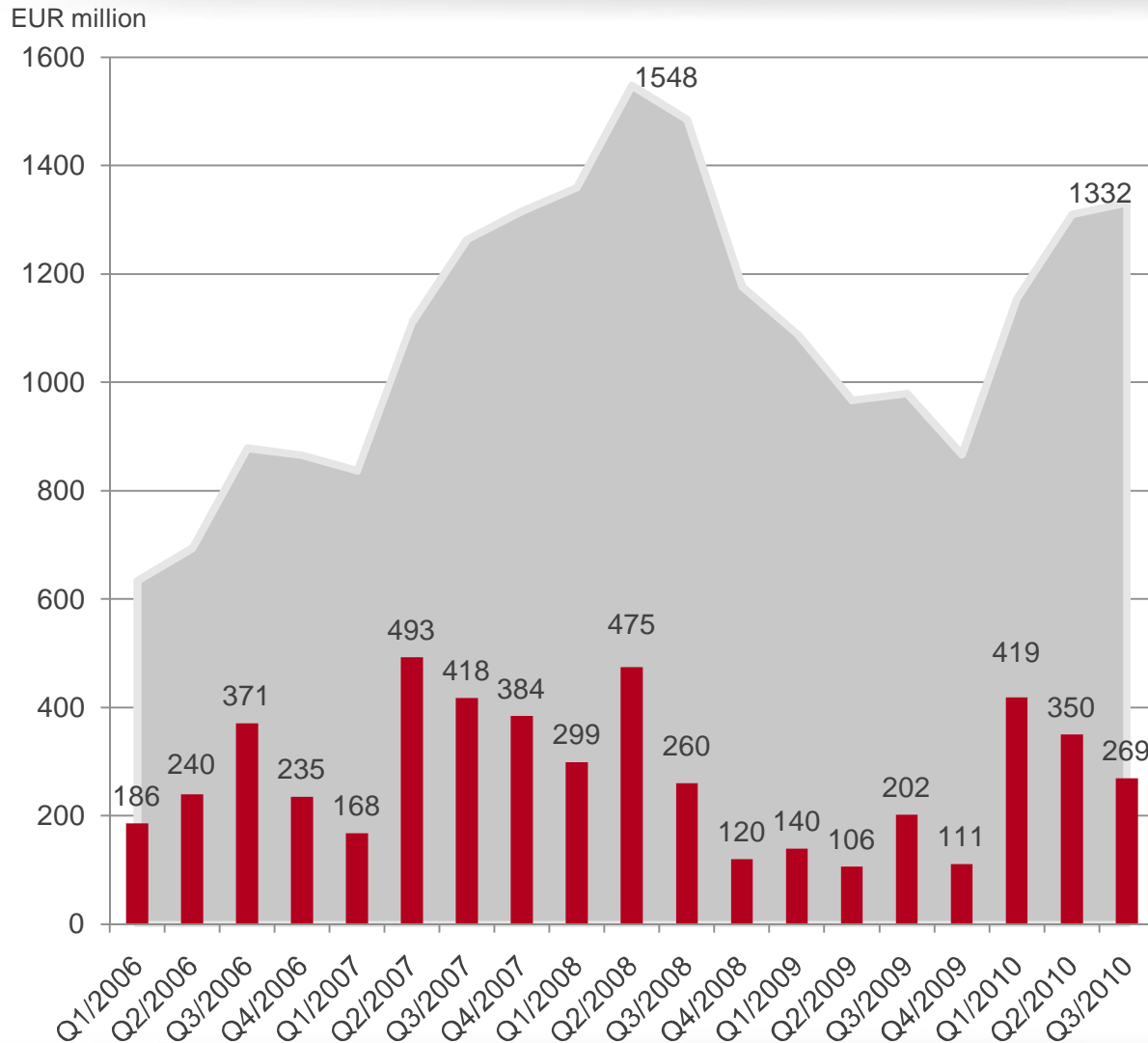
Demand growth for selected commodities
2010-2015 (rebased 2010=100)



DEMAND	CAGR% 10-15	Increase pa, Kt	2010F production, Mt
Alumina, SGA	6.7 %	6 234	81.8
Aluminium	7.2 %	3 382	40
Copper	3.9 %	800	18.8
Zinc	5.4 %	677	11.3
Nickel	5.3 %	86	1.5
Gold (10-14)*	2.5 %	73	2835
Iron ore	4.6 %	119	2370
Sulphuric acid	4.8 %	10 558	199

*gold in tons

Strong order intake and backlog development

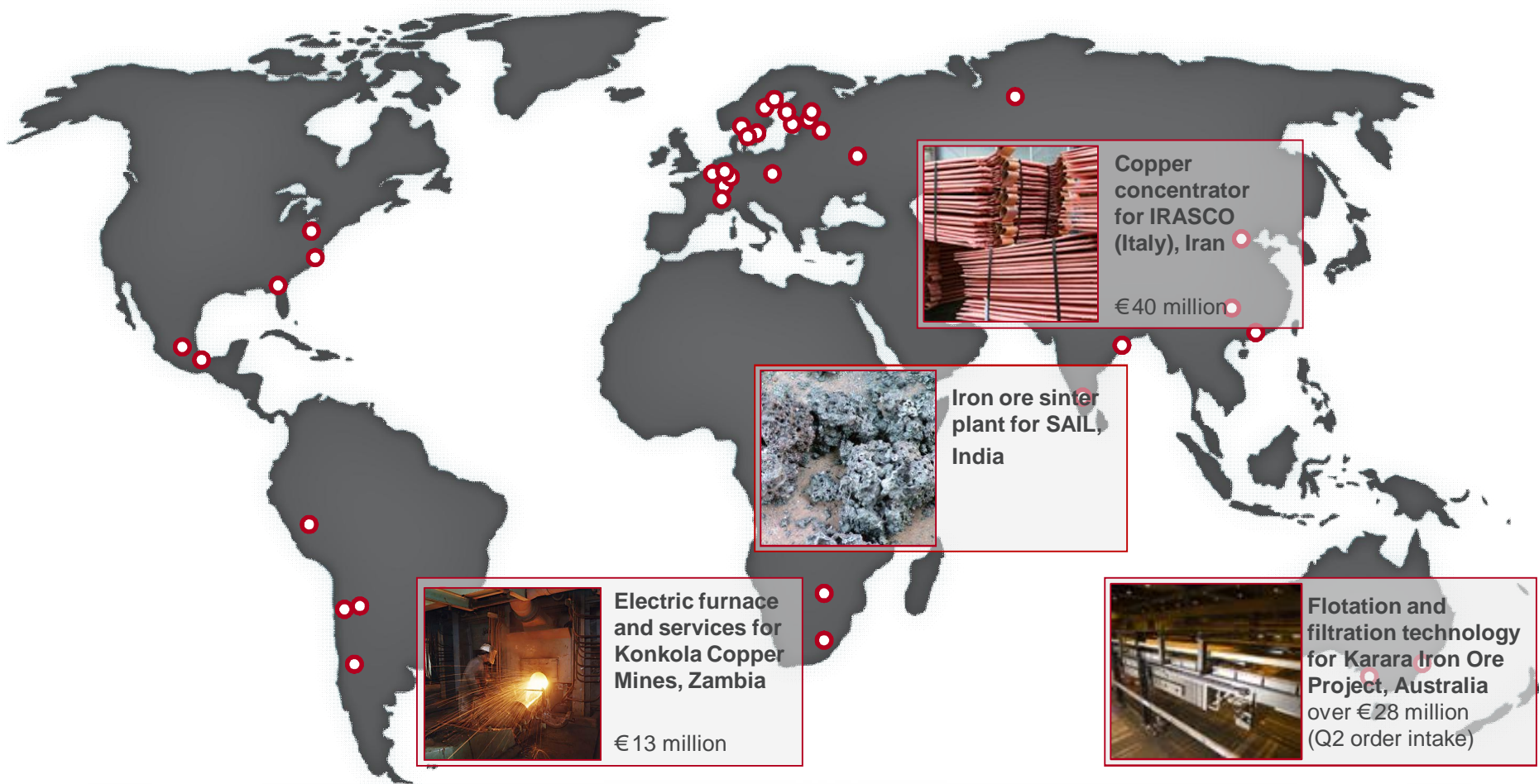


- Order intake was 132% higher in Q1-Q3/2010 and 34% higher in Q3/2010 than in the 2009 comparison period
- Order backlog was EUR 1,332.2 million, 36% higher compared to Sep 30, 2009 and 54% higher than on Dec 31, 2009 (EUR 867.4 million)
- Roughly 26% (EUR 350 million) of the backlog is estimated to be delivered in 2010 and the rest in 2011 and beyond

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

Largest orders received in Q3

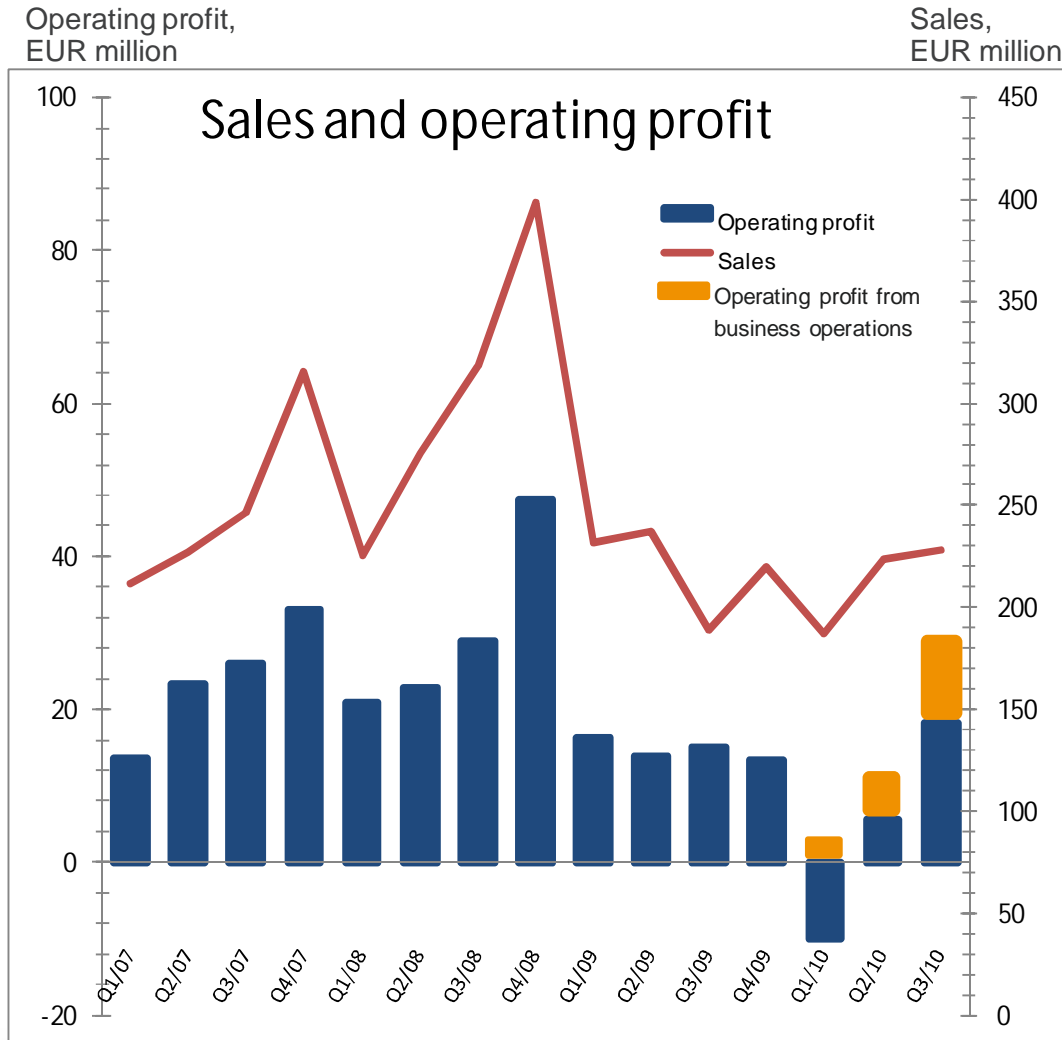
- Order intake Q1-Q3/2010 EUR 1,038.2 million (Q1-Q3/2009: EUR 446.6 million)
- ¼ of the total came from South America, ¼ from South Africa



Strong profitability in Q3

EUR million	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	Change	Last 12 months	2009
Order intake	269.1	201.5	1,038.2	446.6	132%	1,148.7	557.1
Sales	228.5	188.7	639.4	657.9	-3%	859.1	877.7
Gross margin, %	27.3	24.6	25.8	20.8	24%	25.4	21.7
Operating profit from operations	26.4		41.2				
- one-time restructuring cost	-6.2		-22.3				
- PPA amortization	-2.0		-7.6				
+ revaluation of Ausmelt shares	-		+2.2				
Reported operating profit	18.1	15.1	13.5	45.3	-70%	26.8	58.6
FX impact (unrealized, realized)	+4.7	+0.6	+3.3	+1.6		+1.7	-0.1
Operating profit margin, % - from operations	11.5		6.4		-7%		
- reported	7.9	8.0	2.1	6.9	-69%	3.1	6.7

Strong profitability improvement sequentially



- Operating profit from business operations in Q3/2010 was EUR 26.4 million (11.5% of sales)
- Operating profit in Q3/2010 was EUR 18.1 million (7.9% of sales) and clearly improved from the previous quarter
- Operating profit from business operations in Q1-Q3/2010 was EUR 41.2 million (6.4% of sales)
- One-time costs Q1-Q3 relating to the savings program, restructuring and acquisitions were EUR 22.3 million resulting to 20 MEUR annualized cost savings

Non-ferrous Solutions



- Sales increased and profitability improved as a result of
 - healthy market demand
 - strong services business
 - strong performance of Filters (ex-Larox) business

EUR million	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	Change	2009
Sales	144.6	104.6	399.4	366.7	9%	482.6
Operating profit from operations	20.7	9.4	26.6	27.1	-2%	35.1
Reported operating profit	13.5	9.4	2.9	27.1	-89%	35.1
Operating profit margin from operations, % *)	14.3	9.0	6.7	7.4	-10%	7.3
Reported operating profit margin, %	9.3	9.0	0.7	7.4	-90%	7.3

*) incl. realized and unrealized FX gains in Q3 EUR 4.0 million (Q3/2009: EUR 1.3 million)

Ferrous Solutions



- Fewer projects were in delivery phase, which resulted in lower sales compared to Q1-Q3/2009.
- In Q1-Q3, higher selling and marketing expenses and one-time items related to the savings program impacted operating profit.
- In Q3, project completions improved profitability.

EUR million	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	Change	2009
Sales	35.5	34.9	88.4	96.8	-9%	146.7
Operating profit from operations	4.2	2.6	4.4	4.4	0%	9.5
Reported operating profit	4.2	2.6	3.1	4.4	-28%	9.5
Operating profit margin from operations, %	11.9	7.4	4.9	4.5	10%	6.4
Reported operating profit margin, %	11.9	7.4	3.6	4.5	-21%	6.4

Energy, Light Metals and Environmental Solutions



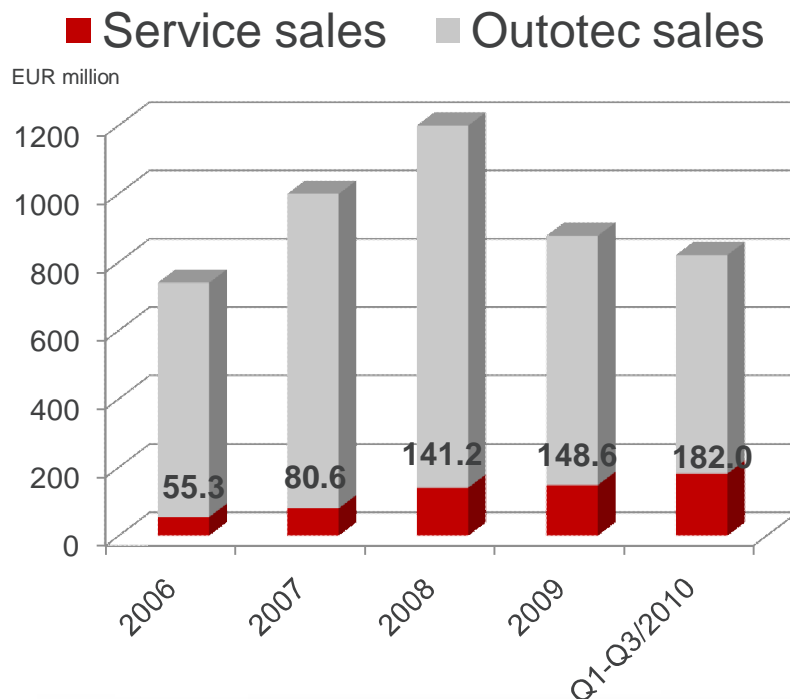
- Sales reduced due to low order intake in 2009 and thereby fewer projects were in delivery phase in Q1-Q3/2010.
- Operating profit margin remained on a high level and was 10% due to successful project completions.

EUR million	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	Change	2009
Sales	50.3	51.3	157.5	202.4	-22%	258.7
Operating profit from operations	4.4	4.6	17.4	20.8	-17%	27.6
Reported operating profit	3.5	4.6	15.3	20.8	-26%	27.6
Operating profit margin from operations, %	8.7	9.0	11.0	10.3	7%	10.7
Reported operating profit margin, %	6.9	9.0	9.7	10.3	-5%	10.7

Services



- Sales of the Services increased by 76% to EUR 182.0 million (Q1-Q3/2009: EUR 103.3 million). The growth came mainly from acquired businesses.
- Services represent 28% (Q1-Q3/2009: 16%) of Outotec's sales.
- Supported by the acquisitions of Larox and Millteam, Outotec remains on track in terms of achieving its strategic service business sales target of EUR 250-300 million by the end of 2010.



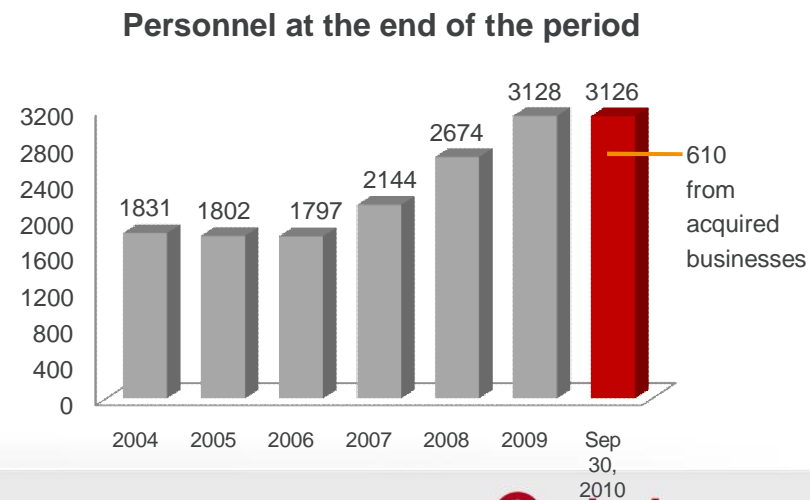
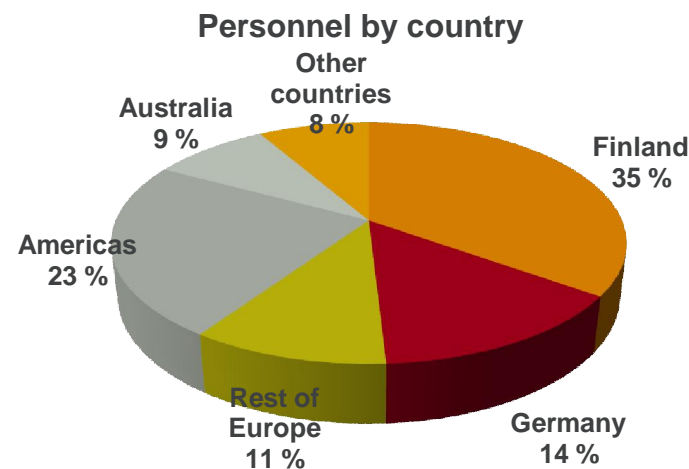
Strong balance sheet

EUR million	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	2009
Net cash from operating activities	50.3	2.5	92.3	15.2	-28.8
Net interest-bearing debt ^{*)}	-206.0	-279.3	-206.0	-279.3	-191.0
Equity ^{*)}	328.0	234.5	328.0	234.5	342.4
Equity-to assets ratio, % ^{*)}	41.9	44.5	41.9	44.5	45.1
Gearing, % ^{*)}	-62.8	-119.1	-62.8	-119.1	-55.8
Working capital ^{*)}	-141.3	-147.3	-141.3	-147.3	-62.8
ROI, %	18.5	31.0	3.9	30.2	20.9
ROE, %	14.2	20.3	3.3	19.3	14.9
Earnings per share, EUR	0.25	0.28	0.18	0.80	1.01

^{*)} At the end of the period

Personnel

- 3,126 employees (Sep 30, 2009: 2,555), an increase of 571 individuals of which 610 came from acquisitions
- Temporary personnel accounted for 7% of the total number of employees.
- Additionally some 290 FTE contracted people in projects (June 30, 2010: 250 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

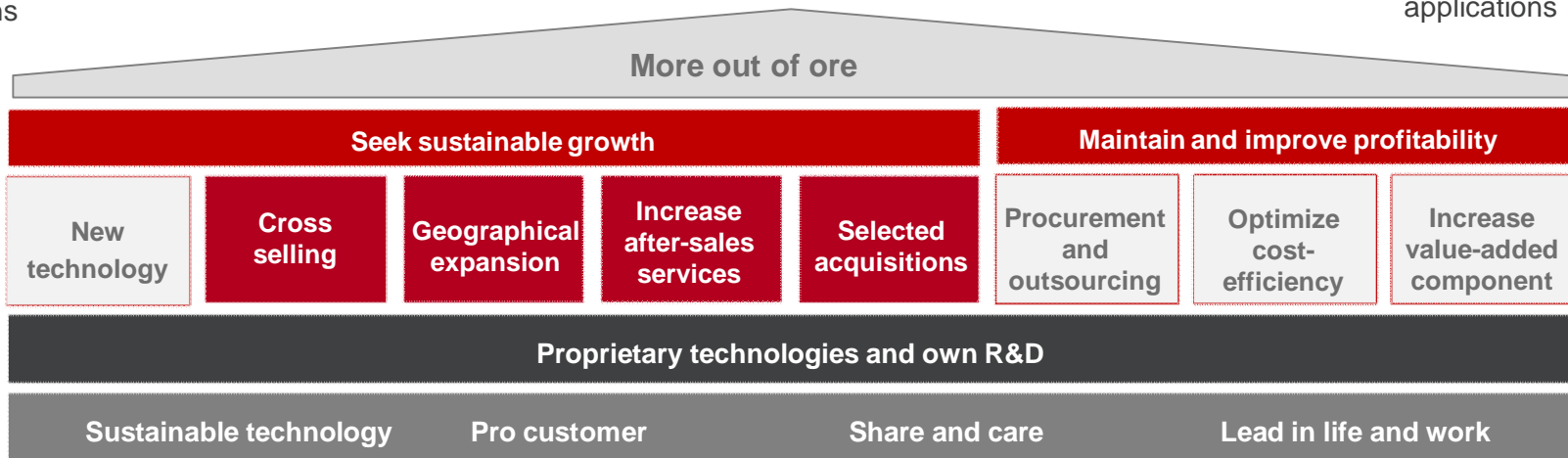
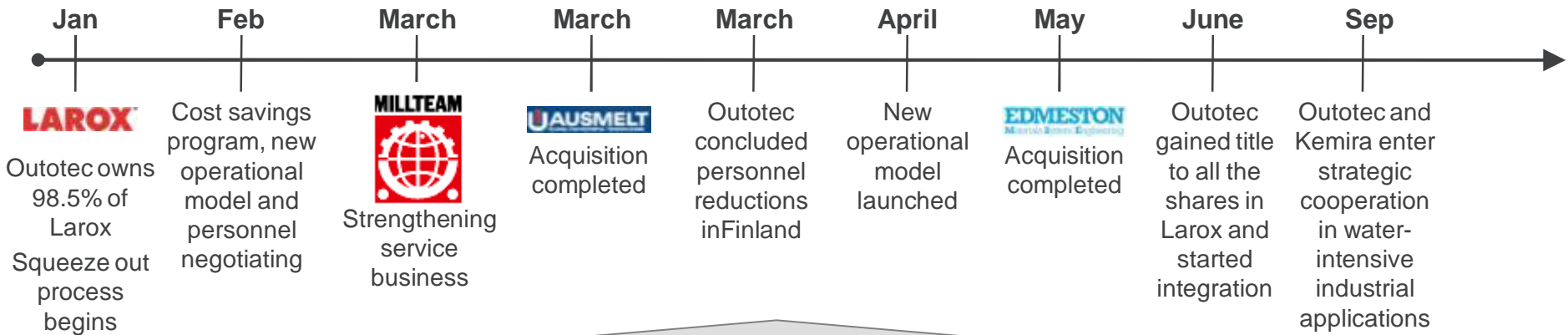
- Outotec entered into cooperation with National Development Corporation of Mongolia (NDC) to conduct a conceptual study for a copper smelter to be located in Sainshand, Mongolia. NDC is a consortium of the largest Mongolian private sector companies seeking to contribute in the industrial development of the country.
- On October 8, 2010 Outotec announced the appointment of Mr. Mikko Puolakka, M.Sc. (Econ.), Chief Financial Officer and Member of the Executive Board as of December 1, 2010.



Strategy in action

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Actions in 2010

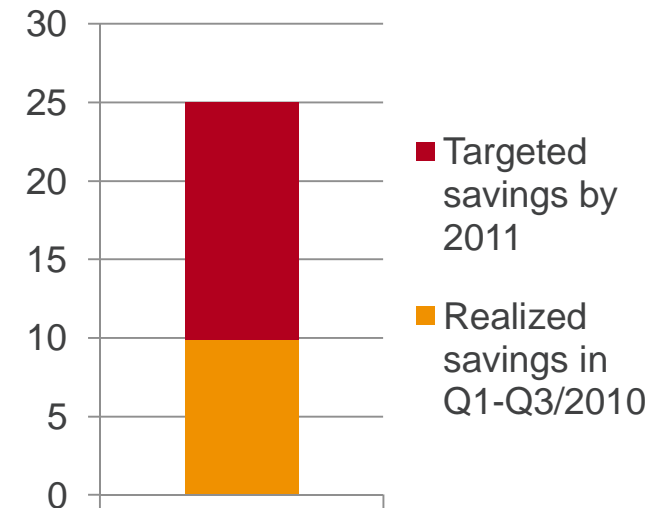


Actions and status of 2010 strategic priorities

Objective	Actions	Status
Win new orders	<ul style="list-style-type: none"> Order intake in Q1-Q3/2010 grew over 130% from 2009 	
Keep on delivering	<ul style="list-style-type: none"> Deliveries from the backlog are lagging behind in some areas 	
Implement the new operational model	<ul style="list-style-type: none"> New organization launched in April Start to operate according to the new model Develop common processes and tools 	  
Integrate acquired businesses	<ul style="list-style-type: none"> Integration plans in place Implementation of the plans 	 
Achieve EUR 25 million cost savings	<ul style="list-style-type: none"> EUR 9.8 million saved in Q1-Q3/2010 and on track to meet EUR 25 million annualized savings 	
Grow the Services business to EUR 250-300 million	<ul style="list-style-type: none"> On track to meet the target 	

Cost savings program

- EUR 25 million annualized savings in operational fixed costs compared to Q4/2009 level with full effect in 2011
 - Organizational restructuring
 - Synergy benefits from recent acquisitions
 - Personnel reductions
 - Development of the purchasing function
- Realized savings in Q1-Q3/2010 were EUR 9.8 million
- In Q1-Q3/2010, one-time costs mainly related to restructuring were EUR 22.3 million, which will lead to approximately EUR 20 million sustainable annualized cost savings



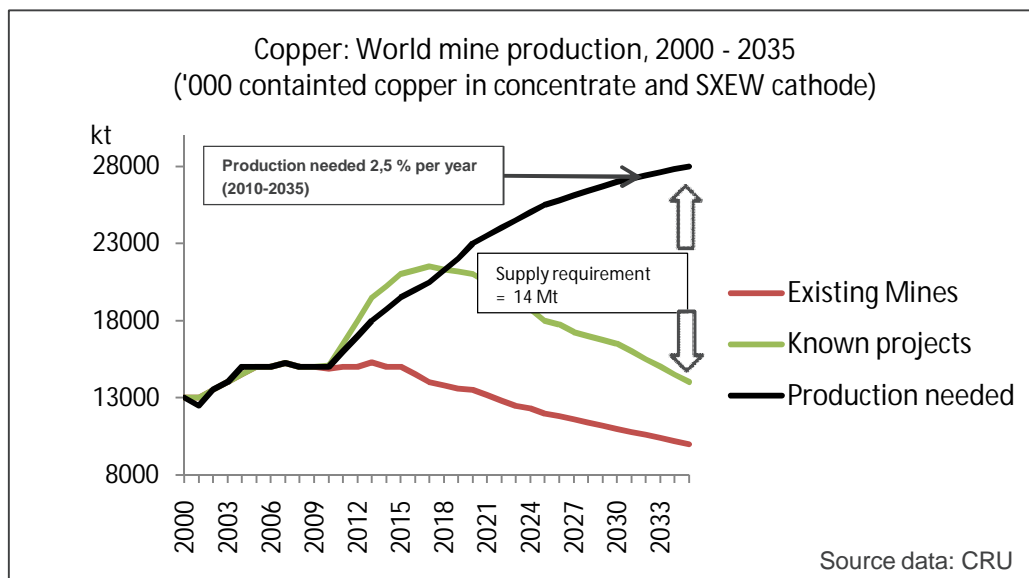


Market outlook and financial guidance

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Market outlook for 2010

- The long term outlook for metals is positive led by fast growing emerging economies. Metals demand is also recovering in the developed economies.
- There is not enough capacity to satisfy the growing demand despite the investments in recent years.
- The projected imbalance in supply and demand for metals supports metal price levels.
- There is an increased demand for new and advanced technological solutions and a continuous need for modernizing and debottlenecking at mine sites.
- There are many active sales projects, but industry lead times tend to be long, especially in large investments.
- Polarization of the global metal market is also seen when new planned investments are moving closer to the end markets in emerging economies.



Market outlook for 2010

Non-ferrous Solutions

- The activity is further strengthening. Especially, gold, copper and zinc projects are active.

Ferrous Solutions

- There are strong signs that the demand for 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 continuously strengthening.

Energy, Light Metals and Environmental Solutions

- The demand for aluminum is growing and, consequently, alumina and bauxite projects are revitalizing.
- The outlook for the sulfuric acid market remains positive as sulfuric acid is needed in hydrometallurgical processes and is produced as by-product in the pyrometallurgical processes.
- 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

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 approximately EUR 25 million.

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

Outotec 3rd best Nordic company in CDP

Sustainable use of Earth's natural resources

- Outotec is ranked the third best Nordic company by Carbon Disclosure Project (CDP) in the Carbon Disclosure Leadership Index 2010
- The Index highlights companies with the most professional approach to corporate governance in respect of climate change disclosure practices.
- Outotec's score in the CDP ranking was 90/100.



Q & A

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