INTERIM REPORT

2010

January-March

Outotec is a worldwide technology leader providing innovative and environmentally sound plants, processes, equipment and services for a wide variety of customers in minerals and metals processing as well as related process industries. Outotec Oyj is listed on the NASDAQ OMX Helsinki.
www.outotec.com

Outotec

INTERIM REPORT JANUARY-MARCH 2010

Increased market activity resulted in high order intake

January – March 2010 in brief (corresponding 2009 figures):

- Order intake: EUR 419.4 million (EUR 139.3 million)
- Order backlog: EUR 1,155.7 million (EUR 1,090.4 million)
- Sales: EUR 187.0 million (EUR 231.6 million)
- Operating profit: EUR -10.1 million (EUR 16.3 million)
- Operating profit before one-time items and purchase price allocation (PPA) amortizations: EUR 3.3 million
- One-time costs related to restructuring: EUR 12.4 million leading to approximately EUR 7 million sustainable annualized cost savings beginning in the second quarter 2010
- PPA amortizations related to Larox and Ausmelt acquisitions: EUR 3.2 million
- Profit before taxes: EUR -10.3 million (EUR 18.0 million)
- Earnings per share: EUR -0.16 (EUR 0.30)
- Net cash flow from operating activities: EUR 7.5 million (EUR -10.7 million)

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

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

In 2010, one-time costs, which are included in one-time items, are estimated to be in the range of EUR 20-25 million (previous estimate: EUR 20 million). One-time costs, which are related to restructuring initiatives, are estimated to be recorded in the first half of 2010. One-time costs related to the integration of the acquired businesses are estimated to be recorded in the financial results of the third quarter (previous estimate: first half).
Operating profit is dependent on exchange rates, product mix, timing of new orders, and project completions.

President and CEO Pertti Korhonen:
"The market sentiment in the mining and metals industry improved in the first quarter of 2010, supported by strong metals prices and reduced inventory levels. However, there is still some uncertainty due to unused production capacity. The order intake was high as a result of the two large orders we received from Chile and South Africa. In April, we launched our new unified global operational model to accelerate growth and to improve cost-efficiency and operational flexibility. This will also aid the integration of our latest acquisitions Larox, Ausmelt and Millteam. We also took restructuring measures to reduce fixed operational costs and will continue our work to achieve the targeted EUR 25 million annualized savings in full in 2011."

Summary of key figures	**Q1 2010**	Q1 2009	Last 12 months	Q1-Q4 2009
Sales, EUR million	**187.0**	231.6	833.1	877.7
Gross margin, %	**24.4**	20.4	22.6	21.7
Operating profit, EUR million	**-10.1**	16.3	32.2	58.6
Operating profit margin, %	**-5.4**	7.0	3.9	6.7
Profit before taxes, EUR million	**-10.3**	18.0	32.6	60.9
Net cash from operating activities, EUR million	**7.5**	-10.7	-10.6	-28.8
Net interest-bearing debt at the end of period, EUR million	**-179.5**	-254.8	-179.5	-191.0
Gearing at the end of period, %	**-57.9**	-129.2	-57.9	-55.8
Working capital at the end of period, EUR million	**-79.0**	-146.8	-79.0	-62.8
Return on investment, %	**-11.1**	34.7	12.6	20.9
Return on equity, %	**-8.9**	23.7	8.9	14.9
Order backlog at the end of period, EUR million	**1,155.7**	1,090.4	1,155.7	867.4
Order intake, EUR million	**419.4**	139.3	837.2	557.1
Personnel, average for the period	**3,163**	2,599	2,753	2,612
Earnings per share, EUR	**-0.16**	0.30	0.55	1.01

INTERIM REPORT JANUARY-MARCH 2010

OPERATING ENVIRONMENT

The market sentiment in the mining and metals industry continued to improve in the reporting period, supported by increased metal prices and continued demand growth from the emerging markets. In addition, inventory levels began to decline, suggesting that the real economy and the end-use segments of metals are recovering. Even though the long-term outlook for all metals looks solid, there is uncertainty due to the sluggish pickup in demand in the developed economies. Although there was idle production capacity, companies active in developing countries made investments in new capacity. Many mining and metals companies have also continued to upgrade their investment plans.

Competitive situation continued to be intensive due to fewer new projects. However, Outotec has been able to defend its gross margins by providing technological solutions which minimize the life-time costs of its customers' processes and by leveraging its asset-light operating model, which includes flexible use of subcontractors and global sourcing.

ORDER INTAKE

Order intake in the reporting period amounted to EUR 419.4 million (Q1/2009: EUR 139.3 million) including two large plant deliveries, technology transfer packages, equipment deliveries and service orders. These orders had normal gross margins and customary payment terms.

Major new orders in the first quarter:

- Sinter plant for Kalagadi Manganese, South Africa (EUR 119 million);
- Copper roasting 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); and
- Pelletizing technology for Bhushan Power & Steel Plant, India (value not disclosed).

ORDER BACKLOG

The order backlog at the end of the reporting period totaled EUR 1,155.7 million (March 31, 2009: EUR 1,090.4 million) representing a 6% increase from the comparison period in 2009.

At the end of the reporting period, Outotec's order backlog included 23 projects with an order backlog value in excess of EUR 10 million, accounting for 69% of the total backlog. According to management's estimate, roughly 54% of the current backlog will be delivered in 2010 and the rest in 2011 and beyond. The order backlog includes roughly EUR 70 million (December 31, 2009: EUR 70 million) in suspended projects.

SALES AND FINANCIAL RESULT

Outotec's sales in the reporting period totaled EUR 187.0 million (Q1/2009: EUR 231.6 million), which was 19% lower than in the comparison period. The decline in sales was due to the low starting order backlog at the beginning of the year. In addition, there were fewer projects in a phase where major deliveries are carried out and revenue recognition is high.

The Services business, which is included in the divisions' and other businesses' sales figures, totaled EUR 50.5 million in the reporting period (Q1/2009: EUR 30.9 million), up 63% from the comparison period. The increase in Services business came from Larox, which Outotec acquired in December 2009. 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.

The operating profit for the reporting period was EUR -10.1 million (Q1/2009: EUR 16.3 million). The operating loss included EUR 12.4 million one-time restructuring costs, which are leading to approximately EUR 7 million sustainable annualized cost savings starting from the second quarter. More than half of these costs came from fixed asset write-offs and the remaining costs from provisions related to personnel reductions in Finland. In addition, the operating loss included EUR 3.2 million of purchase price allocation (PPA) amortizations and EUR 2.2 million net positive effect from acquisition costs and the revaluation of Ausmelt shares. The operating profit excluding one-time items and PPA amortizations was EUR 3.3 million, representing 1.8% of sales (Q1/2009: 7.0%). The decrease in operating profit resulted from low sales volume and higher fixed costs compared to the comparison period.

In the reporting period, Outotec's fixed costs were EUR 45.6 million (Q1/2009: EUR 31.5 million). The increase was mainly caused by the fixed costs of Larox and Ausmelt and increased sales efforts.

Outotec's profit before taxes for the reporting period was EUR -10.3 million (Q1/2009: EUR 18.0 million). It included net finance income of EUR -0.2 million (Q1/2009: EUR 1.7 million). The net finance income was impacted primarily by low interest rates and reduced net cash position. Net profit for the period was EUR -7.3 million (Q1/2009: EUR 12.5 million). Taxes totaled EUR 3.0 million positive (Q1/2009: EUR -5.5 million) since deferred tax assets were booked from the losses. Earnings per share were EUR -0.16 (Q1/2009: EUR 0.30).

Outotec's return on equity for the reporting period was -8.9% (Q1/2009: 23.7%), and return on investment was -11.1% (Q1/2009: 34.7%).

Sales and Operating Profit by Segment EUR million	**Q1** **2010**	Q1 2009	Q1-Q4 2009
Sales			
Minerals Processing	**48.2**	84.5	338.2
Base Metals	**31.9**	44.8	136.4
Metals Processing	**72.5**	97.2	378.8
Larox	**31.2**	-	-
Other Businesses	**8.9**	18.3	60.4
Unallocated items*) and intra-group sales	**-5.6**	-13.2	-36.2
Total	**187.0**	231.6	877.7
Operating profit			
Minerals Processing	**-0.3**	6.1	29.2
Base Metals	**-1.8**	4.3	8.4
Metals Processing	**9.1**	8.9	36.0
Larox	**-3.0**	-	-
Other Businesses	**-1.7**	-0.4	-1.5
Unallocated**) and intra-group items	**-12.5**	-2.7	-13.5
Total	**-10.1**	16.3	58.6

*) Unallocated items primarily include invoicing of internal management and administrative services.
**) Unallocated items primarily include internal management and administrative services, one-time costs which relate to restructuring and share of the result of associated companies.

Minerals Processing

The Minerals Processing division's sales in the reporting period decreased by 43% from the comparison period and totaled EUR 48.2 million (Q1/2009: EUR 84.5 million). Operating profit was EUR -0.3 million (Q1/2009: EUR 6.1 million). The decrease in sales was primarily due to a significantly lower starting order backlog and a relatively low order intake in the first quarter. The significantly lower sales relative to the division's fixed costs was the primary reason for the division's operating loss. Operating loss for the reporting period also included unrealized and realized exchange loss related to currency forward contracts of EUR 0.4 million (Q1/2009: unrealized and realized loss of EUR 0.7 million).

Base Metals

The Base Metals division's sales in the reporting period decreased by 29% from the comparison period and totaled EUR 31.9 million (Q1/2009: EUR 44.8 million). The decrease in sales was primarily due to a low starting order backlog. The operating profit was EUR -1.8 million (Q1/2009: EUR 4.3 million). The significantly lower sales relative to the division's fixed costs was the primary reason for the division's operating loss. The division's operating loss also included EUR 0.3 million PPA amortizations related to the Ausmelt acquisition.

Metals Processing

The Metals Processing division's sales in the reporting period decreased 25% from the comparison period to EUR 72.5 million (Q1/2009: EUR 97.2 million). The decrease in sales was mainly due to low order intake in 2009 and due to the fact that in the first quarter only a few projects were in a phase where major deliveries are carried out and revenue recognition is high. Operating profit increased to EUR 9.1 million (Q1/2009: EUR 8.9 million) due to good project execution and successful project completions. Operating profit for the reporting period also included unrealized and realized exchange gain related to currency forward contracts of EUR 0.6 million (Q1/2009: unrealized and realized gain of EUR 1.3 million).

Larox

The Larox division's sales in the reporting period were EUR 31.2 million and its operating profit EUR -3.0 million. The division's operating loss included EUR -2.9 million PPA amortizations. The sale of Larox Flowsys shares had no effect on the operating profit of Larox division because the shares were valued at market price in the PPA.

BALANCE SHEET, FINANCING, AND CASH FLOW

The net cash flow from operating activities in the reporting period was at EUR 7.5 million (Q1/2009: EUR -10.7 million). The net cash flow in the reporting period was positive because the order intake included large projects, and thus there were substantial advance payments.

Outotec's working capital amounted to EUR -79.0 million at the end of the reporting period (March 31, 2009: EUR -146.8 million). The change in working capital resulted from low order intake and subsequently lower advance payments in 2009, but due to large orders received in the first quarter of 2010, working capital developed positively. In addition, the consolidation of Larox negatively impacted on Outotec's working capital.

At the end of the reporting period, Outotec's cash and cash equivalents totaled EUR 232.1 million (March 31, 2009: EUR 257.5 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. Net interest-bearing debt at the end of the reporting period was EUR -179.5 million (March 31, 2009: EUR -254.8 million). The advances received at the end of the reporting period totaled EUR 150.7 million (March 31, 2009: EUR 225.1 million), representing a decrease of 33% from the comparison period. Outotec's gearing at the end of the reporting period was -57.9% (March 31, 2009: -129.2%), and the equity-to-assets ratio was 40.7% (March 31, 2009: 35.6%).

The company's capital expenditure in the reporting period was EUR 53.7 million (Q1/2009: EUR 4.7 million), of which EUR 51.1 million was related to the Larox Corporation and Ausmelt Ltd acquisitions. Other capital expenditure included investments in information technology, machinery and intellectual property rights.

Guarantees for commercial commitments, including advance payment guarantees issued by the parent and other Group companies decreased from the comparison period due to lower order intake and were EUR 295.3 million (March 31, 2009: EUR 350.1 million) at the end of the reporting period. At the end of the reporting period, the total volume of pledges and mortgages was EUR 2.5 million (December 31, 2009: EUR 33.4 million). The reduction was due to the repayment of most of the external credit facilities of Larox and the subsequent release of banks' security.

NEW OPERATIONAL MODEL

Outotec announced its new operational model on February 9, 2010. As of April 1, 2010 Outotec's businesses were reorganized into four business areas, three of which are reporting segments. The business areas are:

- **Non-ferrous Solutions**, consisting 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. Larox and Ausmelt businesses are included in the Non-ferrous business area ;
- **Ferrous Solutions**, consisting of businesses related to the processing of iron, steel and ferroalloys as well as titanium feedstock;
- **Energy, Light Metals and Environmental Solutions**, consisting of businesses related to energy (including oil shale, bioenergy and oil sands), alumina, aluminium and light metals processing, sulfuric acid plants, applications for gas cleaning and heat recovery systems and coke, as well as industrial water treatment; and

- **Services**, focusing on growing and developing the service business globally and providing life-cycle services to Outotec's customers. The Services business will be included in the figures of the three other business areas, but its sales volume will also be reported separately.

Sales and delivery operations in geographical Market Areas are organized under global the Market Operations organization which operates in matrix within the Business Areas. Additionally, global Shared Support Functions are responsible for providing an effective business platform for Outotec. The new operational model is geared to deliver growth both in all Market Areas and in all Business Areas. In addition, the matrix structure with globally shared support functions will allow a more flexible and efficient use of Outotec's global capabilities including products, technologies, competences and resources.

COST SAVINGS PROGRAM

In the reporting period, Outotec began a cost-savings program targeting EUR 25 million annualized savings in operational fixed costs, comprising also fixed costs of sales, by the end of 2010 compared to the fourth quarter of 2009. These savings will begin accruing gradually during the second and third quarters with full effect in 2011. Savings will be achieved through implementation of the new operational model and synergy benefits from recent acquisitions. On February 9, 2010, the company announced that it will be reducing the number of personnel by 170 during 2010.

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

In the reporting period, the one-time costs related to the cost savings program totalled EUR 12.4 million, which lead to approximately EUR 7 million sustainable annualized cost savings starting from the second quarter. More than half of these costs came from write-offs of fixed assets and the remaining costs from provisions related to personnel reductions in Finland.

EXPANSION OF BUSINESS NETWORK AND ACQUISITIONS

Larox acquisition

On January 27, 2010 Outotec announced the final outcome of the Tender Offer, according to which the Larox shares in Outotec ownership represented 98.5% of all the Larox shares and 99.7% of all the votes attached to the Larox shares. Outotec's intention is to acquire all the Larox shares and the company initiated compulsory acquisition proceedings for the remaining Larox B shares. The acquisition is expected to be closed in June. The planning process for the integration of Larox began in the first quarter and the plan will be implemented after the delisting of the company.

Millteam acquisition

On March 18, 2010 Outotec announced the acquisition of Millteam Sweden's service business. 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 Millteam acquisition supports Outotec's strategy to expand its service business. With the new service center in Sweden, Outotec can now provide better life-cycle services for its customers in Europe and the CIS area. The terms and conditions related to the acquisition were realized on April 1, 2010.

Ausmelt acquisition

On March 23, 2010 Outotec announced that it had successfully completed the acquisition of the Australian listed company Ausmelt Ltd and now owns 100% of all the company’s shares and votes. 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, while Ausmelt's TSL technology is suitable for small to mid-size plants as well as for a variety of other feed materials, such as ferrous metals, zinc, lead and tin concentrates, zinc-bearing residues and various secondary and waste materials. The additional benefit of the technology is that it enables the recovery of valuable metals from by-products.

RESEARCH AND TECHNOLOGY DEVELOPMENT

In the reporting period, Outotec's research and technology development expenses totaled EUR 7.1 million (Q1/2009: EUR 5.1 million), representing 3.8% of sales (Q1/2009: 2.2%). Outotec filed 17 new priority patent applications (Q1/2009: 12), and 31 new national patents were granted (Q1/2009: 26).

PERSONNEL

At the end of the reporting period, Outotec had a total of 3,167 employees (March 31, 2009: 2,557) of which 557 employees came from Larox and 45 from Ausmelt. Outotec's personnel excluding Larox and Ausmelt increased by 8 employees in the reporting period. Outotec had on average 3,163 employees (Q1/2009: 2,599). The average number of personnel increased by 564 from the comparison period mainly through acquisitions. Temporary personnel accounted for about 6% of the total number of employees.

In the first quarter, Outotec concluded its employee negotiations, which began in Finland on February 11, 2010 to seek alternative options for cost saving and measures to minimize the need for redundancies. The outcome of these negotiations was that 84 persons were made redundant in April in Outotec's corporate management, support functions, research center and business units in Finland. The total personnel reduction in Finland will be approximately 120 employees in 2010 when taking into account retirements and termination of temporary contracts.

Distribution of personnel by country	**March 31, 2010**	March 31, 2009	**change %**	Dec 31, 2009
Finland	**1,126**	907	**24.1**	1,145
Germany	**475**	397	**19.6**	472
Rest of Europe	**280**	241	**16.2**	283
Americas	**742**	673	**10.3**	740
Australia	**282**	197	**43.1**	239
Rest of the world	**262**	142	**84.5**	249
Total	**3,167**	2,557	**23.9**	3,128

At the end of March 2010, the company had, in addition to its own personnel on Outotec's payroll, approximately 230 (December 31, 2009: 250) full-time equivalent, contracted people 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, and seasonal fluctuations.

In the reporting period, salaries and other employee benefits totaled EUR 50.6 million (Q1/2009: EUR 41.0 million).

CHANGES IN TOP MANAGEMENT

On February 9, 2010 Outotec announced that a new Executive Board had been appointed for the company to replace the current 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, Chairman of the Executive Board
Vesa-Pekka Takala, Chief Financial Officer
Jari Rosendal, Executive Vice President, President of Non-ferrous Solutions business area
Pekka Erkkilä, Executive Vice President, President of Ferrous Solutions business area (as of April 12, 2010)
Peter Weber, Executive Vice President, President of Energy, Light Metals and Environmental Solutions business area
Kalle Härkki, Executive Vice President, President of Services business area
Martti Haario, Executive Vice President - Market Operations
Tapio Niskanen, Senior Vice President - Business Infrastructure
Ari Jokilaakso, Senior Vice President - Human Capital

SHARE-BASED INCENTIVE PROGRAM

Outotec has a share-based Incentive Program 2008-2010, which was announced on March 3, 2008. The Share-based incentive program 2008-2010 comprises three earning periods: calendar years 2008, 2009, and 2010. The Board of Directors determines the amount of the maximum reward for each individual, the earning criteria and the targets established for them separately on an annual basis. Reaching the targets established for the earning criteria will determine how great a portion of the maximum reward will be paid. For the 2009 and 2010 earning periods, the incentive program involves approximately 60 individuals. The reward is paid in shares and as a cash payment. The reward will not be paid if the individual's employment ends before the close of the earning period. The individual must also hold the earned shares and remain employed with the company for at least two years after the close of the earning period. No shares were allocated for the 2009 earnings period.

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 discharged the members of the Board of Directors and the CEO from liability for the financial year 2009.

Dividend

The Annual General Meeting decided that a dividend of EUR 0.70 per share be paid for the financial year ended on December 31, 2009. The dividend was paid on April 8, 2010.

The Board of Directors

The Annual General Meeting decided on the number of the 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 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 in addition 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 arising from Board work.

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 authorized the Board of Directors to resolve upon the repurchase of the company's own 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 own shares held by the company will not exceed ten (10) percent of all shares of the company.
- 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 April 23, 2010.

The Annual General Meeting authorized the Board of Directors to resolve upon issues of shares and other special rights entitling to shares as follows:

- The authorization includes the right to issue new shares, distribute own 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 own 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 decide on 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 April 23, 2010.

The Annual General Meeting amended Section 9 of the Articles of Association so that notice to convene the General Meeting shall be issued no later than 28 days prior to the General Meeting.

Annual General Meeting authorized the Board of Directors to decide to donate from the distributable assets of the company an amount not exceeding EUR 600,000 to Finnish Universities of its choice.

In 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.

SHARES AND SHARE CAPITAL

Outotec's shares are listed on the NASDAQ OMX Helsinki (OTE1V). On March 31, 2010, 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 23.93; the highest quotation for a share was EUR 27.80 and the lowest EUR 18.85. The trading of Outotec shares in the reporting period exceeded 26 million shares, with a total value of over EUR 623 million. On March 31, 2010, Outotec's market capitalization was EUR 1,220 million and the last quotation for the share was EUR 26.65. On March 31, 2010, 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.

On March 31, 2010, Outotec had 17,102 shareholders. Shares held in 15 nominee registers accounted for 53.5% and Finnish households held some 17.2% of all Outotec shares.

EVENTS AFTER THE REPORTING PERIOD

In April, 2010 Outotec announced an order awarded by Bhushan Power & Steel Plant Limited (BPSL) on the delivery of pelletizing technology for BPSL's steel plant expansion at Jharsuguda, located in Orissa state of India. The order was included in the first quarter order intake.

SHORT-TERM RISKS AND UNCERTAINTIES

Risks related to global operating environment

Outotec's global business operations are subject to various political, economic and social conditions. Operations in emerging markets may present risks that are not encountered in countries with well-established economic and political systems, including economic instability and a potential difficulty to anticipate future business conditions in these markets. These conditions, which can rapidly change, may cause delays in the placement of orders for projects that have already been awarded, thus subjecting Outotec to volatile markets.

Risks related to Outotec's business

Outotec has systematic risk management procedures - Project Risk Identification and Management (PRIMA) – in place to monitor projects. In conjunction with Outotec's risk assessment for the first quarter in 2010, all unfinished work and projects, which use the percentage of completion and completed contract method, were monitored and evaluated and contingencies were updated. Also, projects, where the stage of completion was close to 100% were evaluated and provisions for performance guarantees and warranty period guarantees, along with possible provisions for project losses were updated. There were no material changes in the total project risk provisions.

Due to the international nature of Outotec's business and projects in various countries, 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 70 million in suspended projects (December 31, 2009: EUR 70 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 has a cost-savings program targeting EUR 25 million annualized savings in operational fixed costs, comprising also fixed costs of sales, by the end of 2010 compared to the fourth quarter of 2009. There is a risk that the targeted savings will not materialize. Part of these cost savings is estimated to come through the new operational model and there are risks related to its global launch.

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

The economic uncertainty may further reduce the demand for Outotec's products and services. Outotec's gross margin is impacted by license fee income related to certain technologies. A lack of these types of orders may reduce gross margin.

Financial risks

There is a risk that customers and suppliers may experience financial difficulties and a lack of financing may result in 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.

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

Non-ferrous Solutions

Prices for base metals and precious metals have remained strong and inventories decreased slightly in the first quarter. Though there is still idle capacity, the mining and metals companies have continued to update their capex plans for the coming years and have continued to develop their projects which were put on hold during the financial crises. Financing for new projects is becoming easier, project potential is increasing and the order pipeline is improving, but decision-making is still rather slow. Competition also continues to be strong for new projects. Long-term fundamentals are promising and are improving as ore grades decline and more processing capacity and advanced technology solutions will be needed. At the same time, environmental regulations tighten. In order to exploit complex ore bodies, new technologies and modern solutions are required, which enable economically viable production and better metals recovery.

Ferrous Solutions

According to metals companies' announcements, their investments will increase in 2010 from 2009 levels. 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 has also shown strong growth. India continues to rapidly develop its infrastructure utilizing its large natural resource base. There are several steel plant expansions and new investments developing in India, in particular on the upstream side, catering for the Chinese market where concentrates and pellets are in continuous demand.

Energy, Light Metals and Environmental Solutions

The aluminum price has shown positive development and the demand for aluminum, an important light metal, continues to increase. Consequently, alumina and bauxite projects are revitalizing, particularly in China and in areas which cater to the Chinese market.

The sulfuric acid market is driven by the continuous need from the fertilizer industry and the base metals producers. Sulfuric acid is needed in hydrometallurgical processes and produced as a by-product in the pyrometallurgical processes. In addition to acid plants, pyrometallurgical processes require other environmental solutions such as off-gas cleaning and effluent treatment plants. Based on the continuous need for nickel and copper, and thus the processing of sulfur-bearing concentrates, the outlook for the sulfuric acid market remains positive. Outotec's technologies have a leading market position as they feature both high economic and ecological efficiency.

Outotec's new markets include the utilization of alternative energy resources, such as oil shale and oil sands and industrial water treatment. The world's recoverable oil shale and oil sand resources are many times greater than those of conventional oil reserves, with large deposits found in the US, Canada, Brazil, China, Jordan, Russia and Estonia. Outotec's technologies can also be applied to the materials recycling and chemical industries.

Services business

Outotec's Services business is driven by production capacity levels, modernizations, upgrades and new capital investment projects. Customer needs for spare parts, services and modernizations have increased due to many of them re-commissioning their production lines and increasing the utilization rates of their operations. This recovery has also been visible in Outotec's negotiations with its global customer base and activity has increased from 2009. In addition, there is a tendency for larger services scopes, which supports the company's strategic target to be a life-cycle partner for Outotec's technology solution users. Also, integration of the acquired businesses is expected to bring a larger service offering and stronger presence globally.

REVISED FINANCIAL GUIDANCE FOR 2010

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

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

In 2010, one-time costs, which are included in one-time items, are estimated to be in the range of EUR 20-25 million (previous estimate: EUR 20 million). One-time costs, which are related to restructuring initiatives, are estimated to be recorded in the first half of 2010. One-time costs related to the integration of the acquired businesses are estimated to be recorded in the financial results of the third quarter (previous estimate: first half).
Operating profit is dependent on exchange rates, product mix, timing of new orders, and project completions.

PREVIOUS FINANCIAL GUIDANCE FOR 2010

Due to post-cyclical nature of Outotec's business and low order intake in 2009, the year 2010 will be challenging. However, the management believes that order intake will pick up this year.
The management expects that in 2010:

- sales will grow to approximately EUR 1 billion due to the Larox and Ausmelt acquisitions, and
- operating profit will remain on the same level as in 2009, excluding one-time cost provisions which relate to restructuring, and integration of acquired businesses, and which are estimated to be recorded in the financial results of the first half of 2010.

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

FINANCIAL REPORTING SCHEDULE FOR 2010

Outotec will publish the following interim reports in 2010:

Interim Report for January-June 2010: Thursday, August 5
Previous date: July 23. The rescheduling is due to the new reporting structure. The restated comparison figures will be published during week 27.
Interim Report for January-September 2010: Friday, October 22

Espoo, April 23, 2010

Outotec Oyj
Board of Directors

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INTERIM FINANCIAL STATEMENTS (unaudited)

Statement of Comprehensive Income EUR million	**Q1** **2010**	Q1 2009	Q1-Q4 2009
Sales	**187.0**	231.6	877.7
Cost of sales	**-141.5**	-184.4	-687.5
Gross profit	**45.5**	47.2	190.1
Other income	**3.0**	0.6	4.1
Selling and marketing expenses	**-20.8**	-13.2	-56.5
Administrative expenses	**-17.7**	-13.2	-54.6
Research and development expenses	**-7.1**	-5.1	-20.5
Other expenses	**-12.9**	-0.0	-3.9
Share of results of associated companies	**-0.2**	-	-0.2
Operating profit	**-10.1**	16.3	58.6
Finance income and expenses			
Interest income and expenses	**0.5**	1.8	5.2
Market price gains and losses	**0.0**	1.0	0.6
Other finance income and expenses	**-0.7**	-1.1	-3.5
Net finance income	**-0.2**	1.7	2.2
Profit before income taxes	**-10.3**	18.0	60.9
Income tax expenses	**3.0**	-5.5	-18.6
Profit for the period	**-7.3**	12.5	42.3
Other comprehensive income			
Exchange differences on translating foreign operations	**9.3**	3.6	19.5
Cash flow hedges	**-0.1**	-1.1	2.7
Income tax relating to cash flow hedges	**0.0**	0.5	-0.3
Available for sale financial assets	**-0.0**	-0.2	2.4
Income tax relating to available for sale financial assets	**-**	-	-0.0
Other comprehensive income for the period	**9.2**	2.8	24.3
Total comprehensive income for the period	**2.0**	15.4	66.6
Profit for the period attributable to:			
Equity holders of the parent company	**-7.3**	12.5	42.3
Non-controlling interest	**-**	-	-
Total comprehensive income for the period attributable to:			
Equity holders of the parent company	**2.0**	15.4	66.6
Non-controlling interest	**-**	-	-
Earnings per share for profit attributable to the equity holders of the parent company:			
Basic earnings per share, EUR	**-0.16**	0.30	1.01
Diluted earnings per share, EUR	**-0.16**	0.30	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 Statement of Financial Position EUR million	**March 31, 2010**	March 31, 2009	December 31, 2009
ASSETS			
Non-current assets			
Intangible assets	**202.4**	82.0	170.2
Property, plant and equipment	**52.6**	31.1	52.1
Non-current financial assets			
Interest-bearing	**1.5**	0.2	5.1
Non interest-bearing	**41.9**	22.5	37.2
Total non-current assets	**298.5**	135.9	264.6
Current assets			
Inventories *)	**105.0**	91.7	93.2
Current financial assets			
Interest-bearing	**0.8**	0.5	0.7
Non interest-bearing	**275.5**	293.9	292.7
Cash and cash equivalents	**232.1**	257.5	258.5
Total current assets	**613.4**	643.6	645.0
TOTAL ASSETS	**911.8**	779.4	909.6
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the equity holders of the parent company	**310.1**	197.2	315.0
Non-controlling interest	**-**	-	27.4
Total equity	**310.1**	197.2	342.4
Non-current liabilities			
Interest-bearing	**39.4**	2.5	41.2
Non interest-bearing	**105.8**	69.1	98.2
Total non-current liabilities	**145.2**	71.6	139.4
Current liabilities			
Interest-bearing	**15.5**	1.0	32.0
Non interest-bearing			
Advances received **)	**150.7**	225.1	150.9
Other non interest-bearing liabilities	**290.4**	284.6	244.9
Total current liabilities	**456.5**	510.7	427.8
Total liabilities	**601.7**	582.3	567.2
TOTAL EQUITY AND LIABILITIES	**911.8**	779.4	909.6

*) Of which advances paid for inventories amounted to EUR 23.8 million at March 31, 2010 (March 31, 2009: EUR 18.9 million, December 31, 2009: EUR 17.0 million).
**) Gross advances received before percentage of completion revenue recognition amounted to EUR 1,045.5 million at March 31, 2010 (March 31, 2009: EUR 983.9 million, December 31, 2009: EUR 1,041.2 million).

Condensed Statement of Cash Flows EUR million	Q1 2010	Q1 2009	Q1-Q4 2009
Cash flows from operating activities			
Profit for the period	**-7.3**	12.5	42.3
Adjustments for			
Depreciation and amortization	**5.3**	2.8	12.1
Other adjustments	**7.6**	2.6	21.4
Decrease (+) / increase (-) in working capital	**6.2**	-22.1	-75.0
Interest received	**1.0**	1.9	6.1
Interest paid	**-0.2**	-0.2	-0.7
Income tax paid	**-5.1**	-8.3	-34.9
Net cash from operating activities	**7.5**	-10.7	-28.8
Purchases of assets	**-2.5**	-4.3	-17.0
Acquisition of subsidiaries, net of cash	**-20.6**	-2.7	-1.9
Acquisition of shares in associated companies	**-**	-	-10.4
Proceeds from sale of assets	**3.5**	0.1	0.0
Change in other investing activities	**-**	0.0	-0.2
Net cash used in investing activities	**-19.6**	-7.0	-29.5
Cash flow before financing activities	**-12.1**	-17.7	-58.3
Repayments (-) / borrowings (+) of non-current debt	**-8.7**	-0.0	30.3
Decrease (-) / increase (+) in current debt	**-10.3**	-0.5	1.7
Purchase of treasury shares	**-**	-3.3	-3.3
Dividends paid	**-**	-42.0	-42.0
Change in other financing activities	**-0.1**	-0.2	-0.2
Net cash used in financing activities	**-19.1**	-45.9	-13.4
Net change in cash and cash equivalents	**-31.3**	-63.7	-71.7
Cash and cash equivalents at the beginning of the period	**258.5**	317.8	317.8
Foreign exchange rate effect on cash and cash equivalents	**4.9**	3.4	12.5
Net change in cash and cash equivalents	**-31.3**	-63.7	-71.7
Cash and cash equivalents at the end of the period	**232.1**	257.5	258.5

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
Purchase of treasury shares	-	-	-	-	-3.3	-	-	-	-	-3.3
Share-based payments: value of received services	-	-	-	-	-	-	-	0.1	-	0.1
Total comprehensive income for the period	-	-	-	-0.8	-	-	3.6	12.5	-	15.4
Other changes	-	-	-	-	-	-	-	0.6	-	0.6
Equity at March 31, 2009	16.8	20.2	0.1	-4.5	-12.7	-	-12.4	189.6	-	197.2
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	-	-	-	-	-	-	-	-32.0	-	-32.0
Share issue	0.4	-	-	-	-	24.3	-	-	-	24.7
Share-based payments: value of received services	-	-	-	-	-	-	-	0.2	-	0.2
Total comprehensive income for the period	-	-	-	-0.1	-	-	9.3	-7.3	-	2.0
Non-controlling interest related to Larox Group acquisition	-	-	-	-	-	-	-	-	-27.4	-27.4
Other changes	-	-	0.0	-	-	-	-	0.2	-	0.3
Equity at March 31, 2010	**17.2**	**20.2**	**0.3**	**1.0**	**-4.6**	**87.7**	**12.8**	**175.4**	**-**	**310.1**

Key figures	Q1 2010	Q1 2009	Last 12 months	Q1-Q4 2009
Sales, EUR million	**187.0**	231.6	833.1	877.7
Gross margin, %	**24.4**	20.4	22.6	21.7
Operating profit, EUR million	**-10.1**	16.3	32.2	58.6
Operating profit margin, %	**-5.4**	7.0	3.9	6.7
Profit before taxes, EUR million	**-10.3**	18.0	32.6	60.9
Profit before taxes in relation to sales, %	**-5.5**	7.8	3.9	6.9
Net cash from operating activities, EUR million	**7.5**	-10.7	-10.6	-28.8
Net interest-bearing debt at the end of period, EUR million	**-179.5**	-254.8	-179.5	-191.0
Gearing at the end of period, %	**-57.9**	-129.2	-57.9	-55.8
Equity-to-assets ratio at the end of period, %	**40.7**	35.6	40.7	45.1
Working capital at the end of period, EUR million	**-79.0**	-146.8	-79.0	-62.8
Capital expenditure, EUR million	**53.7**	4.7	147.0	98.0
Capital expenditure in relation to sales, %	**28.7**	2.0	17.6	11.2
Return on investment, %	**-11.1**	34.7	12.6	20.9
Return on equity, %	**-8.9**	23.7	8.9	14.9
Order backlog at the end of period, EUR million	**1,155.7**	1,090.4	1,155.7	867.4
Order intake, EUR million	**419.4**	139.3	837.2	557.1
Personnel, average for the period	**3,163**	2,599	2,753	2,612
Profit for the period in relation to sales, %	**-3.9**	5.4	2.7	4.8
Research and development expenses, EUR million	**7.1**	5.1	22.5	20.5
Research and development expenses in relation to sales, %	**3.8**	2.2	2.7	2.3
Earnings per share, EUR	**-0.16**	0.30	0.55	1.01
Equity per share, EUR	**6.82**	4.76	6.82	7.09
Dividend per share, EUR	-	-	0.70	0.70

NOTES TO THE INCOME STATEMENT AND BALANCE SHEET

These interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting policies and methods have been applied in these interim financial statements as in the recent annual financial statements and also below revised standards have been applied which have been effective from the beginning of 2010. These interim financial statements are unaudited.

Adoption of new and revised IFRS standards and IFRIC interpretations

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

- IFRS 3 Business Combinations. The revised standard allows the entity to measure non-controlling interest at fair value or at a 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 an acquisition shall be expensed when incurred. The revised standard has been applied to the acquisition of Ausmelt Ltd. The 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. The acquired shares were valued at fair value when Outotec reached the majority ownership and the result was recognized in profit or loss.
- IFRS Annual improvements

In addition, Outotec has applied the following revised standards from the beginning of 2010, which are not expected to have impact on the Group's interim financial statements or 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). EU has not yet approved the revised standard.
- 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). EU has not yet approved the changes.
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective date for annual periods beginning on or after July 1, 2010). EU has not yet approved the interpretation.

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 and 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** **2010**	Q1 2009	Q1-Q4 2009
One-time costs related to restructuring	**-12.4**	-	-
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** **2010**	Q1 2009	Q1-Q4 2009
Current taxes	**-4.4**	-5.5	-13.7
Deferred taxes	**7.4**	0.1	-4.9
Total income tax expenses	**3.0**	-5.5	-18.6

Property, plant and equipment EUR million	**March 31.** **2010**	March 31. 2009	December 31. 2009
Historical cost at the beginning of the period	**117.8**	87.6	87.6
Translation differences	**2.4**	0.9	3.3
Additions	**1.3**	2.8	14.9
Disposals	**-0.0**	-0.1	-0.9
Acquired subsidiaries	**0.9**	-	12.9
Reclassifications	**-0.1**	-0.0	-0.0
Historical cost at the end of the period	**122.3**	91.2	117.8
Accumulated depreciation and impairment at the beginning of the period	**-65.7**	-58.1	-58.1
Translation differences	**-1.3**	-0.4	-1.8
Disposals	**0.0**	0.0	1.0
Reclassifications	**-**	0.0	0.2
Impairment during the period	**-0.4**	-	-
Depreciation during the period	**-2.3**	-1.6	-7.0
Accumulated depreciation and impairment at the end of the period	**-69.6**	-60.1	-65.7
Carrying value at the end of the period	**52.6**	31.1	52.1

Commitments and contingent liabilities EUR million	**March 31,** **2010**	March 31, 2009	December 31, 2009
Pledges and mortgages	**2.5**	1.8	33.4
Guarantees for commercial commitments	**189.4**	196.4	218.2
Minimum future lease payments on operating leases	**60.7**	68.2	64.4

The pledges and mortgages are used to secure credit facilities in Outotec (Shanghai) Co. Ltd. and Ausmelt Ltd. The total volume of pledges and mortgages was reduced during first quarter of 2010 due to the repayment of most external credit facilities of Larox and the subsequent release of banks' security.

This 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 41.5 million at March 31, 2010 (March 31, 2009: EUR 8.5 million and at December 31, 2009: EUR 47.1 million) and for commercial guarantees including advance payment guarantees EUR 295.3 million at March 31, 2010 (March 31, 2009: EUR 350.1 million and at December 31, 2009: EUR 321.3 million).

Derivative instruments

Currency forwards EUR million	**March 31,** **2010**	March 31, 2009	December 31, 2009
Fair values, net	**-5.6 *)**	-11.0**)	-1.9***)
Nominal values	**313.6**	369.5	319.3

*) of which EUR -0.2 million designated as cash flow hedges.
**) of which EUR -6.2 million designated as cash flow hedges.
***) of which EUR 1.4 million designated as cash flow hedges.

Related party transactions

Transactions and balances with associated companies EUR million	**Q1** **2010**	Q1 2009	Q1-Q4 2009
Sales	**0.0**	-	0.1
Trade and other receivables	**0.0**	-	0.1
Current liabilities	**-**	-	0.4

Business Combinations

Acquisition of Larox Group

Outotec completed its 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 outcome 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. Outotec's intention is to acquire all of the Larox shares and the company initiated compulsory acquisition proceedings for the remaining Larox B shares under the Finnish Companies Act immediately after the completion of the Tender Offer. The acquisition is expected to be closed in June. The planning process for the integration of Larox began in the first quarter and the plan will be implemented after the delisting of the company.

The total purchase price of Larox shares was EUR 94.2 million including capitalized transaction costs EUR 3.8 million and liability related to non-controlling interest. Most of the consideration for the Larox shares purchased was paid in the form of 3,780,373 new Outotec shares which totalled to EUR 88.1 million.

The below purchase price allocation is preliminary and the final purchase price allocation will be completed during 2010. In the preliminary purchase price allocation the purchase price has been allocated to intangible assets such as technologies, trademarks and customer relationships. The goodwill is mainly based on the synergy benefits that have been estimated to be at least EUR 7 million annually.

EUR million	Fair values recorded on acquisition	Carrying amounts prior to acquisition
Intangible assets	**41.0**	17.4
Property, plant and equipment	**12.9**	12.9
Inventories	**26.3**	22.8
Trade and other receivables	**41.0**	39.0
Cash and cash equivalents	**1.5**	1.5
Total assets	**122.9**	93.8
Interest-bearing liabilities	**34.6**	34.6
Deferred tax liabilities	**8.7**	1.7
Trade and other payables	**32.0**	32.0
Total liabilities	**75.3**	68.3
Net assets	**47.6**	25.5
Acquisition cost (equity)	**88.1**	
Acquisition cost (cash)	**4.7**	
Liability related to non-controlling interest	**1.4**	
Goodwill	**46.6**	
Cash and cash equivalents in subsidiaries acquired	**1.5**	
Acquisition cost paid in cash at March 31, 2010	**2.7**	
Acquisition cost paid at December 31, 2009	**2.0**	
Cash flow effect at March 31, 2010	**2.7**	

Effect of Larox acquisition on Outotec Group's sales and operating profit 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 owns 100 percent of the company's shares and votes. The acquisition price of the shares was approximately AUD 49 million (approximately EUR 33.3 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 Ausmelt Ltd shares by approximately EUR 3.3 million.

Ausmelt's principal activities are the development, design, engineering and supply of Top Submerged Lance (TSL) smelting technology for the production of metals and the 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, while 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. The additional benefit of the technology is that it enables the recovery of valuable metals from by-products.

The below purchase price allocation is preliminary and the final purchase price allocation will be completed during 2010. In the preliminary purchase price allocation 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 the sales synergy benefits that are expected to come from Ausmelt's increased growth opportunities as a part of Outotec.

EUR million	Fair values recorded on acquisition	Carrying amounts prior to acquisition
Intangible assets	**13.3**	0.6
Property, plant and equipment	**0.3**	0.3
Inventories	**0.7**	0.7
Trade and other receivables	**2.7**	2.6
Cash and cash equivalents	**4.4**	4.6
Total assets	**21.3**	8.9
Deferred tax liabilities	**3.9**	0.1
Trade and other payables	**8.0**	7.5
Total liabilities	**11.9**	7.6
Net assets	**9.4**	1.3
Acquisition cost	**33.3**	
IFRS fair valuation of shares	**3.3**	
Goodwill	**27.3**	
Cash and cash equivalents in subsidiaries acquired	**4.4**	
Acquisition cost paid in cash at March 31, 2010	**22.3**	
Acquisition cost paid in cash at December 31, 2009	**10.4**	
Cash flow effect at March 31, 2010 *)	**17.9**	

*) Cash flow effect of the acquisition has been translated with the average EUR/AUD rate for the period.

Segments' sales and operating profit by quarters

EUR million	**Q1/08**	Q2/08	Q3/08	Q4/08	**Q1/09**	Q2/09	Q3/09	Q4/09	**Q1/10**
Sales									
Minerals Processing	**60.1**	92.7	122.0	144.8	**84.5**	91.1	79.4	83.2	**48.2**
Base Metals	**60.1**	72.0	76.9	86.4	**44.8**	29.6	28.0	34.0	**31.9**
Metals Processing	**104.6**	109.2	116.9	163.9	**97.2**	103.4	77.4	100.8	**72.5**
Larox	**-**	-	-	-	**-**	-	-	-	**31.2**
Other Businesses	**9.1**	16.7	11.4	18.8	**18.3**	20.0	11.5	10.7	**8.9**
Unallocated items *) and intra-group sales	**-8.3**	-15.0	-9.2	-15.1	**-13.2**	-6.5	-7.6	-8.9	**-5.6**
Total	**225.6**	275.5	318.1	398.8	**231.6**	237.6	188.7	219.8	**187.0**
Operating profit									
Minerals Processing	**4.1**	3.2	3.1	12.1	**6.1**	7.9	9.1	6.1	**-0.3**
Base Metals	**6.3**	11.9	13.3	17.2	**4.3**	-0.4	1.6	2.8	**-1.8**
Metals Processing	**12.3**	11.8	14.9	22.1	**8.9**	9.3	6.3	11.5	**9.1**
Larox		-	-	-	**-**	-	-	-	**-3.0**
Other Businesses	**0.4**	1.2	1.7	0.7	**-0.4**	-0.1	-0.5	-0.5	**-1.7**
Unallocated and intra-group items **)	**-2.2**	-5.1	-4.1	-4.6	**-2.7**	-2.7	-1.5	-6.5	**-12.5**
Total	**21.0**	22.9	28.9	47.5	**16.3**	13.9	15.1	13.3	**-10.1**

*) Unallocated items primarily include invoicing of internal management and administrative services.
**) Unallocated items primarily include internal management and administrative services, one-time costs which relate to restructuring and share of the result of associated companies.

Definitions for Key Financial Figures

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