Q1-Q2/2011 Interim report

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President and CEO

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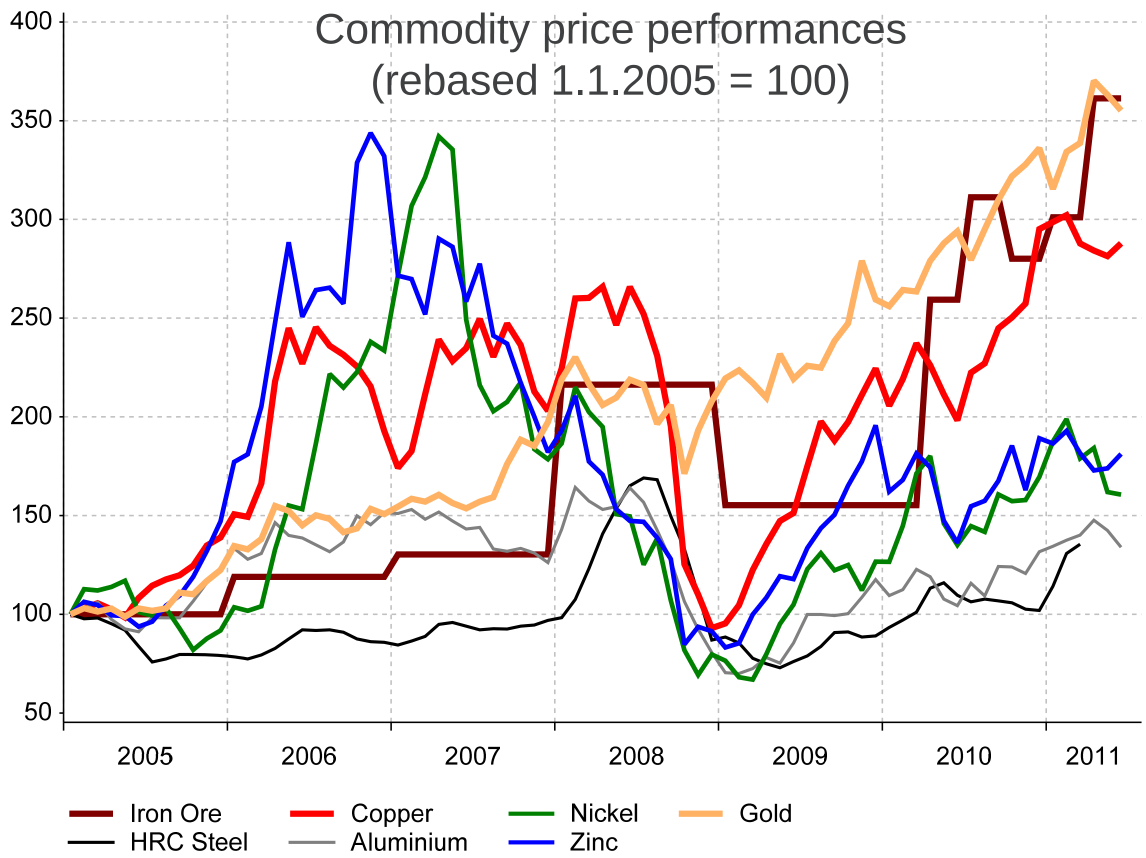
Outotec

Q1-Q2/2011 Financial information

Overall market activity remained high 1/2

- Investments were supported by the positive long-term outlook for metals demand and historically high metals prices
- Production capacity utilization rates continued to be good increasing the demand for spare parts and services
- The financial market has remained functional and financial institutions have been willing to provide funding in emerging and developing markets
- Turbulence in financial markets and the potential escalation of sovereign debt may have a severe negative impact on global economy and mining companies' project financing

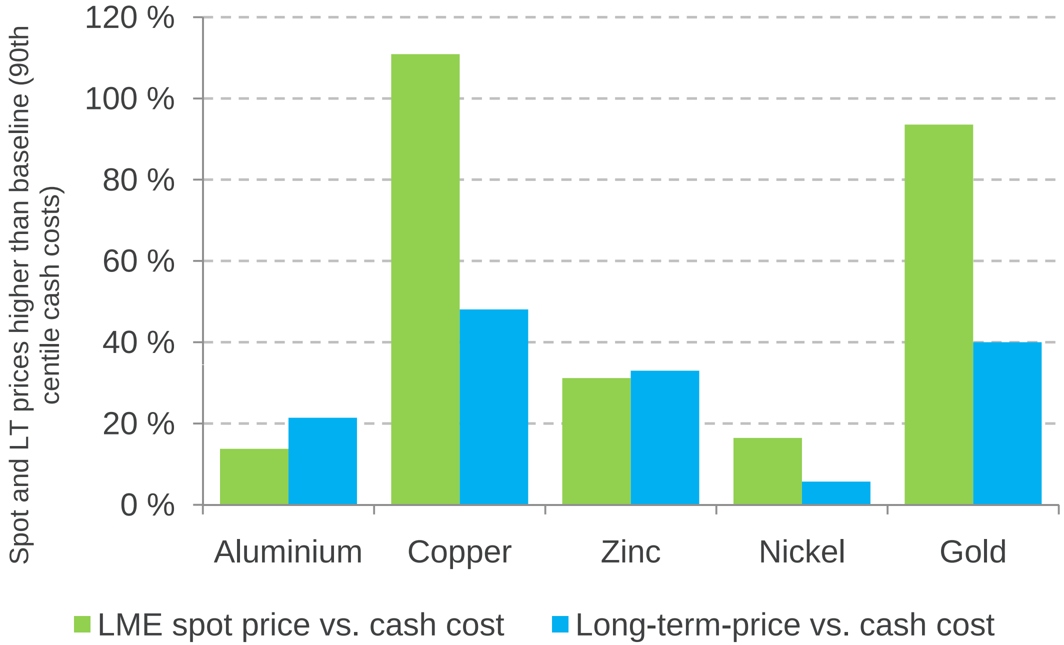


Source: Reuters EcoWin

Overall market activity remained high 2/2

- The strongest activity was seen in copper, gold and iron projects; however, zinc and aluminum projects also advanced
- Markets in South America, Australia and India were particularly strong, but activity also picked up in Russia and the Middle East
- Appr. 2/3 of Outotec's sales comes from emerging markets
- Delivery times in some areas of the subcontractor network started to lengthen but are not causing issues currently
- Interest in sustainable solutions continues to gain momentum increasing the demand for advanced process technology

Commodity LME spot and long-term prices are higher than industry cash costs of 90th centile*)



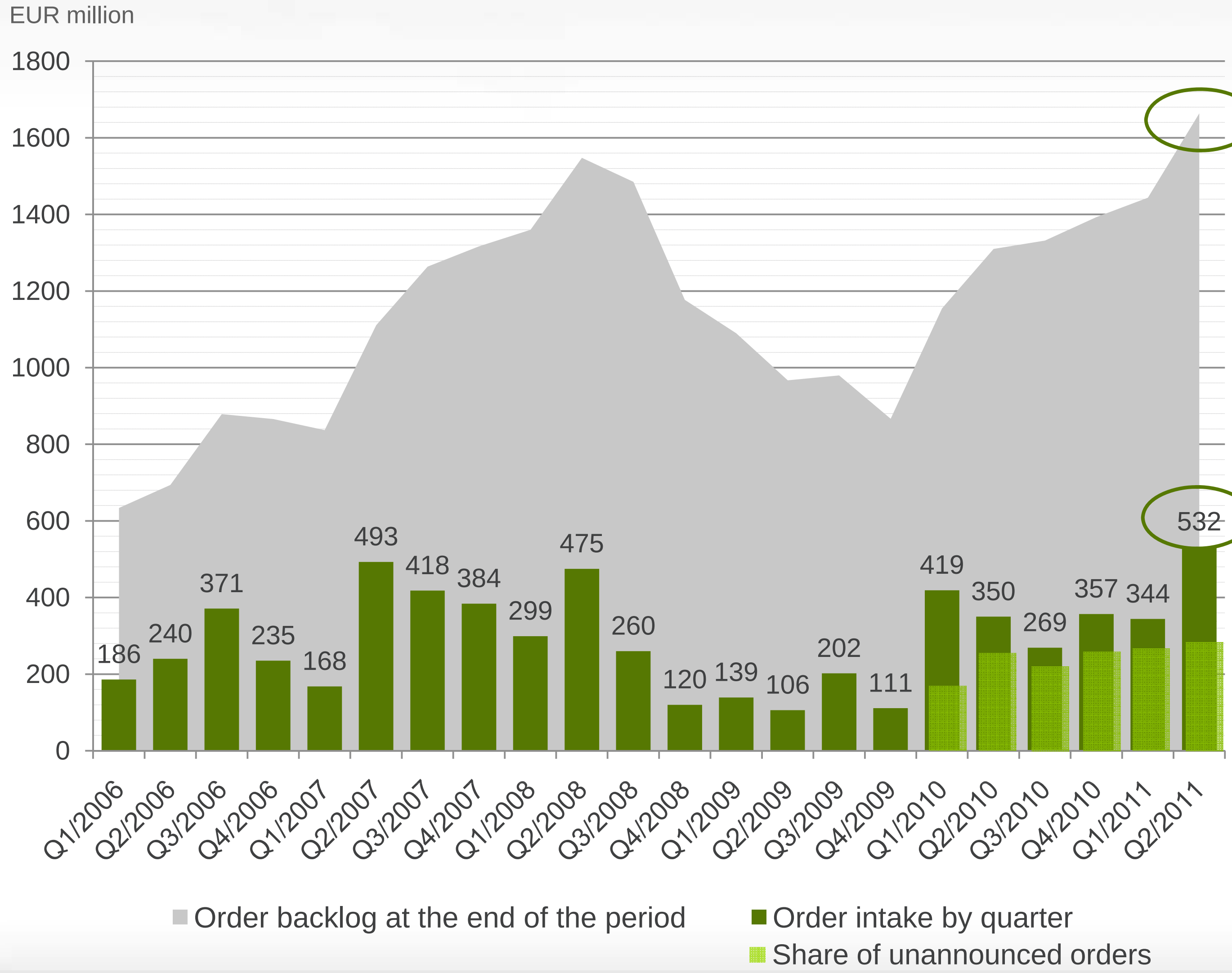
*) indicating that if prices would drop down to baseline 90th centile cash cost level (the 0% mark level), even then only 10% of producers would make loss, implying that both spot and LT prices still incentivize well new capacity investments.

Source: LME, Macquarie, Raw Materials Data, Outotec analysis

Large scope orders received in Q1-Q2

- Order intake in Q1-Q2/2011 EUR **875.7** million (Q1-Q2/2010: EUR 769.1 million), *+14%*
- Order intake in Q2 EUR 532.1 million (Q2/2010: EUR 349.7 million), *+52%*
- Orders from EMEA (including CIS) represented 40%, Americas 40% and Asia Pacific 20%

Record-high order intake in Q2 and all-time high order backlog at the end of June



- Order backlog at the end of Q2/2011 was EUR **1,664.1** (1,310.1) million, 27% higher than at the end of Q2/2010
- 26 projects with value in excess of EUR 10 million, accounting for 64% of the backlog
- Roughly 42% (or approx. EUR 700 million) of the backlog is estimated to be delivered in 2011 and the rest in 2012 and beyond

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Strong sales growth, quarterly fluctuations in operating profit due to mix, license fees, profit recognition patterns and FX

EUR million	**Q1-Q2 2011**	Q1-Q2 2010	Change %	Last 12 months	**2010**	**Q2 2011**	Q2 2010
Sales	**536.0**	410.8	+30	1,094.7	969.6	**288.4**	223.8
Gross margin, %	**23.5**	25.0		25.3	26.2	**20.9**	25.5
Operating profit from business operations	**32.3**	14.9	+117	92.1	74.7	**12.1**	11.3
- one-time restructuring cost	**-**	-16.1		-10.4	-26.5	**-**	-3.7
- PPA amortization	**-2.4**	-5.6		-6.3	-9.4	**-1.2**	-2.2
+ revaluation of Ausmelt shares	**-**	+2.2		-	+2.2	**-**	-
+ Other	**-**	-		+0.6	+0.6	**-**	-
Reported operating profit	**29.8**	-4.6		76.1	41.6	**10.9**	5.5
FX impact (unrealized, realized)	**+4.8**	-1.4		+8.1	+1.9	**+0.9**	-1.8
Operating profit margin, %	**5.6**	-1.1		6.9	4.3	**3.8**	2.4
- from business operations	**6.0**	3.6		8.4	7.7	**4.2**	5.1

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Non-ferrous Solutions – strong growth and delivery execution

Q1-Q2 highlights

- Strong starting order backlog and continued strong order intake
- Strong growth of services, equipment and process solution sales
- Good progress in deliveries
- Favorable project mix in Q1, including license fees

EUR million	**Q1-Q2 2011**	Q1-Q2 2010	Change %	**2010**	**Q2 2011**	Q2 2010
Sales	**353.4**	254.8	+39	623.3	**191.4**	141.3
Operating profit from business operations *)	**32.8**	5.9		50.6	**13.7**	10.0
Operating profit *)	**30.7**	-10.6		26.1	**12.6**	4.8
Operating profit margin from business operations, %	**9.3**	2.3		8.1	**7.2**	7.1
Operating profit margin, %	**8.7**	-4.2		4.2	**6.6**	3.4

*) unrealized and realized foreign exchange gains in Q1-Q2/2011 EUR 4.2 million

Ferrous Solutions – strong growth, profitability lagging behind

Q1-Q2 highlights

- Back on growth track
- Good execution of long-term projects from the order backlog
- Operating profit impacted by timing of project completions and high sales and marketing costs due to very high proposal activity

EUR million	**Q1-Q2 2011**	Q1-Q2 2010	Change %	**2010**	**Q2 2011**	Q2 2010
Sales	**86.3**	52.9	+63	131.5	**42.6**	32.9
Operating profit from business operations	**1.3**	0.1		12.6	**-1.9**	2.4
Operating profit	**1.3**	-1.1		11.3	**-1.9**	1.4
Operating profit margin from business operations, %	**1.5**	0.2		9.5	**-4.5**	7.2
Operating profit margin, %	**1.5**	-2.1		8.6	**-4.5**	4.3

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Energy, Light Metals and Environmental Solutions – timing of long-term projects impacted sales

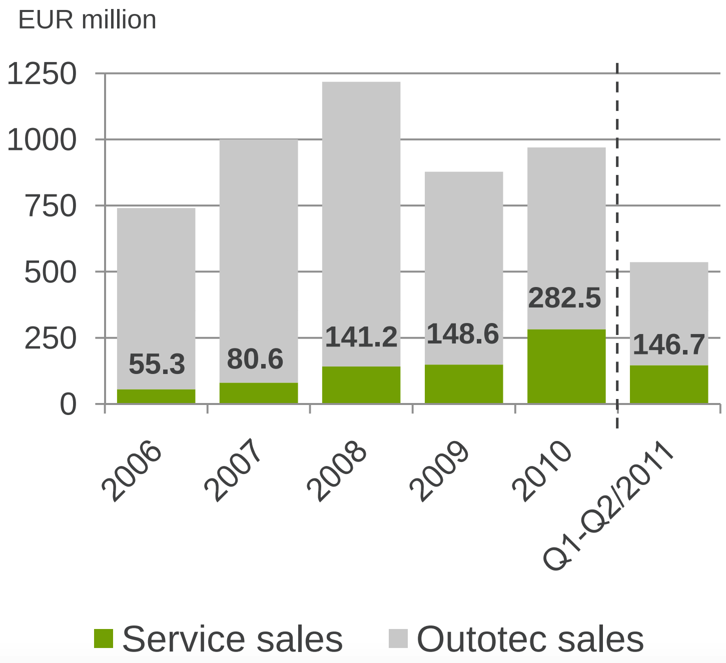
Q1-Q2 highlights

- Decline in sales was mainly due to the timing of revenue recognition of long-term projects
- Comparison period's operating profit included provision releases due to successful project completions

EUR million	**Q1-Q2 2011**	Q1-Q2 2010	Change %	**2010**	**Q2 2011**	Q2 2010
Sales	**103.8**	107.2	-3	222.8	**57.7**	52.6
Operating profit from business operations*)	**8.9**	13.0		28.9	**5.4**	2.7
Operating profit *)	**8.6**	11.9		26.8	**5.2**	1.9
Operating profit margin from business operations, %	**8.5**	12.1		13.0	**9.3**	5.1
Operating profit margin, %	**8.3**	11.1		12.0	**9.1**	3.5

*) unrealized and realized foreign exchange gains in Q1-Q2/2011 EUR 0.7 million

Services – very strong organic growth



- Sales of the Service business in Q1-Q2 were EUR 146.7 million (Q1-Q2/2010: 112.5 million), up 30%
- In the reporting period, Service business represents 27% of sales (Q1-Q2/2010: 27%)
- Sales of the Service business in Q2/2011 were EUR 75.6 million, representing 26% of sales (Q2/2010: 62.0 million, 28% of sales)
- Service business sales target:
  EUR 500 million by the end of 2015

Good cash flow and solid financial position

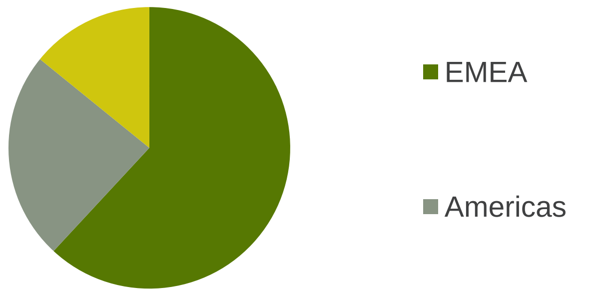
EUR million	**Q1-Q2 2011**	Q1-Q2 2010	**Last 12 months**	**2010**	**Q2 2011**	Q2 2010
Net cash from operating activities	**105.7**	42.0	151.2	87.5	**45.9**	34.6
Net interest-bearing debt*)	**-250.6**	-166.8	-250.6	-200.9	**-250.6**	-166.8
Equity*)	**336.1**	322.2	336.1	357.7	**336.1**	322.2
Equity-to assets ratio, %*)	**37.1**	42.9	37.1	41.2	**37.1**	42.9
Gearing, %*)	**-74.6**	-51.8	-74.6	-56.2	**-74.6**	-51.8
Working capital*)	**-196.5**	-107.8	-196.5	-113.5	**-196.5**	-107.8
ROI, %	**16.6**	-2.9	20.6	9.2	**12.0**	5.6
ROE, %	**11.8**	-2.0	15.3	7.6	**9.4**	5.1
Earnings per share, EUR	**0.45**	-0.07	1.11	0.59	**0.17**	0.09

**) At the end of the period*

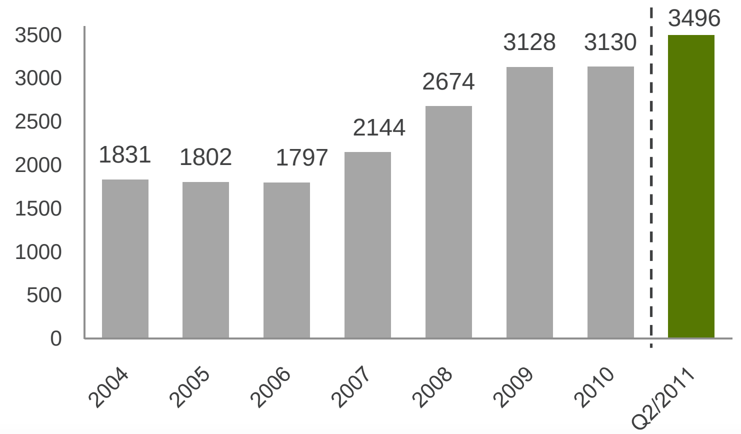
Personnel increased to support business growth

- At the end of Q2, Outotec had 3,496 employees (June 30, 2010: 3,199)
- Temporary personnel accounted for 10% (2010: 8%) of the total number of employees
- Additionally some 430 FTE contracted people in projects (June 30, 2010: 250)

Personnel by region at the end of the period



Personnel at the end of the period



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Good order momentum continuing in Q3

In July Outotec has announced the following orders:

- Concentrator technology for the Petropavlovsk Group in Malomyr gold mine, Russia
  - EUR 25 million

- Two calciners to the joint venture's integrated aluminum complex at Ras Al Khair, Saudi Arabia
  - joint venture between Saudi Arabian Mining Company (Ma'aden) and Alcoa in Saudi Arabia
  - value of EUR 62 million, out of which roughly EUR 50 million will be booked in Outotec's order intake in the third quarter

- Copper concentrator for ZAO Miheevsky GOK, a subsidiary of Russian Copper Company for the Miheevsky porphyry-copper project in Chelyabinsk, Russia.
  - EUR 60 million

- Gas cleaning and sulfuric acid plant for OJSC Almalyk Mining & Metallurgical Company (AMMC) to AMMC's existing copper production facilities in Almalyk, Uzbekistan
  - approximately EUR 30 million

Priorities in 2011 - June-end update

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Q2 progress of 2011 priorities

Objective	Actions	Progress in Q2	Status
All businesses on growth track	• Strong starting order backlog • Win new business and execute well	• Strong order intake in all business areas • Solid execution in all business areas • ELE sales not yet growing	
Basic life cycle solution offerings and delivery capabilities in place	• Launch new service products • New operational model focuses on delivering solutions	• Good progress in developing and launching new service products • Good progress in offering and winning larger solution scopes	
New operational model enabling scalability, global processes and systems in place	• Develop global supply and engineering functions • Develop and implement common processes and tools • Strengthen the resourcing	• Good progress in establishing global supply management • Good progress in building global platforms • Capacity to deliver in place, some manageable bottlenecks	
Acquisitions to strengthen service, energy and water businesses and to augment technology porffolio	• Execute the acquisition needs identified as part of new strategy	Technology acquisitions: • ASH DEC • Vertical Pressure Filter	
Grow the Services business to EUR 500 million by 2015	• Strengthen the resources in Services • Develop and launch new service products • Execute acquisitions	• Active recruitment • Good progress in developing and launching new service products • Service acquisitions in pipeline	

Market outlook and reiterated financial guidance for 2011

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Market outlook (excerpts from Q1-Q2 interim report)

- The strong market activity is expected to continue based on the long-term metals demand projections, high metals prices, declining ore grades and tightening environmental regulations
- The order pipeline is strong since several mining and metals companies are still in the process of re-activating projects that were put on hold during the downturn
- Project financing availability has improved. However, the more complex structures of the financing packages continue to take time
- Tightening efficiency and environmental requirements, declining ore grades, geographical relocation of production and capacity increases are the key investment drivers
- Rising energy prices are driving the industry to improve processes in order to achieve lower unit costs
- Turbulence in financial markets and the potential escalation of sovereign debt may have a severe negative impact on global economy and mining companies' project financing

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Financial guidance for 2011

Outotec reiterates the previous guidance for the year 2011. Based on a strong opening order backlog and active market, in 2011:

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

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

Q&A