Q1-Q2 Interim report 2012

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President and CEO

July 27, 2012

Outotec

Robust market in all Outotec's market areas

- Sales activities has continued strong
- Some companies have revised their investment plans somewhat downwards, but investments have continued on a high level
- The long-term outlook for metals demand has continued positive
- Competitive landscape has remained relatively unchanged, but varying by country and technology
- Tightening environmental regulations have increased demand for Outotec's sustainable technology solutions
- In certain regions political conditions have been delaying for instance the investments in alternative energy solutions
- Financing has continued to be available

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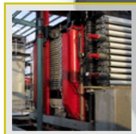
Strong order intake momentum continued

Order intake in
- Q1-Q2/2012: EUR 1,160.8 million (EUR 875.7 million), +33%
- Q2/2012: EUR 735.5 million (EUR 532.1 million), +38%

Americas 24%


Flotation technology for Kennecott Utah Copper, U.S.


Filtration technology for Corp. Minera de Bolivia, Bolivia
some millions of €


Filtration technology for MMX Mineracao e Metálicos, Brazil
some tens of millions of €


Copper concentrator technology for Grupo México, Mexico
nearly € 28 million


Concentrator technology for slag treatment plant for Codelco, Chile
approx. € 10 million


SX-EW technology for Grupo México, Mexico
approx. € 22 million

EMEA (including CIS) 61%

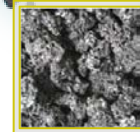

Ilmenite smelter for Cristal Global, Saudi Arabia
over € 350 million


Gas cleaning and sulfuric acid plant for Kansanshi Mining, Zambia
over € 80 million


Iron ore pelletizing plant for Gol-E-Gohar Mining, Iran
approx. € 80-85 million (€ 25 million in Q2)

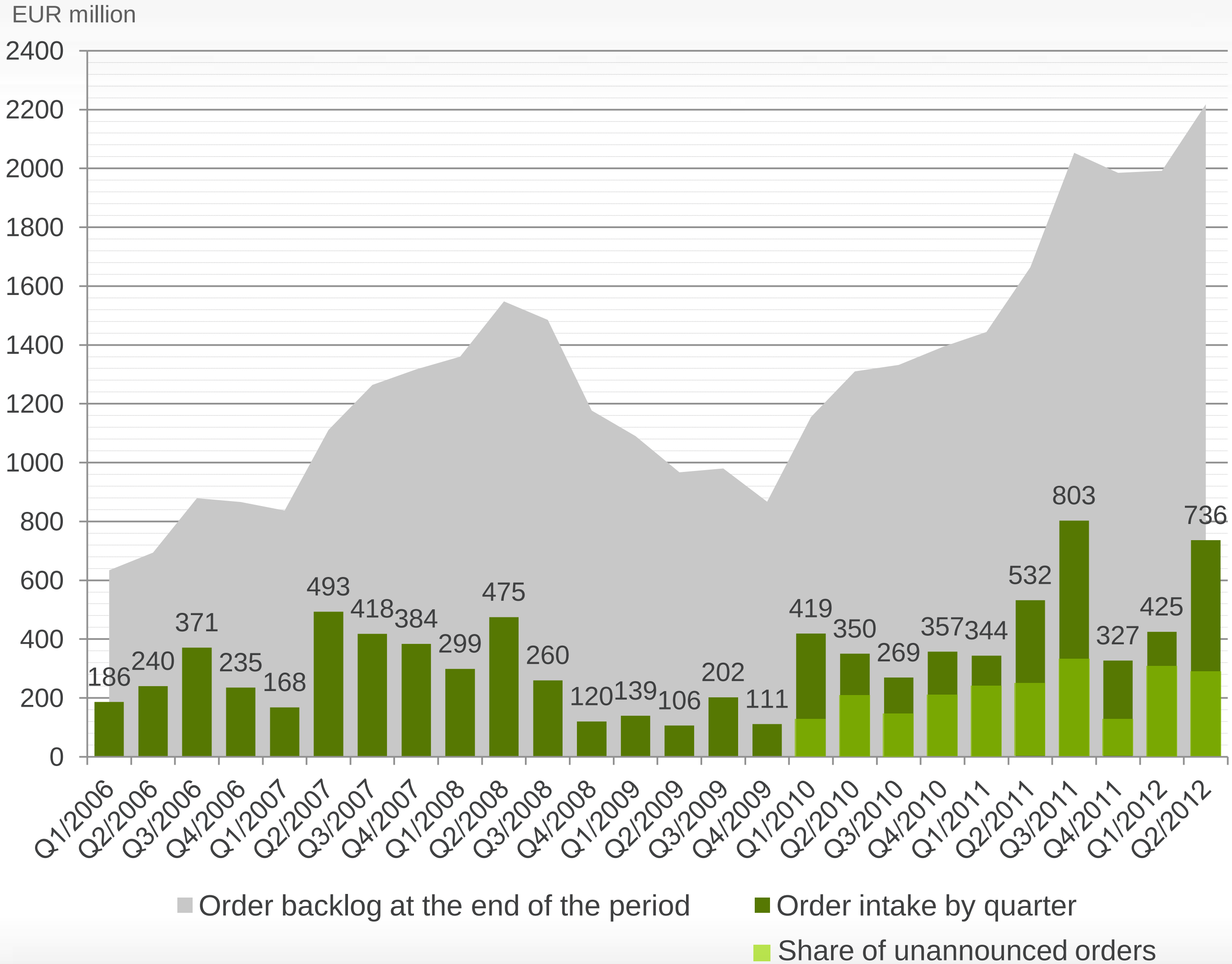
Asia Pacific 15%


Feasibility study for alumina refinery for PT ANTAM, Indonesia


Iron ore sintering process for BPSL, India
€ 20 million

Outotec offices

Very strong order intake and record-high order backlog



- Order backlog at the end of Q2/2012 was EUR **2,218.4** (1,664.1) million, 33% higher than at the end of Q2/2011
- **44** projects with value in excess of EUR **10** million, accounting for **73**% of the backlog
- Roughly **42**% (or approx. EUR **930** million) of the backlog is estimated to be delivered in 2012 and the rest in 2013 and beyond

Successful project execution and service delivery resulted in very strong profitable growth

EUR million	**Q1-Q2 2012**	Q1-Q2 2011	Change %	Last 12 months	**2011**	**Q2 2012**	Q2 2011
Sales	934.8	536.0	+74	1,784.4	1,385.6	524.4	288.4
Gross margin, %	20.9	23.5		22.5	24.0	20.4	20.9
Operating profit from business operations	75.1	32.3	+133	164.3	121.5	44.5	12.1
- one-time costs	-0.7	-		-5.4	-4.7	-0.7	-
- PPA amortization	-6.0	-2.4		-8.4	-4.9	-3.0	-1.2
Reported operating profit	68.4	29.8	+129	150.5	111.9	40.8	10.9
FX impact (unrealized, realized)	-3.8	+4.8		-6.8	+1.7	-3.7	+0.9
Operating profit margin, %	7.3	5.6		8.4	8.1	7.8	3.8
- from business operations	8.0	6.0		9.2	8.8	8.5	4.2

Non-ferrous Solutions – very strong performance by all metrics

- Continued good order intake
- Strong sales growth due to very good execution of projects and services
- Profitability strengthened further despite negative impact from unrealized and realized FX losses
- Acquisition of Numcore

EUR million	**Q1-Q2 2012**	Q1-Q2 2011	Change %	**2011**	**Q2 2012**	Q2 2011
Sales	596.5	353.4	+69	947.6	335.9	191.4
Operating profit from business operations *)	62.2	32.8	+90	113.1	36.0	13.7
Operating profit *)	60.4	30.7	+97	107.7	35.0	12.6
Operating profit margin from business operations, %	10.4	9.3		11.9	10.7	7.2
Operating profit margin, %	10.1	8.7		11.4	10.4	6.6

*) Q1-Q2 unrealized and realized foreign exchange loss of EUR 1.0 million (Q1-Q2/2011: gain of EUR 4.2 million)

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Ferrous Solutions – very strong order intake and sales growth, profitability improving

- Very strong order intake
- Very strong sales growth
- Strong profitability improvement due to sales growth as the execution of large projects progressed
- Acquisition of Demil Manutenção Industrial

EUR million	**Q1-Q2 2012**	Q1-Q2 2011	Change %	**2011**	**Q2 2012**	Q2 2011
Sales	151.8	86.3	+76	221.1	81.8	42.6
Operating profit from business operations*)	8.2	1.3	+523	9.8	2.7	-1.9
Operating profit *)	7.6	1.3	+481	6.7	2.2	-1.9
Operating profit margin from business operations, %	5.4	1.5		4.4	3.3	-4.5
Operating profit margin, %	5.0	1.5		3.1	2.6	-4.5

*) Q1-Q2 unrealized and realized foreign exchange losses EUR 0.4 million (Q1-Q2/2011: loss of EUR 0.1 million)

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Energy, Light Metals and Environmental Solutions – very strong sales growth, fair profitability

- Strong order intake
- Very strong sales growth due to good progress in the execution of long-term projects, acquisitions and services sales
- Successful project completions
- Fair profitability, impacted by unrealized and realized FX losses

EUR million	**Q1-Q2 2012**	Q1-Q2 2011	Change %	**2011**	**Q2 2012**	Q2 2011
Sales	192.7	103.8	+86	236.1	106.8	57.7
Operating profit from business operations*)	15.4	8.9	+74	25.8	9.5	5.4
Operating profit *)	11.2	8.6	+30	23.8	7.3	5.2
Operating profit margin from business operations, %	8.0	8.5		10.9	8.9	9.3
Operating profit margin, %	5.8	8.3		10.1	6.9	9.1

*) Q1-Q2 unrealized and realized foreign exchange losses EUR 2.1 million (Q1-Q2/2011: gain of EUR 0.7 million).

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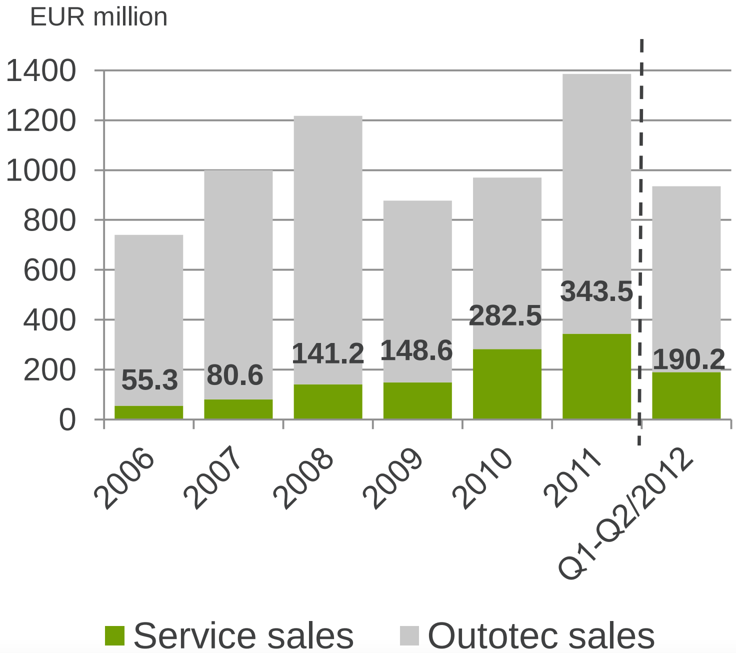
Strong Services sales growth continued



- Services sales in Q1-Q2/2012 were EUR 190.2 million (Q1-Q2/2011: 146.7 million), up 30% and representing 20% of sales (Q1-Q2/2011: 27%)
  - Further penetration to installed base
  - New service offerings such as O&M
  - Scaling up sales and delivery capability
- Services sales in Q2/2012 were EUR 100.7 million (Q2/2011: 75.6 million), up 33% and representing 19% of sales (Q2/2011: 26%)
- Ahead of schedule in reaching long-term Services sales target of EUR 500 million by the end of 2015

Balance sheet strengthened further by all metrics, strong ROI, ROE and EPS improvement

EUR million	**Q1-Q2 2012**	Q1-Q2 2011	**Q2 2012**	**Q2 2011**	2011
Net cash from operating activities	**66.9**	105.7	**57.0**	45.9	247.0
Net interest-bearing debt*)	**-334.7**	-250.6	**-334.7**	-250.6	-339.1
Equity*)	**415.7**	336.1	**415.7**	336.1	399.5
Equity-to assets ratio, %*)	**39.0**	37.1	**39.0**	37.1	39.1
Gearing, %*)	**-80.5**	-74.6	**-80.5**	-74.6	-84.9
Working capital*)	**-271.0**	-196.5	**-271.0**	-196.5	-270.3
ROI, %	**29.7**	16.6	**33.4**	12.0	26.4
ROE, %	**23.2**	11.8	**28.1**	9.4	20.9
Earnings per share, EUR	**1.04**	0.45	**0.62**	0.17	1.75

**) At the end of the period*

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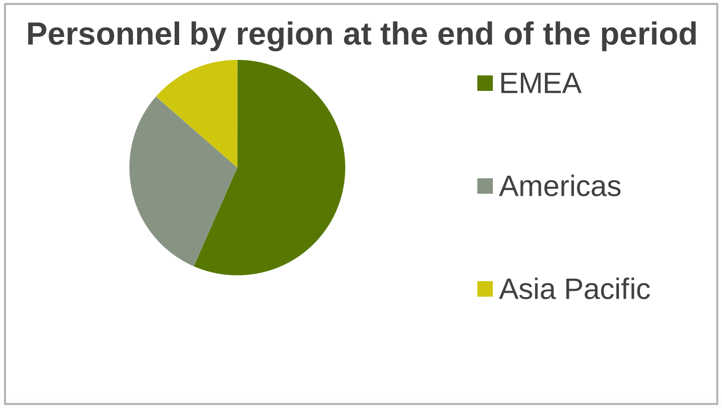
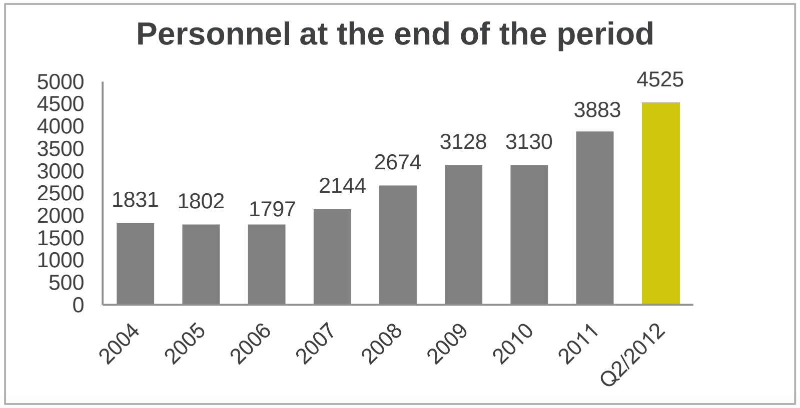
Headcount increased due to acquisitions and recruitments primarily to delivery operations

- At the end of Q2/2012, Outotec had **4,525** employees (end of Q2/2011: 3,496)
- The increase was due personnel recruited for:
  - Project implementation
  - Service business
  - Sales and marketing
- Personnel increase from acquisitions was **305**
- Temporary personnel accounted for **10%** (June 30, 2011: 10%) of the total number of employees
- Additionally some **660** FTE contracted people in projects (June 30, 2011: 430)





Events after the reporting period

- On July 10, 2012, Outotec announced an agreement to acquire the business of Australian-owned mining services company TME Group
  - grinding mill relining and mineral processing plant maintenance services
  - annual sales approx. EUR 35 million
  - 130 employees
- On July 10, 2012, Outotec announced that it had been awarded multiple technology deliveries for National Iranian Copper Industries Company, Iran
  - total value of EUR 265 million
  - approx. EUR 58 million booked in Q3
  - revenues recognized gradually during 2012-2016

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Priorities in 2012 - Q2 progress

All 2012 focus areas are progressing well

Objective	Status
Order intake, scalability and execution excellence to ensure continuous growth	●
Value based pricing, supply savings and scalability to ensure profitability improvement	●
Solution offering and services to strengthen earnings logic	●
M&A to strengthen offering portfolio and accelerate growth	●

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Market outlook and revised financial guidance for 2012

Market outlook continues to be positive, macroeconomic risks have increased

- According to large mining companies' announcements, their CAPEX spending in 2012 will remain on a high level and Outotec expects good demand from all market areas to continue
- Declining ore grades, scarcity of water, higher energy prices, global relocation of production and stricter environmental regulations increase the need for sustainable technologies
- Financial resources continue to be available for good projects and for companies with strong cash flows and balance sheets
- The potential escalation of Euro zone crisis and other uncertainties of the world economy may cause our customers to delay their investment decisions

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Revised financial guidance for 2012

Outotec revises its sales guidance for 2012. Based on the first six months financial performance, strong order backlog at the end of June, market outlook and customer tendering activity, the management expects that in 2012:

- sales will grow to approximately EUR 1.8-2.0 billion, especially driven by the project revenue recognition, and
- operating profit margin from business operations will be approximately 9-10% (excluding one-time items and PPA amortizations).

Achieving the guidance is subject to sales mix and relative share of Services, fluctuation in foreign exchange rates, project progress in the order backlog, timing of new orders, license fee income and project completions as well as the general development of the world economy and financial markets.

Previous financial guidance for 2012

Based on a strong order backlog at the end of 2011, market outlook and customer tendering activity, management expects that in 2012:

- sales will grow to approximately EUR 1.7-1.9 billion, and
- operating profit margin from business operations will be approximately 9-10% (excluding one-time items and PPA amortizations).

Achieving the guidance is subject to the general development of the world economy and financial markets, project progress in the order backlog, exchange rates, product mix, timing of new orders, license fee income and project completions.

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Q&A

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