



CEO's review

Pertti Korhonen
Annual General Meeting 2013

Outotec

Our values define our way of working



For Outotec, corporate responsibility means creating shared value

Shareholder Value

"The social responsibility of business is to maximize its profits."

Milton Friedman

Stakeholder Value

"The corporation must be seen as an institution engaged in mobilizing resources to create wealth and benefits for all its stakeholders."

Edward Freeman

Shared Value

"Creating economic value in a way that also creates value for society by addressing its needs and challenges."

Michael Porter

Economic growth and its impact on environment can be decoupled by using advanced technologies



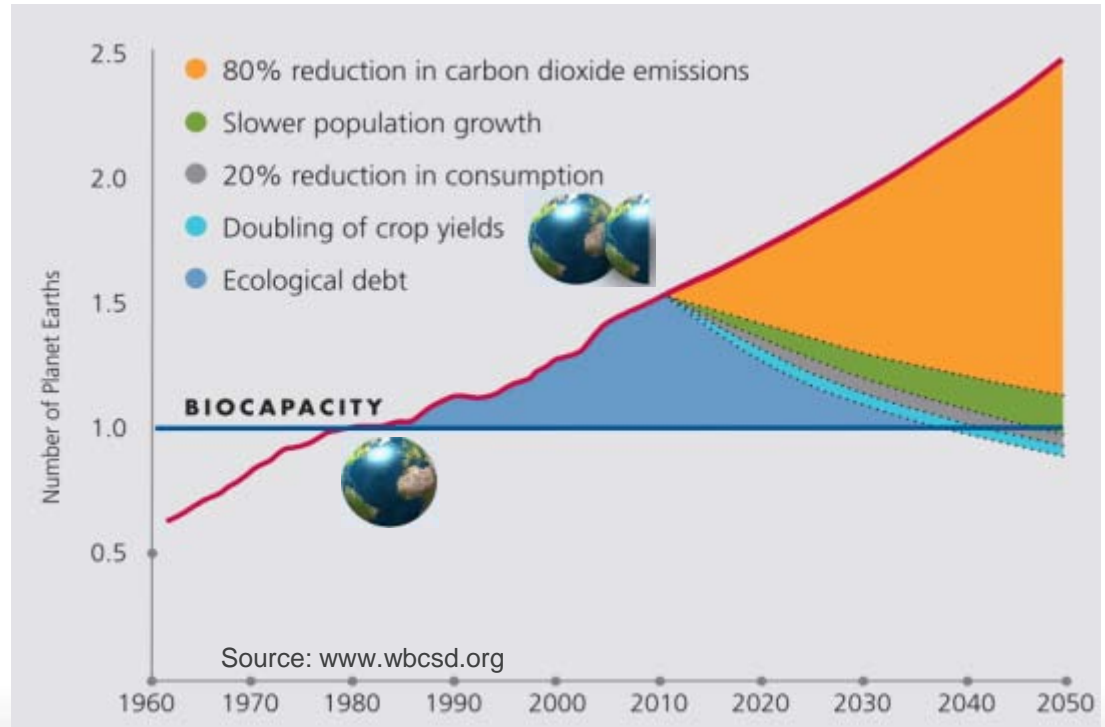
Welfare

Environmental impact

Eco-efficiency

Advanced technologies

Environmental impact



Outotec's strategic intent and mission

Our mission:

Sustainable use of
Earth's natural
resources.



Our strategic intent:

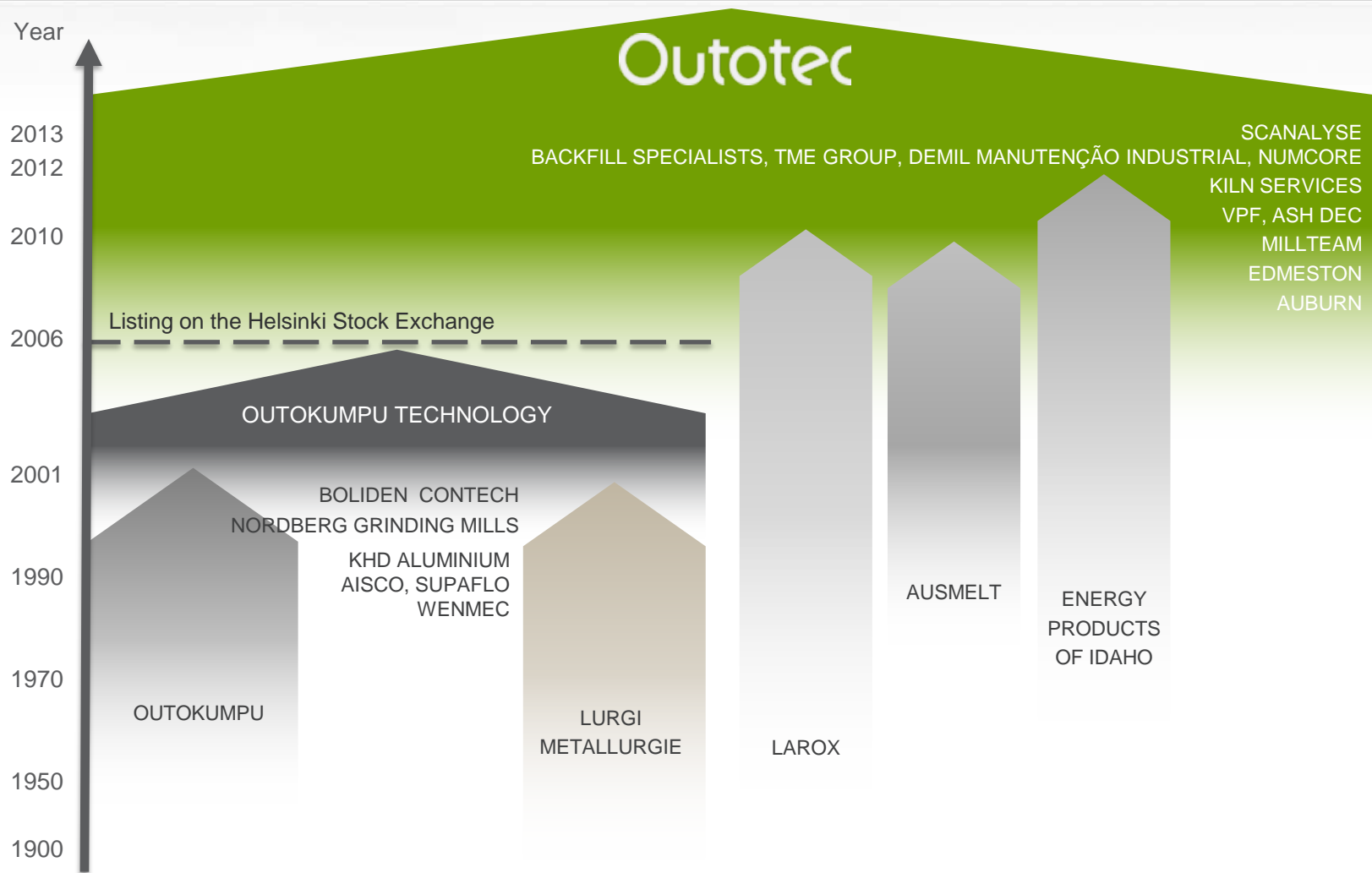
The leading provider of
sustainable minerals and metals
processing solutions,

and

an innovative provider of
sustainable energy and water
processing solutions.



Over a century as a technology leader, 13 M&As since 2010



Strong global network

- Presence in 25 countries, deliveries to over 80 countries
- Global subcontractor and partner network
- 90% of manufacturing sourced from external suppliers



● Outotec office

● Outotec manufacturing/assembly

● Outotec research center

Outotec's business areas

Ferrous Solutions



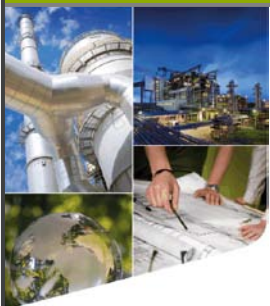
For processing iron ores and other ferriferous materials in the entire value chain from ore to metal

Non-ferrous Solutions



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

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



Services for a plant's entire lifetime

Long term customer relationships, fragmented competition environment

Selected reference customers of Outotec

Major global mining companies



Intermediate sized companies



Local mining and metallurgical companies in emerging regions



Outotec's strategy and mission

Our strategic intent:

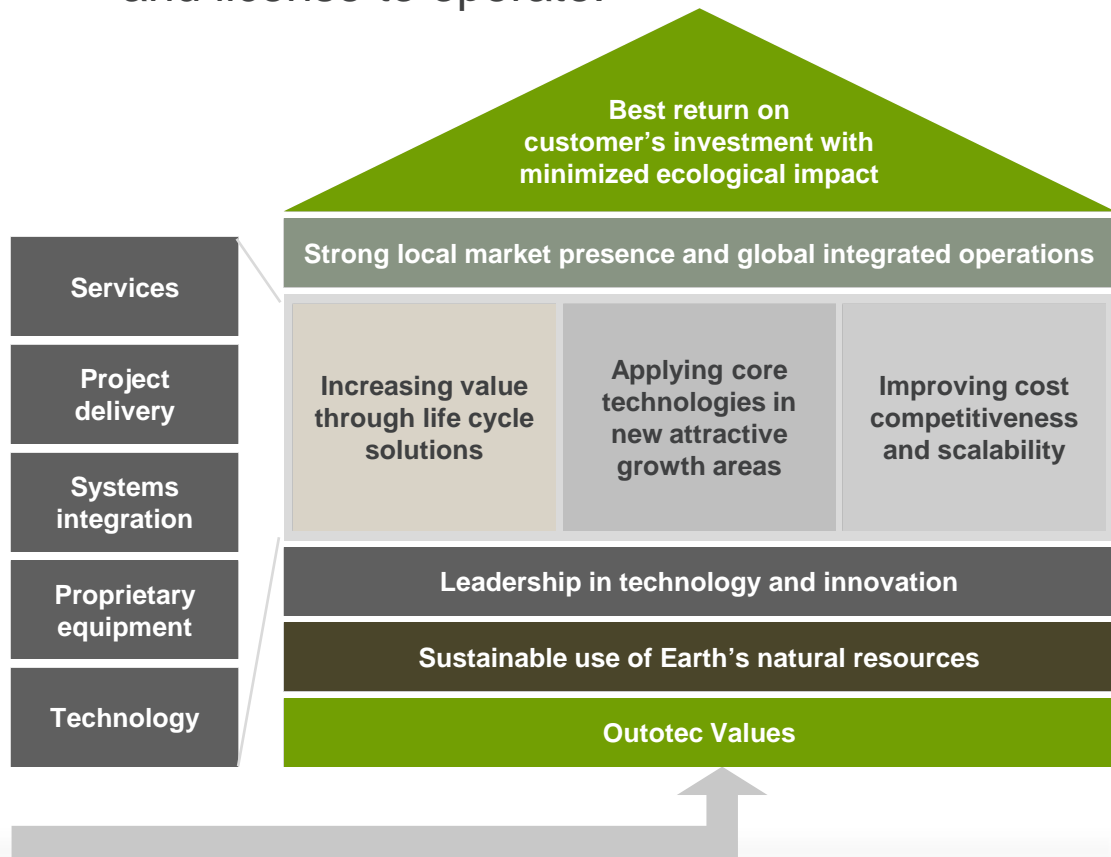
The leading provider of sustainable minerals and metals processing solutions,

and

an innovative provider of sustainable energy and water processing solutions.



Sustainable life cycle solutions enabling customers get the best return on investment and license to operate.



Our mission:

Sustainable use of Earth's natural resources.



Outotec's long-term financial targets

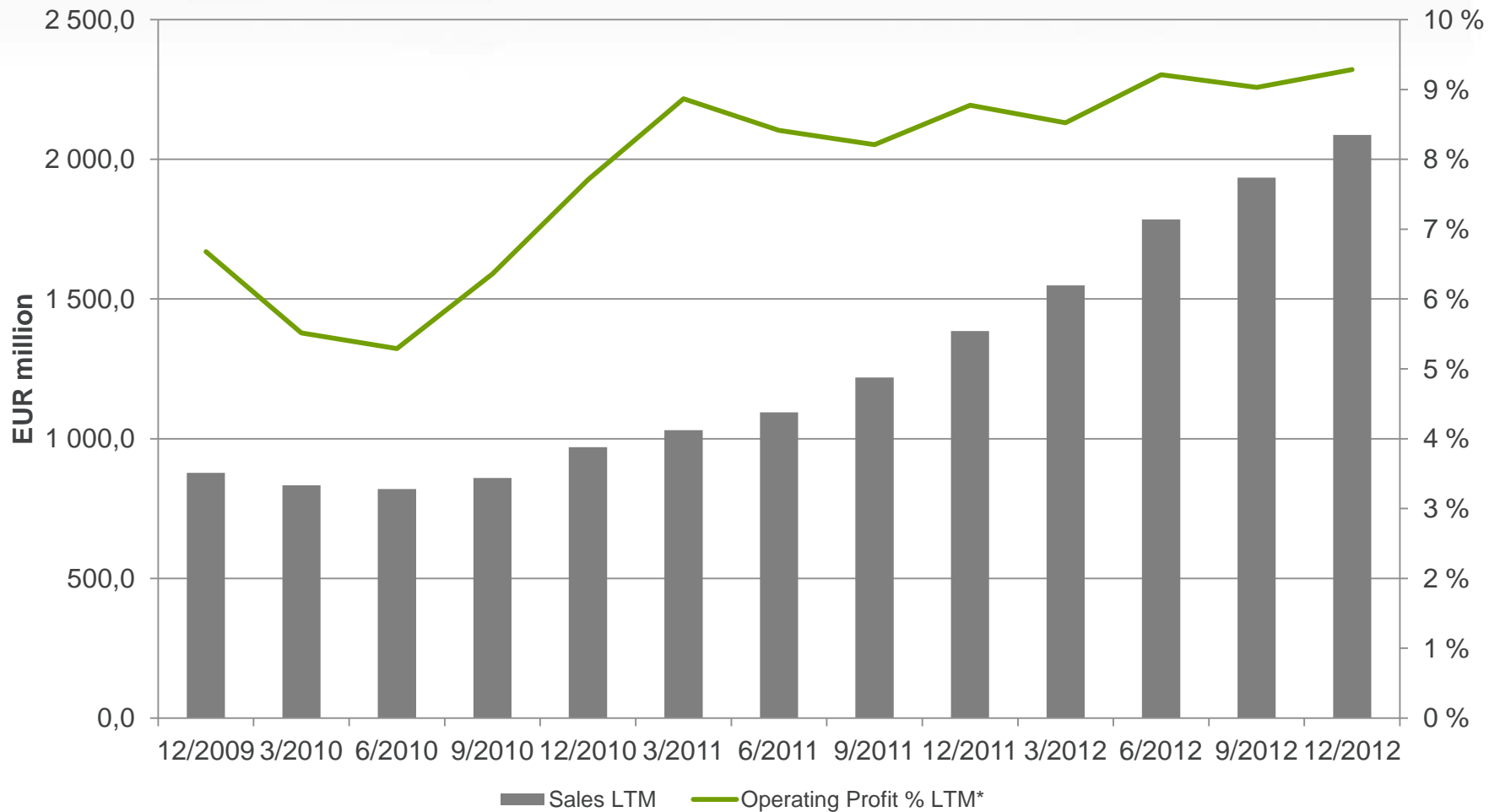
Targeting continuous profitable growth

Sales	CAGR 10-20%	Outotec targets to achieve annual average sales growth of 10-20%
	Services sales target	EUR 1 billion by the end of 2017
Operating profit margin	On average 10%	Annual operating profit margin from business operations is targeted to be on average at 10% over the cycle, excluding one-time costs and purchase price allocations of acquired businesses.
Balance sheet		Outotec targets to maintain strong balance sheet to provide operational flexibility and enable acquisitions.

NEW TARGET

Dividend policy: at least 40% of the annual net income

Sales and profitability developed during last twelve months (LTM) in line with long term targets



*) from business operations excl. one-time items and PPA amortizations

Demand for Outotec's solutions continued on a good level, because of our competitive offering and good market position



Approximately
89% of 2012
order intake
consisted of
Environmental
Goods and Services
(OECD criteria)

- The long term outlook for metals demand continued positive and metal prices recover toward year-end
- New capacity investments in non-ferrous metals and ilmenite, customers seeking operational improvements through expansions and modernizations
- Capacity utilization rates supported services sales in all business areas and interest in operation and maintenance as well as shut down services
- Local legislation, tighter environmental permitting and the complexity of large financing packages slowed down some sales negotiations
- In alternative energy solutions, low energy prices and uncertainties in political regulation impacted investment decisions in some countries

Q4 orders received included new breakthroughs in environmental solutions

Order intake in 2012 totaled EUR **2,084.4** million (2011: EUR 2,005.4 million), up 4%. Largest order in Outotec's history, over EUR 350 million, was received in the second quarter of 2012.

Americas 26%

EMEA 59%

Asia Pacific 15%

Published orders in **Q4/2012**:



- The largest sewage sludge thermal treatment plant Switzerland (nearly EUR 50 million, mainly booked Q2/2013 order intake)



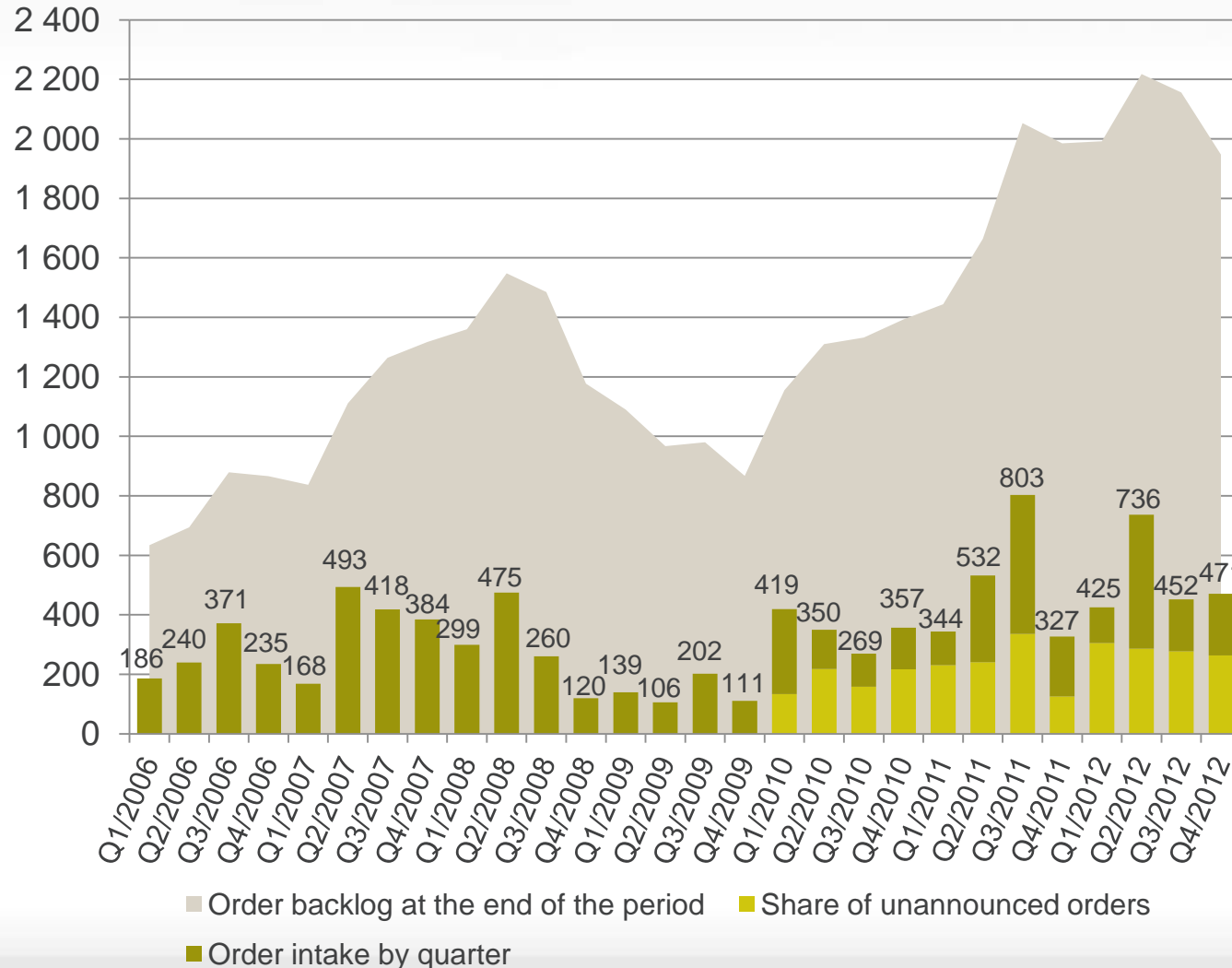
- Biomass power plant Turkey (approx. EUR 55 million, booked in Q1/2013 order intake)



- Gas cleaning system, sulfuric acid plant and related technologies Namibia (approx. EUR 130 million)

Solid order intake despite of the uncertain global macroeconomic environment, strong year end backlog

EUR million



- Order backlog at the end of 2012 was EUR **1,947.1** (1,985.1) million, decrease of 2% from 2011
- **38** projects with value in excess of EUR **10** million, accounting for **70%** of the backlog
- Roughly **77%** (or approx. EUR **1,500** million) of the backlog is estimated to be delivered in 2013

Strong profitable growth

EUR million	2012	2011	Chg %	Q4 2012	Q4 2011
Sales	2,087.4	1,385.6	+51	649.8	496.8
Gross margin, %	20.8	24.0	-	21.8	23.9
Operating profit from business operations	193.8	121.5	+60	74.0	54.9
- one-time costs	+3.0**	-4.7*	-	+4.3	-4.7
- PPA amortization	-12.5	-4.9	-	-3.3	-1.3
Reported operating profit	184.3	111.9	+65	74.9	48.9
FX impact (unrealized, realized)	+2.1	+1.7	-	+2.3	-0.6
Operating profit margin, %	8.8	8.1	-	11.5	9.9
- from business operations, %	9.3	8.8	-	11.4	11.0

*) Costs related to M&A and restructuring

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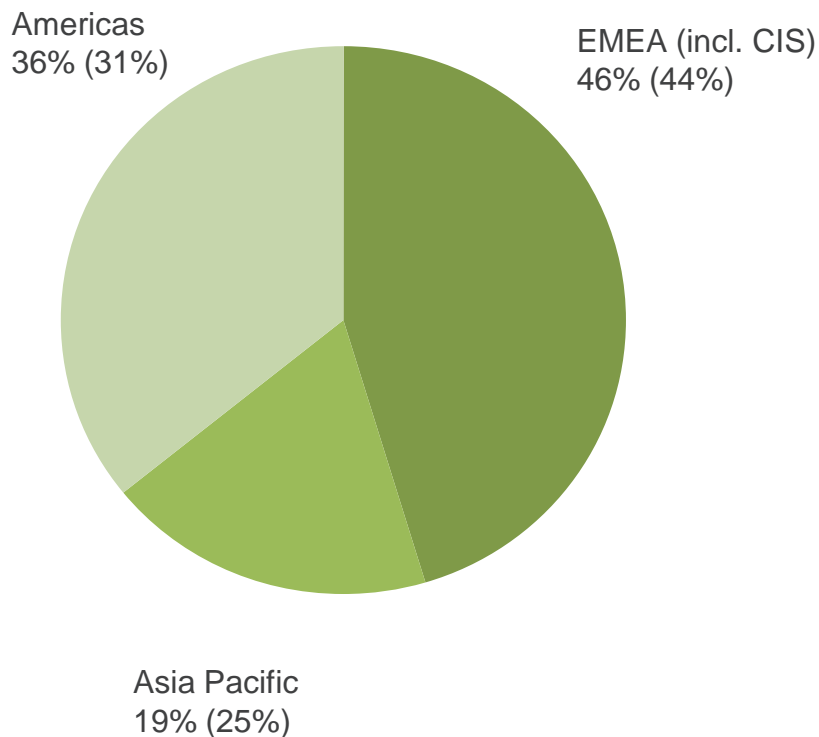


**Top 10 customers
accounted for 35%
of sales**

Diversified sales split in terms of geography and materials - roughly 2/3 coming from emerging markets

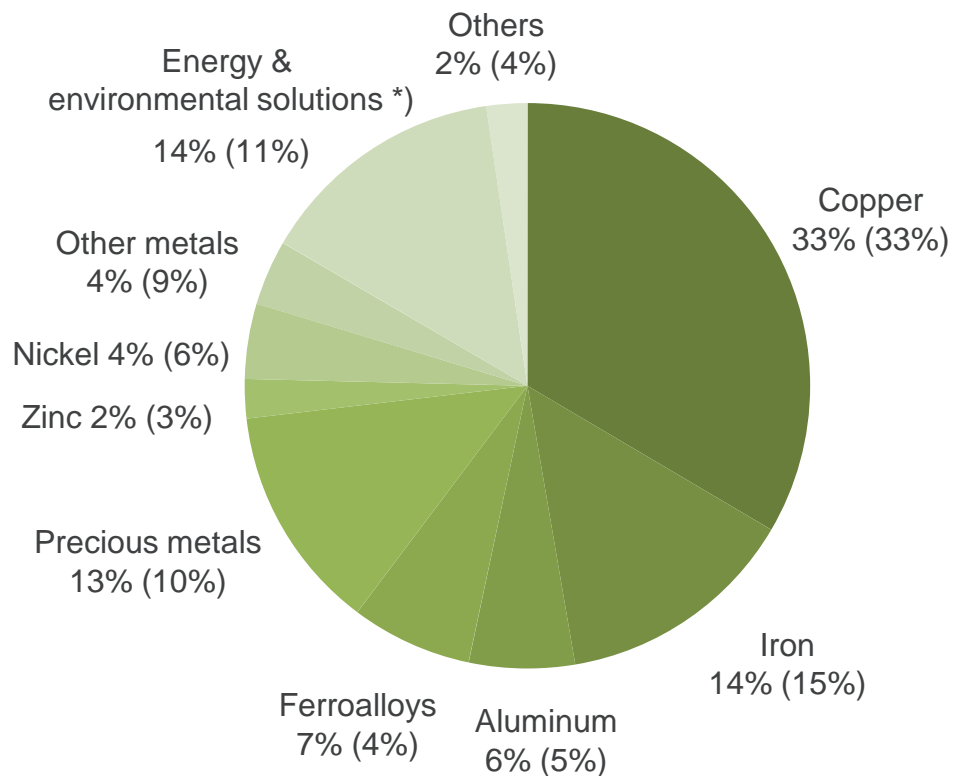
Sales by destination

2012 (2011)



Sales by end product

2012 (2011)



*) incl. water, sulfuric acid and off-gas

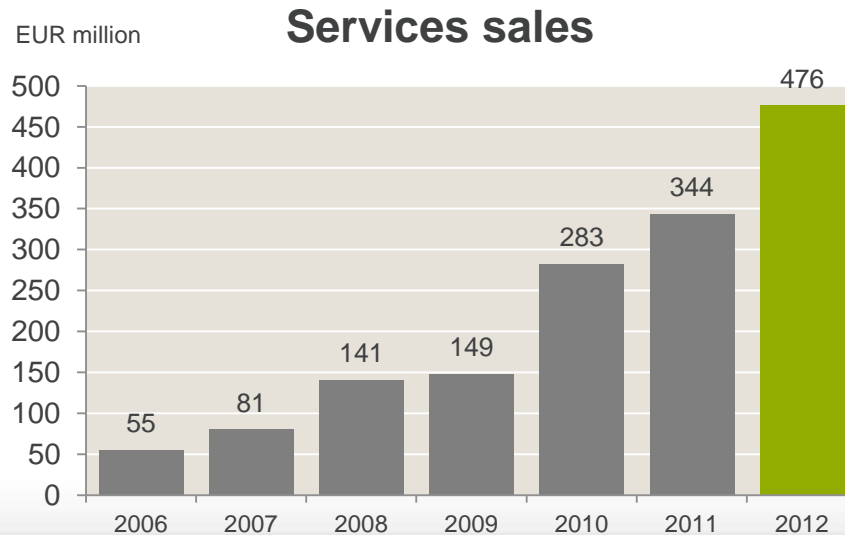
Services: Strong growth, almost hitting 2015 sales target



- 39% growth from 2011
- 23% of Outotec sales
- Acquisitions (TME Group, Demil) accounted for approximately 9% of the sales growth
- New service offerings such as O&M

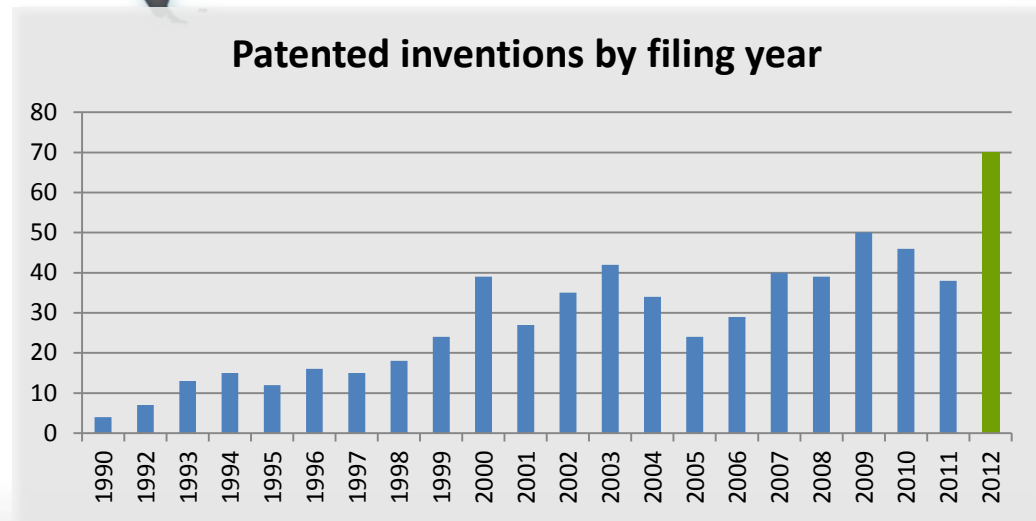
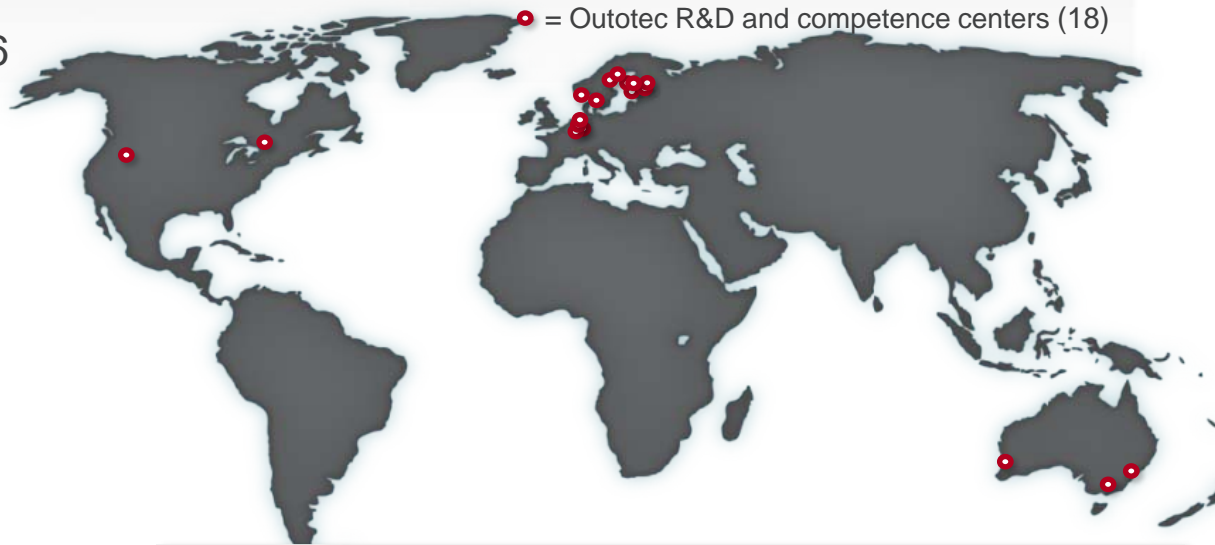
New sales target EUR 1bn by 2017

M&A and development of offering support the growth



Record-high number of patent applications due to strong innovation activity and increased R&D investments

- R&D expenses totaled EUR 41.6 million (2011: EUR 33.5 million), up 24% from 2011 and 2.0% of sales (2011: 2.4%)
- Outotec filed 70 new priority patent applications (2011: 41) and 286 new national patents were granted (2011: 326)
- At the end of 2012, Outotec had 630 patent families, including a total of 5,745 national patents or patent applications.



STOXX® Global ESG Leaders



Kempen SNS SRI Universe



CARBON DISCLOSURE PROJECT

NASDAQ OMX
OMX GES SUSTAINABILITY FINLAND

Corporate responsibility and sustainability

- Sustainability is a core element in our mission and values. Reporting based on GRI guidelines level B+ since 2010.
- 89 % of order intake (2012) classified as Environmental Goods and Services (OECD definition).
- The United Nations Global Compact: we are committed to its principles of human rights, environment, labor and anti-corruption.
- Outotec ranked 12th in the The Global 100 list of the world's most sustainable companies by Corporate Knight.
- Our sustainability report awarded with Readers' Choice in the competition evaluating the reporting of Finnish listed companies in 2012.



Sustainability indexes:

The Global 100

RobecoSAM 2013

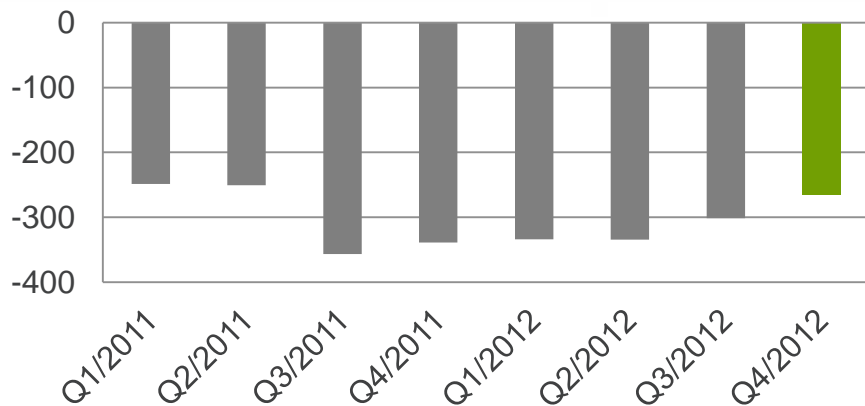
CARBON DISCLOSURE PROJECT

STOXX® Global ESG Leaders

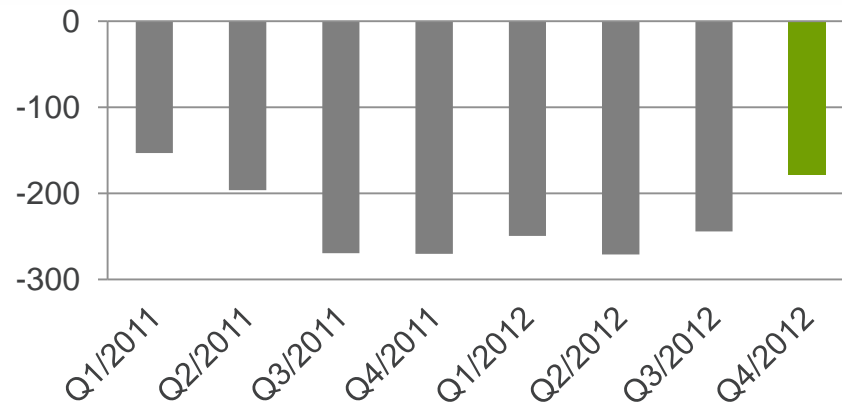


Financing structure continued to be strong and liquidity was good

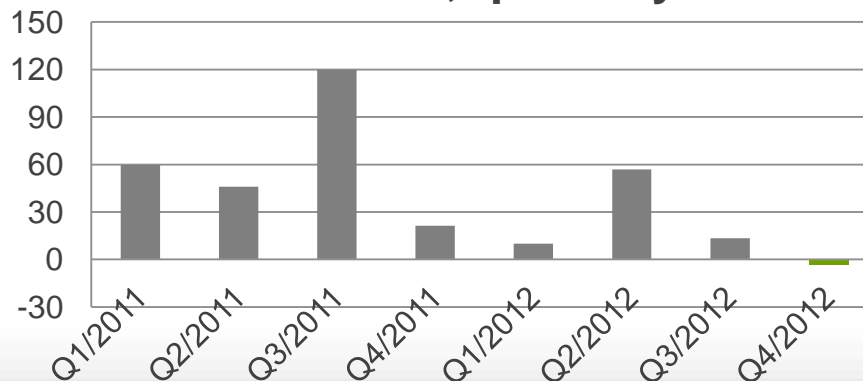
Net interest-bearing debt



Working capital

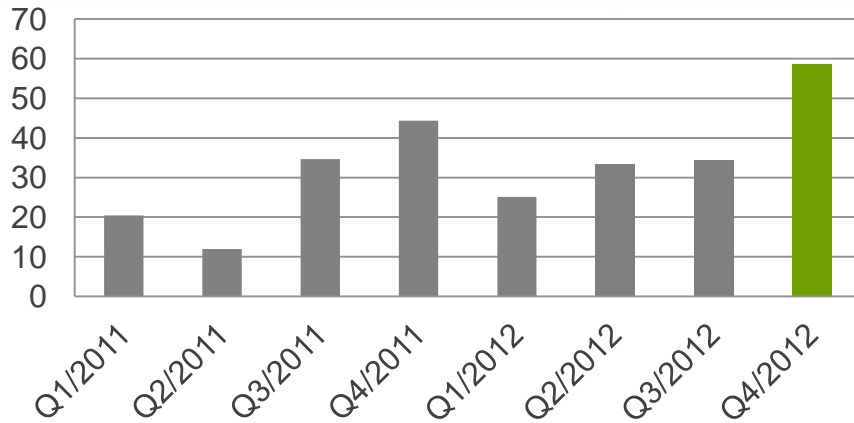


Net cash flow from operating activities, quarterly

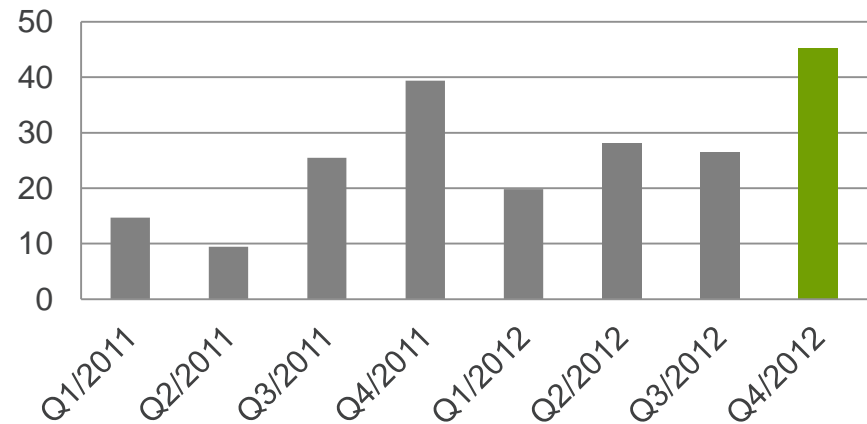


Significant improvement in ROI and ROE due to strong financial result

ROI%, quarterly



ROE%, quarterly

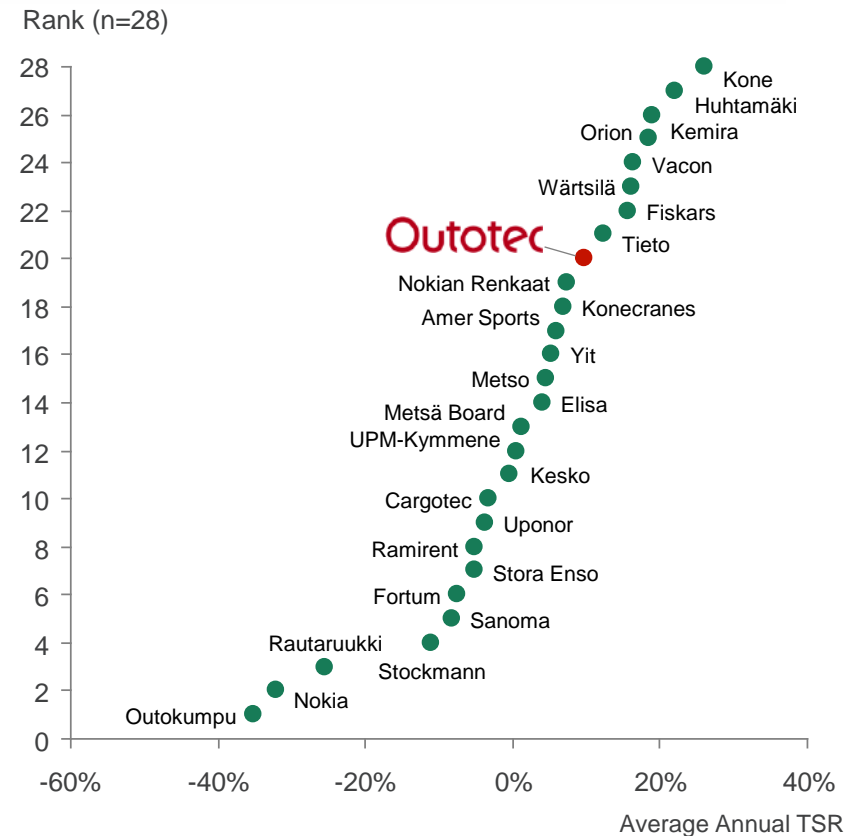


Outotec one of the top performers on Total Shareholder Return

3-year ranking (Mar '10 - Feb '13)¹



5-year ranking (Mar '08- Feb '13)²



1. Three-year average annual TSR (28 Feb 10 – 28 Feb 13)

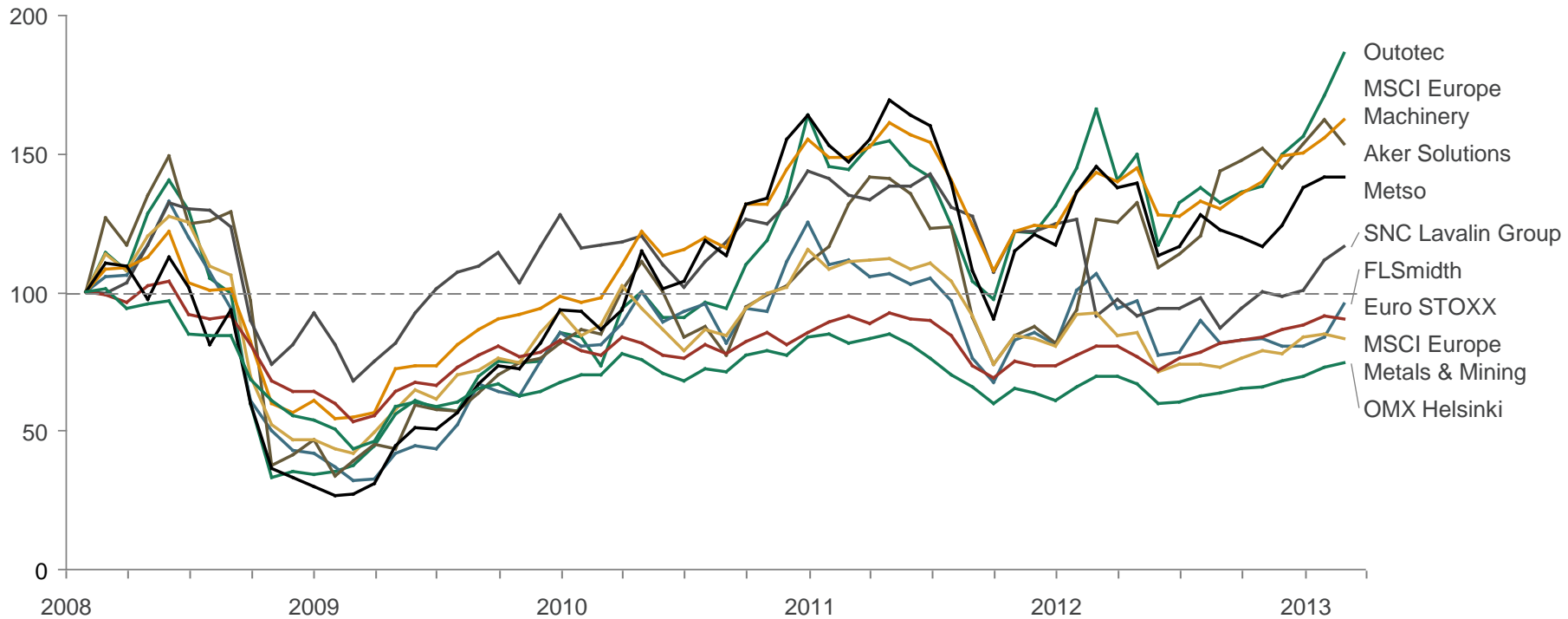
2. Five-year average annual TSR (29 Feb 08 – 28 Feb 13)

Note: TSR (Total Shareholder Return) = capital gain + dividends and dividend-like items; dividends are reinvested at pay out

Source: Thomson Reuters Datastream; BCG analysis

Outotec outperformed peers and indices in past five years

Return Index¹



1. Theoretical growth in value assuming that dividends are reinvested; 31.01.08 = 100
Source: Thomson Reuters Datastream; BCG analysis

Outotec's focus areas in 2013

Focus area
Ensure continuous sales growth through order intake and services growth as well as earnings logic enhancement
Improve profitability through value based pricing, supply savings and sales mix improvement
Continue making acquisitions to strengthen the offering portfolio and accelerate growth
Continue investments in developing and rolling out global platforms to ensure future growth and profitability improvement

Revised financial guidance for 2013 (earlier guidance in parenthesis)

Based on the strong order backlog, current market outlook and the customer tendering activity, the management expects that in 2013:

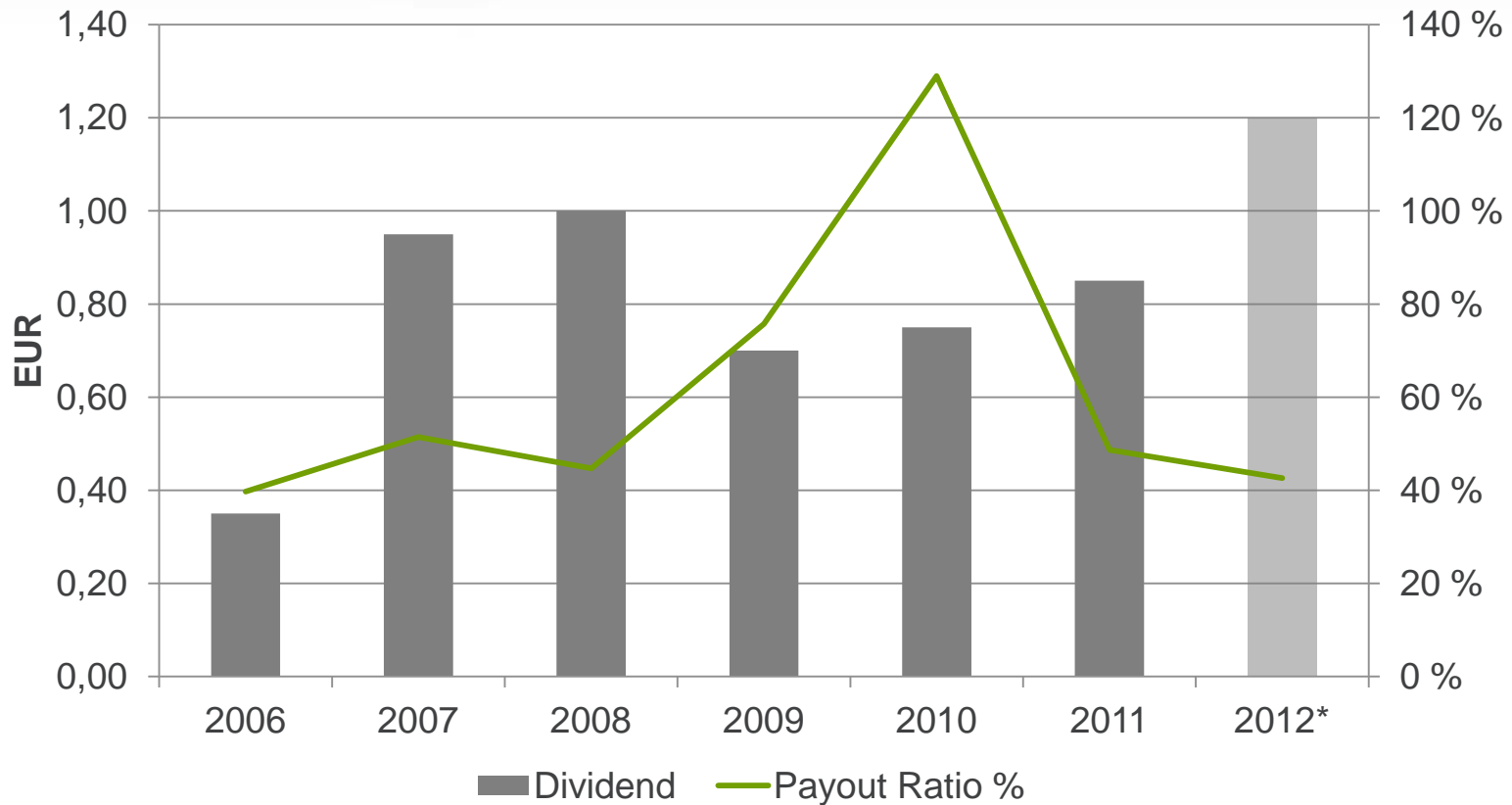
- Sales will be approximately EUR 2.1-2.3 billion (grow from 2012), and
- Operating profit margin from business operations*) will be approximately 9.5-10.5% (further improve from 2012).

*) excluding one-time items and PPA amortizations

In 2013, PPA amortizations are estimated to be approximately EUR 13 million.



Outotec has been distributing dividends in line with the dividend policy while executing the growth strategy



*Board of Directors dividend proposal for the AGM: EUR 1.20 per share

High participation in Employee Share Savings Plan

- New Employee Share Savings Plan launched in 2012 for Outotec employees globally.
- The first savings period is calendar year 2013. Following periods are subject to Board decision.
- For each share purchased in 2013, Outotec gives one free share after 3 years holding period.
- 1,513 employees in 22 countries (approx. 34%) have signed up in this voluntary Plan. Participation in Finland, Sweden and 5 other countries exceeds 50% of the employees.
- Savings in 2013 will be approx. EUR 3.65 million, which equals 83,715 shares (using the Dec 19, 2012 share price of 43.60 EUR).

