



Outotec

CEO's review

Annual General Meeting on March 31, 2014

The Outotec stripe tells our story

FROM
THE
GROUND
UP

Outotec's Executive Board



Kimmo Kontola
Americas



Peter Weber
EMEA



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APAC



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Metals, Energy &
Water



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Minerals
Processing



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Officer



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Operational
Excellence



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Communications
& Corporate
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Mikko Puolakka
Chief Financial
Officer



Kirsi Nuotto
Human
Resources



Nina Kiviranta
General Counsel



Pia Käll
Strategy



Pertti Korhonen
President & CEO

Enabling sustainable growth

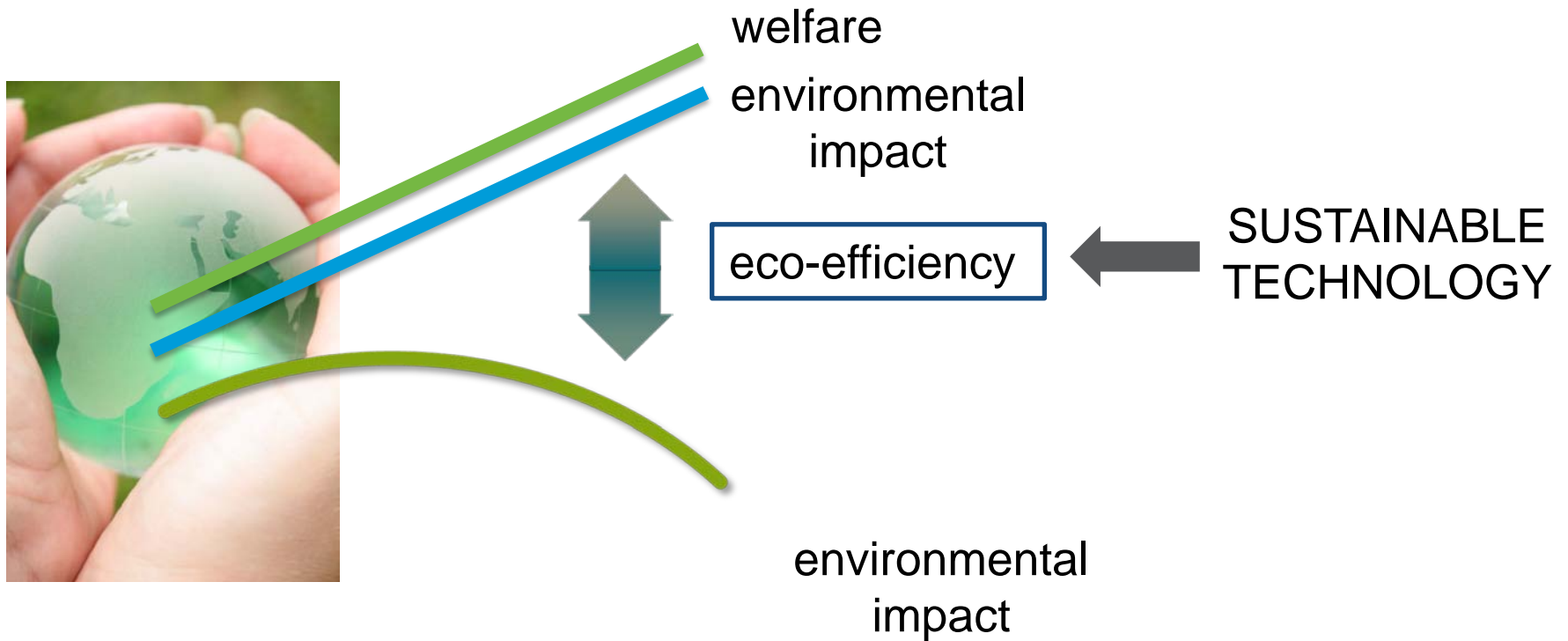


Outotec in brief

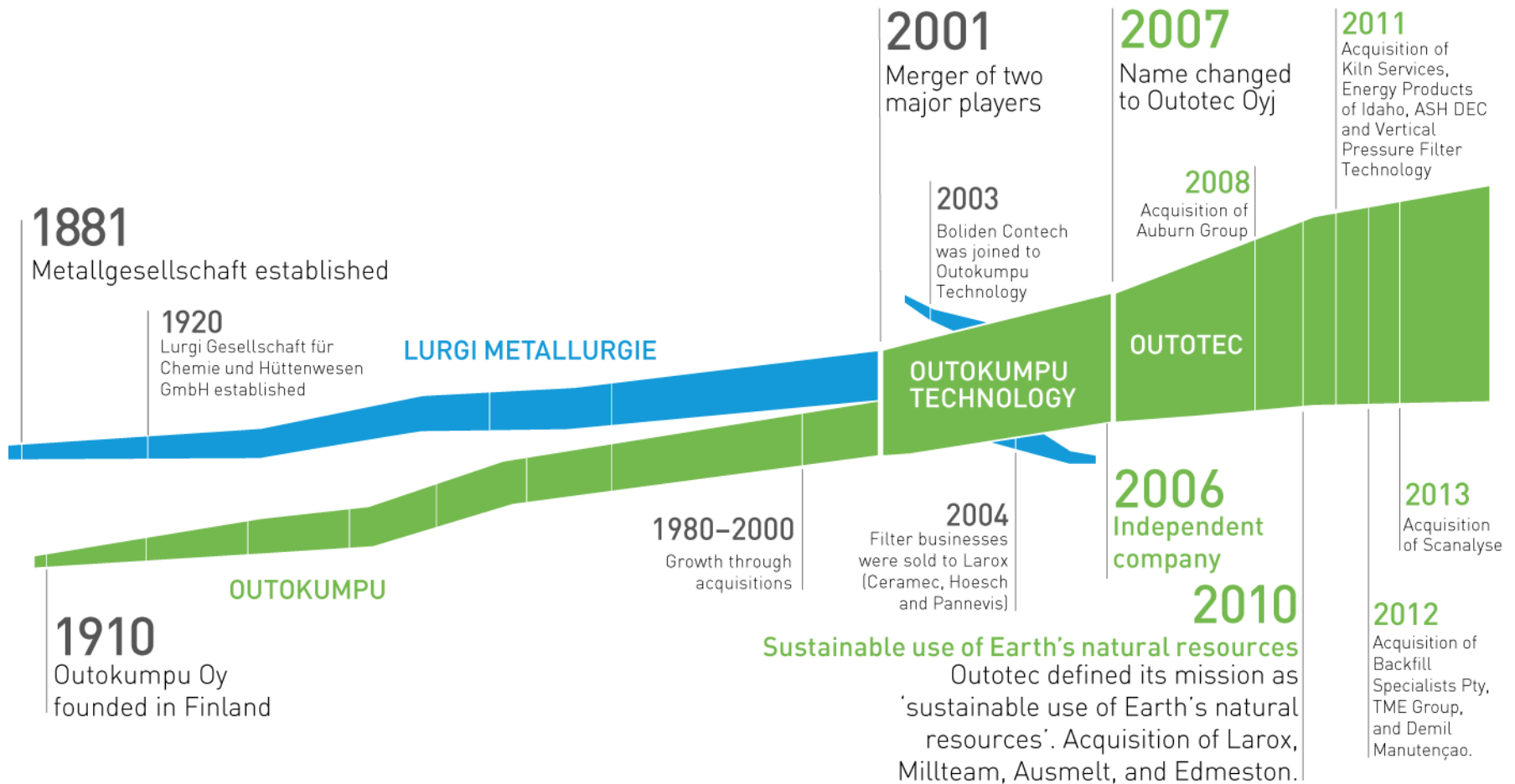


- Leading technologies and services for the sustainable use of Earth's natural resources
- As the global leader in minerals and metals processing technology, we have developed many breakthrough technologies over the decades for our customers in metals and mining industry
- Innovative solutions for industrial water treatment, the utilization of alternative energy sources and the chemical industry
- Listed on NASDAQ OMX Helsinki

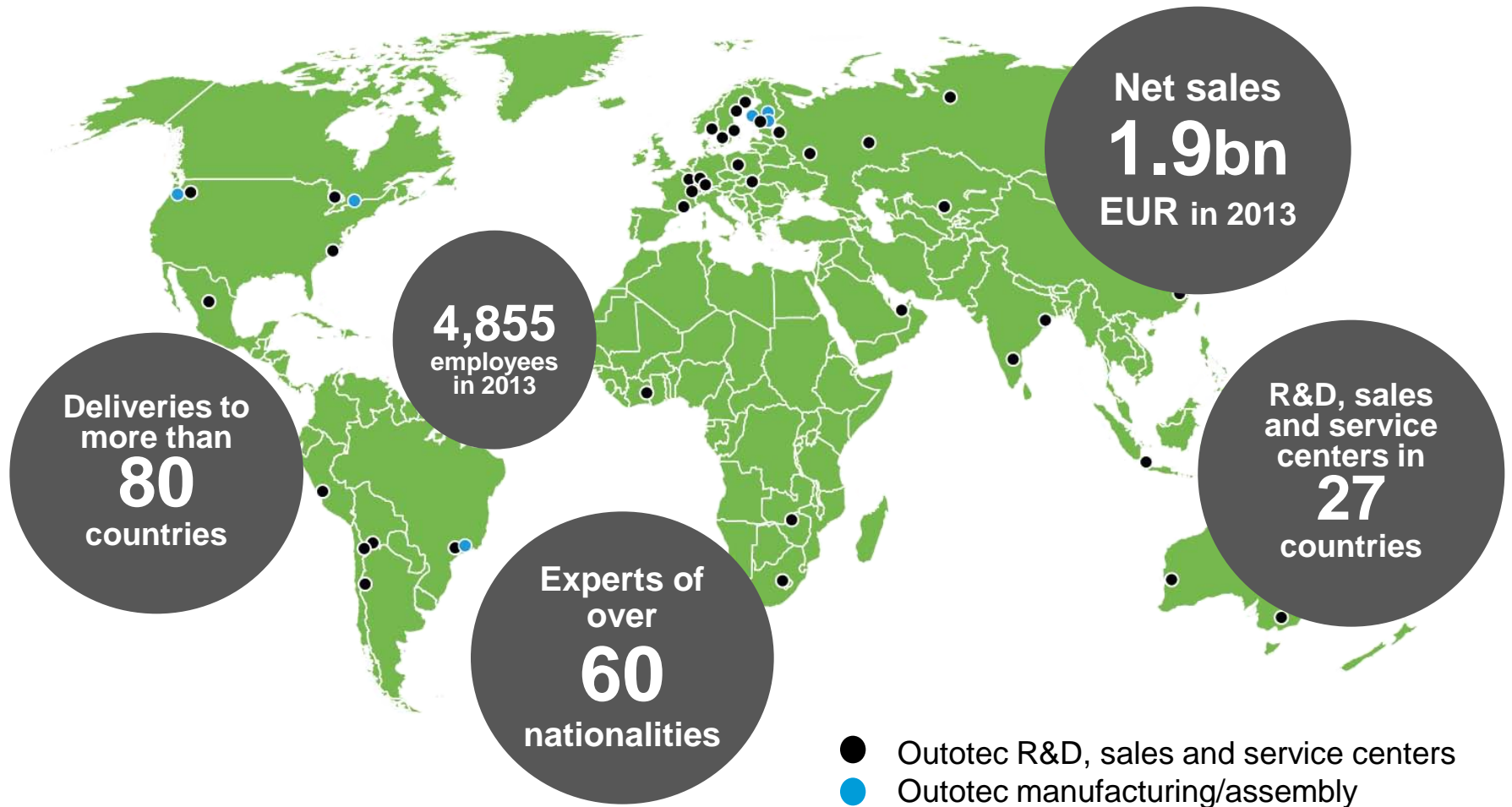
Addressing global challenges



A century of accumulated expertise



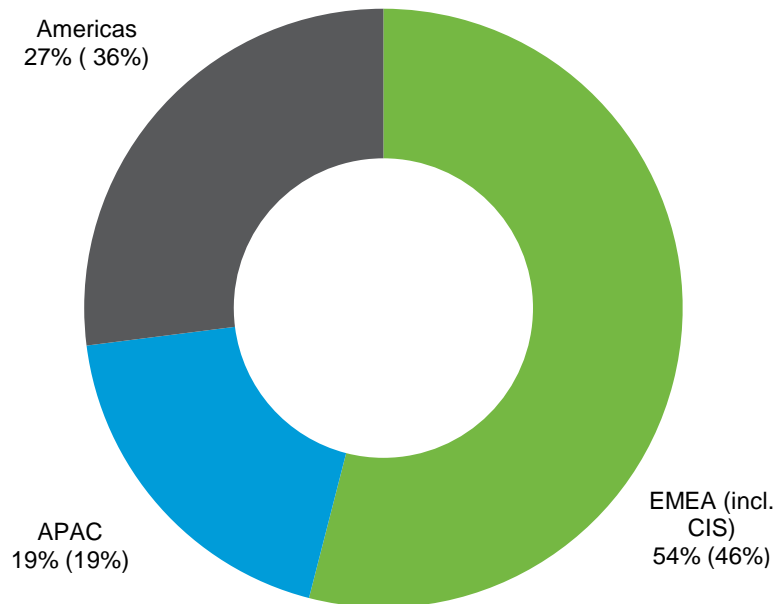
Global operations, local presence



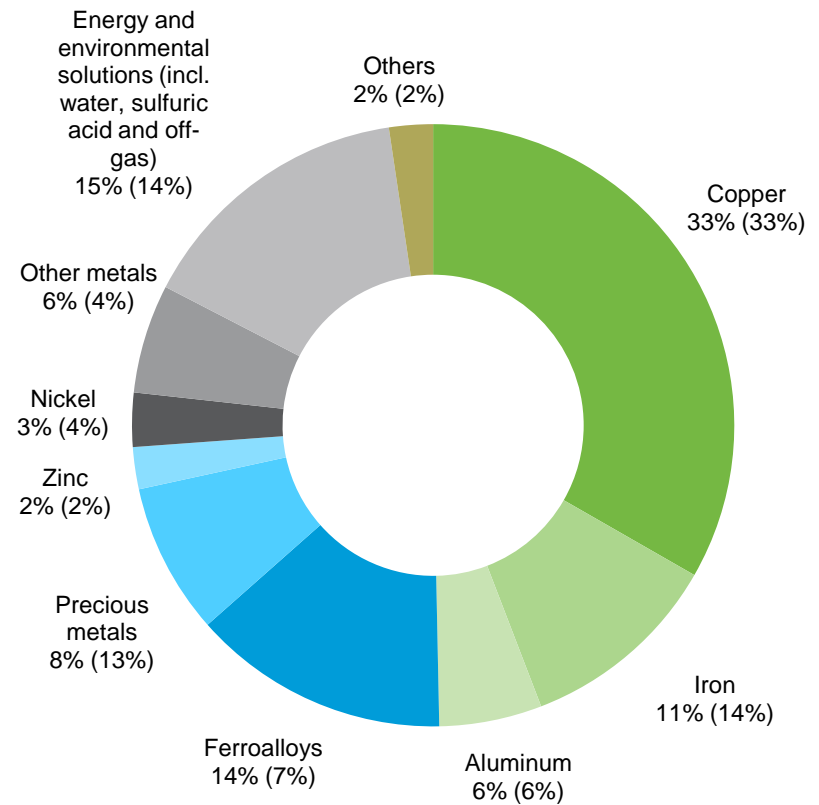
Diversified sales split

87% of order intake in 2013 is classified as Environmental Goods and Services (OECD definition)

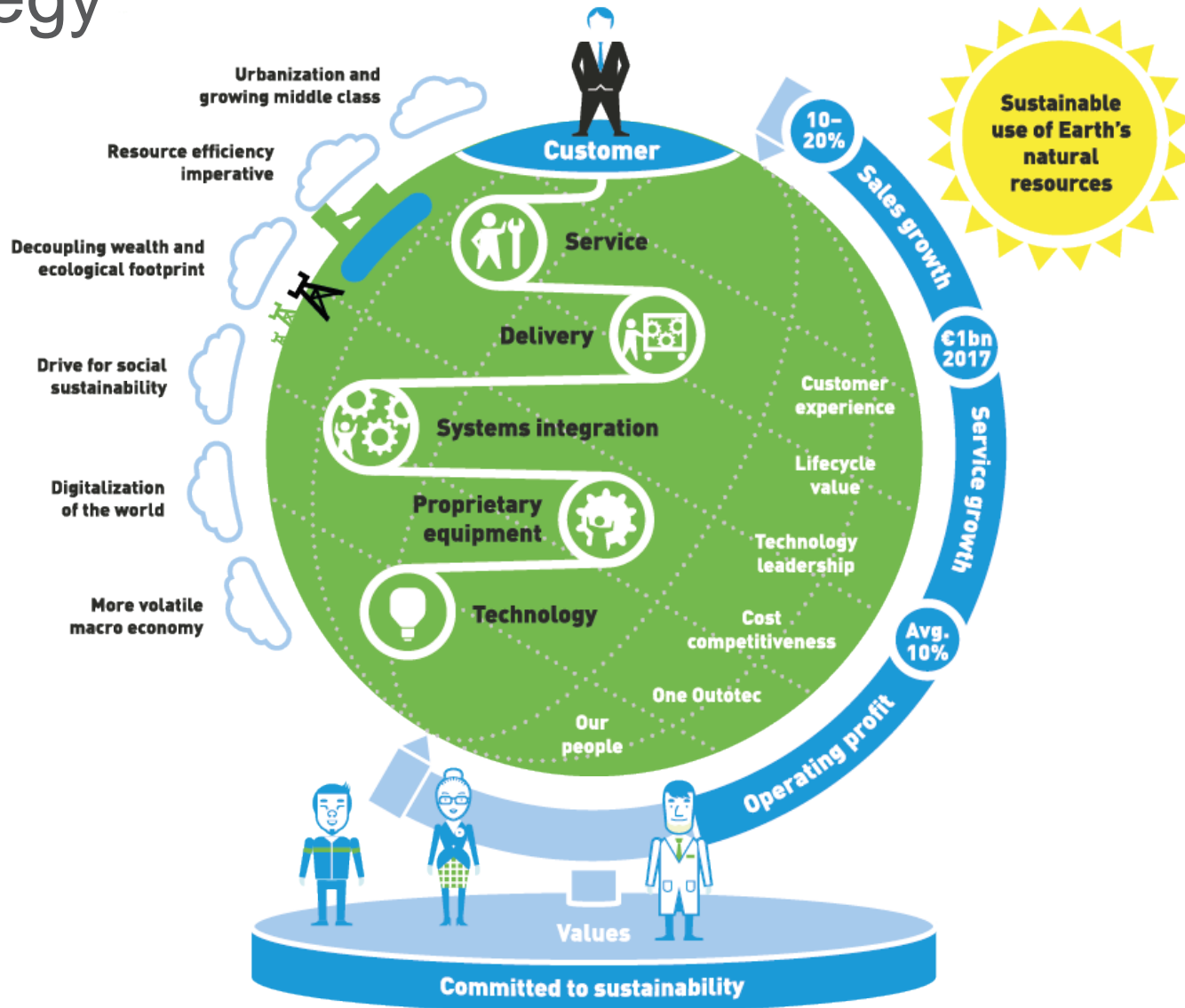
Sales by region
2013 (2012)



Sales by material
2013 (2012)



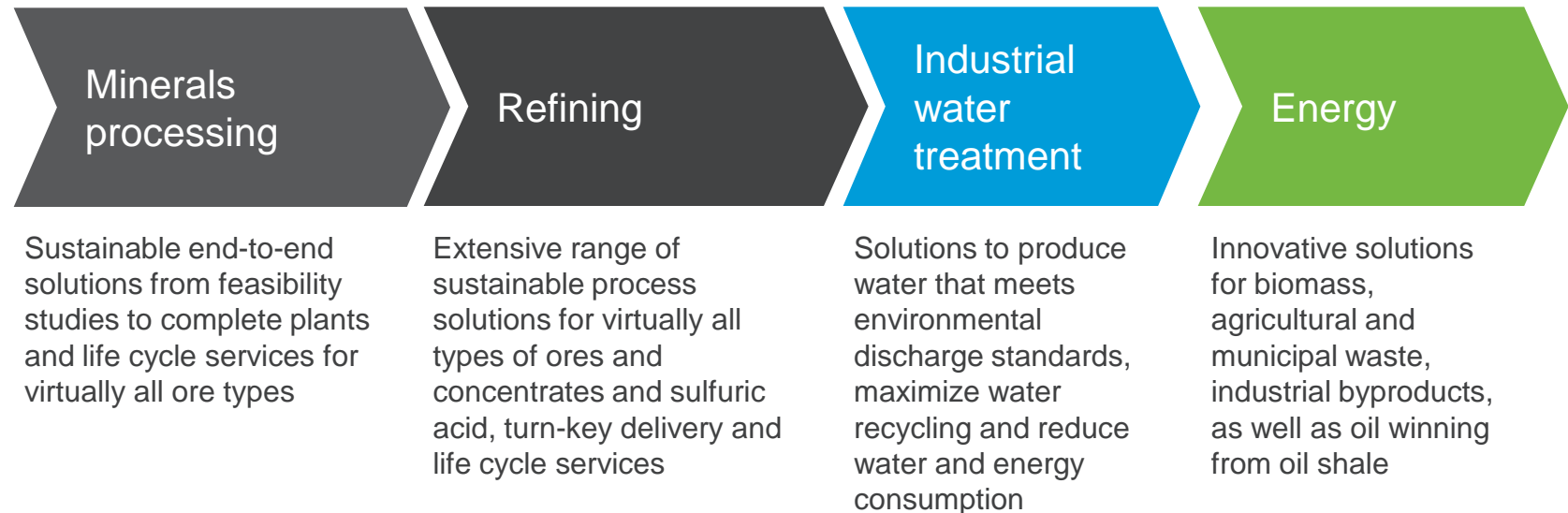
Strategy



Strategic intent and focus in the value chain

The leading provider of sustainable minerals and metals processing solutions...

... and an innovative provider of sustainable energy and water processing solutions



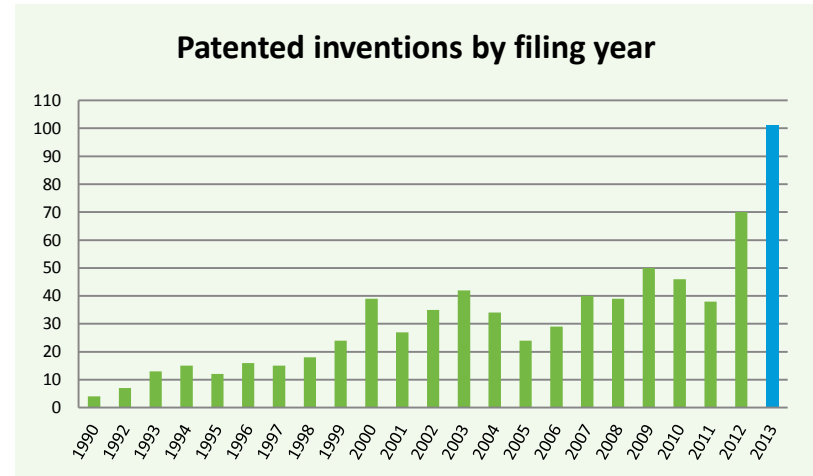
Leadership in technology

Sustainable technology partner



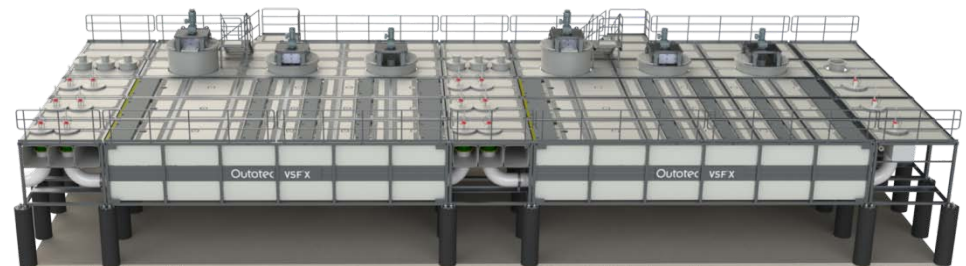
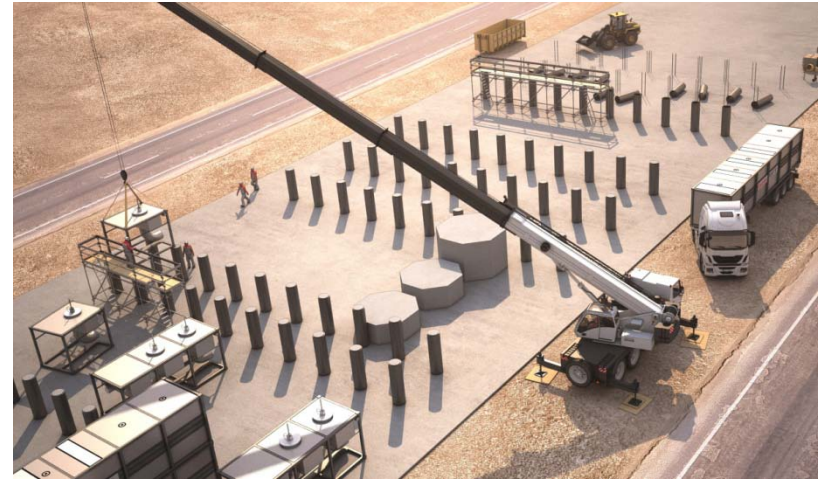
R&D investments resulted in new innovative solutions

- R&D expenses totaled EUR 48.7 million, up 17% from 2012 and 2.6% of sales
- In 2013, Outotec had the highest number (76) of patent applications of all Finnish companies
- Dec 2013, Outotec had 702 patent families, including a total of 6,147 national patents or patent applications



New innovative solutions – Outotec VSF[®]X example

- Revolution for efficient solvent extraction
- First fully modular SX plant
- Assembled from prefabricated & transportable settler modules
- Fast and safe installation
- Lower Capex and Opex for customer
- Minimized impact on environment



Positive impact of our technologies

Our long-term targets

- 20% increase in avoided CO2 emissions through use of our metals-related processes
- 50% reductions in fresh make-up water in non ferrous metals concentrators
- Environmental Goods and Services in order intake permanently over 90%
- More energy generated through Outotec waste-to-green solutions

Our
handprint is
bigger than
our
footprint



We are committed to sustainability

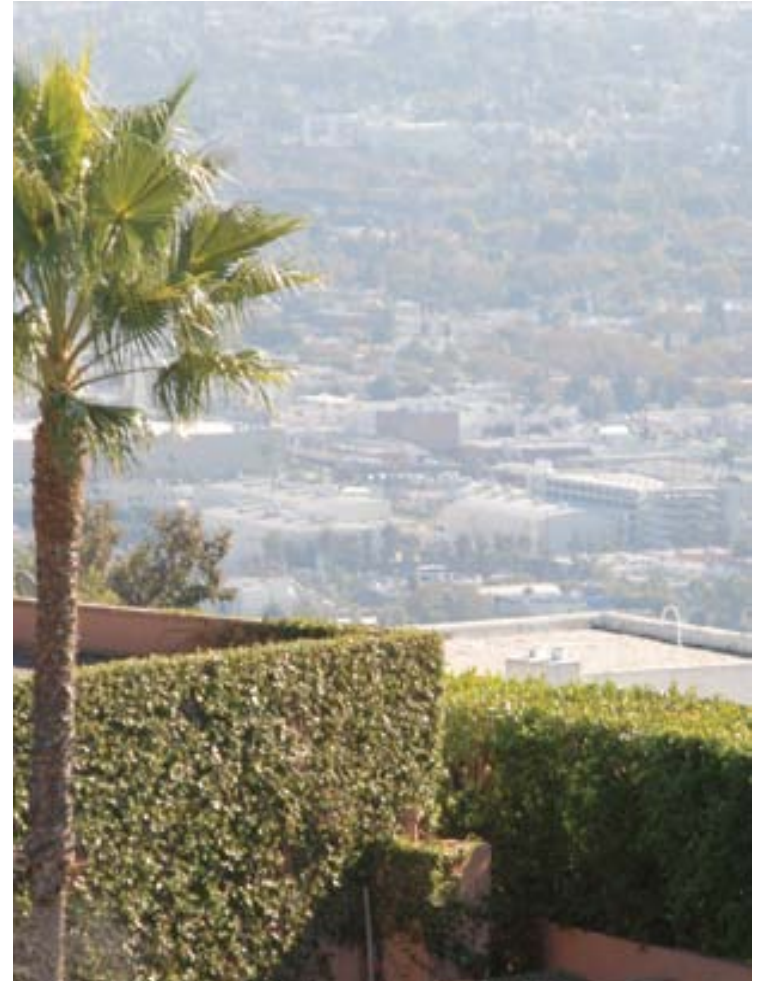
- Sustainability is integrated into everything we do
- 87% of order intake classified as environmental goods and services (OECD definition)
- We are committed to the principles of The United Nations Global Compact regarding human rights, environment, labor and anti-corruption
- Our reporting is based on GRI guidelines level B+ since 2010
- Outotec ranked 3rd most sustainable company in Corporate Knights' Global 100 index



**STOXX® Global
ESG Leaders**

Key sustainability achievements in 2013

- Included in the Dow Jones Sustainability Index for the first time
- 'One Outotec' integrated QEHS management certification
- Calculating the carbon footprint of our supply chain
- Significantly increased health and safety training for employees and subcontractors
- New long-term target set for people development
- Larger positive effect (5.4 million tonnes CO₂-e emissions avoided) from using Outotec's metals-related technologies



Right taxes in right places







- Our policy is to pay all required taxes in each country where we operate, according to local laws
- We actively plan our taxation with the aim of maximizing the shareholders' return
- Business needs drive our tax planning, and decisions are made with long-term perspective
- We do not exercise aggressive tax planning
- We do not establish companies in the so called tax havens, unless there is a justified business rationale – currently there are none
- Our effective tax rate in 2013 was 30.4%

Country	Effective income tax, %
Australia	30.0
Brazil	33.8
Bulgaria	10.0
Canada	25.8
Chile	35.0
China	25.0
Finland	24.5
Germany	29.2
Ghana	25.0
India	32.4
Indonesia	25.0
Kazakhstan	20.0
Mexico	30.0
Mongolia	10.0
Namibia	33.0
Netherlands	25.0
Norway	28.0
Peru	30.0
Poland	19.0
Russia	20.0
Saudi Arabia	20.0
South Africa	28.0
Sweden	22.0
United Kingdom	23.0
United States	37.9
Zambia	35.0

Year 2013 in business

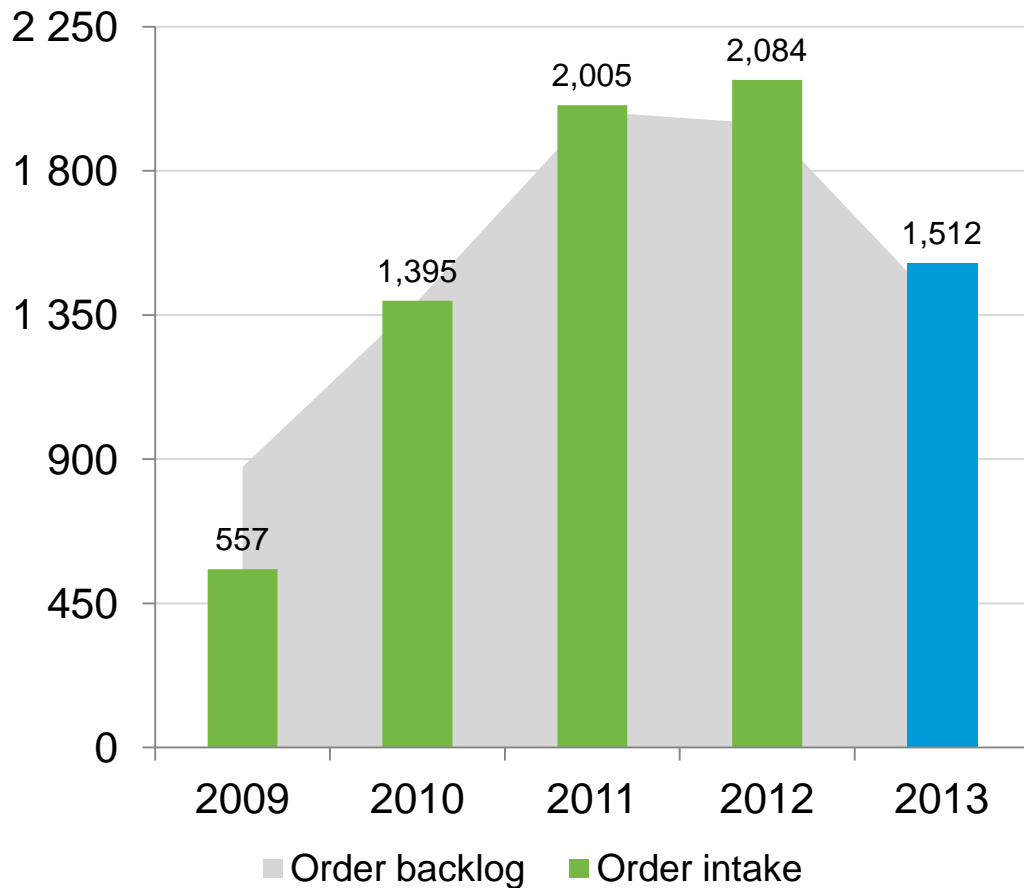


Progress of Outotec's 2013 focus areas

Focus area	Progress in 2013	Status
Ensure continuous sales growth through order intake and services growth as well as earnings logic enhancement	• Capex order intake diminished significantly	
	• Solid growth of services order intake • Number of large life-cycle solutions sold	
Improve profitability through value based pricing, supply savings and sales mix improvement	• Lower sales impacted profitability	
	• Value pricing and supply savings progressing, share of services growing	
Continue making acquisitions to strengthen the offering portfolio and accelerate growth	• Acquisition of Scanalyse services technology company	
Continue investments in developing and rolling out global platforms to ensure future growth and profitability improvement	• New operating model as of July 1, 2013 • Implementation of global platforms progressing	

Continued global uncertainty and weakened metals prices reduced customers' investments, Outotec's services growth continued

Order backlog and order intake, EUR million

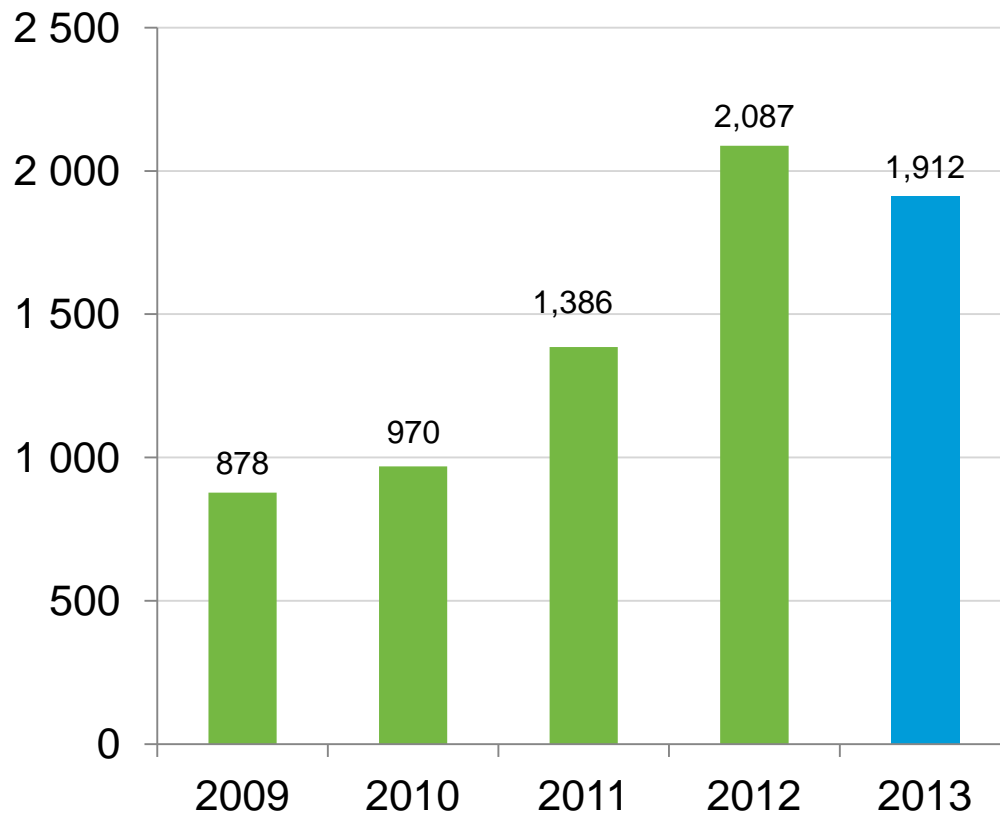


Change in order intake from 2012, %

Outotec total	-27
Services	+11

Low order intake and delays in some deliveries impacted sales

Sales, EUR million

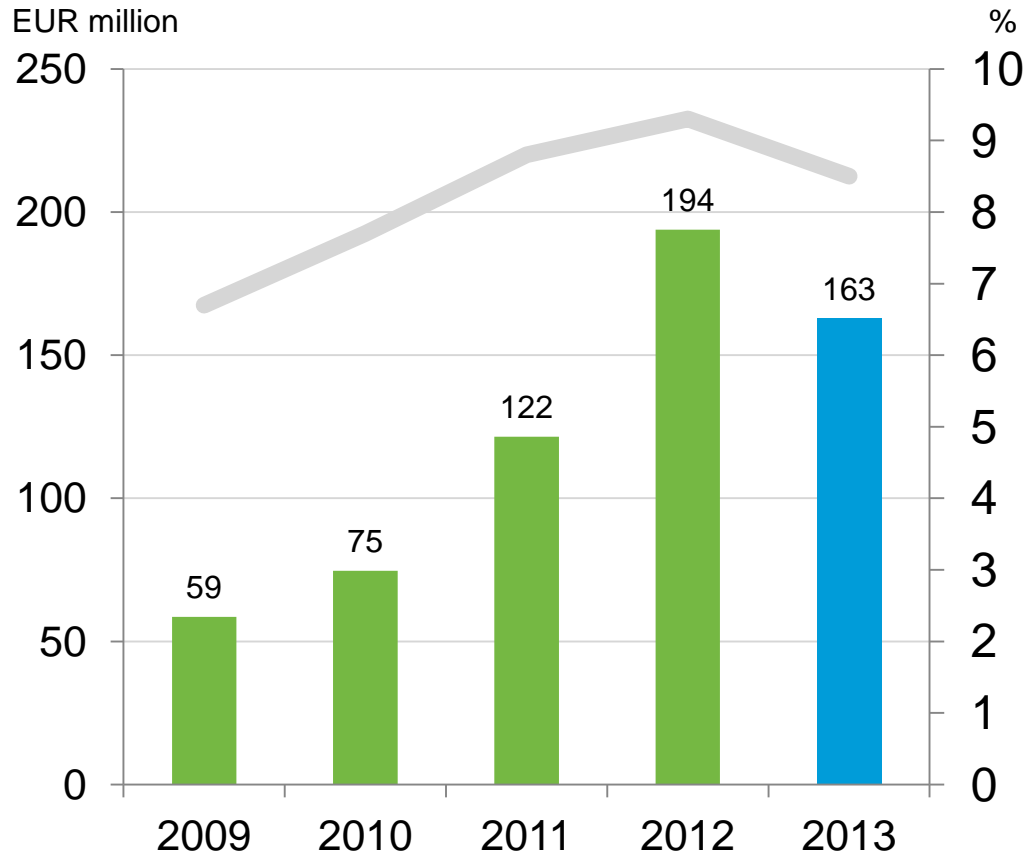


Change in sales from 2012, %

Minerals Processing	-13
Metals, Energy & Water	-5
Outotec total	-8
Services	+6

Lower sales resulted in lower operating profit

Operating profit from business operations ^{*)}



^{*)} excluding one time items and PPA

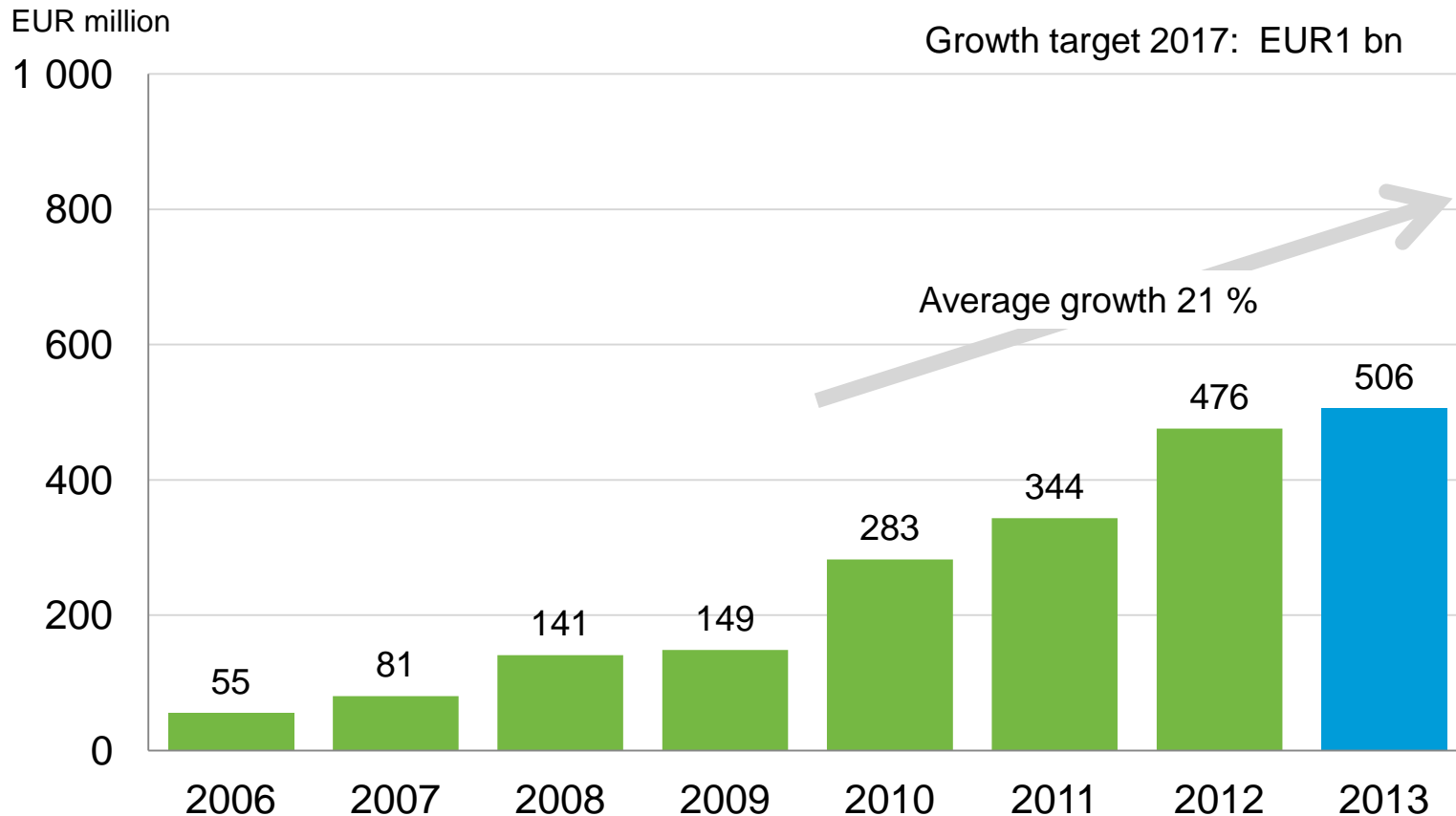
Change in operating profit ^{*)} from 2012, %

Minerals Processing	-32
Metals, Energy & Water	+21
Outotec total	-16

Solid financing structure

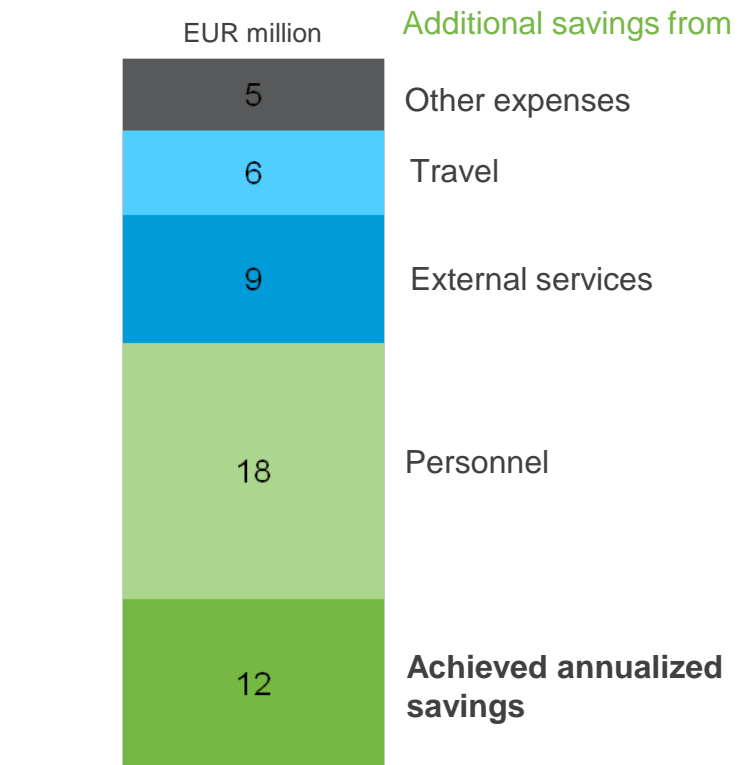
	2013	2012
Net cash from operating activities, EUR million	-42	77
Working capital, EUR million	-14	-191
Net interest bearing debt, EUR million	-87	-265
Equity, EUR million	477	473
Balance sheet total, EUR million	1,530	1,633
Gearing, %	-18.2	-56.0
Equity-to-assets ratio, %	38.5	37.1
Return on investment, %	25.7	37.0
Return on equity, %	19.4	29.4

Service sales continued to grow despite the challenging market

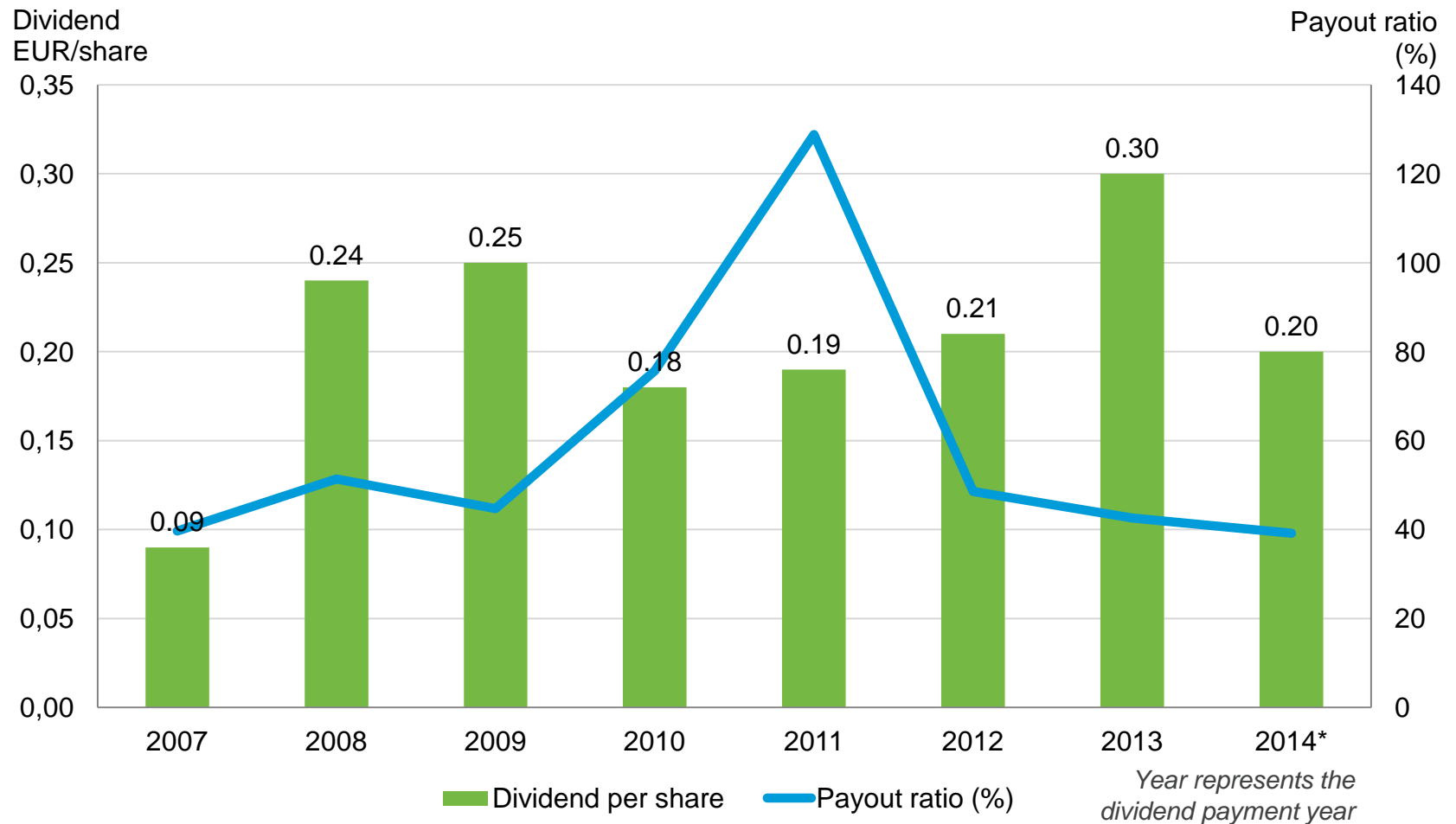


Savings program to secure profitability in continued uncertain market conditions

- Efficiency improvement program targeting up to EUR 50 million annualized savings in operational costs
- Savings mainly coming from personnel reduction (approx. 500)
- The estimated one-time costs EUR 30 million
- The majority of the annualized savings will materialize in 2014
- In 2013, EUR 12.8 million one-time costs leading to EUR 12 million annualized savings

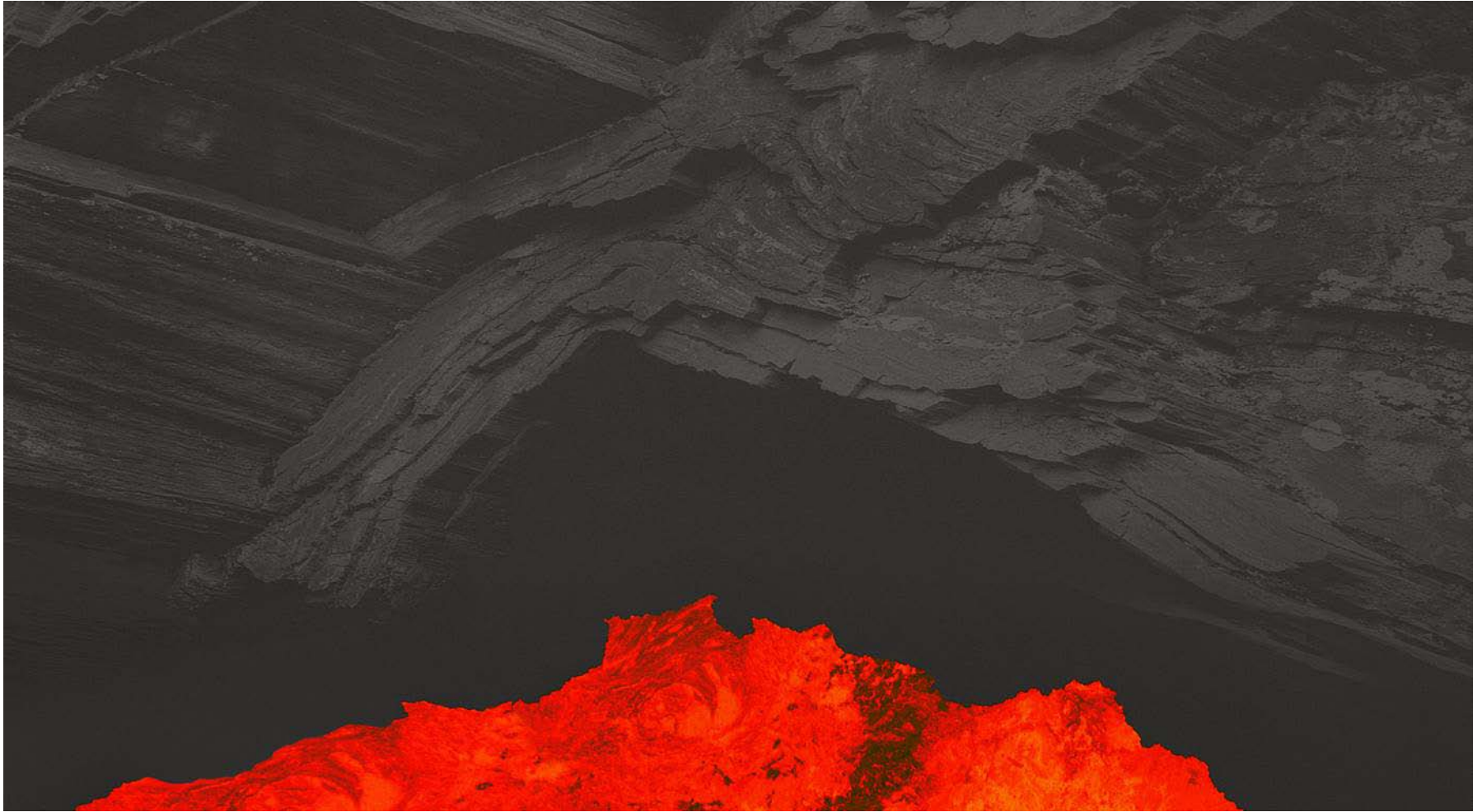


Outotec's dividend policy: at least 40% of net income



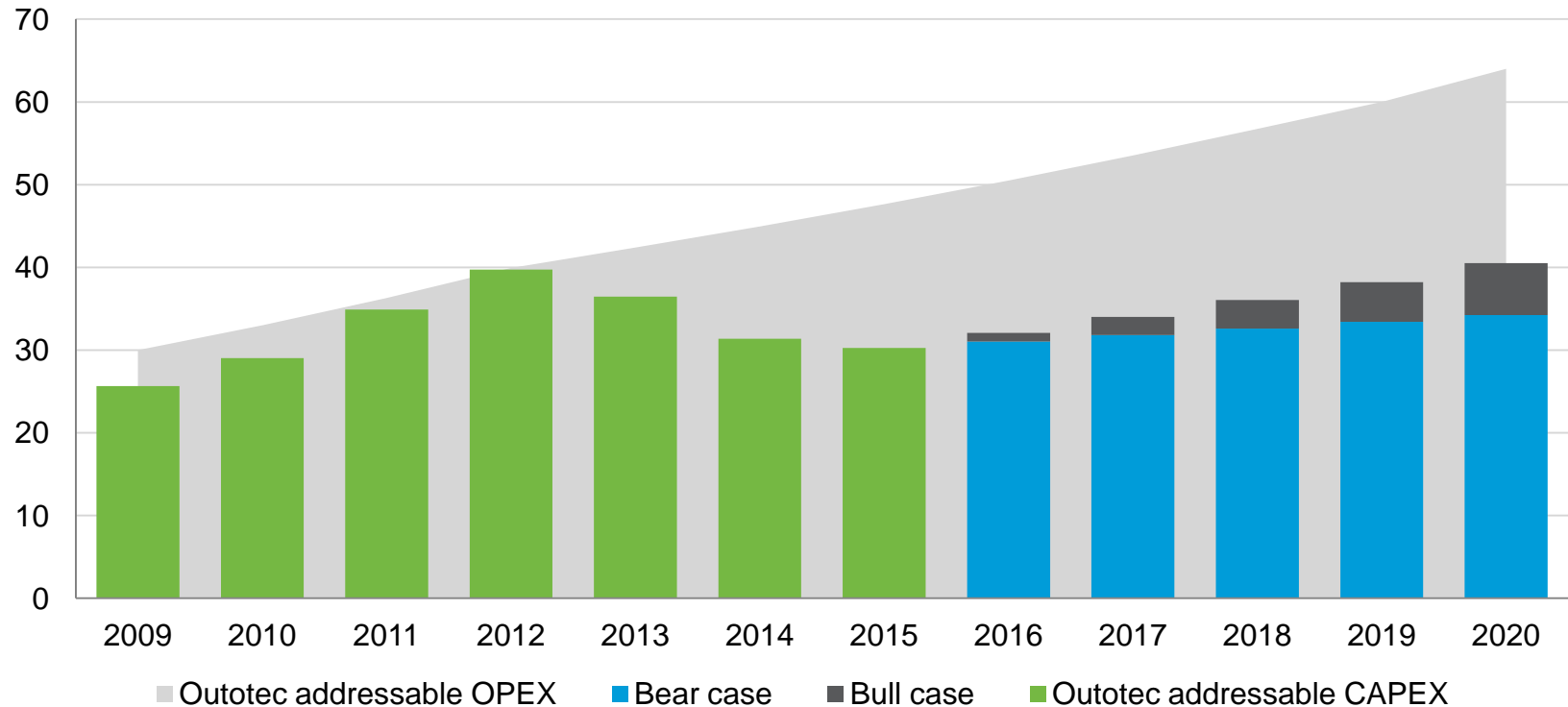
^{*)} Board of Directors' proposal for the AGM

Market and business outlook



Market outlook for minerals and metals industries poses short-term challenges

EUR bn



Sources: Wood Mackenzie, McKinsey, Outotec analysis

Uncertainty in the global economy is prevailing

- Metals prices are not estimated to materially increase short-to-medium-term
- Mining and metal companies continue to seek ways to reduce investment risks and maximize free cash flow
- Volatility in FX continue to impact investments in several emerging countries.
- Political instability in many emerging markets affects the economy

Minerals and metals processing

Demand for service solutions is expected to continue to grow

Capex market is expected to further contract some 10-20% in 2014

Environmental solutions

Short-term outlook for alternative and renewable energy is somewhat uncertain

Outlook for industrial water treatment solutions continues to be good

Financial guidance for 2014

- Based on the year-end order backlog, current market outlook, customer tendering activity, and volatility in exchange rates, the management expects that in 2014:
 - Sales will be approximately EUR 1.5-1.8 billion, and
 - Operating profit from business operations^{*)} be approximately 5-8%

**) excluding one-time items and PPA amortizations*

In 2014, PPA amortizations from completed acquisitions is estimated to be approximately EUR 8.5 million. One-times related to the cost savings program approximately EUR 18 million.



Our priorities in 2014

Grow order intake through larger solution scopes and expanding addressable market

Protect profitability through improved internal efficiency, growth of services and supply savings

Continue developing the operating model

Enhance slower growth through acquisitions



Outotec



Sustainable use of
Earth's natural resources