



Interim report January – June 2007

Tapani Järvinen

President & CEO, Outotec Oyj

Outotec

More out of ore

Profitable growth continued in Q1-Q2

EUR million	Q1-Q2/2007	Q1-Q2/2006	Change-%
Sales	438.8	320.9	+ 37
Operating profit	37.1	14.1	+ 163
Profit before taxes	39.9	15.6	+ 149
Earnings per share, EUR	0.64	0.21	+ 205
Order intake	660.9	425.9	+ 55
Order backlog ^{*)}	1,110.8	693.8	+ 60
Net cash from operating activities	22.3	0.6	+ 36

**) At the end of the period*

Market development

- Positive market sentiment prevailed in the global mining and metals industry and there are no signs that would indicate a decline in the capital investment activity
- The trend has been to fast-track the decision-making process for advanced-stage greenfield plants and brownfield expansions
- New prospects and investments mostly in iron ore, aluminum, copper, nickel and zinc projects, but also other process industries have been active

Largest orders in Q1-Q2



ZAO Komi Aluminium
Two alumina calciners

€21 million
Russia



Norilsk Nickel
Modernization of flash smelting production line

€16 million
Russia



Kazchrome
Chromite pellet plant

€40 million
Kazakhstan



Grinding technology
to Canada, Brazil and Kazakhstan

€45 million



Aluminum smelter technologies

€10 million
China

● **Outotec offices**



Sierra Rutile Ltd.
Expansion of heavy mineral sands processing plants
Sierra Leone



The Saudi Arabian Mining Company
Three sulfuric acid plants
€270 million
Saudi Arabia



IHI Engineering Australia
Two flue gas cleaning plants
€20 million
Australia



Hunan Zhuye Torch Metals
Zinc plant expansion

€30 million
China



Record-high order intake

EUR million	Q2 2007	Q2 2006	Q1-Q2 2007	Q1-Q2 2006	LTM ^{*)}	2006
Order intake	492.9	240.4	660.9	425.9	1,267.2	1,032.2
Order backlog ^{**)}	1,110.8	693.8	1,110.8	693.8	1,110.8	866.4
Sales	227.1	176.8	438.8	320.9	858.3	740.4

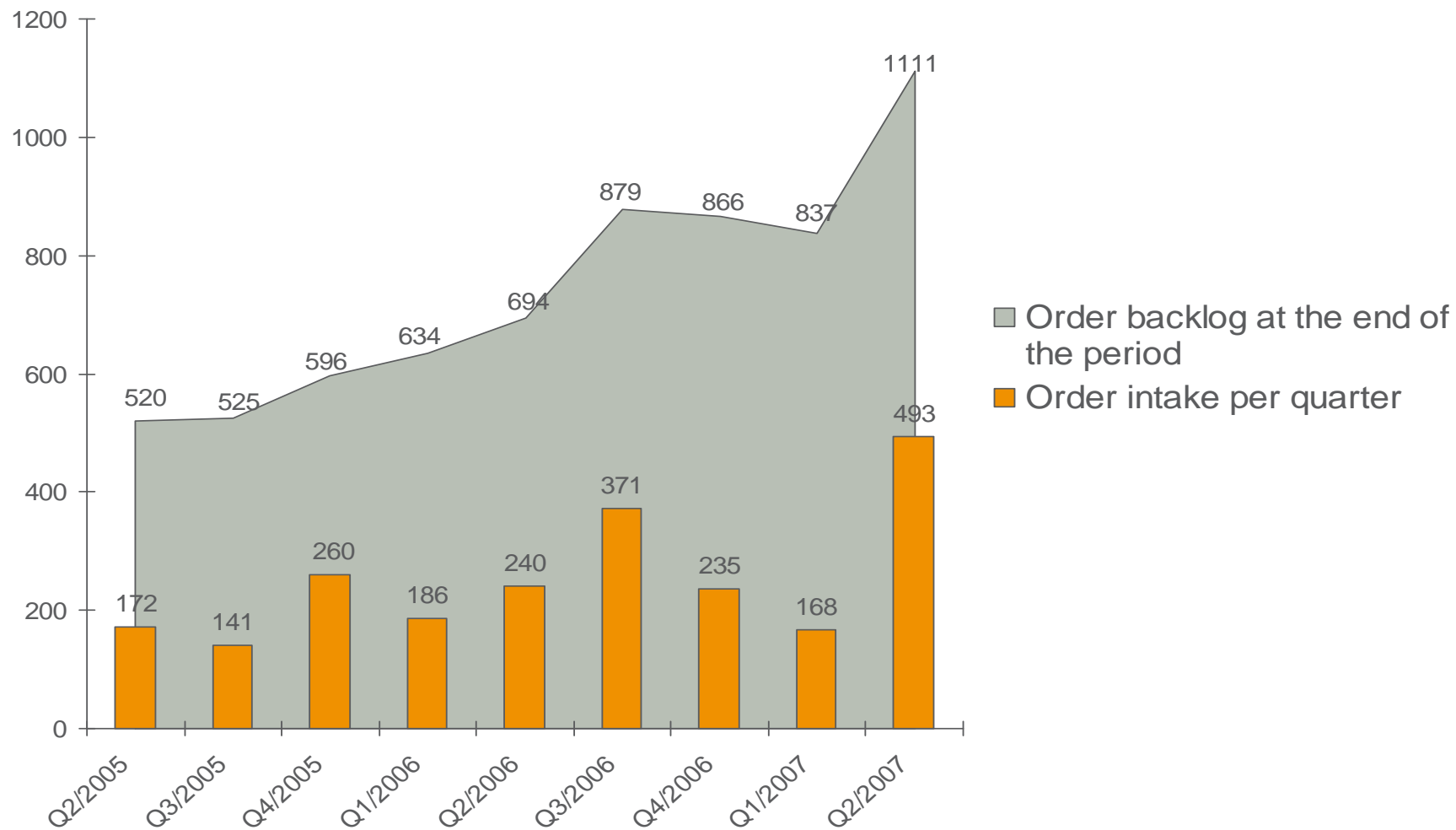
**) Last twelve months*

****) At the end of the period*

- Some 50% of the current order backlog is estimated to be delivered in 2007 and the rest in 2008, 2009 and beyond

Order intake and backlog development

EUR million



Profitability improved significantly

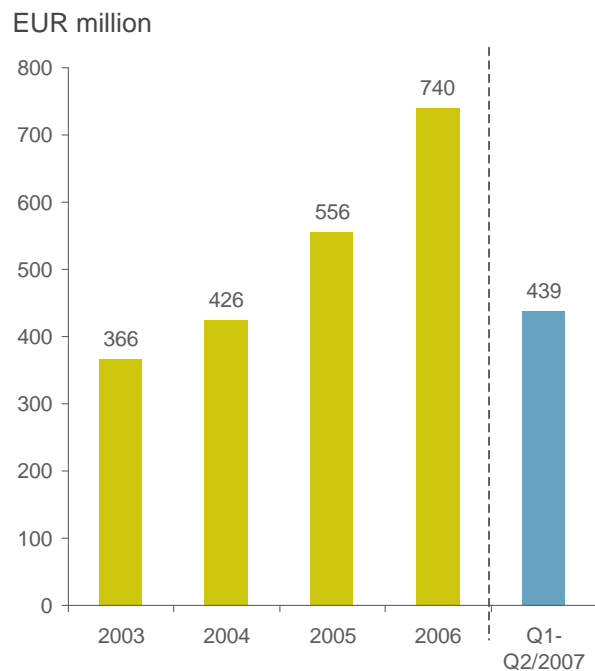
EUR million	Q2 2007	Q2 2006	Q1-Q2 2007	Q1-Q2 2006	LTM ^{*)}	2006
Operating profit	23.4	10.0	37.1	14.1	74.6	51.6
Profit before taxes	24.6	10.3	39.9	15.6	80.9	56.6
Earnings per share, EUR	0.40	0.11	0.64	0.21	1.32	0.88

**) Last twelve months*

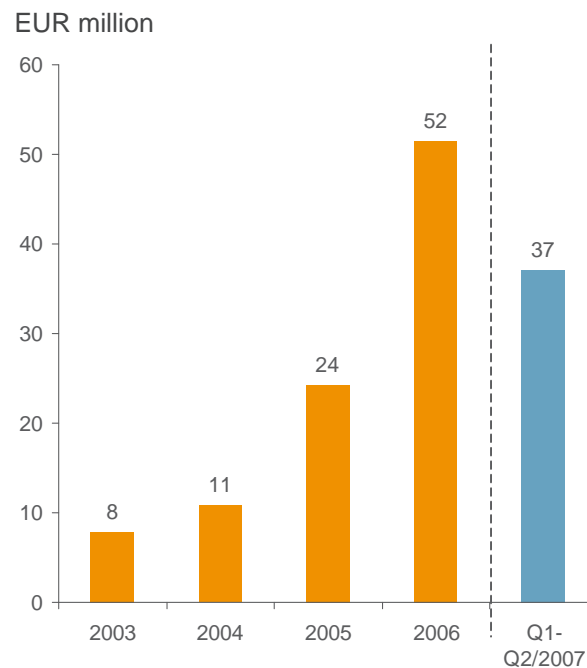
- Return on equity was 35.6% and return on investment (ROI) was 54.8% in Q1-Q2/2007

Sales and profitability development

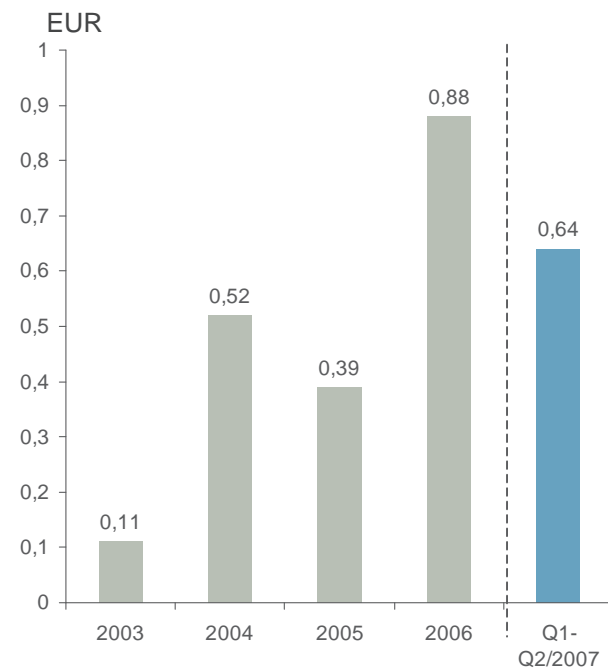
Sales



Operating profit



Earnings per share



Sales by division

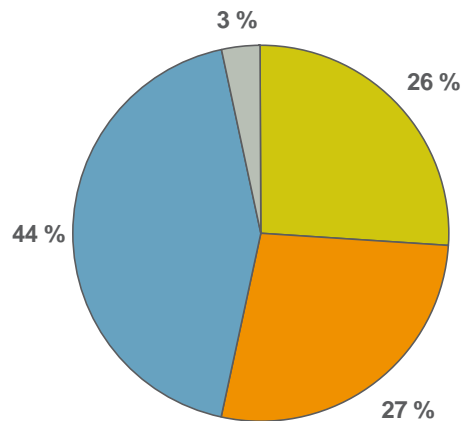
EUR million	Q2 2007	Q2 2006	Q1-Q2 2007	Q1-Q2 2006	2006
Minerals Processing	64.6	57.4	119.7	93.8	256.6
Base Metals	64.5	50.6	124.6	95.5	192.3
Metals Processing	100.9	67.5	198.4	130.4	292.2
Other businesses	8.9	8.1	15.6	14.7	32.6
Unallocated items and intra-group sales	- 11.7	- 6.8	- 19.5	- 13.5	- 33.2
TOTAL	227.1	176.8	438.8	320.9	740.4

Operating profit by division

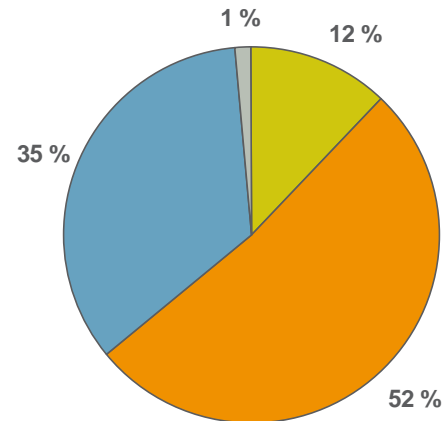
EUR million	Q2 2007	In relation to division sales	Q2 2006	Q1-Q2 2007	In relation to division sales	Q1-Q2 2006	2006
Minerals Processing	3.3	5%	- 1.9	5.3	4%	- 5.6	12.7
Base Metals	13.2	20%	7.1	22.5	18%	12.7	23.6
Metals Processing	10.5	10%	6.1	15.1	8%	10.2	21.2
Other businesses	0.6	6%	0.2	0.6	4%	- 0.3	0.3
Unallocated items and intra-group sales	- 4.1		- 1.5	- 6.5		- 2.9	- 6.1
TOTAL	23.4	10.3%	10.0	37.1	8.5%	14.1	51.6

Sales and operating profit by division

Sales Q1-Q2/2007



Operating profit Q1-Q2/2007



- Minerals Processing
- Base Metals
- Metals Processing
- Other businesses

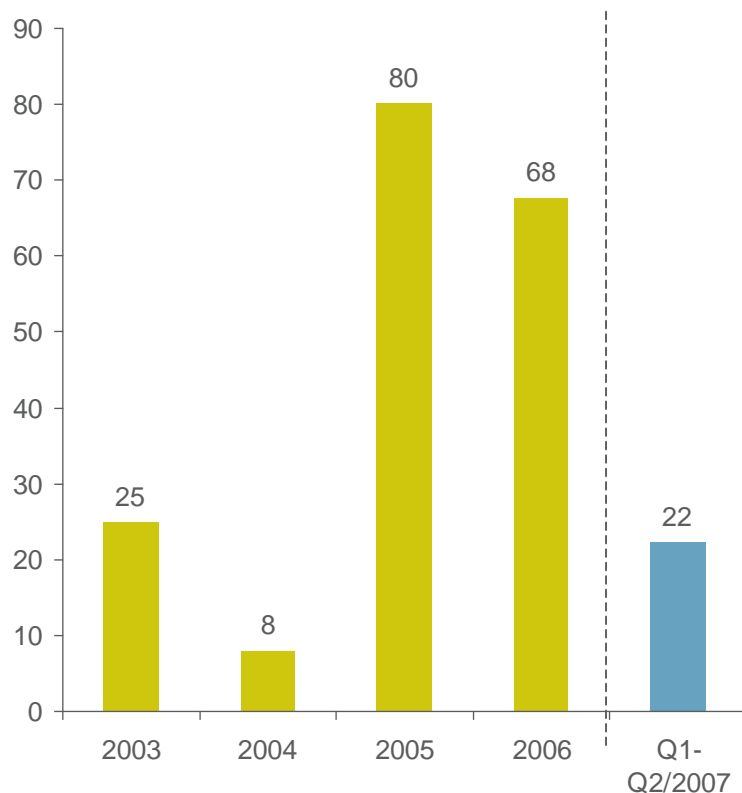
- excluding Unallocated items and intra-group sales

Capital structure

EUR million	Q2 2007	Q2 2006	Q1-Q2 2007	Q1-Q2 2006	2006
Net cash from operating activities	1.2	3.8	22.3	0.6	67.8
Net interest-bearing debt ^{*)}	-176.3	-108.5	-176.3	-108.5	-170.0
Equity ^{*)}	159.9	116.1	159.9	116.1	144.1
Equity-to-assets ratio, % ^{*)}	39.8	40.9	39.8	40.9	36.9
Gearing, % ^{*)}	-110.3	-93.4	-110.3	-93.4	-118.0
Working capital ^{*)}	-105.5	-93.9	-105.5	-93.9	-122.3

^{*)} At the end of the period

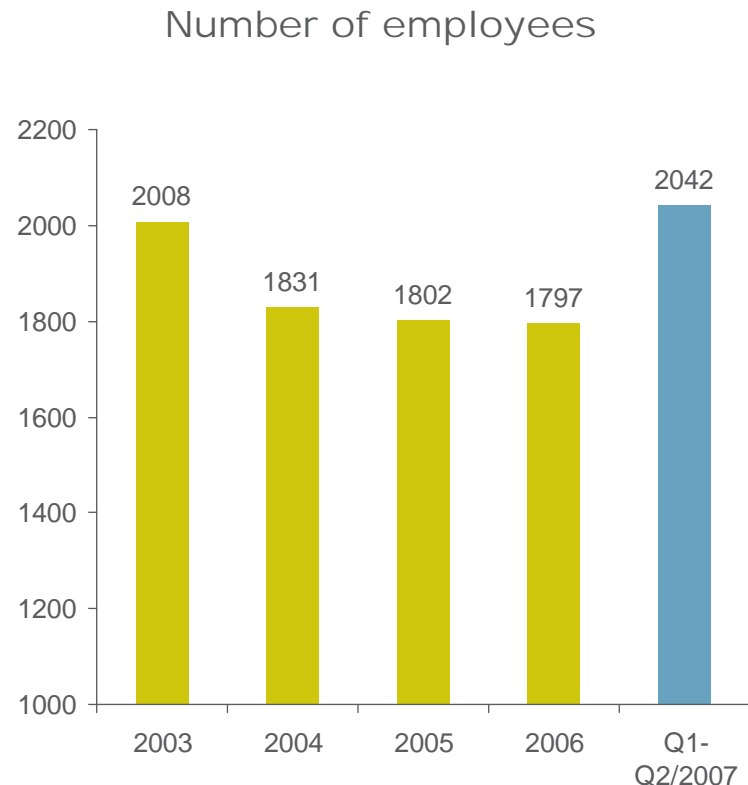
Net cash from operating activities



- Cash flow improved despite the strong growth and that capital was tied up in project deliveries and inventories
- Dividends were paid in April 2007 (EUR 14.7 million)

Personnel

- An average of 1,925 employees in Q1-Q2/2007 (Q1-Q2/2006: 1,829)
- Increase due to business growth and active recruitment
- Temporary employees accounted for 15% of the total
- Contracted employees account for some 20% of Outotec's own employees



Events after the reporting period

- Outotec Oyj's Board of Directors and Tapani Järvinen, the CEO of the company, agreed on July 25, 2007 that the current CEO contract is to be amended so that it will be effective until the end of 2009, and thereafter until further notice.
- In July, Outotec was awarded a contract by Companhia Brasileira de Alumínio S.A. (CBA) for the supply of an alumina calcination plant in Alumínio (SP), Brazil (EUR 40 million)
- On July 2, 2007 Outotec began trading in the Large Cap segment of the OMX Nordic Exchange Helsinki Oy.

Outlook for 2007

Market

- The mining and metals industry remains robust and the underlying imbalance in supply and demand of metals encourages the industry to invest in both greenfield plants and expansions.

Outotec

- Good financial performance, coupled with strong order backlog in the first half of 2007, provides a solid base for the remainder of the year. Outotec's management is confident that the company has the resources and capacity to meet the growth expected for 2007.
- Following the record high order intake, the strong order backlog, and the good financial result in the first half of the year, the Outotec management expects that:
 - full-year 2007 sales will moderately exceed 1 billion euros,
 - operating profit is expected to grow significantly from 2006 and operating profit margin in the second half of 2007 will be on, or above, the level of the first half of the year, subject to the timing of project completions and mix of the new orders received, and
 - the closing order backlog for 2007 will clearly exceed that of closing backlog in 2006.



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