FINANCIAL STATEMENTS REVIEW

2009

January-December

Outotec is a worldwide technology leader providing innovative and environmentally sound plants, processes, equipment and services for a wide variety of customers in minerals and metals processing as well as related process industries. Outotec Oyj is listed on the NASDAQ OMX Helsinki.
www.outotec.com

Outotec
More out of ore

FINANCIAL STATEMENTS REVIEW JANUARY-DECEMBER 2009

Gross margin and balance sheet remained strong in a weak market

Board of Directors' dividend proposal: EUR 0.70 per share

Financial year January 1 - December 31, 2009 in brief (corresponding 2008 figures):
- Sales: EUR 877.7 million (EUR 1,217.9 million)
- Operating profit: EUR 58.6 million (EUR 120.2 million)
- Profit before taxes: EUR 60.9 million (EUR 136.3 million)
- Earnings per share: EUR 1.01 (EUR 2.25)
- Order intake: EUR 557.1 million (EUR 1,153.8 million)
- Order backlog: EUR 867.4 million (EUR 1,176.7 million)
- Net cash flow from operating activities: EUR -28.8 million (EUR 106.6 million)

Q4/2009 in brief (Q4/2008):
- Sales: EUR 219.8 million (EUR 398.8 million)
- Operating profit: EUR 13.3 million (EUR 47.5 million)
- Profit before taxes: EUR 13.3 million (EUR 52.4 million)
- Order intake: EUR 110.5 million (EUR 119.9 million)
- Net cash flow from operating activities: EUR -43.9 million (EUR -36.7 million)

Larox figures for 2009 have been consolidated in Outotec's order backlog, balance sheet and personnel figures.

President and CEO Pertti Korhonen:
"The markets picked up slightly towards the year-end but were still challenging. Because of unused capacity in the metallurgical industry, many investments for new capacity were on hold. However, we succeeded in expanding our offering to adjacent industries. The new oil shale processing plant under implementation with Eesti Energia was a breakthrough in applying our expertise in the energy sector. In addition, the acquisition of Larox's filtration solutions and Ausmelt's smelter technologies will further strengthen our core business. With the increasing importance of energy efficiency and environmental protection, there are many business opportunities for our sustainable technologies. This year, our focus will be on integrating acquired businesses, improving cost-efficiency and accelerating the growth of service business. A new operational model, which we are going to launch this spring, will support these goals."

Summary of key figures	**Q4 2009**	Q4 2008	**Q1-Q4 2009**	Q1-Q4 2008
Sales, EUR million	**219.8**	398.8	**877.7**	1,217.9
Gross margin, %	**24.1**	22.8	**21.7**	21.5
Operating profit, EUR million	**13.3**	47.5	**58.6**	120.2
Operating profit margin, %	**6.1**	11.9	**6.7**	9.9
Profit before taxes, EUR million	**13.3**	52.4	**60.9**	136.3
Net cash from operating activities, EUR million	**-43.9**	-36.7	**-28.8**	106.6
Net interest-bearing debt at the end of period, EUR million	**-191.0**	-314.6	**-191.0**	-314.6
Gearing at the end of period, %	**-55.8**	-139.0	**-55.8**	-139.0
Working capital at the end of period, EUR million	**-62.8**	-171.2	**-62.8**	-171.2
Return on investment, %	**18.0**	92.7	**20.9**	61.6
Return on equity, %	**12.4**	64.1	**14.9**	42.6
Order backlog at the end of period, EUR million	**867.4**	1,176.7	**867.4**	1,176.7
Order intake, EUR million	**110.5**	119.9	**557.1**	1,153.8
Personnel, average for the period	**2,744**	2,628	**2,612**	2,483
Earnings per share, EUR	**0.21**	0.84	**1.01**	2.25
Dividend per share, EUR	**-**	-	**0.70*)**	1.00

*) Board of Directors' proposal for dividend per share.

FINANCIAL STATEMENTS REVIEW JANUARY-DECEMBER 2009

OPERATING ENVIRONMENT

The market conditions were challenging in the mining and metals industry throughout the year, although activity picked up towards the end of the year. Mining and metals companies began to upgrade their investment plans in the second half of 2009, due to positive market forecasts and continued metals demand in emerging economies such as China and India. This was indicated by the recovered activity in negotiations with customers. However, updating large investment plans, including financing, scoping and pricing and turning them to orders takes some time. In addition, many production plants still have unused capacity.

The competitive situation was tight because of fewer new projects. Despite increased competition and pricing pressures, Outotec was able to defend its margins because of lower raw material and subcontracting prices. In 2009, Outotec strengthened its presence in China and India. The company had about 140 employees at the year-end in these markets, and sales to these countries accounted for EUR 126 million (2008: EUR 142 million).

In addition to mining and metals industry, Outotec designs and delivers solutions to the energy sector, water treatment and chemical industry. Although there were new business opportunities for Outotec's environmentally sound technologies in these areas, the economic recession slowed down investments also in these industries in 2009.

ORDER INTAKE

Order intake in the reporting period amounted to EUR 557.1 million (Q1-Q4/2008: EUR 1,153.8 million) including plant deliveries, equipment deliveries and services to existing customers. The orders received in the fourth quarter came to EUR 110.5 million (Q4/2008: EUR 119.9 million) and included mainly equipment deliveries, spare parts and services.

Major new orders in the fourth quarter included:

- thickening technology for the Toromocho project, Peru (EUR 11 million);
- flotation technology to Minera Escondida, Chile; and
- alumina refinery technology to Anrak Aluminium, India.

Major new orders in the third quarter included:

- oil shale technology to Eesti Energia, Estonia (EUR 110 million);
- copper recovery plant to Pueblo Viejo's gold mine in the Dominican Republic (EUR 16 million);
- engineering and smelter technology to Iran (EUR 10 million); and
- flash smelting technology to Zijin Copper Co. Ltd. China (EUR 7 million).

There were no major orders in the second quarter.

Major new orders in the first quarter included:

- sulfuric acid plant for Noracid S.A. in Mejillones, Chile (EUR 51 million);
- several service contracts for industrial and maintenance services in Chile and Canada (EUR 15 million); and
- flotation cells and thickeners for Polymetal's Albazino gold mine project in Russia.

ORDER BACKLOG

The order backlog at the end of the reporting period totaled EUR 867.4 million (December 31, 2008: EUR 1.176,7 million). Outotec's order backlog excluding Larox was EUR 834.6 million at the end of the reporting period representing a 29% decline from the comparison period. In 2009, order backlog was reduced by approximately EUR 50 million mainly due to changes in project scopes which reduced auxiliary equipment deliveries.

At the end of the reporting period, Outotec's order backlog included 21 projects with an order backlog value in excess of EUR 10 million, accounting for 68% of the total backlog. According to a management estimate, roughly 68% of the current backlog will be delivered in 2010 and the rest in 2011 and beyond. At the end of the reporting period, Outotec's order backlog included roughly EUR 70 million (September 30, 2009: EUR 100 million) in suspended projects. The majority of the change in the value of suspended projects came from reactivations. Roughly 2% of the projects in Outotec's current backlog are for mining companies that are developing their first processing plants.

SALES AND FINANCIAL RESULT

Outotec's sales in the reporting period totaled EUR 877.7 million (Q1-Q4/2008: EUR 1,217.9 million), which was 28% lower than in the comparison period. Sales for the fourth quarter were EUR 219.8 million (Q4/2008: EUR 398.8 million). The decline in sales resulted from the smaller order backlog, low order intake during the first half of the year and the rescheduling of some major projects under execution. Sales to 'top 10' customers were less than 50% of the total sales and none of the customers accounted for more than 10% of the total sales in 2009.

The Services business, which is included in the divisions' and other businesses' sales figures, totaled EUR 148.6 million in the reporting period (Q1-Q4/2008: EUR 141.2 million), up 5% from the comparison period. The Services business overall was affected by customers' lower capacity utilization and plant closures. Spare part deliveries reduced because of reduced metals production, but sales of maintenance and technical services increased compared to the comparison period. Majority of the increase in maintenance services came from Outotec Auburn, which was acquired in October 2008. The sales volume of the Services business in the fourth quarter totaled EUR 45.2 million (Q4/2008: EUR 54.2 million). Sales of maintenance services in the fourth quarter of 2009 were lower than in corresponding period in 2008 mainly due to a plant closure of a major service customer. In addition, there were fewer spare part deliveries. Supported by the acquisition of Larox, Outotec remains on track in achieving its service business sales target of EUR 250-300 million by the end of 2010.

The operating profit for the reporting period was EUR 58.6 million (Q1-Q4/2008: EUR 120.2 million), representing 6.7% of sales (Q1- Q4/2008: 9.9%). The decrease was the result of lower sales volume, a decline in license fee income and higher fixed costs. The operating profit includes the EUR 2.4 million one-time positive effect from the amicable settlement of all disputes related to the Pattison Sand project as well as the EUR 2.5 million impairment loss related to fair valuation of Outotec's shares in Pacific Ore Ltd. The unrealized and realized exchange losses related to currency forward contracts, which are not included in the hedge accounting, decreased profitability by EUR 0.1 million (Q1-Q4/2008: unrealized and realized loss of EUR 9.5 million). The operating profit in the fourth quarter was EUR 13.3 million (Q4/2008: EUR 47.5 million). The primary reasons for the lower operating profit were the significantly lower sales volume, decreased license fee income and fewer project completions.

In the reporting period, Outotec's fixed costs were EUR 131.6 (2008: EUR 123.3 million). The increase was mainly caused by the fixed costs of Outotec Auburn, increased sales work, developing business operations in India and China, one-time costs related to adjustments of the office network, increase of bad debt provisions related to accounts receivable and development of the Services business worldwide.

Outotec's profit before taxes for the reporting period was EUR 60.9 million (Q1-Q4/2008: EUR 136.3 million). Profit before taxes was favorably impacted by the net financial income of EUR 2.2 million (Q1-Q4/2008: EUR 16.1 million) from the high net cash position. The decline in net financial income was primarily due to lower interest rates. Net profit for the period was EUR 42.3 million (Q1-Q4/2008: EUR 93.9 million). Taxes totaled EUR 18.6 million (Q1-Q4/2008: EUR 42.4 million). This represents an effective tax rate of 30.5%. Earnings per share were EUR 1.01 (Q1-Q4/2008: EUR 2.25).

Outotec's return on equity for the reporting period was 14.9% (Q1-Q4/2008: 42.6%), and return on investment was 20.9% (Q1-Q4/2008: 61.6%).

Sales and operating profit by segment EUR million	Q4 2009	Q4 2008	Q1-Q4 2009	Q1-Q4 2008
Sales				
Minerals Processing	**83.2**	144.8	**338.2**	419.6
Base Metals	**34.0**	86.4	**136.4**	295.3
Metals Processing	**100.8**	163.9	**378.8**	494.7
Other Businesses	**10.7**	18.8	**60.4**	56.0
Unallocated items*) and intra-group sales	**-8.9**	-15.1	**-36.2**	-47.7
Total	**219.8**	398.8	**877.7**	1,217.9
Operating profit				
Minerals Processing	**6.1**	12.1	**29.2**	22.5
Base Metals	**2.8**	17.2	**8.4**	48.7
Metals Processing	**11.5**	22.1	**36.0**	61.1
Other Businesses	**-0.5**	0.7	**-1.5**	3.9
Unallocated**) and intra-group items	**-6.5**	-4.6	**-13.5**	-16.0
Total	**13.3**	47.5	**58.6**	120.2

*) Unallocated items primarily include invoicing of internal management and administrative services.
**) Unallocated items primarily include internal management and administrative services.

Minerals Processing

The Minerals Processing division's sales in the reporting period decreased by 19% from the comparison period and totaled EUR 338.2 million (Q1-Q4/2008: EUR 419.6 million). Operating profit increased to EUR 29.2 million (Q1-Q4/2008: EUR 22.5 million). A high starting order backlog, good project execution and reduced bottlenecks in the delivery pipeline were factors affecting sales, however, due to lower order intake, sales in the reporting period were less than in the comparison period. Operating profit for the reporting period includes a EUR 2.4 million one-time positive effect (2008: EUR 8.5 million one-time negative effect) from the amicable settlement of all disputes related to the Pattison Sand project. Operating profit for the reporting period also included unrealized and realized exchange loss related to currency forward contracts of EUR 0.2 million (Q1-Q4/2008: unrealized and realized loss of EUR 8.9 million).

Base Metals

The Base Metals division's sales in the reporting period decreased by 54% from the comparison period and totaled EUR 136.4 million (Q1-Q4/2008: EUR 295.3 million). The decrease in sales was primarily due to low order intake in 2009, lower starting order backlog, and the rescheduling of some projects. The operating profit was EUR 8.4 million (Q1- Q4/2008: EUR 48.7 million). The significantly lower sales relative to the division's fixed costs and decreased license fee income were the primary reasons for the division's low operating profit.

Metals Processing

The Metals Processing division's sales in the reporting period decreased 23% from the comparison period to EUR 378.8 million (Q1-Q4/2008: EUR 494.7 million). The decrease in sales was mainly due to the rescheduling of some projects and lower order intake. Operating profit came to EUR 36.0 million (Q1-Q4/2008: EUR 61.1 million). Operating profit declined due to lower sales volume, higher fixed costs and decreased license fee income. Operating profit for the reporting period also included unrealized and realized exchange gains related to currency forward contracts of EUR 2.9 million (Q1-Q4/2008: unrealized and realized loss of EUR 0.9 million).

Sales by destination, %	2009	2008
Europe (including CIS)	**22**	23
Africa	**9**	12
Asia (including Middle East)	**31**	29
Australia and Pacific countries	**6**	8
North America	**5**	5
South America	**27**	23
Total	**100**	100

Sales by metals, %	**2009**	2008
Copper	**20**	22
Iron	**17**	12
Aluminium	**10**	12
Ferroalloys	**3**	6
Precious metals	**15**	10
Zinc	**5**	9
Nickel	**6**	7
Sulfuric acid	**16**	13
Other	**8**	9
Total	**100**	100

BALANCE SHEET, FINANCING, AND CASH FLOW

Outotec’s balance sheet structure remained strong also after acquisitions. Larox has been consolidated into Outotec’s balance sheet as a subsidiary at the end of the year and the minority has been separated from the shareholders’ equity. The major impacts of the Larox acquistion on the Outotec’s balance sheet were: an increase of intangible assets by EUR 41.0 million; goodwill by EUR 45.2 million and interest-bearing liabilities by EUR 34.6 million. The acquisition was financed by issuing Outotec’s new shares, and thus, Outotec’s shareholders equity increased by EUR 63.4 million. The acquisition had no significant impact on Outotec’s cash flow, and cash and cash equivalents.

The net cash flow from operating activities in the reporting period was at EUR -28.8 million (Q1-Q4/2008: EUR 106.6 million). The net cash flow in 2009 was negative because order intake contained only few large projects, and thus there was a lack of substantial advance payments, which create strong positive cash flow in the beginning of the project.

Outotec’s working capital amounted to EUR -62.8 million on December 31, 2009 (December 31, 2008: EUR -171.2 million). The change in working capital resulted from low order intake and subsequently lower advance payments received from customers in the reporting period. Consolidation of Larox also negatively affected Outotec’s working capital.

At the end of the reporting period, Outotec’s cash and cash equivalents totaled EUR 258.5 million (December 31, 2008: EUR 317.8 million). The net change in cash and cash equivalents was affected by the dividend payment of EUR 42.0 million in March 2009 (April 2008: EUR 39.9 million). The company invests its excess cash in short-term money market instruments such as bank deposits and corporate commercial papers. Investments are made within pre-approved counterparty-specific limits and tenors, which Outotec regularly reviews. On December 31, 2009, no money market investment had remaining maturity exceeding three months.

Outotec’s financing structure remained strong. Net interest-bearing debt on December 31, 2009 came to EUR -191.0 million (December 31, 2008: EUR -314.6 million). The advances received at the end of the reporting period totaled EUR 150.9 million (December 31, 2008: EUR 214.0 million), representing a decrease of 29% from the comparison period. Outotec’s gearing at the end of the reporting period was -55.8% (December 31, 2008: -139.0%), and the equity-to-assets ratio was 45.1% (December 31, 2008: 35.0%).

The company’s capital expenditure in the reporting period was EUR 98.0 million (Q1-Q4/2008: EUR 23.9 million), of which EUR 75.9 million was related to acquisitions of Larox Corporation and Ausmelt Ltd. Other capital expenditure included the establishment of a joint venture company, GreenExergy for bio-energy technology business, investments in information technology, intellectual property rights, as well as building and machinery for the Outotec Turula workshop.

Guarantees for commercial commitments, including advance payment guarantees issued by the parent and other Group companies decreased from the comparison period due to lower order intake and were EUR 321.3 million (December 31, 2008: EUR 353.8 million) at the end of the reporting period.

Outotec has an agreement with a third-party service provider concerning administration and hedging of the share-based incentive program for key personnel. As part of this agreement, for hedging the underlying cash flow risk, the service provider has purchased a total of 550,000 Outotec shares (in 2008: 265,000), which have been funded by Outotec and accounted as treasury shares in Outotec's consolidated balance sheet. At the end of the reporting period, the amount of these treasury shares was 332,534.

EXPANSION OF BUSINESS NETWORK

At the year-end, Outotec had acquired 70.5% of the shares (94.4% of all the votes) of Larox Corporation through share transfer and made a mandatory public tender offer for all the remaining Larox shares (January 22, 2010: as a result of the public tender offer, Outotec's ownership was 98.5% of the shares). Combining the businesses of Outotec and Larox will further strengthen Outotec's position as a leading global provider of technology solutions and services to the mining and metals industry and will allow Larox to develop its business in an international, financially solid technology group operating in the same industry. The acquisition price of Larox's shares is approximately EUR 91 million.

At the year-end, Outotec had increased its holding in the Australian public company Ausmelt Ltd to 37.6%. As a result of the share purchases, Ausmelt became an associated company of Outotec Oyj (February 8, 2010: Outotec's ownership was 96.4%). Ausmelt's principal activities are the development, design, engineering and supply of Top Submerged Lance (TSL) smelting technology for the production of metals and processing of industrial wastes. Ausmelt's TSL technology complements Outotec's smelting technology portfolio. Outotec currently has flash smelting technology for copper and nickel primary smelting in large scale plants, whereas Ausmelt's TSL technology is suitable for small to mid-size plants and also for a variety of other feed materials, such as ferrous metals, zinc, lead and tin concentrates, zinc bearing residues, and various secondary and waste materials. The additional benefit of the technology is that it enables the recovery of valuable metals from by-products.

In July, Outotec and Eesti Energia entered into a joint venture for the commercialization of sustainable oil shale processing technology and for holding of the intellectual property rights related to new Enefit technology. Eesti Energia has a 60% stake in the company with Outotec owning 40%.

In February, Outotec and a Swedish company Skellefteå Kraft AB agreed to establish a joint company, GreenExergy AB. The company focuses on the development, marketing and delivery of bio-energy technologies to power plants for the production of bio-energy from forestry and sawmill residues. Outotec's stake is 45%, Skellefteå Kraft's 33%, and three additional Swedish companies each have a minor stake in the joint venture.

In May, Outotec announced an agreement with a Finnish company, Real Time Systems Oy, to cooperate in the development of a new-generation measuring and regulating system for electric arc furnaces. Outotec is funding the development work and is a minor shareholder of Real Time Systems Oy and has a call option on the company.

RESEARCH AND TECHNOLOGY DEVELOPMENT

In 2009, Outotec's research and technology development expenses totaled EUR 20.5 million (2008: EUR 20.2 million), representing 2.3% of sales (2008: 1.7%). Outotec filed 56 new priority patent applications (2008: 45), and 286 new national patents were granted (2008: 277).

In the reporting period, oil shale combustion test work was conducted at Outotec's Frankfurt Research Center. The test work related to basic engineering for the oil-shale-based oil production plant to be built in Narva, Estonia. In July, Outotec announced EUR 110 million project to build the oil-shale-based oil production plant.

In January, Outotec launched a new OKTOP® reactor family. While all reactors were previously individually designed, the new OKTOP® reactors are built from modules which are tailored to give optimum results. The contract signed with Pueblo Viejo for a copper recovery plant is a breakthrough in combining Outotec's hydrometallurgical expertise, including new OKTOP® reactors, and Paques THIOTEQ® biotechnology in copper production.

Outotec and Codelco finished testing the TankCell® 300 flotation cells at Chuquicamata, Chile. The results showed a better recovery and lower energy consumption than the previous solution.

Outotec commissioned a new automated Courier® 6i SL slurry analyzer and sampling system at Australia's largest underground mine. It is one of the world's most advanced systems in the field of minerals processing.

In August, Outotec launched new proprietary cooling towers for efficient liquid cooling at process plants. Outotec cooling towers enable lower emissions and larger cooling capacity than conventional ones.

Outotec's technology portfolio expanded when the Swedish joint venture GreenExergy AB was established to offer bio-energy technologies for power plants.

The cooperation with Real Time Systems Oy in the development of a new-generation measuring and regulating system will bring significant savings for the furnace operators, who use electric arc furnaces in the production of steel from scrap.

In May, Outotec committed to the Baltic Sea Action Summit project, which is supported by the Finnish government. As part of its commitment to a healthier Baltic Sea, Outotec will focus on minimizing metal-containing dusts and sulfur dioxide emissions within the metals industry as well as on reducing metal-containing effluents.

PERSONNEL

At the end of the reporting period, Outotec had a total of 3,128 employees (December 31, 2008: 2,674) of which 562 employees worked for Larox. Outotec's personnel excluding Larox decreased by 108 employees or 4% during the reporting period. The reductions were primarily related to the temporary employee contracts in the Americas, Finland and Australia. In contrast, Outotec has continued to increase its personnel in Asia. For the reporting period, Outotec had on average 2,612 employees (Q1-Q4/2008: 2,483). The average number of personnel increased by 129 individuals from the comparison period through acquisition, business growth, and active recruitment in 2008. Temporary personnel accounted for about 8% of the total number of employees.

Distribution of personnel by country	**Dec 31, 2009**	Dec 31, 2008	**change %**
Finland	**1,145**	925	**23,8**
Germany	**472**	380	**24,2**
Rest of Europe	**283**	249	**13,7**
Americas	**740**	758	**-2,4**
Australia	**239**	225	**6,2**
Rest of the world	**249**	137	**81,8**
Total	**3,128**	2,674	**17,0**

At the end of December 2009, the company had, in addition to own personnel on Outotec's payroll, approximately 250 (September 30, 2009: 240) full-time equivalent, contracted people working in project execution. The number of contracted workers at any given time changes with the active project mix and project commissioning, local legislation and regulations, and seasonal fluctuations.

In the reporting period, salaries and other employee benefits totaled EUR 159.5 million (Q1-Q4/2008: EUR 157.7 million).

CHANGES IN TOP MANAGEMENT

In June, Outotec's Board of Directors appointed Mr. Pertti Korhonen, 48, M. Sc. (Eng.), as the new President and Chief Executive Officer of Outotec Oyj. Mr. Korhonen joined Outotec on September 1, 2009, and began serving as Chief Operating Officer on October 1, 2009. He assumed the CEO duties on January 1, 2010. Former CEO, Mr Tapani Järvinen retired at the end of 2009.

SHARE-BASED INCENTIVE PROGRAMS

Outotec has two share-based incentive programs for the company's key personnel: the first, Incentive Program 2007-2008, was announced on March 23, 2007, and the second, Incentive Program 2008-2010, was announced on March 3, 2008.

Share-based incentive program 2007-2008

The program began on January 1, 2007, and ended December 31, 2008. The reward compensated to the key personnel was determined by based on whether the targets set for the development of the company's net profit and order backlog had been reached. The total reward for the two earning periods was EUR 6.5 million, which was paid to 22 individuals in the second quarter of 2009, with 202,779 shares allocated and EUR 3.4 million paid in cash to cover taxes.

Share-based incentive program 2008-2010

The incentive program for 2008-2010 comprises three earning periods: calendar years 2008, 2009, and 2010. The Board of Directors determines the amount of the maximum reward for each individual, the earning criteria and the targets established for them separately on an annual basis. Reaching the targets established for the earning criteria will determine how great a portion of the maximum reward will be paid. For the 2009 and 2010 earning periods, the incentive program involves approximately 60 individuals. The reward is paid in shares and as a cash payment. The reward will not be paid if the individual's employment ends before the close of the earning period. The individual must also hold the earned shares and remain employed with the company for at least two years after the close of the earning period.

For the earning period 2008, 14,687 shares were allocated to 33 individuals and EUR 0.2 million paid in cash to cover taxes. Individuals who were included in the initial share-based incentive program 2007-2008 were not included in the 2008 earning period.

RESOLUTIONS OF THE 2009 ANNUAL GENERAL MEETING

Outotec Oyj's Annual General Meeting (AGM) was held on March 18, 2009, in Helsinki, Finland. The Annual General Meeting approved the parent company and the consolidated financial statements, and discharged the members of the Board of Directors and the CEO from liability for the 2008 financial year.

Dividend

The Annual General Meeting decided that a dividend of EUR 1.00 per share be paid for the financial year that ended on December 31, 2008. The dividends, totaling EUR 42.0 million, were paid on March 30, 2009.

The Board of Directors

The Annual General Meeting decided on the number of the Board members, including chairman and vice chairman, to be five (5). Mr. Carl-Gustaf Bergström, Mr. Karri Kaitue, Mr. Hannu Linnoinen, Mr. Anssi Soila and Mr. Risto Virrankoski were re-elected as members of the Board of Directors for the term expiring at the end of the next Annual General Meeting.

The Annual General Meeting re-elected Mr. Risto Virrankoski as the chairman of the Board of Directors. In its assembly meeting, the Board re-elected Mr. Karri Kaitue as the vice chairman of the Board of Directors. In addition, the Board re-elected Mr. Carl-Gustaf Bergström and Mr. Hannu Linnoinen as members of the Audit Committee, Mr. Linnoinen acting as the chairman of the Audit Committee.

The Annual General Meeting also confirmed the remunerations to the Board members as follows: chairman EUR 5,000 per month and other Board members EUR 3,000 per month each, vice chairman and chairman of the Audit Committee an additional EUR 1,000 per month each. Each Board member also EUR 500 for attendance at each Board and Committee meeting as well as reimbursement for direct costs related to Board work.

Board's authorizations

The Annual General Meeting authorized the Board of Directors to resolve the repurchasing of the company's shares as follows:

- The company may repurchase a maximum number of 4,200,000 shares using free equity and deviating from the shareholders' pre-emptive rights to the shares, provided that the number of shares held by the company will not exceed ten (10) percent of all shares in the company.
- The shares are to be repurchased in public trading on the NASDAQ OMX Helsinki at the price established in the trading at the time of acquisition.

The authorization has not been exercised as of February 9, 2010. The authorization shall be valid until the next Annual General Meeting.

The Annual General Meeting authorized the Board of Directors to resolve the issuance of shares as follows:

- The authorization includes the right to issue new shares, distribute shares held by the company, and the right to issue special rights referred to in Chapter 10, Section 1 of the Companies Act. This authorization to the Board of Directors does not, however, entitle the Board of Directors to issue share option rights as an incentive to personnel.
- The total number of new shares to be issued and shares held by the company to be distributed under the authorization may not exceed 4,200,000 shares.
- The Board of Directors is entitled to decide on the terms of the share issue, such as the grounds for determining the subscription price of the shares and the final subscription price as well as the approval of the subscriptions, the allocation of the issued new shares and the final amount of issued shares.

This authorization was executed in conjunction with the Larox acquisition. Total number of shares issued was 3,780,373 (2,763,419 shares in December 2009 and 1,016,954 shares in February 2010). This authorization shall be valid until the next Annual General Meeting.

Auditors

KPMG Oy Ab, authorized public accountants, has been re-elected as the company's auditor, with Mauri Palvi as auditor in charge. The fees for the auditor are paid according to invoice.

The Annual General Meeting decided to amend Section 9 of the Articles of Association so that notice to convene the General Meeting shall be issued no later than 21 days prior to the General Meeting.

SHARES AND SHARE CAPITAL

Outotec's shares are listed on the NASDAQ OMX Helsinki (OTE1V). On December 31, 2009, Outotec's share capital was EUR 16.8 million, consisting of 44,763,419 shares. Each share entitles its holder to one vote at the company's general shareholder meetings.

TRADING, MARKET CAPITALIZATION AND SHAREHOLDERS

In the reporting period, the volume-weighted average price for a share in the company was EUR 17.39, the highest quotation for a share was EUR 24.87 and the lowest EUR 9.30. The trading of Outotec shares in the reporting period exceeded 107 million shares, with a total value of over EUR 1,850 million. On December 31, 2009, Outotec's market capitalization was EUR 1,107 million and the last quotation for the share was EUR 24.74. On December 31, 2009, the company did not hold any treasury shares for trading purposes.

Outotec has an agreement with a third-party service provider concerning the administration and hedging of a share-based incentive program for key personnel. As part of this agreement, for hedging the underlying cash flow risk, the service provider has purchased a total of 550,000 Outotec shares (in 2008: 265,000) which have been funded by Outotec and accounted as treasury shares in Outotec's consolidated balance sheet. At the end of the reporting period, the amount of these treasury shares was 332,534.

On May 6, 2009, Barclays Global Investors UK Holdings Ltd's holding in shares of Outotec Oyj fell below 5% and was 2,068,377 shares, which represented 4.92% of the share capital and votes in the company. On April 7, 2009, Barclays Global Investors UK Holdings Ltd's holding in shares of Outotec Oyj exceeded 5% and was 2,111,054 shares, which represented 5.02% of the share capital and votes in the company.

On December 31, 2009, Outotec had 15,478 shareholders and shares held in 11 nominee registers accounted for 56.6% of all Outotec shares.

EVENTS AFTER THE REPORTING PERIOD

Outotec increased its shareholding in Australian public company Ausmelt Ltd through takeover offer acceptances and market purchases. On February 8, 2010, Outotec's holding in Ausmelt was 96.4%, which, in accordance with the Australian corporations law, entitles Outotec to proceed with the compulsory acquisition of all of the outstanding Ausmelt shares. The compulsory acquisition is expected to take approximately 4 to 6 weeks. The acquisition price for Ausmelt shares is approximately AUD 47 million (approximately EUR 30 million).

Outotec made a directed share issue to all shareholders of Larox Corporation who accepted Outotec's mandatory public tender offer, which expired January 22, 2010, for Larox against share consideration. Outotec's new shares and increase of share capital was entered in the Trade Register on February 2, 2010. Following the entering of the shares and the increase of the share capital in the Trade Register, the total number of Outotec shares amounts to 45,780,373 shares and the share capital to EUR 17,186,442.52.

In January, as part of its plans to launch a new operating structure in spring 2010, Outotec appointed Pekka Erkkilä to its Executive Committee as of May 1, 2010.

Outotec signed a contract on the delivery of sintering technology for JSW Steel Limited's (JSW) new iron ore sinter plant to be built in Toranagallu. The commissioning for the plant is scheduled for 2011.

Outotec has signed a contract with Baiyin Non Ferrous Group for the design and delivery of a new precious metals plant in Gansu Province, China. The contract value is approximately EUR 6 million. The plant is expected to be operational during the first half of 2011.

The board of the Helsinki University of Technology has established a fund named after Outotec's now retired CEO Tapani Järvinen. The fund aims at promoting the research of environmental technology and will fund distinguished individuals' research and development work. Outotec donated the basic capital for the fund.

SHORT-TERM RISKS AND UNCERTAINTIES

Risks related to global operating environment

Outotec’s global business operations are subject to various political, economic and social conditions. Operations in emerging markets may present risks that are not encountered in countries with well-established economic and political systems, including economic instability and a potential difficulty to anticipate future business conditions in these markets. These market conditions, which can rapidly change, may cause delays in the placement of orders for projects that have already been awarded, thereby subjecting Outotec to volatile markets.

The demand for export credits remained high in the reporting period. Possible limitations on the availability of export credits and financing as well as changes to project scopes and prices in the offer stages may further lengthen sales negotiations and postpone order effectiveness.

Risks related to Outotec’s business

Outotec has systematic risk management procedures - Project Risk Identification and Management (PRIMA) – in place to monitor projects. In conjunction with Outotec’s risk assessment for the fourth quarter in 2009, all unfinished work and projects, which use the percentage of completion and completed contract method, were monitored and evaluated and contingencies were updated. Also, projects where the stage of completion was close to 100%, were evaluated and provisions for performance guarantees and warranty period guarantees, along with possible provisions for project losses were updated. There were no material changes in the total project risk provisions.

Because of the international nature of Outotec’s business and projects in various countries, different interpretations of international and local tax rules and regulations may cause additional direct or indirect taxes for Outotec, which would reduce Outotec’s net result.

At the end of the reporting period, Outotec’s order backlog included roughly EUR 70 million in suspended projects. Some of the suspended projects may be cancelled or renegotiated. In any market situation, there is a risk of postponement in project business.

Acquisitions are an integral part of Outotec’s growth strategy. There is a risk that the estimated synergy benefits will not materialize as planned.

In December, Outotec, Nordea and Bagfas reached a final settlement in the Swiss arbitration and related processes before public courts in Turkey and Finland. According to the settlement provisions, all claims pending have been reciprocally withdrawn and Nordea paid EUR 0.9 million to Bagfas, in addition to the previously paid bank guarantee capital of EUR 3.4 million. In accordance with the provisions of its credit facility agreements, Outotec was responsible for all payments made by Nordea to Bagfas. The outcome of the settlement did not have an effect on Outotec's result.

Outotec is further involved in a few other arbitral and court proceedings. Outotec management expects that those cases and their outcome will have no material effect on Outotec's financial result.

The economic uncertainty may further reduce the demand for Outotec's products and services. Outotec's gross margin is impacted by license fee income related to certain technologies. A lack of these types of orders may reduce gross margin.

Financial risks

In 2009, there were no material credit losses related to payments by Outotec's counter-parties. The counterparties may be faced with having to renegotiate payment terms. In addition, there is a risk that customers and suppliers experience financial difficulties and a lack of financing may result in bankruptcies, which can also result in some losses for Outotec.

More than half of Outotec's total cash flow is denominated in euros. The rest is divided among various currencies, including the US dollar, Australian dollar, Brazilian real, Canadian dollar, and South African rand. The weight of any given currency in new projects can fluctuate substantially, but most cash-flow-related risks are hedged in the short and long term. In the short-term, currency fluctuations may create volatility in the operating profit. The forecasted and probable cash flows are selectively hedged and are always on the basis of separate decisions and risk analysis. The cost of hedging is taken into account in project pricing.

Outotec's business model is based primarily on customer advance payments and on-demand guarantees issued by Outotec's relationship banks. Changes in advance payments received have an impact on the liquidity of Outotec. Exposure to on-demand guarantees has remained high. Cash held by Outotec is invested mainly in short-term bank deposits and, to a lesser extent, in Finnish corporate short-term commercial papers. The lower interest rate levels reduce the interest income generated from these investments.

MARKET OUTLOOK

According to market research, the investments in the mining and metals industry are expected to increase from the previous year; however, there is still unused capacity. Most of the growth in metals consumption will come from developing economies. China is expected to represent nearly 50% of the growth in 2010. India continues to develop its infrastructure utilizing its large natural resource base.

There is increased activity in the beginning of the value chain from mine to metal. Many of the sales prospects are expected to turn into new orders in 2010 or later, which is in line with normal industry lead times.

There is continuous demand for modernization and debottlenecking at mine sites and metals processing plants as well as for energy-efficient and environmentally friendly technologies, equipment and services. As ore grades decline, more processing capacity will be needed. Also, complex ore bodies require new or modernized solutions, which enable economically viable production and better metals recovery. All these factors create good opportunities for Outotec's further growth.

Outotec's new markets include utilization of alternative energy resources, such as oil shale and oil sands and industrial water treatment. The world's recoverable oil shale resources are many times greater than those of conventional oil reserves, with large oil shale deposits found in the US, Brazil, China, Jordan, Russia and Estonia. Through two joint ventures established in 2009, Outotec offers solutions for oil shale processing and bio-energy production for power plants.

Outotec's technologies can also be applied to materials recycling and chemical industry.

FINANCIAL GUIDANCE FOR 2010

Due to post-cyclical nature of Outotec's business and low order intake in 2009, the year 2010 will be challenging. However, the management believes that order intake will pick up this year.
The management expects that in 2010:

- sales will grow to approximately EUR 1 billion due to the Larox and Ausmelt acquisitions, and
- operating profit will remain on the same level as in 2009, excluding one-time cost provisions which relate to restructuring, and integration of acquired businesses, and which are estimated to be recorded in the financial results of the first half of 2010.

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

ANNUAL GENERAL MEETING 2010

Annual General Meeting 2010 is scheduled to be held on March 18, 2010. Outotec's Annual Report 2009 will be published in week 8 and will be available in PDF and HTML format at www.outotec.com.

Espoo, on February 9, 2010

Outotec Oyj

Board of Directors

For further information, please contact:

Outotec Oyj

Pertti Korhonen, President and CEO
tel. +358 20 529 211

Vesa-Pekka Takala, CFO
tel. +358 20 529 211, mobile +358 40 570 0074

Eila Paatela, Vice President - Corporate Communications
tel. +358 20 529 2004, mobile +358 400 817198

Rita Uotila, Vice President - Investor Relations
tel. +358 20 529 2003, mobile +358 400 954141

Format for e-mail addresses: firstname.lastname@outotec.com

CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Statement of Comprehensive Income EUR million	**Q4** **2009**	Q4 2008	**Q1-Q4** **2009**	Q1-Q4 2008
Sales	**219.8**	398.8	**877.7**	1,217.9
Cost of sales	**-166.7**	-308.0	**-687.5**	-956.2
Gross profit	**53.1**	90.8	**190.1**	261.7
Other income	**0.6**	0.6	**4.1**	0.9
Selling and marketing expenses	**-16.4**	-14.2	**-56.5**	-48.0
Administrative expenses	**-14.7**	-15.7	**-54.6**	-55.1
Research and development expenses	**-4.6**	-5.5	**-20.5**	-20.2
Other expenses	**-4.5**	-8.5	**-3.9**	-19.1
Share of results of associated companies	**-0.1**	-	**-0.2**	-
Operating profit	**13.3**	47.5	**58.6**	120.2
Finance income and expenses				
Interest income and expenses	**1.0**	3.9	**5.2**	16.4
Market price gains and losses	**-0.3**	1.6	**0.6**	3.2
Other finance income and expenses	**-0.8**	-0.6	**-3.5**	-3.4
Net finance income	**-0.1**	4.9	**2.2**	16.1
Profit before income taxes	**13.3**	52.4	**60.9**	136.3
Income tax expenses	**-4.3**	-17.3	**-18.6**	-42.4
Profit for the period	**9.0**	35.1	**42.3**	93.9
Other comprehensive income				
Exchange differences on translating foreign operations	**4.4**	-16.0	**19.5**	-21.7
Cash flow hedges	**1.5**	-4.9	**2.7**	-12.6
Income tax relating to cash flow hedges	**-0.2**	1.2	**-0.3**	3.1
Available for sale financial assets	**2.6**	-0.1	**2.4**	-2.1
Income tax relating to available for sale financial assets	**-0.0**	-	**-0.0**	-
Other comprehensive income for the period	**8.2**	-19.7	**24.3**	-33.3
Total comprehensive income for the period	**17.2**	15.4	**66.6**	60.6
Profit for the period attributable to:				
Equity holders of the parent company	**9.0**	35.1	**42.3**	94.0
Minority interest	**-**	-	**-**	-0.0
Total comprehensive income for the period attributable to:				
Equity holders of the parent company	**17.2**	15.4	**66.6**	60.6
Minority interest	**-**	-	**-**	-0.0
Earnings per share for profit attributable to the equity holders of the parent company:				
Basic earnings per share, EUR	**0.21**	0.84	**1.01**	2.25
Diluted earnings per share, EUR	**0.21**	0.84	**1.01**	2.25

All figures in the tables have been rounded and consequently the sum of individual figures may deviate from the sum presented. Key figures have been calculated using exact figures.

Condensed Statement of Financial Position EUR million	**December 31, 2009**	December 31, 2008
ASSETS		
Non-current assets		
Intangible assets	**170.2**	81.4
Property, plant and equipment	**52.1**	29.5
Non-current financial assets		
Interest-bearing	**5.1**	0.5
Non interest-bearing	**37.2**	21.3
Total non-current assets	**264.6**	132.7
Current assets		
Inventories *)	**93.2**	87.7
Current financial assets		
Interest-bearing	**0.7**	0.4
Non interest-bearing	**292.7**	323.2
Cash and cash equivalents	**258.5**	317.8
Total current assets	**645.0**	729.1
TOTAL ASSETS	**909.6**	861.8
EQUITY AND LIABILITIES		
Equity		
Equity attributable to the equity holders of the parent company	**315.0**	226.4
Minority interest	**27.4**	-
Total equity	**342.4**	226.4
Non-current liabilities		
Interest-bearing	**41.2**	2.6
Non interest-bearing	**98.2**	74.3
Total non-current liabilities	**139.4**	76.9
Current liabilities		
Interest-bearing	**32.0**	1.5
Non interest-bearing		
Advances received **)	**150.9**	214.0
Other non interest-bearing liabilites	**244.9**	343.0
Total current liabilities	**427.8**	558.4
Total liabilities	**567.2**	635.4
TOTAL EQUITY AND LIABILITIES	**909.6**	861.8

*) Of which advances paid for inventories amounted to EUR 17.0 million at December 31, 2009 (December 31, 2008: EUR 16.4 million).

**) Gross advances received before percentage of completion revenue recognition amounted to EUR 1,041.2 million at December 31, 2009 (December 31, 2008: EUR 909.3 million).

Condensed Statement of Cash Flows EUR million	**Q1-Q4** **2009**	Q1-Q4 2008
Cash flows from operating activities		
Profit for the period	**42.3**	93.9
Adjustments for		
Depreciation and amortization	**12.1**	11.0
Other adjustments	**21.4**	13.5
Increase (-) / decrease (+) in working capital	**-75.0**	7.9
Interest received	**6.1**	17.2
Interest paid	**-0.7**	-0.4
Income tax paid	**-34.9**	-36.6
Net cash from operating activities	**-28.8**	106.6
Purchases of assets	**-17.0**	-15.2
Acquisition of subsidiaries, net of cash	**-1.9**	-7.6
Acquisition of shares in associated companies	**-10.4**	-
Proceeds from sale of assets	**0.0**	0.7
Change in other investing activities	**-0.2**	-
Net cash used in investing activities	**-29.5**	-22.1
Cash flow before financing activities	**-58.3**	84.5
Borrowings of non-current debt	**30.3**	0.2
Increase in current debt	**1.7**	1.1
Purchase of treasury shares	**-3.3**	-9.4
Dividends paid	**-42.0**	-39.9
Change in other financing activities	**-0.2**	0.8
Net cash used in financing activities	**-13.4**	-47.3
Net change in cash and cash equivalents	**-71.7**	37.3
Cash and cash equivalents at the beginning of the period	**317.8**	291.0
Foreign exchange rate effect on cash and cash equivalents	**12.5**	-10.5
Net change in cash and cash equivalents	**-71.7**	37.3
Cash and cash equivalents at the end of the period	**258.5**	317.8

Statement of Changes in Equity

EUR million	Share capital	Share premium fund	Other reserves	Fair value reserves	Treasury shares	Reserve for invested non-restricted equity	Cumulative translation differences	Retained earnings	Minority interest	Total equity
	Attributable to the equity holders of the parent company									
Equity at January 1, 2008	16.8	20.2	0.2	7.9	-	-	5.7	164.0	0.1	214.8
Dividends paid	-	-	-	-	-	-	-	-39.9	-	-39.9
Purchase of treasury shares *)	-	-	-	-	-9.4	-	-	-	-	-9.4
Share-based payments: value of received services	-	-	-	-	-	-	-	0.1	-	0.1
Acquisition of minority interest	-	-	-	-	-	-	-	-	-0.0	-0.0
Total comprehensive income for the period	-	-	-	-11.6	-	-	-21.7	94.0	-0.0	60.6
Other changes	-	-	-0.0	-	-		-	0.2	-	0.2
Equity at December 31, 2008	16.8	20.2	0.1	-3.7	-9.4	-	-16.0	218.5	-	226.4
Equity at January 1, 2009	16.8	20.2	0.1	-3.7	-9.4	-	-16.0	218.5	-	226.4
Dividends paid	-	-	-	-	-		-	-42.0	-	-42.0
Share issue	-	-	-	-	-	63.4	-	-	-	63.4
Purchase of treasury shares *)	-	-	-	-	-3.3	-	-	-	-	-3.3
Treasury shares issued to key employees	-	-	-	-	8.1	-	-	-4.8	-	3.3
Share-based payments: value of received services	-	-	-	-	-	-	-	0.0	-	0.0
Total comprehensive income for the period	-	-	-	4.8	-	-	19.5	42.3	-	66.6
Minority related to Larox Group acquisition	-	-	-	-	-	-	-	-	27.4	27.4
Other changes	-	-	0.2	-	-		-	0.4	-	0.6
Equity at December 31, 2009	**16.8**	**20.2**	**0.3**	**1.1**	**-4.6**	**63.4**	**3.5**	**214.3**	**27.4**	**342.4**

*) Outotec has an agreement with a third-party service provider concerning administration and hedging of share-based incentive program for key personnel. As part of this agreement, for hedging the underlying cash flow risk, the service provider has purchased 285,000 Outotec shares during year 2009 (2008: 265,000) that have been funded by Outotec and accounted as treasury shares in Outotec's consolidated balance sheet.

Key figures	**Q4 2009**	Q4 2008	**Q1-Q4 2009**	Q1-Q4 2008
Sales, EUR million	**219.8**	398.8	**877.7**	1,217.9
Gross margin, %	**24.1**	22.8	**21.7**	21.5
Operating profit, EUR million	**13.3**	47.5	**58.6**	120.2
Operating profit margin, %	**6.1**	11.9	**6.7**	9.9
Profit before taxes, EUR million	**13.3**	52.4	**60.9**	136.3
Profit before taxes in relation to sales, %	**6.0**	13.1	**6.9**	11.2
Net cash from operating activities, EUR million	**-43.9**	-36.7	**-28.8**	106.6
Net interest-bearing debt at the end of period, EUR million	**-191.0**	-314.6	**-191.0**	-314.6
Gearing at the end of period, %	**-55.8**	-139.0	**-55.8**	-139.0
Equity-to-assets ratio at the end of period, %	**45.1**	35.0	**45.1**	35.0
Working capital at the end of period, EUR million	**-62.8**	-171.2	**-62.8**	-171.2
Capital expenditure, EUR million	**84.8**	14.0	**98.0**	23.9
Capital expenditure in relation to sales, %	**38.6**	3.5	**11.2**	2.0
Return on investment, %	**18.0**	92.7	**20.9**	61.6
Return on equity, %	**12.4**	64.1	**14.9**	42.6
Order backlog at the end of period, EUR million	**867.4**	1,176.7	**867.4**	1,176.7
Order intake, EUR million	**110.5**	119.9	**557.1**	1,153.8
Personnel, average for the period	**2,744**	2,628	**2,612**	2,483
Profit for the period in relation to sales, %	**4.1**	8.8	**4.8**	7.7
Research and development expenses, EUR million	**4.6**	5.5	**20.5**	20.2
Research and development expenses in relation to sales, %	**2.1**	1.4	**2.3**	1.7
Earnings per share, EUR	**0.21**	0.84	**1.01**	2.25
Equity per share, EUR	**7.09**	5.43	**7.09**	5.43
Dividend per share, EUR	**-**	-	**0.70***)	1.00

*) Board of Directors' proposal for dividend per share

NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME AND FINANCIAL POSITION

This financial statements review is prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting policies and methods have been applied in this financial statements review as in the recent annual financial statements. This financial statements review is unaudited.

Adoption of new interpretations

Outotec has applied the following revised standards from the beginning of 2009:

- IAS 1 Presentation of financial statements. The revised standard aims to separate the transactions in equity to transactions with owners and other changes in equity. The changes have impact on presentation of interim and financial statements.
- IFRS 7 Financial Instruments: Disclosures. The revised standard increases the amount of the notes related to the measurement of fair values of financial instruments and liquidity risk in the financial statements.
- IFRS 8 Operating segments. The new standard aims the entity to adopt management approach in reporting the segments' financial performance. The application of the new standard has not changed the operating segments of Outotec, because company has previously been reporting the same segments as in management reporting. The new standard's main impact will be on the disclosure information.
- IFRS Annual Improvements.

In addition Outotec has applied the following revised standards and interpretation from the beginning of 2009, which do not have impact on the Group's financial statements.

- IFRS 2 Share-based Payment – Vesting Conditions and Cancellations.
- IAS 23 Borrowing costs.
- IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation.
- IFRIC 13 Customer Loyalty Programmes.
- IFRIC 15 Agreements for the Construction of Real Estate.

- IFRIC 16 Hedges of a Net Investment in a Foreign Operation.
- IFRIC 17 Distributions of Non-cash Assets to Owners

Outotec will estimate the impacts of the following standards and will apply the new standards from the financial period beginning January 1, 2010 onwards:

- IFRS 2 Share-based Payment – Group Cash Settled Transactions (effective date January 1, 2010). The amended standard has not yet been approved to be applied in the EU.
- IFRS 3 Business combinations (effective date for annual periods beginning on or after July 1, 2009).
- IAS 27 Consolidated and separate financial statements (effective date for annual periods beginning on or after July, 1 2009).
- IAS 39 Financial instruments: Recognition and Measurement (effective date for annual periods beginning on or after July, 1 2009).
- IFRS Annual Improvements. EU has not yet approved the amendments.

Use of estimates

IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Accounting estimates are employed in the financial statements to determine reported amounts, including the realizability of certain assets, the useful lives of tangible and intangible assets, income taxes, provisions, pension obligations, impairment of goodwill. These estimates are based on management's best knowledge of current events and actions; however, it is possible that the actual results may differ from the estimates used in the financial statements.

Major Non-Recurring Items in Operating Profit EUR million	**Q1-Q4 2009**	Q1-Q4 2008
Loss on sale of Intune Circuits Ltd.	**-**	-1.1
Impairment loss from Pacific Ore Ltd's shares	**-2.5**	-
Arbitration settlement	**2.4**	-8.5

Income Tax Expenses EUR million	**Q1-Q4 2009**	Q1-Q4 2008
Current taxes	**-13.7**	-37.4
Deferred taxes	**-4.9**	-5.0
Total income tax expenses	**-18.6**	-42.4

Property, Plant and Equipment EUR million	**December 31, 2009**	December 31, 2008
Historical cost at the beginning of the period	**87.6**	81.3
Translation differences	**3.3**	-3.3
Additions	**14.9**	10.7
Disposals	**-0.9**	-3.3
Acquired subsidiaries	**12.9**	2.1
Reclassifications	**-0.0**	0.0
Historical cost at the end of the period	**117.8**	87.6
Accumulated depreciation and impairment at the beginning of the period	**-58.1**	-56.7
Translation differences	**-1.8**	2.0
Disposals	**1.0**	3.1
Reclassifications	**0.2**	0.0
Depreciation during the period	**-7.0**	-6.4
Accumulated depreciation and impairment at the end of the period	**-65.7**	-58.1
Carrying value at the end of the period	**52.1**	29.5

Commitments and Contingent Liabilities EUR million	December 31, 2009	December 31, 2008
Pledges and mortgages	**33.4**	3.0
Guarantees for commercial commitments	**218.2**	166.5
Minimum future lease payments on operating leases	**64.4**	68.7

The pledges and mortgages are used to secure credit facilities in Larox and its subsidiaries.

The above value of commercial guarantees does not include advance payment guarantees issued by the parent or other group companies. The total amount of guarantees for financing issued by group companies amounted to EUR 47.1 million at December 31, 2009 (December 31, 2008: EUR 8.5 million) and for commercial guarantees including advance payment guarantees EUR 321.3 million at December 31, 2009 (December 31, 2008: EUR 353.8 million).

Derivative Instruments

Currency Forwards EUR million	December 31, 2009	December 31, 2008
Fair values, net	**-1.9*)**	-12.7**)
Nominal values	**319.3**	378.3

*) of which EUR 1.4 million designated as cash flow hedges.
**) of which EUR -5.1 million designated as cash flow hedges.

Related Party Transactions

Transactions and Balances with Associated Companies EUR million	Q1-Q4 2009	Q1-Q4 2008
Sales	**0.1**	-
Trade and other receivables	**0.1**	-
Current liabilities	**0.4**	-

Business Combinations

Acquisition of Larox Group

Outotec has completed the acquisition of control in Larox through directed share issue at December 21, 2009 and has made a mandatory public tender offer for the remaining Larox shares. The shares correspond altogether to 94.40 per cent of all the votes in Larox and 70.48 per cent of all the shares in Larox. Upon the completion of the share transactions Larox has become a subsidiary of Outotec. Shares owned at the completion of the tender offer, expired in January 22, 2010, together with the Larox shares already owned by Outotec, represented approximately 98.5 per cent of all the Larox shares and approximately 99.7 per cent of all the votes attached to the Larox shares.

Larox develops and delivers industrial filters for separating solids from liquids. Larox's filtration solutions are mainly used worldwide in the mining and metallurgical industries as well as in chemical processing. Larox operates in over 40 countries. The company is headquartered in Lappeenranta, Finland and it has production facilities in Finland and China.

The combination of the businesses of Outotec and Larox will further strengthen Outotec's position as a globally leading provider of technology solutions and services to the mining and metals industry and enable the development and growth of the Larox business in an international, financially solid technology group operating in the same industry.

The consideration for the Larox shares purchased was paid in the form of 2,763,419 new Outotec shares which totalled to EUR 63.4 million. Total acquisition cost includes also EUR 2 million of capitalized transaction costs.

The below purchase price allocation is preliminary and the final purchase price allocation will be completed during year 2010. In the preliminary purchase price allocation the purchase price has been allocated to intangible assets such as technologies, trademarks and customer relationships.

EUR million	Fair values recorded on acquisition	Carrying amounts prior to acquisition
Intangible assets	**41.0**	17.4
Property, plant and equipment	**12.9**	12.9
Inventories	**26.3**	22.8
Trade and other receivables	**41.0**	39.0
Cash and cash equivalents	**1.5**	1.5
Total assets	**122.8**	93.7
Interest-bearing liabilities	**34.6**	34.6
Deferred tax liabilities	**8.7**	1.7
Trade and other payables	**32.0**	32.0
Total liabilities	**75.3**	68.3
Net assets	**47.6**	25.5
Acquisition cost (equity)	**63.4**	
Capitalized transaction costs	**2.0**	
Minority at fair value	**27.4**	
Goodwill	**45.2**	
Cash and cash equivalents in subsidiaries acquired	**1.5**	
Transaction costs paid at December 31, 2009	**0.5**	
Cash flow effect of acquisition	**1.0**	

In 2009, the sales of Larox Group was approximately EUR 150.2 million and the operating loss approximately EUR -1.9 million.

Effect of Larox acquisition on Outotec Group's Sales and Operating Profit in 2009

Outotec's sales for January 1, 2009- December 31, 2009 would have been EUR 1,027.9 million and profit for the period EUR 31.8 million if the acquisition carried out during the period had been completed on January 1, 2009.

Acquisition of Ausmelt Limited

Outotec owned 37.62% of Ausmelt Ltd, which is listed on the Australian Stock Exchange, on December 31, 2009 and Outotec had launched an off-market takeover bid to acquire all shares. Outotec reached majority ownership on January 18, 2010 and owns 96.42% of Ausmelt Ltd on February 8, 2010. The acquisition price of the shares was approximately AUD 47.4 million (approximately EUR 30.1 million). Total acquisition cost includes also EUR 0.9 million of capitalized transaction costs.

Ausmelt's principal activities are the development, design, engineering and supply of Top Submerged Lance (TSL) smelting technology for the production of metals and processing of industrial wastes. Ausmelt's sales in its fiscal year that ended on June 30, 2009 *) were AUD 18.5 million (approximately EUR 10.4 million) and its net profit from continuing operations AUD 4.3 million (approximately EUR 2.4 million).

Ausmelt has been consolidated as associated company in Financial Statements at December 31, 2009. Ausmelt has not published its financial statements for the reporting period ended on December 31, 2009 and therefore the initial accounting for business combination related to Ausmelt acquisition was preliminary at the time the financial statements 2009 were authorised for issue. The purchase price allocation will be done during the first half of 2010. Preliminary assumption is that the excess value will be allocated to intangible assets (technology, order backlog, customer relations) and property, plant and equipment.

*) Latest published financial information

Segments' Sales and Operating Profit by Quarters									
EUR million	**Q4/07**	Q1/08	Q2/08	Q3/08	**Q4/08**	Q1/09	Q2/09	Q3/09	**Q4/09**
Sales									
Minerals Processing	**110.5**	60.1	92.7	122.0	**144.8**	84.5	91.1	79.4	**83.2**
Base Metals	**85.6**	60.1	72.0	76.9	**86.4**	44.8	29.6	28.0	**34.0**
Metals Processing	**120.8**	104.6	109.2	116.9	**163.9**	97.2	103.4	77.4	**100.8**
Other Businesses	**11.1**	9.1	16.7	11.4	**18.8**	18.3	20.0	11.5	**10.7**
Unallocated items *) and intra-group sales	**-12.5**	-8.3	-15.0	-9.2	**-15.1**	-13.2	-6.5	-7.6	**-8.9**
Total	**315.5**	225.6	275.5	318.1	**398.8**	231.6	237.6	188.7	**219.8**
Operating profit									
Minerals Processing	**16.3**	4.1	3.2	3.1	**12.1**	6.1	7.9	9.1	**6.1**
Base Metals	**9.3**	6.3	11.9	13.3	**17.2**	4.3	-0.4	1.6	**2.8**
Metals Processing	**11.5**	12.3	11.8	14.9	**22.1**	8.9	9.3	6.3	**11.5**
Other Businesses	**0.3**	0.4	1.2	1.7	**0.7**	-0.4	-0.1	-0.5	**-0.5**
Unallocated and intra-group items **)	**-4.4**	-2.2	-5.1	-4.1	**-4.6**	-2.7	-2.7	-1.5	**-6.5**
Total	**33.0**	21.0	22.9	28.9	**47.5**	16.3	13.9	15.1	**13.3**

*) Unallocated items primarily include invoicing of internal management and administrative services.

**) Unallocated items primarily include internal management and administrative services and share of the result of associated companies.

Definitions for Key Financial Figures

Net interest-bearing debt = Interest-bearing debt - interest-bearing assets

Gearing = $\frac{\text{Net interest-bearing debt}}{\text{Total equity}} \times 100$

Equity-to-assets ratio = $\frac{\text{Total equity}}{\text{Total assets - advances received}} \times 100$

Return on investment = $\frac{\text{Operating profit + finance income}}{\text{Total assets - non interest-bearing debt (average for the period)}} \times 100$

Return on equity = $\frac{\text{Profit for the period}}{\text{Total equity (average for the period)}} \times 100$

Research and development expenses = Research and development expenses in the statement of comprehensive income (including expenses covered by grants received)

Earnings per share = $\frac{\text{Profit for the period attributable to the equity holders of the parent company}}{\text{Average number of shares during the period, as adjusted for stock split}}$

Dividend per share = $\frac{\text{Dividend for the financial year}}{\text{Number of shares at the end of the period, as adjusted for stock split}}$