



Outokumpu Technology

January - September, 2006

Tapani Järvinen, President and CEO

More out of ore!

Outokumpu
Technology

Disclaimer

This presentation is for information purposes only and is not an offer to sell, nor a solicitation of an offer to buy, any securities. The distribution of this presentation and the offer and sale of the securities mentioned herein may be restricted by law in certain jurisdictions. Any persons reading this presentation should inform themselves of and observe any such restrictions. The securities mentioned herein have not been and will not be registered under the Securities Act of 1933, as amended, or under the securities laws of any state of the United States. This presentation does not constitute an offer or invitation to subscribe for or purchase any securities for sale in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration. Outokumpu Technology does not intend to make a public offering of the securities in the United States.

It should be noted that this presentation includes certain statements herein which are not historical facts, including, without limitation, those regarding expectations for general economic development and the market situation, expectations for customer industry profitability and statements preceded by “expects,” “estimates,” “forecasts” or similar expressions, are forward-looking statements. These statements are based on current decisions and plans and currently known factors. They involve risks and uncertainties which may cause the actual results to materially differ from the results currently expected by the company. Such risks, uncertainties and other important factors include, among others: (1) general economic and business conditions, (2) the competitive environment of Outokumpu Technology, and (3) the reliance of Outokumpu Technology on its employees.

Although Outokumpu Technology’s management believes that the expectations reflected in any such forward-looking statement are based on reasonable assumptions, there can be no assurance that they will be achieved. Outokumpu Technology undertakes no obligation to update publicly or revise any forward-looking statements because of new information, future events or otherwise.

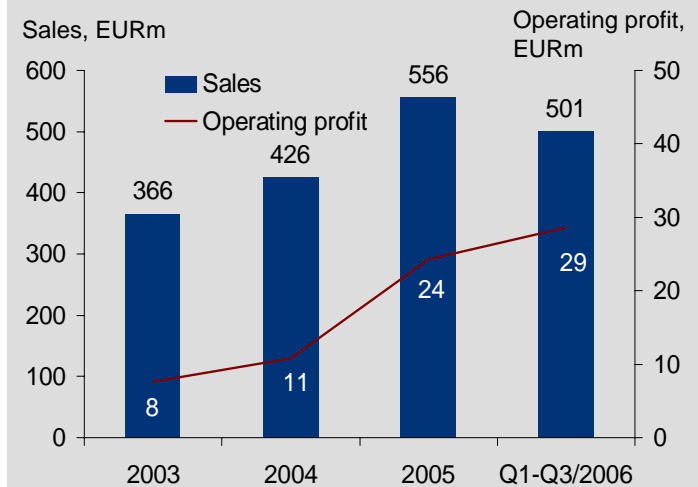
Outokumpu Technology in Brief

- Develops and supplies technologies for mining, metals and related processing industries
- Market leadership in several markets and segments
- Expertise covers the whole process chain from mine to metal
- 1,815 employees in 18 countries
- Comprehensive R&D resources
 - Two own research centres in Pori, Finland, and in Frankfurt, Germany with a total of 187 employees
 - R&D expenses totaled EUR 12.8 million in Q1-Q3/2006
- Flexible and cost-efficient use of resources and subcontractors in optimal geographical locations
- Global operations and presence in all the key markets

Three business divisions:

- Minerals Processing
- Base Metals
- Metals Processing

Sales and Operating Profit Development



Mining and Metals Technology Market

Definition

- Develop process technologies for mining and metals industry
- Design, construction, commissioning, maintenance and servicing of minerals and metallurgical processing facilities
- Mining and metals technology market is mainly driven by capital spending in the global mining and metals industry

Key Market Characteristics

- Increasing global consumption of metals
- Tight supply and demand balance
- Lower grade ore bodies
- Global changes in the structure and locations of capacity
- Increased environmental and technological requirements

Minerals Processing Division

- **Minerals Processing offers a complete portfolio of technologies for metals concentrators**



**Grinding
Technology**



**Flotation
Technology**



**Thickener
Technology**



**Physical
Separation**



**Analyzers &
Automation**

Process Solutions

- **The technologies and capabilities of Minerals Processing can also be used in areas outside the mining and metals industries**



Water Technology

Base Metals Division

- **Base Metals offers industry-leading technologies for the processing of non-ferrous metals and ferroalloys**

Copper Technologies



Nickel Technologies



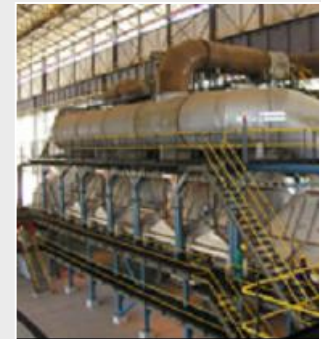
Zinc Technologies



Precious Metals Technologies



Ferroalloy Technologies



Metals Processing Division

- **Metals Processing offers industry-leading technologies for the processing of aluminum and ferrous metals as well as for the production of sulfuric acid**

Aluminum Technologies



Alumina calciner

Ferrous Metals Technologies



Iron ore pelletizing plant



Synthetic rutile plant

Sulfuric Acid / Off-Gas / Roasting Technologies



Sulfuric acid plant



Roasting plant

Main Project Types

EPC / Turnkey (€15-200 million, 15-36 months)

- Basic and detail engineering, full supply, erection, training of customers' personnel and commissioning of the plant, performance and other guarantees for OT's supply scope

Technology Package (€3-70 million, 10-36 months)

- Basic and detail engineering, supply of typically proprietary and/or key hardware components, erection supervision, training of customers personnel and commissioning of the plant, performance guarantee for OT's supply scope

Equipment Deliveries (up to €10 million)



➔ Delivery of proprietary technology is an essential part in all project types

Strategy



Sustained Profitable Growth

Seek Sustainable Growth

Maintain and Improve Profitability

New Technology

Cross Selling

Geographical Expansion

Increase After-Sales Services

Selected Acquisitions

Procurement and Outsourcing

Optimise Cost Efficiency

Increase Value-Added Component

Highlights in Q3

- Order intake in Q1-Q3/2006 doubled compared to the previous year, Q3 order intake was all-time high
- Order backlog strengthened further
- Sales grew substantially
- Operating profit improved markedly
- OTE1V – Outokumpu Technology's share was listed on the pre-list of the Helsinki Stock Exchange on October 10, 2006 and on the Nordic List on October 13, 2006
- New Board appointed

Market Development in Q3

- Unprecedented demand for metals from high population economies
 - China currently accounts for more than half of global metals demand growth
 - India is developing fast
- Historic under-investment in mining and metal processing facilities
 - Significant investments required to meet demand
- Record profits by metals and mining companies
 - Pressure and means to invest for future growth
- Market situation favorable for all Outokumpu Technology divisions

Largest Orders in 2006



Cobre Las Cruces
Copper plant
€ 45 million
Spain



Aktyubinsk Copper Company
Copper-zinc concentrator
€ 30 million
Kazakhstan



Various customers in Australia, Africa, Americas, Sweden
Grinding mills
€ 50 million



● **Outokumpu Technology offices**



MBR
Iron ore pelletizing plant
€ 110 million
Brazil



CSA
Iron ore sinter plant
€ 160 million
Brazil



Queensland Alumina
Bauxite residue neutralization plant
€ 20 million
Australia



KCM
Copper flash smelter
€ 48 million
Zambia

Financial Targets and Dividend Policy

Outokumpu Technology has defined sustainable profitable growth as its objective and adopted the following financial targets:

EPS Growth

- Average annual increase in earnings per share in excess of 10%

Minimum Operating Profit Margin

- Annual operating profit margin always above 5%

Balance Sheet

- Strong balance sheet providing operational flexibility and enabling Outokumpu Technology to finance potential acquisitions

Dividends representing approximately 40% of the annual net income

Order Intake All-time High

EUR million	Q1-Q3 2006	Q3 2006	Q1-Q3 2005
Order intake	796.9	371.0	418.7
Order backlog ^{*)}	878.6	878.6	524.5
Sales	500.9	179.9	349.8

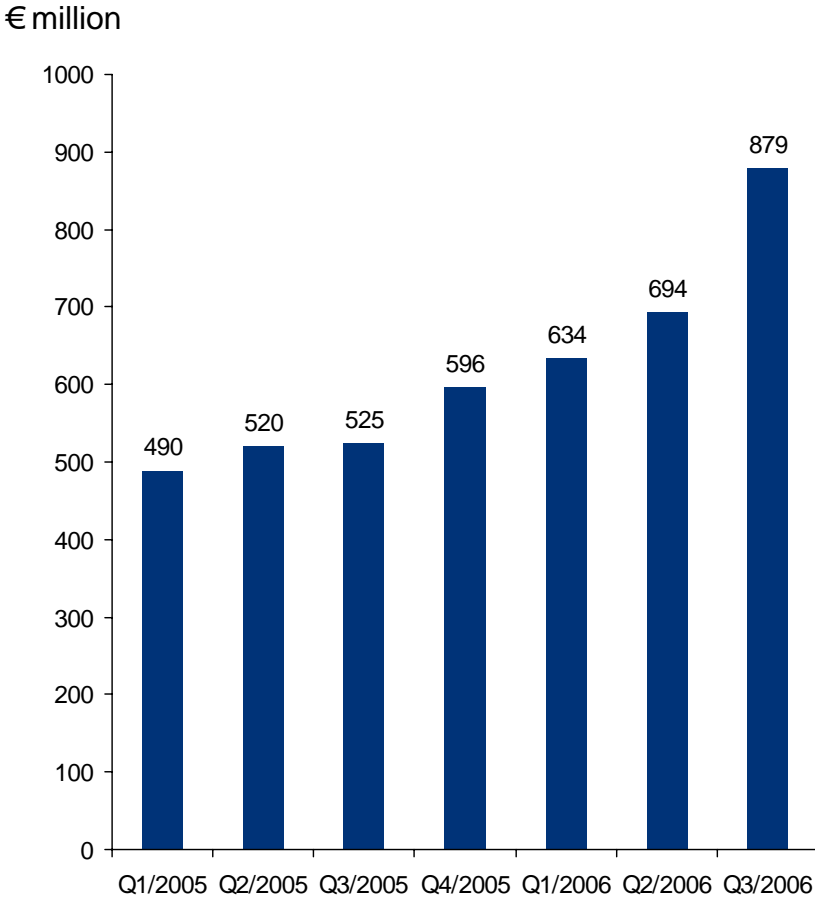
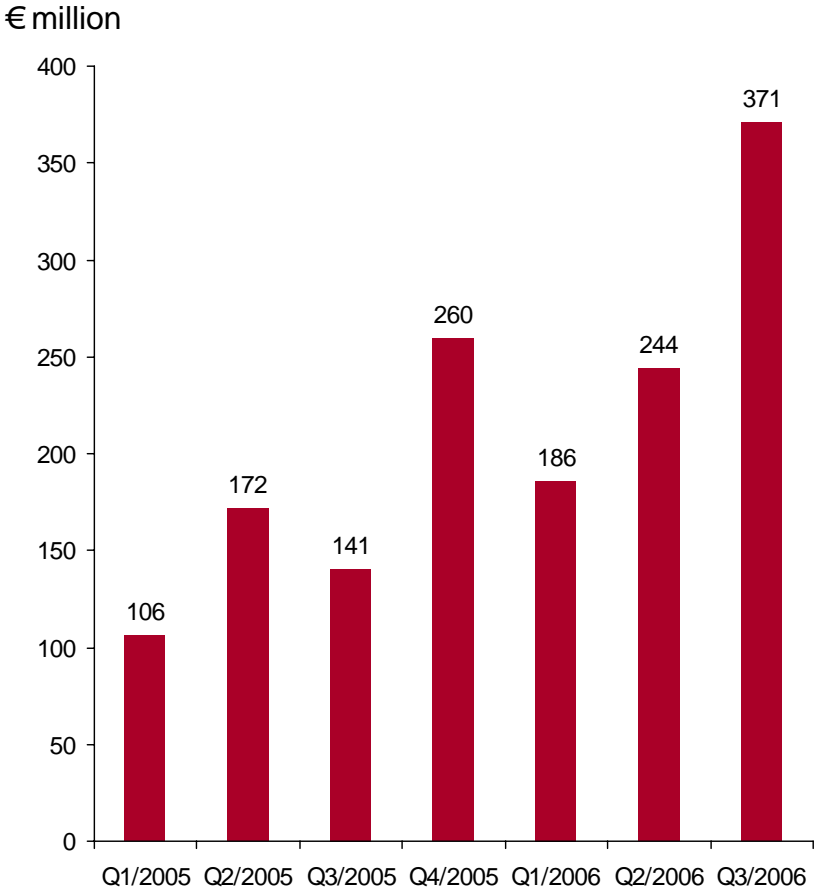
**) at the end of the period*

- Substantial improvement in order intake due to favorable market situation and repeat orders from the same customers
- Record-high order backlog strengthened further, some 25% will be delivered in 2006 and the rest in 2007 and beyond
- Sales increased by 43%

Order Backlog at Record High Level

Order Intake

Order Backlog

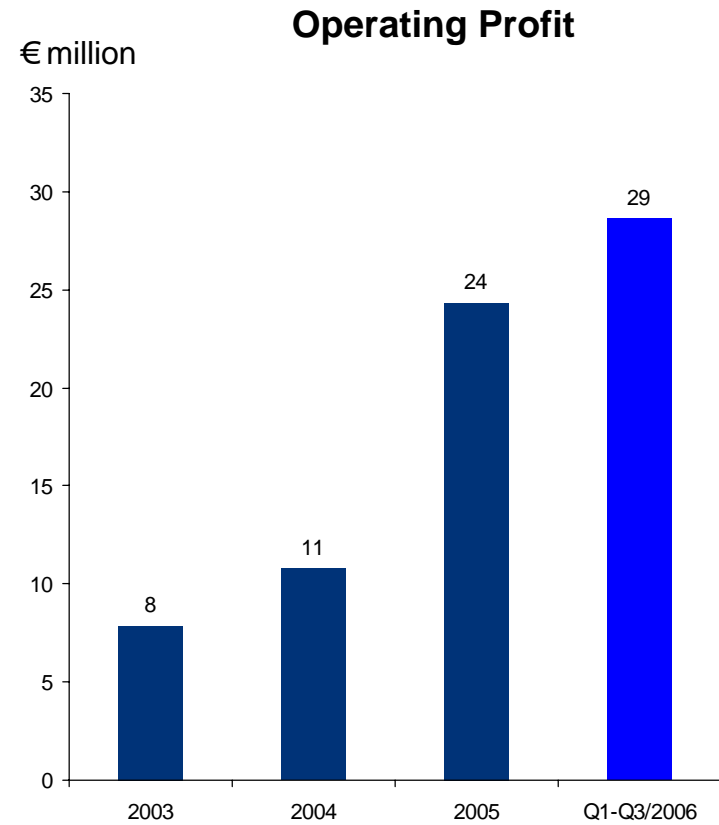
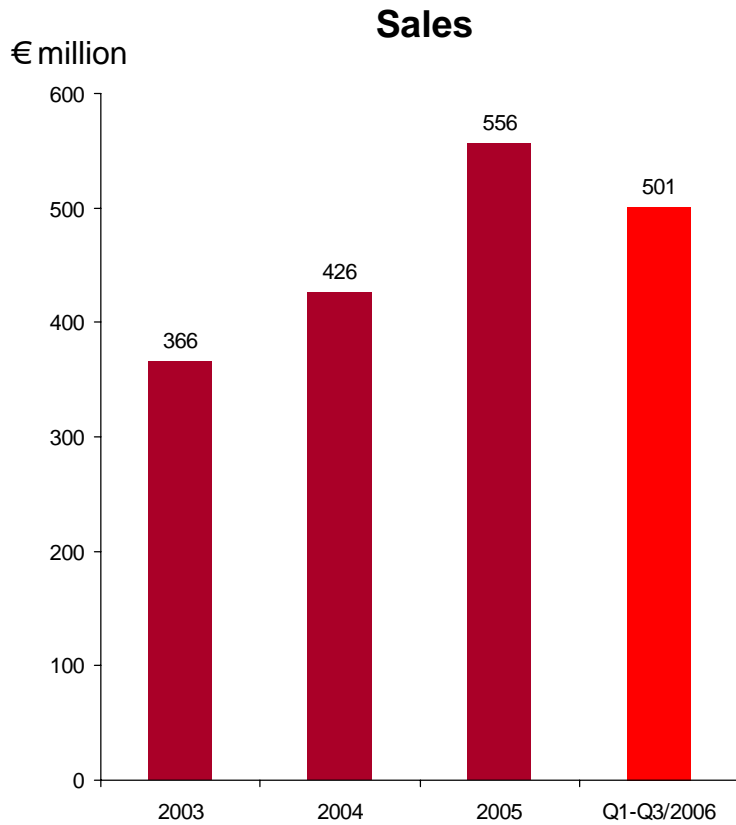


Operating Profit Improved Markedly

EUR million	Q1-Q3 2006	Q3 2006	Q1-Q3 2005
Operating profit	28.6	14.5	2.1
Profit before taxes	33.2	17.5	4.3
Earnings per share, €	0.48	0.27	0.03

- Substantial improvement in operating profit due to diversified project and product mix and improved internal efficiency
- Return on equity was 22.6% during Q1-Q3/2006
- Return on investment (ROI) was 38.4% during Q1-Q3/2006

Strong Improvement in Sales and Profitability



NOTE: The figures based on combined financial information

Sales by Division

EUR million	Q1-Q3 2006	Q3 2006	Q1-Q3 2005
Minerals Processing	161.3	67.5	115.0
Base Metals	138.8	43.3	95.7
Metals Processing	201.4	71.0	135.7
Other businesses	20.7	6.0	21.7
Unallocated items and intra-group sales	(21.3)	(7.9)	(18.3)
TOTAL	500.9	179.9	349.8

Operating Profit by Division

EUR million	Q1-Q3 2006	Q3 2006	Q1-Q3 2005
Minerals Processing	(0.4)	5.2	3.7
Base Metals	16.9	4.1	(1.0)
Metals Processing	15.9	5.6	0.9
Other businesses	(0.7)	(0.3)	0.3
Unallocated items and intra-group sales	(3.1)	(0.2)	(1.8)
TOTAL	28.6	14.5	2.1

Capital Structure

EUR million	Q1-Q3 2006	Q1-Q3 2005
Net cash from operating activities	20.4	(3.9)
Net interest-bearing debt ^{*)}	(126.6)	(33.7)
Equity-to-assets ratio, % ^{*)}	40.9	37.4
Gearing, % ^{*)}	(99.7)	(35.4)
Working capital ^{*)}	(97.9)	(44.7)

**) at the end of the period*

- Cash flow improved despite the strong growth and that capital was tied up in project deliveries
- Working capital continued to be strong due to advance payments from several new projects

Short-term Outlook

Market

- Demand for metals is expected to continue strong
- The mining and metals industry continues to invest actively in both ferrous and non-ferrous metals production capacity, and there are no signs of a slow-down in the activity in the short-term.
- Outokumpu Technology continues to be proactive in marketing and negotiating new contracts offering potential for a continuing strong new order intake.

Outokumpu Technology

- Following a high order intake during the reporting period, the whole year sales and operating profit will be clearly better than in 2005.
- Profitability is expected to improve also in the last quarter of 2006. However, the fourth quarter operating profit of 2006 will settle somewhat below the fourth quarter of 2005, which included significant license fees and back-ended project completions.
- Furthermore, Outokumpu Technology's strong order backlog and order intake provide a solid basis for a good financial performance in 2007.



More out of ore!

www.outokumputechnology.com