Interim Report

January - March 2007

Outotec, formerly Outokumpu Technology, is a worldwide technology leader in minerals and metals processing, providing innovative and environmentally sound solutions for a wide variety of customers in minerals processing, iron and steel, aluminum and non-ferrous metals industries. Outotec Oyj is listed on the Helsinki Stock Exchange. www.outotec.com

Outotec
More out of ore

OUTOTEC OYJ - JANUARY–MARCH 2007 INTERIM REPORT

Good profit performance continued and order backlog remained strong in the first quarter of 2007. The market conditions for mining and metals industries continued to be favorable. Outotec achieved 47% sales growth and 234% operating profit growth on the corresponding period in 2006.

Highlights of the reporting period (Q1/2007):

- **Sales** for Q1/2007 grew by 47% from the comparison period in 2006 and amounted to EUR 211.7 million (Q1/2006: EUR 144.2 million).
- **Operating profit** improved by 234% to EUR 13.6 million (Q1/2006: EUR 4.1 million). **Profit before taxes** amounted to EUR 15.3 million (Q1/2006: EUR 5.3 million). **Earnings per share** for the reporting period were EUR 0.25 (Q1/2006: EUR 0.10).
- **Order intake** was EUR 168.1 million (Q1/2006: EUR 185.6 million).
- **Order backlog** was EUR 836.5 million (March 31, 2006: EUR 633.5 million), up 32%.
- **Net cash flow** from operating activities totaled EUR 21.1 million (Q1/2006: EUR –3.3 million).

CEO, Tapani Järvinen:

"Our customers' investment activity and confidence in our technologies and products strengthened our performance during the first quarter. The new emerging markets are offering more and more business opportunities for Outotec. Our customers in traditional mining countries are also continuing their investments, because the continued high metals consumption forecasts keep the metals prices high. As the raw material prices have increased and delivery times across the industry are getting longer, we have seen that the decision-making process takes time in large projects. This means that some large projects that we expected to become effective already in the first quarter are anticipated in the second quarter of 2007. Our operating profit during the first quarter of 2007 improved clearly from the corresponding period in 2006. The balance sheet remained strong, and our earnings per share more than doubled from the first quarter of 2006.

When changing the company name to Outotec we turned a new leaf in our decades-long history as a provider of leading-edge technologies for the mining and metals industries. Outotec will be uniting all our global businesses and represent technological leadership, innovativeness, reliability, and good collaboration spirit with customers - the same brand values that Outokumpu Technology had."

Summary of key figures	Jan - March 2007	Jan - March 2006	Jan - Dec 2006
Sales, EUR million	**211.7**	144.2	740.4
Gross margin, %	**19.0**	19.3	20.7
Operating profit , EUR million	**13.6**	4.1	51.6
Operating profit in relation to sales, %	**6.4**	2.8	7.0
Profit before taxes, EUR million	**15.3**	5.3	56.6
Net cash from operating activities, EUR million	**21.1**	-3.3	67.8
Net interest-bearing debt at the end of period, EUR million	**-187.8**	-108.3	-170.0
Gearing at the end of period, %	**-121.7**	-96.2	-118.0
Return on investment, %	**44.5**	20.4	45.4
Return on equity, %	**27.6**	14.7	29.1
Order backlog at the end of period, EUR million	**836.5**	633.5	866.4
Order intake, EUR million	**168.1**	185.6	1,032.2
Personnel average for the period	**1,860**	1,803	1,825
Earnings per share, EUR	**0.25**	0.10	0.88

Outlook for 2007

The mining and metals industry remains robust, and the underlying imbalance in supply and demand encourages the industry to invest both in green field projects and expansions. Good financial performance, coupled with strong order backlog in the first quarter 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 expected growth in 2007.

Outotec reiterates its full year outlook in terms of sales and operating profit: In 2007, the management expects similar sales growth than during 2006. Operating profit is expected to grow clearly from 2006. Furthermore, the management estimates that the closing order backlog for 2007 will exceed that of the previous year-end.

Review by the Board of Directors

Outotec's goal is to further strengthen its position as a leading global provider of process solutions, technologies, and services principally for the mining and metals industries.

In line with this, the company will continue to implement its business strategy through seeking sustainable growth by developing and introducing new technological solutions, applying the company's existing technologies in new customer industries, expanding the scope of operations in selected geographic markets, increasing after-sales business, and undertaking acquisitions.

Outotec is also seeking to improve its profitability further and to decrease its susceptibility to business cycles by improving the efficiency of operations, optimizing cost structures and the flexibility of fixed costs, and increasing the proportion of value-added components in its offerings. Outotec's operations are organized into three divisions: Minerals Processing, Base Metals, and Metals Processing. Minerals Processing division operates at the beginning of the value chain from mine to metal, where as the Base Metals and Metals Processing divisions focus on further processing of ores and concentrates.

A continuing strong market

The positive sentiment and strong overall investment activity in the mining and metals industry continued throughout the first quarter of 2007, involving an increase of existing plant capacities as well as greenfield plant projects. Investment activity has been strong mostly in iron ore, aluminum, copper, zinc and nickel projects. Above all, a good price outlook and tight market conditions of nickel are encouraging investments in all available nickel projects. Strong metals price fundamentals and a healthy demand outlook, especially in China and India, imply a positive short-term market sentiment for the mining and metals technology market.

Order intake development

The value of orders received during the first quarter of 2007 amounted to EUR 168.1 million (Q1/2006: EUR 185.6 million). Because of the timing of the project orders there is a natural quarterly fluctuation in order intake. Therefore, quarterly fluctuations in order intake figures are not in themselves indicators of the overall market situation. Some large orders that were expected during the first quarter are anticipated in the second quarter of 2007 and further strengthen the order backlog.

Major new orders in the first quarter of 2007 included:

- a silver refinery equipment delivery for the JSC Krasnoyarsk Non-Ferrous Metals Plant in Russia;
- a complete thickening circuit for Boddington Gold Mine in Australia;
- a zinc plant expansion with new environmentally advanced leaching technology for the leading Chinese zinc producer, Hunan Zhuye Torch Metals Co.Ltd. in China (EUR 30 million);
- a modernization of a Flash Smelting production line Norilsk Nickel's Nadezha metallurgical plant in Russia (EUR 16 million); this project was in the backlog already at year-end 2006 due to the effectiveness of the contract;
- three TankCell®-300 flotation cells, the largest mechanical flotation cell in the world with an active capacity of over 300 m3, to OceanaGold's Macraes operation in New Zealand;
- a gas cleaning plant for the new 208 MW Bluewaters Power Station for IHI Engineering in Australia;
- KALDO precious metals technology for Tongling Nonferrous Metals (Group) Inc. in China;
- a copper converter and gas handling technology supply to Engineering Dobersek GmbH for the new copper smelter of Kazzinc in Kazakhstan.

Strong order backlog

The order backlog at the end of March 2007 totaled EUR 836.5 million (March 31, 2006: EUR 633.5 million). The value of the order backlog grew by 32% compared to the previous year's corresponding figure.

At the end of March 2007, the order backlog included 18 projects with a value in excess of EUR 10 million each, accounting for 54% of the total backlog. Due to the timing of the projects, the fluctuations in quarterly order intake and backlog do not represent the overall market conditions. According to the management's estimate, some 75% of the current backlog will be delivered in 2007, and the rest in 2008 and 2009.

Sales and financial result

Outotec's sales increased by 47% in the first quarter of 2007 from the previous year's corresponding period and totaled EUR 211.7 million (Q1/2006: EUR 144.2 million). Growth in sales came from all divisions and was based on organic growth. After-sales business, which is included in the divisions' sales figures, contributed EUR 15.3 million (Q1/2006: EUR 9.9 million).

The operating profit for January-March 2007 improved significantly compared to the same period in 2006 and stood at EUR 13.6 million (Q1/2006: EUR 4.1 million), representing 6.4% of sales. The profitability improved because of volume growth, improvement in some project implementations and releases of project provisions reserved for the accepted projects. Outotec's fixed costs in the first quarter of 2007 were in line with the previous year's fixed costs without administration costs. The raise in administration costs comes from the change in Outotec's company status to a listed company on October 10, 2006 and subsequent strengthening of some management and support functions.

Outotec's profit before taxes for the review period was EUR 15.3 million (Q1/2006: EUR 5.3 million). The strong cash situation continued and contributed net interest income from the advances received from several projects. Net profit for the first quarter of 2007 was EUR 10.3 million (Q1/2006: EUR 4.1 million). Earnings per share were EUR 0.25 (Q1/2006: EUR 0.10).

Outotec's return on equity for January–March 2007 was 27.6% (Q1/2006: 14.7%), and return on investment during the reporting period was 44.5% (Q1/2006: 20.4%).

Minerals Processing

The division's sales grew by 52% in the first quarter of 2007 from the previous year's figure, coming to EUR 55.2 million (Q1/2006: EUR 36.4 million). Operating profit was EUR 1.9 million, showing a marked increase from the previous year (Q1/2006: EUR –3.7 million).

Improvement in profit followed the growth of sales. Concurrently, all project implementations were on schedule. Profit generation for the Minerals Processing division is typically weaker in the first half of the year and stronger in the second half due to the seasonality within a fiscal year. The improvement in the operating profit from the previous year is the result of a different product mix and grown net sales volume. Additionally, during the first quarter of 2006, the Minerals Processing division experienced some additional costs related to finalizing of a large project.

Base Metals

Base Metals division's sales were EUR 60.1 million (Q1/2006: EUR 44.9 million). The increased sales and proprietary technology deliveries significantly improved the profitability of the division, which saw 68% growth in operating profit from the previous year and was EUR 9.4 million (Q1/2006: EUR 5.6 million). Profitability was impacted favorably by project completions of two large technology transfer deliveries.

Metals Processing

The Metals Processing division's sales grew significantly from the previous year's figure to EUR 97.5 million (Q1/2006: EUR 62.9 million). The growth came from the projects' workload and the strong project base at the beginning of the year. The operating profit for the first quarter of 2007 was EUR 4.7 million (Q1/2006: EUR 4.1 million). The profitability improvement in the first quarter lagged behind the sales growth due to one sizable subcontracted delivery. The large turnkey projects in Brazil are progressing on time and there have been no deviations in delivery times or quality.

Sales and operating profit by segment EUR million	Jan - March 2007	Jan - March 2006	Jan - Dec 2006
Sales			
Minerals Processing	**55.2**	36.4	256.6
Base Metals	**60.1**	44.9	192.3
Metals Processing	**97.5**	62.9	292.2
Other Businesses	**6.7**	6.6	32.6
Unallocated items*) and intra-group sales	**-7.8**	-6.7	-33.2
Total	**211.7**	144.2	740.4
Operating profit			
Minerals Processing	**1.9**	-3.7	12.7
Base Metals	**9.4**	5.6	23.6
Metals Processing	**4.7**	4.1	21.2
Other Businesses	**0.0**	-0.5	0.3
Unallocated **) and intra-group items	**-2.4**	-1.5	-6.1
Total	**13.6**	4.1	51.6

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

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

Balance sheet, financing and cash flow

Net cash flow from operating activities for January-March 2007 was good at EUR 21.1 million (Q1/2006: EUR –3.3 million). Despite the strong growth and the fact that capital was tied up in project deliveries, inventories, and receivables, a significant improvement in net cash flow from operating activities was achieved. The working capital development continued to be favorable due to several new large projects and related advance payments. Liquidity was good and improved further from the year-end with cash and cash equivalents at the end of the first quarter of 2007 amounting to EUR 188.8 million (March 31, 2006: EUR 116.5 million).

The balance sheet remained strong. Net interest-bearing debt on March 31, 2007 was EUR –187.8 million (March 31, 2006: EUR –108.3 million). The advances received at the end of the period totaled EUR 141.0 million (March 31, 2006: EUR 120.2 million). Outotec's gearing was –121.7% (March 31, 2006: -96.2%), and the equity-to-assets ratio was 35.6% (March 31, 2006: 40.1%). The company's capital expenditure was EUR 4.6 million (Q1/2006: EUR 1.7 million), which consisted mainly of replacements for machines, information technology, and investments in intellectual property rights (IPRs).

Guarantees for commercial commitments, including advance payment guarantees issued by the parent and other group companies, came to EUR 248.8 million at the end of March 2007, increasing from the previous year's level along with business growth (March 31, 2006: EUR 192.4 million).

Research and technology development

Research and technology development (RTD) is a corporate function of Outotec and key to retaining the competitive advantage and ascertaining the future success and development of the company. The RTD function focuses on improving and developing existing technologies in collaboration with the business divisions as well as on coordinating development activities and the commercialization of new technologies.

Outotec's research and technology development expenses for the reporting period totaled EUR 5.0 million (Q1/2006: EUR 4.2 million), representing 2.4% of sales. Outotec filed seven new priority patent applications in the first quarter of 2007 and 49 new national patents were granted in the same period.

Outotec commercialized two new products in the first quarter of 2007. First, Outotec agreed with the leading Chinese zinc producer, Hunan Zhuye Torch Metals Co. Ltd., on the design and delivery of a zinc plant expansion with new environmentally advanced leaching technology. The Atmospheric Direct Leaching Process eliminates the conventional roasting phase in zinc processing. Secondly, Outotec agreed to deliver three TankCell®-300 flotation cells to OceanaGold's Macraes operation in New Zealand. TankCell®-300, with an active capacity of over 300 m^3, is the largest mechanical flotation cell in the world. The Macraes delivery will be the first installation of such technology and represents a significant development for flotation technology.

In addition, Outotec complemented its process technology offering by acquiring the Chena® (Chemistry Navigator) trademark from the Finnish company Liqum. The technology acquisition will further improve Outotec's competitiveness in minerals processing and hydrometallurgical process solutions. Chena® is a patented technology for improving the efficiency of production processes. The system incorporates the professional expertise of the plant, process measurements, and new information received from the process chemistry and refines the information by data processing to an easily understandable visual format.

The activity level in the Research Centers both in Pori and in Frankfurt continued to be high relating to on own development and sales projects, but also on the active test-work made for customers.

Personnel

In the first quarter of 2007, Outotec had on average 1,860 employees (Q1/2006: 1,803). At the end of March, the company had a total of 1,921 employees (March 31, 2006 1,815), in 20 countries. Because the company has been able to make efficient use of its network of international contractors and temporary employees, the number of permanent personnel has grown only moderately from 2006. Temporary employees accounted for some 10% of the total number of employees, and contracted employees accounted for some 20% of the company's own employees in the first quarter of 2007.

In addition to the company's own personnel, Outotec has an international network of subcontractors for engineering and manufacturing. The company continues its global programs to strengthen and improve the work culture. Continuous learning programs are in place to support performance improvements and to be able to respond to the global constraints in recruiting of competent and professional employees.

Distribution of personnel by countries, %	March 31, 2007	March 31, 2006
Finland	**40.5**	40.8
Germany	**15.5**	19.4
Rest of Europe	**10.7**	10.4
Americas	**17.5**	16.7
Australia	**10.7**	8.0
Rest of the world	**5.2**	4.6

Share-based incentive program for key personnel

In March 23, 2007 Outotec published a share-based incentive program. The purpose of the incentive program is to get key employees' commitment and to encourage them in achieving of the company's financial targets and also for increasing of the company's shareholder value. Some 20 key employees participate in the two-year share-based incentive program. The earnings period has started on January 1, 2007 and ends on December 31, 2008.

The reward paid to the key personnel is determined by the achievement of the targets set for the development of the company's net profit and order backlog. The reward is paid in shares and as a cash payment (which approximately will cover income taxes payable of the reward). The shares will be allocated to the key personnel in the spring of 2009. The maximum reward of the incentive program is EUR 6.7 million.

Shares and share capital

Outotec's shares were entered into the Finnish Book-Entry Securities System on September 22, 2006. The company's share capital is EUR 16.8 million, consisting of 42.0 million shares. The counter-book value of the shares is EUR 0.40 per share. Each share entitles its holder to one vote at the general meetings of shareholders of the company.

Trading and market capitalization

Outotec's shares are listed on the Helsinki Stock Exchange (OTE1V). During the first quarter of 2007 the highest quotation for the company's share was EUR 28.00 and the lowest EUR 19.25. The trading of Outotec's shares during the reporting period exceeded 37.2 million shares with a total value of approximately EUR 896.0 million. On March 31, 2007, Outotec's market capitalization was EUR 1,171 million.

Resolutions of the Annual General Meeting 2007

Outokumpu Technology Oyj's Annual General Meeting (AGM) was held on April 2, 2007 in Espoo, Finland. The AGM approved the parent company's and the group's Financial Statements, and discharged the members of the Board of Directors and the CEO from liability for the financial year 2006. The AGM decided that a dividend of EUR 0.35 per share be paid for the financial year ended on December 31, 2006. The dividend record date was April 5, 2007, and the dividend was paid on April 17, 2007.

The AGM decided that the number of Board members, including Chairman and Vice Chairman, will 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 AGM. The AGM re-elected Mr. Risto Virrankoski as the Chairman and Mr. Karri Kaitue as the Vice Chairman of the Board of Directors.

The AGM confirmed the monthly remunerations paid to the Board members as follows: Chairman EUR 3,000, Vice Chairman EUR 2,500, and other Board members EUR 2,000, and in addition a meeting remuneration of EUR 500 per meeting for each Board member.

KPMG Oy Ab, Authorized Public Accountants, was re-elected as the company's auditor, with Mauri Palvi as auditor in charge. The fees for the auditor are paid according to invoice.

Amendment to the Articles of Association and company's business name

The AGM approved the amendments to the Articles of Association, including the change of the company's business name, to Outotec Oyj. The change of business name became effective on April 24, 2007. Other amendments include the technical revision of the company's line of business and the election procedure of the Vice Chairman of the Board, and other amendments of a technical nature.

Board's authorizations

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

- The authorization includes the right to issue new shares, distribute own 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 the personnel.

- The total number of new shares to be issued and own 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.

The authorization shall be in force until the end of the next AGM.

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

- The company may repurchase the 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 own shares held by the company will not exceed ten (10) percent of all shares of the company.

- The shares are to be repurchased in public trading at the Helsinki Stock Exchange at the price established in the trading at the time of acquisition.

The authorization shall be in force until the end of the next AGM.

Short-term risks and uncertainties

Project risks related to projects in both the offering and implementation phases were measured continuously, and no short-term business risks were identified.

The content of the project risk matrix covers all projects with a value of over EUR 1 million and those factors influencing Outotec's sales, profits, cash flow, and quality, as well as the availability of resources and technology. In projects including new commercialized products and new application areas of Outotec's products, the risks are evaluated in their own category. Once the potential risks had been qualified, and quantified, the necessary provisions were reserved.

Over half of Outotec's total cash flow is coming in euros and the rest is divided between different currencies, mainly US dollars, Brazilian reals and Australian dollars. However, depending on the new projects, the weight of any given currency can change materially, but almost all cash flow risks to firm commitments are hedged in short- and long-term. The forecasted and probable cash flows are hedged selectively and are always based on the separate decisions and separate risk analysis.

Subsequent events after the reporting period

In April, Outotec has been awarded several new grinding technology contracts worth EUR 45 million by customers in Canada, Australia, and Kazakhstan.

Mirabela Nickel of Australia has awarded Outotec the contract for grinding technology for Mirabela's Santa Rita nickel sulfide project in Bahia State, Brazil. Adanac Molybdenum of Canada has ordered grinding technology for Adanac's Ruby Creek molybdenum project in British Columbia, Canada. Shalkiya Zinc of Kazakhstan has awarded Outotec the contract for grinding technology for the Shalkiya zinc-lead project in Kazakhstan. This project became effective already in March and was booked to the backlog in the first quarter. The deliveries of these are scheduled for late 2008 and early 2009.

The parent company changed its name from Outokumpu Technology Oyj to Outotec Oyj on April 24, 2007 and started to use Outotec as the company's business name globally.

Outlook for 2007

The mining and metals industry remains robust, and the underlying imbalance in supply and demand encourages the industry to invest both in green field projects and expansions. Good financial performance, coupled with strong order backlog in the first quarter 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 expected growth in 2007.

Outotec reiterates its full year outlook in terms of sales and operating profit: In 2007, the management expects similar sales growth than during 2006. Operating profit is expected to grow clearly from 2006. Furthermore, the management estimates that the closing order backlog for 2007 will exceed that of the previous year-end.

Financial reporting in 2007

Outotec will publish the following financial information during 2007:

Interim report for January-June	July 25, 2007
Interim report for January-September	October 25, 2007

Espoo, April 26, 2007
Outotec Oyj
Board of Directors

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Interim financial statements (unaudited)

Income statement EUR million	Jan - March 2007	Jan - March 2006	Jan - Dec 2006
Sales	**211.7**	144.2	740.4
Cost of sales	**-171.5**	-116.3	-587.5
Gross margin	**40.2**	27.9	153.0
Other operating income	**0.2**	0.5	3.7
Selling and marketing expenses	**-11.2**	-11.8	-46.1
Administrative expenses	**-10.2**	-8.1	-35.0
Research and development expenses	**-5.0**	-4.2	-19.2
Other operating expenses	**-0.0**	-0.0	-3.8
Share of results of associated companies	**-0.3**	-0.2	-1.1
Operating profit	**13.6**	4.1	51.6
Financial income and expenses			
Interest income and expenses	**2.6**	2.1	9.3
Market price gains and losses	**0.3**	-0.5	-1.4
Other financial income and expenses	**-1.2**	-0.3	-2.9
Total financial income and expenses	**1.7**	1.2	5.0
Profit before taxes	**15.3**	5.3	56.6
Income taxes	**-5.0**	-1.2	-19.6
Net profit for the period	**10.3**	4.1	37.0
Attributable to:			
Equity holders of the Company	**10.3**	4.1	37.1
Minority interest	**-0.0**	-0.0	-0.0
Earnings per share for profit attributable to the equity holders of the Company:			
Earnings per share, EUR	**0.25**	0.10	0.88
Diluted earnings per share, EUR	**0.25**	0.10	0.88

All figures in the tables have been rounded and consequently the sum of individual figures can deviate from the presented sum figure.

Condensed balance sheet EUR million	March 31 2007	March 31 2006	Dec 31 2006
ASSETS			
Non-current assets			
Intangible assets	**74.9**	75.0	72.7
Property, plant and equipment	**26.3**	29.7	26.7
Non-current financial assets			
Interest-bearing	**1.4**	0.8	1.1
Non interest-bearing	**12.4**	16.1	13.0
Total non-current assets	**115.0**	121.7	113.5
Current assets			
Inventories *)	**131.7**	38.3	84.4
Current financial assets			
Interest-bearing	**1.0**	0.0	1.0
Non interest-bearing	**137.8**	124.3	214.7
Cash and cash equivalents	**188.8**	116.5	171.4
Total current assets	**459.3**	279.2	471.4
TOTAL ASSETS	**574.2**	400.8	584.9
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the equity holders of the Company	**154.3**	112.6	144.0
Minority interest	**0.0**	0.0	0.0
Total equity	**154.3**	112.6	144.1
Non-current liabilities			
Interest-bearing	**2.2**	3.9	2.2
Non interest-bearing	**38.0**	36.5	35.6
Total non-current liabilities	**40.1**	40.4	37.8
Current liabilities			
Interest-bearing	**1.2**	5.1	1.2
Non interest-bearing **)	**378.6**	242.7	401.7
Total current liabilities	**379.8**	247.8	403.0
TOTAL EQUITY AND LIABILITIES	**574.2**	400.8	584.9

**) Of which advances paid for inventories amounted to EUR 45.1 million at March 31, 2007 (EUR 8.8 million at March 31, 2006 and EUR 30.0 million at December 31, 2006)*
***) Of which advances received amounted to EUR 141.0 million at March 31, 2007 (EUR 120.2 million at March 31, 2006 and EUR 194.8 million at December 31, 2006)*

Statement of changes in equity EUR million	Attributable to the equity holders of the Company							
	Share capital	Premium fund	Other reserves	Fair value reserves	Cumulative translation differences	Retained earnings	Minority interest	Total equity
Equity on Jan. 1, 2006	16.8	20.2	0.1	0.0	9.3	64.2	0.1	110.7
Change in translation differences	-	-	-	-	-2.2	-	0.0	-2.2
Items recognized directly in equity	-	-	-	-	-2.2	-	0.0	-2.2
Net profit for the period	-	-	-	-	-	4.1	-0.0	4.1
Total recognized income and expenses	-	-	-	-	-2.2	4.1	-0.0	1.9
Equity on March 31, 2006	16.8	20.2	0.1	0.0	7.1	68.4	0.0	112.6
Equity on Jan 1, 2007	16.8	20.2	0.1	-	5.8	101.1	0.0	144.1
Change in translation differences	-	-	-	-	-0.1	-	0.0	-0.1
Items recognized directly in equity	-	-	-	-	-0.1	-	0.0	-0.1
Net profit for the period	-	-	-	-	-	10.3	-0.0	10.3
Total recognized income and expenses	-	-	-	-	-0.1	10.3	-0.0	10.2

Condensed statement of cash flows EUR million	Jan - March 2007	Jan - March 2006	Jan - Dec 2006
Cash flow from operating activities			
Net profit for the period	**10.3**	4.1	37.0
Adjustments for			
Depreciation and amortization	**2.7**	2.5	10.1
Impairments	**-**	-	3.3
Other adjustments	**2.6**	-0.6	10.9
Decrease (+) / increase (-) in working capital	**11.6**	-9.4	12.4
Interest received	**2.4**	2.4	9.8
Interest paid	**-0.1**	-0.4	-0.4
Income tax paid	**-8.4**	-1.8	-15.3
Net cash from operating activities	**21.1**	-3.3	67.8
Purchases of assets	**-4.3**	-1.4	-8.0
Proceeds from sale of assets	**0.0**	0.1	0.3
Change in other investing activities	**-0.4**	-	-0.3
Net cash from investing activities	**-4.7**	-1.3	-8.0
Cash flow before financing activities	**16.4**	-4.6	59.8
Repayments of long-term debt	**-0.0**	-0.0	-0.4
Decrease in current debt	**-0.0**	-2.8	-4.8
Change in other financing activities	**-0.1**	-0.0	-0.9
Net cash from financing activities	**-0.1**	-2.9	-6.1
Net change in cash and cash equivalents	**16.3**	-7.5	53.6
Cash and cash equivalents at the beginning of the period	**171.4**	126.3	126.3
Foreign exchange rate effect on cash and cash equivalents	**1.1**	-2.3	-8.6
Net change in cash and cash equivalents	**16.3**	-7.5	53.6
Cash and cash equivalents at the end of the period	**188.8**	116.5	171.4

Key figures	Jan - March 2007	Jan - March 2006	Jan - Dec 2006
Sales, EUR million	**211.7**	144.2	740.4
Gross margin, %	**19.0**	19.3	20.7
Operating profit , EUR million	**13.6**	4.1	51.6
Operating profit in relation to sales, %	**6.4**	2.8	7.0
Profit before taxes, EUR million	**15.3**	5.3	56.6
Profit before taxes in relation to sales, %	**7.2**	3.7	7.6
Net cash from operating activities, EUR million	**21.1**	-3.3	67.8
Net interest-bearing debt at the end of the period, EUR million	**-187.8**	-108.3	-170.0
Gearing at the end of the period, %	**-121.7**	-96.2	-118.0
Equity-to-assets ratio at the end of the period, %	**35.6**	40.1	36.9
Capital expenditure, EUR million	**4.6**	1.7	8.0
Capital expenditure in relation to sales, %	**2.2**	1.2	1.1
Return on investment, %	**44.5**	20.4	45.4
Return on equity, %	**27.6**	14.7	29.1
Order backlog at the end of the period, EUR million	**836.5**	633.5	866.4
Order intake, EUR million	**168.1**	185.6	1,032.2
Personnel average for the period	**1,860**	1,803	1,825
Net profit for the period in relation to sales, %	**4.9**	2.8	5.0
Research and development expenses, EUR million	**5.0**	4.2	19.2
Research and development expenses in relation to sales, %	**2.4**	2.9	2.6
Earnings per share, EUR *)	**0.25**	0.10	0.88
Equity per share, EUR *)	**3.67**	2.68	3.43
Dividend per share, EUR	**-**	-	0.35

**) Outotec Oyj shares have been split on August 10, 2006 from 8.4 million to 42.0 million shares, after which counter-book value of a share is EUR 0.40. Earnings per share and equity per share have been calculated with 42.0 million shares.*

Notes to the income statement and balance sheet

Interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting using the same accounting policies and methods as in the recent annual financial statements. The interim financial figures, which have been presented in these interim financial statements are unaudited.

The comparison figures for 2006 are based on combined financial statements, which have been prepared so that business structure and combined financial information of Outotec would fairly present the result of operations, cash flows and financial position of Outotec's current operations.

Use of estimates

The preparation of the financial statements in accordance with IFRS requires the 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 and other items. Although these estimates are based on the management's best knowledge of current events and actions, actual results may differ from the estimates.

Adoption of new and amended standards and interpretations

Outotec has adopted the following new standards, renewed standards and interpretations when they are effective.

- IFRS 7 Financial instruments: Disclosures (effective date January 1, 2007) and

- Amendment to IAS 1 – Presentation of financial statements – Capital disclosures (effective date January 1, 2007).

The adoption of these new standards will mainly have impact on the disclosure information on the 2007 financial statements.

- IFRIC 8 – Scope of IFRS 2 (effective date May 1, 2006)

- IFRIC 9 - Reassessment of Embedded Derivatives (effective date June 1, 2006) and

- IFRIC 10 Interim Financial Reporting and Impairment (effective date November 1, 2006).

The adoption of these interpretations will not have impact on 2007 financial statements.

Outotec will estimate the impacts on the disclosure information for the following standard in 2007:

IFRS 8 Operating segments (effective date January 1, 2009). The standard has not yet been approved to be applied in the EU.

Major non-recurring items in operating profit for the period EUR million	Jan - March 2007	Jan - March 2006	Jan - Dec 2006
One-time expenses related to the listing	**-**	-	-1.3

Income taxes EUR million	Jan - March 2007	Jan - March 2006	Jan - Dec 2006
Current taxes	**-3.0**	-1.3	-17.9
Deferred taxes	**-2.1**	0.1	-1.7
Total income taxes	**-5.0**	-1.2	-19.6

Property, plant and equipment
The changes in property, plant and equipment during the first quarter of 2007 were mainly due to normal business activities.

Commitments and contingent liabilities EUR million	March 31, 2007	March 31, 2006	Dec 31 2006
Pledges	**29.7**	2.1	27.8
Guarantees for commercial commitments	**129.7**	75.5	121.3
Minimum future lease payments on operating leases	**48.1**	19.6	51.2

The above value of commercial guarantees does not include advance payment guarantees issued by the parent company or other group companies. The total amount of guarantees for financing issued by group companies amounted to EUR 0.4 million at March 31, 2007 (at March 31, 2006: EUR 2.5 million and at December 2006: EUR 0.4 million) and for commercial guarantees EUR 248.8 million at March 31, 2007 (at March 31, 2006: EUR 192.4 million and at December 31, 2006; EUR 259.4 million).

Derivative instruments			
Currency forwards EUR million	**March 31 2007**	**March 31 2006**	**Dec 31 2006**
Net fair values	**1.7**	0.0	2.0
Contract amounts	**117**	70	103

Related party transactions			
Transactions and balances with associated companies EUR million	**Jan - March 2007**	**Jan - March 2006**	**Jan - Dec 2006**
Sales	**0.7**	0.1	0.3
Financial income and expenses	**0.0**	-	0.1
Loan receivables	**1.6**	-	1.3
Trade and other receivables	**1.8**	0.2	0.9
Current liabilities	**-**	-	2.2

According to shareholder agreement, Outotec is committed to invest in Intune Circuits Oy EUR 2.5 million.

Sales and operating profit by quarters EUR million	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q3/06	Q4/06	Q1/07
Sales									
Minerals Processing	**19.5**	46.0	49.6	69.8	**36.4**	57.4	67.5	95.3	**55.2**
Base Metals	**20.6**	35.6	39.6	64.2	**44.9**	50.6	43.3	53.4	**60.1**
Metals Processing	**22.8**	68.2	44.6	70.2	**62.9**	67.5	71.0	90.8	**97.5**
Other Businesses	**6.0**	9.8	5.9	10.5	**6.6**	8.1	6.0	11.9	**6.7**
Unallocated items*) and intra-group sales	**-3.7**	-8.2	-6.5	-8.3	**-6.7**	-6.8	-7.9	-11.9	**-7.8**
	65.3	151.4	133.1	206.4	**144.2**	176.8	179.9	239.6	**211.7**
Operating profit									
Minerals Processing	**0.1**	1.4	2.3	4.6	**-3.7**	-1.9	5.2	13.1	**1.9**
Base Metals	**-3.6**	1.4	1.2	12.7	**5.6**	7.1	4.1	6.7	**9.4**
Metals Processing	**-4.1**	2.1	2.9	6.1	**4.1**	6.1	5.6	5.3	**4.7**
Other Businesses	**-0.0**	0.5	-0.1	-0.1	**-0.5**	0.2	-0.3	1.0	**0.0**
Unallocated **) and intra-group items	**0.1**	-1.2	-0.7	-1.1	**-1.5**	-1.5	-0.2	-3.0	**-2.4**
	-7.6	4.2	5.5	22.2	**4.1**	10.0	14.5	23.0	**13.6**

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

Definitions of key financial figures

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

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

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

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

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

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

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

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

Official financial reporting language

Outotec publishes all financial reports in Finnish and English (US). Because of the international nature of the business, the official and approved version is prepared in English and is translated into Finnish.