Financial statements review

January - December 2008

Outotec 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 NASDAQ OMX Helsinki .
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OUTOTEC OYJ - FINANCIAL STATEMENTS REVIEW JANUARY - DECEMBER 2008

Good sales growth and profitability - Dividend proposal EUR 1.00 per share

Financial year January 1 - December 31, 2008 in brief (corresponding 2007 figures):

- Sales: EUR 1,217.9 million (EUR 1,000.1 million)
- Operating profit: EUR 120.2 million (EUR 96.1 million)
- Profit before taxes: EUR 136.3 million (EUR 104.8 million)
- Earnings per share: EUR 2.25 (EUR 1.85)
- Order intake: EUR 1,153.8 million (EUR 1,463.0 million)
- Order backlog: EUR 1,176.7 million (EUR 1,317.2 million)
- Unrealized and realized losses or gains related to fair valuation of currency forward contracts: a loss of EUR 9.5 million (a gain of EUR 3.7 million)

Fourth quarter of 2008 in brief (corresponding 2007 figures):

- Sales: EUR 398.8 million (EUR 315.5 million)
- Operating profit: EUR 47.5 million (EUR 33.0 million)
- Profit before taxes: EUR 52.4 million (EUR 36.1 million)
- Order intake: EUR 119.9 million (EUR 384.2 million)

CEO Tapani Järvinen:

"In 2008, we implemented our strategy of continuous profitable growth successfully. Markets in the mining and metals industry were strong at the beginning of the year, but uncertainty in the world economy weakened the demand for Outotec's products and services toward the end of the year.

Our sales continued to grow from the previous year's level and exceeded EUR 1.2 billion. I am particularly pleased with the increase in the Services business. We also continued improving our operating profit and margin, which was close to ten percent. The closing order backlog was strong despite some minor cancellations and suspensions. This gives us a good start for 2009.

In 2009, we will focus on our order intake and keeping our market shares. We are also continuously looking for various ways to enhance the sales. This includes cross-selling to new customer industries, such as the energy industry and the water treatment sector. Our clean technologies will provide a true competitive edge for Outotec in the coming years.

We have analyzed various scenarios, and the first few months will indicate how extensive cost-savings may be needed in order to optimize the cost structure in response to changed business volume. However, thanks to our flexible business model based on efficient use of subcontractors, outsourcing, and temporary resources, we are in a good position to adjust our operations to a changing market situation."

Summary of key figures	Q4 2008	Q4 2007	Q1-Q4 2008	Q1-Q4 2007
Sales, EUR million	**398.8**	315.5	**1,217.9**	1,000.1
Gross margin, %	**22.8**	20.6	**21.5**	20.4
Operating profit , EUR million	**47.5**	33.0	**120.2**	96.1
Operating profit in relation to sales, %	**11.9**	10.5	**9.9**	9.6
Profit before taxes, EUR million	**52.4**	36.1	**136.3**	104.8
Net cash from operating activities, EUR million	**-36.7**	45.3	**106.6**	143.0
Net interest-bearing debt at the end of period, EUR million	**-314.6**	-292.9	**-314.6**	-292.9
Gearing at the end of period, %	**-139.0**	-136.4	**-139.0**	-136.4
Working capital at the end of period, EUR million	**-171.2**	-153.9	**-171.2**	-153.9
Return on investment, %	**92.7**	71.9	**61.6**	59.8
Return on equity, %	**64.1**	53.9	**42.6**	43.3
Order backlog at the end of the period, EUR million	**1,176.7**	1,317.2	**1,176.7**	1,317.2
Order intake, EUR million	**119.9**	384.2	**1,153.8**	1,463.0
Personnel, average for the period	**2,628**	2,185	**2,483**	2,031
Earnings per share, EUR	**0.84**	0.65	**2.25**	1.85
Dividend per share, EUR	-	-	**1.00*)**	0.95

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

Outlook for 2009

The investment activity in the mining and metals industry is low because the worldwide economic climate is uncertain. Furthermore, the crisis in the financial markets impacts the investments of the industry, especially concerning major greenfield projects and companies with weak capital structure. Customers who have financing available for their new investments are re-evaluating project scopes and prices in anticipation of possibly lower capital costs.

The prevailing uncertainty obscures the current outlook for the mining and metals industry. However, Outotec has a relatively good starting point for 2009. On the basis of the existing order backlog and new order prospects, management expects that in 2009:

- Sales will contract by approximately one quarter from 2008 figure,
- Gross margin will continue on a healthy level, and
- Operating profit margin will be lower than in 2008 because of lower sales volume.

Operating profit is dependent on exchange rates, product mix, timing of new orders and project completions. Operating profit tends to accrue more toward the year-end.

Markets

Markets in the mining and metals industry were strong in the beginning of the year, but uncertainty in the world economy weakened the demand for Outotec's products and services towards the end of the year. In 2008, customers initiated various ferrous metals, base metals, and sulfuric acid projects. There was also demand in aluminum and ferroalloys technologies. Opportunities for selling existing technologies to other process industries, such as fertilizer and energy industry, continued to emerge.

When metal prices are low, customers need to reduce their unit costs and improve competitiveness by investing in plant modernization, equipment, and services. In addition, mining companies still face the challenge of declining ore grades. The financial crisis has also hit the developing markets such as China and India, but it is expected that countries with a vast population and strong economic growth will continue to need both ferrous and non-ferrous metals. Even though the decrease in metal prices is currently delaying investments, the global mining houses still have long-term investment plans. In addition, tightening environmental regulations and rising energy and other production costs require mining and metals companies to invest in more energy-efficient and environmentally sustainable processes.

As long as the worldwide economic conditions continue to be uncertain, also investment activity in the mining and metals industry will be low. Some of Outotec's customers have difficulties in arranging financing packages, especially for greenfield projects. In addition, customers who have financing available are re-evaluating project scopes and prices in order to benefit from the lower capital costs of their new investments. Also delivery times are expected to decrease as more resources become available. However, the mining and metals companies' updated investment plans are still above the historical levels, and they see that in the long-term demand for metals will continue.

Order intake

The order intake in 2008 amounted to EUR 1,153.8 million (2007: EUR 1,463.0 million). The fourth quarter 2008 order intake totaled EUR 119.9 million (Q4/2007: EUR 384.2 million). Orders received in the fourth quarter included smaller equipment deliveries and services to existing customers.

Major new orders in the fourth quarter included:

- expansion of a phosphate concentrator for Yara in Siilinjärvi, Finland (EUR 28 million); and
- basic engineering for oil shale plant of Eesti Energia in Narva, Estonia.

Russian Copper Company's Miheevsky concentrator project (EUR 175 million), which was announced on October 3, 2008, was suspended. The customer decided to suspend the project because of difficulties in arranging financing. The order was not reported in Outotec's order intake or backlog at any point.

Major new orders in the third quarter of 2008 included:

- an iron ore pelletizing plant for Tata Steel in Jamshedpur, India (EUR 70 million); and
- an iron ore sinter plant for SAIL's Rourkela Steel Plant in Orissa, India (over EUR 25 million).

Major new orders in the second quarter of 2008 included:

- grinding technology for a major international mining company (EUR 75 million);
- grinding technology, including spare parts and services for Nordic Mines of Sweden for its gold project in Finland and for Polymetal Trading of Russia for the Albazino and Dukat projects (EUR 25 million);
- new environmentally sound technology for Shougang Jingtang United Iron & Steel for Shougang's iron ore pelletizing plant project in Caofeidan, China (EUR 29 million);
- engineering and equipment delivery for a new sulfuric acid plant in Moron, Venezuela for Petroquimica de Venezuela (EUR 90 million);
- flotation and thickening technology for Salobo Metais in Brazil (EUR 9 million); and
- a copper solvent extraction and electrowinning plant for Southern Peru Copper Corporation in Peru (USD 150 million, or over EUR 90 million, out of which USD 90 million was already included in the second quarter order backlog).

Major new orders in the first quarter of 2008 included:

- basic engineering and proprietary and special equipment for two iron ore sinter plants for Bhushan Steel in Orissa State, India (EUR 18 million);
- several aluminum technology orders in China, among them a sow casting system for Huomei Hongjun Aluminium-Power Company, a vibrocompactor and rodshop process equipment for China Aluminium International Trading, and a sow casting system and key rodshop equipment for Yellow River Hydropower Development Company (EUR 17 million);

- minerals processing technology for Mirabela Mineração of Brazil for a new nickel sulfide concentrator and a slag concentrator for Umicore Med for the Pirdop copper smelter in Bulgaria (EUR 21 million);
- modernization of a copper flash smelting furnace for KGHM Polska Miedz in Poland (over EUR 10 million);
- a chromite ore pelletizing plant and preheating kilns for ASA Metals in South Africa (EUR 25 million); and
- three-year service agreements with Boliden's Harjavalta and Kokkola plants and with Norilsk Nickel's Harjavalta plants in Finland.

Order backlog

The order backlog at the end of 2008 totaled EUR 1,176.7 million (2007: EUR 1,317.2 million), representing an 11% decrease from the 2007 corresponding figure. The closing backlog at year-end 2008 would have been approximately EUR 60 million higher when valued at previous year-end's exchange rates.

At the end of 2008, Outotec's order backlog included 24 projects with a value in excess of EUR 10 million, accounting for 70% of the total backlog. According to the management's estimate, some 60% of the current backlog will be delivered in 2009 and the rest in 2010 and beyond. Roughly 3% of the projects in Outotec's current backlog belong to mining companies, which are building their first processing plants.

Outotec's third drinking water treatment facility project in Sri Lanka (USD 100 million), which was published on September 3, 2007, will not be implemented, on account of further delayed financing. Because the original supply contract was conditional and subject to financing, it has never been included in Outotec's order backlog.

In the fourth quarter, some customers initiated negotiations concerning suspensions and minor cancellations of their projects, the total value concerned being some EUR 100 million.

Sales and financial result

Outotec's sales in 2008 totaled EUR 1,217.9 million (2007: EUR 1,000.1 million), representing 22% growth from 2007. Sales for the fourth quarter were EUR 398.8 million (2007: EUR 315.5 million). The increase in sales was a result of higher delivery volumes and better pricing. Historically, the fourth quarter has been the highest in terms of sales volume.

The Services business, which is included in the divisions' sales figures, contributed EUR 141.2 million to sales in 2008 (2007: EUR 80.6 million), up 75% from the corresponding 2007 level. The sales of the Services business in the fourth quarter totaled EUR 54.2 million (Q4/2007: EUR 28.8 million), up 88% from the corresponding 2007 level. The growth of the Services business is result from strong efforts to develop the business globally. Outotec's large installed base and high operating levels have provided a good foundation for growth.

The operating profit for 2008 was EUR 120.2 million (2007: EUR 96.1 million), representing 9.9% of sales (2007: 9.6%). Realized and unrealized losses related to fair valuation of currency forward contracts, which are not included in the hedge accounting, weakened profitability by EUR 9.5 million in 2008 (2007: a gain of EUR 3.7 million). The shares of Intune Circuits Ltd were sold, and a loss of EUR 1.1 million was recognized from the divestment.

Typically, the operating profit accrues more toward the year-end. In the fourth quarter, the operating profit was EUR 47.5 million (Q4/2007: EUR 33.0 million), and the corresponding profit margin was 11.9% (Q4/2007: 10.5%). There were major successful final project completions including releases of project provisions in Brazil, China, Chile, and Australia. The interim award of the arbitration tribunal in the USA related to the Pattison project caused a one-time cost of over EUR 8.5 million.

In 2008, Outotec's total fixed costs were EUR 123.3 million (2007: EUR 111.5 million). The increase in fixed costs was caused by higher administration costs as well as sales and marketing costs related to business development and growth, recruiting of new personnel worldwide, management and employee bonuses, and information technology (IT) costs. The increase in IT costs stemmed from Outotec's independent status, purchasing of IT licenses and tools necessitated by business growth, and increased personnel numbers, as well as infrastructure costs for the newly established companies in India and Kazakhstan. The figure for fixed costs also included costs related to human resources development, as well as strengthening of the Services business.

Outotec's profit before taxes for 2008 was EUR 136.3 million (2007: EUR 104.8 million). Net finance income, EUR 16.1 million, strengthened profit before taxes. Net profit for 2008 was EUR 93.9 million (2007: EUR 77.6 million). Taxes totaled EUR 42.4 million (2007: EUR 27.2 million), representing an effective tax rate of 31.1% (2007: 26.0%), including the negative tax effect of the Pattison project. In 2007, the Group's effective tax rate was exceptionally low because of the tax reform enacted in Germany. In the long-term, the Group's tax rate is estimated to be at a level of 30%. Earnings per share were EUR 2.25 (2007: EUR 1.85).

Outotec's return on equity for 2008 was 42.6% (2007: 43.3%), and return on investment was 61.6% (2007: 59.8%).

Minerals Processing

Minerals Processing division's sales grew 39% in 2008 from the previous year's level and totaled EUR 419.6 million (2007: EUR 302.9 million). The growth in sales came from the higher proportion of process solution projects and larger equipment deliveries under execution. The division completed the deliveries for the Boddington gold mine in Australia and the Macraes gold mine in New Zealand. Operating profit was EUR 22.5 million (2007: EUR 25.2 million), representing 5.4% of the division's sales (2007: 8.3%). Two major items reduced the division's operating profit. In the fourth quarter, the interim award of

Sales and operating profit by segment EUR million	Q4 2008	Q4 2007	Q1-Q4 2008	Q1-Q4 2007
Sales				
Minerals Processing	**144.8**	110.5	**419.6**	302.9
Base Metals	**86.4**	85.6	**295.3**	274.2
Metals Processing	**163.9**	120.8	**494.7**	432.3
Other Businesses	**18.8**	11.1	**56.0**	37.8
Unallocated items*) and intra-group sales	**-15.1**	-12.5	**-47.7**	-47.0
Total	**398.8**	315.5	**1,217.9**	1,000.1
Operating profit				
Minerals Processing	**12.1**	16.3	**22.5**	25.2
Base Metals	**17.2**	9.3	**48.7**	43.9
Metals Processing	**22.1**	11.5	**61.1**	38.1
Other Businesses	**0.7**	0.3	**3.9**	2.2
Unallocated **) and intra-group items	**-4.6**	-4.4	**-16.0**	-13.3
Total	**47.5**	33.0	**120.2**	96.1

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

Sales by metals, %	2008	2007
Copper	**22**	28
Iron	**12**	25
Aluminum	**12**	10
Ferroalloys	**6**	2
Precious metals	**10**	7
Zinc	**9**	6
Nickel	**7**	5
Sulfuric acid	**13**	9
Other	**9**	8
Total	**100**	100

the U.S. arbitration tribunal in Iowa, sustaining Pattison Sand Company's claim and rejecting Outotec's counterclaim, caused over EUR 8.5 million one-time cost. In addition, the fair valuation of the currency forward contracts, mainly between the Australian dollar and the U.S. dollar and between the euro and Swedish krona caused a realized and unrealized loss of EUR 8.9 million (2007: a gain of EUR 3.0 million). With the seasonal nature of the fiscal year, profit generation for the Minerals Processing division is typically weaker in the first half of the year and stronger in the second half.

Base Metals

Base Metals division's sales grew 8% in 2008 from the 2007 level, totaling EUR 295.3 million (2007: EUR 274.2 million). The operating profit was EUR 48.7 million (2007: EUR 43.9 million), representing 16.5% of the division's sales (2007: 16.0%). Base Metals completed a new flash smelting – flash converting plant project in Yanggu, China. Operating profit for the reporting period included also a realized and unrealized gain of EUR 1.2 million related to fair valuation of currency forward contracts between the Chilean peso, euro, and U.S. dollar (2007: a loss of EUR 0.4 million).

Sales by destination, %	2008	2007
Europe (including CIS)	**23**	27
Africa	**12**	11
Asia (including Middle East)	**29**	15
Australia and Pacific countries	**8**	11
North America	**5**	4
South America	**23**	32
Total	**100**	100

Metals Processing

Metals Processing division's sales in 2008 grew over 14% from the previous year's figure, to EUR 494.7 million (2007: EUR 432.3 million). The growth came mainly from the good progress in sulfuric acid plant, roasting plant, and aluminum projects. Operating profit improved significantly and was EUR 61.1 million (2007: EUR 38.1 million), representing 12.3% of the division's sales (2007: 8.8%). The positive effect came from the volume growth, license fee income, project margin improvements, change orders, and a number of successful project completions. The division completed large pelletizing plant project for Samarco, in Brazil, as well as the Lurec sulfuric acid technology delivery in Yanggu, China. The division received Samarco's Excellence Award for its performance in project implementation.

Balance sheet, financing and cash flow

Net cash flow from operating activities in 2008 continued strong at EUR 106.6 million (2007: EUR 143.0 million). The biggest changes in 2008 lowering the net cash flow from operating activities were in taxes paid and financing needs for business operations. The main positive influences were the good result and the interest income created by the strong cash position. The parent company paid out EUR 39.9 million (2007: EUR 14.7 million) in dividends in April 2008.

In 2008, Outotec's cash and cash equivalents totaled

EUR 317.8 million (2007: EUR 291.0 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 reviews regularly. On December 31, 2008, no money market investment had remaining maturity exceeding three months.

Outotec's working capital amounted to EUR –171.2 million on December 31, 2008 (December 31, 2007: EUR –153.9 million). The working capital improved mostly because of advances received from customers and low inventory levels.

The balance sheet structure remained strong, and the financing structure was healthy. Net interest-bearing debt on December 31, 2008, came to EUR –314.6 million (December 31, 2007: EUR –292.9 million). The advances received at the end of 2008 totaled EUR 214.0 million (December 31, 2007: EUR 190.1 million). Advances received reduced in the fourth quarter 2008 because of the lack of large new orders. Net advances at the end of 2008 amounted to EUR 197.6 million, taking into account the EUR 16.4 million advances paid to subcontractors. Outotec's gearing at the end of the reporting period was –139.0% (December 31, 2007: -136.4%), and the equity-to-assets ratio was 35.0% (December 31, 2007: 38.2%).

The company's capital expenditure in 2008 was EUR 23.9 million (2007: EUR 11.6 million), which consisted largely of the acquisition of Auburn Group in the fourth quarter. In addition, investments were made in information technology, intellectual property rights, equipment and machinery. The maintenance capital expenditure is estimated to be on the annual level of EUR 15 million.

The committed multi-currency guarantee facility, with a nominal value of EUR 480 million, is Outotec's main credit agreement. In the third quarter, the final maturity date of this agreement was extended to 2011. In addition to this facility, the company has other bilateral facility agreements. These enable business volume growth for the company.

Guarantees for commercial commitments, including advance payment guarantees issued by the parent and other Group companies, came to EUR 353.8 million on December 31, 2008 (December 31, 2007: EUR 391.9 million), showing an increase from the previous year's corresponding level relative to business growth.

Outotec has entered into 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 of the underlying cash flow risk, the service provider has purchased 265,000 Outotec shares that have been funded by Outotec and accounted for as treasury shares in Outotec's consolidated balance sheet.

Acquisitions and divestments

In the fourth quarter, Outotec closed the acquisition of Auburn Group, a Canadian service provider for the mining and metals industries. The company provides maintenance and technical services mainly in Canada and Chile. In 2008, the sales for Auburn Group were approximately EUR 20.0 million (CAD 31.2 million) and the operating profit approximately EUR 0.1 million (CAD 0.2 million). The sales of the acquired company for October 10, 2008 - December 31, 2008 totaled EUR 3.0 million and the operating profit EUR –0.2 million.

The final acquisition price was approximately EUR 10 million (CAD 15.6 million). The final purchase price allocation will be completed in the first quarter of 2009.

In the third quarter, Outotec sold its holding in Intune Circuits Ltd, a RFID (radio frequency identification) antenna producer, to Savcor Group Ltd. The transaction had a EUR 1.1 million negative effect on Outotec's 2008 operating profit.

Research and technology development

In 2008, Outotec's research and technology development expenses totaled EUR 20.2 million (2007: EUR 19.9 million), representing 1.7% of sales (2007: 2.0%). Outotec filed 45 new priority patent applications (2007: 45), and 277 new national patents were granted (2007: 303).

In the fourth quarter, Outotec and Eesti Energia agreed to establish a joint venture for development and marketing of sustainable, energy efficient, and economically viable oil shale processing methods. The suitability of the circulating fluidized bed (CFB) technology was tested at the Frankfurt pilot plant. In December, the companies signed an agreement for basic engineering of the first CFB-based oil shale plant, to be built in Narva, Estonia.

In the fourth quarter, the continuous pilot-scale HydroCopper® test run with Zangezur's copper concentrate was carried out in the HydroCopper demonstration plant in Pori, Finland. The test run with 280 tonnes of concentrate started in October 2008 and continued until January 2009. In April 2008, the companies signed a Heads of Agreement for the basic engineering and implementation of a HydroCopper plant in Armenia.

In November, Outotec's Research Center in Pori received a "Recognised for Excellence" quality award in Finland.

In the third quarter, an internal assessment of Outotec's technologies and their energy efficiency and environmental impact was completed. According to OECD definitions, some 70% of the 2008 (2007: 80%) order intake can be classified as Environmental Goods and Services (EGS). The study also showed that 63% of Outotec's technologies are EGS technologies and, depending on the application, further 33% can be considered as EGS.

In the second quarter, Outotec granted 22 employees a technology award for their innovative work in developing new and existing technologies. The awards totaled EUR 96,000.

Moreover, Outotec joined the energy research program of Helsinki University of technology in the second quarter. One of the research topics is minimization of energy losses in combustion processes.

In the first quarter of 2008, Outotec and the Geological Survey of Finland reached a partnership agreement for enhancing collaboration in research and development of mineral technology.

Personnel

At the end of 2008, Outotec had a total of 2,674 employees (December 31, 2007: 2,144). For 2008, Outotec had, on average, 2,483 employees (2007: 2,031). The average number of personnel increased by 452 since 2007 because of business growth and active recruitment. Temporary employees accounted for close to 15%, or about 400, of the total number of employees at the end of 2008.

Distribution of personnel by country	Dec 31, 2008	Dec 31, 2007	change %
Finland	**925**	835	**10.8**
Germany	**380**	323	**17.6**
Rest of Europe	**249**	219	**13.7**
Americas	**758**	463	**63.7**
Australia	**225**	185	**21.6**
Rest of the world	**137**	119	**15.1**
Total	**2,674**	2 ,144	**24.7**

The most notable increase in personnel was seen in North America, where the Auburn acquisition increased the number of personnel by 224. At the end of 2008, the company had, in addition to the personnel on Outotec's payroll, more than 560 full-time-equivalent contracted people working in project execution. The number of contracted workers at any given time changes in response to the active project mix and project commissioning, local legislation and regulations, and seasonal fluctuations. The flexible use of resources such as subcontracted personnel is a key for Outotec's business model.

In 2008, salaries and other employee benefits totaled EUR 157.7 million (2007: EUR 135.4 million).

Share-based incentive programs

Outotec has two share-based incentive programs for the company's key personnel: Incentive Program 2007-2008 and Incentive Program 2008-2010.

Some 20 key employees participate in the Share-based Incentive Program for 2007-2008, which started on January 1, 2007, and ended on December 31, 2008. The reward payable is determined by the achievement of the targets set by the Board of Directors for the development of the company's net profit and order backlog. The reward is paid in shares and as a cash payment. The shares will be allocated to the key personnel in the spring of 2009. The maximum reward in the incentive program is EUR 6.7 million. For more information, please see Outotec's stock exchange release of March 23, 2007.

Incentive Program 2008-2010 comprises three calendar-year periods. For the 2009 and 2010 earning periods, the incentive program covers approximately 60 key employees. The reward payable is determined by the achievement of the annual corporate growth targets set by the Board of Directors for earnings per share, order backlog, and the company's Services business. The potential incentives for the 2008 earning period will be paid in 2009. Approximately half of the incentives will be paid as Outotec shares and half in cash. For the 2008 earning period, the incentive program covers approximately 30 key employees. Those some 20 key employees who belong to Share-based Incentive Program 2007-2008 are not included in the 2008 earning period of the 2008-2010 program. For more information, please see Outotec's stock exchange release of March 3, 2008.

Resolutions of the 2008 Annual General Meeting

The Outotec Annual General Meeting was held on March 18, 2008, in Espoo, Finland. The Annual General Meeting decided that a dividend of EUR 0.95 per share should be paid for the financial year that ended on December 31, 2007. The dividends, totaling EUR 39.9 million, were paid on April 1, 2008.

The Annual General Meeting decided that the number of Board members, including the Chairman and Vice Chairman, should be five. 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, and in its assembly meeting the Board of Directors elected Mr. Karri Kaitue as its Vice Chairman.

The Annual General Meeting confirmed the remuneration of Board members as follows: Chairman EUR 5,000 per month, other Board members EUR 3,000 per month each, and Vice Chairman and Chairman of the Audit Committee in addition EUR 1,000 per month each. In addition, each Board member will be paid EUR 500 for attendance of each Board and Committee meeting, as well as reimbursement for direct costs arising from Board work.

KPMG Oy Ab, Authorized Public Accountants, was re-elected as the company's auditor, with Mr. Mauri Palvi as Auditor in charge.

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. However, this authorization to the Board of Directors does not 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 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 NASDAQ OMX Helsinki Ltd at the price established in the trading at the time of acquisition.

The above-mentioned authorizations shall be in force until the next Annual General Meeting. The authorizations had not been exercised as of January 30, 2009.

Shares and share capital

Outotec's shares are listed on the NASDAQ OMX Helsinki Ltd (OTE1V). Outotec's share capital is EUR 16.8 million, consisting of 42.0 million shares. Each share entitles its holder to one vote at general meetings of shareholders of the company.

Trading and market capitalization

In the reporting period, the volume-weighted average price for a share in the company was EUR 26.28, the highest quotation for a share being EUR 45.76 and the lowest EUR 8.52. The trading of Outotec shares in the reporting period exceeded 158 million shares, with a total value of over EUR 4,140 million. On December 31, 2008, Outotec's market capitalization was EUR 454 million and the last quotation for the share was EUR 10.80.

On December 31, 2008, the company did not hold any treasury shares for trading purposes. In the first quarter 2008, Outotec entered into an agreement with a third-party service provider concerning the administration and hedging of the share-based incentive program for key personnel. As part of this agreement, in order to hedge the underlying cash flow risk, the service provider has purchased 265,000 Outotec shares that have been funded by Outotec and accounted (IFRS) as treasury shares in Outotec's consolidated balance sheet.

On January 7, 2008, UBS AG's group holding in shares of Outotec Oyj fell below 5% and amounted to 2,040,807 shares, which represented 4.86% of the share capital and votes in the company. On January 4, 2008, UBS AG's group holding in shares of Outotec Oyj exceeded 5% and amounted to 2,331,573 shares, which represented 5.55% of the share capital and votes in the company. On April 25, 2008, Morgan Stanley's group holding in shares of Outotec Oyj fell to under 5% and amounted to 2,062,917 shares, representing 4.91% of the share capital and votes in the company. On March 25, 2008, Morgan Stanley's group holding in shares of Outotec Oyj exceeded 5%, and amounted to 3,517,978 shares, which represented 8.37% of the share capital and votes in the company. On October 15, 2008, Ilmarinen Mutual Pension Insurance Company's holding in shares of Outotec exceeded 5%. Ilmarinen's holding in shares of Outotec amounted to 2,138,448 shares, which represented 5.09% of the share capital. On December 31, 2008, shares held in 13 nominee registers accounted for some 60% of all Outotec shares.

Events after the reporting period

Outotec has agreed with Noracid S.A. on the delivery of a new sulfuric acid plant to be built in Mejillones, Chile. The contract value is approximately EUR 51 million.

Short-term risks and uncertainties

Outotec's customers operate mainly in the mining and metals industry and in geographical areas that are at different stages of the economic cycle. The financial crisis has started to manifest itself in all Outotec's market areas. If the demand for metals in developing economies, such as China, India, Brazil, and the CIS countries, decreases significantly, further reduction in the demand for Outotec's products and services is possible.

The uncertain financial conditions continue to influence Outotec customers' investment activities in new projects. In the fourth quarter, some customers initiated negotiations concerning suspension and minor cancellation of their projects, the total value affected being some EUR 100 million. Some further postponements, suspensions, and cancellations may still arise.

At the same time, customers have in increasing numbers requested export credits for their projects. This is evidenced by the increase in total value of export guarantee applications linked to Outotec's sales projects. If there will be export credit limitations for certain countries, these types of restrictions may further complicate and lengthen sales negotiations.

Some of Outotec's projects have proceeded more slowly than scheduled, and the lengthening of delivery times, caused mainly by factors outside Outotec's project scope, could generate more costs, quality issues, and functionality problems. Outotec has systematic procedures - Project Risk Identification and Management (PRIMA) – in place to monitor these exposures and projects.

Outotec's Services business comprises different types of plant and expert services. Although Outotec's large installed base offers great growth potential for Services business, it will not be completely immune to the effects of the financial crisis. If the situation remains the same or becomes worse, customers may reduce their purchase of services.

In connection with Outotec's risk assessment for the fourth quarter of 2008, all unfinished projects using percentage of completion and completed contract method were monitored and evaluated, and contingencies were updated. Projects whose 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 increases in the total project risk provisions. In 2008, there were no material credit losses related to the payments by Outotec's counterparties. If the uncertainty in the financial market continues, the counterparties may face the need to renegotiate some payment terms. In addition, there is a risk that in some market areas small mining companies experience financial difficulties and that lack of financing can result in bankruptcies among Outotec's current and future customers.

More than half of Outotec's total cash flow is denominated in euros. The rest is divided among various currencies, including the U.S. dollar, Australian dollar, Brazilian real, Canadian dollar, and South African rand. The U.S. dollar's proportion has been rising. 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, these currency fluctuations may create volatility in the operating profit. The forecast and probable cash flows are hedged selectively and always on the basis of separate decisions and risk analysis. The cost of hedging is taken into account in project pricing.

Outotec business model is based on customer advance payments and mainly on-demand guarantees issued by Outotec relationship banks. Changes in advance payments received have an impact on the liquidity of Outotec. Furthermore, high exposure of on-demand guarantees may increase the risk of claims. The cash held by Outotec is invested mainly in short-term bank certificates of deposits and to lesser extent in corporate short-term notes. The lower interest rate levels reduce the interest income generated from these investments.

Outotec is involved in a few legal and arbitration proceedings. The reserves for these proceedings have been updated as of year-end 2008, and the total value is approximately EUR 9 million.

Outlook for 2009

The investment activity in the mining and metals industry is low because the worldwide economic climate is uncertain. Furthermore, the crisis in the financial markets impacts the investments of the industry, especially concerning major greenfield projects and companies with weak capital structure. Customers who have financing available for their new investments are re-evaluating project scopes and prices in anticipation of possibly lower capital costs.

The prevailing uncertainty obscures the current outlook for the mining and metals industry. However, Outotec has a relatively good starting point for 2009. On the basis of the existing order backlog and new order prospects, management expects that in 2009:

- Sales will contract by approximately one quarter from 2008 figure,
- Gross margin will continue on a healthy level, and
- Operating profit margin will be lower than in 2008 because of lower sales volume.

Operating profit is dependent on exchange rates, product mix, timing of new orders and project completions. Operating profit tends to accrue more toward the year-end.

Espoo, January 30, 2009
Outotec Oyj
Board of Directors

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Financial reporting schedule 2009

Outotec will publish the following financial reports in 2009.

Interim Report for January-March 2009 on April 24
Interim Report for January-June 2009 on July 24
Interim Report for January-September 2009 on October 23

The Annual General Meeting 2009 is scheduled to be held in Helsinki on March 18, 2009.

The printed Annual Report 2008 will be published on week 11 and
can be ordered from Outotec's website www.outotec.com or
from the address investor.relations@outotec.com.

Consolidated financial statements (unaudited)

Income Statement, EUR million	Q4 2008	Q4 2007	Q1-Q4 2008	Q1-Q4 2007
Sales	**398.8**	315.5	**1,217.9**	1,000.1
Cost of Sales	**-308.0**	-250.6	**-956.2**	-796.4
Gross profit	**90.8**	64.9	**261.7**	203.8
Other income	**0.6**	2.2	**0.9**	5.9
Selling and marketing expenses	**-14.2**	-11.8	**-48.0**	-44.6
Aministrative expenses	**-15.7**	-15.1	**-55.1**	-47.0
Research and development expenses	**-5.5**	-5.6	**-20.2**	-19.9
Other expenses	**-8.5**	-1.1	**-19.1**	-0.7
Share of results of associated companies	**-**	-0.4	**-**	-1.4
Operating profit	**47.5**	33.0	**120.2**	96.1
Finance income and expenses				
Interest income and expenses	**3.9**	3.7	**16.4**	12.4
Market price gains and losses	**1.6**	0.3	**3.2**	0.2
Other finance income and expenses	**-0.6**	-0.9	**-3.4**	-3.9
Net finance income	**4.9**	3.1	**16.1**	8.7
Profit before income taxes	**52.4**	36.1	**136.3**	104.8
Income tax expenses	**-17.3**	-9.0	**-42.4**	-27.2
Profit for the period	**35.1**	27.2	**93.9**	77.6
Attributable to:				
Equity holders of the parent company	**35.1**	27.1	**94.0**	77.6
Minority interes	**-**	0.0	**-0.0**	0.0
Earnings per share for profit attributable to the equity holders of the parent company:				
Basic earnings per share, EUR	**0.84**	0.65	**2.25**	1.85
Diluted earnings per share, EUR	**0.84**	0.65	**2.25**	1.85

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 balance sheet, EUR million	December 31, 2008	December 31, 2007
ASSETS		
Non-current assets		
Intangible assets	**81.4**	74.8
Property, plant and equipment	**29.5**	24.6
Non-current financial assets		
Interest-bearing	**0.5**	3.4
Non interest-bearing	**21.3**	17.3
Total non-current assets	**132.7**	120.0
Current assets		
Inventories *)	**87.7**	117.0
Current financial assets		
Interest-bearing	**0.4**	0.8
Non interest-bearing	**323.2**	224.0
Cash and cash equivalents	**317.8**	291.0
Total current assets	**729.1**	632.8
TOTAL ASSETS	**861.8**	752.8
EQUITY AND LIABILITIES		
Equity		
Equity attributable to the equity holders of the parent company	**226.4**	214.7
Minority interest	**-**	0.1
Total equity	**226.4**	214.8
Non-current liabilities		
Interest-bearing	**2.6**	1.2
Non interest-bearing	**74.3**	58.2
Total non-current liabilities	**76.9**	59.5
Current liabilities		
Interest-bearing	**1.5**	1.0
Non interest-bearing **)	**557.0**	477.6
Total current liabilities	**558.4**	478.6
Total liabilities	**635.4**	538.1
TOTAL EQUITY AND LIABILITIES	**861.8**	752.8

**) Of which advances paid for inventories amounted to EUR 16.4 million at December 31, 2008 (at December 31, 2007: EUR 34.8 million).*
***) Of which gross advances received amounted to EUR 909.3 million at December 31, 2008 (at December 31, 2007: EUR 589.7 million). Net advances received after percentage of completion revenue recognition amounted to EUR 214.0 million at December 31, 2008 (at December 31, 2007: EUR 190.1 million).*

Condensed statement of cash flows, EUR million	Q1-Q4 2008	Q1-Q4 2007
Cash flows from operating activities		
Profit for the period	**93.9**	77.6
Adjustments for		
Depreciation and amortization	**11.0**	11.3
Other adjustments	**13.5**	25.8
Decrease in working capital	**7.9**	29.2
Interest received	**17.2**	11.8
Interest paid	**-0.4**	-0.2
Income tax paid	**-36.6**	-12.6
Net cash from operating activities	**106.6**	143.0
Purchases of assets	**-15.2**	-11.6
Aquisition of subsidiaries, net of cash	**-7.6**	-
Proceeds from sale of assets	**0.7**	0.2
Change in other investing activities	**-**	-0.6
Net cash used in investing activities	**-22.1**	-12.1
Cash flow before financing activities	**84.5**	131.0
Borrowings (+) / repayments (-) of non-current debt	**0.2**	-1.0
Increase in current debt	**1.1**	-
Purchase of treasury shares *)	**-9.4**	-
Dividends paid	**-39.9**	-14.7
Change in other financing activities	**0.8**	-0.8
Net cash used in financing activities	**-47.3**	-16.5
Net change in cash and cash equivalents	**37.3**	114.5
Cash and cash equivalents at January 1	**291.0**	171.4
Foreign exchange rate effect on cash and cash equivalents	**-10.5**	5.1
Net change in cash and cash equivalents	**37.3**	114.5
Cash and cash equivalents at December 31	**317.8**	291.0

**) Outotec has entered into an agreement with a third-party service provider concerning the 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 265,000 Outotec shares that have been funded by Outotec and accounted as treasury shares in Outotec's consolidated balance sheet.*

Statement of changes in equity EUR million	Attributable to the equity holders of the parent company								
	Share capital	Share premium fund	Other reserves	Fair value reserves	Treasury shares	Cumulative translation differences	Retained earnings	Minority interest	**Total equity**
Equity at January 1, 2007	16.8	20.2	0.1	-	-	5.8	101.1	0.0	144.1
Cash flow hedges:									
Hedge result deferred to equity	-	-	-	11.3	-	-	-	-	11.3
Deferred tax in equity	-	-	-	-3.2	-	-	-	-	-3.2
Available for sale financial assets:									
Fair value changes recognized in equity	-	-	-	-0.2	-	-	-	-	-0.2
Defferred tax in equity	-	-	-	-0.0	-	-	-	-	-0.0
Change in translation differences	-	-	-	-	-	-0.1	-	-0.0	-0.1
Other changes	-	-	0.0	-	-	-	-	-	0.0
Items recognized directly in equity	-	-	0.0	7.9	-	-0.1	-	-0.0	7.8
Profit for the period	-	-	-	-	-	-	77.6	0.0	77.6
Total recognized income and expenses	-	-	0.0	7.9	-	-0.1	77.6	0.0	85.4
Dividends paid	-	-	-	-	-	-	-14.7	-	-14.7
Equity at December 31, 2007	16.8	20.2	0.2	7.9	-	5.7	164.0	0.1	214.8
Equity at January 1, 2008	16.8	20.2	0.2	7.9	-	5.7	164.0	0.1	214.8
Cash flow hedges:									
Hedge result deferred to equity	-	-	-	-12.6		-	-	-	-12.6
Deferred tax in equity	-	-	-	3.1	-	-	-	-	3.1
Available for sale financial assets:									
Fair value changes recognized in equity	-	-	-	-2.1	-	-	-	-	-2.1
Change in translation differences	-	-	-	-	-	-21.7	-	0.0	-21.7
Items recognized directly in equity	-	-	-	-11.6	-	-21.7	-	0.0	-33.3
Profit for the period	-	-	-	-	-	-	94.0	-0.0	93.9
Total recognized income and expenses	-	-	-	-11.6	-	-21.7	94.0	-0.0	60.6
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
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**	**0.0**	**226.4**

**) Outotec has entered into an agreement with a third-party service provider concerning the 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 265,000 Outotec shares that have been funded by Outotec and accounted as treasury shares in Outotec's consolidated balance sheet.*

Key figures	Q4 2008	Q4 2007	Q1-Q4 2008	Q1-Q4 2007
Sales, EUR million	**398.8**	315.5	**1,217.9**	1,000.1
Gross margin, %	**22.8**	20.6	**21.5**	20.4
Operating profit , EUR million	**47.5**	33.0	**120.2**	96.1
Operating profit in relation to sales, %	**11.9**	10.5	**9.9**	9.6
Profit before taxes, EUR million	**52.4**	36.1	**136.3**	104.8
Profit before taxes in relation to sales, %	**13.1**	11.5	**11.2**	10.5
Net cash from operating activities, EUR million	**-36.7**	45.3	**106.6**	143.0
Net interest-bearing debt at the end of period, EUR million	**-314.6**	-292.9	**-314.6**	-292.9
Gearing at the end of period, %	**-139.0**	-136.4	**-139.0**	-136.4
Equity-to-assets ratio at the end of period, %	**35.0**	38.2	**35.0**	38.2
Working capital at the end of period, EUR million	**-171.2**	-153.9	**-171.2**	-153.9
Capital expenditure, EUR million	**14.0**	1.7	**23.9**	11.6
Capital expenditure in relation to sales, %	**3.5**	0.5	**2.0**	1.2
Return on investment, %	**92.7**	71.9	**61.6**	59.8
Return on equity, %	**64.1**	53.9	**42.6**	43.3
Order backlog at the end of period, EUR million	**1,176.7**	1,317.2	**1,176.7**	1,317.2
Order intake, EUR million	**119.9**	384.2	**1,153.8**	1,463.0
Personnel, average for the period	**2,628**	2,185	**2,483**	2,031
Profit for the period in relation to sales, %	**8.8**	8.6	**7.7**	7.8
Research and development expenses, EUR million	**5.5**	5.6	**20.2**	19.9
Research and development expenses in relation to sales, %	**1.4**	1.8	**1.7**	2.0
Earnings per share, EUR	**0.84**	0.65	**2.25**	1.85
Equity per share, EUR	**5.43**	5.11	**5.43**	5.11
Dividend per share, EUR	**-**	-	**1.00*)**	0.95

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

Notes to the income statement and balance sheet

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 statement review as in the recent annual financial statements in 2007. This financial statement review is unaudited.

Starting from March 2008, Outotec is applying IFRS 2 Share-based Payment for a new share-based incentive program for Outotec's key personnel for the period 2008-2010.

Adoption of new interpretations

New interpretations, issued by IASB, for which the effective date is January 1, 2008, will not have impact on 2008 financial statements.

The adoption of the following interpretations does not have impact on Group's 2008 financial statements:

- IFRIC 12 Service Concession Arrangements (effective date January 1, 2008).
- IFRIC 14 IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective date January 1, 2008).
- IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures amendments (effective date July 1, 2008).

Outotec will estimate the impacts on the following standards and will apply the new standards from the financial period beginning January 1, 2009 onwards:

- IFRS 2 Share-based Payment – Vesting Conditions and Cancellations (effective date January 1, 2009) The amended standard has not yet been approved to be applied in the EU.
- IFRS 8 Operating segments (effective date January 1, 2009).
- IAS 1 Presentation of Financial Statements (effective date January 1,2009). The amended standard has not yet been approved to be applied in the EU.
- IAS 23 Borrowing costs (effective date January 1,2009). The amended standard has not yet been approved to be applied in the EU.
- IAS 32 Financial Instruments: Presentation – Puttable Financial Instruments and Obligations Arising on Liquidation and IAS 1 Presentation of Financial Statements (effective date January 1,2009). The amended standard has not yet been approved to be applied in the EU.
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation (effective date October 1, 2008) The interpretation has not yet been approved to be applied in the EU.

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 review 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 review.

Major non-recurring items in operating profit for the period EUR million	Q1-Q4 2008	Q1-Q4 2007
Gain from available-for-sale financial assets *)	**-**	1.9
Loss on sale of Intune Circuits Ltd.	**-1.1**	-
Arbitration cost	**-8.5**	-

**) The value of shares owned by Outotec in Pacific Ore Ltd. (UK) was EUR 0.8 million at December 31, 2006. In 2007, the shares were changed into shares of Trajan Minerals Limited. Trajan Minerals Limited was listed to Australian stock exchange (ASX) at November 30, 2007. For Outotec, the listing resulted in EUR 1.9 million gain. The change in the fair value of the shares between the listing and December 31, 2008 EUR -2.4 million (December 31, 2007: EUR -0.3 million) is booked to the revaluation reserve for available-for-sale financial assets in Outotec's equity.*

Income tax expenses, EUR million	Q1-Q4 2008	Q1-Q4 2007
Current taxes	**-37.4**	-24.5
Deffered taxes	**-5.0**	-2.7
Total income tax expenses	**-42.4**	-27.2

Property, plant and equipment, EUR million	December 31, 2008	December 31,.2007
Historical cost at the beginning of the period	**81.3**	77.4
Translation differences	**-3.3**	0.0
Additions	**10.7**	5.1
Disposals	**-3.3**	-1.5
Acquired subsidiaries	**2.1**	-
Reclassifications	**0.0**	0.2
Historical cost at the end of the period	**87.6**	81.3
Accumulated depreciation and impairment at the beginning of the period	**-56.7**	-50.7
Translation differences	**2.0**	0.1
Disposals	**3.1**	1.1
Reclassifications	**0.0**	0.0
Depreciation during the period	**-6.4**	-7.2
Accumulated depreciation and impairment at the end of the period	**-58.1**	-56.7
Carrying value at the end of the period	**29.5**	24,6

Commitments and contingent liabilities, EUR million	December 31, 2008	December 31, 2007
Pledges	**3.0**	2.1
Guarantees for commercial commitments	**166.5**	185.7
Minimum future lease payments on operating leases	**68.7**	51.4

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 8.5 million at December 31, 2008 (at December 31,2007: EUR 2.8 million) and for commercial guarantees including advance payment quarantees EUR 353.8 million at December 31,2008 (at December 31, 2007: EUR 391.9 million).

Derivative instruments		
Currency forwards, EUR million	**December 31, 2008**	**December 31, 2007**
Fair values, net	**12.7 (***	13.9 (**
Nominal values	**378.3**	344.2

(of which EUR -5.1 million designated as cash flow hedges*
*(** of which EUR 11.1 million designated as cash flow hedges*

Related party transactions

Transactions and balances with associated companies, EUR million	Q1-Q4 2008	Q1-Q4 2007
Sales	-	0.0
Finance income and expenses	-	0.2
Loan receivables	-	1.2
Trade and other receivables	-	1.0

As a consequence of a directed share issue in Intune Circuits Ltd. in the last quarter of 2007 and in the first quarter of 2008, Outotec's ownership in the company was decreased to 17.9%. Remaining ownership in the company was sold in the third quarter of 2008. Due to these ownership changes Intune Circuits Ltd is no longer consolidated to Outotec Group.

Balances with key management

At December 31, 2008, there was an outstanding loan payable of EUR 2.2 million to the President of Outotec Auburn Inc. The payable is related to payment terms of Auburn Group acquisition. Acquisition cost was EUR 10.2 million of which EUR 8.0 million has been paid and EUR 2.2 million was recognized as a liability at December 31, 2008. The loan payable will be paid to the President of Outotec Auburn Inc. according to acquisition contract during the first quarter of 2009.

Business Combination

Acquisition of Auburn Group

Outotec closed the acquisition of Canadian Auburn Group on October 10, 2008. The company provides maintenance and technical services for the mining and metals industries mainly in Canada and Chile. In 2007, the net sales for Auburn Group was approximately EUR 27 million (CAD 41 million).

The acquisition price was approximately EUR 10 million (CAD 15.6 million). According to the acquisition contract the seller has prepared the closing balance sheet, as of October 10, 2008. The below purchase price allocation is preliminary and the final purchase price allocation will be completed during the first quarter of 2009.

	Fair values recorded on acquisition	Carrying amounts prior to acquisition
Trademarks and patents (included in intangible assets)	0.6	-
Customer contract and customer relationships (included in intangible assets)	0.6	-
Property, plant and equipment	2.2	2.2
Inventories	0.5	0.5
Trade and other receivables	3.6	3.6
Cash and cash equivalents	0.4	0.4
Total assets	**7.9**	6.7
Interest-bearing liabilities	3.1	3.1
Deferred tax liabilities	0.4	-
Trade and other payables	0.4	0.4
Total liabilities	**3.9**	3.5
Net assets	**4.0**	3.2
Acquisition cost	**10.2**	
Goodwill	**6.3**	
Acquisition cost, paid	8.0	
Cash and cash equivalents in subsidiaries acquired	0.4	
Cash outflow on acquisition	**7.6**	
Acquisition cost as liability at December 31,2008	**2.2**	

In 2008, the sales for Auburn Group was approximately EUR 20.0 million and the operating profit approximately EUR 0.1 million. The sales of the company for October 10, 2008 - December 31, 2008 totaled EUR 3.0 million and the operating profit EUR –0.2 million.

Effect of Auburn acquisition on Outotec Group's sales and operating profit

Outotec's sales for January 1, 2008-December 31, 2008 would have been EUR 1,234.9 million and operating profit EUR 120.5 million if the acquisition carried out during the period had been completed on January 1, 2008.

Sales and operating profit by quarters EUR million	Q4/06	Q1/07	Q2/07	Q3/07	Q4/07	Q1/08	Q2/08	Q3/08	Q4/08
Sales									
Minerals Processing	**95.3**	55.2	64.6	72.7	**110.5**	60.1	92.7	122.0	**144.8**
Base Metals	**53.4**	60.1	64.5	64.1	**85.6**	60.1	72.0	76.9	**86.4**
Metals Processing	**90.8**	97.5	100.9	113.0	**120.8**	104.6	109.2	116.9	**163.9**
Other businesses	**11.9**	6.7	8.9	11.1	**11.1**	9.1	16.7	11.4	**18.8**
Unallocated items*) and intra-group sales	**-11.9**	-7.8	-11.7	-15.0	**-12.5**	-8.3	-15.0	-9.2	**-15.1**
Total	**239.6**	211.7	227.1	245.9	**315.5**	225.6	275.5	318.1	**398.8**
Operating profit									
Minerals Processing	**13.1**	1.9	3.3	3.6	**16.3**	4.1	3.2	3.1	**12.1**
Base Metals	**6.7**	9.4	13.2	12.1	**9.3**	6.3	11.9	13.3	**17.2**
Metals Processing	**5.3**	4.7	10.5	11.5	**11.5**	12.3	11.8	14.9	**22.1**
Other businesses	**1.0**	0.0	0.6	1.3	**0.3**	0.4	1.2	1.7	**0.7**
Unallocated items**) and intra-group items	**-3.0**	-2.4	-4.1	-2.5	**-4.4**	-2.2	-5.1	-4.1	**-4.6**
Total	**23.0**	13.6	23.4	26.0	**33.0**	21.0	22.9	28.9	**47.5**

**) 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 of key financial figures

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

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

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

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

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

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

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

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