ANNUAL GENERAL MEETING 2007

Ole Johansson
Ship Power solutions
Growth through new products and increasing presence in Asia

Power Plant solutions
Stronger position in decentralized energy

Services
Key figures 2006

Net sales by business 2006

| Services | 39.7% (43.4) |
| Ship Power | 30.9% (28.2) |
| Power Plants | 29.3% (28.2) |

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<tr>
<th>MEUR</th>
<th>2006</th>
<th>2005*</th>
<th>Change (%)</th>
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<tbody>
<tr>
<td>Net sales</td>
<td><strong>3,189.6</strong></td>
<td>2,520.3</td>
<td>26.6</td>
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<tr>
<td>Operating income</td>
<td><strong>261.6</strong></td>
<td>202.5</td>
<td>29.2</td>
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<td>% of net sales</td>
<td><strong>8.2</strong></td>
<td>8.0</td>
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<td>Income before taxes</td>
<td><strong>446.8</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
<td><strong>212.4</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
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<td>Earnings/share, EUR</td>
<td><strong>3.72</strong></td>
<td>1.80</td>
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1) The figure in the comparison period includes Imatra Steel's pre-tax profit of EUR 21.4 million and Wärtsilä's share of Ovako’s profit after taxes EUR 10.4 million.
2) The January – December result 2006 includes Wärtsilä's share of Ovako's profit after taxes EUR 18.1 million and a tax-free capital gain of EUR 49.3 million from the sale of Oy Ovako Ab and a capital gain of EUR 123.9 million from the sales of Assa Abloy B shares.
*) For comparability reasons net sales and operating income for 2005 are presented without Imatra Steel.
Key figures

Net sales

Order intake

Order book

Services  Power Plants  Ship Power
Global growth rates have accelerated

World Real per Capita GDP

World trade volume

Note! Aggregates computed on the basis of purchasing power parity (PPP) weights
Source: IMF: World Economic Outlook, September 2006
The oil industry needs to produce and discover more

Oil production capacity and demand

Global oil discovery

Source: BP/Pareto; ODS-Petrodata
Ship Power - net sales by vessel type

- Offshore: 29%
- Tankers: 12%
- Bulk carriers: 3%
- Container ships: 14%
- Special vessels & other: 11%
- Cruise & Ferry: 18%
- General cargo: 10%
- LNG: 3%
Market position of Wärtsilä’s marine engines

**Medium-speed main engines**
(Own production)

- Wärtsilä: 51% (50)
- Comp. 1: 13% (14)
- Comp. 2: 23% (23)
- Others: 13% (13)

Total market volume last 12 months:
9,200 MW (9,600)

**Low-speed main engines**
(Production by licensees)

- Comp. 3: 3% (4)
- Wärtsilä: 16% (17)
- Comp. 1: 81% (79)

Total market volume last 12 months:
26,600 MW (21,900)

**Auxiliary engines**
(Own production)

- Wärtsilä: 6% (7)
- Others: 94% (93)

Total market volume last 12 months:
7,600 MW (6,700)

Wärtsilä’s own calculation is based on: Lloyd’s Register – Fairplay, Clarkson’s Research Studies and BRL Shipping Consultants. Market shares based on installed power, numbers in brackets are from the end of the previous quarter. The total market is based on the volume of the last 12 months. Numbers in brackets reflect the volume of the last 12 months at the end of the previous quarter.
Shipbuilding growing in China

Vessel orders 2000

- China: 6%
- Japan: 34%
- Korea: 48%
- Others: 3%
- Europe: 9%

67,595,039 dwt

Vessel orders 2004

- China: 17%
- Japan: 38%
- Korea: 32%
- Others: 5%
- Europe: 5%

104,940,490 dwt

Vessel orders 2006

- China: 35%
- Japan: 19%
- Korea: 38%
- Others: 5%
- Europe: 3%

141,589,105 dwt

Market share of dwt. Vessels > 1000gt.
Source: Clarkson Research Studies December 2006
Markets in Asia - production growing in China

- Wärtsilä Qiyao Diesel Shanghai Co., Ltd.
  - Manufacturing of auxiliary gensets
  - (Started operations in June 2006)

- Wärtsilä Propulsion (Wuxi) Co., Ltd.
  - Manufacturing of steerable thrusters
  - (Investments in additional capacity)

- Wärtsilä CME Zhenjiang Propeller Co., Ltd.
  - Manufacturing of fixed pitch propellers
  - (Investments in additional capacity)

- Qingdao Qiyao Wärtsilä MHI Linshan Marine Diesel Co Ltd (QMD)
  - Manufacturing of low-speed engines
  - (Starting operations in 2008)

- Qingdao Qiyao Wärtsilä MHI Linshan Marine Diesel Co Ltd (QMD)
  - Manufacturing of low-speed engines
  - (Starting operations in 2008)
Energy demand is growing

World energy demand

Source: Clarkson Research Studies
Leading power supplier on selected markets

Flexible baseload power generation
- Installed base 21.1 GW, 1,529 power plants

Grid stability and peaking
- Installed base 4.2 GW, 446 power plants

Industrial self-generation
- Installed base 11.0 GW, 1,412 power plants

Bio-energy
- Installed base 20 MWe & 590 MWth, 82 power plants
Power plants order intake 2006: 2.158 MW (2.075)

Wärtsilä has delivered a total of 4,200 power plants in 25 years.
High market shares on selected markets

Rec. engines
1,327 MW
Wärtsilä 63.5%

Gas turbines 9,044 MW
Market potential for Wärtsilä

Note I: Wärtsilä’s gas power plant target markets have changed since Wärtsilä stopped manufacturing and selling high speed engines (power range < 3,5 MW)

Note II: The 2006 LFO figure includes liquid biofuels.
Wärtsilä Services

24/7

Globally
Our service network consists of over 8,000 professionals in over 70 countries.
Wärtsilä Services

- Engine Services
- Reconditioning Services
- Propeller Services
- Operation & Management
- Automation Services
- Training Services
- Ship Services
Growth continued in the beginning of 2007

Order intake

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<td>645.6</td>
<td>19.1%</td>
<td>768.7</td>
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Wärtsilä’s prospects in 2007

- Demand in the ship power and energy markets will remain active for Wärtsilä for at least the first half of 2007.
- Based on the strong order book, Wärtsilä’s net sales are expected to grow this year by around 15%.
- Profitability will exceed 9%.
- Wärtsilä sees further possibilities for growth in 2008.
Proposal for Board of Directors

Maarit Aarni-Sirviö, Born 1953.
• M.Sc. (Tech), MBA. Vice President, Fenoli - Business unit, Borealis Group. Member of the Boards of Borealis Polymers Oy, Vattenfall AB and Rautaruukki Oyj.

Heikki Allonen, Born 1954.
• MSc (Eng.). President & CEO of Fiskars Corporation. Member of the Board of Wärtsilä Corporation since 2004. Rautaruukki Corporation, member of the Supervisory Board.
Proposal for Board of Directors

Göran J. Ehrnrooth, Born 1934.
- MSc (Econ). Member of the Board of Wärtsilä Corporation since 1992.

Antti Lagerroos, Born 1945.
- LL.Lic. President & CEO and Member of the Board of Finnlines Plc. Member of the Board of Wärtsilä Corporation since 2002. Member of the Supervisory Board of Ilmarinen Mutual Insurance Company.
Proposal for Board of Directors

Bertel Langenskiöld, Born 1950.
- MSc (Eng.). President of Metso Paper, Inc. as of 4/2007. Member of the Board of Wärtsilä Corporation since 2002. Member of the Board of Luvata International Oy.

Matti Vuoria, Born 1951.
The voting slips will be collected in the following order:
Voting slip