Fuel flexibility

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World leader in selected niches

1. Baseload Power Generation
   Developing world, islands, remote areas

2. Grid Stability and Peaking
   Where no hydro available

3. Industrial Self-Generation
   Oil & gas, mining, textile, cement, municipalities
Baseload power generation

- Niche market: developing world, islands, remote areas
- Market 1,517 MW year 2005 (445 MW gas, 1,072 MW oil)
- Market share 35.2 % year 2005 (20.2 % gas, 38.8 % oil)
- Competition
  - HFO engines – MAN, CAT-MAK
  - Gas engines – Jenbacher, Caterpillar, Deutz
  - Small industrial gas turbines – GE, Alstom, CAT-Solar
- Wärtsilä installed base 22,400 MW, 2,000 power plants

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<td>Market leader position, market share</td>
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<td>Product portfolio (modularity, size &amp; fuels)</td>
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<td>Capture market share from gas turbines</td>
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<td>Increasing costs of raw materials</td>
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Baseload power generation

Subic Bay, Philippines, 118 MW
Manaus, Brazil, 132 MW
Kingston, Jamaica, 96 MW
Kohinoor, Pakistan, 113 MW
Grid stability and peaking

- Niche market: ancillary services & peaking, USA
- Market 1,350 MW year 2005, only gas
- Market share 8.6 % year 2005
- Competition
  - GE aeroderivate gas turbines
- Wärtsilä installed base 390 MW, 3 power plants

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<td>Market penetration, 3 references</td>
<td>Limited business experience</td>
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<td>Modular product, flexible sizing</td>
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<td>Product &amp; Wärtsilä unknown to US utilities</td>
<td>High gas prices</td>
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<td>One competitor only - ideal marketing position</td>
<td>Emerging market</td>
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<td>The A/S business will expand to other countries</td>
<td>Main competitor very strong</td>
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<td>Opportunity to become THE A/S leader</td>
<td>$ to € rate</td>
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Grid stability and peaking

Reno, Nevada, 116 MW

Plains End, Colorado, 116 MW

Humbolt, California, 163 MW
Industrial self-generation

- Niche market: oil & gas, mining, textile, cement, municipalities
- Market 2,372 MW year 2005 (1,630 MW gas, 742 MW oil)
- 1-3.5 MW gas market 1,350 MW year 2005!
- Market share 28.0 % year 2005 (12.1 % gas, 74.0 % oil)
- Competition
  - HFO projects – MAN, CAT-MAK
  - Gas projects – Jenbacher, Caterpillar, Deutz (gas engines) and CAT-Solar, Turbomach (industrial gas turbines)
- Wärtsilä installed base 12,400 MW, 2,200 power plants

Data source: DGTWW Magazine

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<td>Emission trading - higher electricity prices</td>
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<td>CHP projects are again profitable enough</td>
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<td>Gas infrastructure coming to developing world</td>
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Industrial self-generation

Brewery, Gothenburg, Sweden, 14 MW

Airport, Madrid, Spain, 30 MW

Oil & Gas, Siberia, Russia, 24 MW

Mining, Chile, 47 MW
Flexibility – our competitive advantage

1 Scope flexibility
   • ED ➔ EEQ ➔ EPC
   • True modularity
   • Operations & Maintenance

2 Fuel flexibility
   • HFO
   • LFO
   • Bio-oils
   • Crude oil
   • Gas

3 Operational flexibility
   • Base load
   • Intermediate load
   • Peaking
   • Dynamic features
Organizational competencies

• Global, local sales and service network

• Power Plant technology competence
Organizational competencies

• Proven delivery performance

- 4,200 power plants
- 8,700 engines
- 136 countries
- 35.3 GW
Organizational competencies

• Lifecycle services
  - Spare parts
  - Maintenance
  - Remote condition monitoring
  - Long term operation of power plants

• Project development and financial services

Total Caribbean: 595 MW
Total Latin America: 1,163 MW
Total Asia: 1,585 MW
Total Europe: 400 MW
Total North America: 110 MW
Total Africa: 89 MW
Growth is accelerated through

• Continued fuel flexibility development
  • water oil emulsions
  • renewables
  • gas fuels

• Application development
  • stability services
  • oil and gas industry products

• Product development
  • reduction of plant costs

• Distributed power generation
  • small engine packaging

and
Growth

through

• Competence development
  • Experts in our selected niches

• Consultative selling
  • We will be the most valued business partner of all our customers
  • Power Partner
Thank you!