This is Wärtsilä
Our Mission and Vision

Mission
We provide lifecycle power solutions to enhance the business of our customers, whilst creating better technologies that benefit both the customer and the environment.

Vision
We will be the most valued business partner of all our customers.
Our offering

... we are seeking growth beyond the organic growth

- Engines
- Propulsors
- Ship Power systems
- Power Plants
- OEM services
- O&M
- Ship services
- Competitors’ engines
- ADDITIONAL ENGINE BRANDS
- ADDITIONAL PRODUCTS
- NON-ENGINE RELATED SERVICES
WE ARE THE LEADING PROVIDER OF SHIP POWER SOLUTIONS. WE COMMAND A STRONG POSITION IN ALL MAIN MARINE SEGMENTS AS THE SUPPLIER OF HIGHLY RATED SHIP MACHINERY AND SYSTEMS
We intend to

- **maintain our leading position** and generate profitable growth in all business segments
- **broaden and develop** the range of system integration and design, installation and engineering services
- **strengthen competences**, capabilities and presence in key markets
- **continuously explore possibilities** to extend our product portfolio and services via acquisitions and partnerships
Our offering covers all key shipping segments

- Merchant
- Offshore
- Cruise and Ferry
- Navy
- Special Vessels
We have the most extensive product portfolio in the industry

- **Merchant**
- **Offshore**
- **Cruise & Ferry**
- **Navy**
- **Special vessels**

**Segment specific**
- Concepts
- Applications
- Project Execution Models
- System Integration Capabilities
- Engineering Services
- Third party supplies

**Wärtsilä Components**

**R&D**
- Ship design
- Product Engineering
- Strategic Purchasing
### Wärtsilä Ship Power competitive landscape

<table>
<thead>
<tr>
<th>Product technologies</th>
<th>2-stroke engines</th>
<th>4-stroke engines</th>
<th>Gensets</th>
<th>Turbines</th>
<th>Propulsors</th>
<th>Seals &amp; Bearings</th>
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WE ARE A LEADING SUPPLIER OF FLEXIBLE POWER PLANTS FOR THE DECENTRALIZED POWER GENERATION MARKET
Our promise

• We provide superior value to our customers with our decentralized, flexible, efficient and environmentally advanced energy solutions
• Our technology will enable a global transition to a more sustainable and modern energy infrastructure
Our target: World leader in selected niches

- **Flexible Baseload Power Generation** for the developing world, islands, remote areas
- **Grid Stability and Peaking** for strong grids, enabling increase of renewables
- **Industrial Self-Generation** for large industries
- For the **Oil and Gas Industry** mechanical drives and field power
We are poised for growth

- **Business fundamentals strong**
- **Product matching market needs – Now and in the future**
  - Fuel flexibility
  - High efficiency
  - Low environmental impact
  - Competitive cost
  - Tried and tested concepts
- **Services packages a clear differentiator**
  - Local presence globally
  - Planning of optimal power solutions in consultation with the customer
  - Development and Financial Services
  - Project execution, including planning, site works, erection, logistics
  - Lifecycle management with most comprehensive services offering in the industry
  - Operations and Management of the power plant
WE SUPPORT OUR CUSTOMERS THROUGHOUT THE LIFECYCLE OF THEIR INSTALLATIONS BY OPTIMIZING EFFICIENCY AND PERFORMANCE
Market drivers

- **Environmental technologies and solutions**
  Wärtsilä Services offers environmentally sound primary and secondary technologies as retrofit to all installations

- **Management services**
  Wärtsilä Services offers a wide range of agreements, customized training packages and competence management solutions, as well as condition-based maintenance services and online solutions

- **Competence, presence and availability**
  Wärtsilä Services continuously builds up its presence by mobilising competences and logistics where customer needs are
Wärtsilä Services’ value to the customer’s business

Wärtsilä Services becomes the most valued business partner…

Engine Services
Automation Services
Propulsion Services
Operations & Management
Reconditioning Services
Training Services
Ship Services
Boiler Services

… by understanding Customers’ needs and assembling the appropriate solution to solve them.
We are continuously developing our network

70 countries • > 160 locations • > 17’000 people
Meeting market demands with flexible capacity

- **Delivery centre sites**
- **Licensees sites**
- **Global R&D sites**
- **Under construction**

- **Havant, UK**
  - Face Seals, Synthetic Bearings R&D

- **Rubbestadneset, Norway**
  - CPP, Gears

- **Vaasa, Finland**
  - W20, W32/32DF/34SG R&D

- **Bryansk, Russia**
  - 2-stroke engines

- **H. Cegielski, Poland**
  - 2-stroke engines

- **Winterthur, Switzerland**
  - 2-stroke R&D

- **Wuxi, China**
  - Transverse Thrusters
  - LCT Thrusters
  - Components
  - Seals & Bearings

- **Drunen, The Netherlands**
  - CPP, FPP, CIPS, Thrusters R&D

- **Bermeo, Spain**
  - W46 R&D

- **Trieste, Italy**
  - W26, W38, W46, W46F, W50DF, W64 R&D

- **Santander, Spain**
  - Blades, CIPS

- **Khopoli, India**
  - EOU, Small Gears, CPP Components

- **Zwolle, The Netherlands**
  - DTS – Component Machining unit

- **Nuclep, Brazil**
  - 2-stroke engines

- **Vinaşhin, Vietnam**
  - 2-stroke engines

- **Qingdao, China**
  - J/V: QMD

- **South Korea**
  - J/V: WHEC
  - W50DF
  - 2-stroke engines

- **Japan**
  - Lip Seals, Bearings
  - 2-stroke engines

- **Shanghai, China**
  - J/V: WQDC
  - Wärtsilä Auxpac20
  - Wärtsilä Auxpac26

- **H. Cegielski, Poland**
  - 2-stroke engines

- **Treci Maj, Croatia**
  - 2-stroke engines

- **Khopoli, India**
  - EOU, Small Gears, CPP Components
Wärtsilä products shall be

• Market leading in technologies that benefit both the customer and the environment integrated as part of a total solution package
• First-time-right and reliable
• Cost efficient over the total lifecycle
• Suitable for the full range of fuels
• Leading in efficiency
• Compliant with existing and future emission regulations by applying the latest environmental technologies
Sustainability plays a central role in our business

Wärtsilä’s Stakeholders

Continuous improvement and reporting

Economic responsibility
- Profitable, competitive and efficient business operations
- Creation of financial added value to direct stakeholders
- Greater well-being in local communications

Environmental responsibility
- Sustainable use of natural resources
- Prevention of pollution
- Environmentally sound products and services
- Certified environmental management systems

Social responsibility
- Responsible corporate citizenship
- Well-being at work and personnel development
- Safe working environment
- Product safety

Wärtsilä’s sustainable development programme

Wärtsilä’s Vision, Mission, Strategy and Goals
## Financial highlights

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<th>2007</th>
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<td>4 621</td>
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<td>Order book</td>
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<td>Net sales</td>
<td>3 763</td>
<td>3 190</td>
<td>2 639</td>
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<td>Operating result</td>
<td>379</td>
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<td>% of net sales</td>
<td>10.1</td>
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<td>Profit before taxes</td>
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<td>Earnings/share, EUR</td>
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<td>Cash flow from operating activities</td>
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<td>Gross capital expenditure</td>
<td>231</td>
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</table>
Net sales by market area

MEUR

2003  2004  2005  2006  2007

Asia  Europe  Americas  Other

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Personnel development

- 2003
- 2004
- 2005
- 2006
- 2007

- Services
- Ship Power
- Power Plants
- Industrial Operations
Improved profitability
Delivered engine megawatts from own factories

- Power Plants
- Ship Power
- Full-year estimate
Based on the strong order book, Wärtsilä’s net sales are expected to grow by about 25% in 2008

Wärtsilä’s profitability varies considerably from one quarter to another

Profitability will exceed 11%