WÄRTSILÄ CORPORATION
CORPORATE PRESENTATION 2009
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
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 will

- **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
Design is key to early entry and full lifecycle commitment

Wärtsilä’s envisaged lifecycle entry point

- Operator sees need(s) for vessel
- Owner decides to invest in vessel
- Owner contacts ship designer to discuss requirements and specifications to meet operator needs
- Designer develops concept design – new / demanding application may require several iterations; known ones may use existing designs
- Basic and detailed design follow
- Performance, cost, equipment and yard choices are discussed and decided

Wärtsilä’s historical lifecycle entry point
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

- Engines
- Propulsion
- Seals & Bearings
- Automation
- Power Distribution
- Power Drives

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 Components
# 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>
<th>Power &amp; Automation</th>
<th>Ship Design</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

We provide the broadest portfolio and best services in the industry for both ship power and power plants. We offer expertise, proximity and responsiveness for all customers regardless of their equipment make in the most environmentally sound way.
Market Drivers

- **Technologies and Solutions that address environmental issues.** Environmental concern and environmental regulations in the marine as well as power markets are becoming more and more stringent. Wärtsilä Services offers environmentally sound primary and secondary technologies as retrofit to all installations.

- **Management Services**, help equipment owners monitor the profitability of their investment. 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.

- **Presence and availability** are some of the most important criteria for service support. Wärtsilä Services continuously builds up its presence by mobilising competencies and logistics where the customer needs are.
Wärtsilä Services becomes the most valued business partner by understanding customers’ problems and assembling the appropriate solution to solve them.
Wärtsilä Services

70 countries • > 160 locations • > 11’000 people • > 7’000 field service forces
One Step Ahead...

24/7

Globally
Wärtsilä products should be

• Market leading in technologies that benefit both the customer and the environment
• Integrated
• Reliable
• Cost efficient over the total life cycle
• Suitable for the full range of fuels
• Efficient
• Emission compliant
Global Research & Development

• Wärtsilä develops, designs and manufactures competitive engine and propulsion products, along with solutions based on these.
• In our Research & Development activities, the objective is to achieve a leading position in engine technology, and specifically in the areas of environmental technology, reliability, operational lifecycle costs and automation.
• The product portfolio derives from our own engineering as well as from co-operation with the strategic partners.
• Wärtsilä continues to develop total solutions for Ship Power and Power Plants based on customer needs and requests to offer highly efficient lifecycle performance.
• For the after market, we develop after market solutions including upgrades to prolong the lifecycle for customer installations and to meet future environmental regulations.
Global R&D units in different countries

- **Wärtsilä Global R&D activities**
- **Research Institutes**
- **Universities**

**Drunen**
- Propulsion

**Winterthur**
- Main Center: 2-stroke engines

**Bermeo**
- 4-stroke

**Trieste**
- 4-stroke

**Vaasa**
- Main Center: 4-stroke engines

**Helsinki**
- Main Center: Fuel Cells
“Being the provider of highly rated products for our Ship Power and Power Plants businesses. Our operational targets are Q (Quality), D (Delivery) and C (Cost), in that order.”

Examples:

Our Manufacturing Process:
Information & Material flow

- Supply Chain Integration
- Continuous Flow
- Pull Production Control
- R&D Integration

Our Manufacturing Concept:

- Small-scale production/prototype manufacturing
- Operator/equipment-based line flow
- Product Flexibility
- Efficiency & Productivity

Size = Indicative volume
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**
Global 100: Most Sustainable Corporations in the World

- Wärtsilä is, for the first time, included in the list of the 100 most sustainable companies in the world.

- The companies included in the Global 100 were considered to have managed their environmental, social and governance risks and opportunities best among their industry peers.
  
  - The Global 100 Most Sustainable Corporations in the World is a project which was initiated by Corporate Knights Inc, in co-operation with a research firm Innovest Strategic Value Advisors Inc. Launched in 2005, the annual Global 100 is announced each year at the World Economic Forum in Davos.
## Financial highlights

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<tr>
<th></th>
<th>2008</th>
<th>2007</th>
<th>2006</th>
<th>2005</th>
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<tr>
<td>Order intake</td>
<td>5,573</td>
<td>5,663</td>
<td>4,621</td>
<td>3,491</td>
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<tr>
<td>Order book at the end of the period *)</td>
<td>6,883</td>
<td>6,308</td>
<td>4,439</td>
<td>2,906</td>
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<tr>
<td>Net sales</td>
<td>4,612</td>
<td>3,763</td>
<td>3,190</td>
<td>2,639</td>
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<tr>
<td>Operating result</td>
<td>525</td>
<td>380</td>
<td>263</td>
<td>225</td>
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<tr>
<td>% of net sales</td>
<td>11.4</td>
<td>10.1</td>
<td>8.2</td>
<td>8.5</td>
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<tr>
<td>Profit before taxes</td>
<td>516</td>
<td>372</td>
<td>255</td>
<td>212</td>
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<tr>
<td>Earnings/share, EUR</td>
<td>3.88</td>
<td>2.74</td>
<td>2.03</td>
<td>1.80</td>
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<tr>
<td>Cash flow from operating activities</td>
<td>278</td>
<td>431</td>
<td>302</td>
<td>76</td>
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<tr>
<td>Gross capital expenditure</td>
<td>366</td>
<td>231</td>
<td>193</td>
<td>231</td>
</tr>
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</table>

1) 3.96 euros before the effect of the combination of Wärtsilä’s share series.

*) Cancellations amounting to EUR 333 million and the order book of Bio Power amounting to EUR 116 million have been eliminated from the order book. Additions relating to acquisitions and other adjustments amounted to EUR 158 million.
Personnel development

![Graph showing personnel development from 2004 to 2008. The graph is color-coded to represent different categories: Services, Ship Power, Power Plants, and Industrial Operations. The vertical axis represents the number of personnel, ranging from 0 to 20,000. Each year shows an increase in personnel, with a significant rise in 2008.]
Improved profitability

![Graph showing Improved profitability over the years 2004 to 2008. The graph compares EBIT and EBIT %. The EBIT values range from MEUR 100 to MEUR 600, and the EBIT % values range from 0% to 20%. There is a clear upward trend in both EBIT and EBIT % over the years.]
Prospects for 2009

Despite the risk of cancellations, the substantial order book at the end of the year should support a 10-20 percent growth in net sales for 2009, which would maintain the profitability at last year’s good level.