First-quarter highlights 2006

- Net sales from comparable operations grew to EUR 591.9 million (483.8)
- Operating income from comparable operations improved to EUR 35.9 million (29.3)
- Profitability 6.1% (6.0)
- Order intake grew 51.0% to EUR 1,023.4 million (678.0)
- Order book at new record level EUR 3,415.4 million (2,066.9)
- EPS increased to EUR 0.55 (0.33)
Key figures

Net sales by business Q1/2006

<table>
<thead>
<tr>
<th>Services</th>
<th>50.6% (49.2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ship Power</td>
<td>25.6% (27.7)</td>
</tr>
<tr>
<td>Power Plants</td>
<td>23.6% (22.6)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q1/06</th>
<th>Q1/05</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>591.9</td>
<td>483.8*</td>
<td>2,520.3*</td>
</tr>
<tr>
<td>Operating income</td>
<td>35.9</td>
<td>29.3*</td>
<td>202.5*</td>
</tr>
<tr>
<td>Income before taxes</td>
<td>40.0</td>
<td>42.2**</td>
<td>212.4</td>
</tr>
<tr>
<td>Earnings/share, EUR</td>
<td>0.55</td>
<td>0.33</td>
<td>1.80</td>
</tr>
</tbody>
</table>

* Wärtsilä’s business comprises the Ship Power, Services and Power Plants businesses. Imatra Steel, reported as the company’s second business segment in 2005, was transferred to Oy Ovako Ab. For comparability reasons net sales and operating income are presented without Imatra Steel.

** The first-quarter result 2006 includes Wärtsilä’s share of Ovako’s profit after taxes, EUR 6.7 million. The figure in the comparison period includes Imatra Steel's pretax profit of EUR 16.5 million.
Order book distribution

MEUR

© Wärtsilä

31.3.2005
31.3.2006

Delivery current year
Delivery next year, +
Measures taken to increase capacity in 2007 and beyond

- Acquisition of machining capacity of Diesel Technology Solutions BV (DTS) in the Netherlands.
- Increasing capacity for engine assembly and testing in Vaasa and Trieste.
- Focused global sourcing.
- Suppliers investing in additional capacity.
Delivered engine megawatts from own factories

MW

© Wärtsilä

Power Plants  Ship Power  Estimate

© Wärtsilä
<table>
<thead>
<tr>
<th>Cash flow</th>
<th>Q1/2006</th>
<th>Q1/2005</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operating activities</td>
<td>-1.7</td>
<td>6.9</td>
<td>76.0</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>-29.4</td>
<td>-125.8</td>
<td>-178.3</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>26.9</td>
<td>88.6</td>
<td>47.6</td>
</tr>
<tr>
<td>Liquid funds at the end of period</td>
<td>114.8</td>
<td>140.7</td>
<td>119.6</td>
</tr>
</tbody>
</table>
Solvency and gearing

Solvency

%  

05  Q1/06

Gearing

0,6  0,5

0,4  0,3

0,2  0,1

0  0,1

02  03  04  05  06

NOTE: 2002-2003 according to FAS, 2004- IFRS
Convertible subordinated debentures treated as equity

© Wärtsilä
Business overview
Wärtsilä has been particularly successful in LNG, offshore and cruise.

- Market segments important for Wärtsilä have remained active.
- Wärtsilä has been particularly successful in LNG, offshore and cruise.

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q1/06</th>
<th>Q1/05</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>151.6</td>
<td>133.9</td>
<td>13.3%</td>
</tr>
<tr>
<td>Order intake</td>
<td>501.5</td>
<td>298.9</td>
<td>67.8%</td>
</tr>
<tr>
<td>Order book*</td>
<td>2,079.8</td>
<td>974.0</td>
<td>113.5%</td>
</tr>
</tbody>
</table>

* End of period
Vessel Orders, other vessels # of vessels

Source: Based on data from Clarkson Research Studies

© Wärtsilä
Net sales of Ship Power by vessel type

- Cruise & Ferry 20%
- Offshore 22%
- Special vessels & other 17%
- General cargo 3%
- LNG 12%
- Bulk carriers 5%
- Tankers 8%
- Container ships 13%
The market position of Wärtsilä’s marine engines Q1/2006

**Own production**

*Medium speed main engines*

- Wärtsilä 46% (45)
- Comp. 1 25%
- Comp. 2 16%
- Others 13%

**Total market volume last 12 months:**
7,289 MW (6,676)

*Low speed main engines*

- Wärtsilä 27% (24)
- Comp. 1 71%
- Comp. 2 2%

**Total market volume last 12 months:**
19,775 MW (22,703)

*Medium speed auxiliary engines*

- Wärtsilä 10% (8)
- Others 90%

**Total market volume last 12 months:**
5,500 MW (5,220)

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 Q4/05. 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.
Wärtsilä Services

**Services net sales**

- **50.6%** of total net sales

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q1/06</th>
<th>Q1/05</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>299.7</td>
<td>237.9</td>
<td>26.0%</td>
</tr>
<tr>
<td>Personnel</td>
<td>7388</td>
<td>6489</td>
<td>13.9%</td>
</tr>
</tbody>
</table>

- Organic growth 16.6%.
- Services for low-speed engines continued to increase.
- Increase in demand of project and automation services.
- Automation acquisition in Norway.
- Ship service in the Baltic area further strengthened.

* End of period

© Wärtsilä
Range of services

- Engine Services
- Automation Services
- Reconditioning Services
- Propulsion Services
- Training Services
- Ship Services
- Operations & Management Services
- Power & Industrial Services
Automation acquisitions

- Supports Ship Power Supplier concept
- Supports growth in gas
- Growth opportunities in Services

<table>
<thead>
<tr>
<th>Company</th>
<th>Location</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gerhardt, USA</td>
<td>USA</td>
<td>2005</td>
</tr>
<tr>
<td>AKPAS, Norway</td>
<td>Norway</td>
<td>2006</td>
</tr>
<tr>
<td>Decam + Elco Systems, Netherlands</td>
<td>Netherlands</td>
<td>2004</td>
</tr>
<tr>
<td>Total Automation, Singapore</td>
<td>Singapore</td>
<td>expected to close Q2/06</td>
</tr>
</tbody>
</table>

- Total net sales (at purchase), MEUR: 97
- Personnel: 723
Services - accelerating growth

%  Services growth per Q  Services share of sales  %
30  25  20  15  10  5  0  Q1/03  Q2/03  Q3/03  Q4/03  Q1/04  Q2/04  Q3/04  Q4/04  Q1/05  Q2/05  Q3/05  Q4/05  Q1/06

© Wärtsilä
Wärtsilä Power Plants

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q1/06</th>
<th>Q1/05</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>139.7</td>
<td>109.4</td>
<td>27.8%</td>
</tr>
<tr>
<td>Order intake</td>
<td>138.0</td>
<td>120.7</td>
<td>14.4%</td>
</tr>
<tr>
<td>Order book*</td>
<td>943.0</td>
<td>766.7</td>
<td>23.0%</td>
</tr>
</tbody>
</table>

- Market active on a global basis.
- Majority of new orders for oil-driven power plants.
- Largest order in oil power plants was received from El Salvador.
- Largest orders in the gas power plants segment were from Gabon, Japan and Bangladesh.

* End of period

© Wärtsilä
Target markets per fuel 2001-2005

Note: Wärtsilä’s gas power plant target markets have changed since Wärtsilä stopped manufacturing and selling high speed engines (power range < 3.5 MW)
Source: Diesel & gas turbine worldwide, June 2004-May 2005
© Wärtsilä
Gas power plant market

Note: Wärtsilä's gas power plant target markets have changed since Wärtsilä stopped manufacturing and selling high speed engines (power range < 3.5 MW)
Source: Diesel & gas turbine worldwide, June 2004-May 2005
© Wärtsilä
Power Plants - order intake Q1/06: 296.0 MW (306.0)

Europe
- Gas: 102 (45)
- Oil: 0 (37)

Asia
- Gas: 99 (182)
- Oil: 10 (63)

Americas
- Gas: 0 (0)
- Oil: 53 (0)

Africa and Middle East
- Gas: 42 (79)
- Oil: 25 (79)
Wärtsilä’s holdings

OVAKO

- The company was accounted for as an associated company from 1st of May 2005.
- Wärtsilä’s ownership in the company is 26.5%. Wärtsilä’s share of the associated company’s result was EUR 6.7 million (1-3/2006).
- The holding’s balance sheet value EUR 113.4 million (31st March 2006).
- Wärtsilä granted a shareholders’ loan of EUR 21.2 million to Ovako. The loan was repaid in April.
- Shareholders are looking at strategic options for the holding in Ovako.

ASSA ABLOY

- Wärtsilä owns 4.7% of Assa Abloy shares
- The holding’s market value EUR 264.6 million (31st March 2006) from which deferred tax liabilities EUR 61.6 million has been recorded.
Ship Power

- Offshore, LNG and cruise remain active.
- In the near future Wärtsilä sees ordering activity continuing on high level.

Power Plants

- Market situation remains good.
- Geographically demand distributed evenly.
Demand in the ship power and energy markets looks likely to remain favourable for Wärtsilä for at least the following six months.

Forecast for the year unchanged:

- Based on the strong order book, Wärtsilä’s net sales are expected to grow this year by as much as 20%.
- The profitability level reached in 2005 will remain:
- Net sales are expected to show further growth in 2007.
Thank you!