Q1/11 Highlights

- Net sales EUR 1,083 million, +18%
- Order intake EUR 979 million, +11%
- Operating result EUR 113 million, 10.4% of net sales
- Cash flow from operating activities EUR 133 million
- EPS EUR 0.38 (0.34)

Operating result and EPS are shown excluding nonrecurring items. EPS figures have been calculated based on the new amount of shares.
Growth in net sales

Q1 on Q1 development

- Q1/2010: 922 MEUR, 18% increase
- Q1/2011: 1,083 MEUR, 7% increase

Q1 on Q4 development

- Q4/2010: 1,462 MEUR, -26% decrease
- Q1/2011: 1,083 MEUR, -15% decrease

Legend:
- Orange: Power Plants
- Red: Ship Power
- Gray: Services
Net sales by business 1-3/2011

- **Ship Power**: 27% (30)
- **Power Plants**: 32% (26)
- **Services**: 41% (44)
Emerging markets approx. 54% of 2010 net sales
Order intake at healthy levels

- **Q1 on Q1 development**
  - **Q1/2010**: 881 MEUR (11% increase)
  - **Q1/2011**: 979 MEUR

- **Q1 on Q4 development**
  - **Q4/2010**: 1003 MEUR (8% increase)
  - **1-3/2011**: 979 MEUR (20% decrease)

- **Order intake** at healthy levels, showing growth across different periods and categories:
  - **Power Plants**, **Ship Power**, **Services**
Order book

Order book distribution

- Delivery current year
- Delivery next year +

<table>
<thead>
<tr>
<th>Date</th>
<th>Delivery current year</th>
<th>Delivery next year +</th>
</tr>
</thead>
<tbody>
<tr>
<td>31.3.2010</td>
<td>3,000 MEUR</td>
<td>1,500 MEUR</td>
</tr>
<tr>
<td>31.3.2011</td>
<td>2,500 MEUR</td>
<td>2,000 MEUR</td>
</tr>
</tbody>
</table>
Solid profitability

Yearly EBIT%:
- 2007: 10.1%
- 2008: 11.4%
- 2009: 12.1%
- 2010: 10.7%
- 2011: 10.4%

EBIT% target: 10-14%

Q1, Q2, Q3, Q4 and Yearly EBIT%
Ship Power order intake by segment

Q1 on Q4 development

-3%

Q4/2010 Q1/2011

178 173

25% 333%

-26% -27%

-22% 39%
Ship Power quarterly order intake
Ship Power market
Market position of Wärtsilä’s marine engines

Medium-speed main engines  Low-speed main engines  Auxiliary engines

- Wärtsilä 42%(42)
- MAN Diesel 27%(25)
- Caterpillar (MAK) 15%(15)
- Others 16%(18)

- MAN Diesel 85%(84)
- Mitsubishi 4%(3)
- Wärtsilä 11%(13)

- Wärtsilä 3%(4)
- Others 97%(96)

Total market volume last 12 months:
- Medium-speed main engines: 1,628 MW (1,639)
- Low-speed main engines: 17,220 MW (15,681)
- Auxiliary engines: 4,271 MW (3,880)

Wärtsilä’s market shares are calculated on a 12 months rolling basis, numbers in brackets are from the end of the previous quarter. Wärtsilä’s own calculation is based on Marine Market Database.
Ship Power order book 31 March 2011
All vessel segments represented

- Merchant: 49%
- Offshore: 26%
- Special vessels: 10%
- Cruise & Ferry: 7%
- Navy: 6%
- Ship Design: 2%
- Cargo: 12%
- Bulkers: 13%
- LNG: 5%
- RoRo: 4%
- Containers: 6%
- Tankers: 9%

Total EUR 1,699 million (2,242)
Wärtsilä is a frontrunner in LNG-fuelled ships

Target to strengthen leading position in gas engine technology
- Rising interest in natural gas as a marine fuel
  - Environmental drivers and competitive natural gas prices
- Wärtsilä’s dual fuel technology in over 60 LNG carriers

Contract awarded by STX Finland Oy
- Supply of gas engines and equipment for Viking Line’s new environmentally sound passenger ferry
- Largest LNG fuelled passenger ferry
- Integrated scope of supply:
  - Four Wärtsilä 8L50DF dual fuel engines
  - Wärtsilä LNGPac and Compact Silencer System
Power Plants - Market demand remained on a good level

Quoted MW per Fuel Type

Share of natural gas is consistently increasing
Power Plants order intake by application

Order intake by fuel Q1/2011 in MW

- Gas 62%
- Oil 38%

Q1 on Q4 development
- 20%
- 49%
- 202%
- 51%

Order intake by application:
- Industrial self-generation
- Flexible baseload
- Grid stability & peaking
- Oil & Gas
Power Plants quarterly order intake

MEUR

Q1  Q2  Q3  Q4

2004 2005 2006 2007 2008 2009 2010 2011
Power Plants order intake
Europe strongest region

Order intake 1-3/2011: 682 MW (457)
Power Plants market
Gas turbine and engine manufacturers

**2008**
- Wärtsilä 3.3
- Alstom 5.3
- MHI 13.8
- Siemens 20.0
- GE 39.5
- Other CEs 2.2
- Other GTs 5.1

Total market 92.8 GW
Wärtsilä's market share 3.6%

**2009**
- Wärtsilä 2.0
- Alstom 2.5
- MHI 2.0
- Siemens 17.1
- GE 18.7
- Other CEs 0.9
- Other GTs 3.9

Total market 48.5 GW
Wärtsilä's market share 4.1%

**2010**
- Wärtsilä 3.2
- Alstom 1.9
- MHI 3.9
- Siemens 17.0
- GE 23.7
- Other CEs 1.9
- Other GTs 3.2

Total market 56.6 GW
Wärtsilä's market share 5.6%

Market data includes all prime mover units over 5 MW and estimated output of steam turbines for combined cycles. The data is gathered from the McCoy Power Report and IESG. In oil and gas engine technology, Wärtsilä has a leading position.
Services net sales showed growth
Services - Net sales by quarter

MEUR

2004 2005 2006 2007 2008 2009 2010 2011

Q1 Q2 Q3 Q4
Services net sales distribution 1-3/2011

- Spare parts: 55% (55)
- Field service: 22% (23)
- Contracts: 15% (13)
- Projects: 8% (9)

Numbers in brackets are from Q1/2010.
Breakthrough contract for marine services

Target to grow through service agreements
Continued interest in maintenance agreements seen in marine and power plant markets
- Reduction of fixed costs
- Enhanced performance and reliability

Maintenance support agreement signed with Royal Caribbean Cruises Ltd
- Five year maintenance support agreement
- 29 vessels, with an aggregate output of 1,400 MW
- Wärtsilä’s single largest marine maintenance support agreement
- Optimised planning of overhauls and spare parts logistics
- Improved fuel economy and predictability of operational costs
Cash flow from operating activities

Q1 on Q1 development

MEUR


Wärtsilä
Working capital development

2004 figures relate to the Power Businesses

*Annualised Working Capital / Net Sales

31 March 2011

Working Capital
Total Inventories
Advances Received
Working Capital / Net Sales

© Wärtsilä
At the end of the reporting period, drawn revolving credits amounted to 0 euros. In addition, there are Finnish Commercial Paper Programs of EUR 700 million (uncommitted).
Restructuring programmes

- Personnel reductions of approx. 1,800 targeted, 1,500 employees reduced to date.

- Expected annual savings approx. EUR 130 million, of which EUR 60 million recognised by end of 2010 and remainder will gradually materialise during 2011.

Market outlook

- **Ship Power**: Price pressure in markets will continue. Order intake in 2011 expected to be moderately better than in 2010.

- **Power Plants**: Recovery in the power generation market is expected to continue in 2011. Order intake estimated to remain at a good level in 2011.

- **Services**: A sustainable recovery in the marine service market is expected in 2011. Stable demand from Power Plants customers.
Wärtsilä expects its net sales for 2011 to grow 3-5% and operational profitability (EBIT% before nonrecurring items) to be around 11%