Q2/09 Highlights

- Net sales grew to EUR 1,333 million (+22%)
- Operating result before nonrecurring restructuring items EUR 155 million (+25%), 11.7% of net sales
- EPS EUR 1.01 (0.96)
- Order intake EUR 785 million (-45%)
Order book remains substantial

Wärtsilä sees a potential cancellation risk of approximately EUR 800 million.

*) Cancellations amounting to EUR 154 million have been deducted from the order book during the review period.

Wärtsilä sees a potential cancellation risk of approximately EUR 800 million.
Order book distribution

- Delivery current year
- Delivery next year +

MEUR

30.6.2008

30.6.2009
Strong growth in net sales

Second quarter development

Net sales
Power Plants
Ship Power
Services

27% 18% 23%
22% 3% 31% 39%
1 092 1 333
Net sales evenly spread between the businesses 1-6/2009

- Ship Power: 33% (31)
- Power Plants: 32% (23)
- Services: 35% (45)
Strong operating profit

*) Operating result before EUR 6 million nonrecurring restructuring items
Ship Power market
Standstill continues

Source: Clarkson Research Services Limited
Ship Power market
Market position of Wärtsilä’s marine engines

Medium-speed main engines
- MAN Diesel: 40% (35)
- Wärtsilä: 30% (27)
- Caterpillar (MAK): 12% (18)
- Mitsubishi: 11% (13)
- Others: 9% (9)

Low-speed main engines
- MAN Diesel: 86% (82)
- Wärtsilä: 6% (6)
- Mitsubishi: 3% (5)
- Others: 94% (94)

Auxiliary engines
- Wärtsilä: 6% (6)
- Others: 94% (94)

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 quarterly order intake
Ship Power order book June 30, 2009
All vessel segments represented

- Merchant: 53%
- Offshore: 28%
- Special vessels: 7%
- Cruise & Ferry: 6%
- Navy: 5%
- LNG: 8%
- RoRo: 4%
- Cargo: 12%
- Bulk: 11%
- Containers: 9%
- Tankers: 9%
- Ship Design: 1%
Power Plants quarterly order intake

- Q1
- Q2
- Q3
- Q4

*) 2004 Iraq-orders
Power Plants order intake by application

- Flexible baseload: 51%
- Industrial self-generation: 29%
- Grid stability & peaking: 20%

- Gas: 23%
- Oil: 77%

Bar chart showing order intake from 2005 to 1-6/2009 in MEUR.
Power Plants order intake
Africa and Middle East strongest region

Order intake 1-6/2009: 1,064 MW (1,980)

- Europe 320 (303)
- Americas 262 (986)
- Africa and Middle East 482 (520)
- Asia 0 (171)

Flexible baseload
Industrial self-generation
Oil & gas
Grid stability & peaking
Services net sales
Historically high level

Second quarter development

<table>
<thead>
<tr>
<th>Year</th>
<th>MEUR</th>
<th>Q2/2008</th>
<th>Q2/2009</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td></td>
<td>454</td>
<td>469</td>
<td>3%</td>
</tr>
<tr>
<td>2006</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-6/2009</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Services – Net sales distribution

- Spare parts 56%
- Field service 27%
- Contracts 12%
- Projects 5%
Services potential
Laid-up tonnage

* Anchored (reported navigation status at anchor). Source Bloomberg (AISLive). More than 25 000 vessels (>299 GT) covered.

** Idle (no movement for 19 days for containerships, others 35 days). Source Loyd’s MIU. Around 15 000 vessels (>299 GT) covered.
## Cash flow

<table>
<thead>
<tr>
<th></th>
<th>MEUR 1-6/09</th>
<th>MEUR 1-6/08</th>
<th>MEUR 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>operating activities</td>
<td>-72</td>
<td>207</td>
<td>278</td>
</tr>
<tr>
<td>investing activities</td>
<td>-90</td>
<td>-75</td>
<td>-329</td>
</tr>
<tr>
<td>financing activities</td>
<td>81</td>
<td>-266</td>
<td>-26</td>
</tr>
<tr>
<td>Liquid funds at the</td>
<td>118</td>
<td>143</td>
<td>197</td>
</tr>
<tr>
<td>end of period</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Working capital

<table>
<thead>
<tr>
<th>Year</th>
<th>Working Capital</th>
<th>Total Inventories</th>
<th>Advances Received</th>
<th>Working Capital / Net Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>206</td>
<td>155</td>
<td>212</td>
<td>9.5%</td>
</tr>
<tr>
<td>2004</td>
<td>155</td>
<td>212</td>
<td>212</td>
<td>7.0%</td>
</tr>
<tr>
<td>2005</td>
<td>212</td>
<td>212</td>
<td>212</td>
<td>8.4%</td>
</tr>
<tr>
<td>2006</td>
<td>176</td>
<td>176</td>
<td>176</td>
<td>5.5%</td>
</tr>
<tr>
<td>2007</td>
<td>102</td>
<td>102</td>
<td>102</td>
<td>2.1%</td>
</tr>
<tr>
<td>2008</td>
<td>267</td>
<td>267</td>
<td>267</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

All figures relate to the Power Businesses

June 30, 2009

- Annualised Working Capital / Net Sales: 11.4%
Financing

- Drawn long-term loans: 646 MEUR
- Drawn revolving credits: 90 MEUR
- Drawn short-term loans: 154 MEUR
- Undrawn long-term loans (committed): 30 MEUR
- Undrawn revolving credits (committed): 445 MEUR
- Undrawn short-term loans (uncommitted): 541 MEUR

Total EUR 890 million drawn
Business risks

• Business risks mainly unchanged
• Ship Power
  – Slippage of ship yard delivery schedules
  – Potential cancellation risk approximately EUR 800 million (earlier estimate EUR 1,000 million at end of Q1/09)
• Power Plants
  – Timing of orders dependent on availability of financing
• Services
  – Possible reduction of maintenance and service demand due to larger scale lay-ups of ships
Market outlook

- Ship Power: quick recovery unlikely, short term focus on specialised tonnage
- Power Plants: demand remains at a good level, but timing of orders dependent on availability of financing
- Stable development in Services continues, but visibility has become shorter
Prospects for 2009 reiterated

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