Highlights

• Good demand continues in main markets
• Net sales growing 22%
• Profitability further improving
• Strong cash flow
### Key figures

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q3/07</th>
<th>Q3/06</th>
<th>1-9/07</th>
<th>1-9/06</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>1 514</td>
<td>1 090</td>
<td>4 039</td>
<td>3 304</td>
<td>4 621</td>
</tr>
<tr>
<td>Order book</td>
<td>6 162</td>
<td>4 108</td>
<td>4 439</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>933</td>
<td>767</td>
<td>2 491</td>
<td>2 204</td>
<td>3 190</td>
</tr>
<tr>
<td>Operating result</td>
<td>96</td>
<td>56</td>
<td>233</td>
<td>162</td>
<td>262</td>
</tr>
<tr>
<td>% of net sales</td>
<td>10.3</td>
<td>7.3</td>
<td>9.3</td>
<td>7.4</td>
<td>8.2</td>
</tr>
<tr>
<td>Profit before taxes</td>
<td>95</td>
<td>58(^1)</td>
<td>227</td>
<td>163(^2)</td>
<td>255(^3)</td>
</tr>
<tr>
<td>Earnings/share, EUR</td>
<td>0.71</td>
<td>0.40(^1)</td>
<td>1.69</td>
<td>1.42(^2)</td>
<td>2.03(^3)</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>299</td>
<td>172</td>
<td>302</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross capital Expenditure</td>
<td>172</td>
<td>142</td>
<td>193</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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1. For comparability reasons the 7-9/2006 figure does not include Wärtsilä’s share of Ovako’s profit after taxes, EUR 3 million.
2. For comparability reasons the 1-9/2006 figure does not include Wärtsilä’s share of Ovako’s profit after taxes, EUR 18 million, and the capital gain of EUR 124 million from the sale of Assa Abloy B shares.
3. For comparability reasons the 2006 figure does not include Wärtsilä’s share of Ovako’s profit after taxes, EUR 67 million, and the capital gain of EUR 124 million from the sale of Assa Abloy B shares.
Market development - Ship Power
Vessel orders

Source: Based on data from Clarkson Research Studies

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Market development - Ship Power
Vessel orders - other vessels

Source: Based on data from Clarkson Research Studies
Market development - Ship Power
Market position of Wärtsilä’s marine engines Q3/2007

Medium-speed main engines

- MAN Diesel: 23% (20)
- Caterpillar (MAK): 23% (27)
- Wärtsilä: 42% (42)
- Others: 12% (11)

Low-speed main engines

- MAN Diesel: 81% (82)
- Mitsubishi: 3% (3)
- Wärtsilä: 16% (15)
- Others: 95% (95)

Auxiliary engines

- Wärtsilä: 5% (5)
- Others: 95% (95)

Total market volume last 12 months:
- Medium-speed main engines: **8 700 MW** (9 400)
- Low-speed main engines: **34 100 MW** (29 400)
- Auxiliary engines: **8 200 MW** (9 000)

Wärtsilä’s own calculation is based on Marine Market Database. Market shares based on installed power, numbers in brackets are from the end of the previous quarter. 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.
• Markets continued to be globally active
• Demand for oil-fired power plants was strong during the review period
• The order intake for power plants running on renewable fuels continued actively
• Demand for gas-fired power plants remained at a healthy level
Target markets per fuel 2003 - 2007

- **HFO 1-60 MW**
- **LFO 3.5-60 MW**
- **GAS 3.5-60 MW**

Note I: Wärtsilä’s gas power plant target markets have changed after the review period 2005, when Wärtsilä stopped manufacturing and selling high speed engines (power range < 3.5 MW)

Note II: The LFO figure from 2006 onwards includes liquid biofuels

Source: Diesel & Gas turbine worldwide, June 2006-May 2007
Order intake - Power Plants 1-9/2007: 2 057 MW (1 511)

Market development - Power Plants

Europe
- Gas: 854 (239)
- Oil: 406 (63)

Asia
- Gas: 311 (249)
- Oil: 71 (90)

Americas
- Gas: 151 (399)
- Oil: 78 (170)

Africa and Middle East
- Gas: 741 (624)
- Oil: 73 (229)

- Gas: 36 (315)
- Oil: 705 (309)

Gas
Oil
Renewable fuels
Order intake continued strong

Third quarter development

- Power Plants: 39% (Q3/2006), 56% (Q3/2007)

Total order intake: 1,090 MEUR (Q3/2006), 1,514 MEUR (Q3/2007)

- MEUR range from 2003 to 1-9/2007
Order book - growth 50%

MEUR


Total order book  Power Plants  Ship Power  Services

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Order book distribution

MEUR

0 500 1000 1500 2000 2500 3000 3500 4000 4500 5000 5500

30.9.2006 30.9.2007

- Delivery current year
- Delivery next year +
Net sales

Total net sales 1-9 net sales Power Plants Ship Power Services

Third quarter development


767 22% 933

26% 69% -17%
Net sales by business 1-9/2007

- Ship Power: 35% (24)
- Power Plants: 20% (36)
- Services: 45% (41)
Net sales 1-9/2007 - Ship Power

Bar chart showing MEUR sales for different vessel types from 2003 to 1-9/2007.

Pie chart showing the percentage of sales for:
- Cruise & Ferry: 16%
- Tankers: 12%
- Container ships: 14%
- General cargo: 7%
- LNG: 10%
- Offshore: 26%
- Special vessels & other: 13%

Legend:
- Orange: Others
- Yellow: Tankers
- Gray: Bulk carriers
- Black: Container ships
Net sales 1-9/2007 - Power Plants

- Flexible Baseload Power Generation: 58%
- Industrial Self-Generation: 32%
- Others: 10%

MEUR
0 100 200 300 400 500 600 700 800 900 1000
Wärtsilä Services - solid growth

- Services growth per Q
- Services share of sales
Delivered engine megawatts from own factories

MW


Ship Power  Power Plants  Full-year estimate
## Cash flow

<table>
<thead>
<tr>
<th>Description</th>
<th>1-9/07</th>
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<tbody>
<tr>
<td>Cash flow from operating activities</td>
<td>299</td>
<td>172</td>
<td>302</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>-159</td>
<td>29</td>
<td>148</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>-115</td>
<td>-174</td>
<td>-387</td>
</tr>
<tr>
<td>Liquid funds at the end of period</td>
<td>202</td>
<td>143</td>
<td>179</td>
</tr>
</tbody>
</table>
Financial position

Solvency

Gearing

NOTE: 2003 according to FAS, 2004- IFRS
Convertible subordinated debentures treated as equity
Wärtsilä’s prospects

- Demand in the ship power and energy markets looks likely to remain active for Wärtsilä for the next two quarters.
- Based on the strong order book, Wärtsilä’s net sales are expected to grow this year by around 15%.
- Profitability will exceed 9%.
- Wärtsilä sees further possibilities for growth in 2008.