Q3/08 Highlights

- Order intake -9%
- Net sales +22%
- Operating result (EBIT) +28%, 10.8% of net sales
- EPS EUR 0.97 (0.71)
Order intake still at good level in all businesses

Third quarter development

Order intake still at good level in all businesses

Order intake still at good level in all businesses

Third quarter development

Order intake still at good level in all businesses

Third quarter development

Order intake still at good level in all businesses

Third quarter development

Order intake still at good level in all businesses

Third quarter development

Order intake still at good level in all businesses

Third quarter development

Order intake still at good level in all businesses

Third quarter development

Order intake still at good level in all businesses

Third quarter development

Order intake still at good level in all businesses

Third quarter development
Order book at record level

![Graph showing order book levels]

- Order book
- Power Plants
- Ship Power
- Services

- 2004: 162 MEUR
- 2005: 45%
- 2006: 6162 MEUR
- 2007: 26%
- 2008: 7762 MEUR

© Wärtsilä
Strong order book good basis for 2009 and beyond

- Delivery current year
- Delivery next year +

MEUR

30.9.2007

30.9.2008
Delivered engine megawatts from own factories

MW

0 1000 2000 3000 4000 5000 6000 7000


Ship Power  Power Plants  Full-year estimate
Net sales growing according to plan
Strongest growth in Power Plants

Third quarter development

- Q3/2007: 933 MEUR (15% growth)
- Q3/2008: 1,140 MEUR (11% growth)

MEUR

- Net sales
- Power Plants
- Ship Power
- Services
Strong Services business brings stability in fluctuating markets

Net sales by business 1-9/2008

- Ship Power: 31% (35)
- Power Plants: 26% (20)
- Services: 43% (45)
Strong operating profit
Growth according to plan
Ship Power market - vessel order development

Source data: Clarkson Research Services
Ship Power market - merchant vessel order development

Source data: Clarkson Research Services
Ship Power market
Market position of Wärtsilä’s marine engines Q3/2008

Medium-speed main engines
- MAN Diesel: 34% (32)
- Caterpillar (MAK): 27% (24)
- Others: 15% (15)

Low-speed main engines
- MAN Diesel: 85% (82)
- Mitsubishi: 2% (2)
- Wärtsilä: 13% (16)

Auxiliary engines
- Wärtsilä: 9% (8)
- Others: 91% (92)

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.
Ship Power quarterly order intake
Q3/08 at good level

Order Intake MEUR

Net Sales MEUR

Q1 Q2 Q3 Q4

2003 2004 2005 2006 2007 2008

Ship Power quarterly net sales 2008

© Wärtsilä
Ship Power order intake
Offshore continued strong, slowdown in Merchant

Third quarter development

- Merchant: 35%
- Offshore: 36%
- Special vessels: 9%
- Cruise & Ferry: 10%
- Navy: 10%

Ship Power order intake continued strong in Offshore, but there was a slowdown in Merchant orders.
Ship Power order intake
Merchant segment order distribution

Third quarter development

- Merchant: 35%
- RoRo: 5%
- Bulkers: 17%
- Cargo: 4%
- Container: 2%
- Tankers: 8%

Bar chart showing order intake in MEUR from 2004 to 1-9/2008.
**Power Plant markets**

**Market development**

**Target markets per fuel 2004 - 2008**

- **MW**
- **2004**
- **2005**
- **2006**
- **2007**
- **2008**
- **Wärtsilä’s market share June 2007 - May 2008**

**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 2007-May 2008
Power Plants quarterly order intake
Q3/08 activity continued strong

Order Intake
MEUR

Net Sales
MEUR

2003 2004 2005 2006 2007 2008

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

- Industrial self-generation: 18%
- Flexible baseload: 48%
- Grid stability & peaking: 32%
- Oil & gas: 2%
- Renewable: 3%
- Gas: 36%
- Oil: 61%

Graph showing MEUR by year from 2004 to 1-9/2008.
Power Plants order intake
Americas strongest region

Order intake 1-9/2008: 2,852 MW (2,057)

Europe 447 (854)

Asia 209 (311)

Africa and Middle East 842 (741)

Americas 1,354 (151)

Flexible baseload
Industrial self-generation
Oil & gas
Grid stability & peaking
Services Net Sales
Strong growth continued

Third quarter development

- Q3/2007: 394 MEUR (15% YOY)
- Q3/2008: 452 MEUR (17% YOY)
### Strong cash flow

<table>
<thead>
<tr>
<th></th>
<th>1-9/08</th>
<th>1-9/07</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operating activities</td>
<td>255</td>
<td>299</td>
<td>431</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>-219</td>
<td>-159</td>
<td>-214</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>-164</td>
<td>-115</td>
<td>-95</td>
</tr>
<tr>
<td>Liquid funds at the end of period</td>
<td>166</td>
<td>202</td>
<td>296</td>
</tr>
</tbody>
</table>
Good financial position

Solvency

Gearing


© Wärtsilä
Impact of financial crisis hard to predict

- Ship Power; shipping financing tighter or even completely frozen
  - Risk of cancellations and slippage increases
  - Impact on Wärtsilä so far limited
  - Effects of possible cancellations approx. 10% of Wärtsilä’s total order book

- Power Plants; impacts of crisis hard to predict
  - Fundamentals remain unchanged
  - Offering activity remains at all time high
  - Funding seems to be secure in many future projects
  - To date market not affected by crisis
Market outlook

- Ship Power; demand slowing down during the nearest quarters
- Power Plants; continued high ordering activity expected in all segments
- Solid growth in Services continues
Prospects for 2008 reiterated

- Based on the strong order book, Wärtsilä’s net sales are expected to grow by about 25% in 2008
- Full-year profitability will exceed 11%