WÄRTSILÄ CORPORATION
2007 RESULT PRESENTATION

OLE JOHANSSON, PRESIDENT & CEO
5 FEBRUARY 2008
Highlights

– Strong growth in 2007 order intake. Solid demand continues through first part of 2008

– Net sales grew by 18 percent to EUR 3,763 million. Accelerating growth in 2008

– Operating profit up by 45% to EUR 379 million. Operating margin 10.1% (8.2). Profitability improving in 2008
## Key figures

<table>
<thead>
<tr>
<th></th>
<th>Q4/07</th>
<th>Q4/06</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>1 594</td>
<td>1 318</td>
<td>5 633</td>
<td>4 621</td>
</tr>
<tr>
<td>Order book 31.12.</td>
<td></td>
<td></td>
<td>6 308</td>
<td>4 439</td>
</tr>
<tr>
<td>Net sales</td>
<td>1 272</td>
<td>986</td>
<td>3 763</td>
<td>3 190</td>
</tr>
<tr>
<td>Operating result</td>
<td>146</td>
<td>99</td>
<td>379</td>
<td>262</td>
</tr>
<tr>
<td>% of net sales</td>
<td>11.5</td>
<td>10.1</td>
<td>10.1</td>
<td>8.2</td>
</tr>
<tr>
<td>Profit before taxes</td>
<td>145</td>
<td>92¹</td>
<td>372</td>
<td>255²</td>
</tr>
<tr>
<td>Earnings/share, EUR</td>
<td>1.05</td>
<td>0.61¹</td>
<td>2.74</td>
<td>2.03²</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td></td>
<td></td>
<td>431</td>
<td>302</td>
</tr>
<tr>
<td>Gross capital expenditure</td>
<td></td>
<td></td>
<td>231</td>
<td>193</td>
</tr>
</tbody>
</table>

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1 For comparability reasons the 10-12/2006 figure does not include Wärtsilä’s share of Ovako’s profit after taxes, EUR 49 million.
2 For comparability reasons the 2006 figure does not include Wärtsilä’s share of Ovako’s profit after taxes, EUR 67 million nor the capital gain of EUR 124 million from the sale of Assa Abloy B shares.
Net sales by market area

MEUR

2003 2004 2005 2006 2007

Asia  Europe  Americas  Other
Personnel development

<table>
<thead>
<tr>
<th>Year</th>
<th>Services</th>
<th>Ship Power</th>
<th>Power Plants</th>
<th>Industrial Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td></td>
<td></td>
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<td>2005</td>
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<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>
</tbody>
</table>
Order book distribution

<table>
<thead>
<tr>
<th>Date</th>
<th>Delivery next year</th>
<th>Delivery next year +</th>
</tr>
</thead>
<tbody>
<tr>
<td>31.12.2006</td>
<td>2200</td>
<td>1800</td>
</tr>
<tr>
<td>31.12.2007</td>
<td>3600</td>
<td>3600</td>
</tr>
</tbody>
</table>
Delivered engine megawatts from own factories

- Power Plants
- Ship Power
- Full-year estimate
Order intake continued strong

Fourth quarter development

- Power Plants: 1,318 (21% increase)
- Ship Power: 1,594 (26% increase)
- Services: 21% increase

Total order intake: 4,029 MEUR (26% increase)

Legend:
- Total order intake
- Power Plants
- Ship Power
- Services
Order book growing


Strong development in net sales

Fourth quarter development

- Q4/2006: MEUR 986 (23%)
- Q4/2007: MEUR 1272 (29%)

Net sales development:
- 2003: MEUR 5% (Total net sales)
- 2004: MEUR 7% (Power Plants)
- 2005: MEUR 27% (Ship Power)
- 2006: MEUR 11% (Power Plants)
- 2007: MEUR 72% (Power Plants)

Total net sales:
- 2003: MEUR 2500
- 2004: MEUR 3000
- 2005: MEUR 3500
- 2006: MEUR 4000
- 2007: MEUR 4500
Improved profitability

- EBIT
- EBIT %

Graph showing the growth in EBIT and EBIT % from 2005 to 2008E.
Ship Power market - merchant vessel order development

Source data: Clarson Research Services
Ship Power - order intake 2007

- Merchant: 43%
- Offshore: 36%
- Cruise & Ferry: 7%
- Special vessels: 10%
- Navy: 5%

MEUR

2003 2004 2005 2006 2007
Ship Power - market development
Market position of Wärtsilä’s marine engines Q4/2007

Medium-speed main engines

- Wärtsilä 38%(42)
- MAN Diesel 27%(23)
- Caterpillar (MAK) 23%(23)
- Others 12%(12)

Total market volume last 12 months:
8 800 MW (8 700)

Low-speed main engines

- Mitsubishi 3%(3)
- Wärtsilä 16%(16)
- MAN Diesel 81%(81)

Total market volume last 12 months:
38 100 MW (34 100)

Auxiliary engines

- Wärtsilä 6%(5)
- Others 94%(95)

Total market volume last 12 months:
9 000 MW (8 200)

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.
Ship Power - market size & Wärtsilä’s market share development

- Market size, MW
- Wärtsilä’s market share, %

- 2003: 9% Medium-speed, 22% Low-speed, 0% Auxiliary
- 2004: 9% Medium-speed, 24% Low-speed, 18% Auxiliary
- 2005: 8% Medium-speed, 45% Low-speed, 24% Auxiliary
- 2006: 6% Medium-speed, 51% Low-speed, 16% Auxiliary
- 2007: 6% Medium-speed, 38% Low-speed, 16% Auxiliary

Legend:
- Medium-speed
- Low-speed
- Auxiliary
Ship Power - net sales 2007

- Merchant: 46%
- Offshore: 23%
- Cruise & Ferry: 14%
- Special vessels: 10%
- Navy: 6%

MEUR

2003 2004 2005 2006 2007
Ship Power - net sales 2007

- Merchant: 46%
- Bulk carriers: 2%
- General cargo: 5%
- LNG: 13%
- Tankers: 13%
- Container ships: 13%
- Special vessels: 10%
- Cruise & Ferry: 14%
- Offshore: 23%
- Navy: 6%
Services - solid growth continued

Fourth quarter development

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>MEUR</td>
<td>350</td>
<td>431</td>
</tr>
<tr>
<td>Growth</td>
<td>23%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>MEUR</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td></td>
<td>22%</td>
</tr>
<tr>
<td>2007</td>
<td></td>
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</tbody>
</table>
Continuously expanding capabilities

- Engine Services
- Automation Services
- Propulsion Services
- Operations & Management
- Reconditioning Services
- Training Services
- Ship Services
Continuously expanding the own network

- 70 countries
- > 160 locations
- > 9300 people
- ~ 6000 field service forces
Power Plants - order intake 2007

- Flexible baseload: 68%
- Industrial self-generation: 19%
- Grid stability & peaking: 2%
- Oil & gas: 11%
- Renewable: 15%
- Gas: 36%
- Oil: 49%

MEUR
0 200 400 600 800 1000 1200 1400 1600
2003 2004 2005 2006 2007
Power Plants - order intake by region

Order intake 1-12/2007: 2,776 MW (2,158)

Europe 929 (408)
- Flexible baseload: 645 (245)
- Industrial self-generation: 147 (109)
- Oil & gas: 78 (122)
- Grid stability & peaking: 66 (13)

Asia 433 (633)
- Flexible baseload: 373 (396)
- Industrial self-generation: 120 (54)
- Oil & gas: 18 (0)
- Grid stability & peaking: 61 (238)

Americas 434 (407)
- Flexible baseload: 204 (217)
- Industrial self-generation: 85 (56)
- Oil & gas: 78 (122)
- Grid stability & peaking: 66 (13)

Africa and Middle East 979 (710)
- Flexible baseload: 687 (381)
- Industrial self-generation: 14 (13)
- Oil & gas: 278 (298)
- Grid stability & peaking: 14 (13)
Power Plants - market size & Wärtsilä’s market share development

Market size, MW

0% 10% 20% 30% 40% 50% 60% 70% 80%

Wärtsilä’s market share, %

2003 2004 2005 2006 2007

Market size, MW

1% 1% 19% 20% 9% 8% 8% 12%

74% 44% 34% 38% 23% 24% 24%

LFO HFO GAS

© Wärtsilä

25
Power Plants - net sales 2007

- Flexible baseload: 60%
- Industrial self-generation: 30%
- Grid stability & peaking: 7%
- Oil & gas: 4%
# Cash flow

<table>
<thead>
<tr>
<th></th>
<th>MEUR 2007</th>
<th>MEUR 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operating activities</td>
<td>431</td>
<td>302</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>-214</td>
<td>148</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>-95</td>
<td>-387</td>
</tr>
<tr>
<td>Liquid funds at the end of period</td>
<td>296</td>
<td>179</td>
</tr>
</tbody>
</table>
Financial position

Solvency

Gearing

NOTE: 2003 according to FAS, 2004-> IFRS
Convertible subordinated debentures treated as equity
EPS and dividend/share

<table>
<thead>
<tr>
<th>Year</th>
<th>EPS</th>
<th>Dividend</th>
<th>Extra dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>-1.0</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>-0.5</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>0.0</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>1.0</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>1.5</td>
<td>1.5</td>
<td></td>
</tr>
</tbody>
</table>

1 Dividend 2007 - Proposal of the Board
2 Includes one-off capital gains; Assa Abloy & Ovako
Market activity to continue solid during the first half of 2008

- In Ship Power some slowdown might be seen at the end of the spring
- Activity in the Power Plant market to continue very strong
- Wärtsilä continues to work at capacity
Based on the strong order book, Wärtsilä’s net sales are expected to grow by about 25% in 2008.

Profitability will exceed 11%.

Wärtsilä’s profitability varies considerably from one quarter to another. This pattern will repeat itself during the current year. The first quarter is likely to be the weakest and the last quarter the best.