2008 - a record year

- Net sales +23%, EUR 4,612 million
- Profitability improved clearly, EUR 525 million, 11.4% of net sales
- EPS EUR 3.88 (2.74)
- Order intake EUR 5,573 million (5,633)
Full year order intake at last year’s level

Fourth quarter development

Order intake | Power Plants | Ship Power | Services

2004 | 2005 | 2006 | 2007 | 2008
Order book grew 9%

*) Cancellations amounting to EUR 333 million and the order book of Bio Power amounting to EUR 116 million have been deducted from the order book. Additions relating to acquisitions and other adjustments amounted to EUR 158 million.
Net sales grew according to plan

Net sales grew according to plan.

Fourth quarter development

Q4/2007: 1,272 MEUR, 15%
Q4/2008: 1,530 MEUR, 20%

Net sales: 13% growth
Power Plants: 27% growth
Ship Power: 29% growth
Services: 19% growth
Order book distribution

Strong basis for 2009

31.12.2007
31.12.2008

Delivery next year
Delivery next year +
Net sales by business 2008

- **Ship Power**: 33% (35)
- **Power Plants**: 27% (24)
- **Services**: 40% (41)
Continued growth in Asia
Operating profit all time high

![Bar chart showing operating profit for Q1 to Q4 from 2005 to 2008. The profit is at an all-time high in Q4 2008.](chart.png)
Ship Power - market development
Ship owner earnings have fallen dramatically

ClarkSea index covers tankers, bulkers, containers and gas carriers.
Source: Clarkson Research Services Limited.
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 development
Market position of Wärtsilä’s marine engines 2008

Medium-speed main engines

- Others 18% (15)
- Wärtsilä 37% (34)
- MAN Diesel 24% (27)
- Caterpillar (MAK) 20% (25)

Low-speed main engines

- Mitsubishi 4% (2)
- Wärtsilä 15% (13)
- MAN Diesel 81% (85)

Auxiliary engines

- Wärtsilä 8% (9)
- Others 92% (91)

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 order book distribution
Even spread between ship types

- Merchant: 49%
- Offshore: 32%
- Tankers: 9%
- LNG: 8%
- RoRo: 4%
- Special vessels: 8%
- Cargo: 9%
- Container: 9%
- Bulkers: 10%
- Cruise & Ferry: 6%
- Navy: 4%
- Ship Design: 1%
Power Plants order intake by application 2008

- Flexible baseload: 47%
- Grid stability & peaking: 33%
- Oil & gas: 2%
- Renewable: 2%
- Gas: 37%
- Oil: 61%

Industrial self-generation: 18%

Bar chart showing order intake in MEUR for years 2004 to 2008.
Power Plants order intake
Americas very strong region

Order intake 2008: 3,349 MW (2,775)

- **Europe**: 483 (929), 388 MW
- **Asia**: 207 (433), 153 MW
- **Africa and Middle East**: 965 (979), 578 MW
- **Americas**: 1,693 (434), 1,072 MW

**Regions**
- Flexible baseload
- Industrial self-generation
- Oil & gas
- Grid stability & peaking
Power Plants order book distribution

- Flexible baseload: 51%
- Grid stability & peaking: 28%
- Industrial self-generation: 19%
- Oil & gas: 3%
Services net sales 2008

Fourth quarter development

Q4/2007: 431 MEUR (15% increase)
Q4/2008: 495 MEUR (17% increase)

2004: 1,000 MEUR (16% increase)
2005: 1,200 MEUR (22% increase)
2006: 1,400 MEUR (17% increase)
2007: 1,800 MEUR (18% increase)
2008: 2,000 MEUR (15% increase)
Services net sales distribution

Spare parts 54%

Field service 29%

Contracts 11%

Projects 6%
Services installed engine base 2008

Total installed base
162,100 MW

Ship Power
130,008 MW

Power Plants
32,092 MW
## Strong cash flow

<table>
<thead>
<tr>
<th></th>
<th>MEUR 2008</th>
<th>MEUR 2007</th>
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<tbody>
<tr>
<td>Cash flow from operating activities</td>
<td>278</td>
<td>431</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>-329</td>
<td>-214</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>-26</td>
<td>-95</td>
</tr>
<tr>
<td>Liquid funds at the end of period</td>
<td>197</td>
<td>296</td>
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</table>
Personnel development

11,000 people in Services

- Services
- Ship Power
- Power Plants
- Industrial Operations
EPS and dividend/share

<table>
<thead>
<tr>
<th>Year</th>
<th>EPS</th>
<th>Dividend</th>
<th>Extra dividend</th>
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<tbody>
<tr>
<td>2004²</td>
<td></td>
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<td>2005</td>
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<td>2007</td>
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<td>2008¹</td>
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</tbody>
</table>

- **EPS**
- **Dividend**
- **Extra dividend**

1. Dividend 2008 - Proposal of the Board
2. Includes one-off capital gains; Assa Abloy & Ovako
Market outlook

- Ship Power: Market uncertainties prevail
- Power Plants: Ordering activity estimated to be on a good level during the next two quarters
- Services: Stable development continues
Prospects for 2009

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