Q1/11 Highlights

- Net sales EUR 1,083 million, +18%
- Order intake EUR 979 million, +11%
- Operating result EUR 113 million, 10.4% of net sales
- Cash flow from operating activities EUR 133 million
- EPS EUR 0.38 (0.34)

Operating result and EPS are shown excluding nonrecurring items. EPS figures have been calculated based on the new amount of shares.
Growth in net sales

Q1 on Q1 development

Q1 on Q4 development

Power Plants | Ship Power | Services

Q1/2010 | 922 | 7%
Q1/2011 | 1 083 | 18%

Q4/2010 | 1 462 | -26%
Q1/2011 | 1 083 | -15%
Net sales by business 1-3/2011

- Ship Power 27% (30)
- Power Plants 32% (26)
- Services 41% (44)
Emerging markets approx. 54% of 2010 net sales
Order intake at healthy levels

Q1 on Q1 development

Q1 on Q4 development

Power Plants Ship Power Services
Order book

- 2007: 330 MEUR
- 2008: 3,669 MEUR (10%)
- 2009: 3,669 MEUR (14%)
- 31.3.2010: 4,330 MEUR (15%)
- 31.3.2011: 3,669 MEUR (14%)

Power Plants
Ship Power
Services

© Wärtsilä
Order book distribution

- Delivery current year
- Delivery next year +
Solid profitability

Yearly EBIT%:
- 2007: 10.1%
- 2008: 11.4%
- 2009: 12.1%
- 2010: 10.7%
- 2011: 10.4%

EBIT% target: 10-14%
Ship Power order intake by segment

Q1 on Q4 development

-3%

178
25%
333%
-27%
-26%
39%

173

0 50 100 150 200
Q4/2010 Q1/2011

MEUR

0 100 200 300 400 500 600 700 800 900 1000 1100 1200 1300 1400 1500 1600 1700 1800 1900 2000 2100 2200 2300 2400 2500 2600 2700 2800


MEUR

- Merchant
- Offshore
- Cruise & Ferry
- Special vessels
- Navy
- Ship Design
Ship Power quarterly order intake

![Graph showing quarterly order intake in MEUR from 2004 to 2011 for Q1, Q2, Q3, and Q4.](image-url)
Ship Power market
Market position of Wärtsilä’s marine engines

Medium-speed main engines
- Wärtsilä: 42% (42)
- MAN Diesel: 27% (25)
- Caterpillar (MAK): 15% (15)
- Others: 16% (18)

Low-speed main engines
- MAN Diesel: 85% (84)
- Wärtsilä: 11% (13)
- Mitsubishi: 4% (3)

Auxiliary engines
- Wärtsilä: 3% (4)
- Others: 97% (96)

Total market volume last 12 months:
- Medium-speed main engines: 1,628 MW (1,639)
- Low-speed main engines: 17,220 MW (15,681)
- Auxiliary engines: 4,271 MW (3,880)

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 order book 31 March 2011
All vessel segments represented

- Merchant: 49%
- Bulkers: 13%
- Containers: 6%
- Tankers: 9%
- Cruise & Ferry: 7%
- Special vessels: 10%
- Navy: 6%
- Cargo: 12%
- LNG: 5%
- RoRo: 4%
- Ship Design: 2%

Total EUR 1,699 million (2,242)
Wärtsilä is a frontrunner in LNG-fuelled ships

Target to strengthen leading position in gas engine technology
• Rising interest in natural gas as a marine fuel
  – Environmental drivers and competitive natural gas prices
• Wärtsilä’s dual fuel technology in over 60 LNG carriers

Contract awarded by STX Finland Oy
• Supply of gas engines and equipment for Viking Line’s new environmentally sound passenger ferry
• Largest LNG fuelled passenger ferry
• Integrated scope of supply:
  – Four Wärtsilä 8L50DF dual fuel engines
  – Wärtsilä LNGPac and Compact Silencer System
Power Plants - Market demand remained on a good level

Quoted MW per Fuel Type

MW

0 2000 4000 6000 8000 10000 12000 14000 16000

Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4

0 2000 4000 6000 8000 10000

Quoted MW per Fuel Type

Share of natural gas is consistently increasing
Power Plants order intake by application

Order intake by fuel Q1/2011 in MW

- Oil: 38%
- Gas: 62%

Q1 on Q4 development

- Oil: -20%
- Flexible baseload: -51%
- Grid stability & peaking: -49%
- Gas: 202%
Power Plants quarterly order intake

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
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<tbody>
<tr>
<td>2004</td>
<td>450</td>
<td>150</td>
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<tr>
<td>2011</td>
<td>350</td>
<td>400</td>
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</tbody>
</table>

MEUR
Power Plants order intake
Europe strongest region

Order intake 1-3/2011: 682 MW (457)
Power Plants market
Gas turbine and engine manufacturers

2008
- GE 39.5
- MHI 13.8
- Siemens 20.0
- Alstom 5.3
- Wärtsilä 3.3
- Ansaldo 4.2
- Other GTs 5.1
- Other CEs 2.2

Total market 92.8 GW
Wärtsilä’s market share 3.6%

2009
- GE 18.7
- MHI 3.9
- Siemens 17.1
- Alstom 2.5
- Wärtsilä 2.0
- Ansaldo 1.3
- MHI 2.0
- Other GTs 3.9
- Other CEs 0.9

Total market 48.5 GW
Wärtsilä’s market share 4.1%

2010
- GE 23.7
- MHI 3.9
- Siemens 17.0
- Alstom 1.9
- Wärtsilä 3.2
- Ansaldo 1.8
- MHI 2.0
- Other GTs 3.2
- Other CEs 1.9

Total market 56.6 GW
Wärtsilä’s market share 5.6%

Market data includes all prime mover units over 5 MW and estimated output of steam turbines for combined cycles. The data is gathered from the McCoy Power Report and IESG. In oil and gas engine technology, Wärtsilä has a leading position.
Services net sales showed growth

Q1 on Q1 development

2007 18% 0% 0% 0% 1-3/2011

2008 2009 2010

MEUR

Q1/2010 409 7% 439 Q1/2011

MEUR
Services net sales distribution 1-3/2011

- **Spare parts**: 55% (55)
- **Field service**: 22% (23)
- **Contracts**: 15% (13)
- **Projects**: 8% (9)

Numbers in brackets are from Q1/2010.
Laid up vessels

* 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 Lloyd’s MIU. Around 15 000 vessels (>299 GT) covered.
Services
Broken up vessels and fleet average speed

Fleet Average Speed

Vessels Broken Up
Breakthrough contract for marine services

Target to grow through service agreements
Continued interest in maintenance agreements seen in marine and power plant markets
- Reduction of fixed costs
- Enhanced performance and reliability

Maintenance support agreement signed with Royal Caribbean Cruises Ltd
- Five year maintenance support agreement
- 29 vessels, with an aggregate output of 1,400 MW
- Wärtsilä’s single largest marine maintenance support agreement
- Optimised planning of overhauls and spare parts logistics
- Improved fuel economy and predictability of operational costs
Cash flow from operating activities

Q1 on Q1 development

<table>
<thead>
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<th>Quarter</th>
<th>MEUR</th>
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<tr>
<td>Q1/2010</td>
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<tr>
<td>Q1/2011</td>
<td>133</td>
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Working capital development

**Working Capital**

2004 figures relate to the Power Businesses
Committed loans 31 March 2011

At the end of the reporting period, drawn revolving credits amounted to 0 euros. In addition, there are Finnish Commercial Paper Programs of EUR 700 million (uncommitted).
Personnel reductions of approx. 1,800 targeted, 1,500 employees reduced to date.

Expected annual savings approx. EUR 130 million, of which EUR 60 million recognised by end of 2010 and remainder will gradually materialise during 2011.

Nonrecurring restructuring costs approx. EUR 150 million, of which EUR 115 million recognised by end of 2010 and EUR 2 million recognised in Q1/2011.
Market outlook

- **Ship Power**: Price pressure in markets will continue. Order intake in 2011 expected to be moderately better than in 2010.

- **Power Plants**: Recovery in the power generation market is expected to continue in 2011. Order intake estimated to remain at a good level in 2011.

- **Services**: A sustainable recovery in the marine service market is expected in 2011. Stable demand from Power Plants customers.
Wärtsilä expects its net sales for 2011 to grow 3-5% and operational profitability (EBIT% before nonrecurring items) to be around 11%