

WÄRTSILÄ CORPORATION

UBS PAN EUROPEAN SMALL & MIDCAP CONFERENCE

RAIMO LIND, EVP & CFO

19 MAY 2011

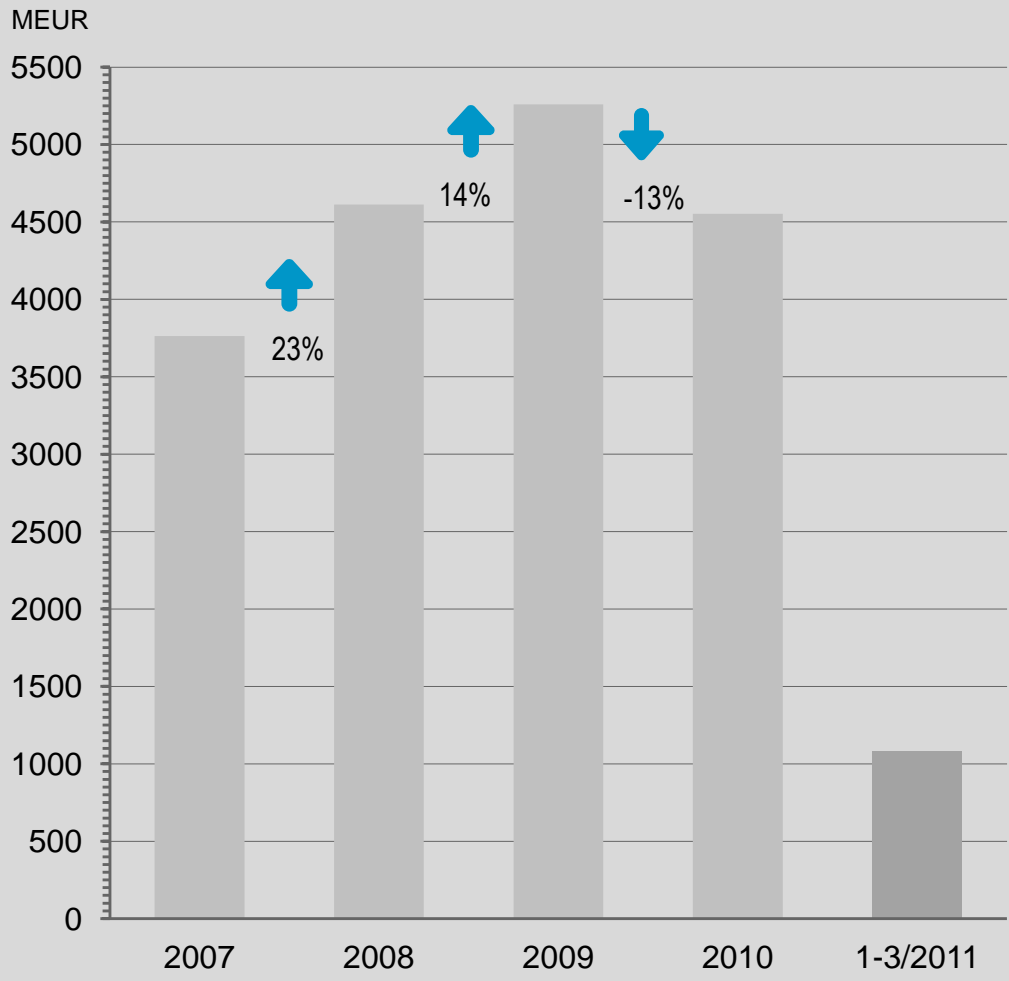
Q1/11 Highlights



- 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)

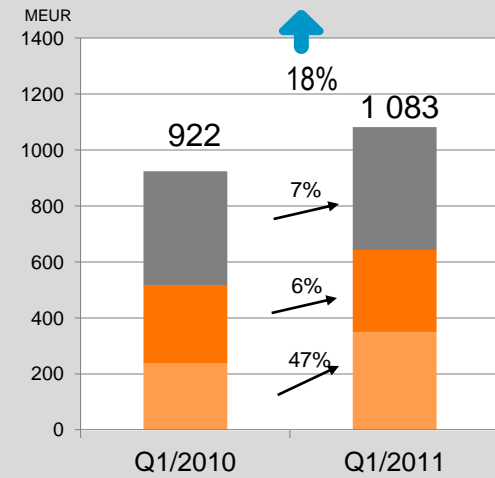
Operating result and EPS are shown excluding nonrecurring items. EPS figures have been calculated based on the new amount of shares.

Growth in net sales

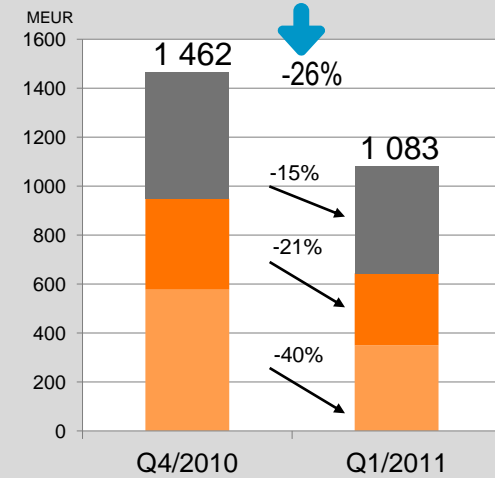


● Power Plants
 ● Ship Power
 ● Services

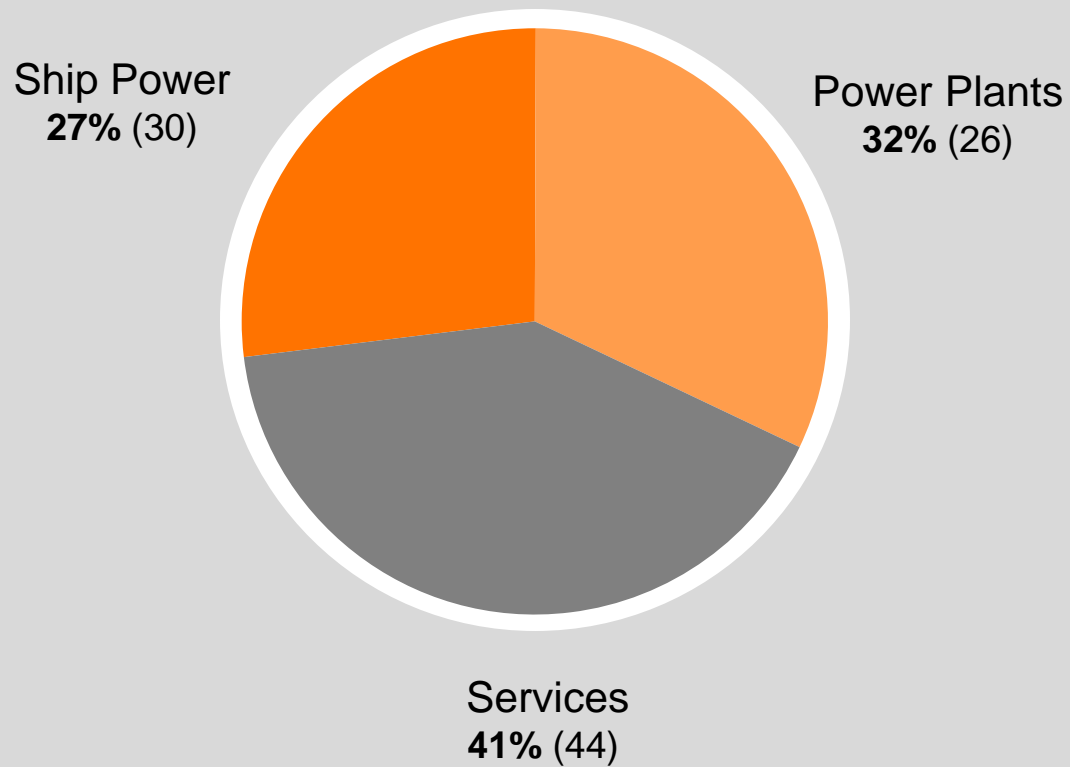
Q1 on Q1 development



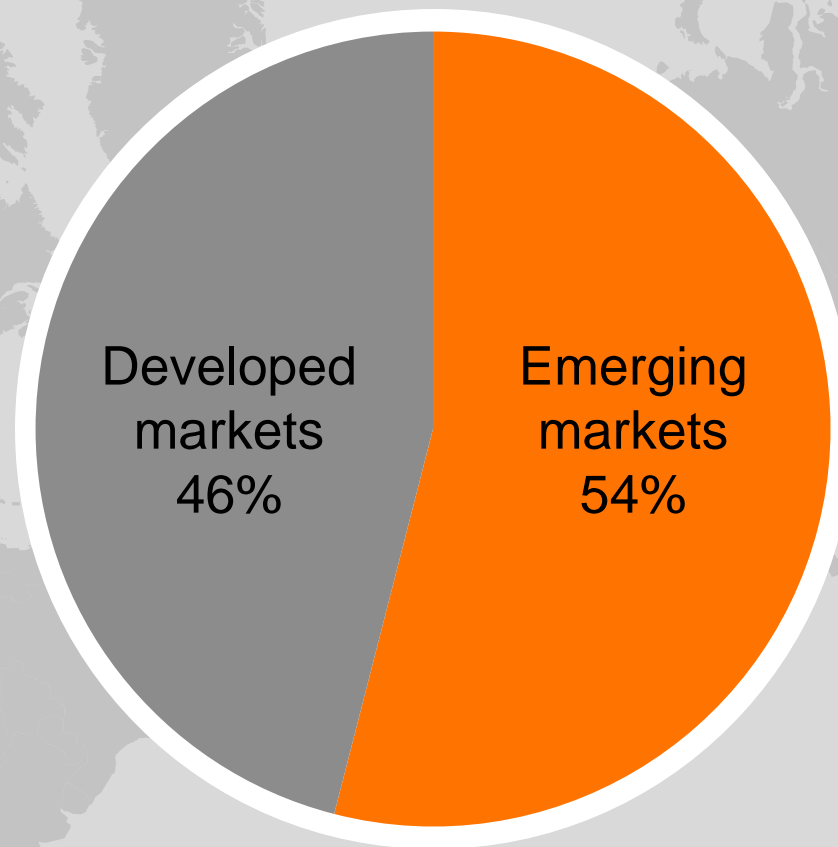
Q1 on Q4 development



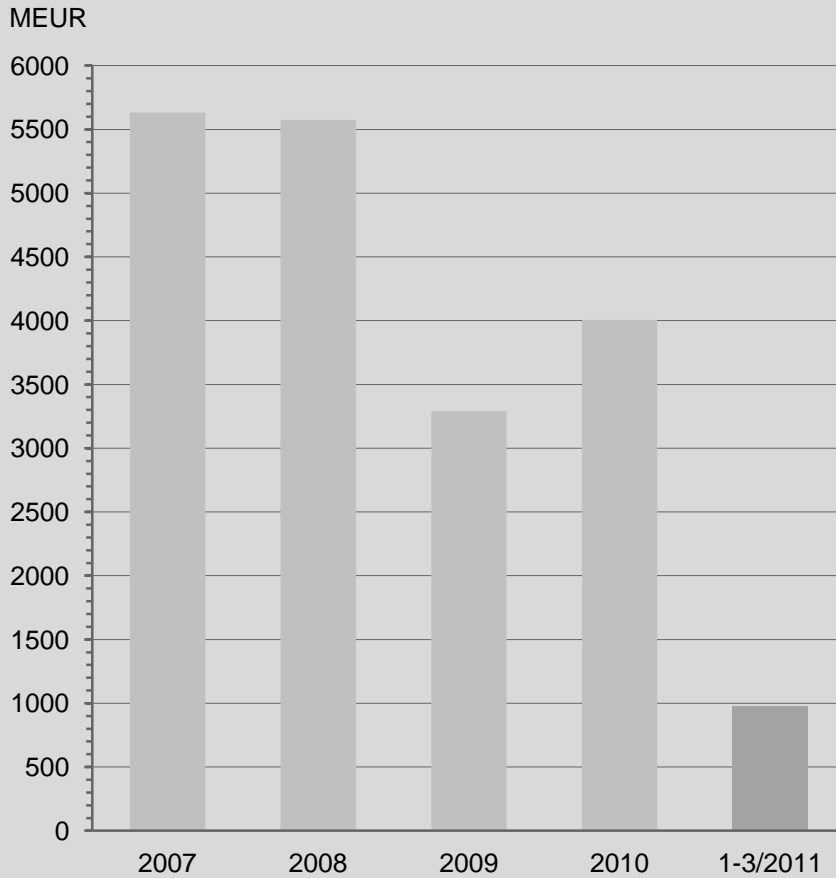
Net sales by business 1-3/2011



Emerging markets approx. 54% of 2010 net sales

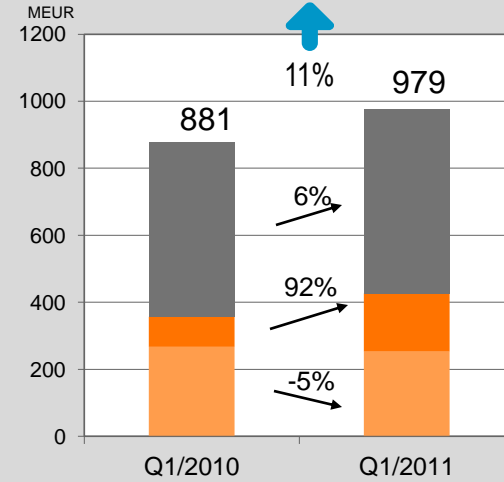


Order intake at healthy levels

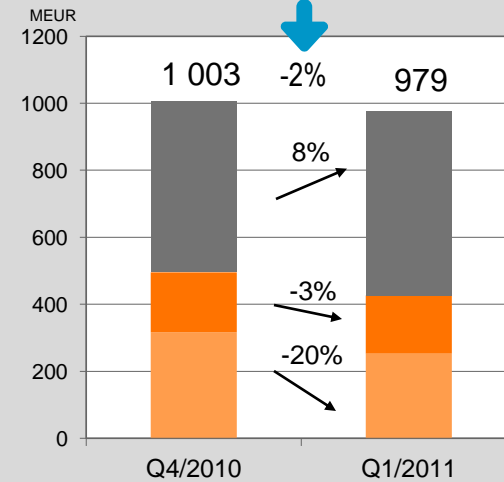


● Power Plants ● Ship Power ● Services

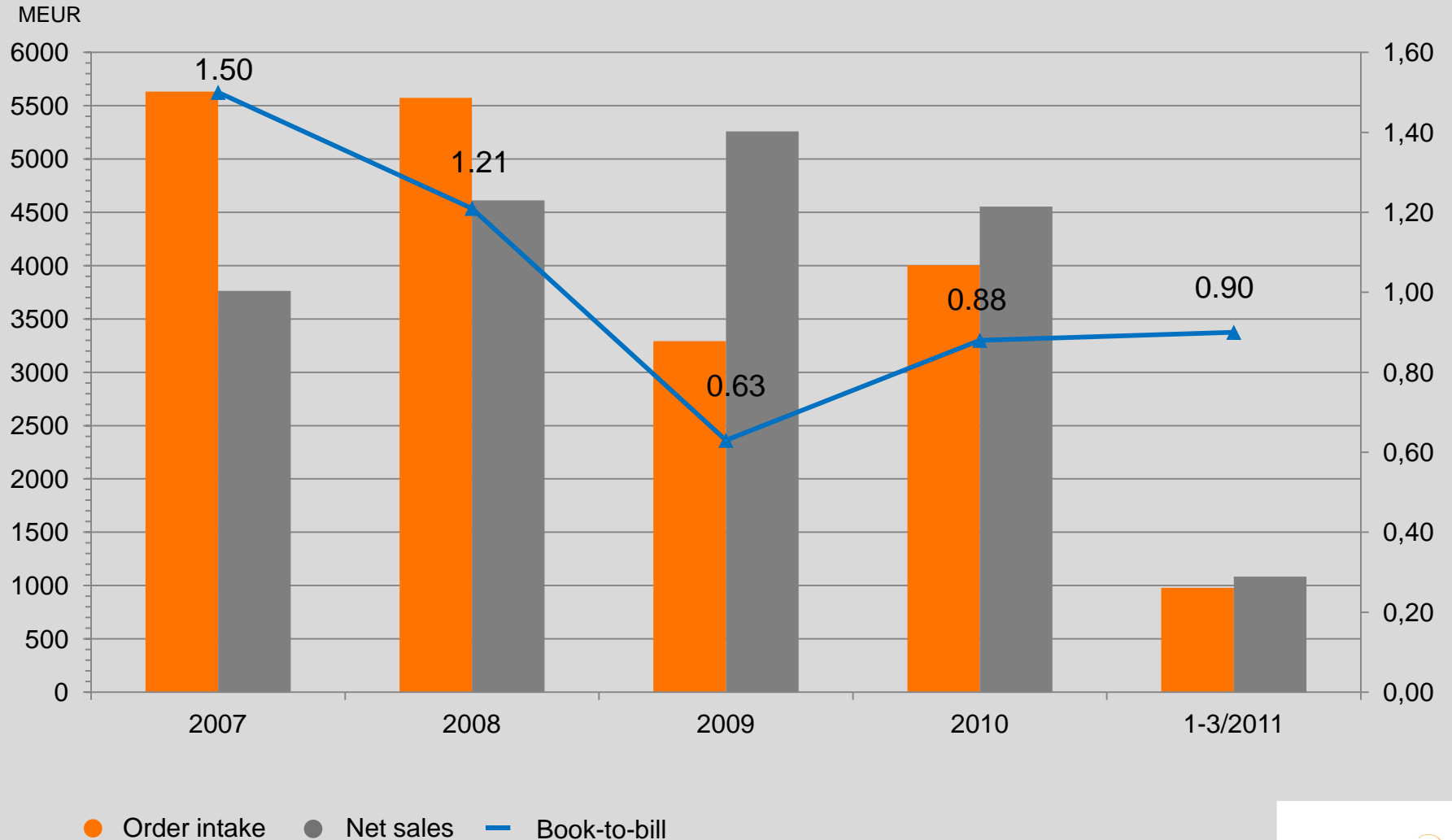
Q1 on Q1 development



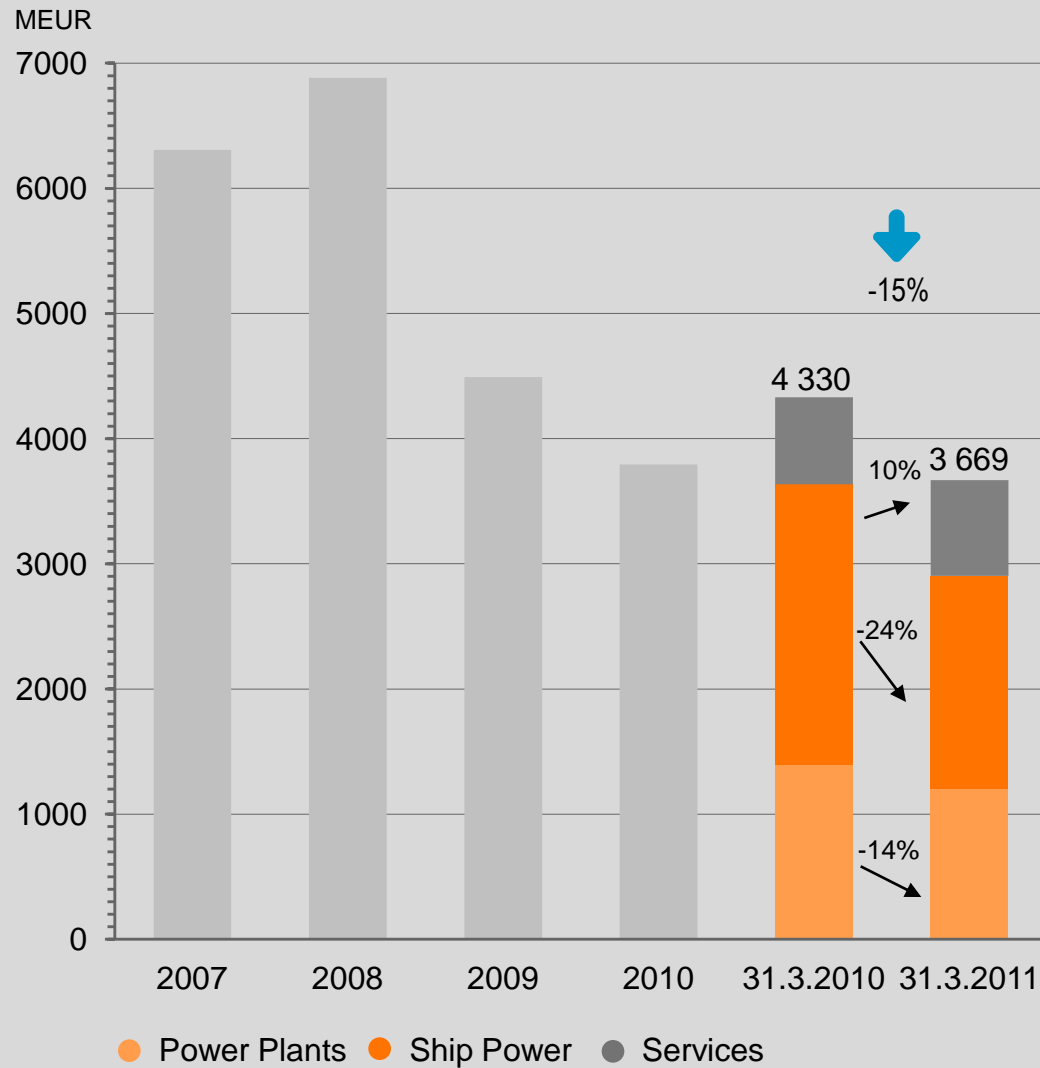
Q1 on Q4 development



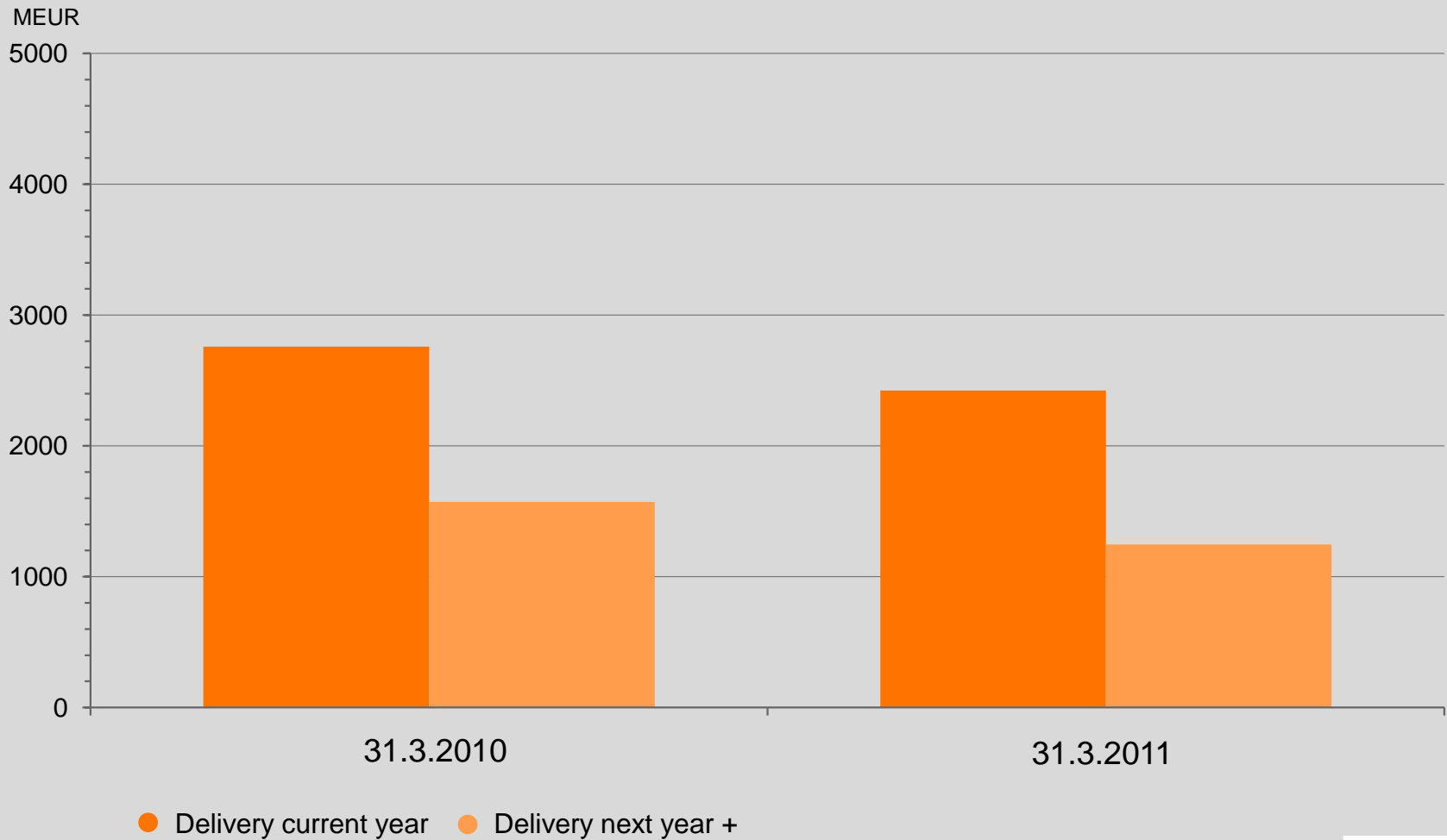
Book-to-bill



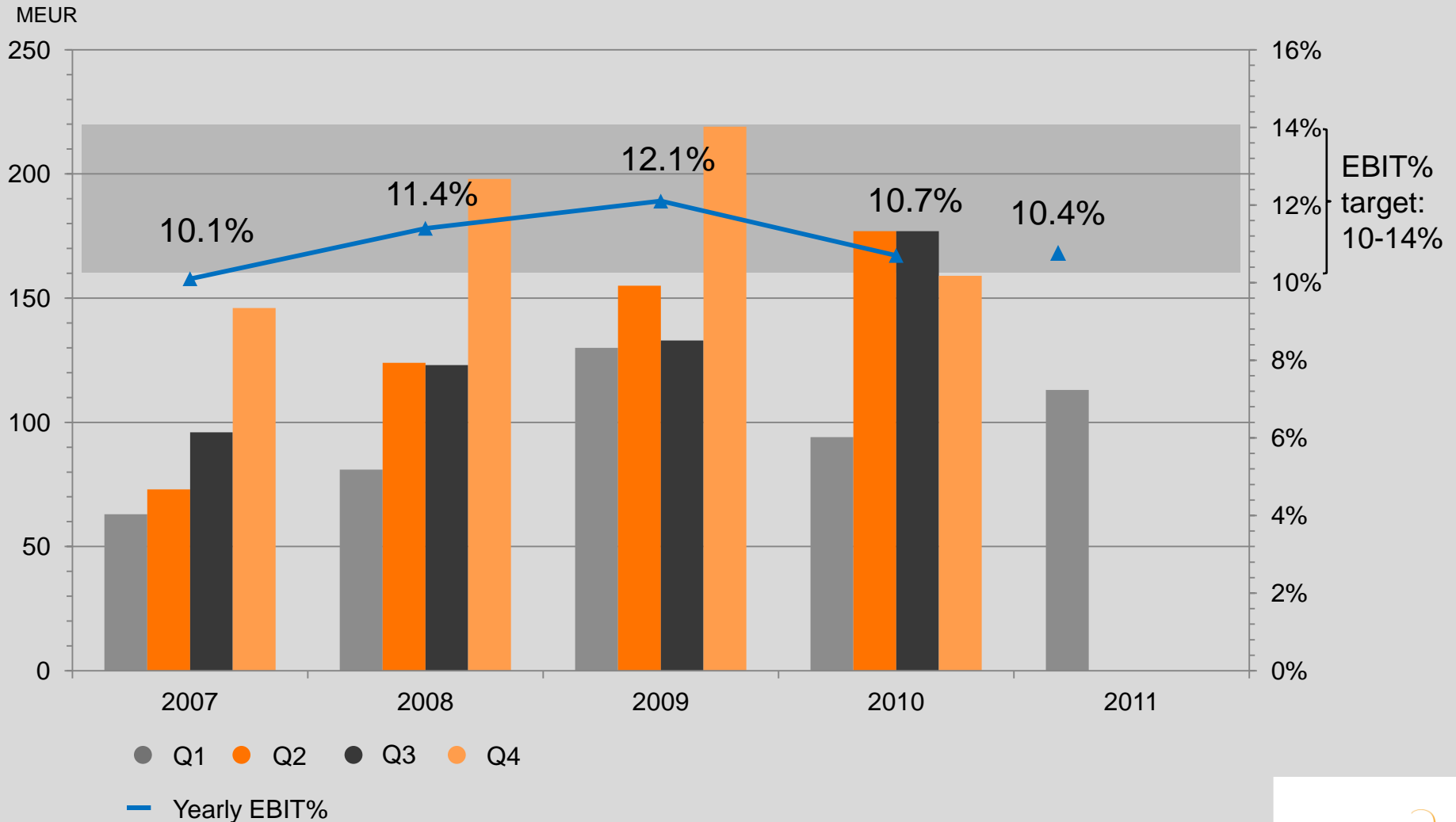
Order book



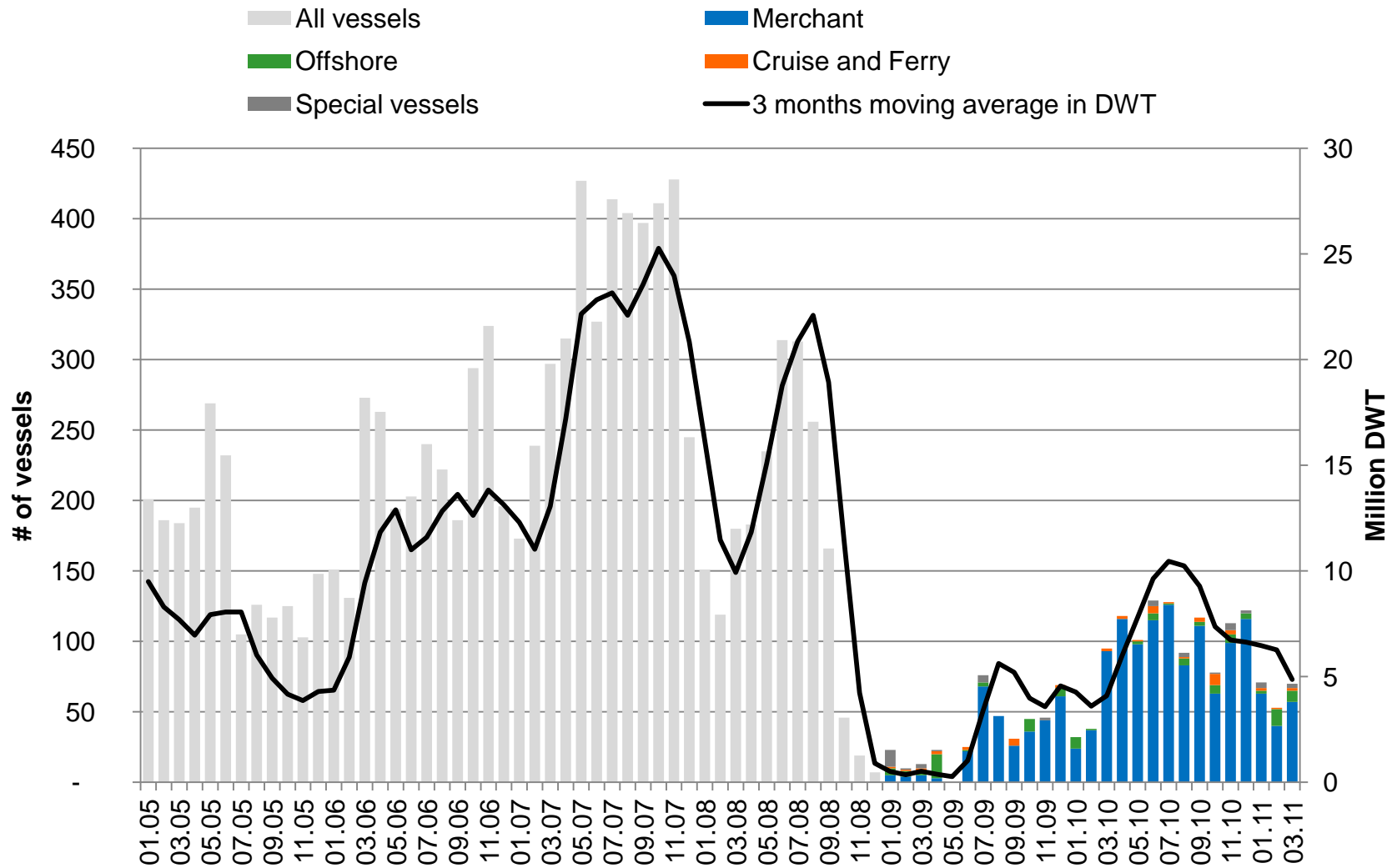
Order book distribution



Solid profitability

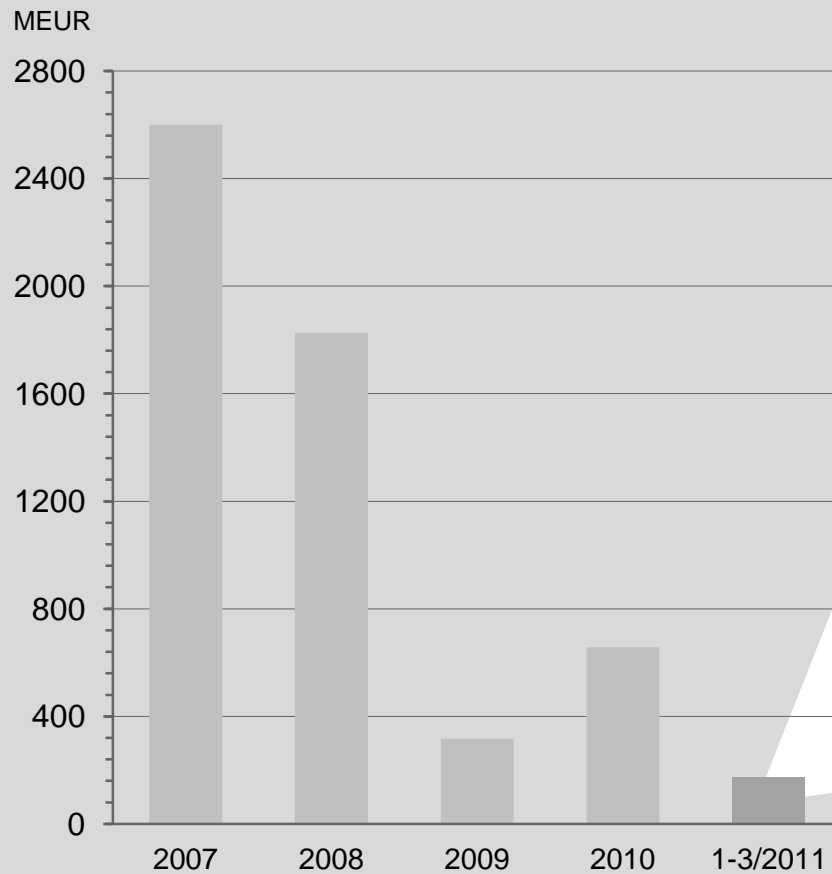


Ship Power market - vessel order development

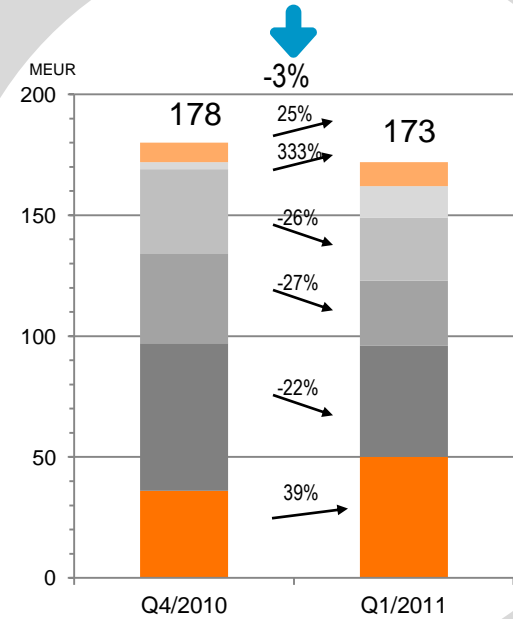


Source: Clarkson Research Services Limited

Ship Power order intake by segment

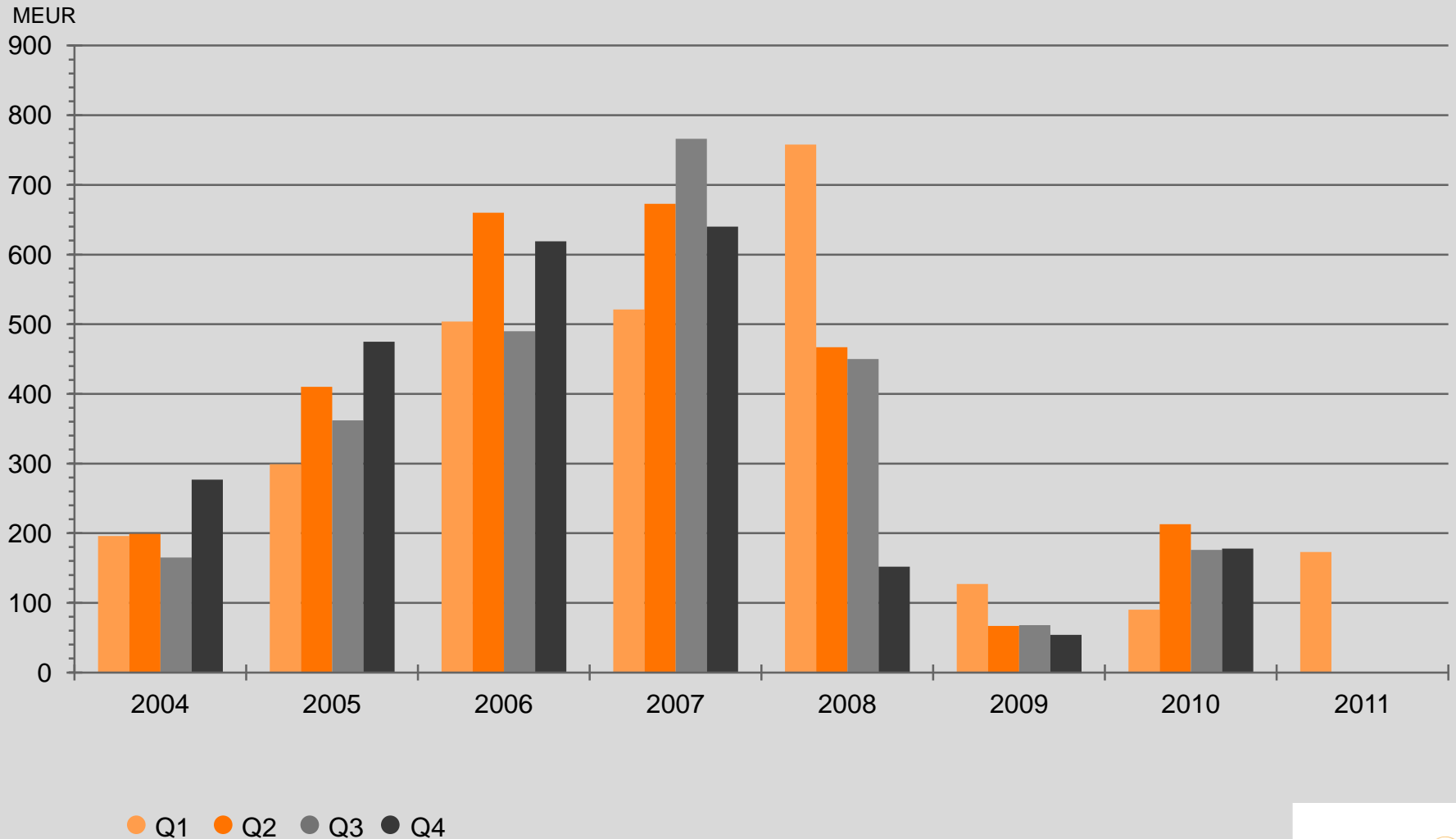


Q1 on Q4 development



● Merchant
 ● Offshore
 ● Cruise & Ferry
 ● Special vessels
 ○ Navy
 ● Ship Design

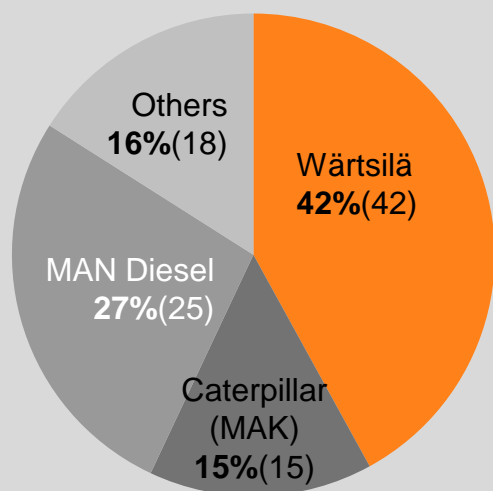
Ship Power quarterly order intake



Ship Power market

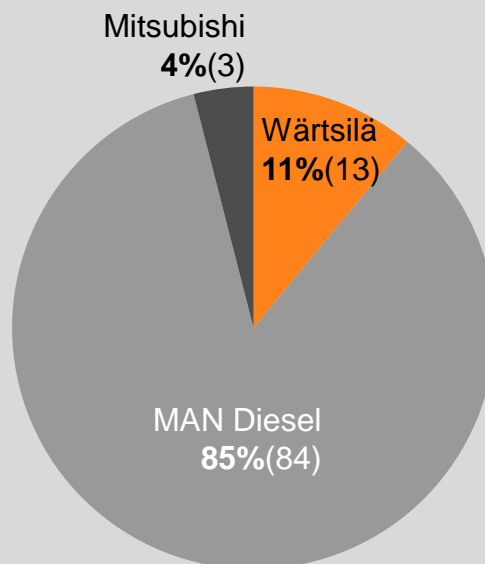
Market position of Wärtsilä's marine engines

Medium-speed main engines



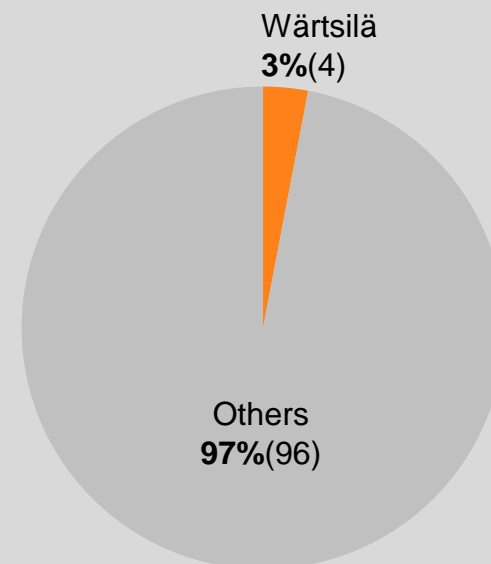
Total market volume last 12 months:
1,628 MW (1,639)

Low-speed main engines



Total market volume last 12 months:
17,220 MW (15,681)

Auxiliary engines

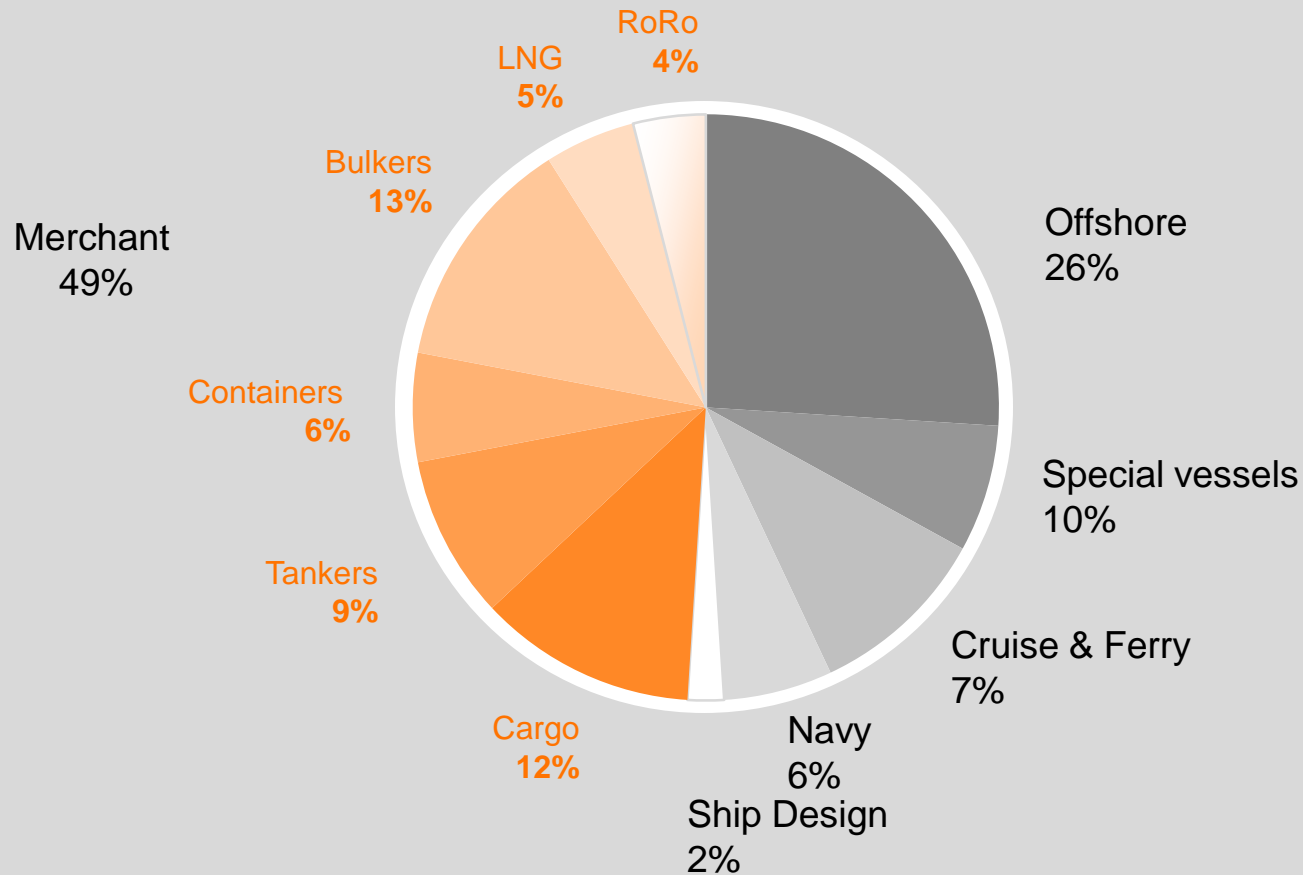


Total market volume last 12 months:
4,271 MW (3,880)

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



Total EUR 1,699 million (2,242)

Wärtsilä is a frontrunner in LNG-fuelled ships



Target to strengthen leading position in gas engine technology

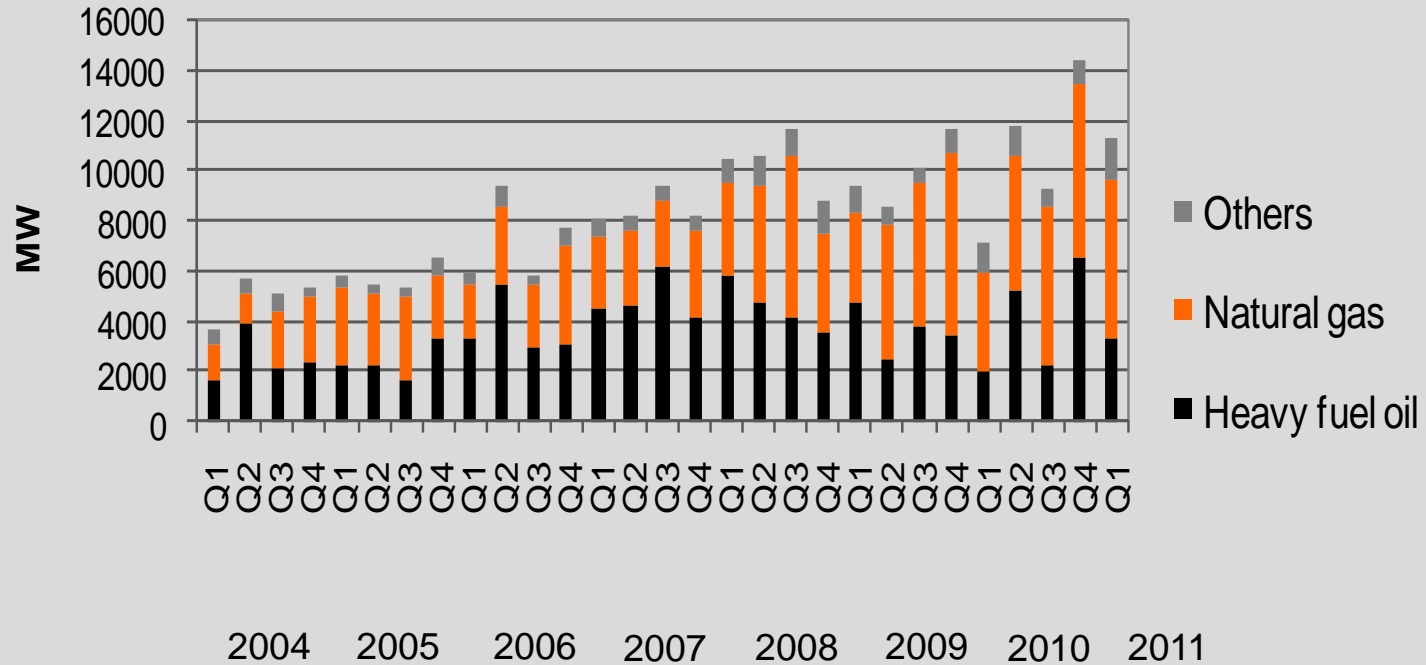
- Rising interest in natural gas as a marine fuel
 - Environmental drivers and competitive natural gas prices
- Wärtsilä's dual fuel technology in over 60 LNG carriers

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

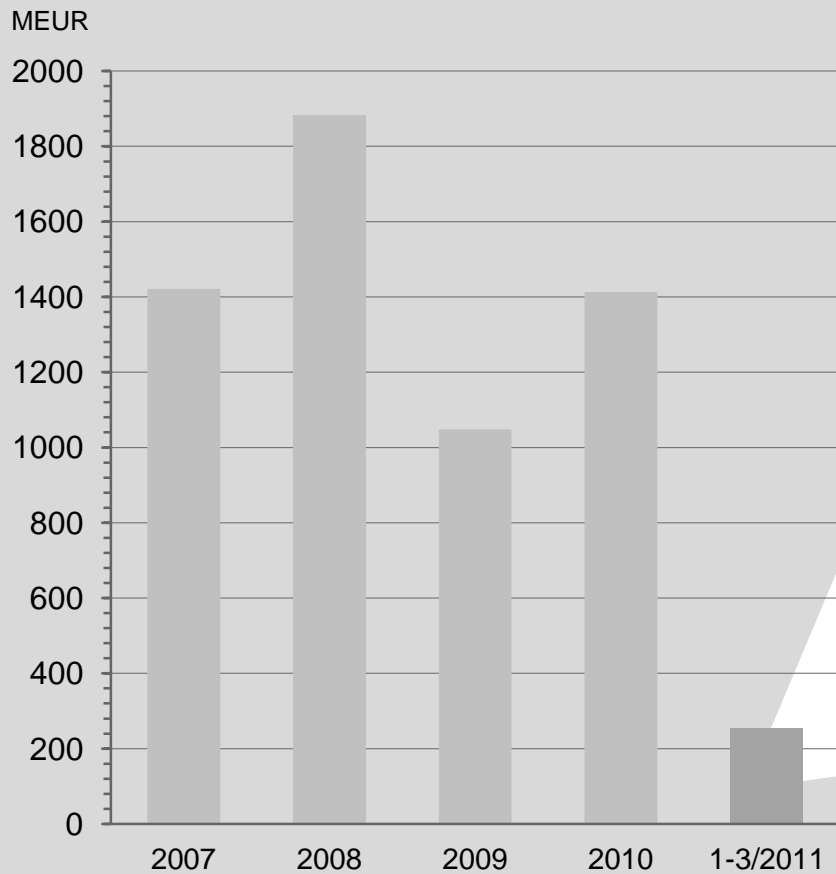
Power Plants - Market demand remained on a good level

Quoted MW per Fuel Type

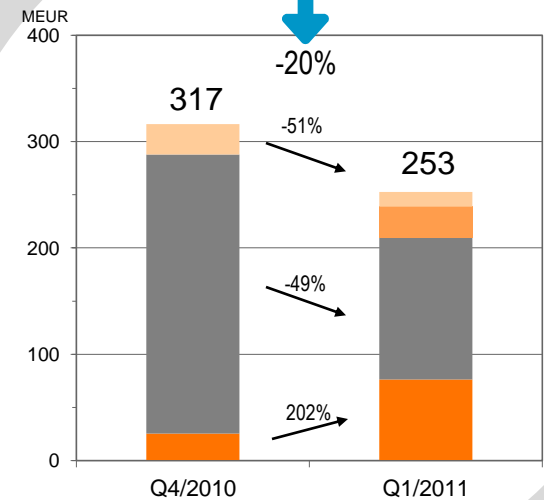


Share of natural gas is consistently increasing

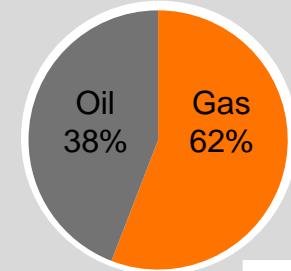
Power Plants order intake by application



Q1 on Q4 development

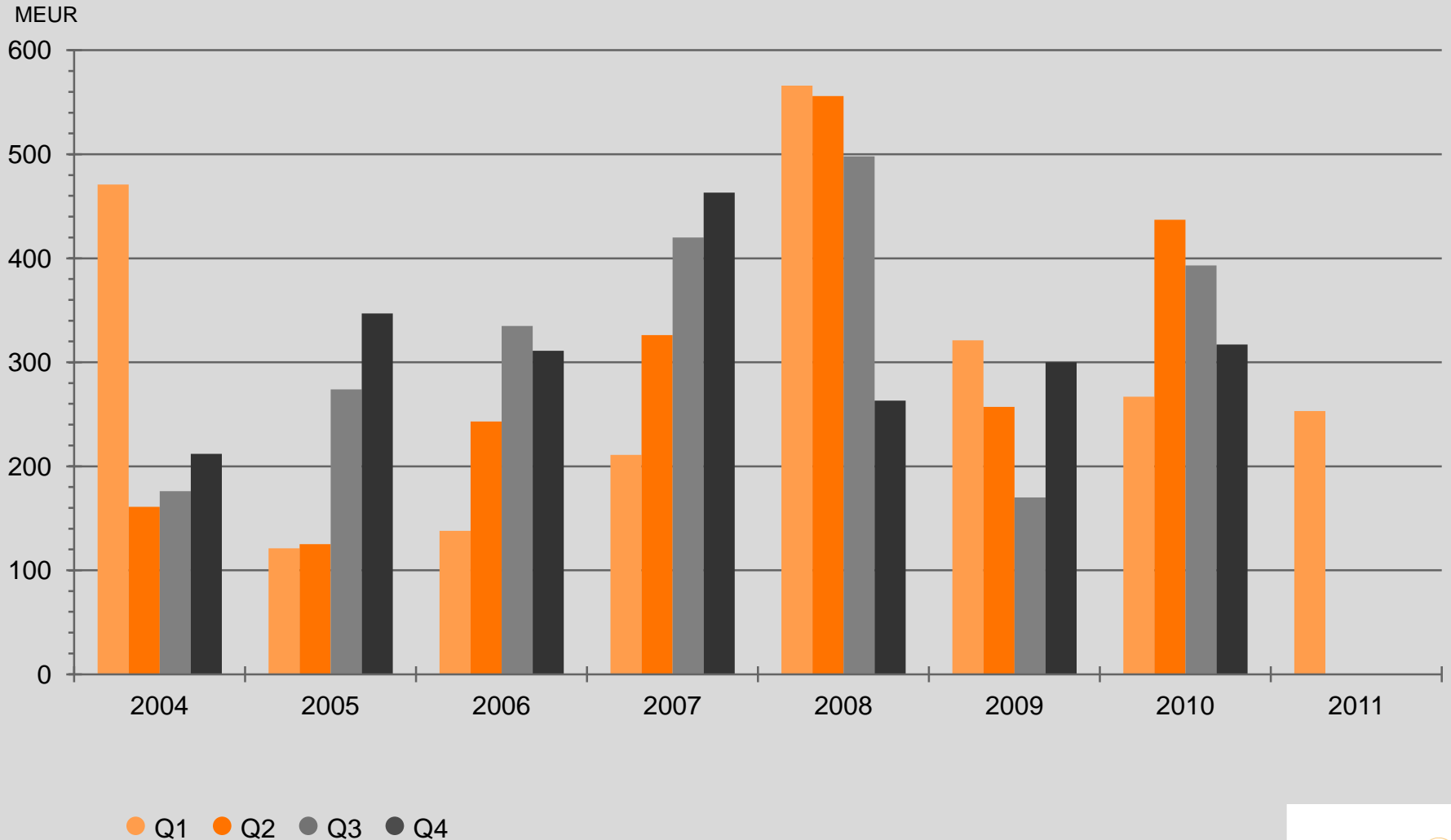


Order intake by fuel Q1/2011 in MW



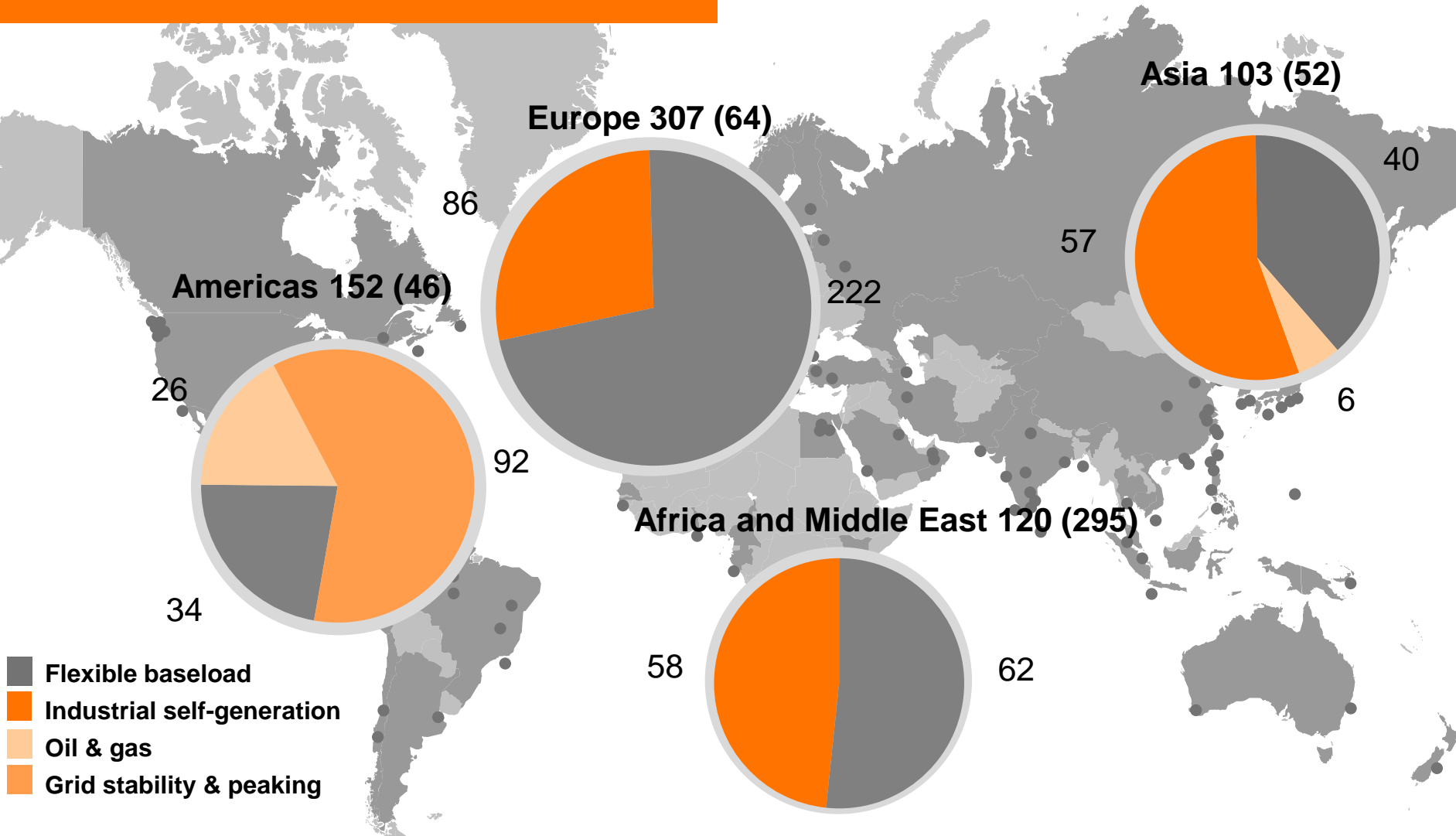
- Industrial self-generation
- Flexible baseload
- Grid stability & peaking
- Oil & Gas

Power Plants quarterly order intake



Power Plants order intake

Europe strongest region

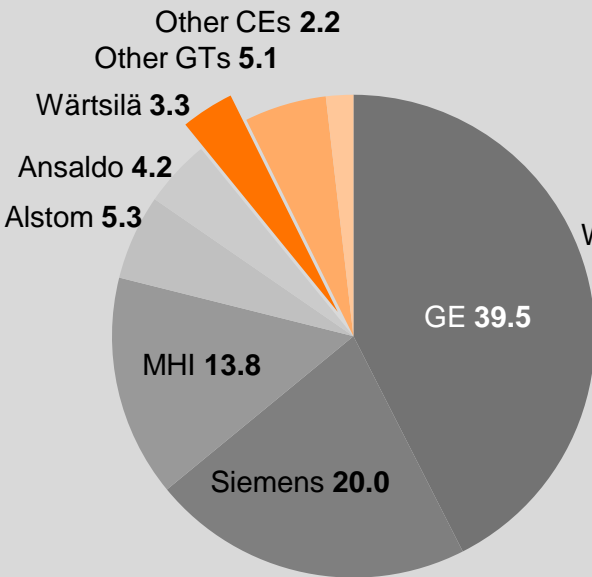


Order intake 1-3/2011: 682 MW (457)

Power Plants market

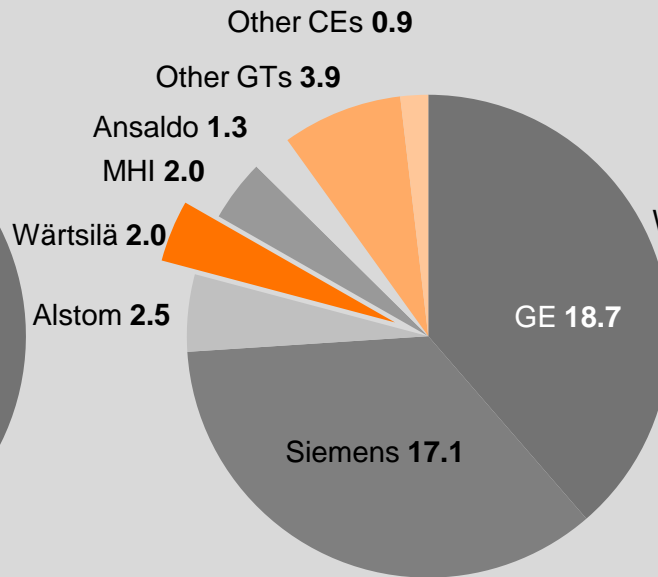
Gas turbine and engine manufacturers

2008



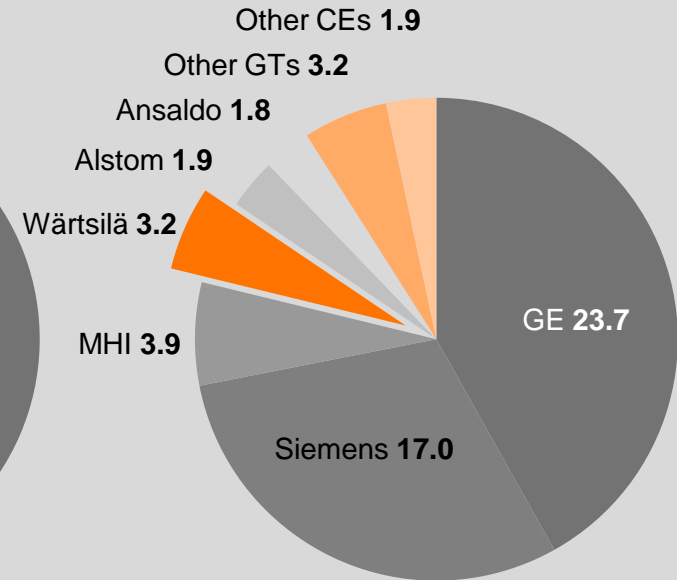
Total market 92.8 GW
Wärtsilä's market share 3.6%

2009



Total market 48.5 GW
Wärtsilä's market share 4.1%

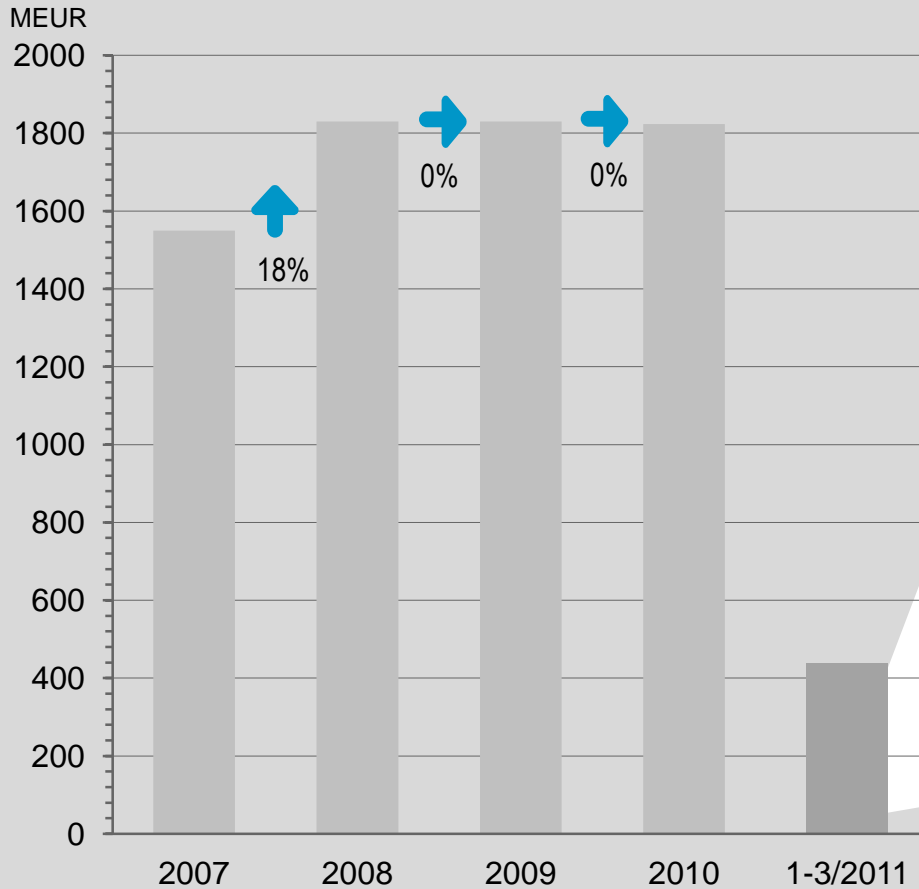
2010



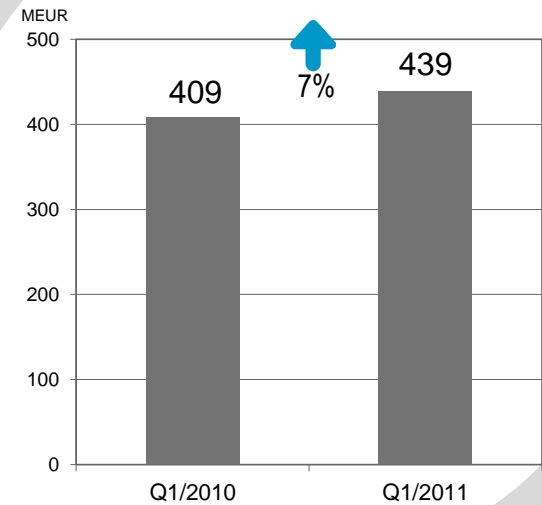
Total market 56.6 GW
Wärtsilä's market share 5.6%

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.

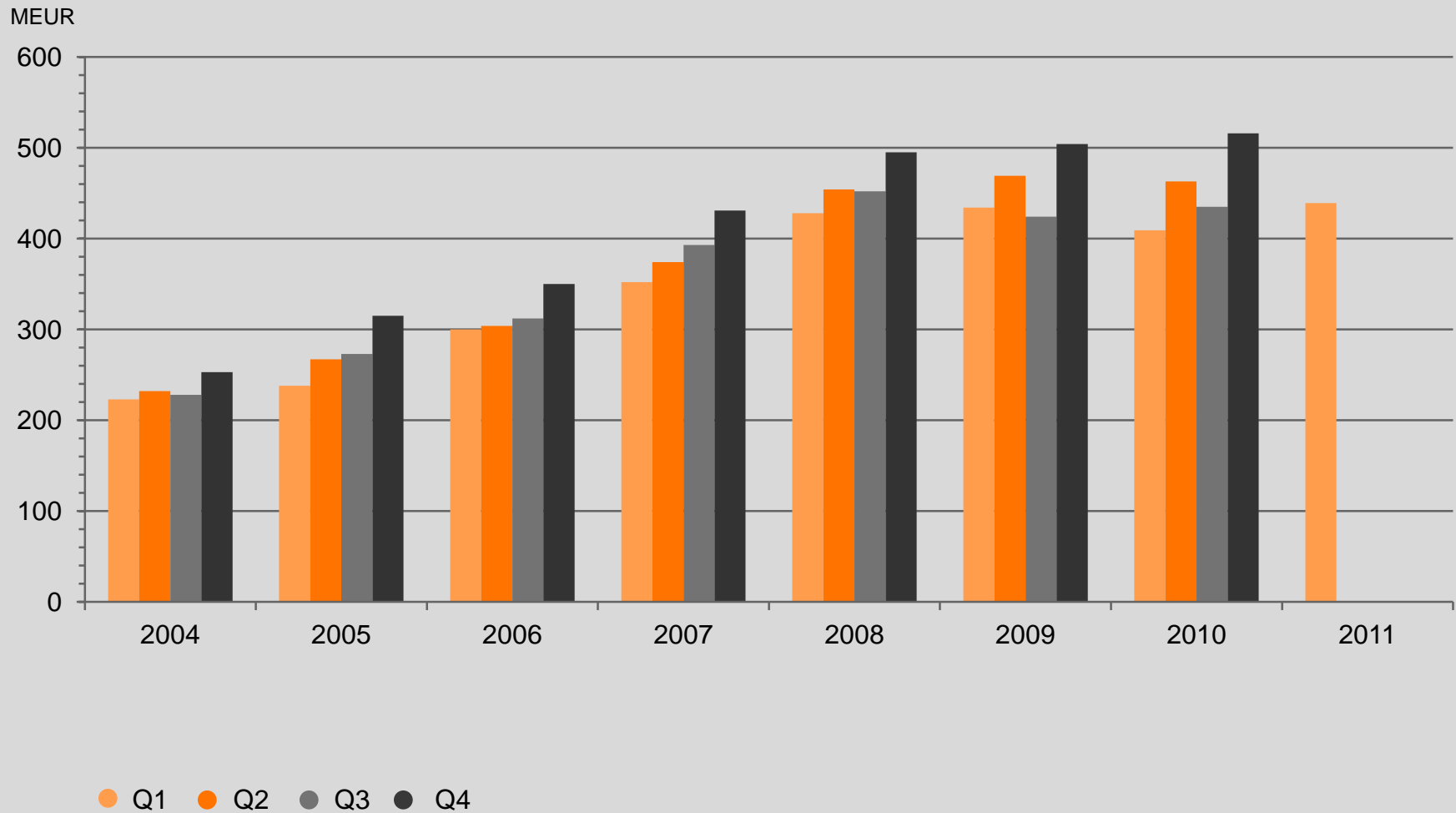
Services net sales showed growth



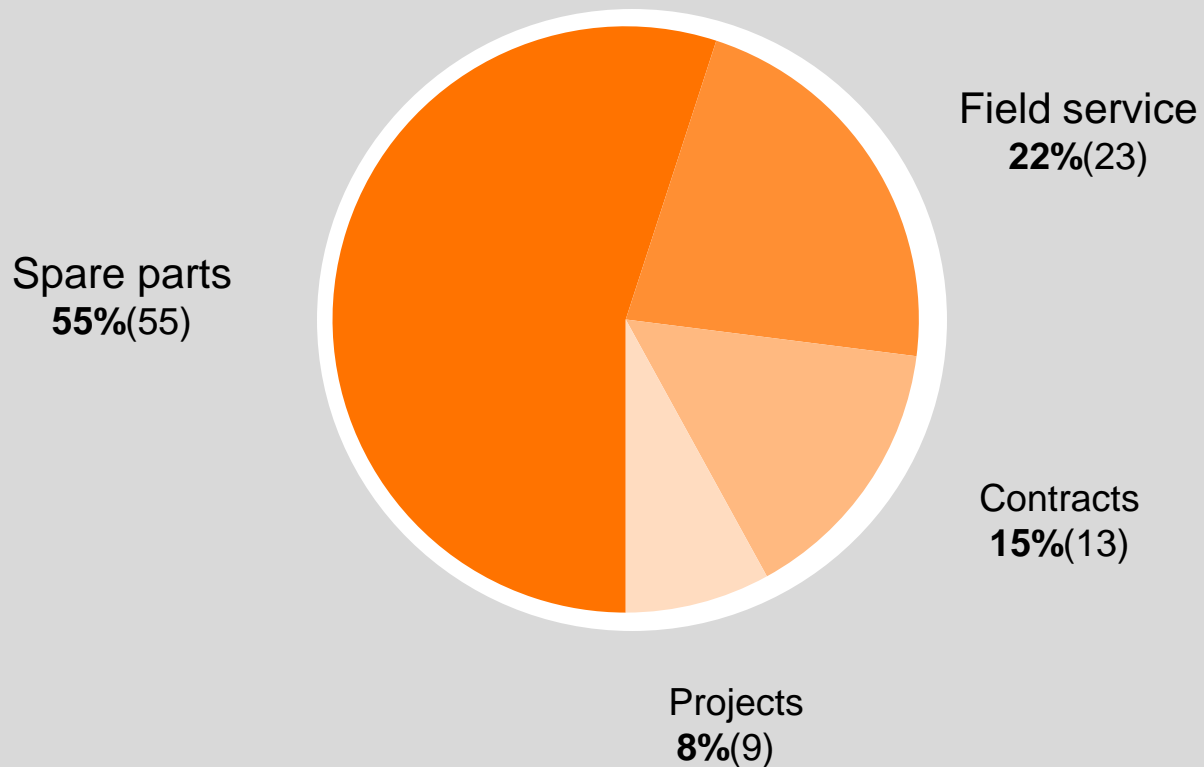
Q1 on Q1 development



Services - Net sales by quarter



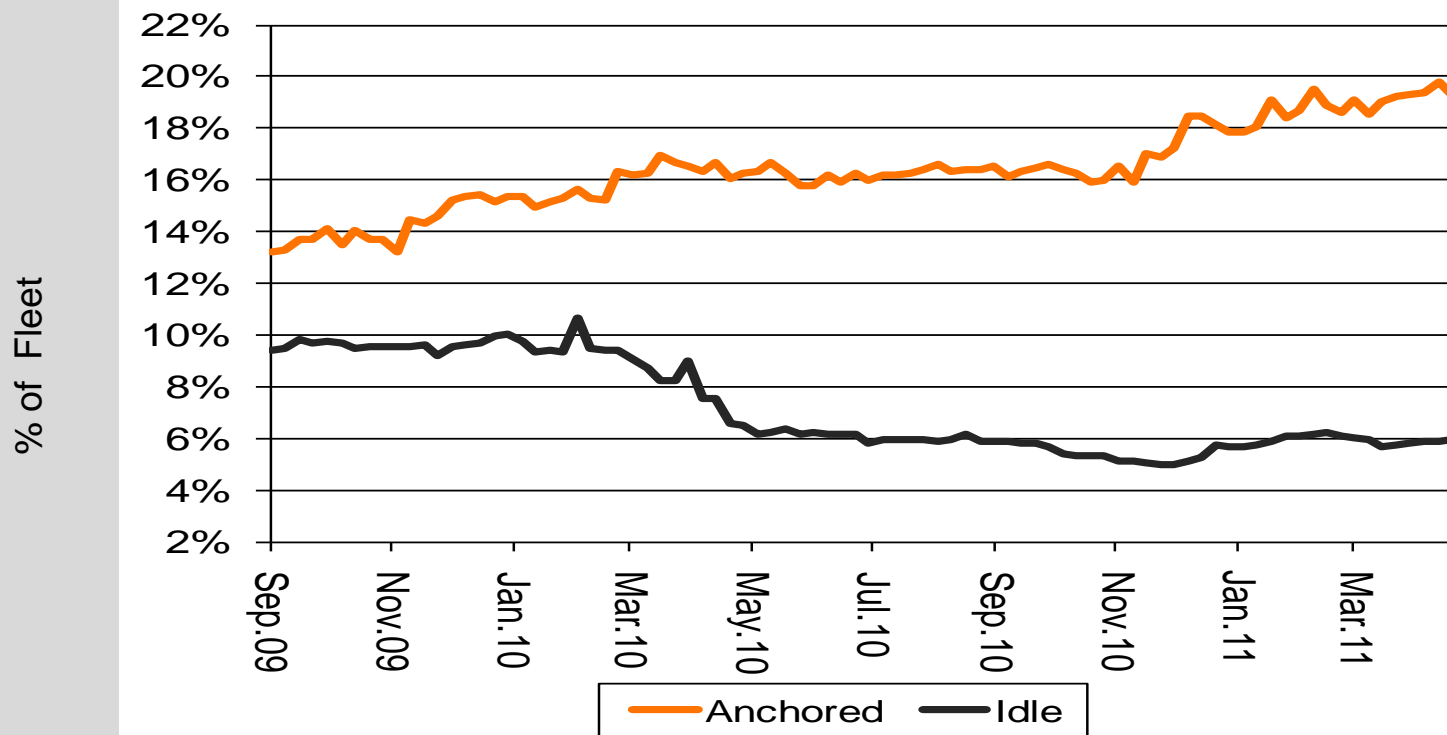
Services net sales distribution 1-3/2011



Numbers in brackets are from Q1/2010.

Services

Laid up vessels



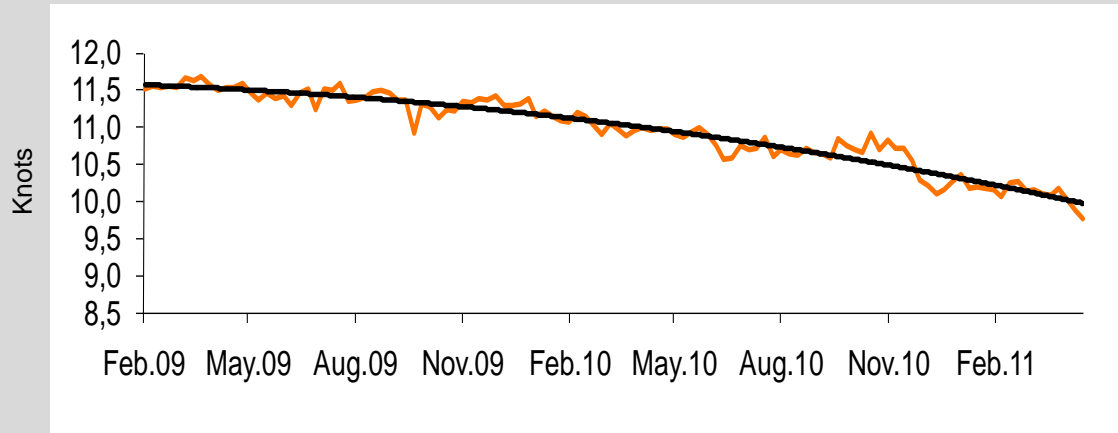
* Anchored (reported navigation status at anchor). Source Bloomberg (AISLive). More than 25 000 vessels (>299 GT) covered.

** Idle (no movement for 19 days for containerships, others 35 days). Source Lloyd's MIU. Around 15 000 vessels (>299 GT) covered.

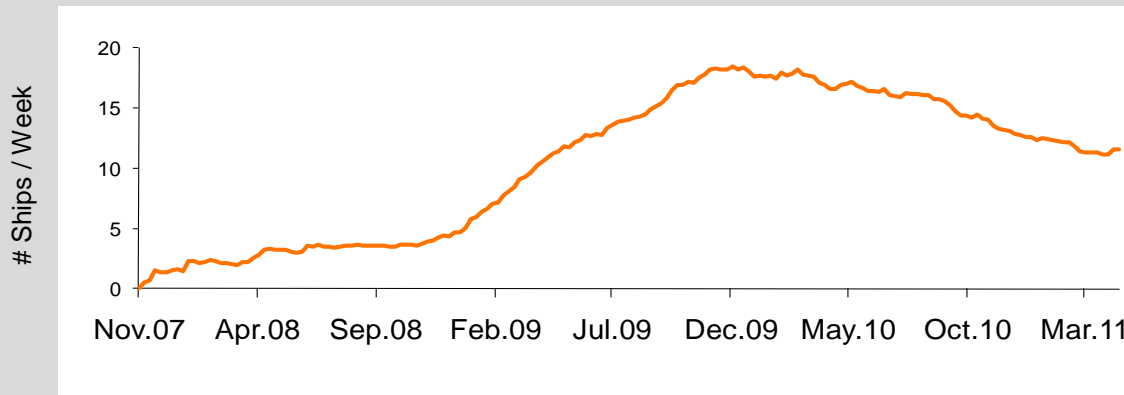
Services

Broken up vessels and fleet average speed

Fleet Average Speed



Vessels Broken Up



Breakthrough contract for marine services



Target to grow through service agreements

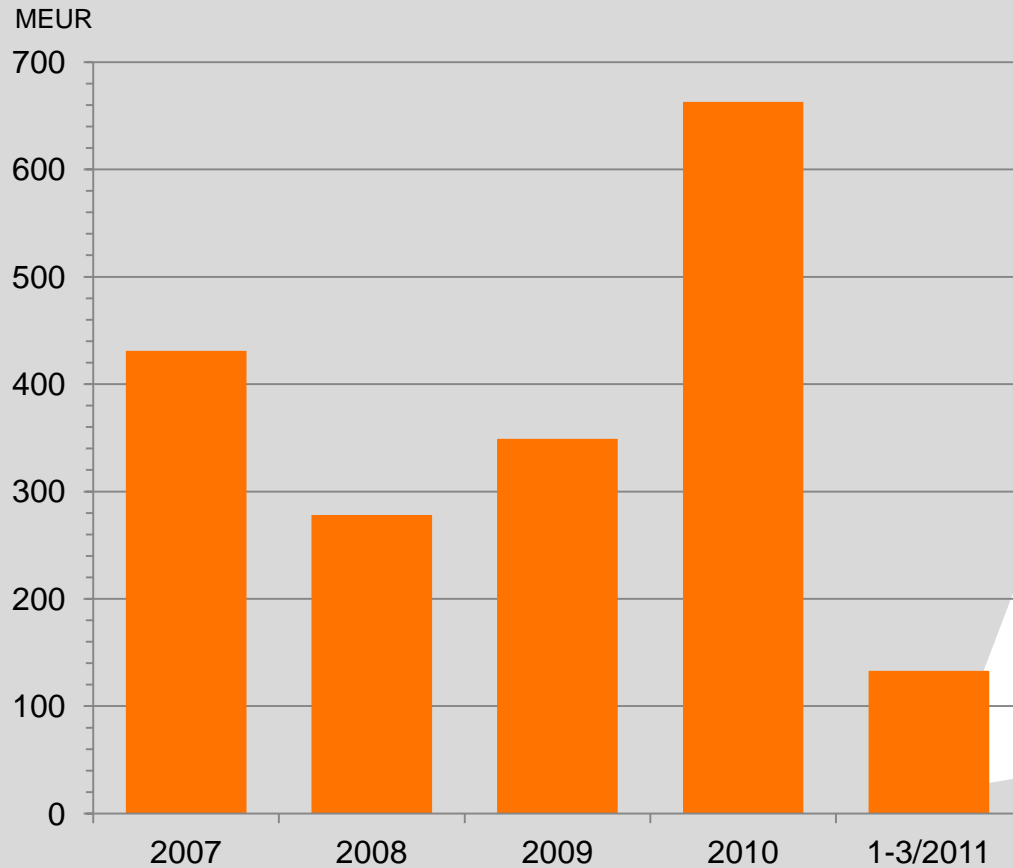
Continued interest in maintenance agreements seen in marine and power plant markets

- Reduction of fixed costs
- Enhanced performance and reliability

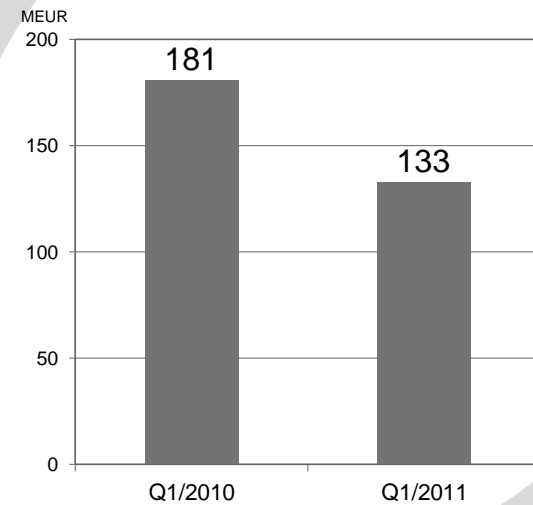
Maintenance support agreement signed with Royal Caribbean Cruises Ltd

- 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

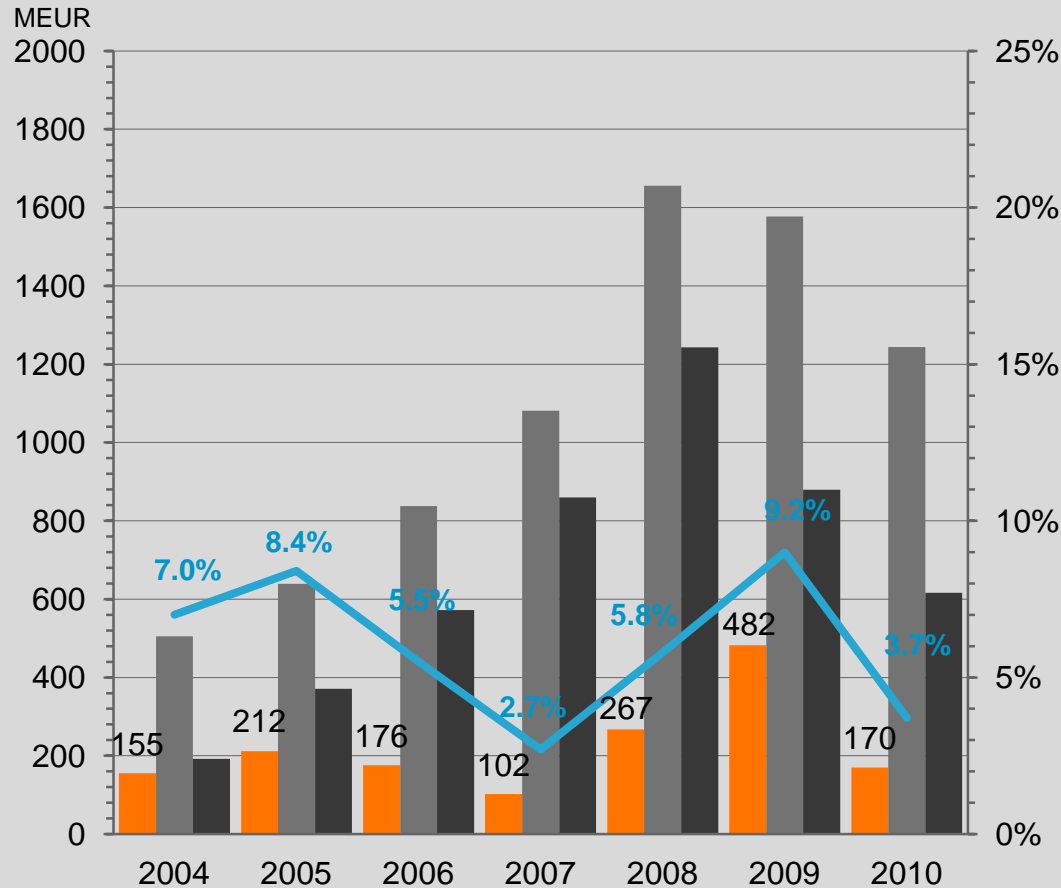
Cash flow from operating activities



Q1 on Q1 development

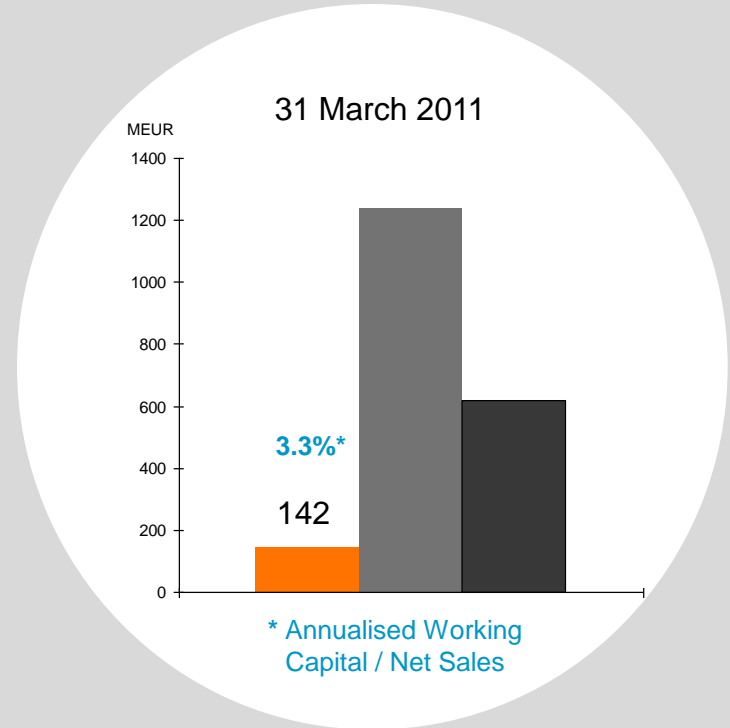


Working capital development

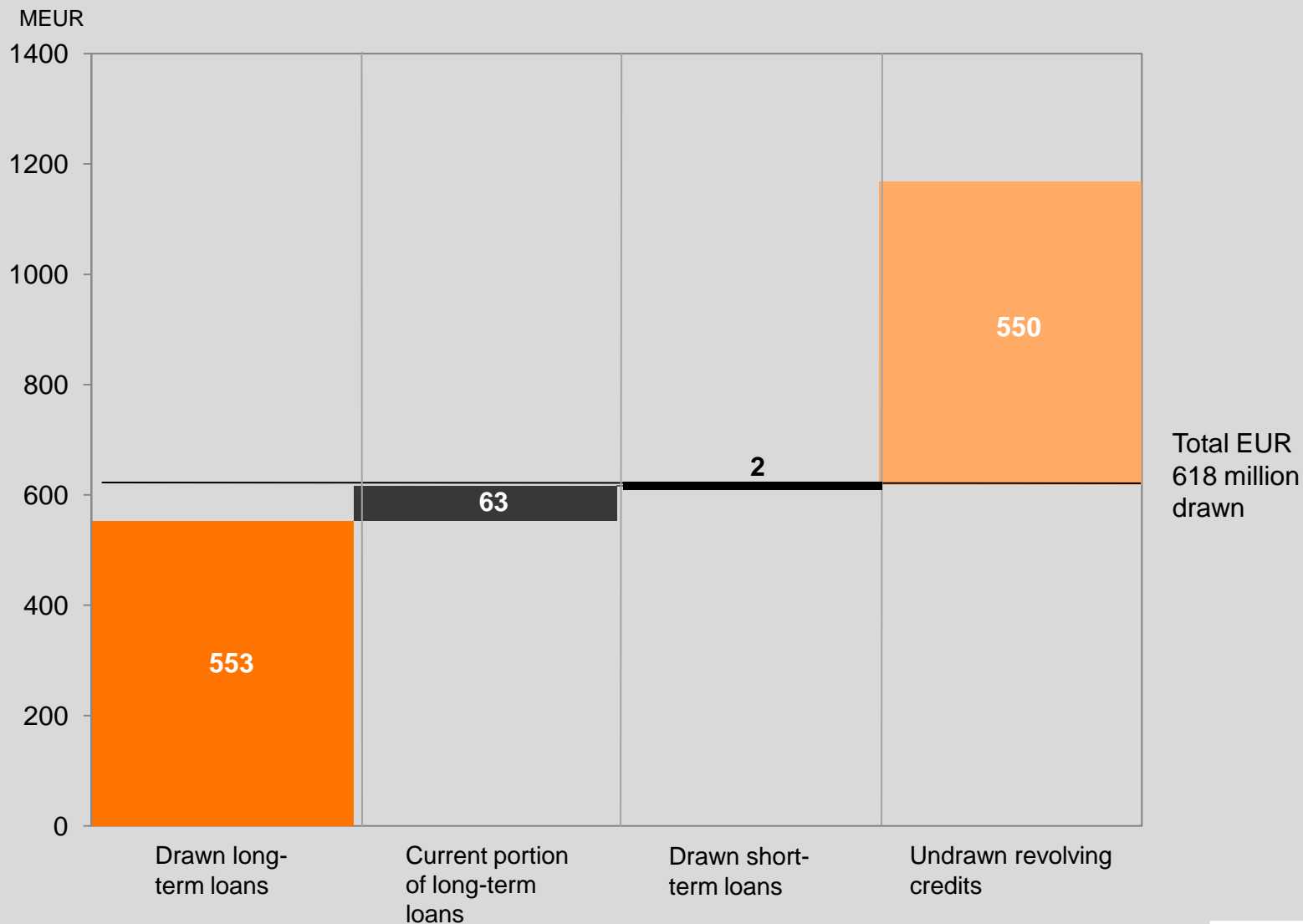


● Working Capital
 ● Total Inventories
 ● Advances Received
 — Working Capital / Net Sales

2004 figures relate to the Power Businesses



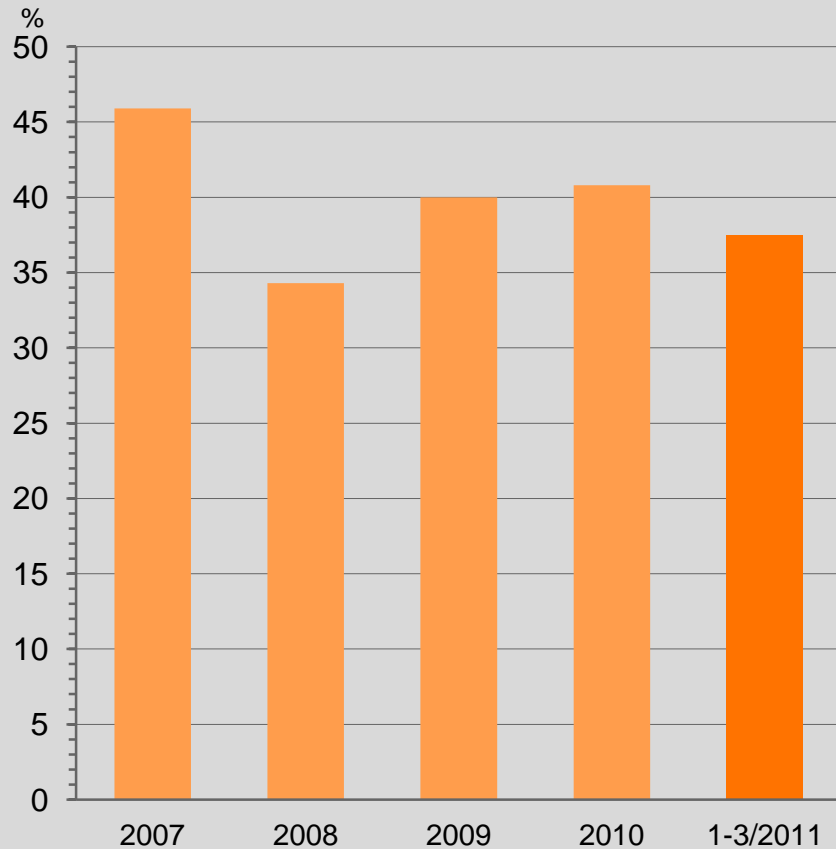
Committed loans 31 March 2011



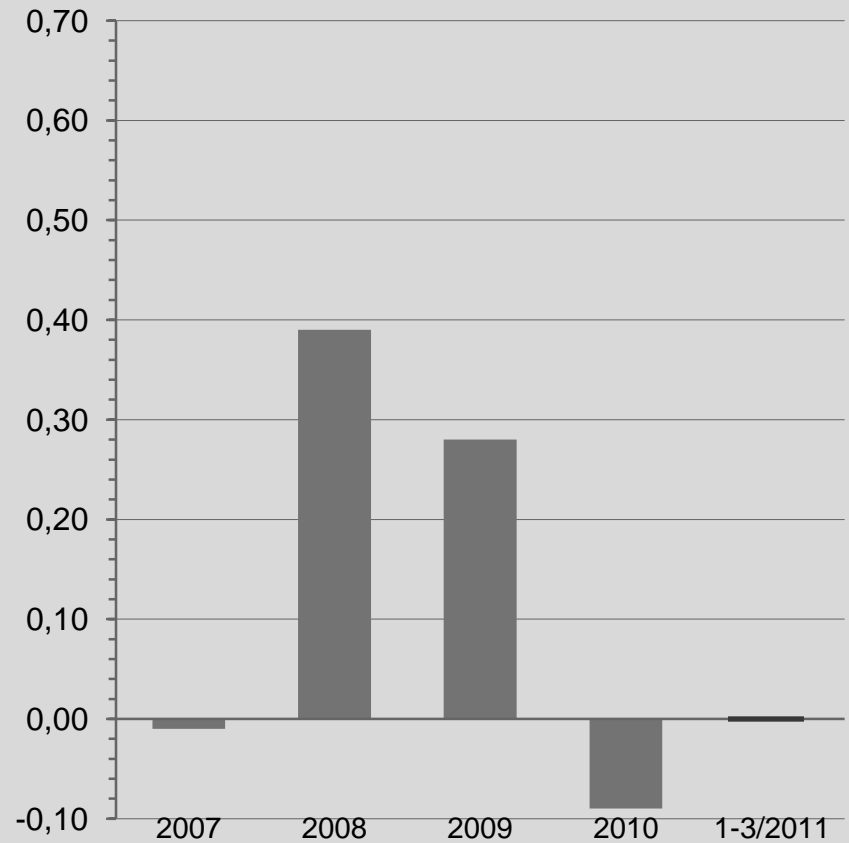
At the end of the reporting period, drawn revolving credits amounted to 0 euros. In addition, there are Finnish Commercial Paper Programs of EUR 700 million (uncommitted).

Financial position

Solvency



Gearing



Restructuring programmes



- 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.



- **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.

Prospects for 2011 reiterated



Wäartsilä expects its net sales for 2011 to grow 3-5% and operational profitability (EBIT% before nonrecurring items) to be around 11%



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