Fuel flexibility

Group Vice President, Wärtsilä Power Plants, Christoph Vitzthum

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World leader in selected niches

❶ Baseload Power Generation

Developing world, islands, remote areas

❷ Grid Stability and Peaking

Where no hydro available

❸ Industrial Self-Generation

Oil & gas, mining, textile, cement, municipalities

Baseload power generation

- Niche market: developing world, islands, remote areas
- Market 1,517 MW year 2005 (445 MW gas, 1,072 MW oil)
- Market share 35.2 % year 2005 (20.2 % gas, 38.8 % oil)
- Competition
  - HFO engines – MAN, CAT-MAK
  - Gas engines – Jenbacher, Caterpillar, Deutz
  - Small industrial gas turbines – GE, Alstom, CAT-Solar
- Wärtsilä installed base 22,400 MW, 2,000 power plants

S	**W**
Market leader position, market share Market access (global network) Product portfolio (modularity, size & fuels) Flexible offering (scope, O&M, WDFS) Project management capabilities 24/7h global service Large installed base	Lack of real big power plant products
O	**T**
Construction of gas infrastructure Capture market share from gas turbines Emission trading HFO-gas conversions	Fuel price turbulences/variations Increasing costs of raw materials

Data source: DGTWW Magazine

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Baseload power generation

Manaus, Brazil, 132 MW

Subic Bay, Philippines, 118 MW

Kohinoor, Pakistan, 113 MW

Kingston, Jamaica, 96 MW

Grid stability and peaking

- Niche market: ancillary services & peaking, USA
- Market 1,350 MW year 2005, only gas
- Market share 8.6 % year 2005
- Competition
  - GE aeroderivate gas turbines
- Wärtsilä installed base 390 MW, 3 power plants

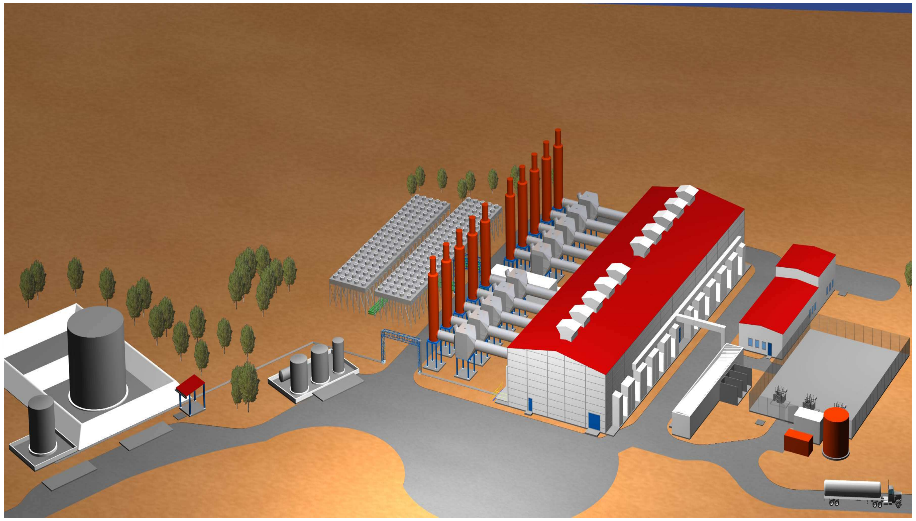
S	W
Market penetration, 3 references Perfect product features Modular product, flexible sizing EPC and O&M capabilities Strong service network in the USA	Limited business experience High €-portion of costs
O	**T**
Product & Wärtsilä unknown to US utilities One competitor only - ideal marketing position The A/S business will expand to other countries Opportunity to become THE A/S leader	High gas prices Emerging market Main competitor very strong $ to € rate

Data source: DGTWW Magazine

Grid stability and peaking

Reno, Nevada, 116 MW

Plains End, Colorado, 116 MW



Humbolt, California, 163 MW

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Industrial self-generation

- Niche market: oil & gas, mining, textile, cement, municipalities
- Market 2,372 MW year 2005 (1,630 MW gas, 742 MW oil)
- 1-3.5 MW gas market 1,350 MW year 2005!
- Market share 28.0 % year 2005 (12.1 % gas, 74.0 % oil)
- Competition
  - HFO projects – MAN, CAT-MAK
  - Gas projects – Jenbacher, Caterpillar, Deutz (gas engines) and CAT-Solar, Turbomach (industrial gas turbines)
- Wärtsilä installed base 12,400 MW, 2,200 power plants

S	**W**
Market leader in large applications Market access (global network) Financial services Project management Global service network Large installed base	Products cover only upper power range Cost efficiency in 1-engine projects
O	**T**
Emission trading - higher electricity prices CHP projects are again profitable enough Gas infrastructure coming to developing world	High gas prices High speed engines

Data source: DGTWW Magazine

Industrial self-generation

Brewery, Gothenburg, Sweden, 14 MW

Airport, Madrid, Spain, 30 MW

Oil & Gas, Siberia, Russia, 24 MW

Mining, Chile, 47 MW

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Flexibility – our competitive advantage

❶ Scope flexibility

- ED → EEQ → EPC
- True modularity
- Operations & Maintenance

❷ Fuel flexibility

- HFO
- LFO
- Bio-oils
- Crude oil
- Gas

❸ Operational flexibility

- Base load
- Intermediate load
- Peaking
- Dynamic features

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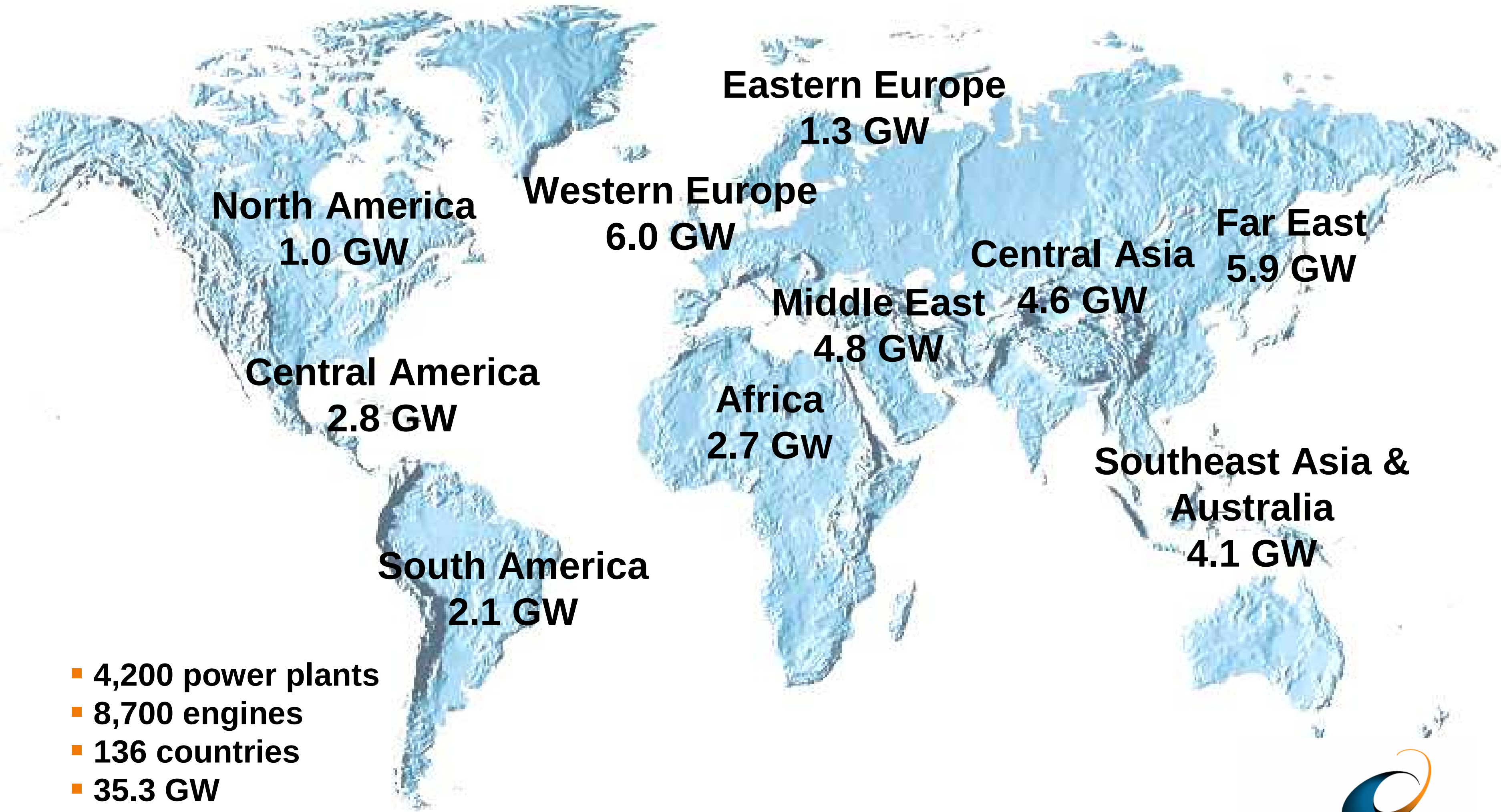
Organizational competencies

- **Global, local sales and service network**

- **Power Plant technology competence**

Organizational competencies

- **Proven delivery performance**



- **4,200 power plants**
- **8,700 engines**
- **136 countries**
- **35.3 GW**

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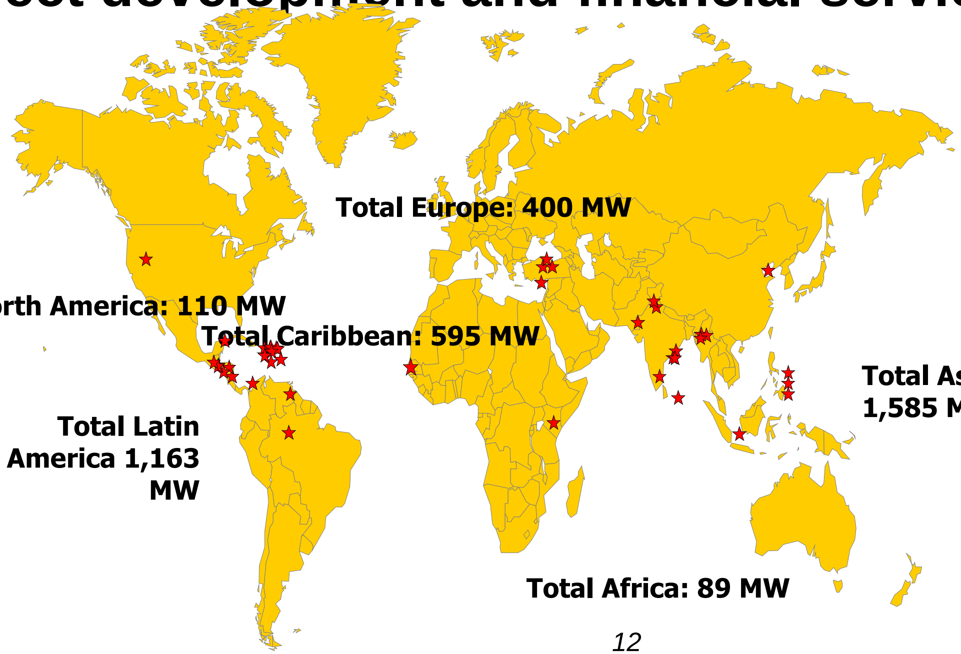
Organizational competencies

- **Lifecycle services**
  - Spare parts
  - Maintenance
  - Remote condition monitoring
  - Long term operation of power plants

- **Project development and financial services**



Growth is accelerated through

- Continued fuel flexibility development
  - water oil emulsions
  - renewables
  - gas fuels
- Application development
  - stability services
  - oil and gas industry products
- Product development
  - reduction of plant costs
- Distributed power generation
  - small engine packaging

and

through

- Competence development
  - Experts in our selected niches
- Consultative selling
  - We will be the most valued business partner of all our customers
  - Power Partner

Thank you!