

WÄRTSILÄ CORPORATION

INTERIM REPORT JANUARY-MARCH 2009

OLE JOHANSSON, PRESIDENT & CEO

24 APRIL 2009

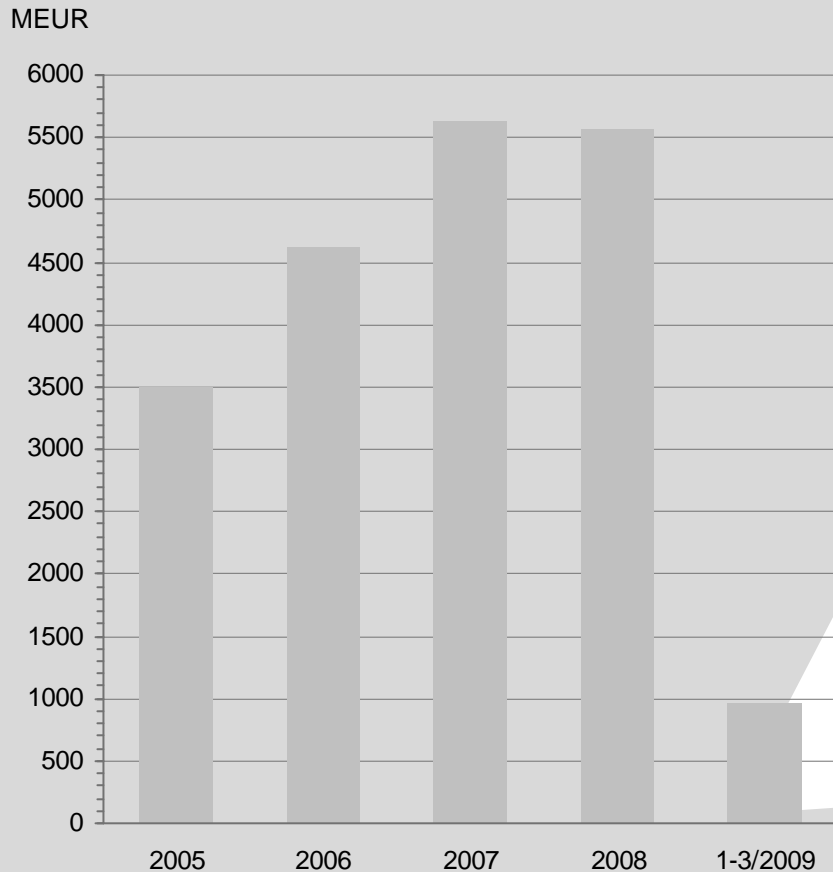


Q1/09 Highlights

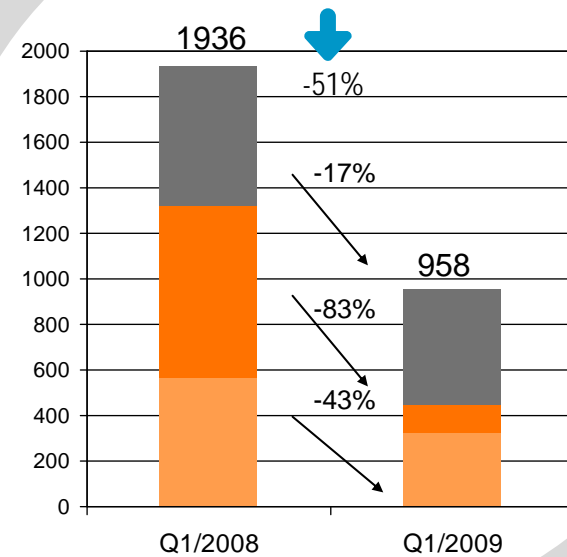


- Very strong net sales EUR 1 241 million (+46%)
- Operating result (EBIT) EUR 130 million (+60%), 10.5% of net sales
- EPS EUR 0.89 (0.49)
- Order intake EUR 958 million (-51%)
- Cancellations EUR 51 million

Order intake

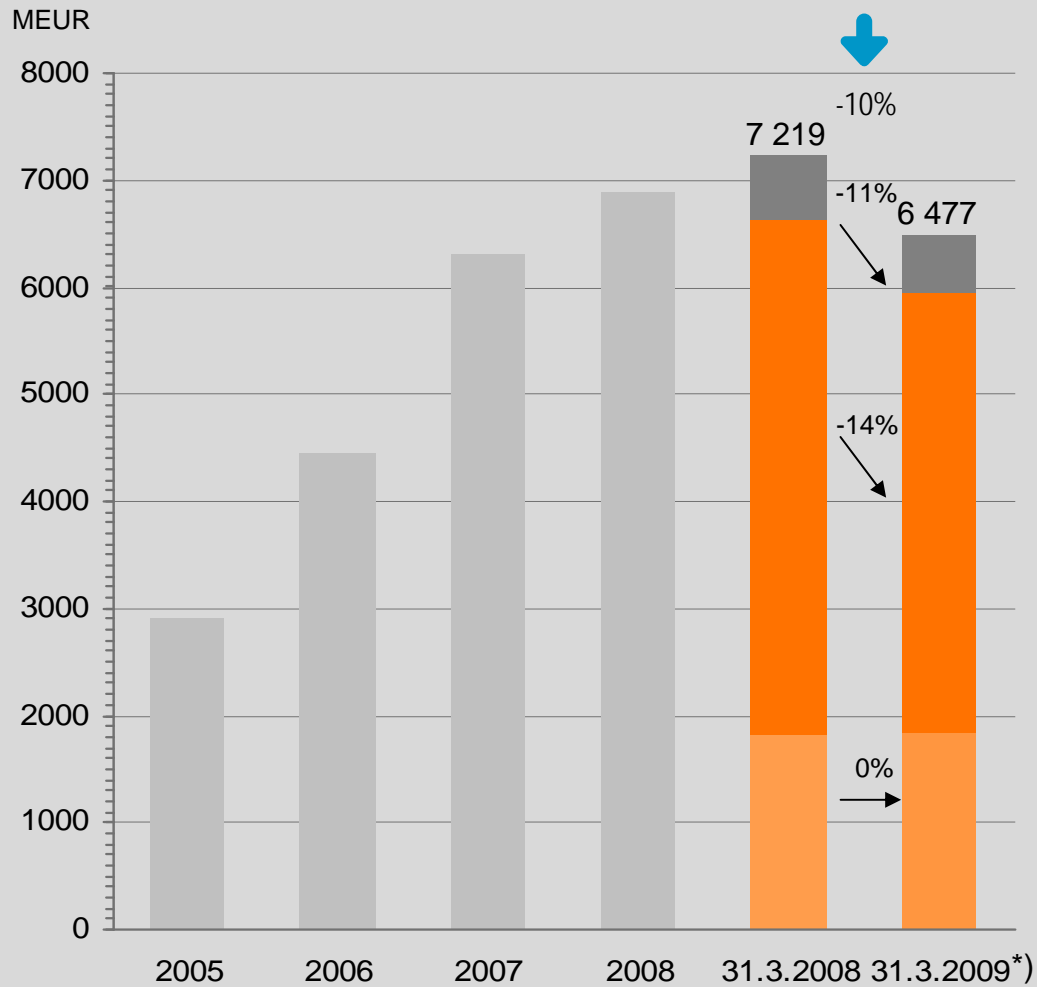


First quarter development



● Order intake ● Power Plants ● Ship Power ● Services

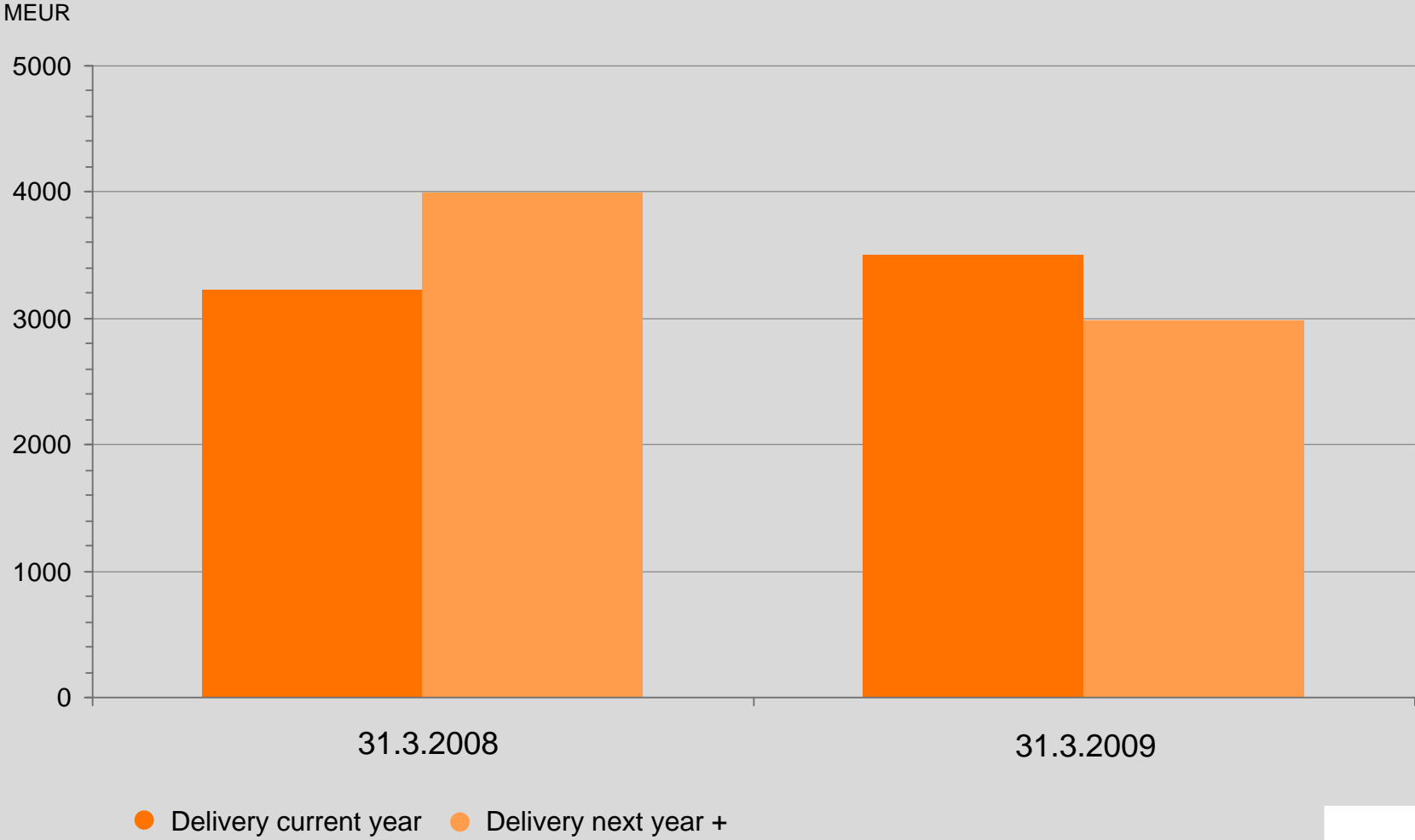
Order book still on high level



● Order book ● Power Plants ● Ship Power ● Services

*) Cancellations amounting to EUR 51 million have been deducted from the order book during the review period.

Order book distribution

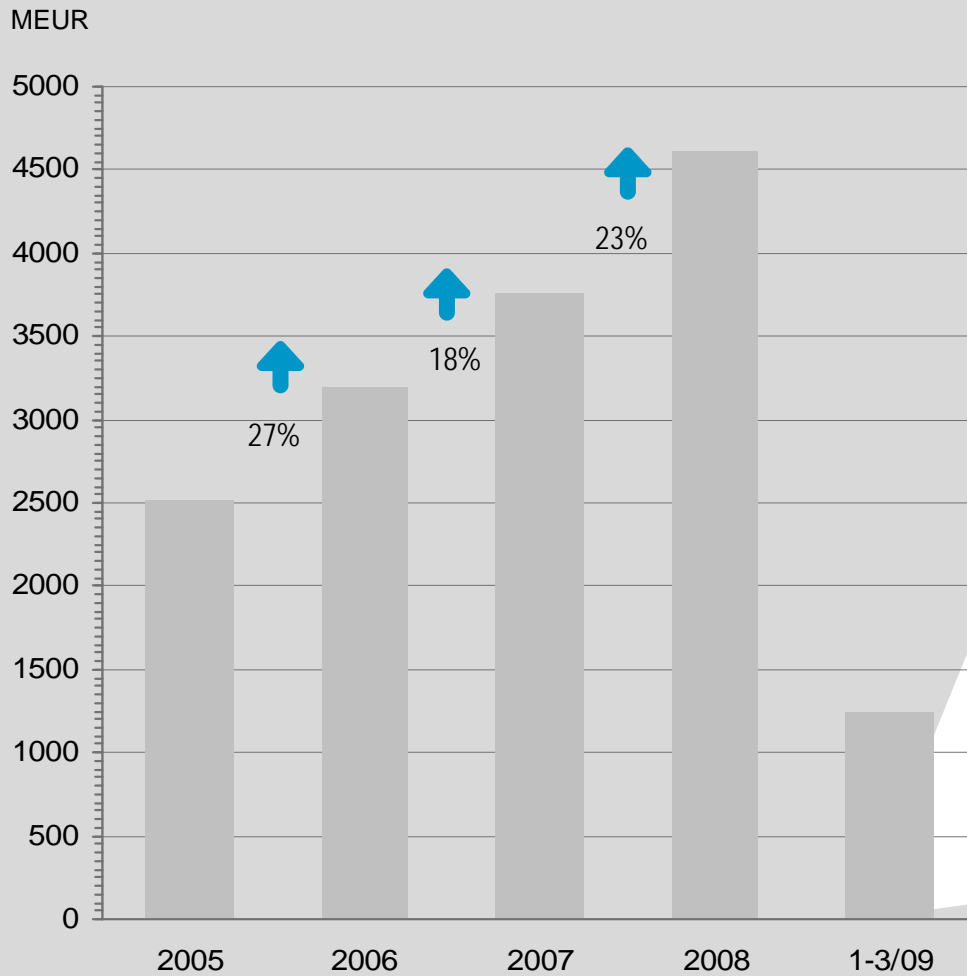


● Delivery current year ● Delivery next year +

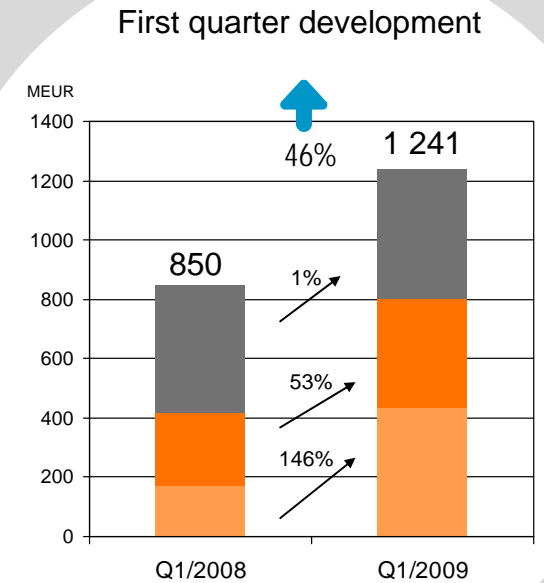


Net sales growth strong

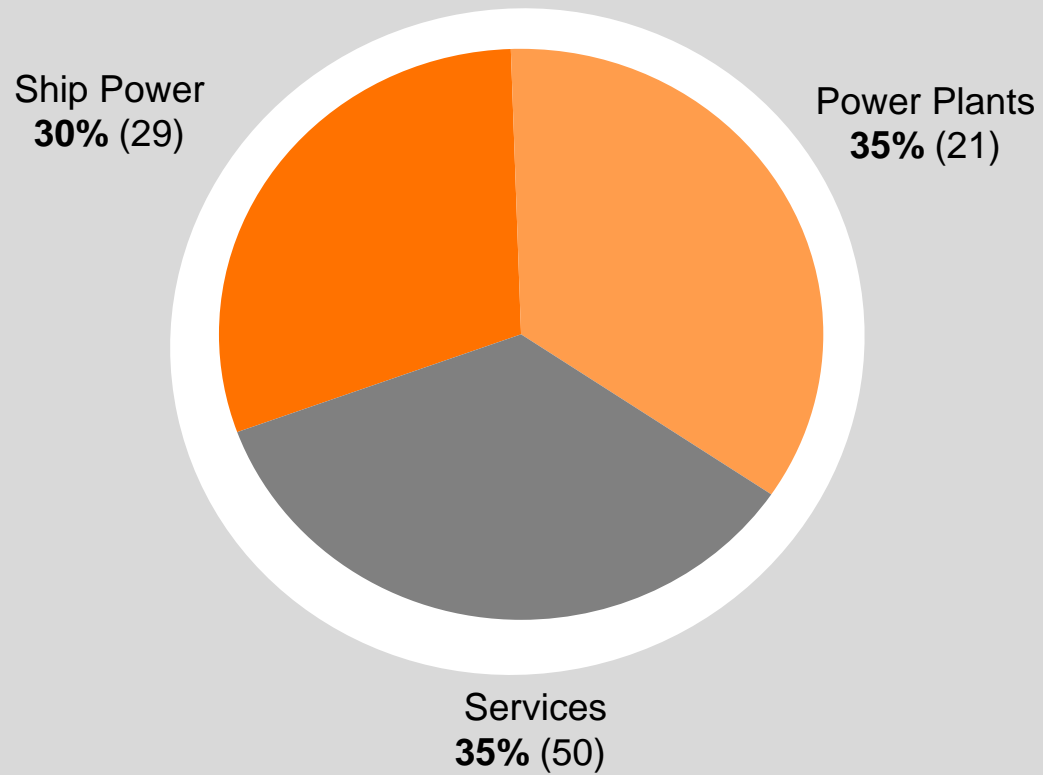
Especially favourable development in Power Plants



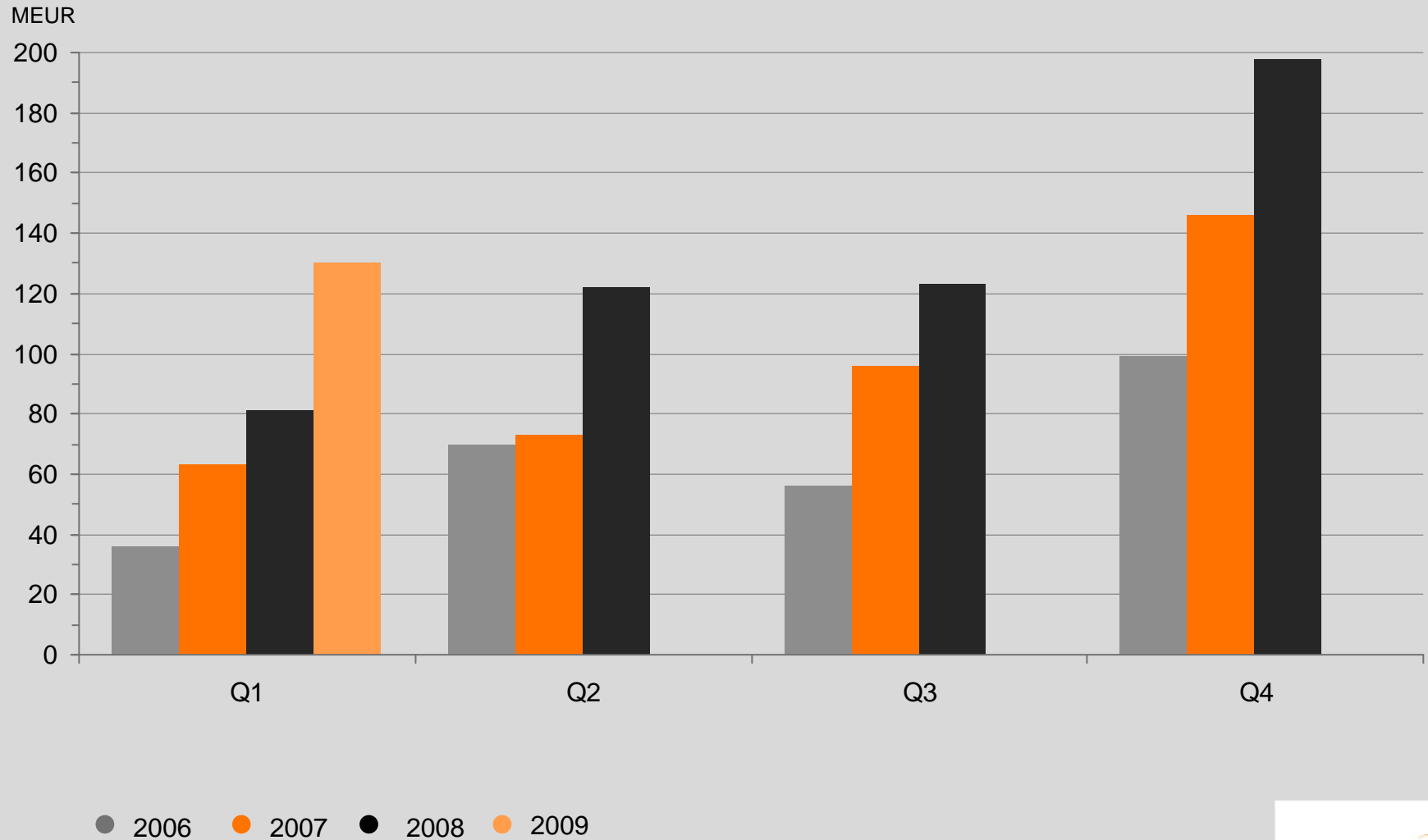
● Net sales ● Power Plants ● Ship Power ● Services



Net sales by business 1-3/2009

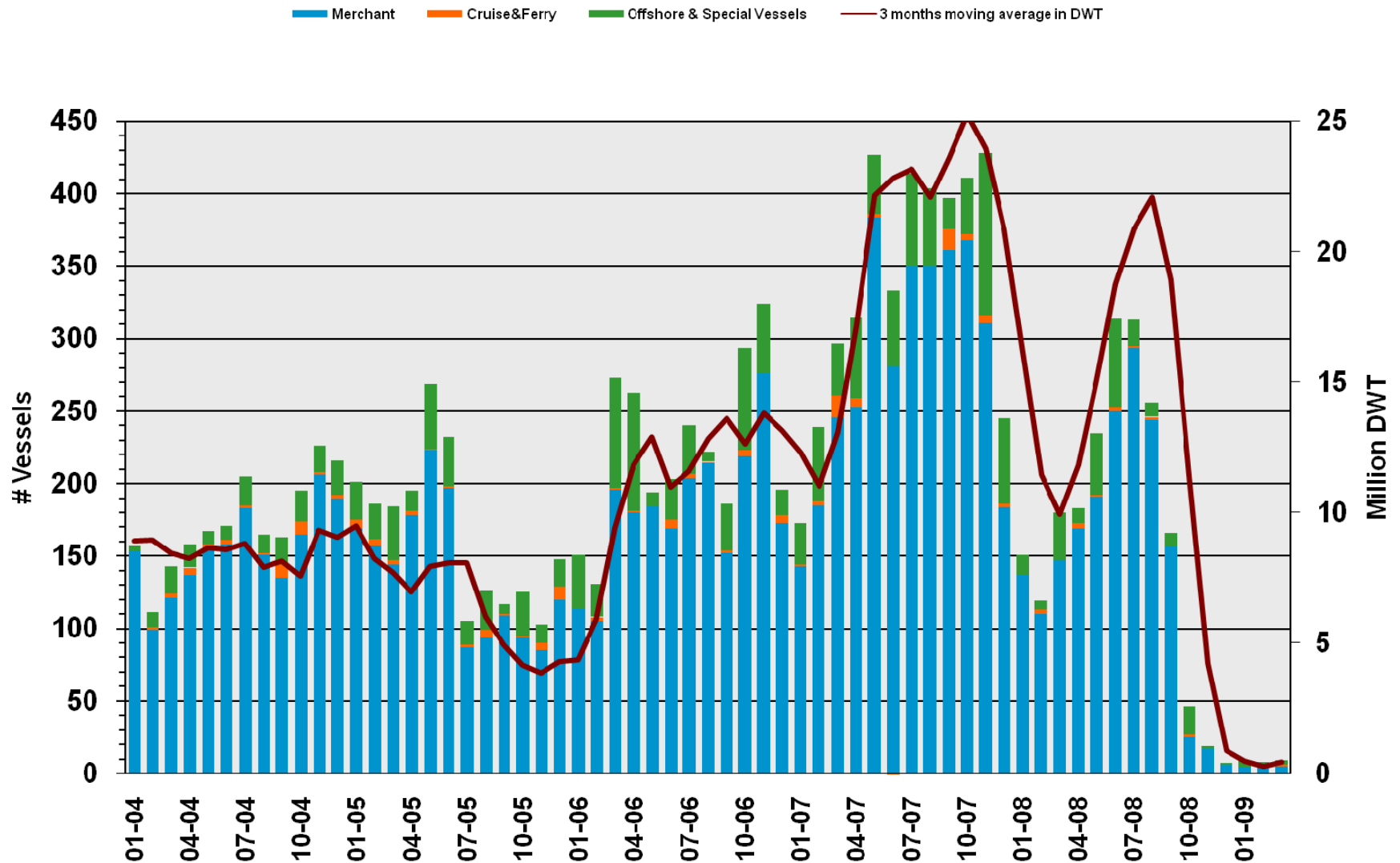


Strong operating profit



Ship Power market - vessel order development

Market conditions remain unchanged



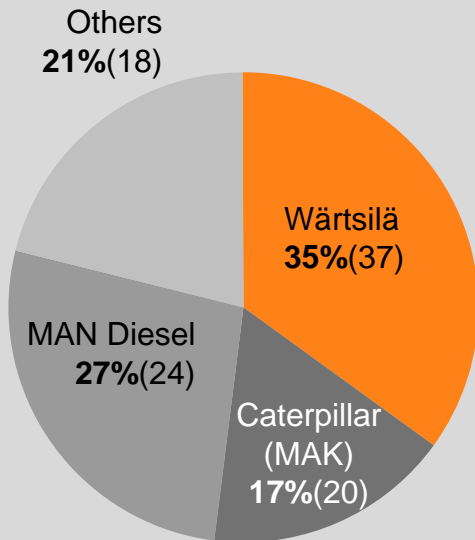
Source: Clarkson Research Services Limited



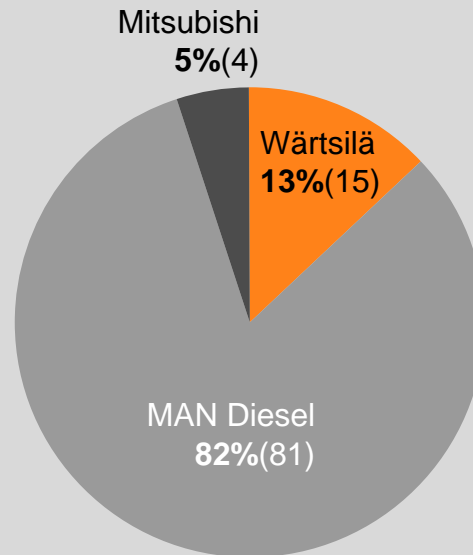
Ship Power market

Market position of Wärtsilä's marine engines

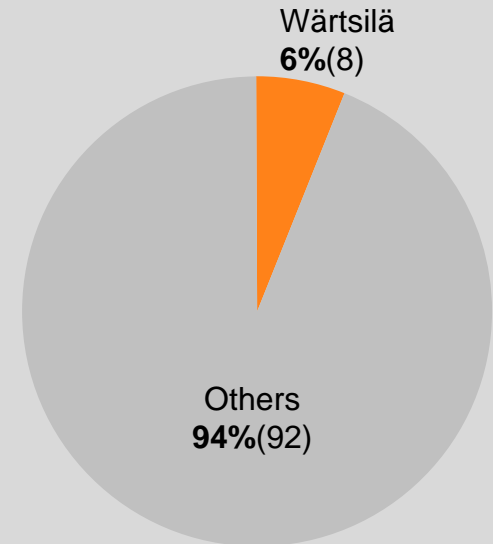
Medium-speed main engines



Low-speed main engines

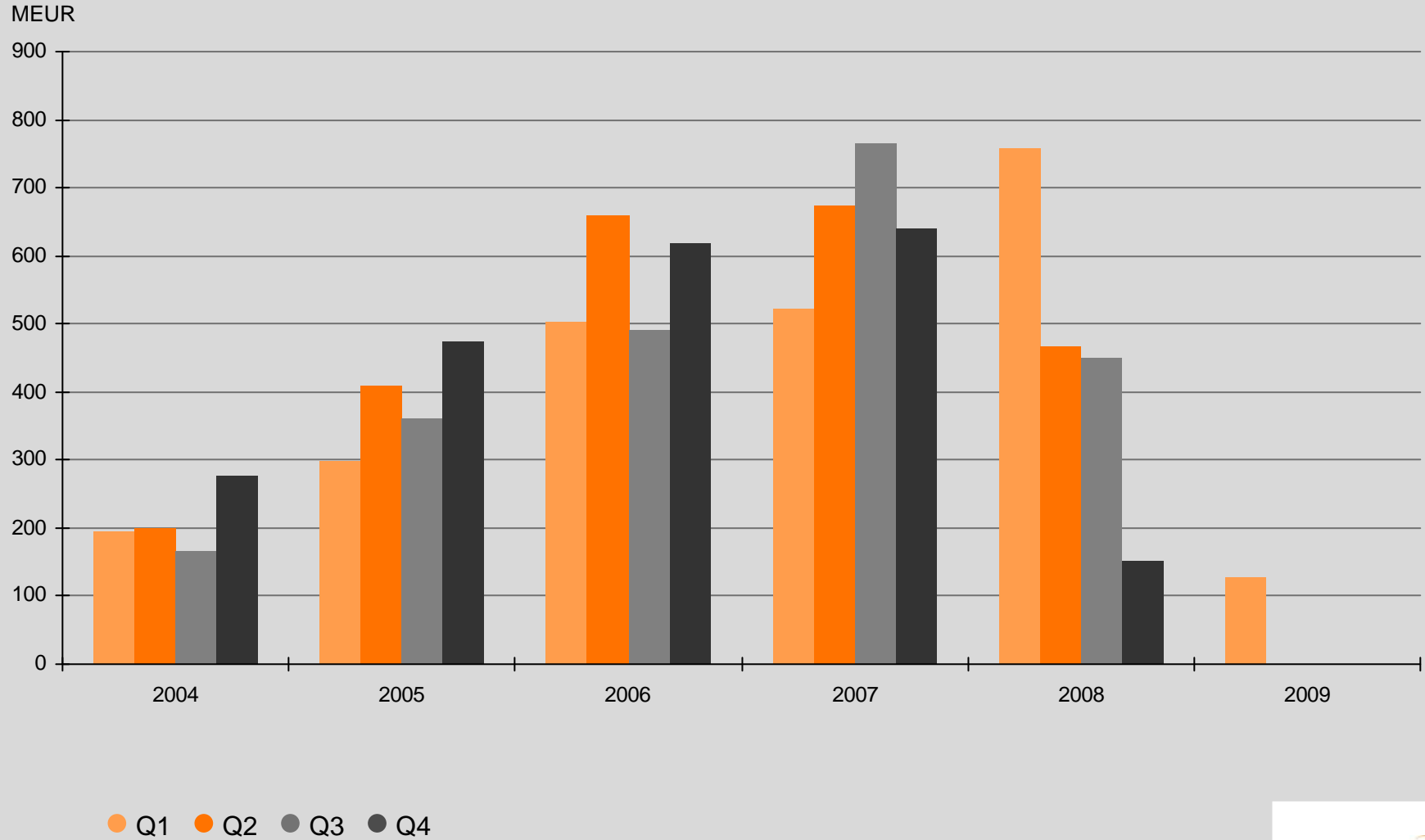


Auxiliary engines

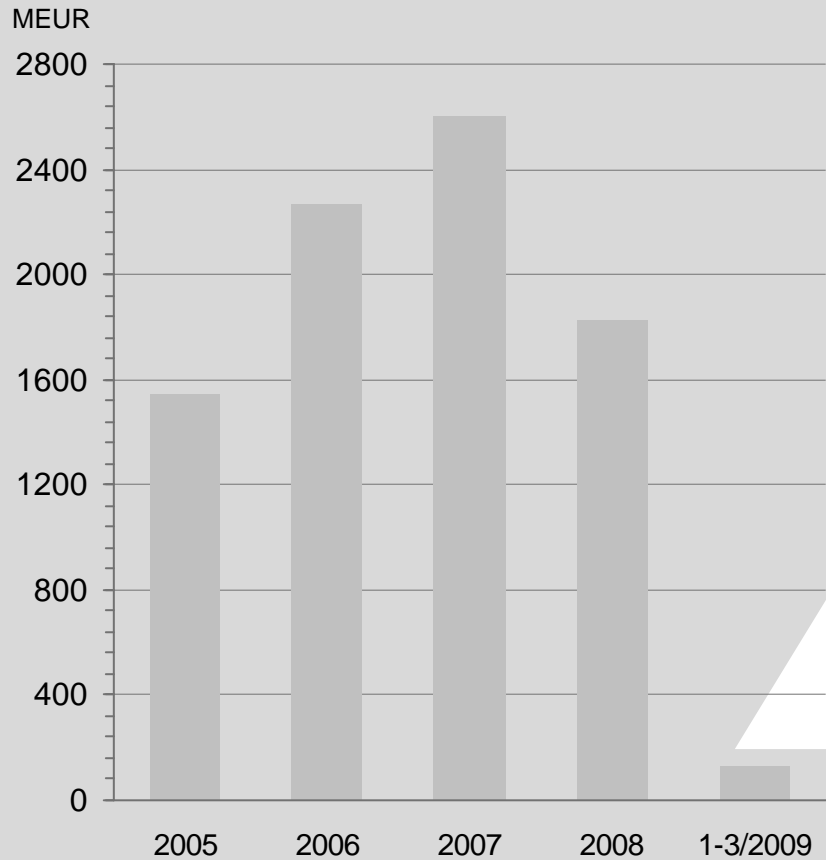


Wärtsilä's market shares are calculated on a 12 months rolling basis, numbers in brackets are from the end of the previous quarter. Wärtsilä's own calculation is based on Marine Market Database.

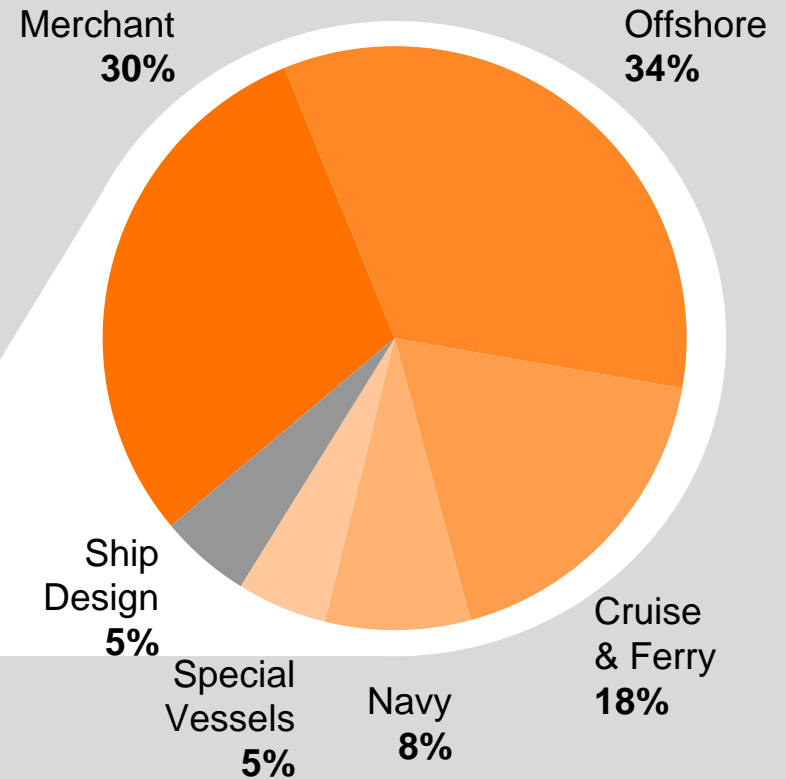
Ship Power quarterly order intake



Ship Power order intake

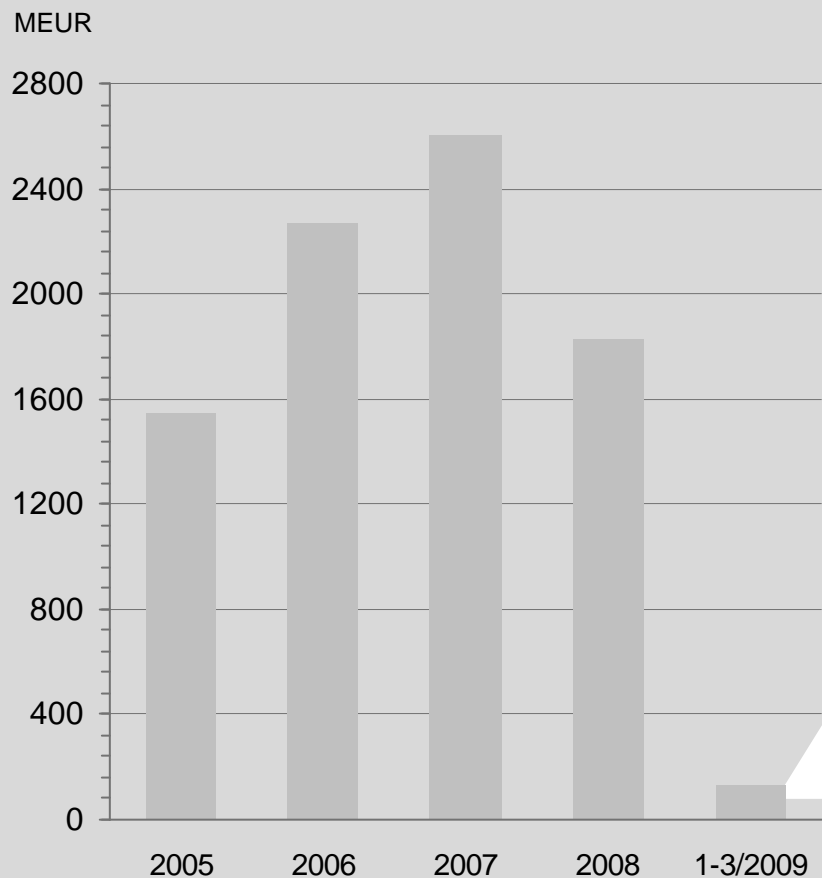


First quarter development

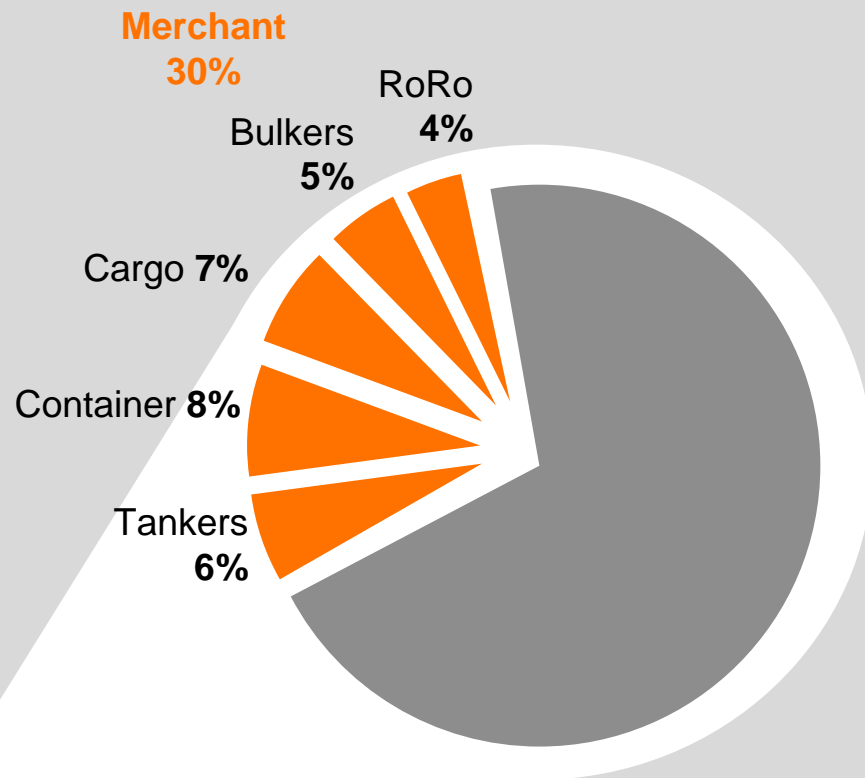


Ship Power order intake

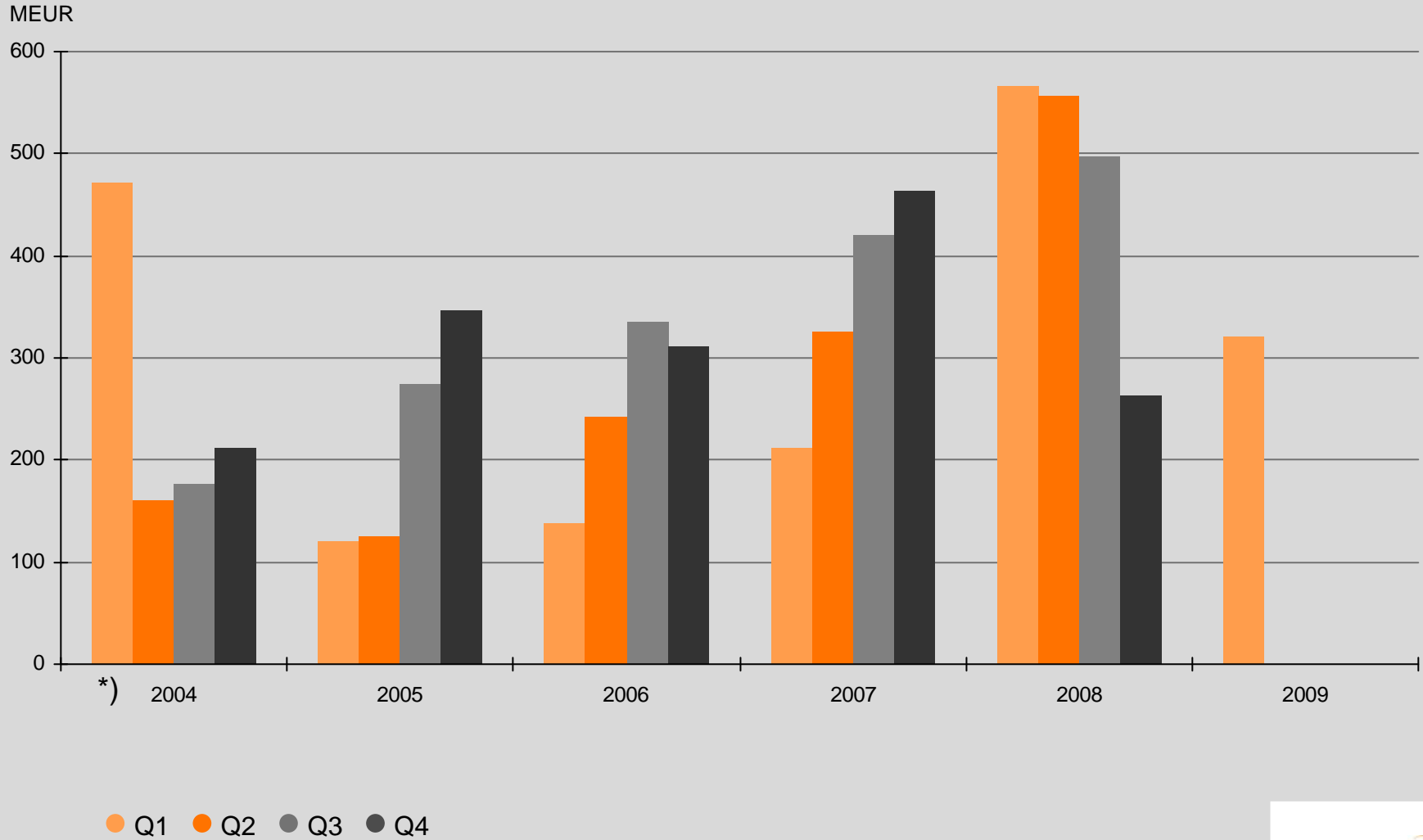
Merchant segment order distribution



First quarter development



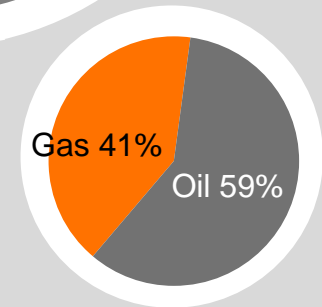
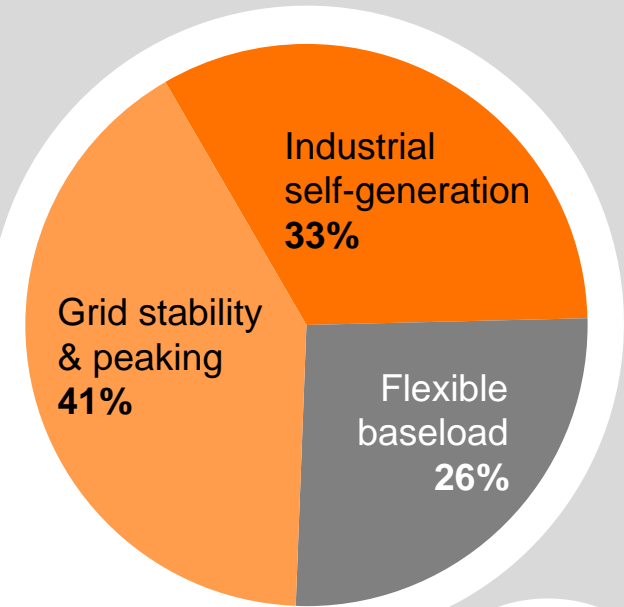
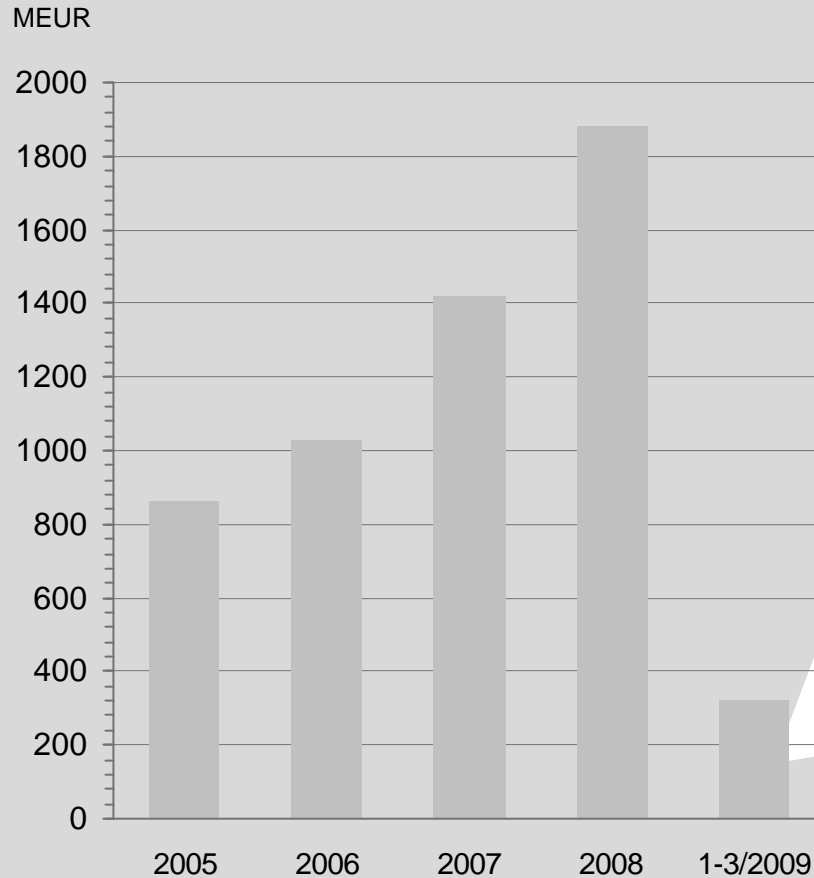
Power Plants quarterly order intake



*) 2004 Iraq-orders

● Q1 ● Q2 ● Q3 ● Q4

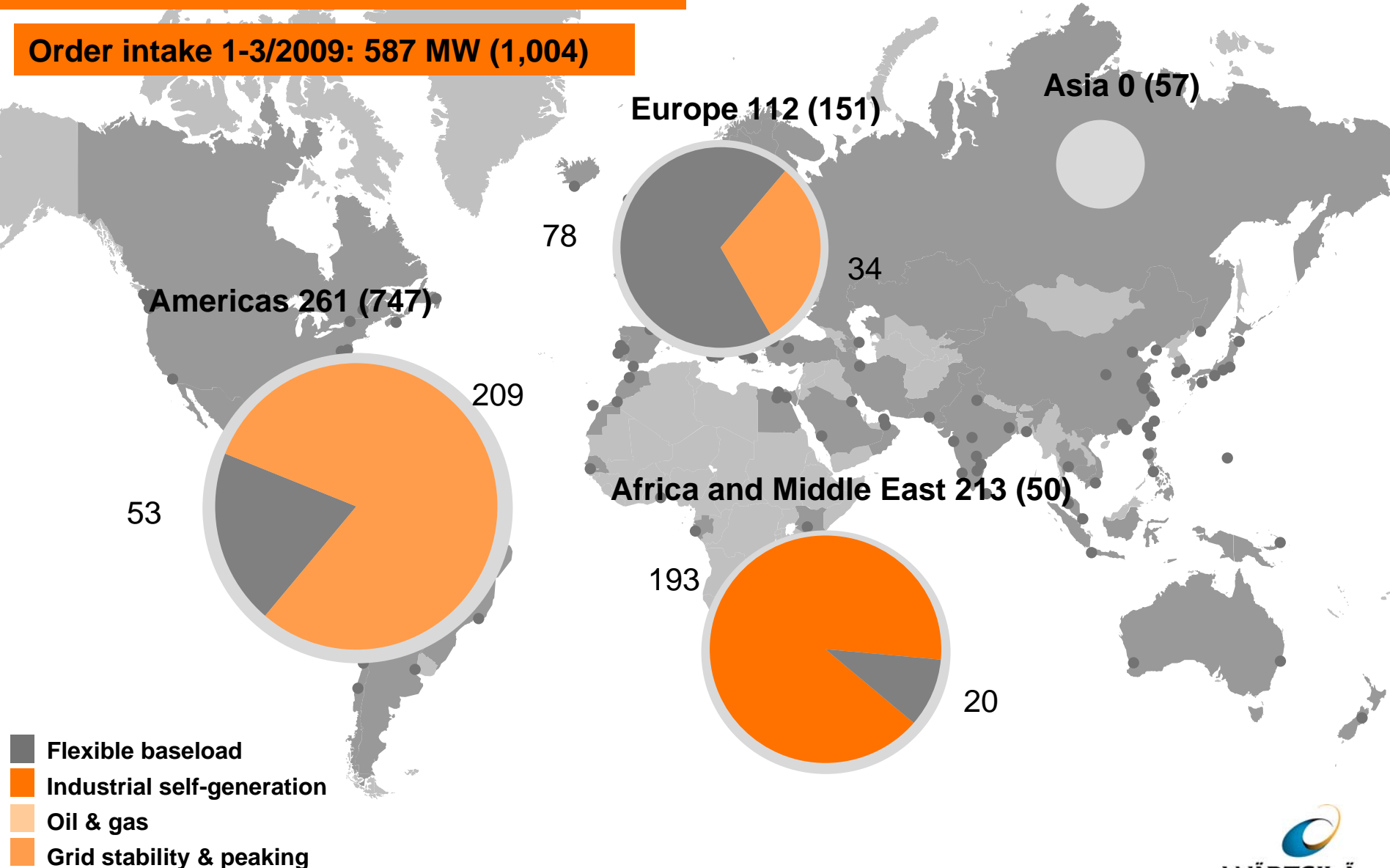
Power Plants order intake by application



Power Plants order intake

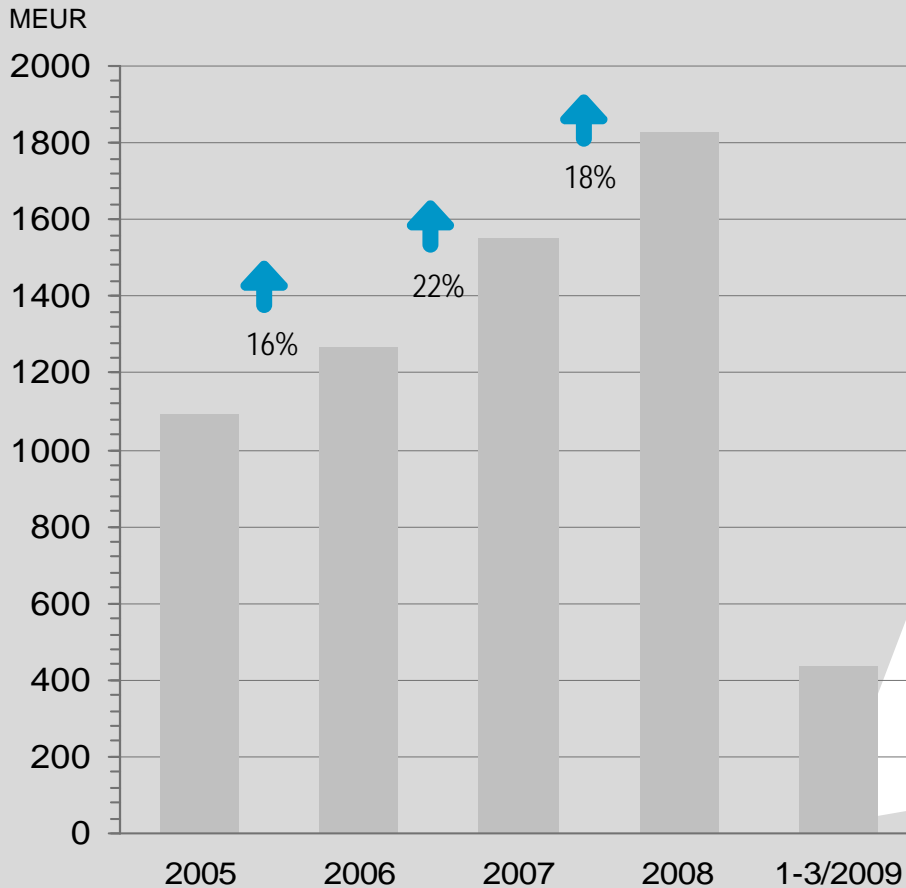
Americas strongest region

Order intake 1-3/2009: 587 MW (1,004)

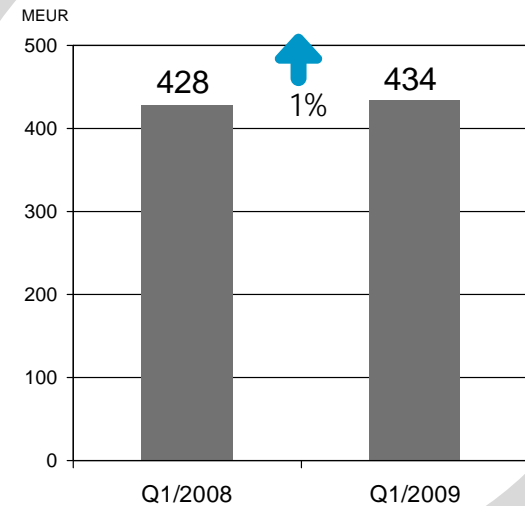


Services net sales

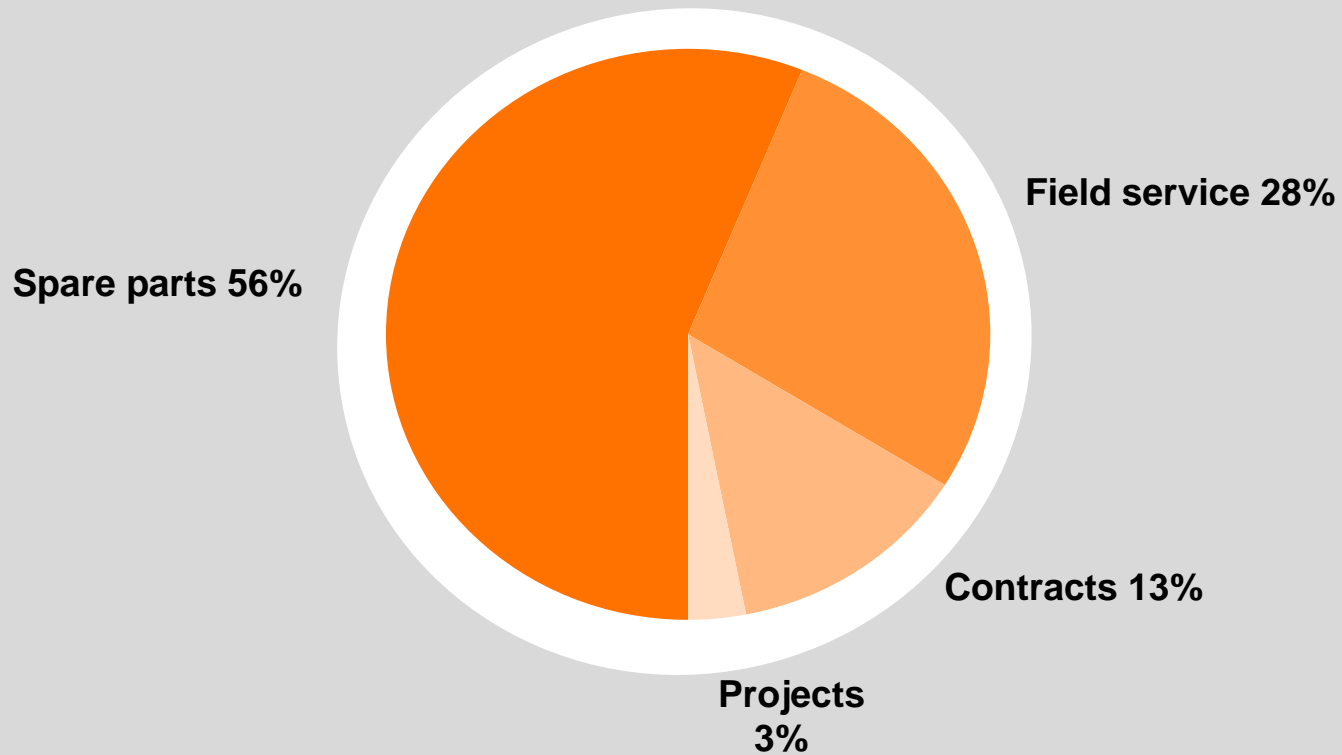
Last year's high level maintained



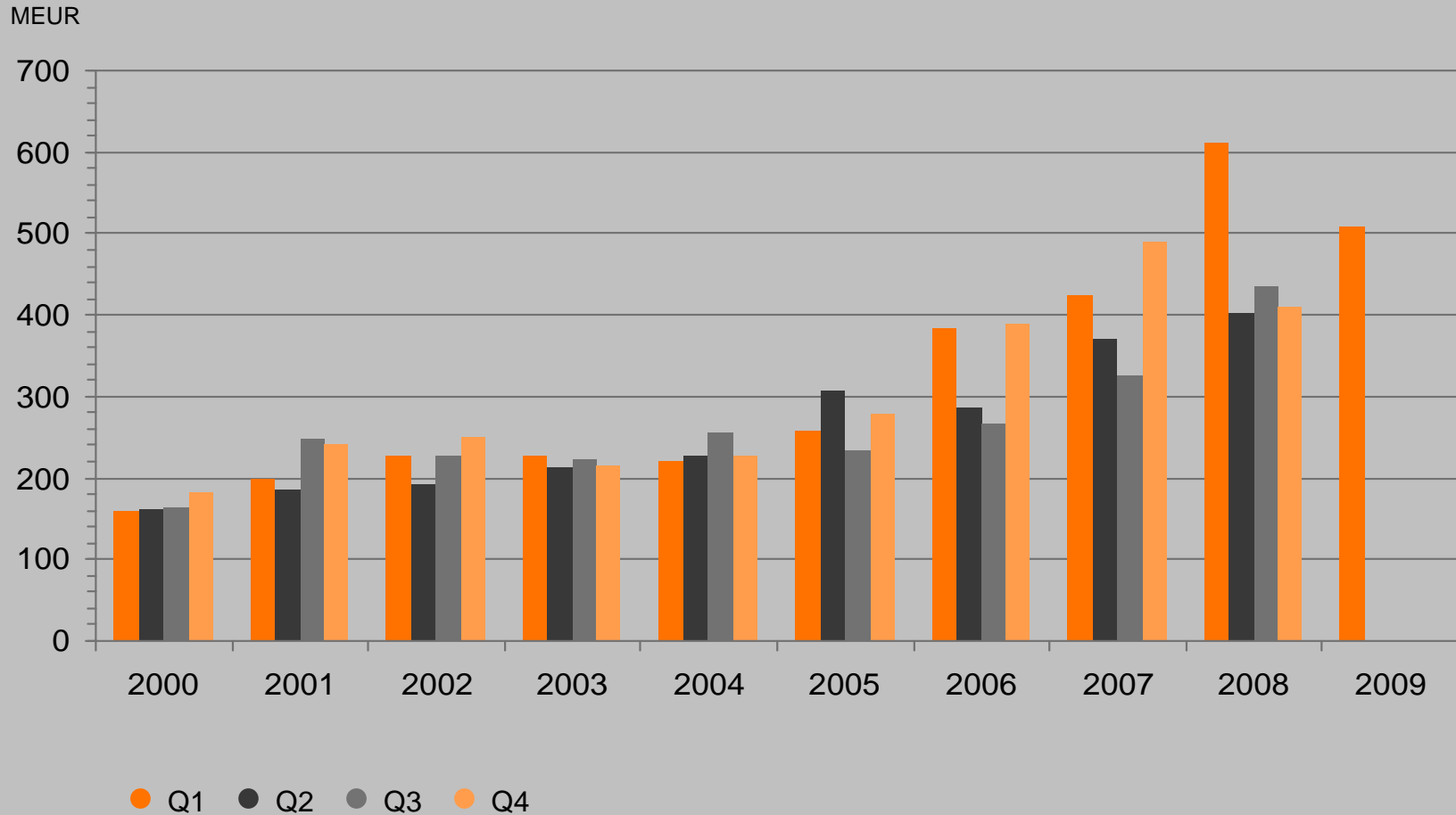
First quarter development



Services net sales distribution

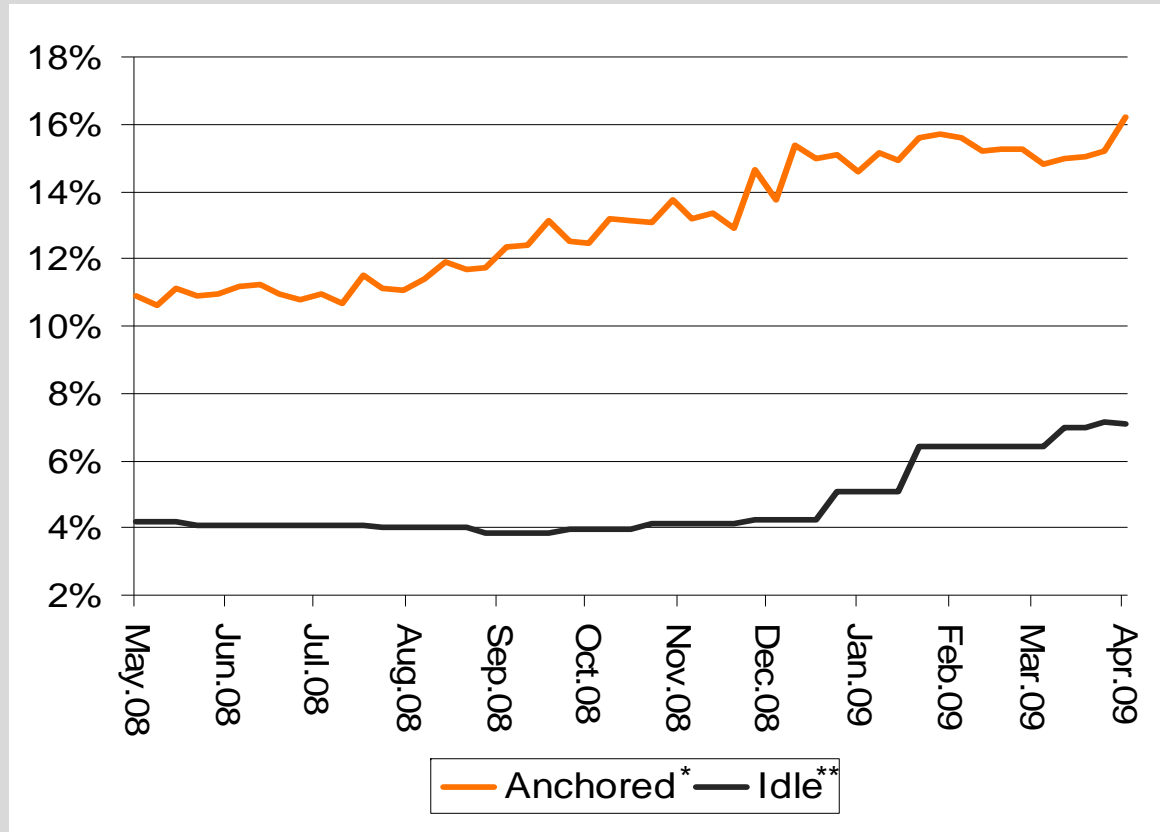


Services – Order intake per quarter



Services potential

Laid-up tonnage increasing

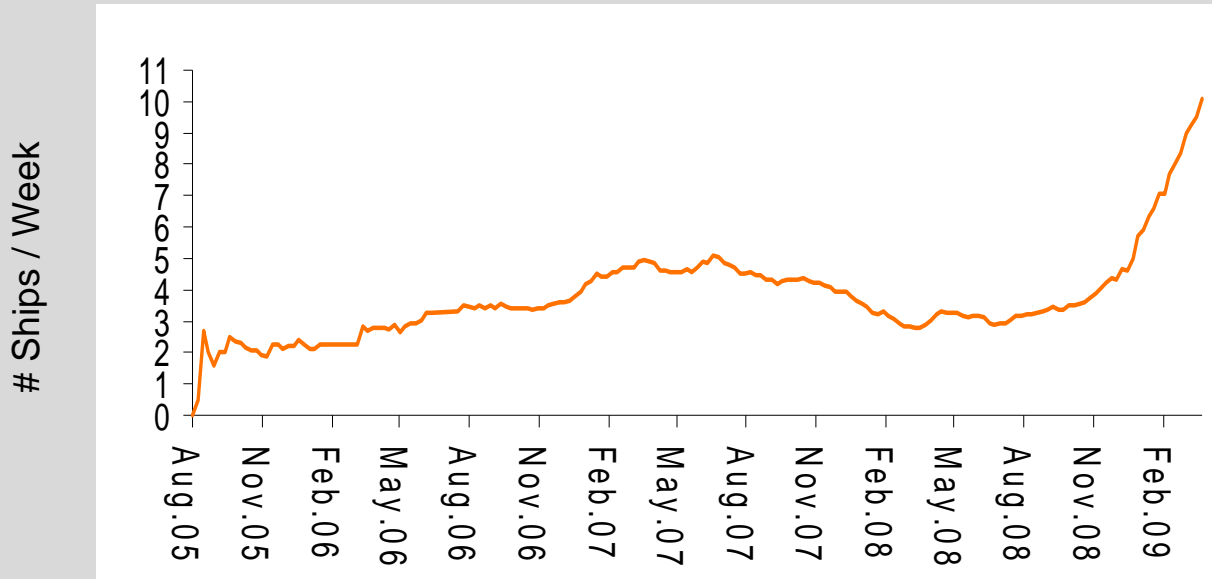


* Anchored (reported navigation status at anchor). Source Bloomberg (AISLive). More than 25 000 vessels (>299 GT) covered.

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

Services potential

More vessels being broken up

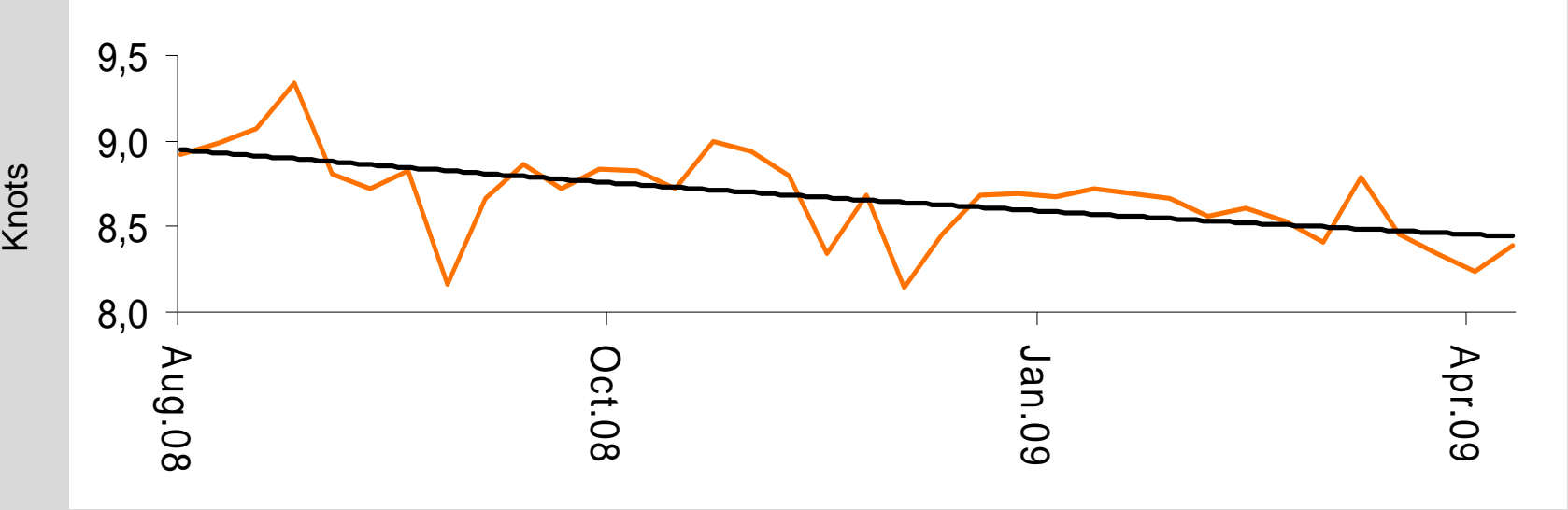


0.1% of
total fleet

Source: Bloomberg (AISLive)

Service potential

Average speed decreasing



Source: Bloomberg (AISLive)



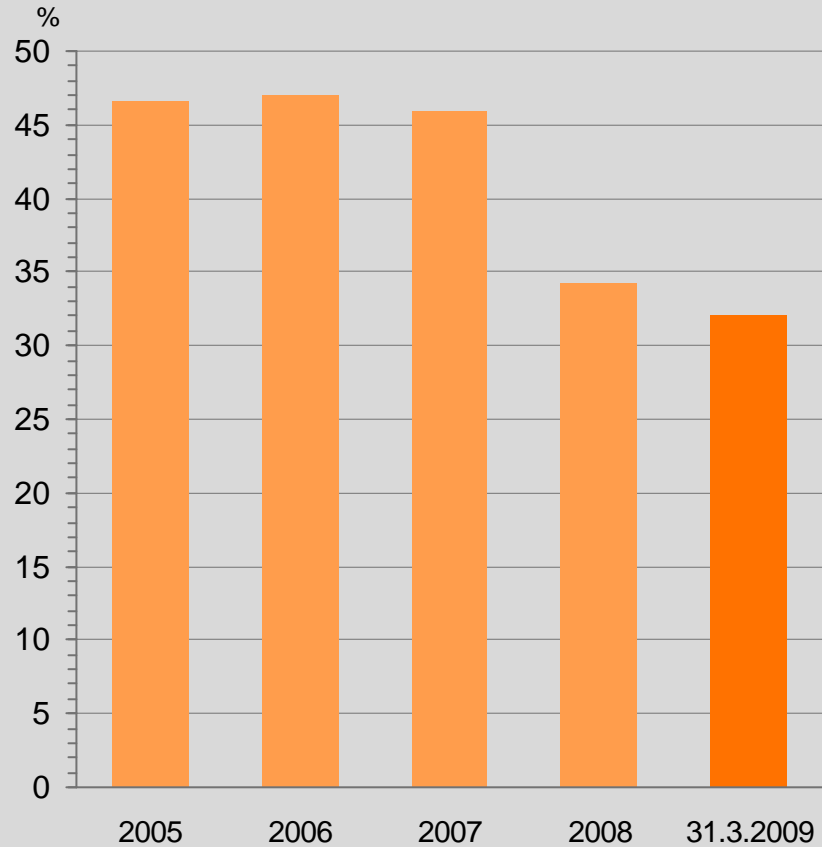
Cash flow



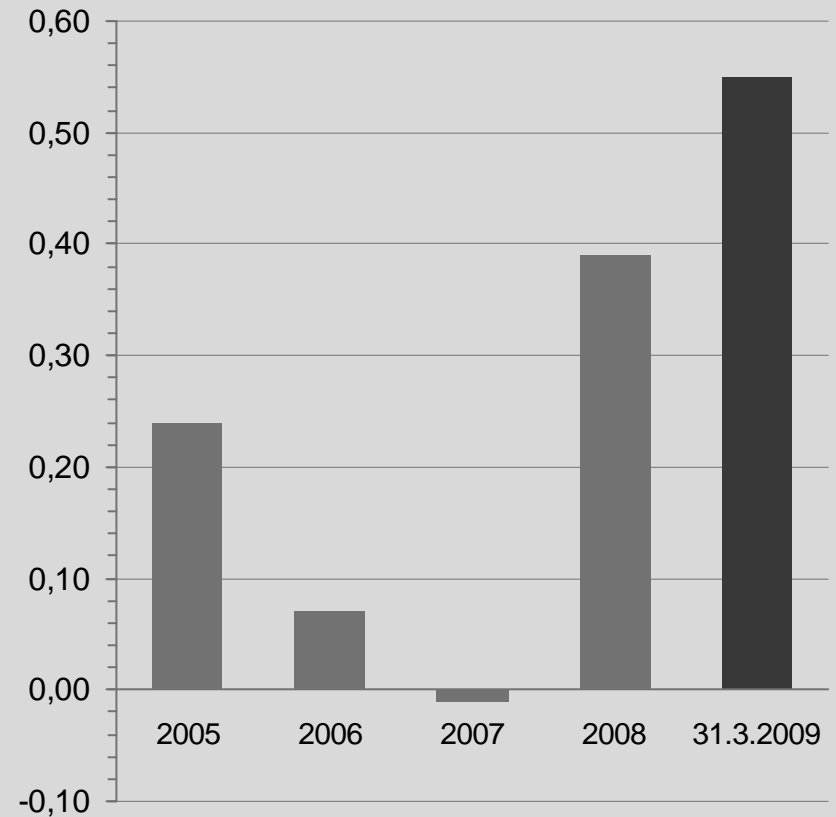
<u>MEUR</u>	<u>1-3/09</u>	<u>1-3/08</u>	<u>2008</u>
Cash flow from operating activities	23	75	278
Cash flow from investing activities	-46	-35	-329
Cash flow from financing activities	-27	100	-26
Liquid funds at the end of period	149	416	197

Financial position

Solvency



Gearing





- Ship Power
 - Slippage of ship yard delivery schedules
 - Cancellation of existing orders, Wärtsilä sees a potential cancellation risk of approximately EUR 1 000 million
- Power Plants
 - Impact of financial crisis on the timing of orders
- Services
 - Possible reduction of maintenance and service demand due to larger scale lay-ups of ships



- Ship Power: number of laid up vessels increases, major changes in new ordering outlook not expected
- Power Plants: ordering activity expected to remain at a good albeit lumpy level
- Stable development in Services continues, visibility has become shorter

Prospects for 2009 reiterated



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



WÄRTSILÄ