WÄRTSILÄ CORPORATION

INTERIM REPORT JANUARY-MARCH 2010

OLE JOHANSSON, PRESIDENT & CEO

23 APRIL 2010

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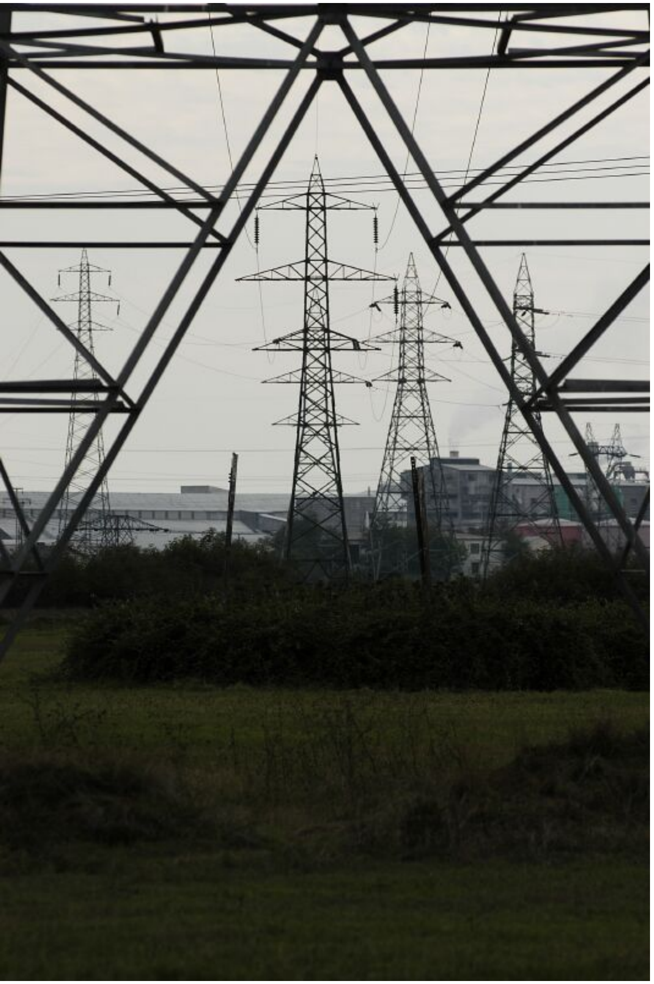
Q1/10 Highlights



- Net sales EUR 922 million (-26%)
- Operating result * EUR 94 million (-28%), 10.2% of net sales
- EPS EUR 0.68 * (0.89)
- Order intake EUR 881 million (-8%)
- Cash flow from operating activities EUR 181 million

* Excluding nonrecurring items

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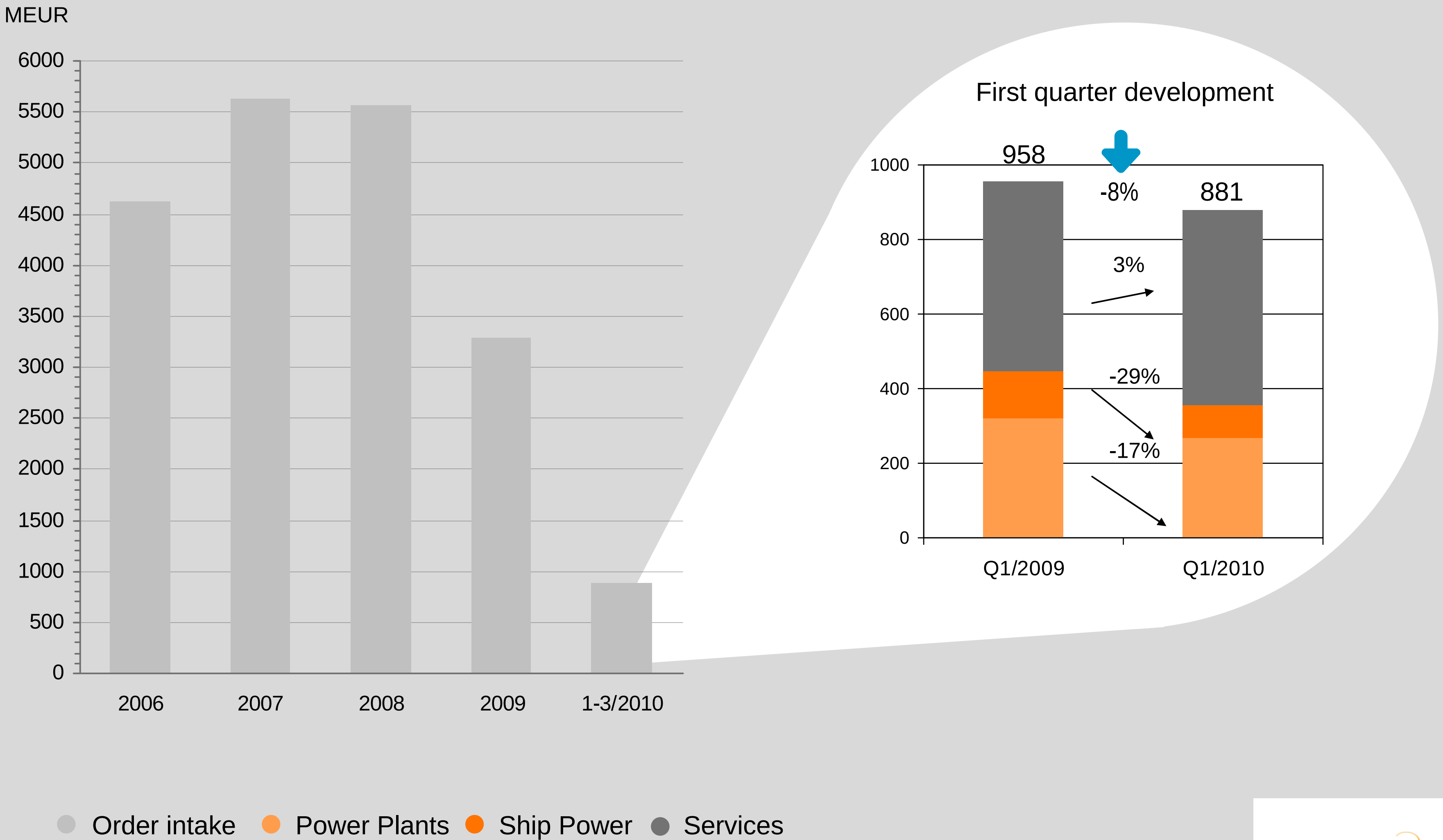
Order intake still low



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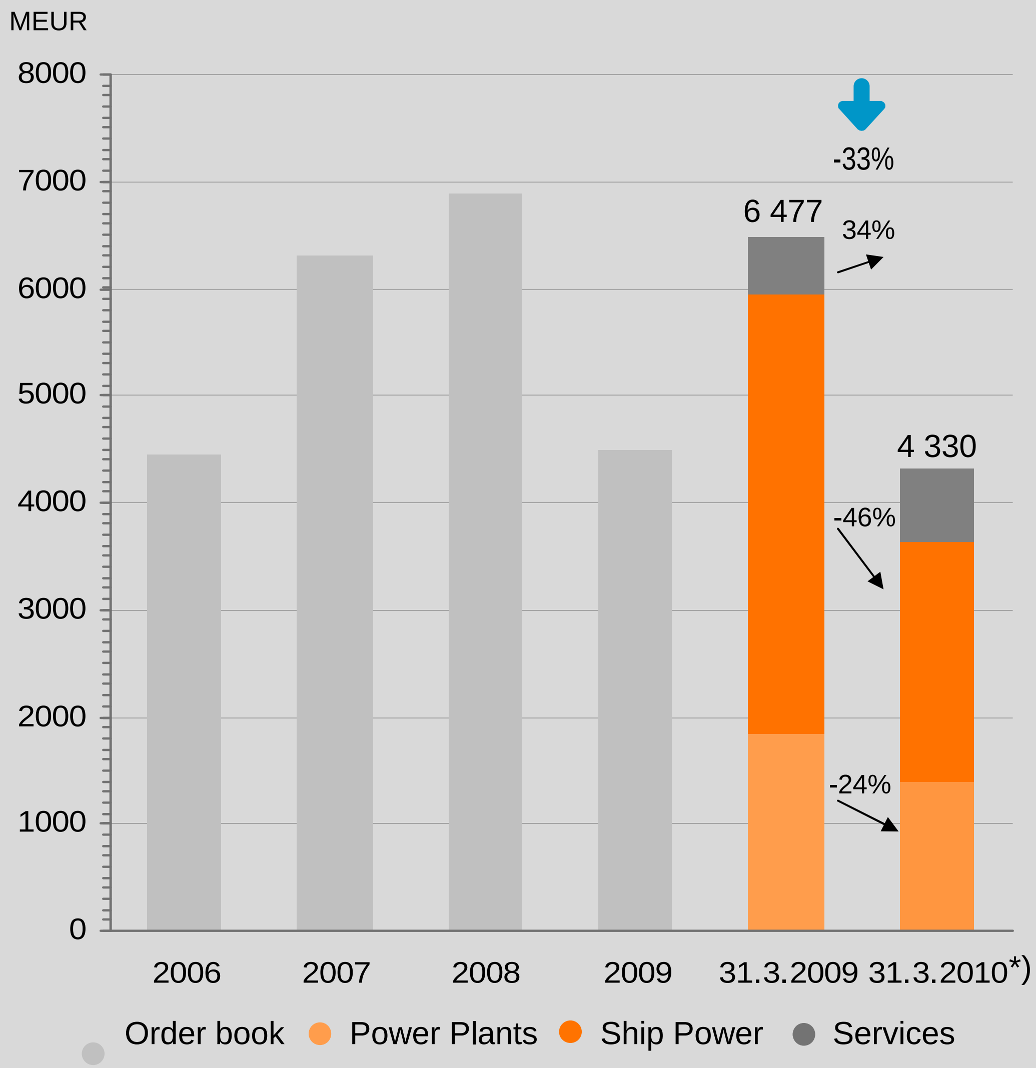
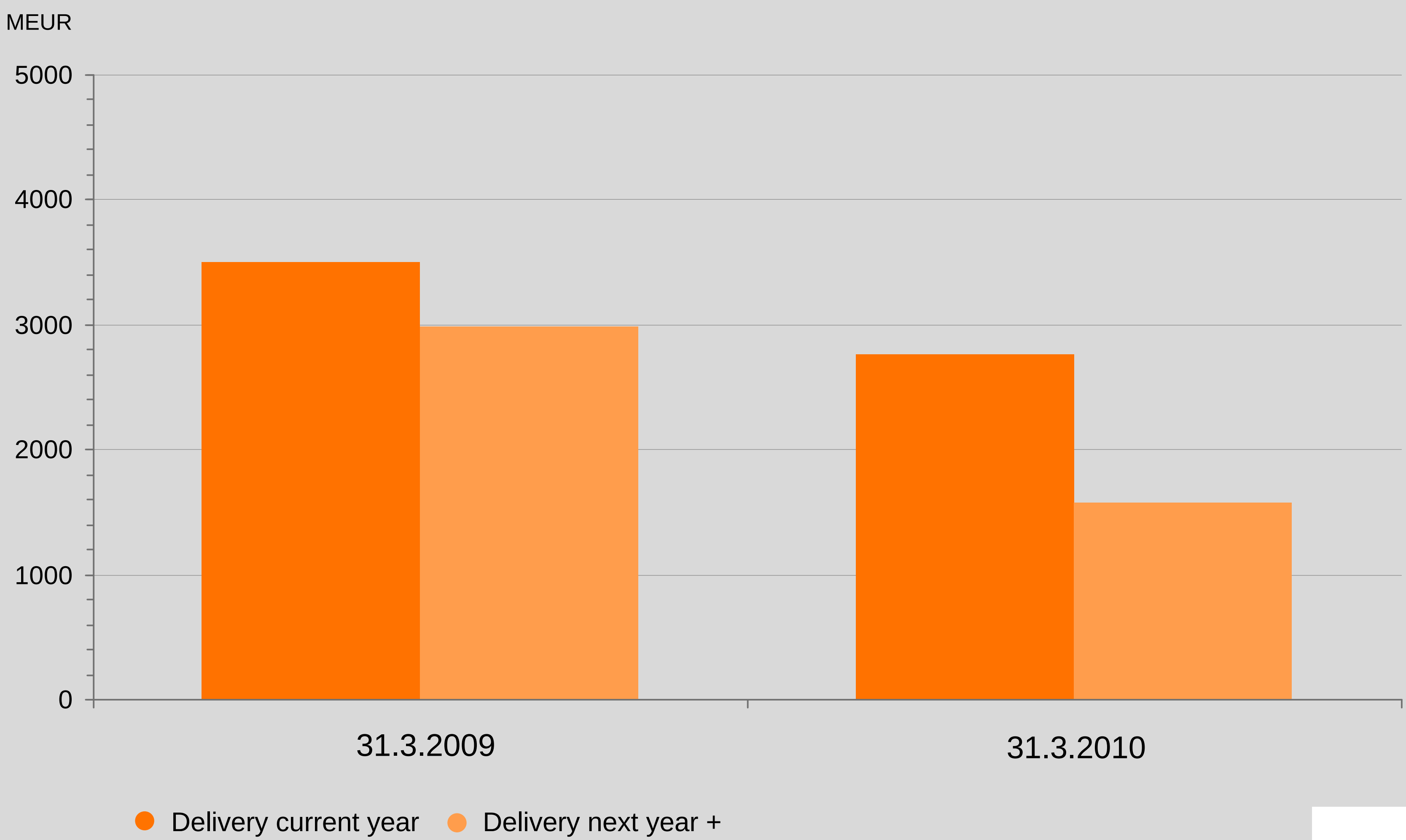
Order book unchanged compared to the end of the previous quarter

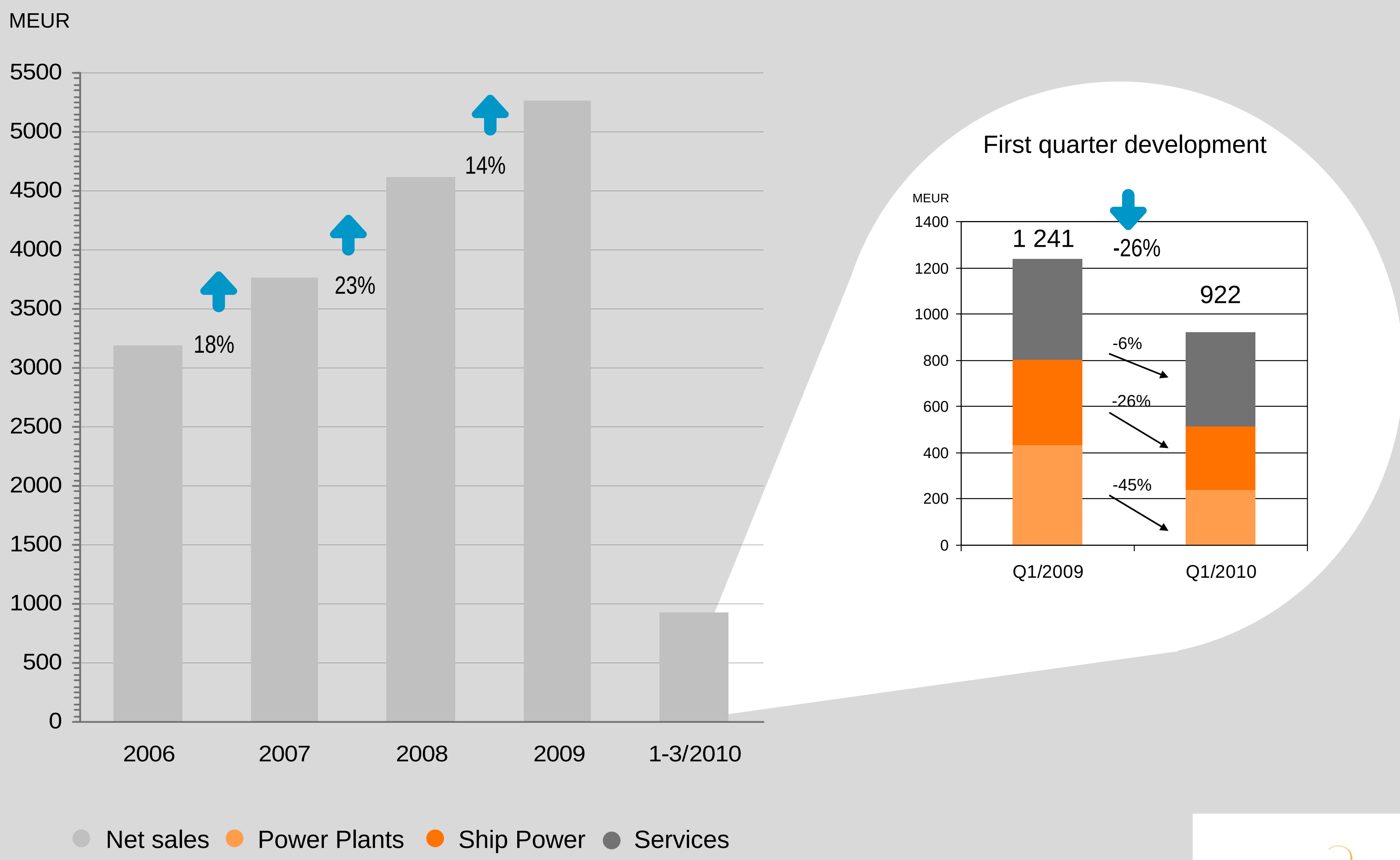


*) Cancellations amounting to EUR 82 million have been deducted from the order book during the review period. The Ship Power order book includes a cancellation risk of approximately EUR 400 million.

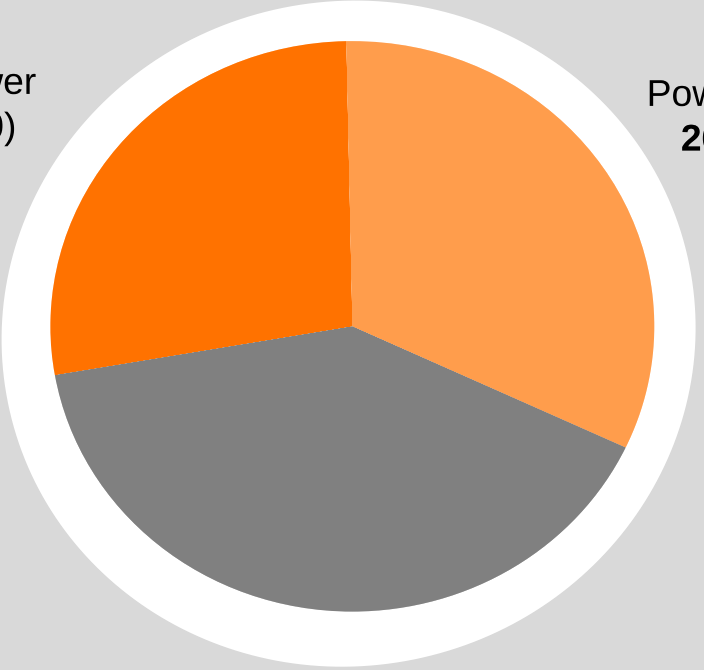
Order book distribution



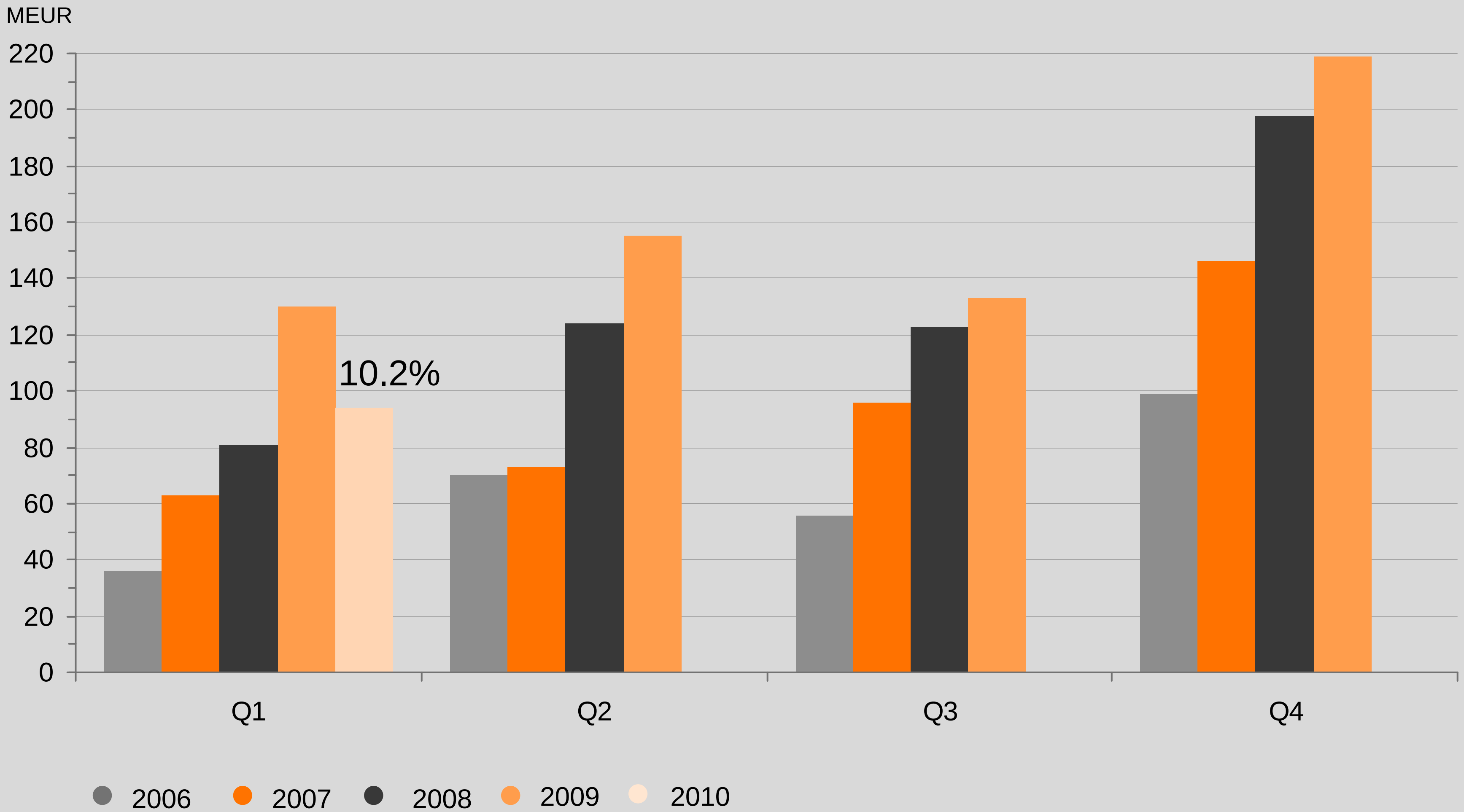
Net sales low due to timing of deliveries



Net sales by business 1-3/2010



Good profitability



Operating result before nonrecurring items

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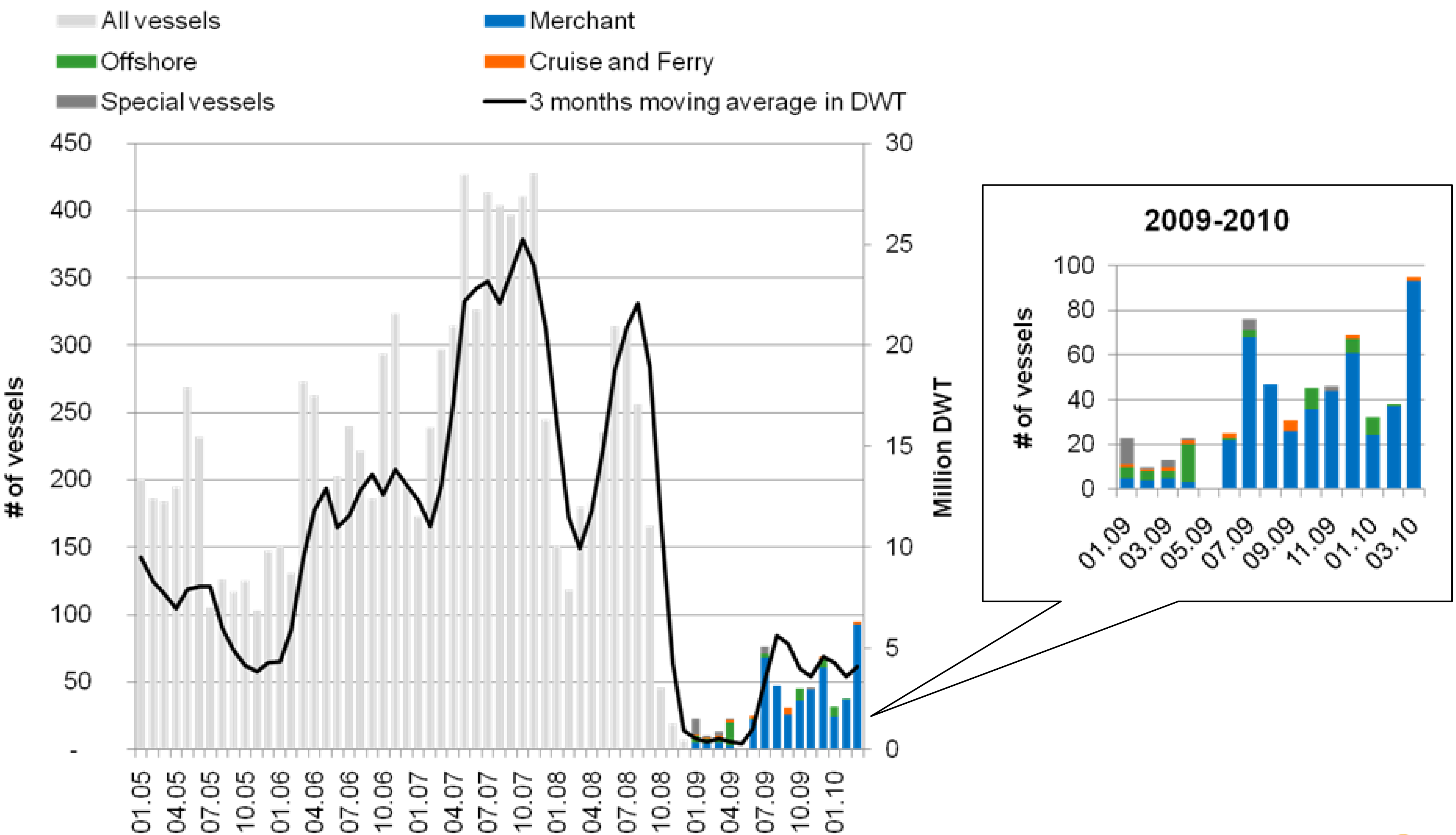
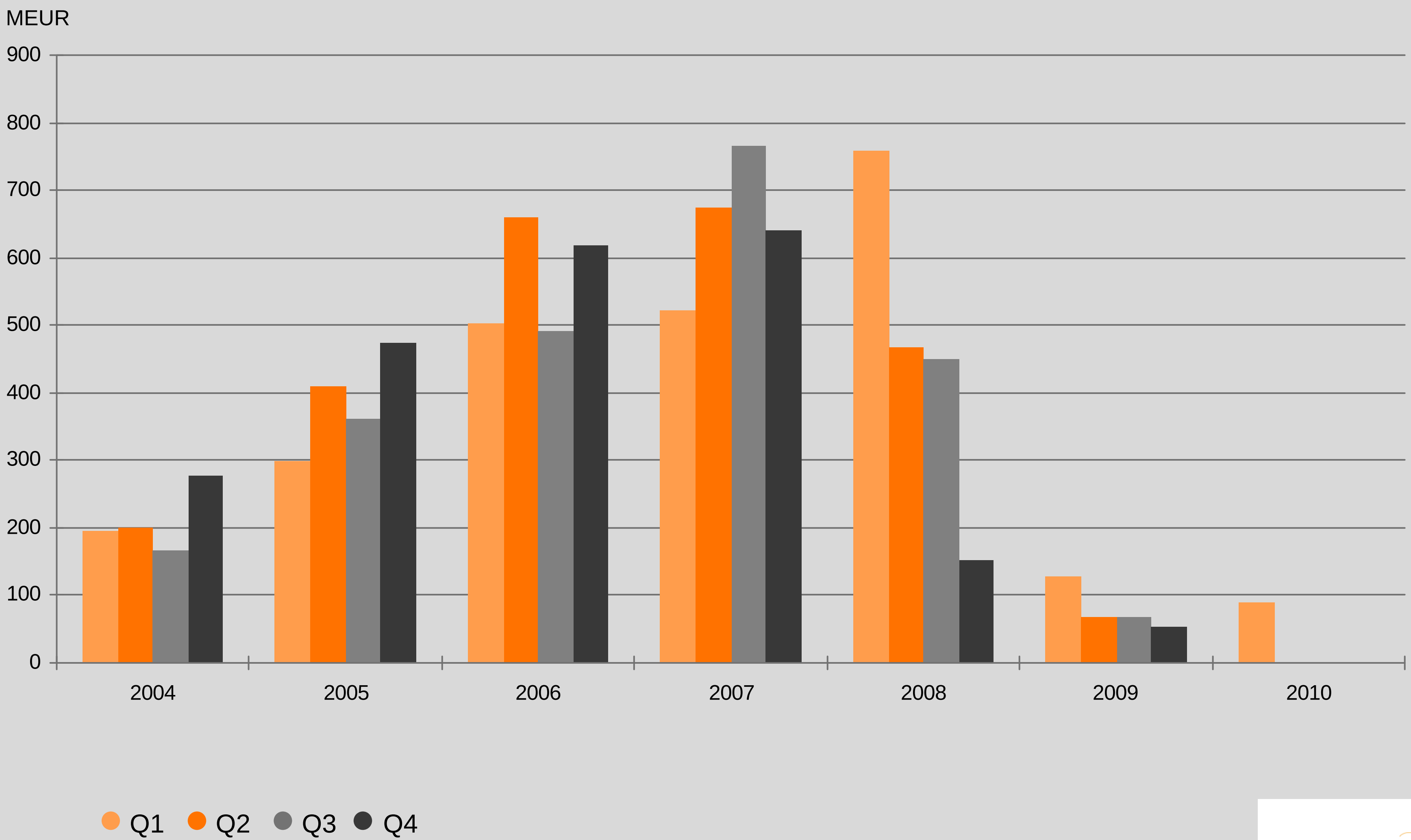
Ship Power market - vessel order development
Small signs of recovery



Source: Clarkson Research Services Limited

Ship Power order intake marginally up



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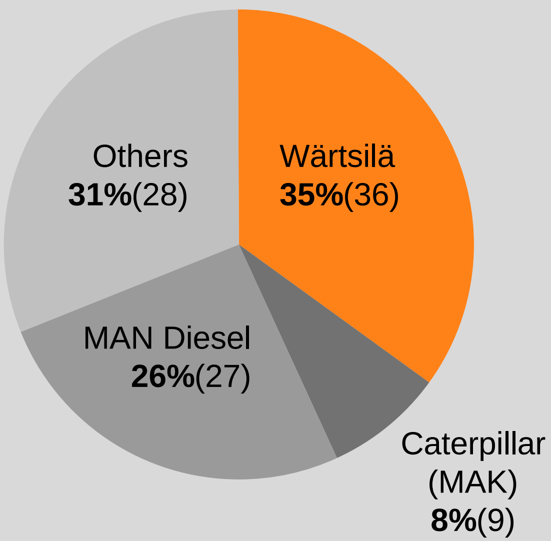
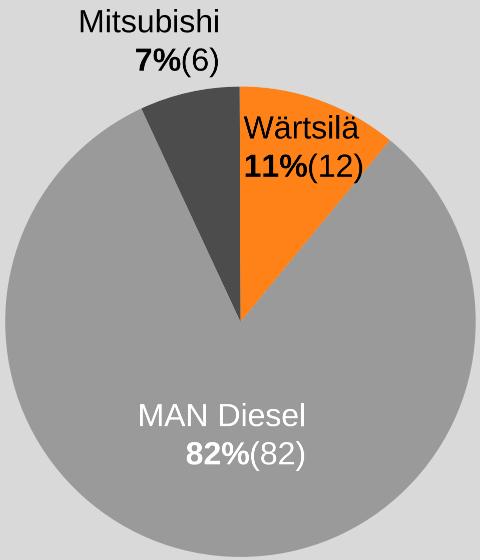
Ship Power market
Market position of Wärtsilä's marine engines

Medium-speed main engines



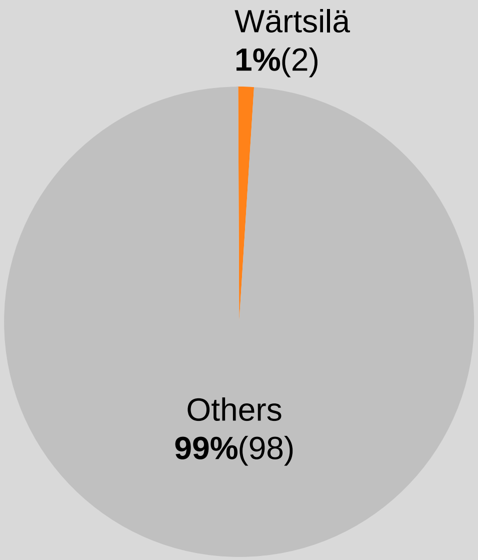
Total market volume last 12 months:
1,138 MW (1,234)

Low-speed main engines



Total market volume last 12 months:
6,206 MW (6,206)

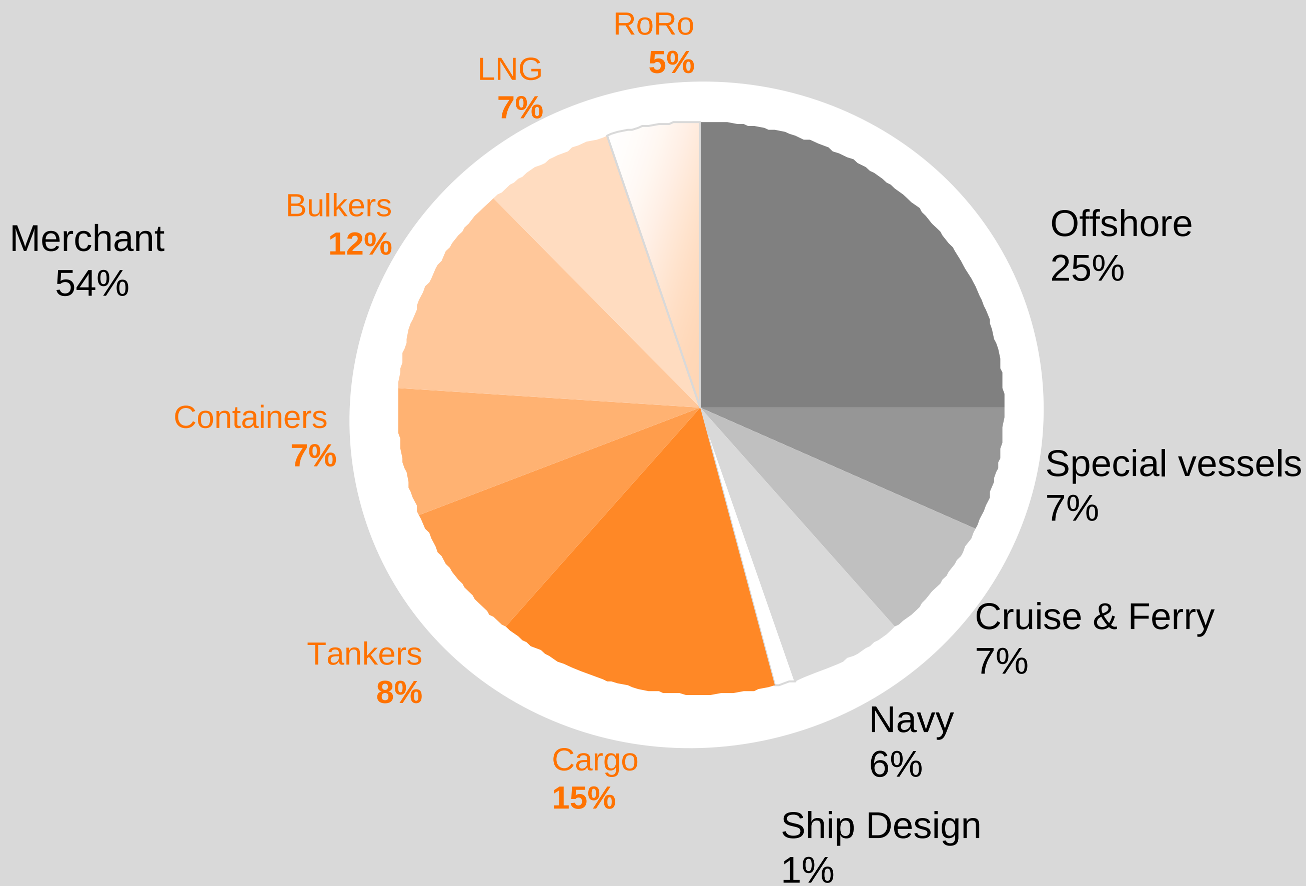
Auxiliary engines



Total market volume last 12 months:
2,331 MW (1,879)

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 March 31, 2010
All vessel segments represented



Total EUR 2,242 million (4,127)

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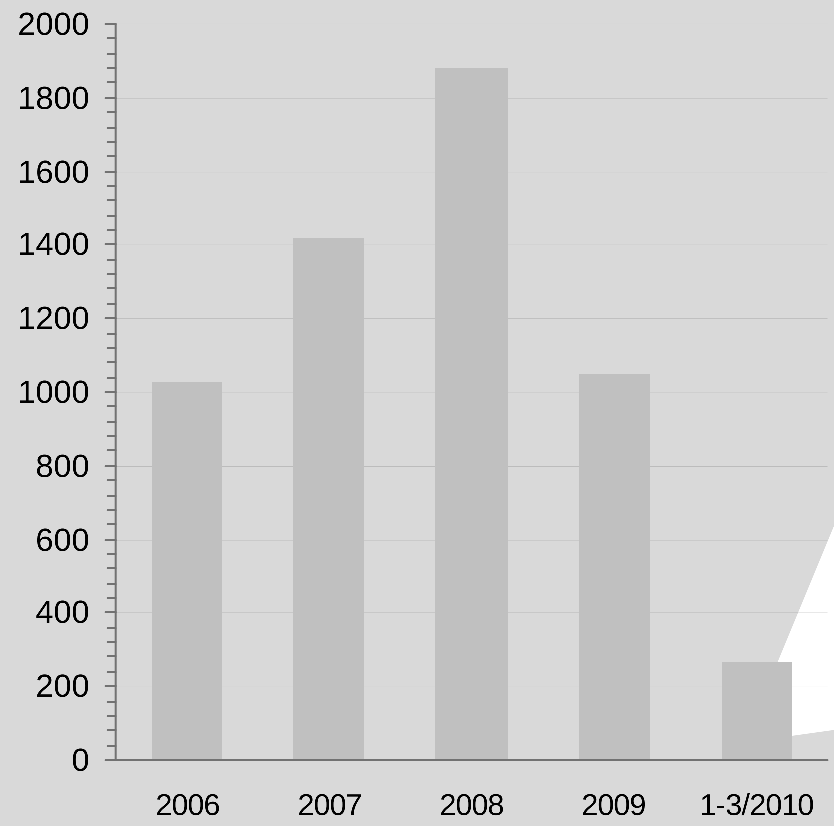
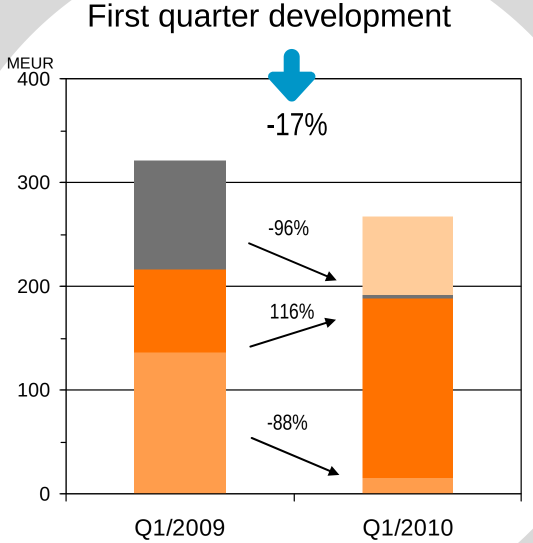
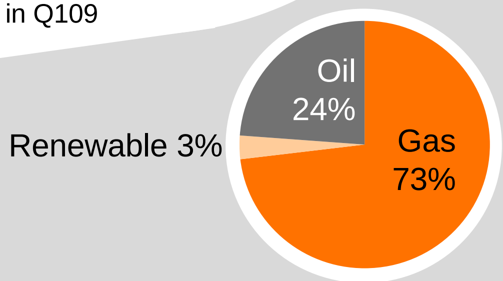
Power Plants order intake by application



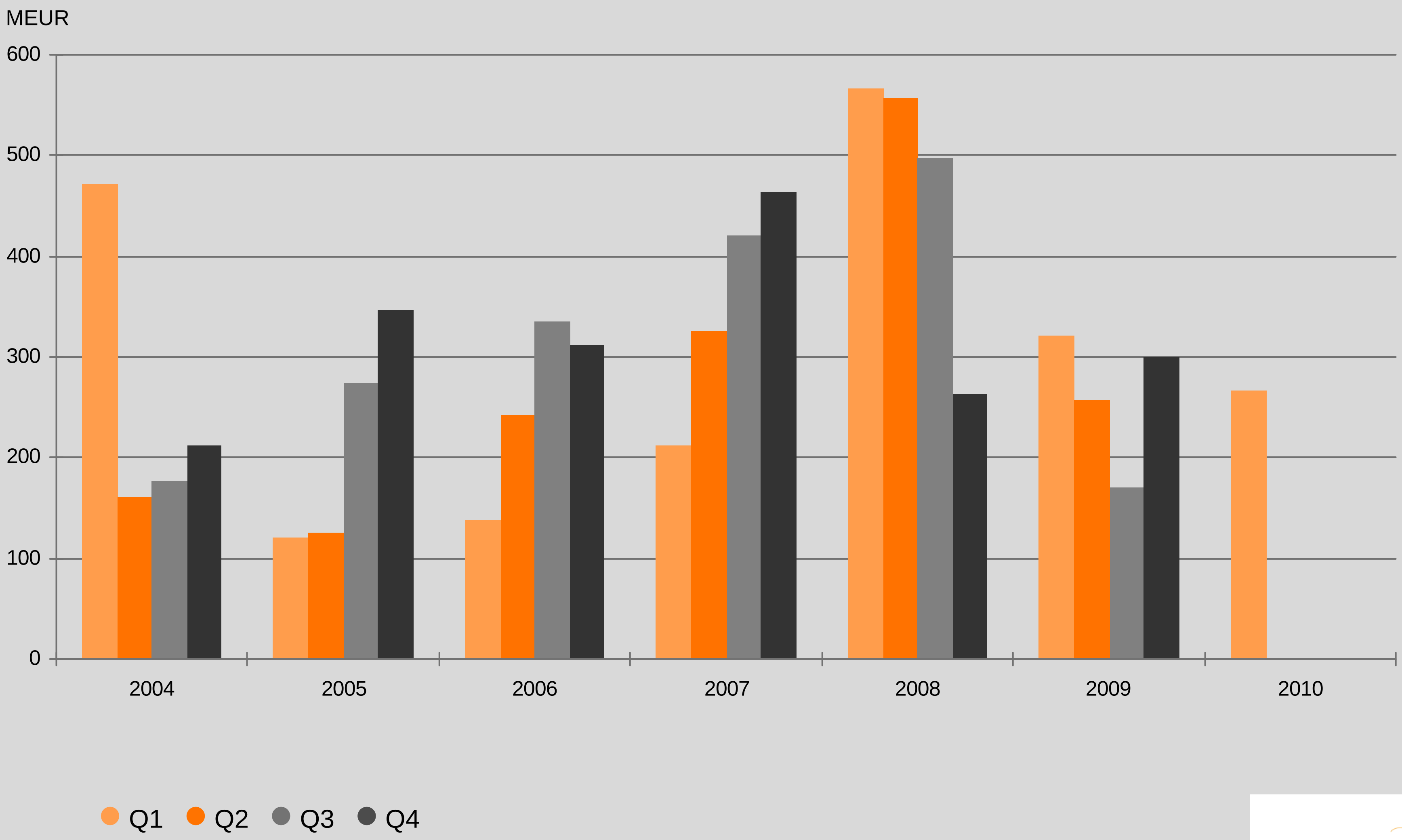


* No orders from Oil & Gas industry in Q109



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

Power Plants quarterly order intake



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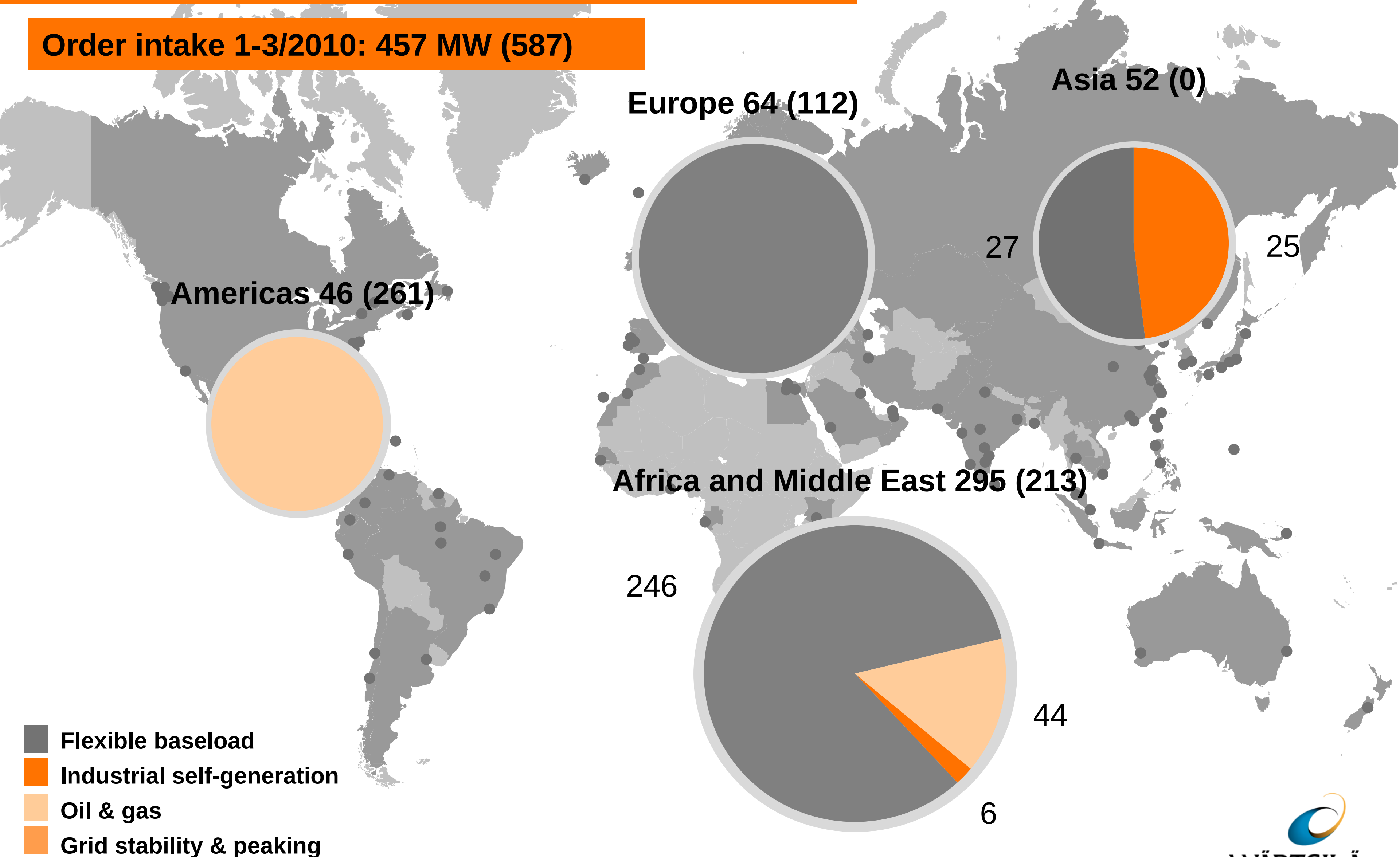
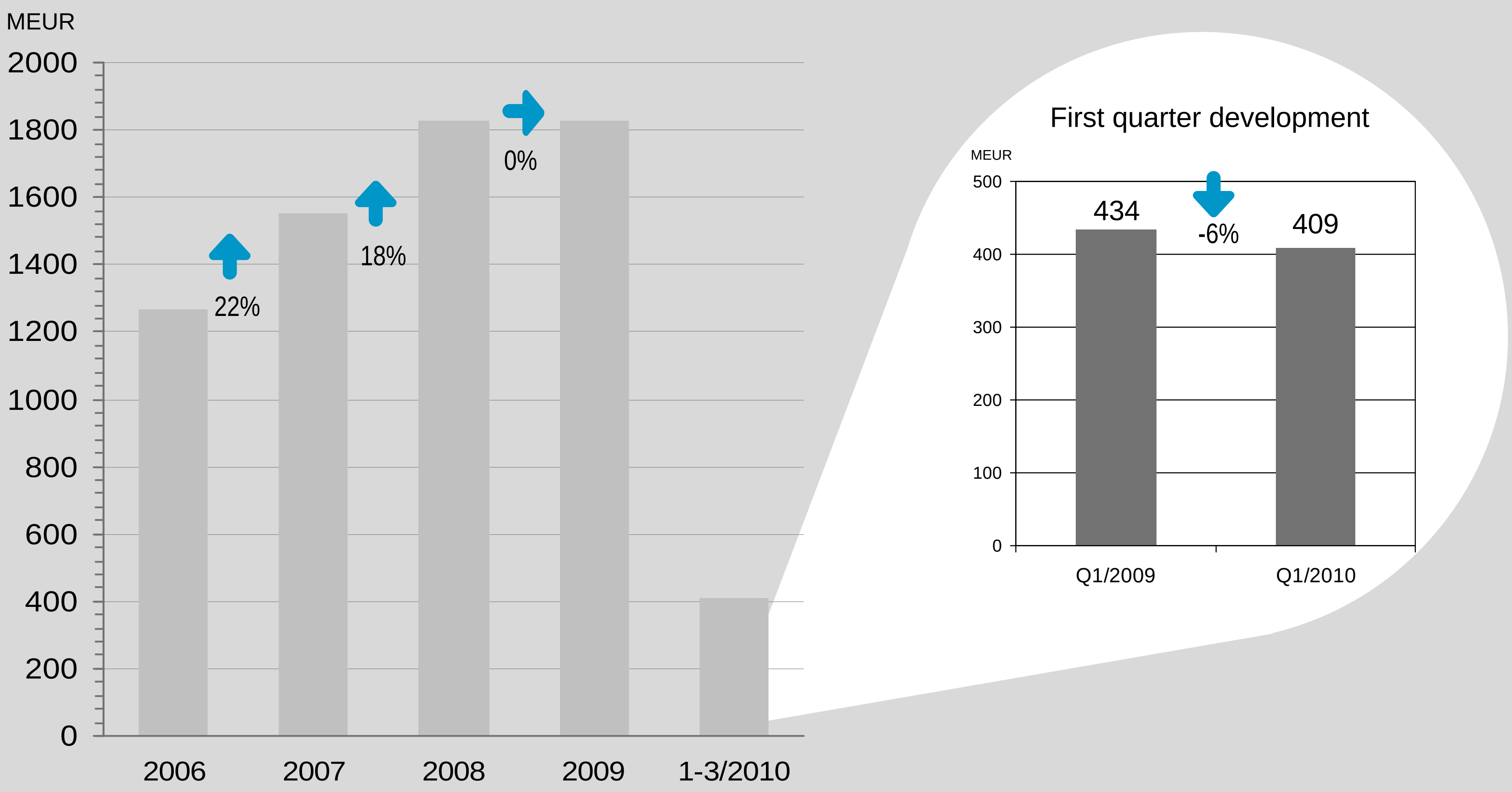
Power Plants order intake

Africa and Middle East strongest region

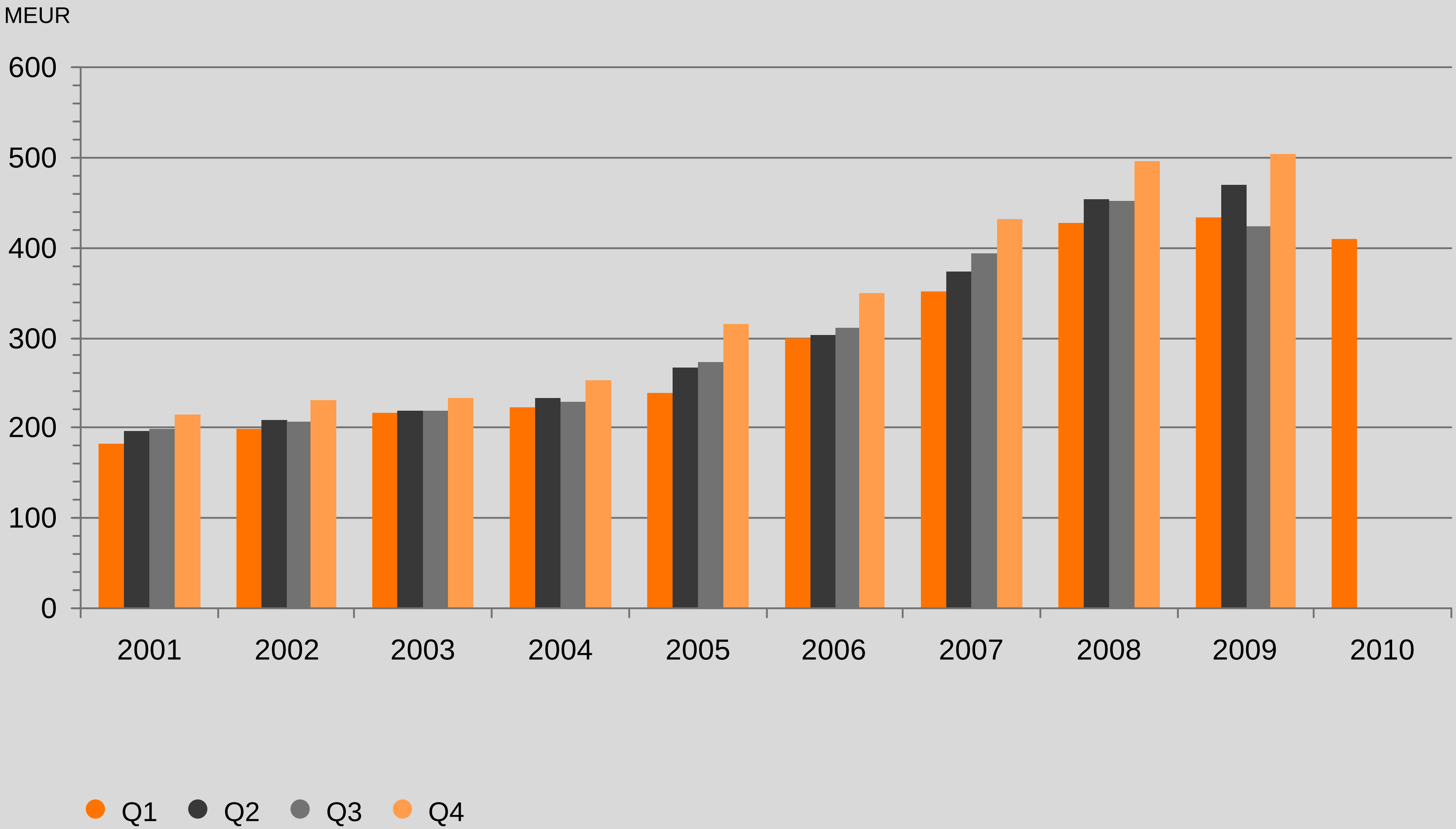
Order intake 1-3/2010: 457 MW (587)



Services net sales, slow start of the year



Services – Net sales per quarter



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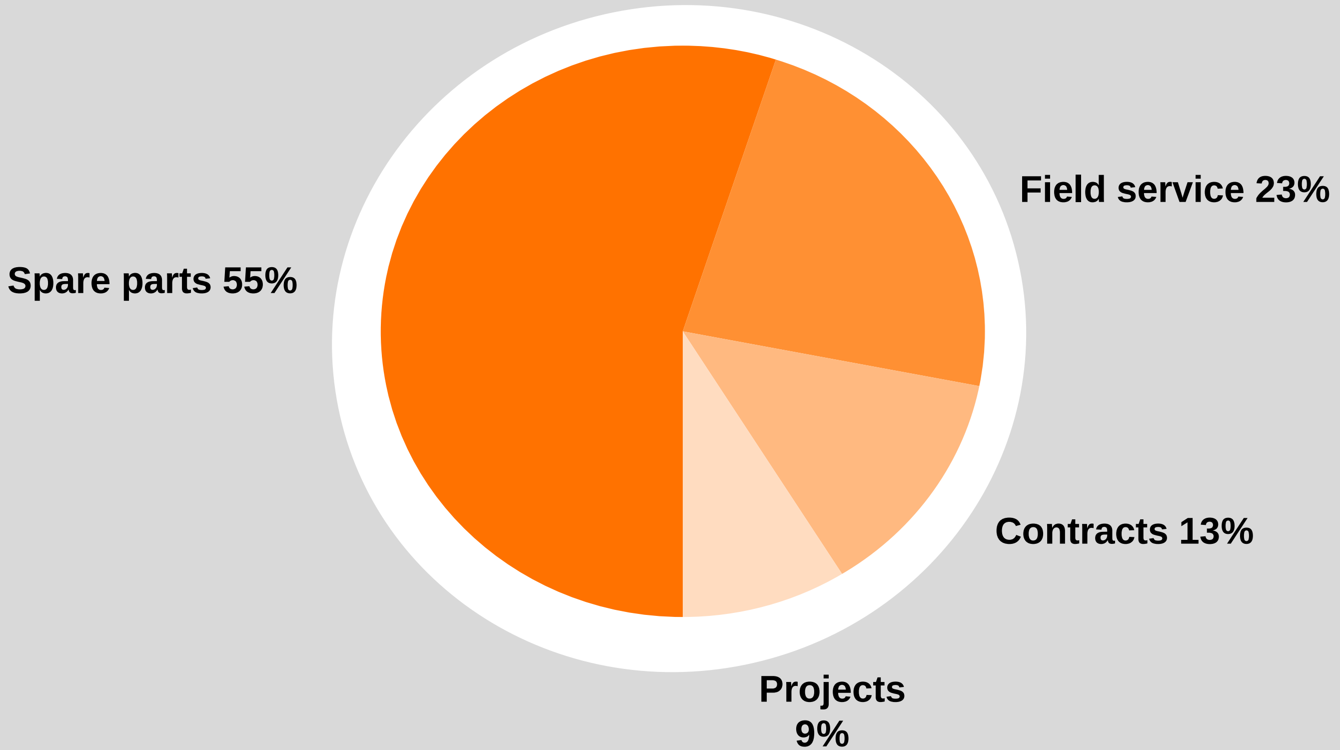
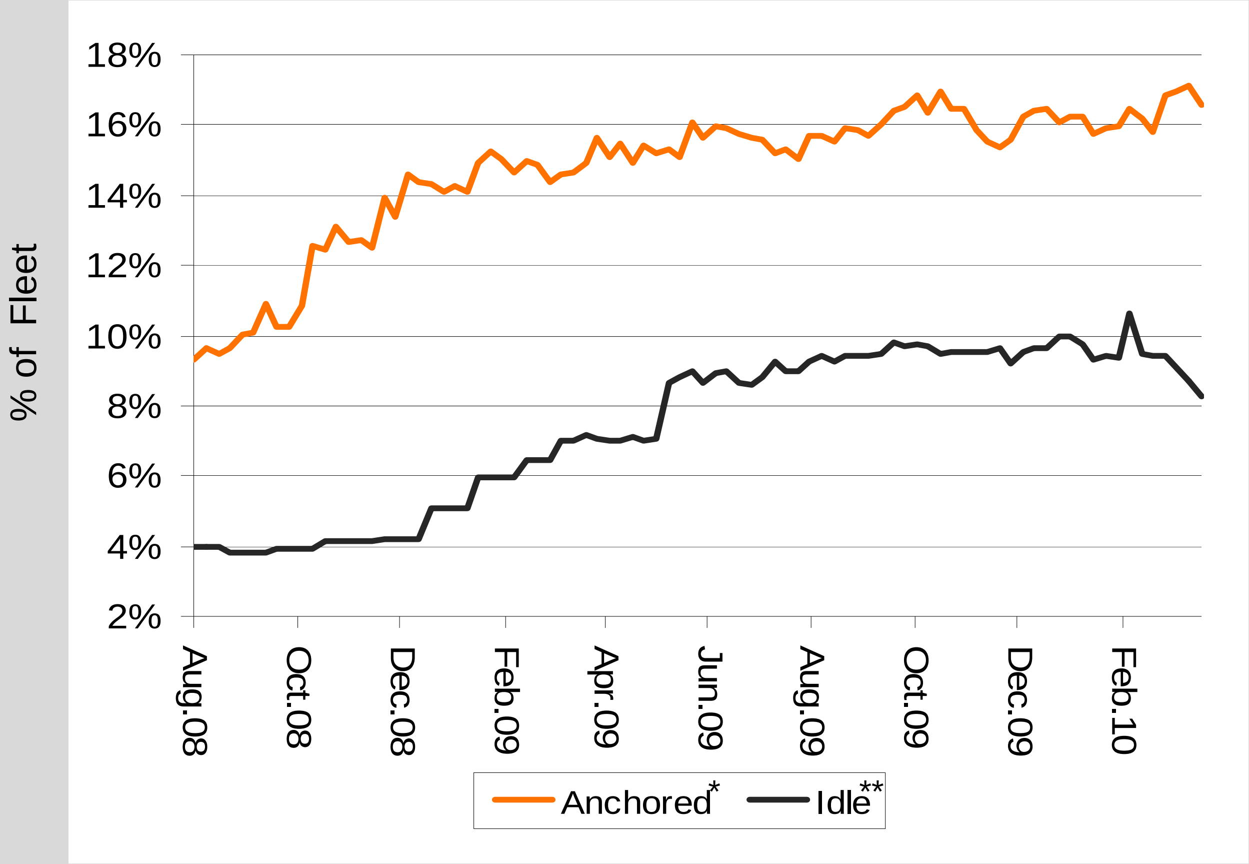
Services net sales distribution 1-3/2010



Services
Lay-up situation eased towards the end of the quarter



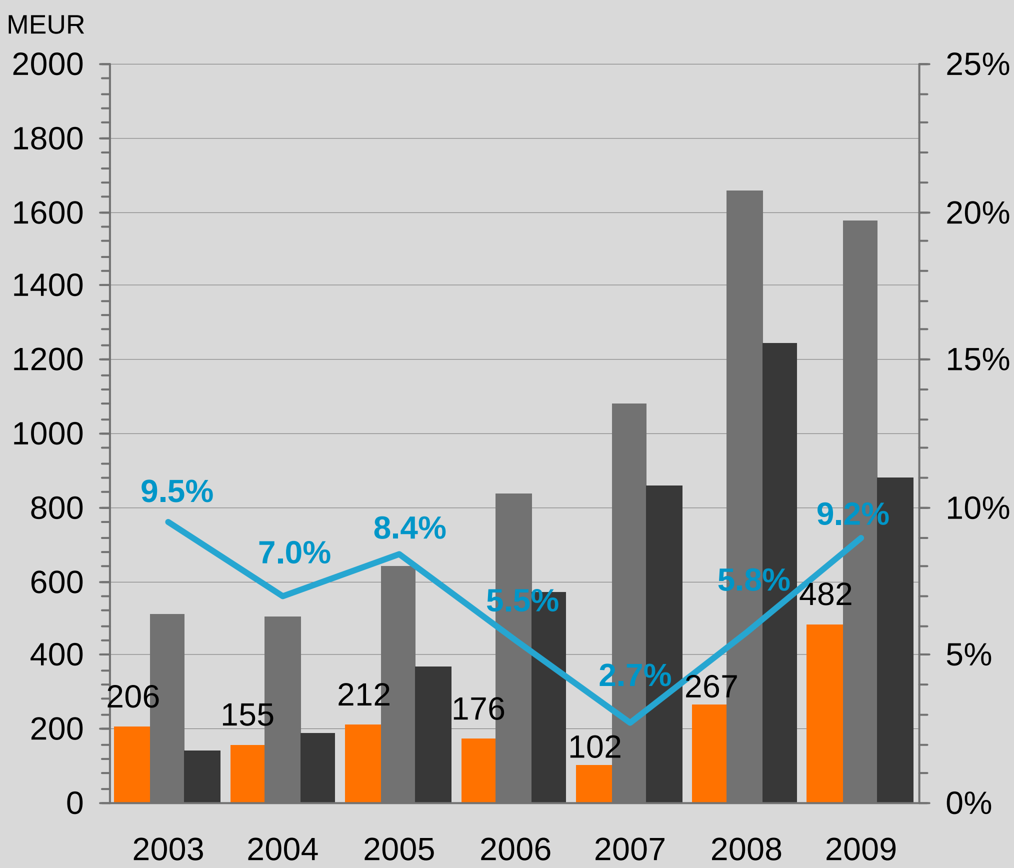
* Anchored (reported navigation status at anchor). Source Bloomberg (AISLive). More than 25 000 vessels (>299 GT) covered.

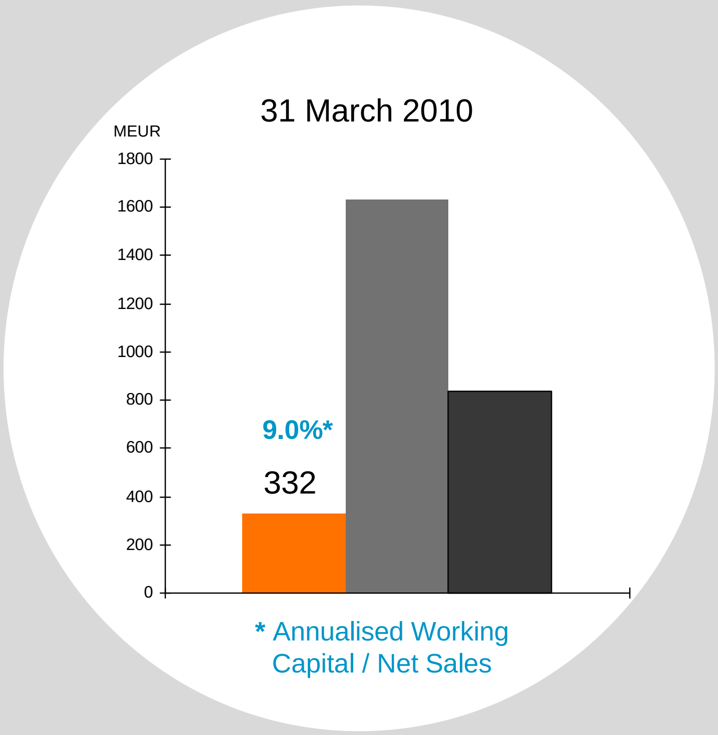
** Idle (no movement for 19 days for containerships, others 35 days). Source Lloyd's MIU. Around 15 000 vessels (>299 GT) covered.

Strong cash flow

MEUR	1-3/10	1-3/09	2009
Cash flow from operating activities	181	23	349
Cash flow from investing activities	-11	-46	-163
Cash flow from financing activities	-168	-27	-140
Cash and cash equivalents at the end of period	252	149	244

Working capital development





Working Capital Total Inventories Advances Received Working Capital / Net Sales

All figures relate to the Power Businesses

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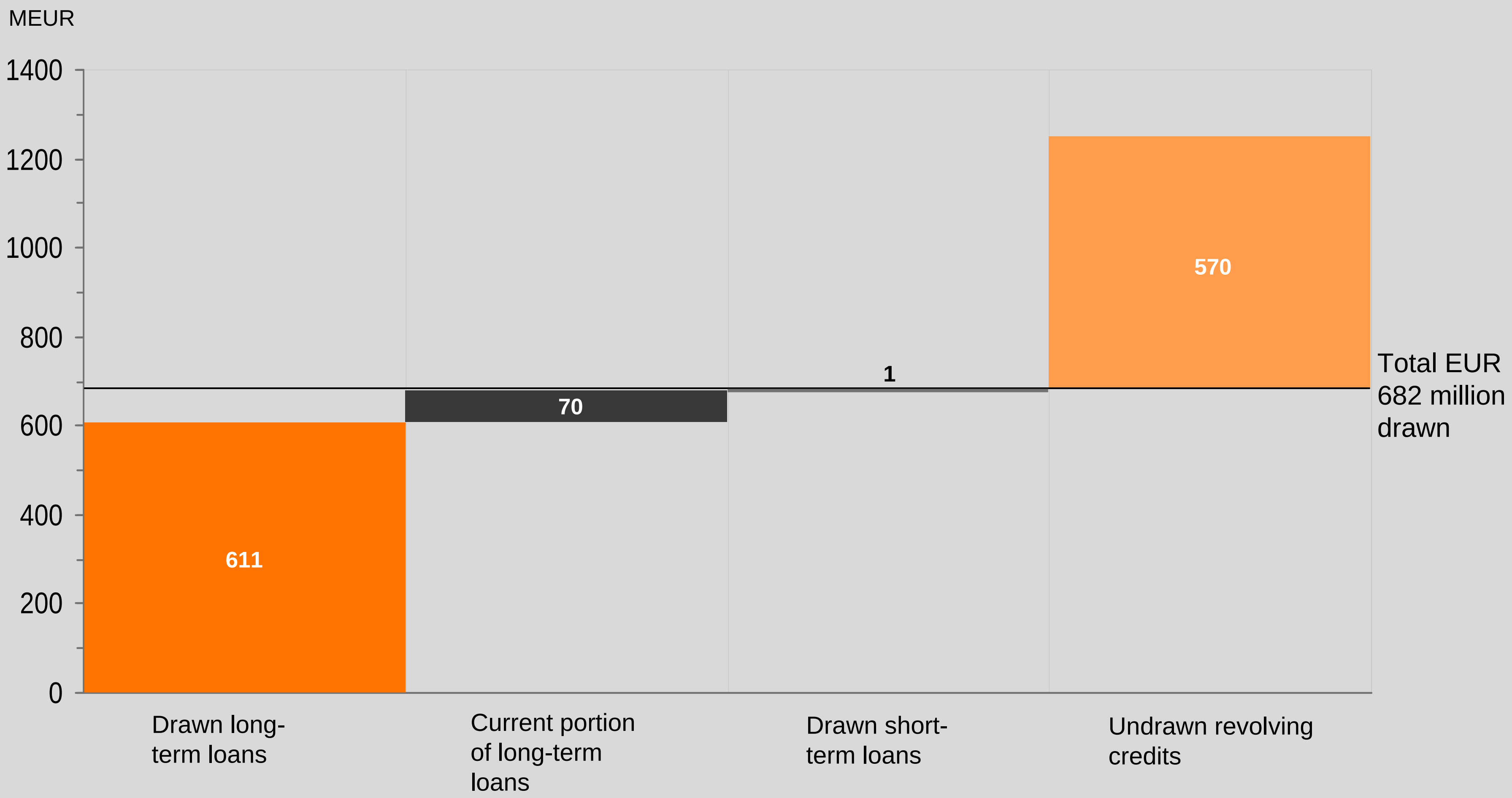
Committed loans March 31, 2010



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).

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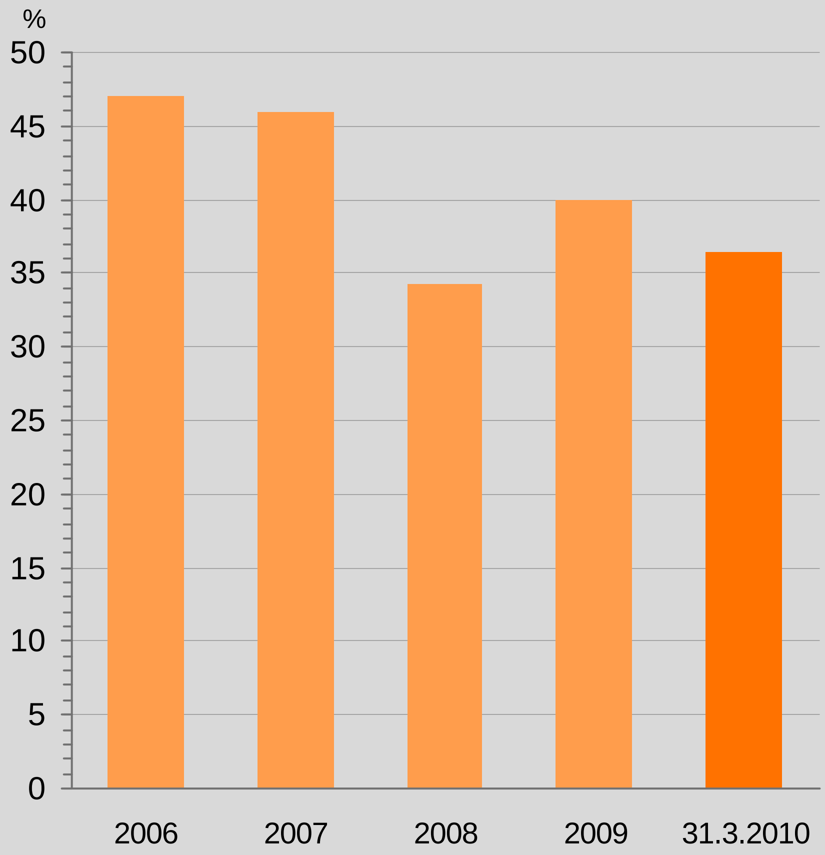
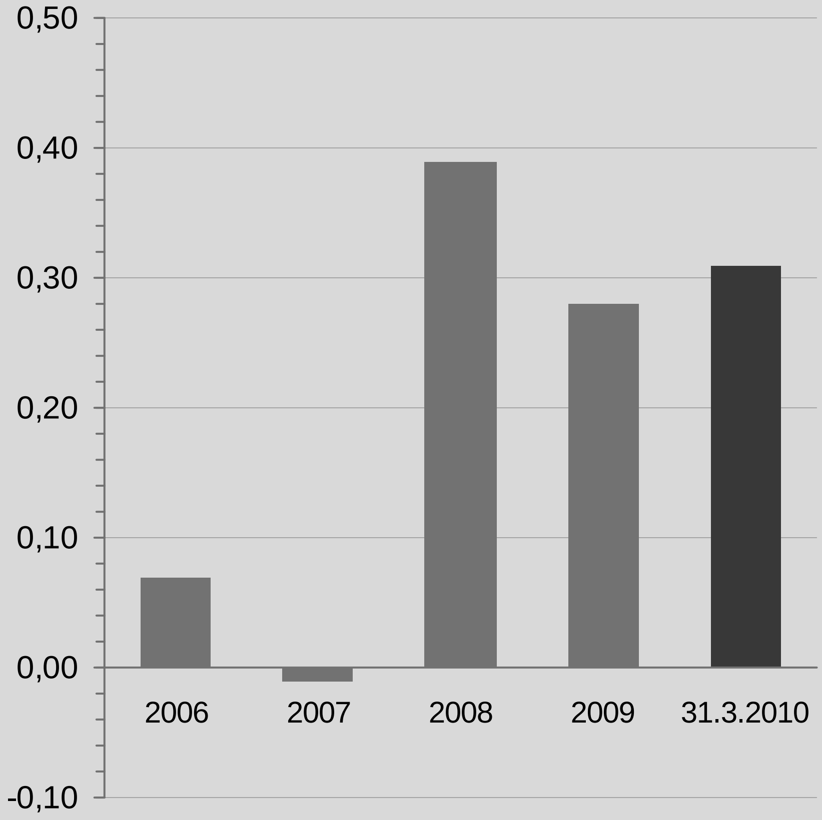
Financial position

Solvency



Gearing



Restructuring programmes

Adjusting Ship Power organisation (May 2009)

- Adjustment program to reduce 400-450 jobs proceeding according to plan
- Expected annual savings of EUR 30 million, will take full effect by the end of 2010

Reducing manufacturing capacity (January 2010)

- Manufacturing of propellers in Drunen and components in Zwolle is planned to end
- The W20-generating set production in Vaasa is planned to be closed
- Plans to reduce 1,400 jobs globally within the Group during 2010 (570 in the Netherlands)
- Expected annual savings of EUR 80-90 million, with full effect in the first half of 2011
- Restructuring costs of approx. EUR 140 million, of which EUR 40 million non-cash write-offs recognised in 2009. EUR 44 million recognised in Q1 and EUR 56 million will be recognised in latter part of 2010

Adjusting staff functions (spring 2010)

- All global staff functions to be evaluated

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Market outlook

- **Ship Power:** Overcapacity will maintain ordering volumes at low levels and lead to more intense competition and price pressure. Order intake estimated to be moderately better in 2010 than in 2009.
- **Power Plants:** Gradual recovery in power generation market along with improvements in financial sector. Order intake estimated to improve in 2010.
- **Services:** Uncertainty will continue in 2010 with regards to larger service projects. Services development is expected to remain steady. Scrapping of older tonnage and its replacement with new tonnage may impact Services. Power plant installations continue to be run at high operating levels. Increased interest in maintenance partnerships seen.

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Prospects for 2010 reiterated

- Net sales expected to decline by 10-20 percent.
- Operational profitability (EBIT% before nonrecurring items) should be between 9-10%, well within the upper end of our long-term target range.

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