

WÄRTSILÄ CORPORATION

INTERIM REPORT JANUARY-SEPTEMBER 2008

OLE JOHANSSON, PRESIDENT & CEO

24 OCTOBER 2008

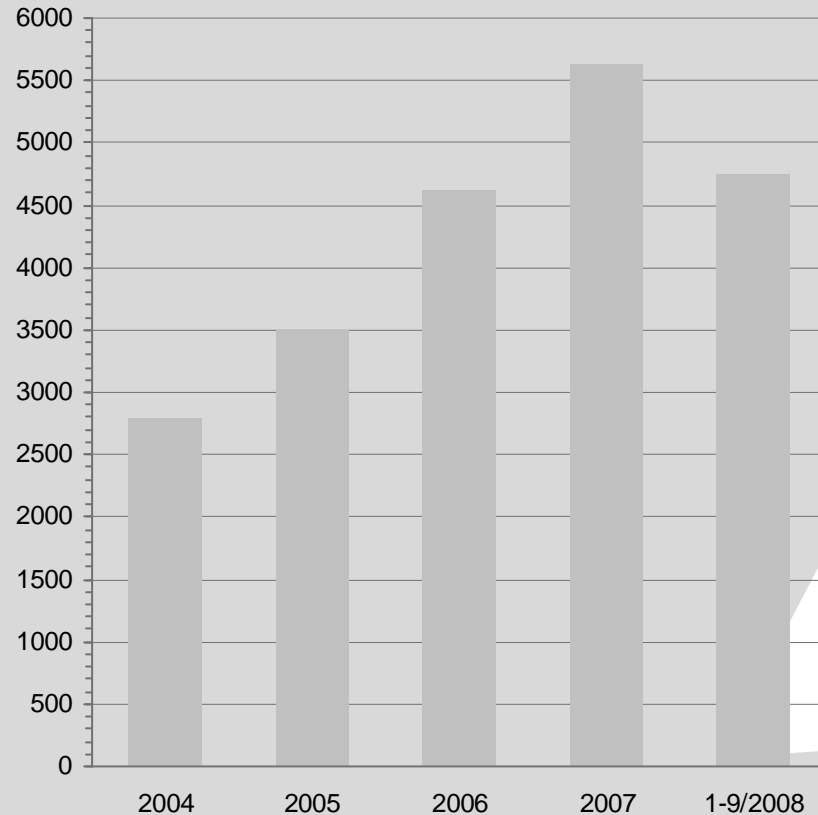
Q3/08 Highlights



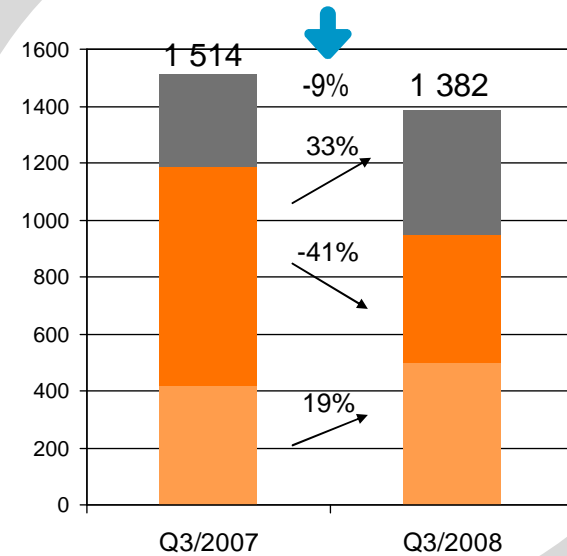
- Order intake -9%
- Net sales +22%
- Operating result (EBIT) +28%, 10.8% of net sales
- EPS EUR 0.97 (0.71)

Order intake still at good level in all businesses

MEUR

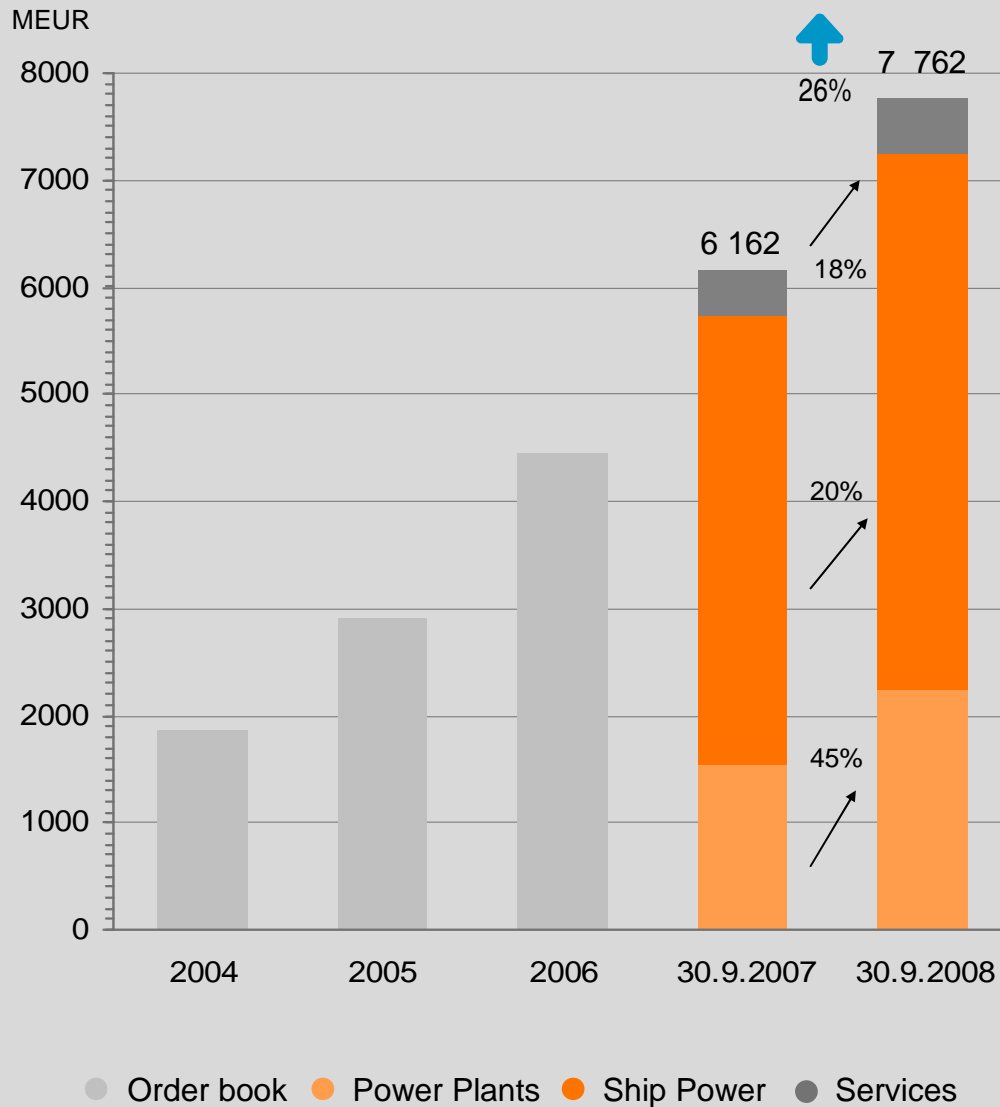


Third quarter development

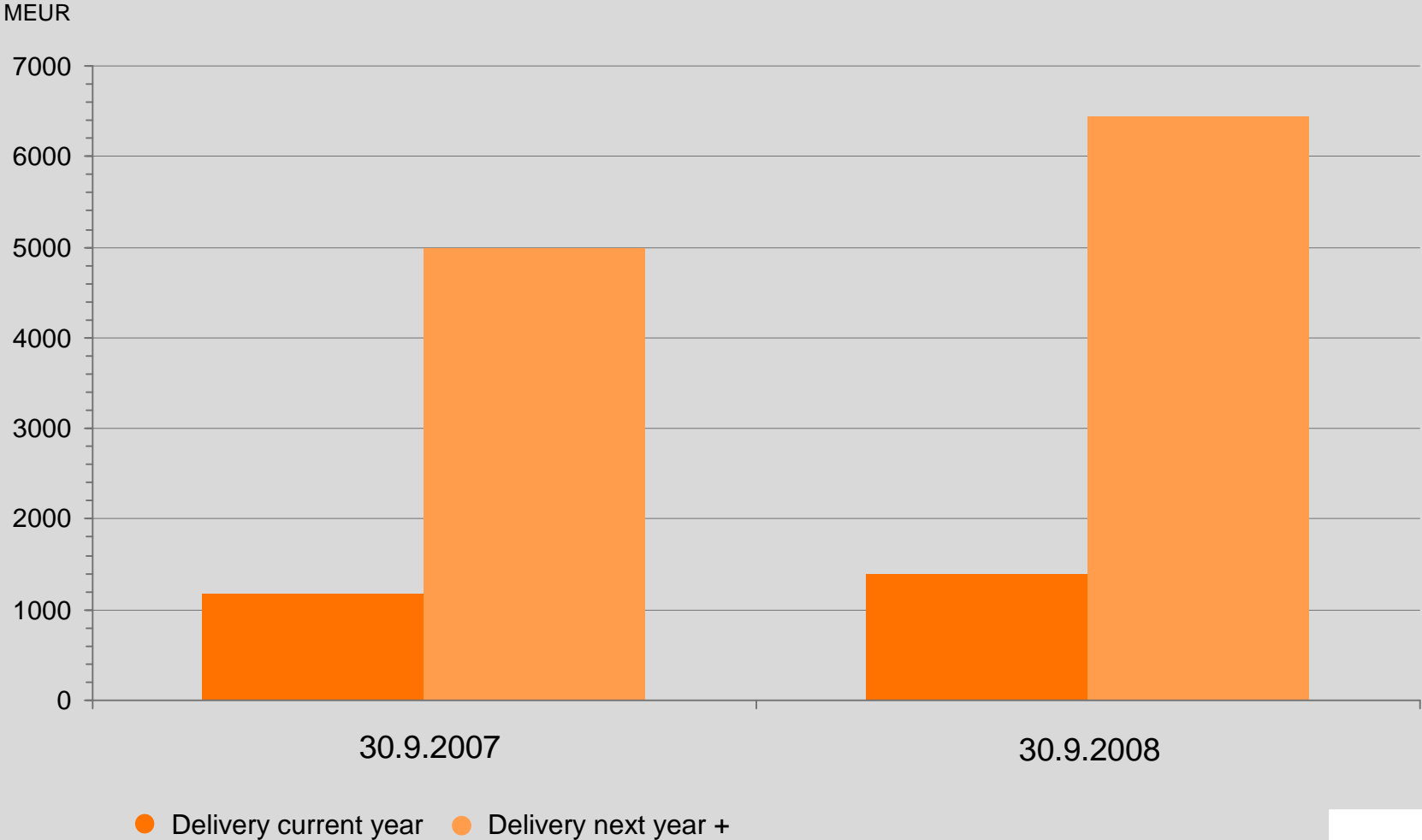


● Order intake ● Power Plants ● Ship Power ● Services

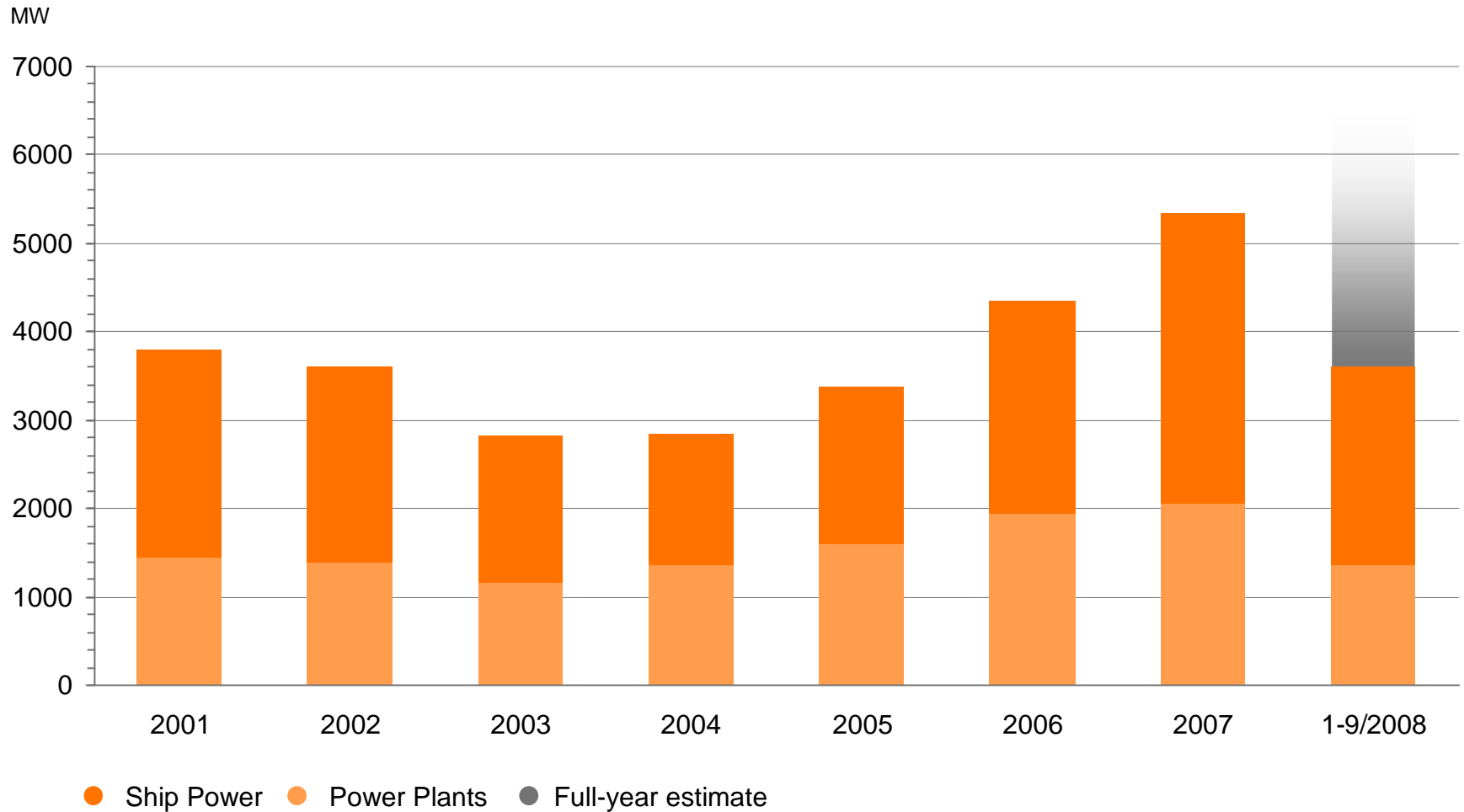
Order book at record level



Strong order book good basis for 2009 and beyond

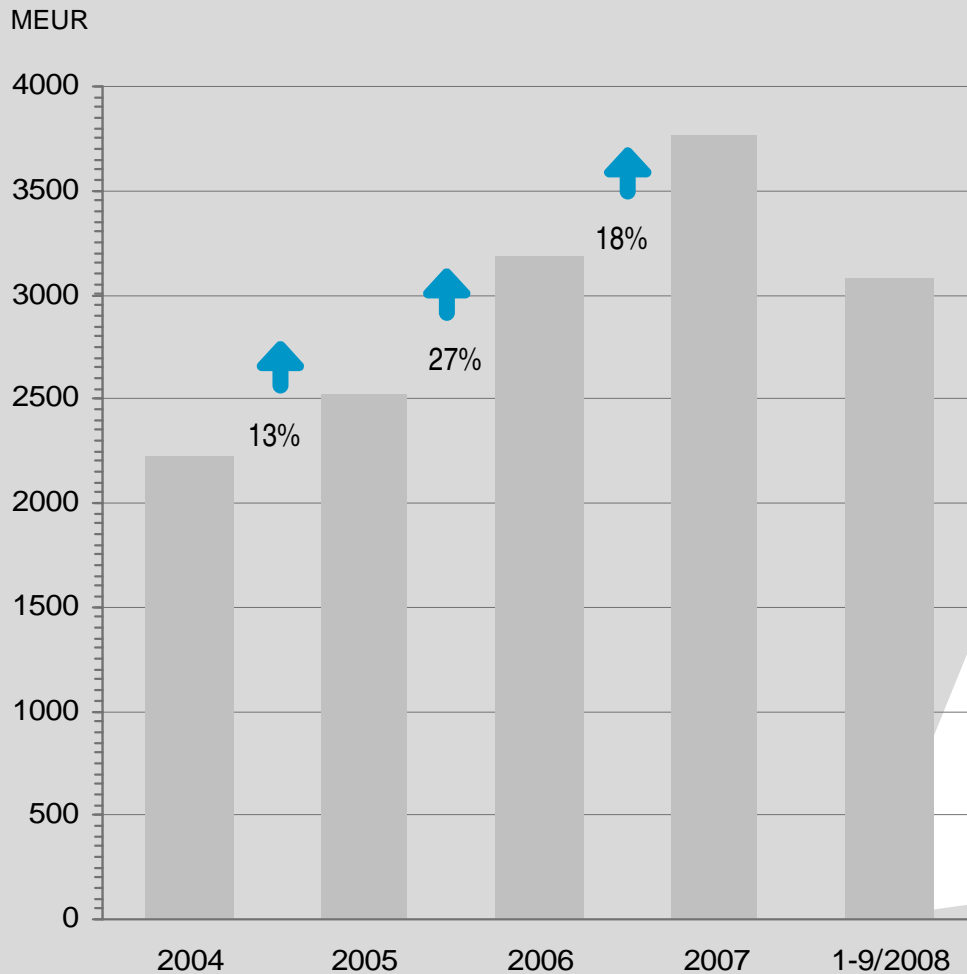


Delivered engine megawatts from own factories

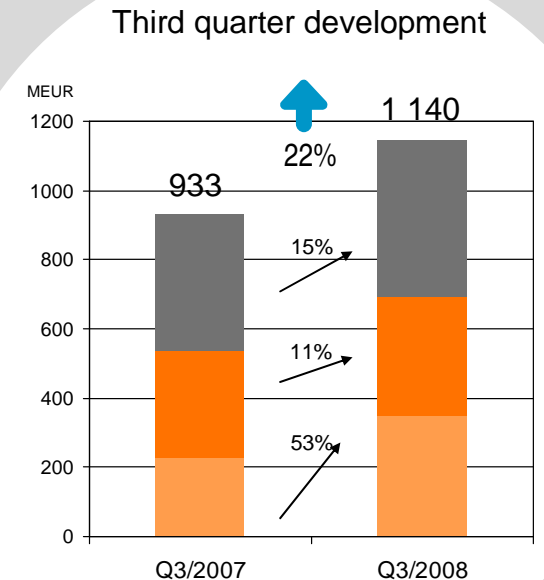


Net sales growing according to plan

Strongest growth in Power Plants

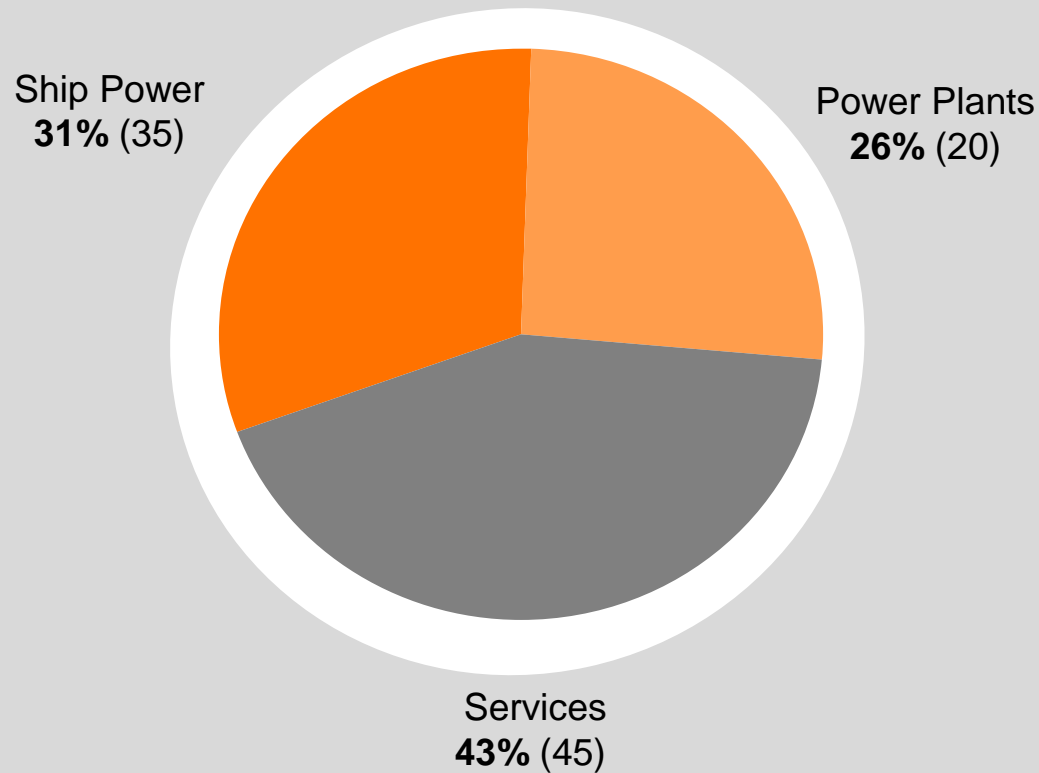


● Net sales ● Power Plants ● Ship Power ● Services



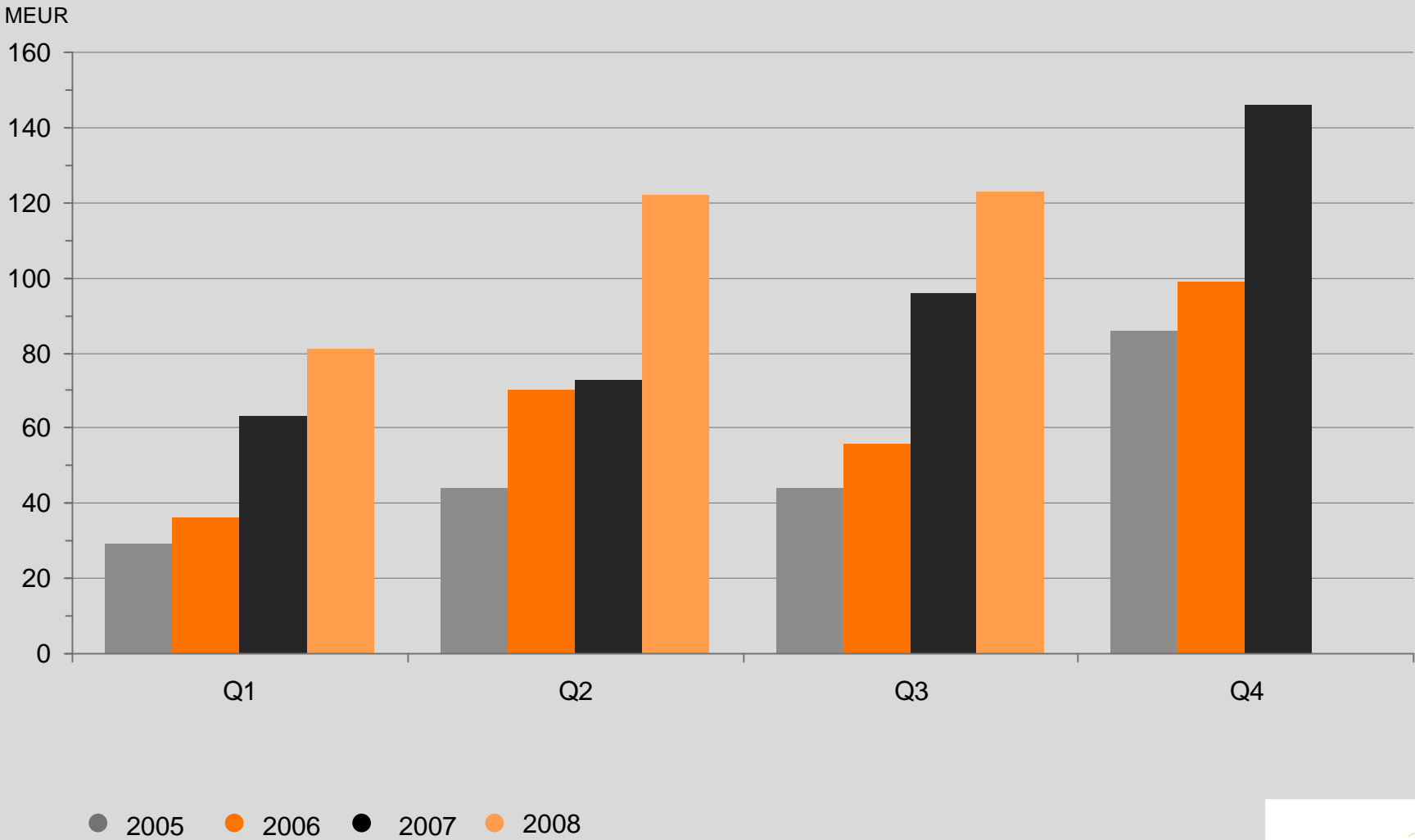
Strong Services business brings stability in fluctuating markets

Net sales by business 1-9/2008

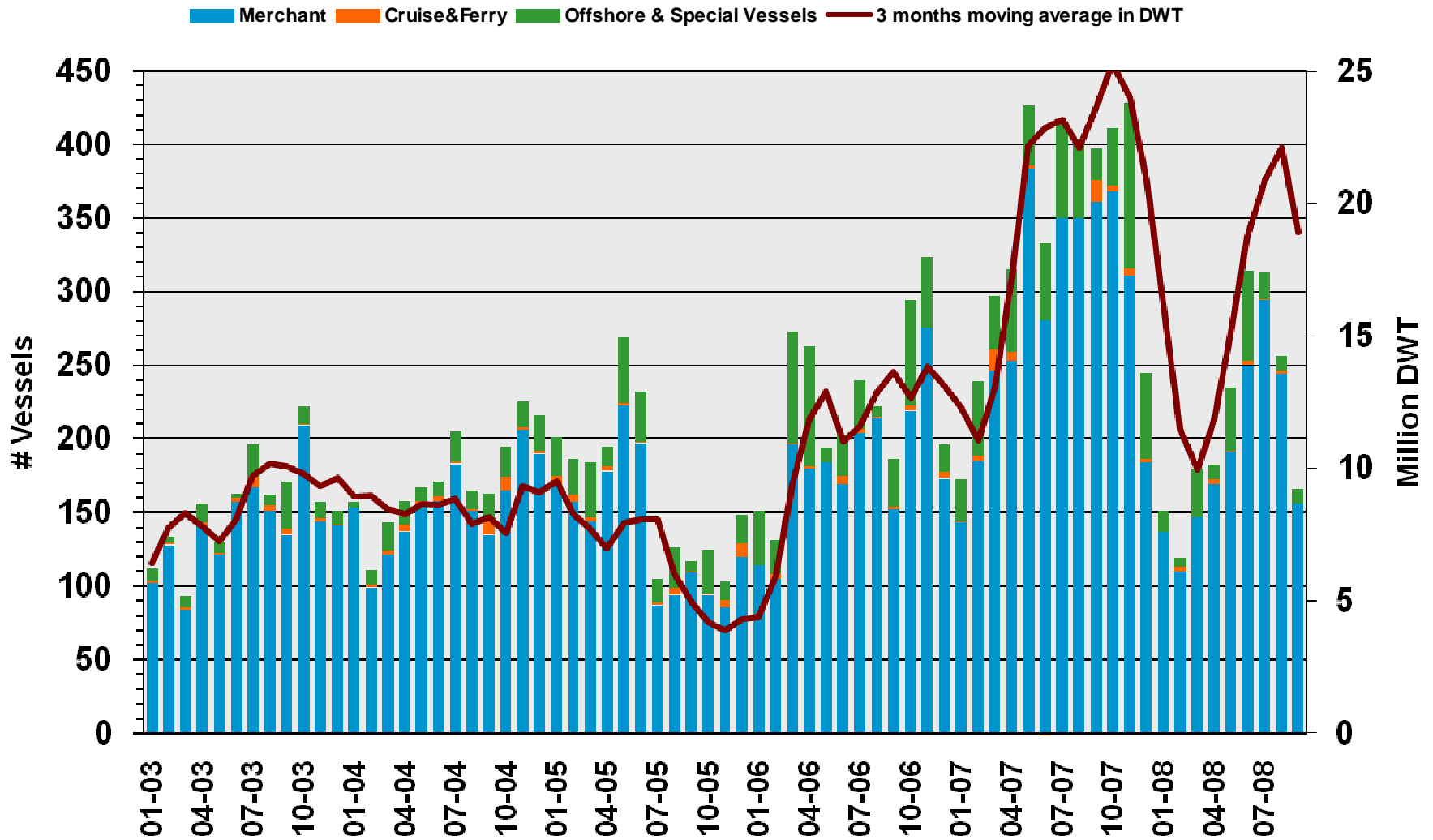


Strong operating profit

Growth according to plan

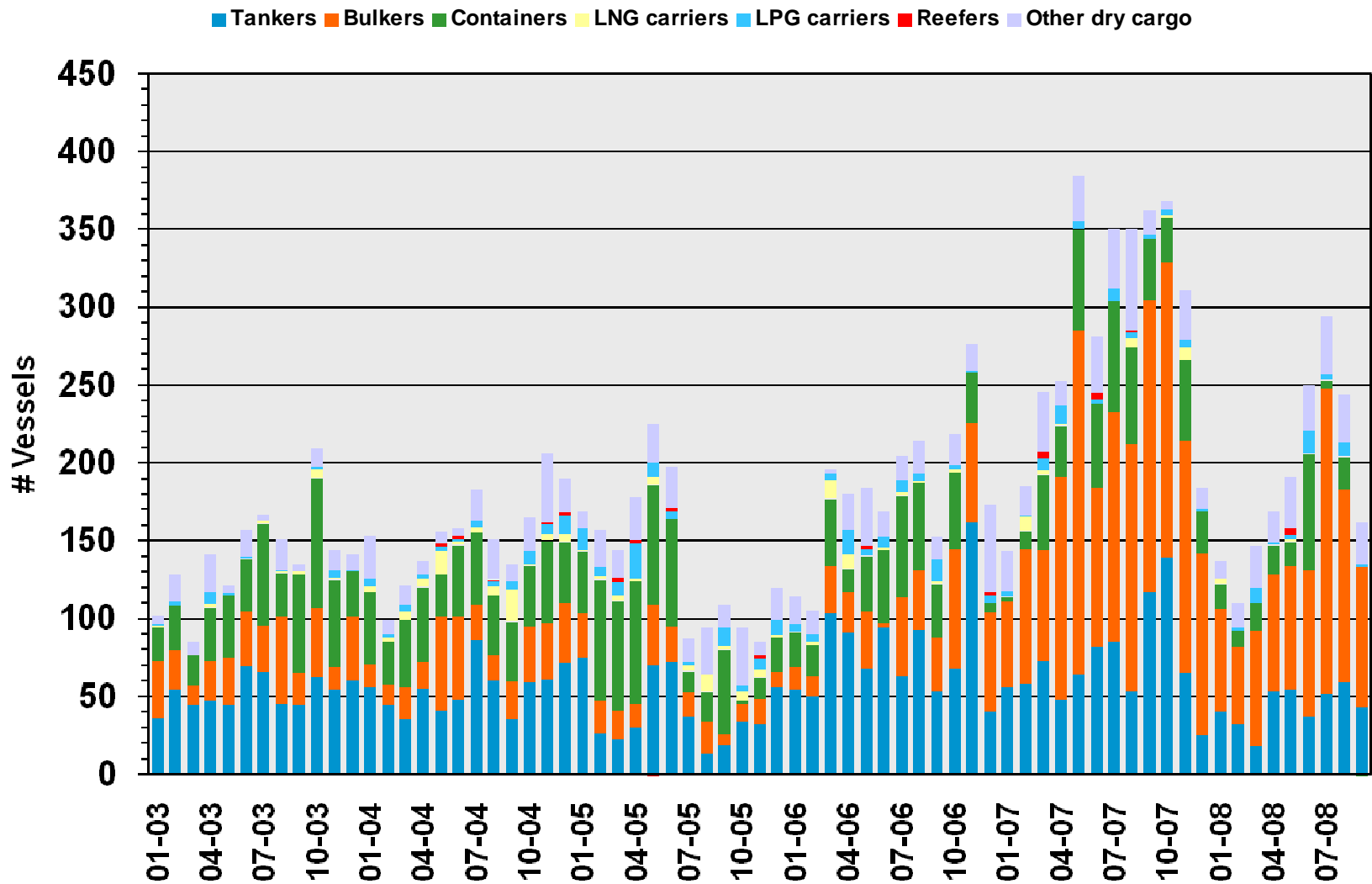


Ship Power market - vessel order development



Source data: Clarkson Research Services

Ship Power market - merchant vessel order development

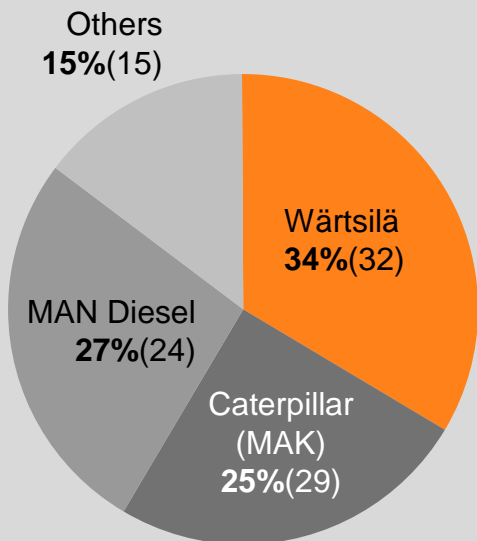


Source data: Clarkson Research Services

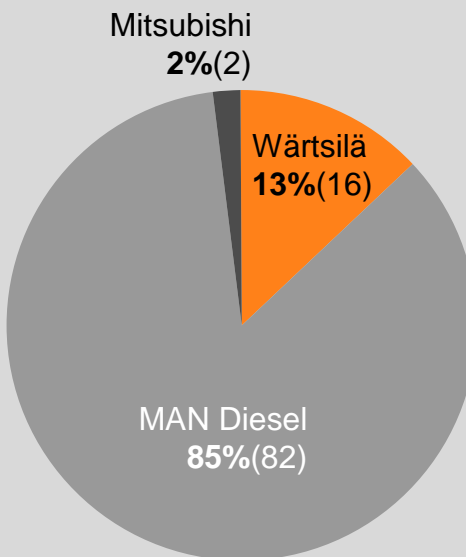
Ship Power market

Market position of Wärtsilä's marine engines Q3/2008

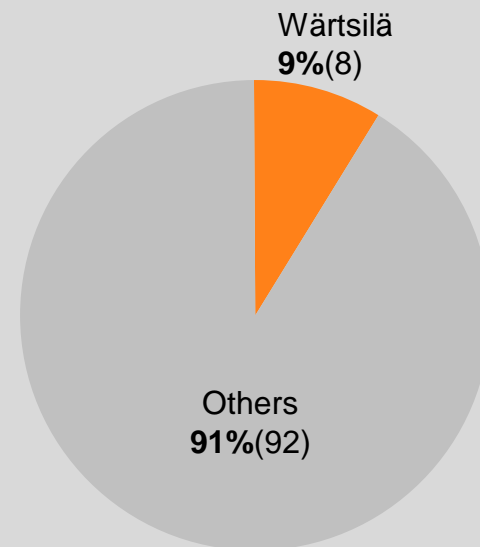
Medium-speed main engines



Low-speed main engines



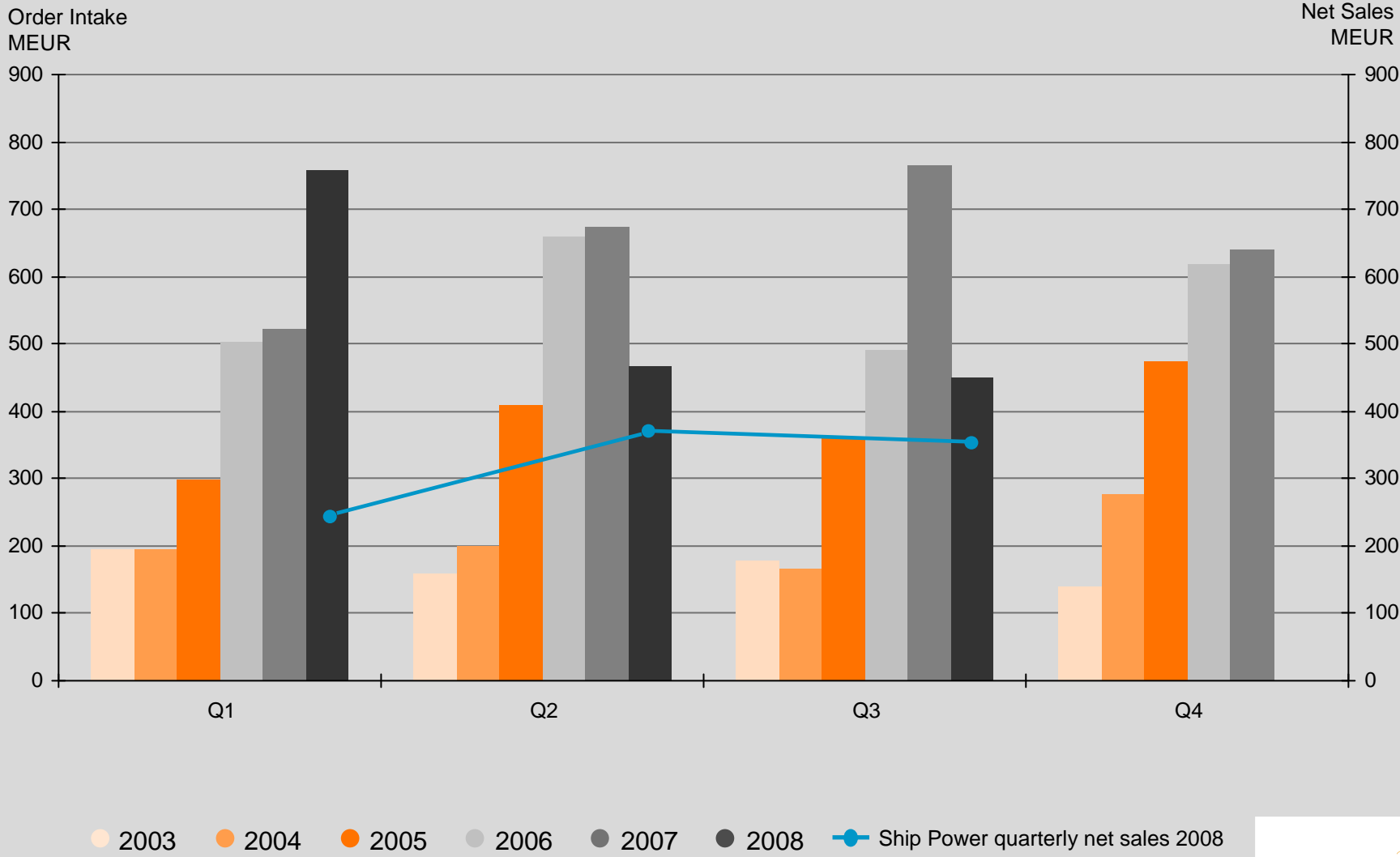
Auxiliary engines



Wärtsilä's own calculation is based on Marine Market Database. Market shares based on installed power, numbers in brackets are from the end of the previous quarter.

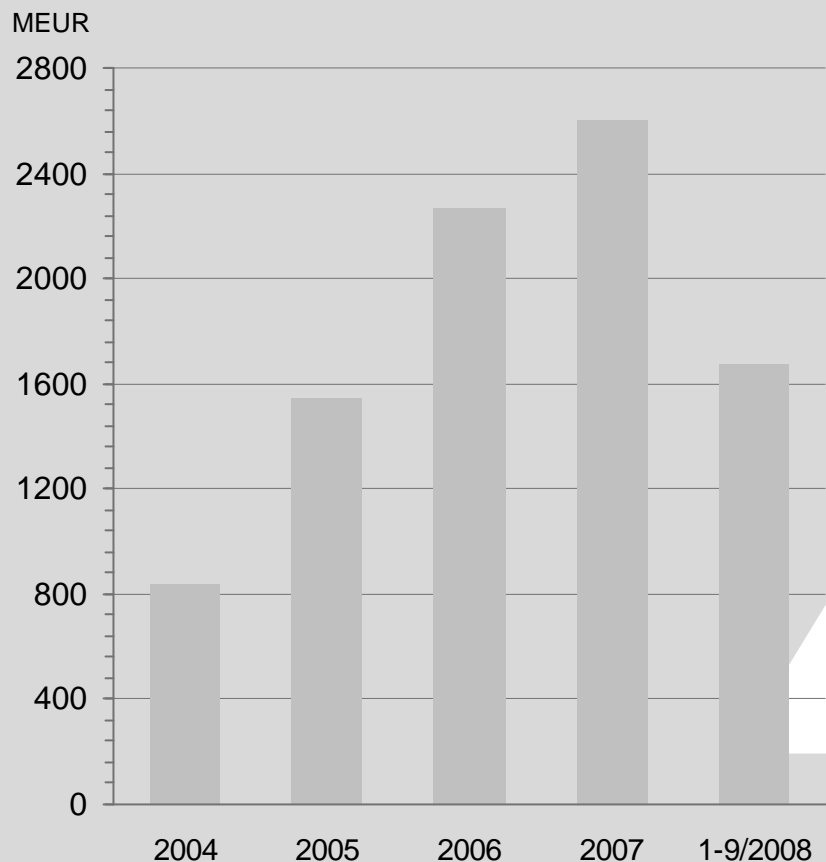
Ship Power quarterly order intake

Q3/08 at good level

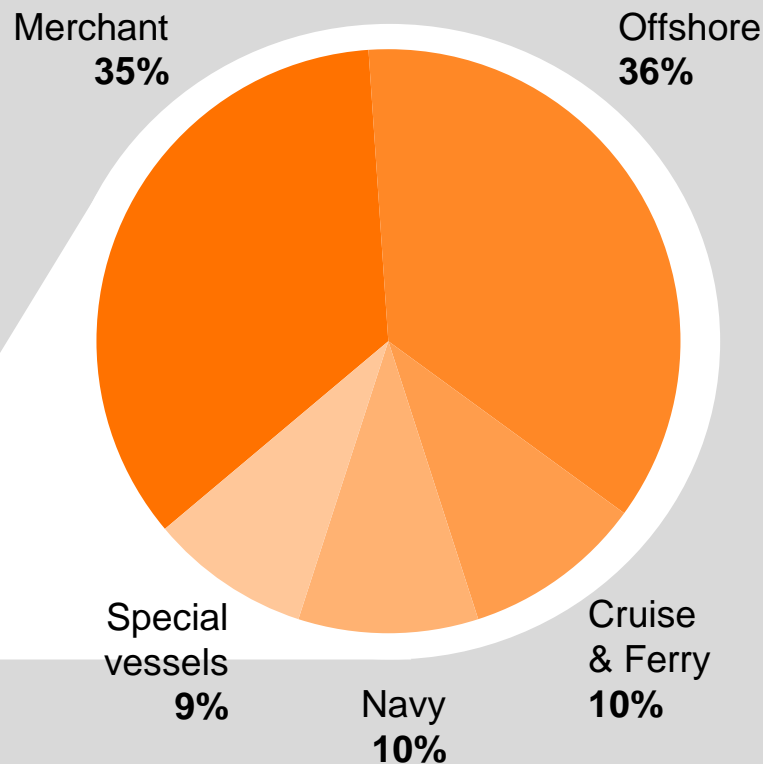


Ship Power order intake

Offshore continued strong, slowdown in Merchant

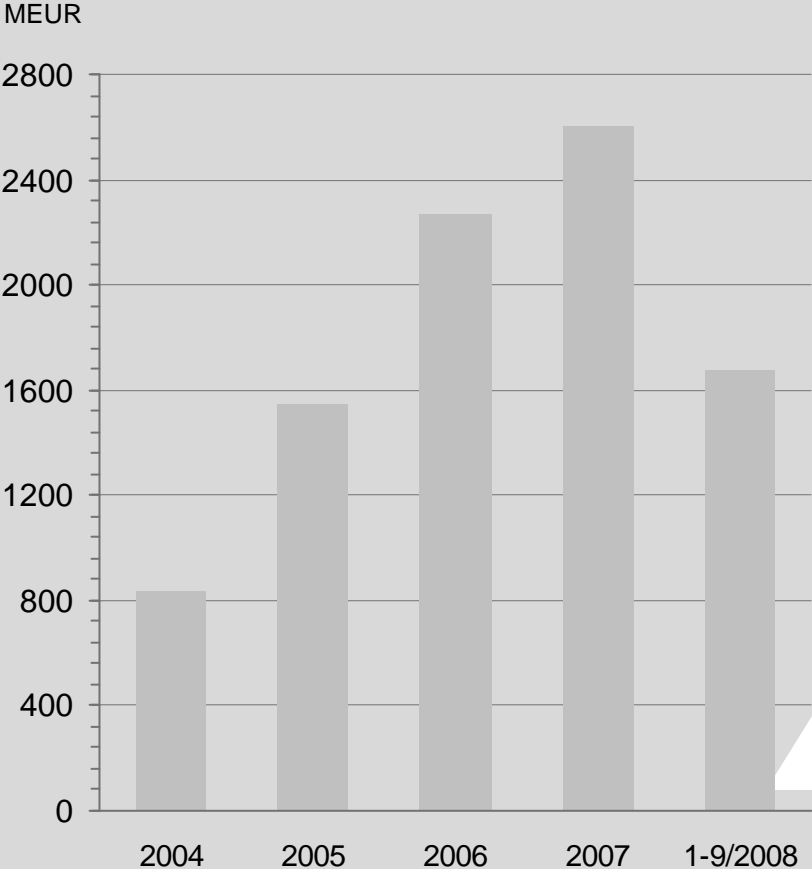


Third quarter development

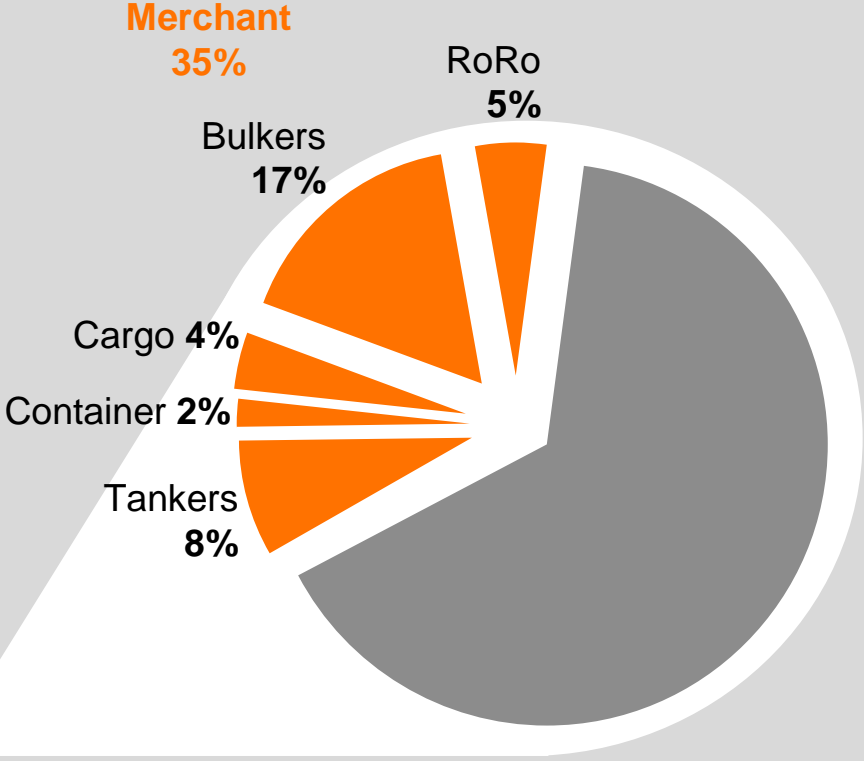


Ship Power order intake

Merchant segment order distribution



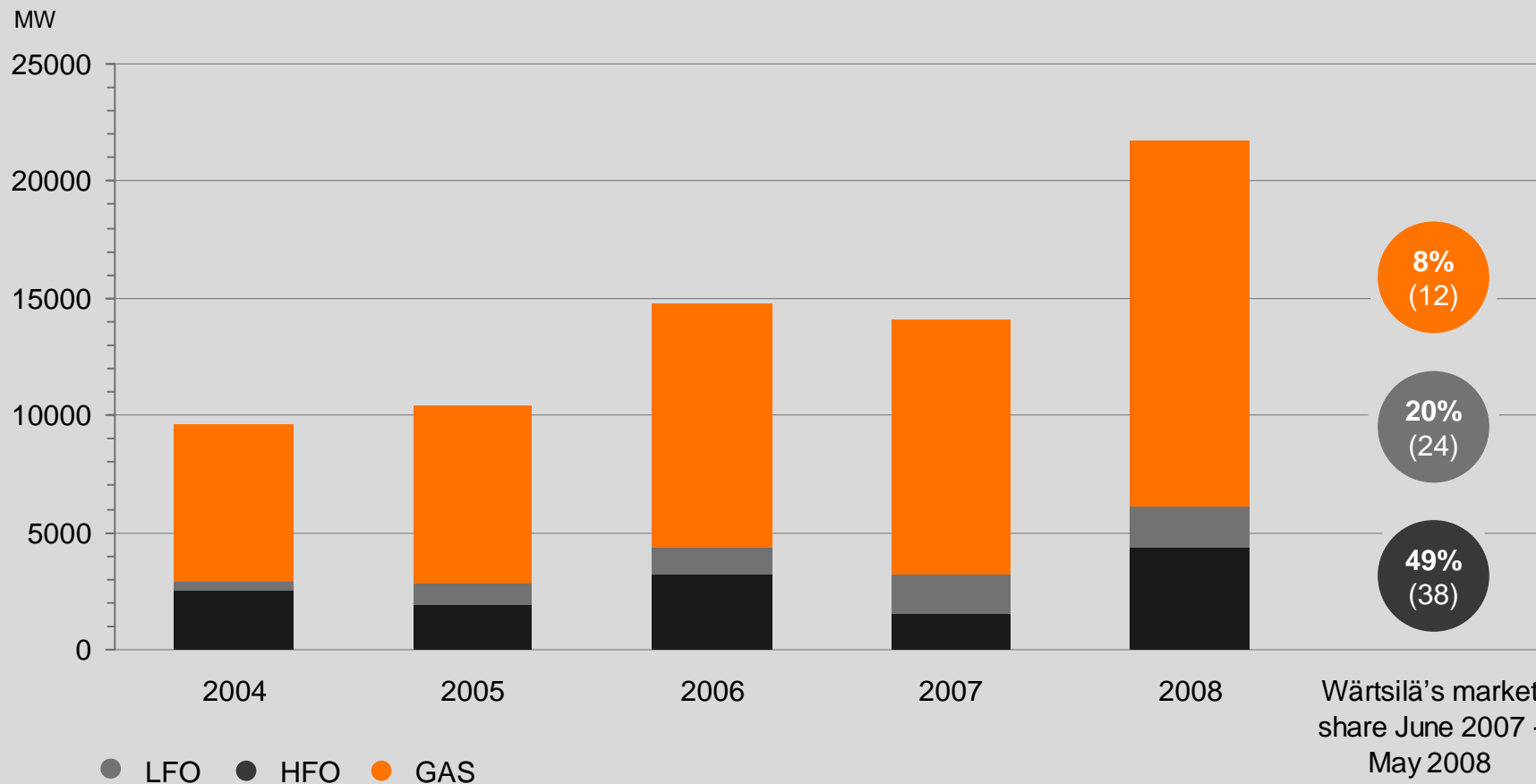
Third quarter development



Power Plant markets

Market development

Target markets per fuel 2004 - 2008



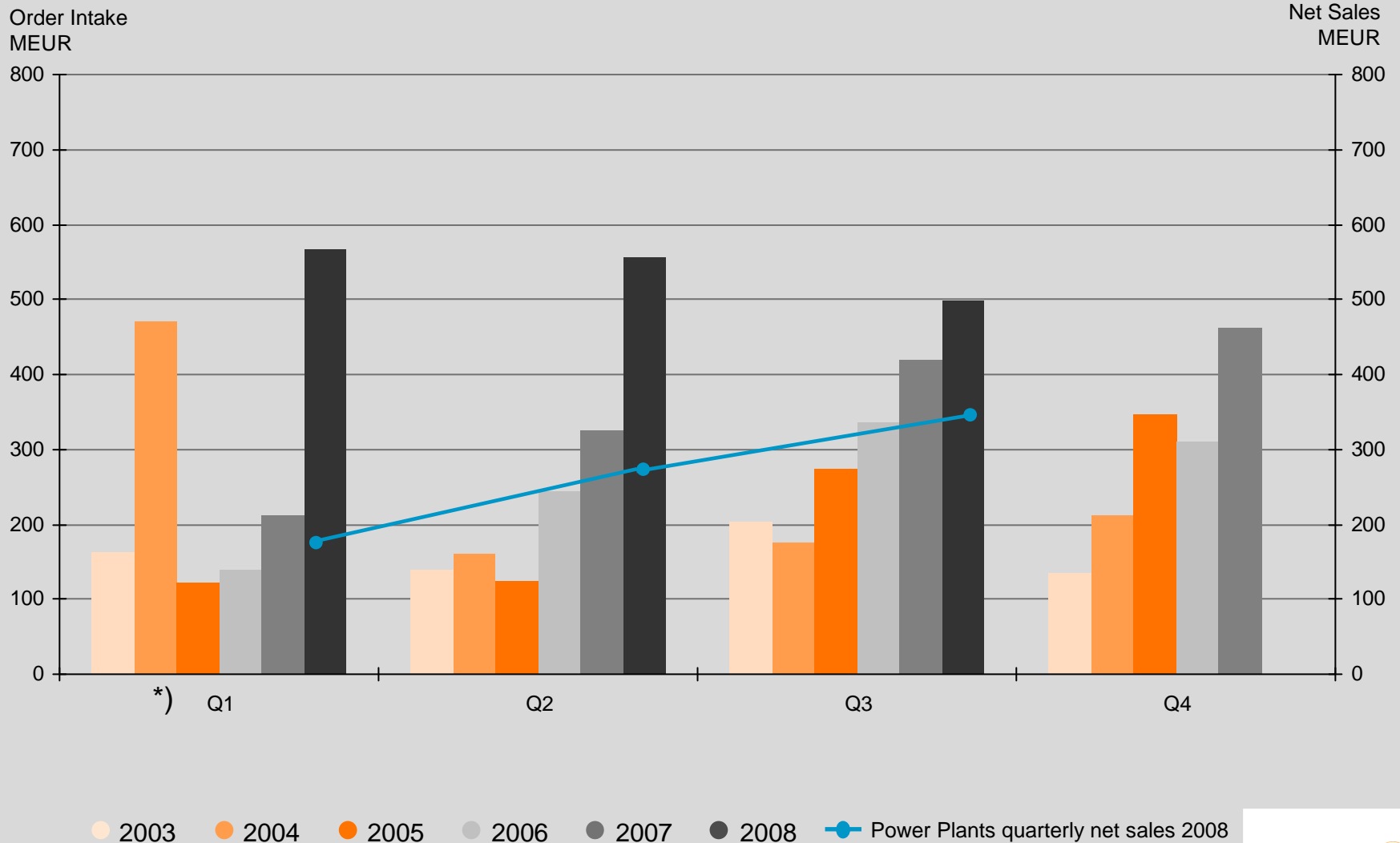
Note I: Wärtsilä's gas power plant target markets have changed after the review period 2005, when Wärtsilä stopped manufacturing and selling high speed engines (power range < 3.5 MW)

Note II: The LFO figure from 2006 onwards includes liquid biofuels

Source: Diesel & Gas turbine worldwide, June 2007-May 2008

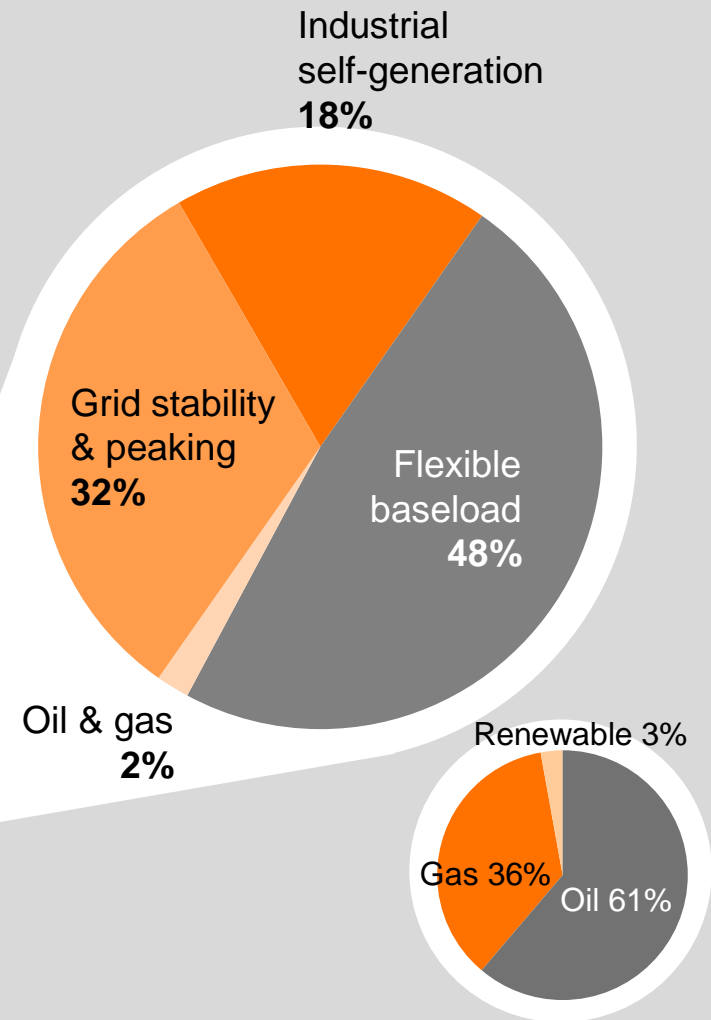
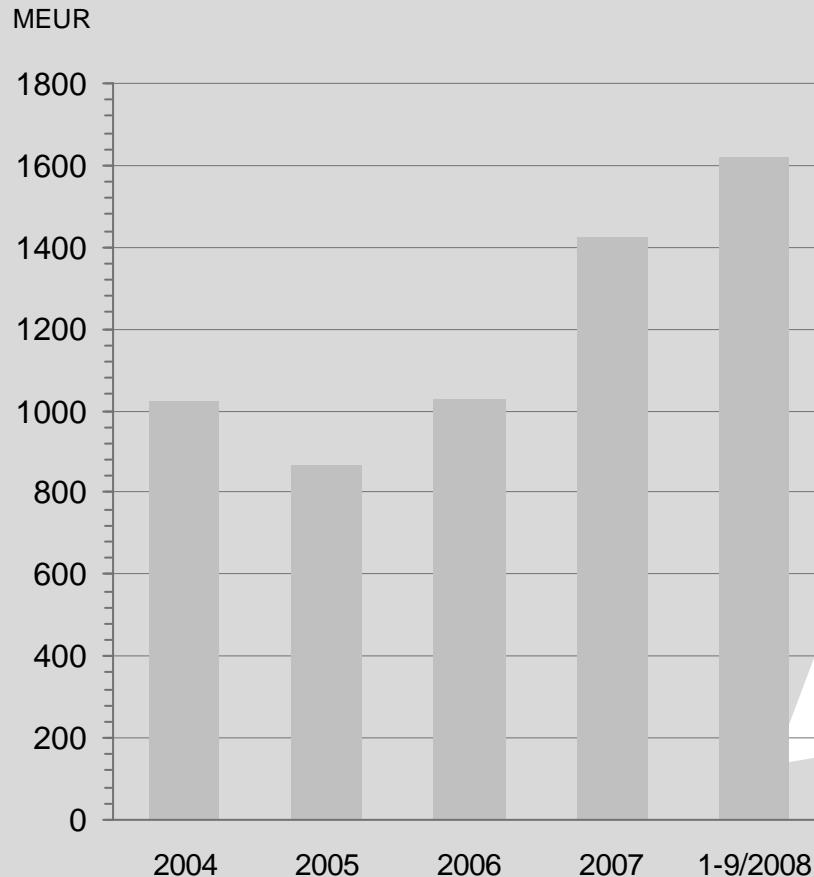
Power Plants quarterly order intake

Q3/08 activity continued strong



*) 2004 Iraq-orders

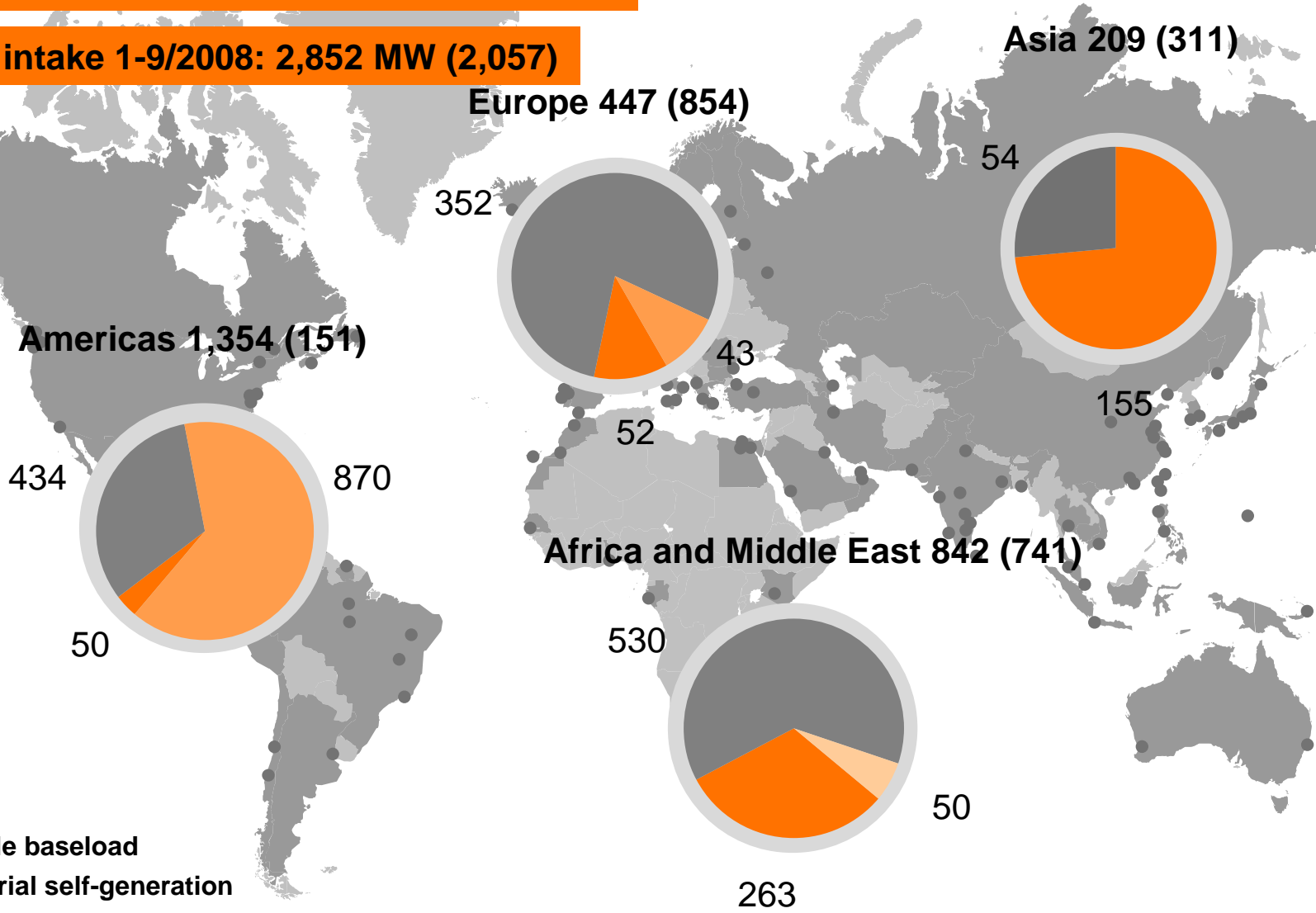
Power Plants order intake by application



Power Plants order intake

Americas strongest region

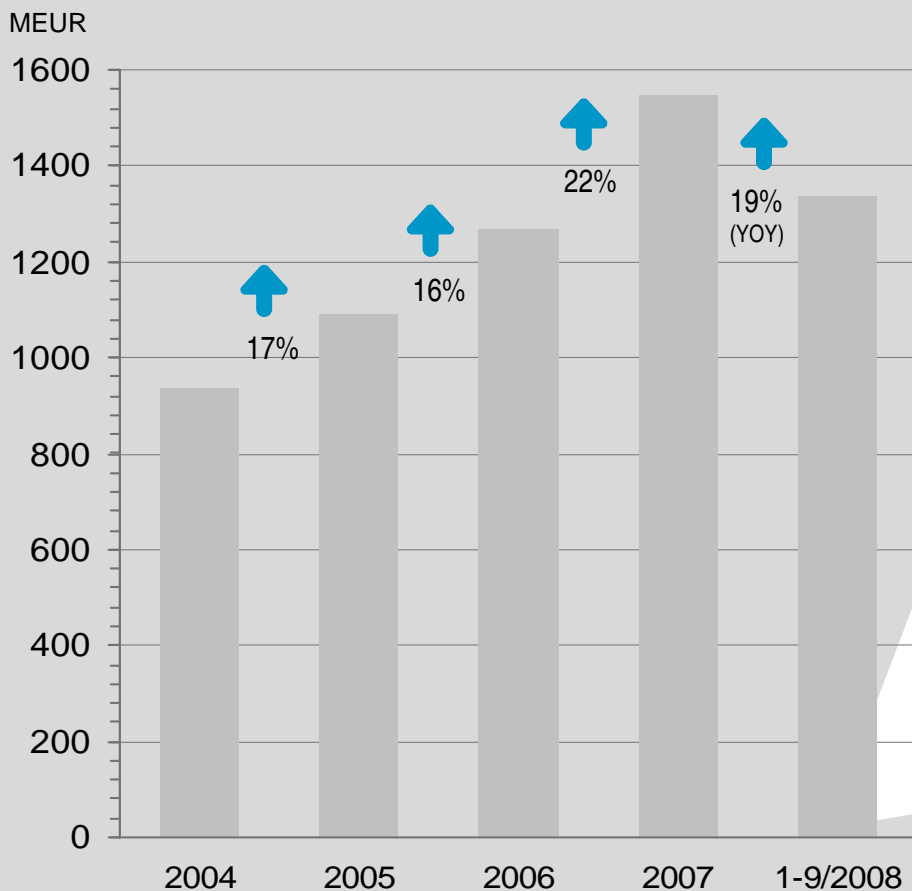
Order intake 1-9/2008: 2,852 MW (2,057)



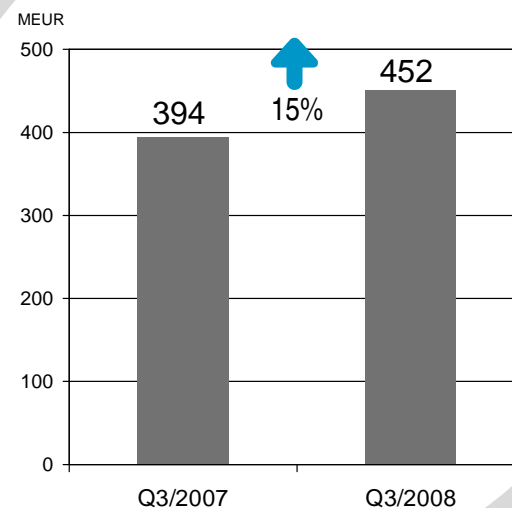
- Flexible baseload
- Industrial self-generation
- Oil & gas
- Grid stability & peaking

Services Net Sales

Strong growth continued



Third quarter development



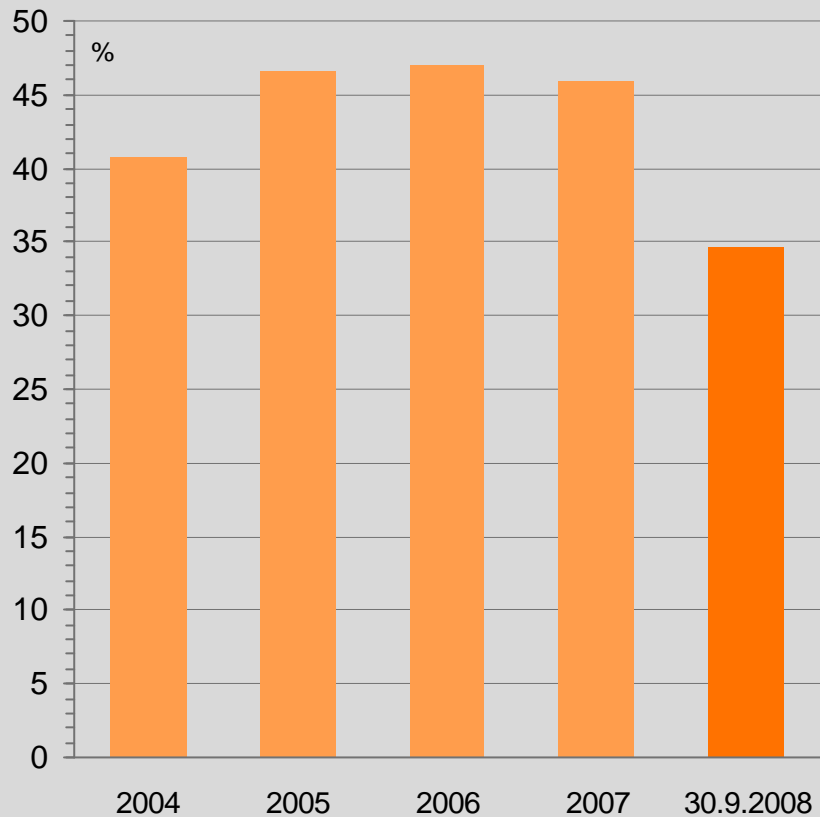
Strong cash flow



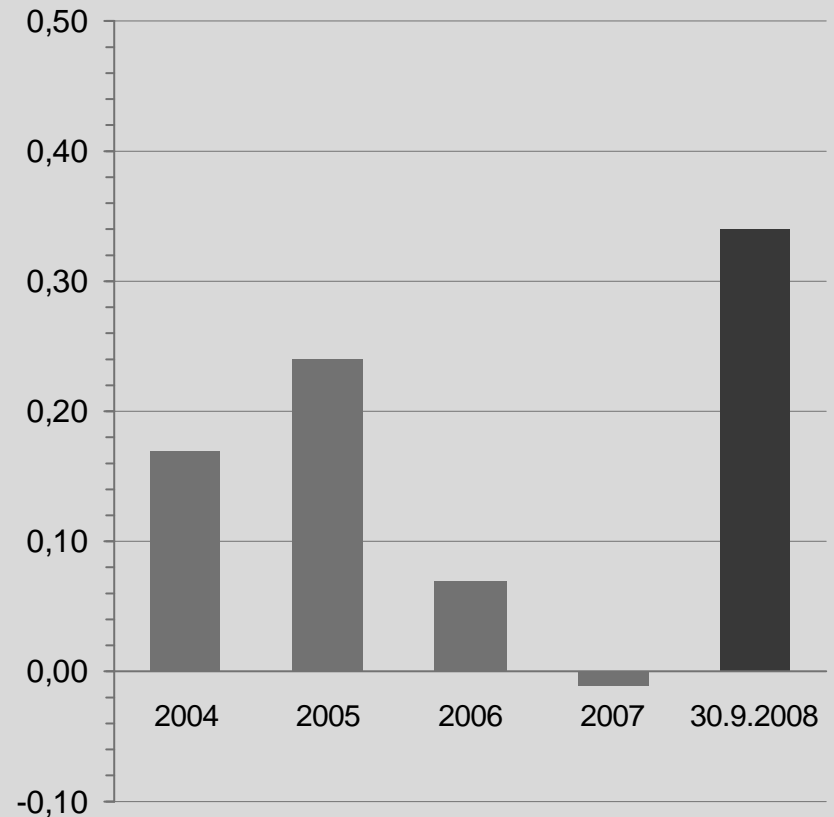
MEUR	1-9/08	1-9/07	2007
Cash flow from operating activities	255	299	431
Cash flow from investing activities	-219	-159	-214
Cash flow from financing activities	-164	-115	-95
Liquid funds at the end of period	166	202	296

Good financial position

Solvency



Gearing



Impact of financial crisis hard to predict



- Ship Power; shipping financing tighter or even completely frozen
 - Risk of cancellations and slippage increases
 - Impact on Wärtsilä so far limited
 - Effects of possible cancellations approx. 10% of Wärtsilä's total order book
- Power Plants; impacts of crisis hard to predict
 - Fundamentals remain unchanged
 - Offering activity remains at all time high
 - Funding seems to be secure in many future projects
 - To date market not affected by crisis



- Ship Power; demand slowing down during the nearest quarters
- Power Plants; continued high ordering activity expected in all segments
- Solid growth in Services continues

Prospects for 2008 reiterated



- Based on the strong order book, Wärtsilä's net sales are expected to grow by about 25% in 2008
- Full-year profitability will exceed 11%



WÄRTSILÄ