

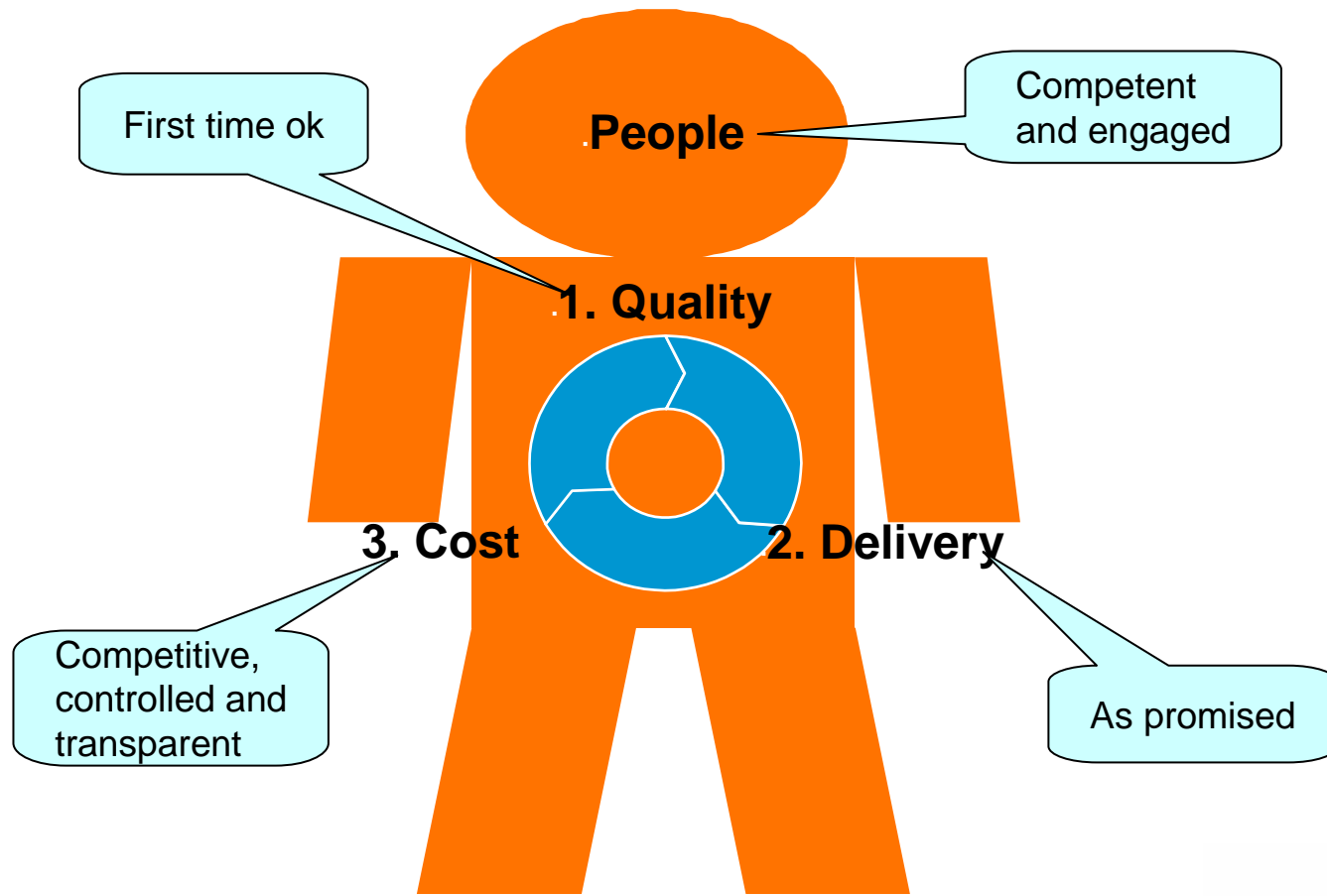


Capacity for growth - products for the future

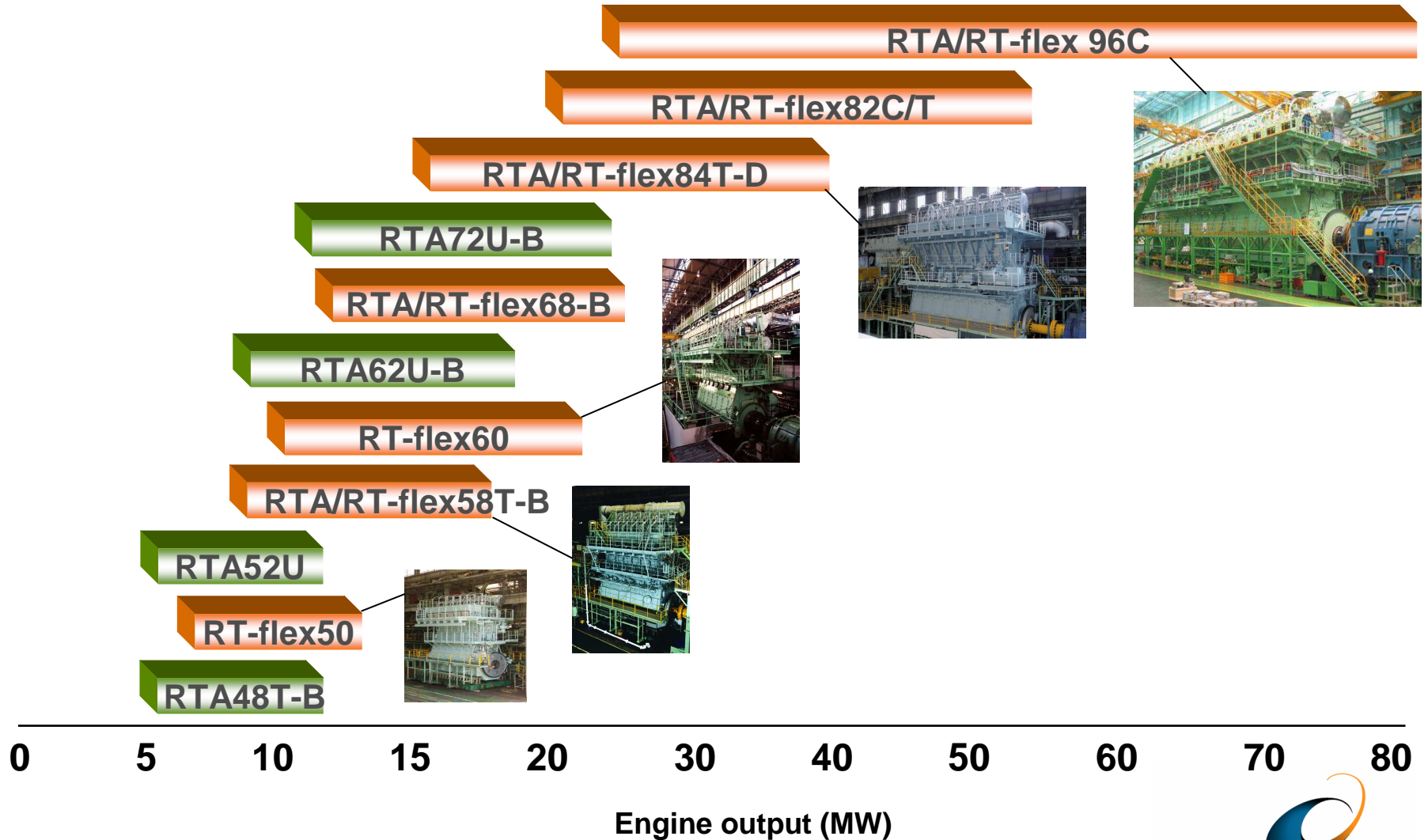


Group Vice President, Engine Division Lars Hellberg

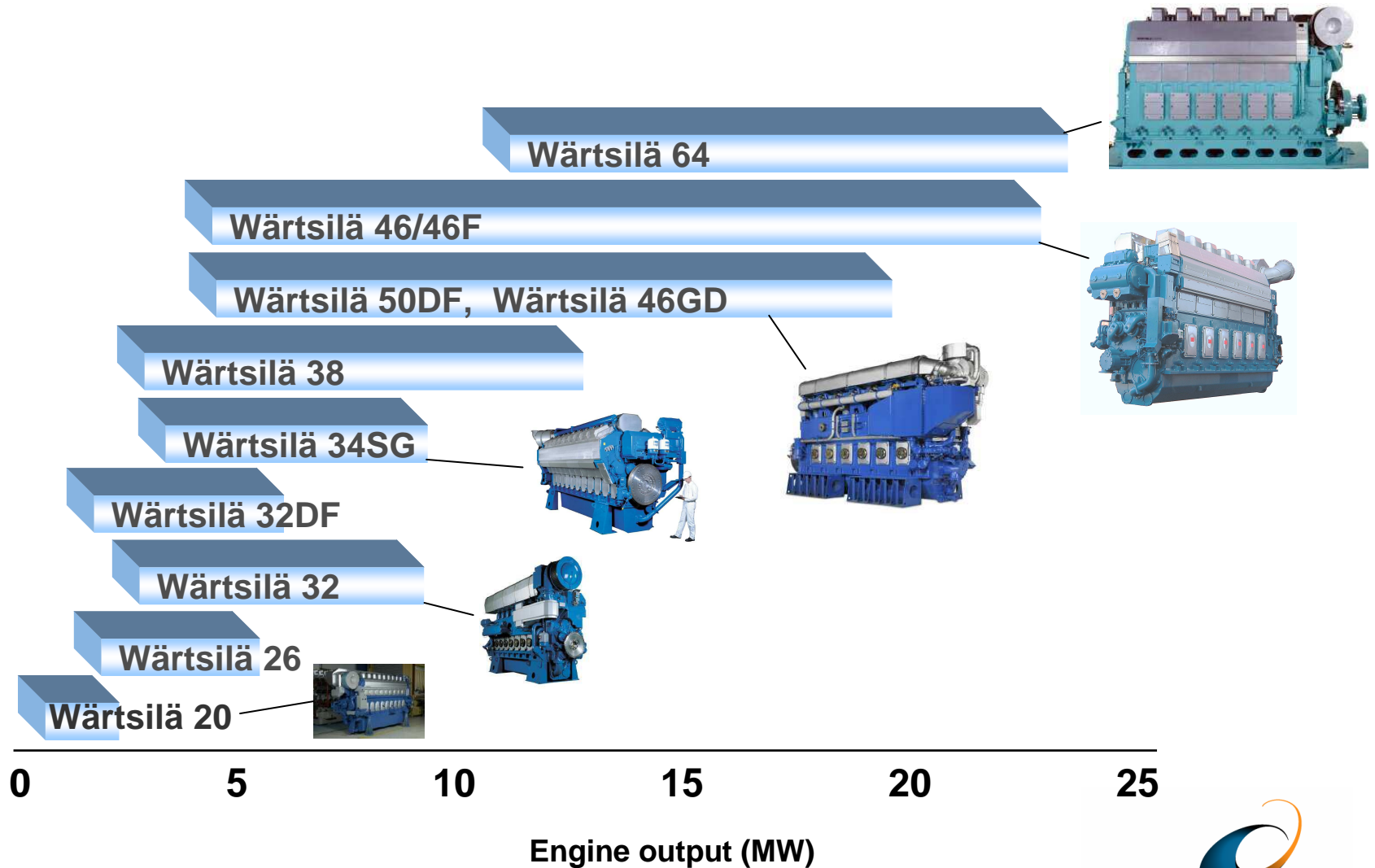
Capital Markets Day, June 16 2006



Wärtsilä low speed engine portfolio



Wärtsilä medium speed engine portfolio



Commonality for future simplicity

- What is commonality? Why commonality? -

Commonality between different products is sharing:

- **Components**
(e.g., Same parts)
- **Concepts**
(e.g., different parts but same architecture)
- **Suppliers**
(e.g., different parts but same supplier)
- **Processes**
(e.g., different parts but same assembly process)

Typical benefits from commonality are:

- Lower spare parts investment costs
- Lower assembly costs
- Lower logistic costs
- Lower complexity costs
- Lower warranty and goodwill costs
- Lower R&D costs
- Increase of economies of scale
- Shorter lead times
- Create a win-win case with the vendors

Commonality for future simplicity

- How commonality? -

- Commonality as dominant strategy
- DTC* as dominant strategy

As for example, illustrative only
 * DTC = Design-To-Cost

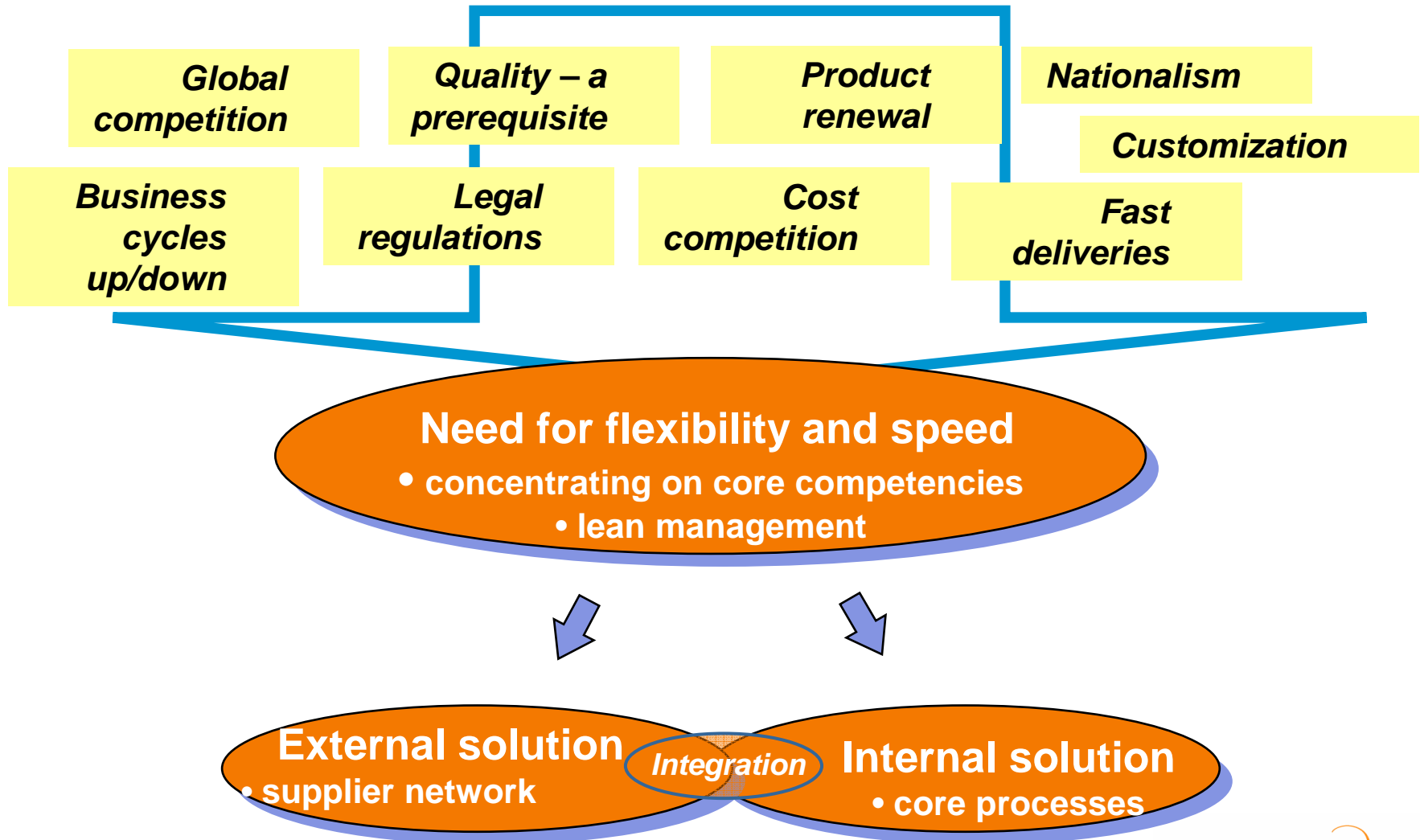
Commonality 4-stroke mapping

		Engine			
		W20	W26	W32	...
Module	Engine block				
	Fuel injection system				
	Pistons				
	...				
	Automation				
	Turbo-charger				

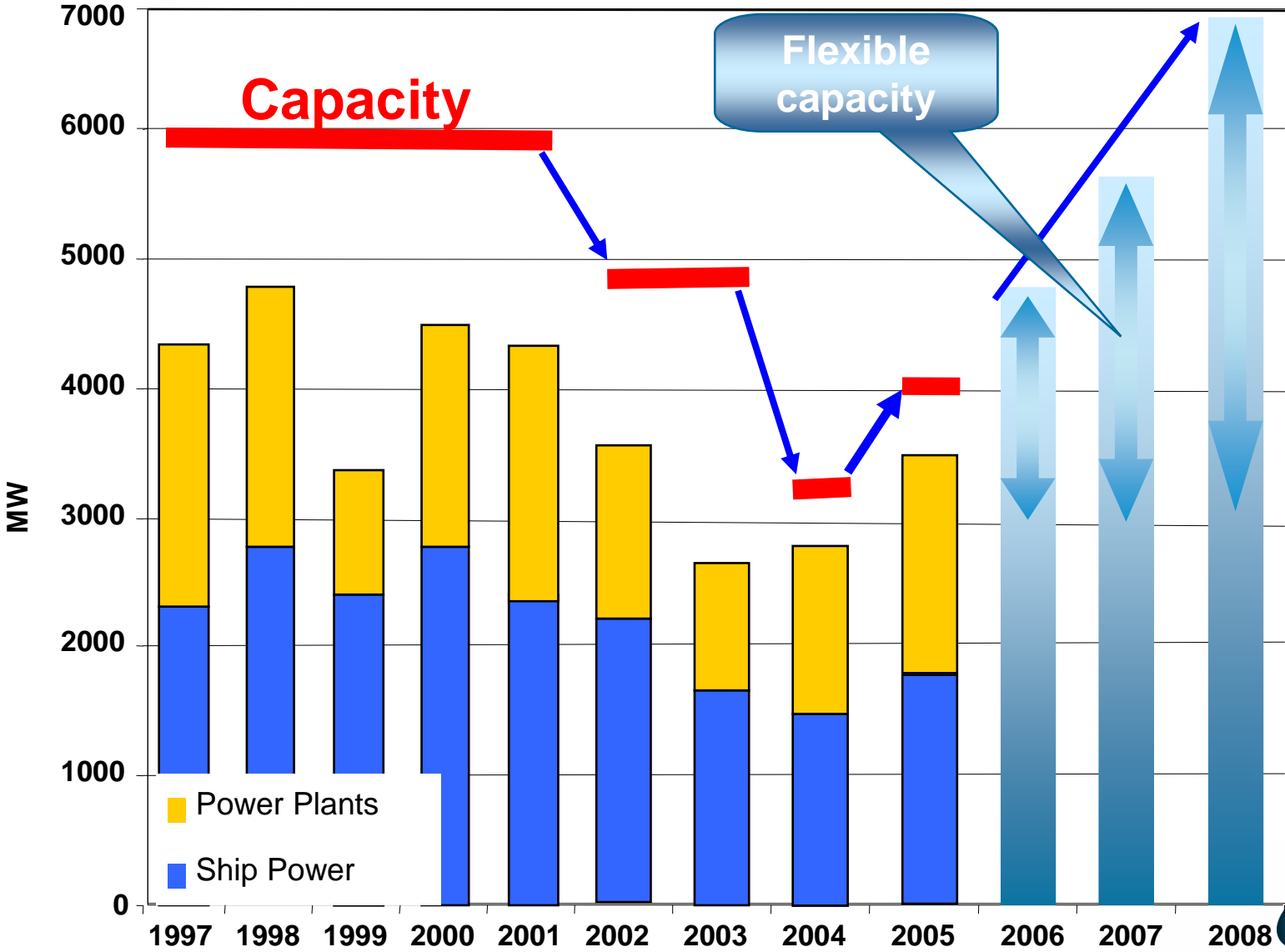


Priority engine for cost reduction given by product lifecycle management

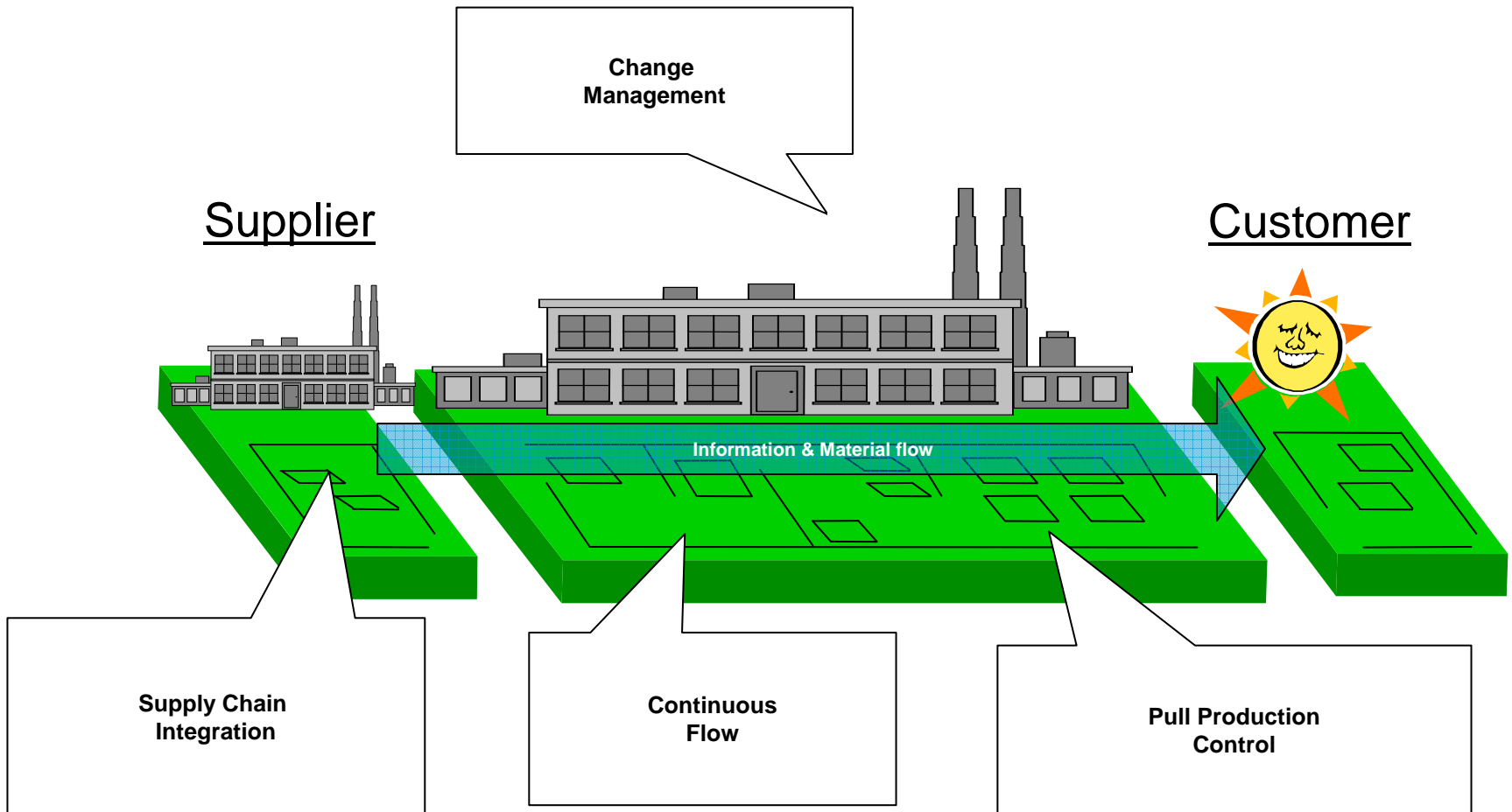
A Changing Environment



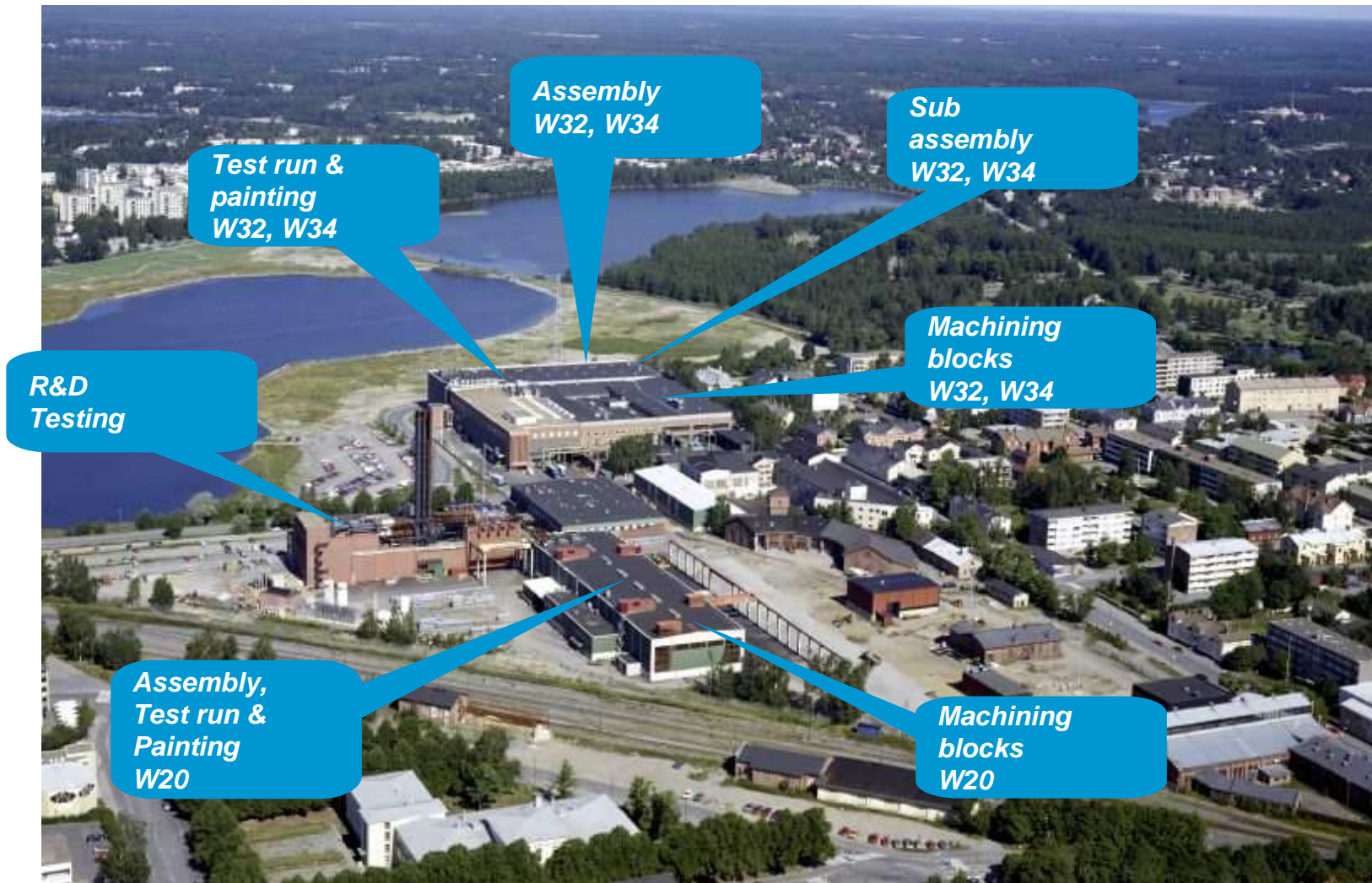
Capacity level MW 1997-2008



Optimal Delivery Process



Delivery Centre Vaasa



Delivery Centre Vaasa

30 M€



Delivery Centre Trieste



*Sub
assembly*

*Assembly
W38, W46,
W50*

*Test run
W38, W46,
W50*

*Painting &
finishing*

*Warehouse
services*

*Component
manufacturing*

*Machining
blocks*

*Assembly &
Test run
W26*

Delivery Centre Trieste

18 M€



Delivery Centre Shanghai

Inauguration June 29, 2006



Auxpac 20, Auxpac 26

Thank you!



WÄRTSILÄ