

WÄRTSILÄ CORPORATION

CORPORATE PRESENTATION 2009

This is Wärtsilä

SHIP
POWER

POWER
PLANTS

SERVICES

Our Mission and Vision

Mission

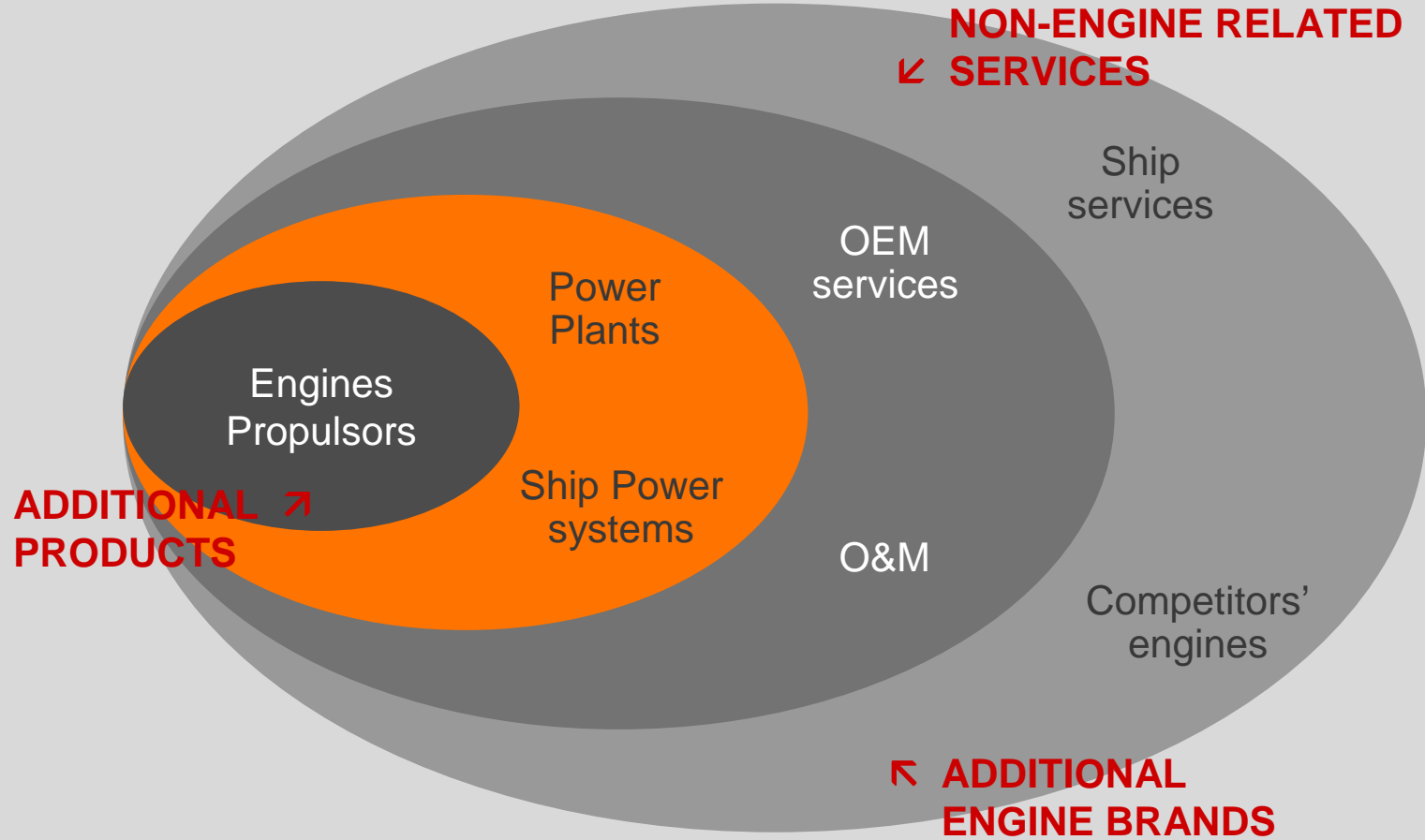
We provide lifecycle power solutions to enhance the business of our customers, whilst creating better technologies that benefit both the customer and the environment.

Vision

We will be the most valued business partner of all our customers.

Our offering

... we are seeking growth beyond the organic growth



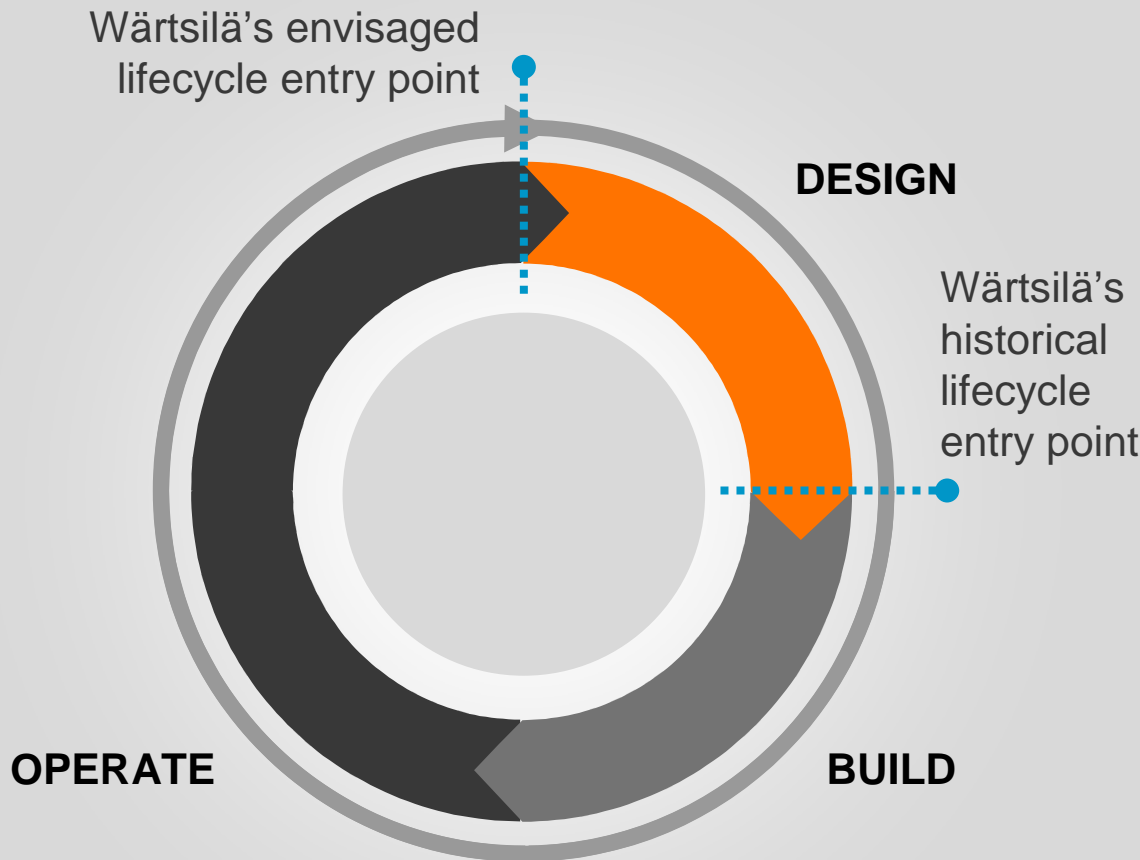
WE ARE THE LEADING PROVIDER OF SHIP POWER SOLUTIONS. WE COMMAND A STRONG POSITION IN ALL MAIN MARINE SEGMENTS AS THE SUPPLIER OF HIGHLY RATED SHIP MACHINERY AND SYSTEMS

We will

- **Maintain our leading position** and generate profitable growth in all business segments
- **Broaden and develop** the range of system integration and design, installation and engineering services
- **Strengthen competences**, capabilities and presence in key markets
- **Continuously explore possibilities** to extend our product portfolio and services via acquisitions and partnerships



Design is key to early entry and full lifecycle commitment



- Operator sees need(s) for vessel
- Owner decides to invest in vessel
- Owner contacts ship designer to discuss requirements and specifications to meet operator needs
- Designer develops concept design – new / demanding application may require several iterations; known ones may use existing designs
- Basic and detailed design follow
- Performance, cost, equipment and yard choices are discussed and decided

Our offering covers all key shipping segments

Merchant



Offshore



Cruise
and Ferry



Navy



Special
Vessels



We have the most extensive product portfolio in the industry



Engines



Propulsion



Seals & Bearings



Automation



Power Distribution



Power Drives

Merchant

Offshore

Cruise & Ferry

Navy

Special vessels

Wärtsilä Components

Segment specific

- Concepts
- Applications
- Project Execution Models
- System Integration Capabilities
- Engineering Services
- Third party supplies

R&D

- Ship design
- Product Engineering
- Strategic Purchasing

Wärtsilä Ship Power competitive landscape

Product technologies ► Companies ▼	2-stroke engines	4-stroke engines	Gensets	Turbines	Propulsors	Seals & Bearings	Power & Automation	Ship Design	Fuel Cells
Wärtsilä	■	■	■		■	■	■	■	■
MAN	■	■	■		■				
Mitsubishi Heavy Industries	■	■	■	■	■		■	■	■
Caterpillar		■	■						■
Rolls Royce		■	■	■	■		■	■	■
Tognum / MTU		■	■	■	■		■		■
Niigata		■	■		■				
Hyundai / Himsen		■	■		■			■	
Schottel					■				
Converteam							■		
Siemens				■			■		■
ABB					■		■		■
Kawasaki				■	■			■	
Kobelco Eagle						■			
Others		■	■	■	■	■	■	■	■

**WE ARE A LEADING SUPPLIER OF FLEXIBLE
POWER PLANTS FOR THE DECENTRALIZED
POWER GENERATION MARKET**

Our promise

- We provide superior value to our customers with our decentralized, flexible, efficient and environmentally advanced energy solutions
- Our technology will enable a global transition to a more sustainable and modern energy infrastructure



Our target: World leader in selected niches

- **Flexible Baseload Power Generation** for the developing world, islands, remote areas
- **Grid Stability and Peaking** for strong grids, enabling increase of renewables
- **Industrial Self-Generation** for large industries
- For the **Oil and Gas Industry** mechanical drives and field power

We are poised for growth

Business fundamentals strong

Product matching market needs – Now and in the future

- Fuel flexibility
- High efficiency
- Low environmental impact
- Competitive cost
- Tried and tested concepts

Services packages a clear differentiator

- Local presence globally
- Planning of optimal power solutions in consultation with the customer
- Development and Financial Services
- Project execution, including planning, site works, erection, logistics
- Lifecycle management with most comprehensive services offering in the industry
- Operations and Management of the power plant

**WE SUPPORT OUR CUSTOMERS THROUGHOUT
THE LIFECYCLE OF THEIR INSTALLATIONS BY
OPTIMIZING EFFICIENCY AND PERFORMANCE**

We provide the broadest portfolio and best services in the industry for both ship power and power plants. We offer expertise, proximity and responsiveness for all customers regardless of their equipment make in the most environmentally sound way.

- **Technologies and Solutions that address environmental issues.** Environmental concern and environmental regulations in the marine as well as power markets are becoming more and more stringent. Wärtsilä Services offers environmentally sound primary and secondary technologies as retrofit to all installations.
- **Management Services**, help equipment owners monitor the profitability of their investment. Wärtsilä Services offers a wide range of agreements, customized training packages and competence management solutions, as well as condition-based maintenance services and online solutions.
- **Presence and availability** are some of the most important criteria for service support. Wärtsilä Services continuously builds up its presence by mobilising competencies and logistics where the customer needs are.

Focus Areas

WÄRTSILÄ Engine Services

WÄRTSILÄ Propulsion Services

WÄRTSILÄ Electrical & Automation

WÄRTSILÄ Boiler Services

WÄRTSILÄ Operations & Management

WÄRTSILÄ Training Services

Wärtsilä Services becomes the most valued business partner by understanding customers' problems and assembling the appropriate solution to solve them.

Wärtsilä Services

70 countries • > 160 locations • > 11'000 people • > 7'000 field service forces



One Step Ahead...



24/7



Globally

R&D philosophy – guiding principles

Wärtsilä products should be

- Market leading in technologies that benefit both the customer and the environment
- Integrated
- Reliable
- Cost efficient over the total life cycle
- Suitable for the full range of fuels
- Efficient
- Emission compliant

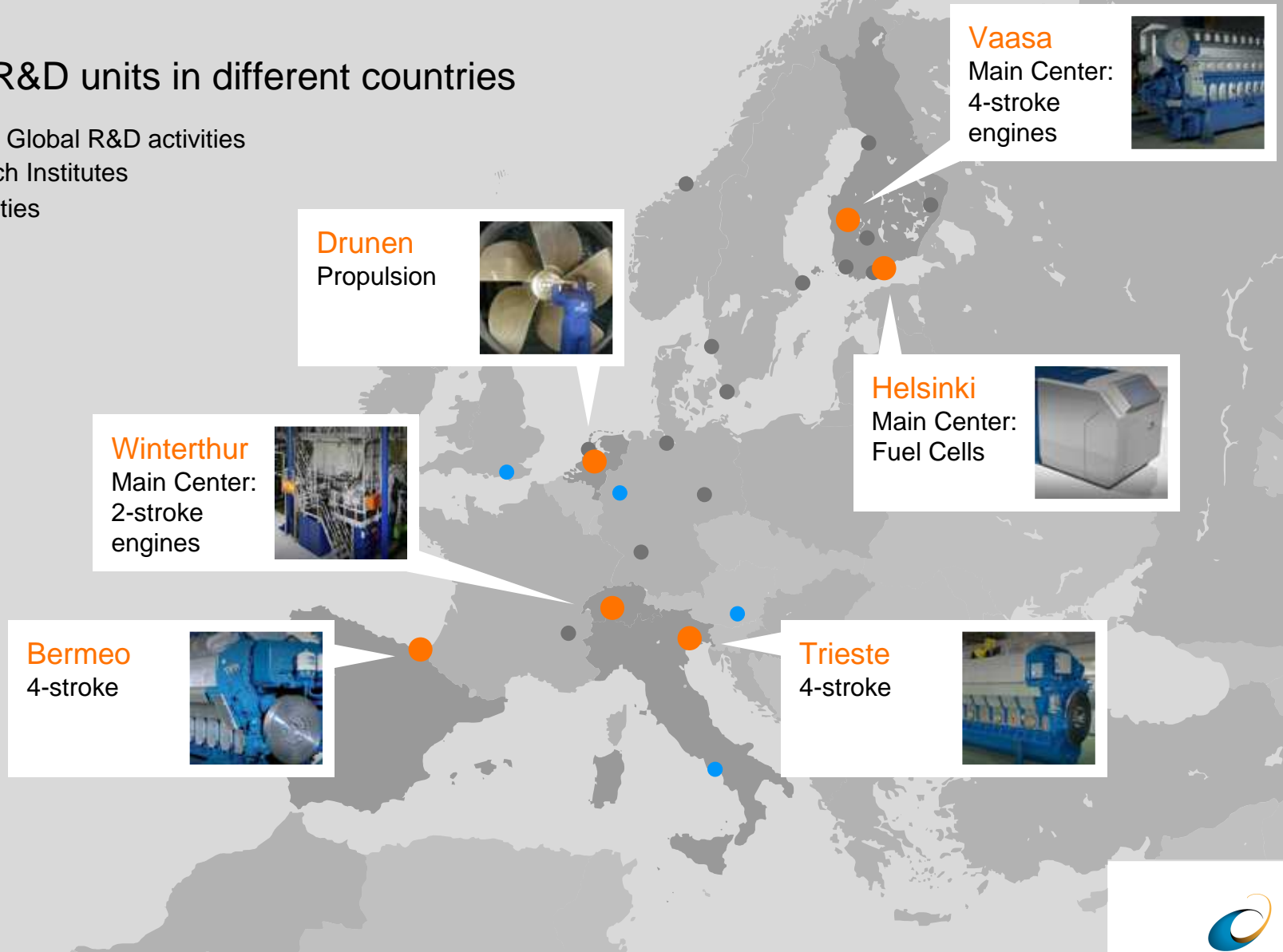


Global Research & Development

- Wärtsilä develops, designs and manufactures competitive **engine and propulsion products**, along with solutions based on these.
- In our Research & Development activities, the objective is to achieve a **leading position in engine technology**, and specifically in the areas of **environmental technology, reliability, operational lifecycle costs and automation**.
- The product portfolio derives from our **own engineering** as well as from co-operation with the **strategic partners**.
- Wärtsilä continues to develop total solutions for Ship Power and Power Plants based on **customer needs** and requests to offer highly **efficient lifecycle performance**.
- For the after market, we develop **after market solutions** including upgrades to prolong the lifecycle for customer installations and to meet **future environmental regulations**.

Global R&D units in different countries

- Wärtsilä Global R&D activities
- Research Institutes
- Universities



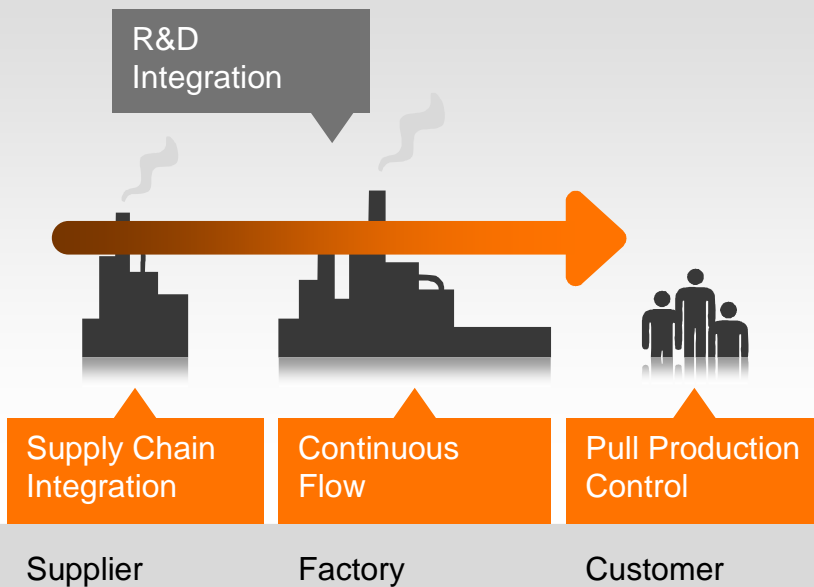
Wärtsilä's manufacturing philosophy

“Being the provider of highly rated products for our Ship Power and Power Plants businesses. Our operational targets are Q (Quality), D (Delivery) and C (Cost), in that order.”

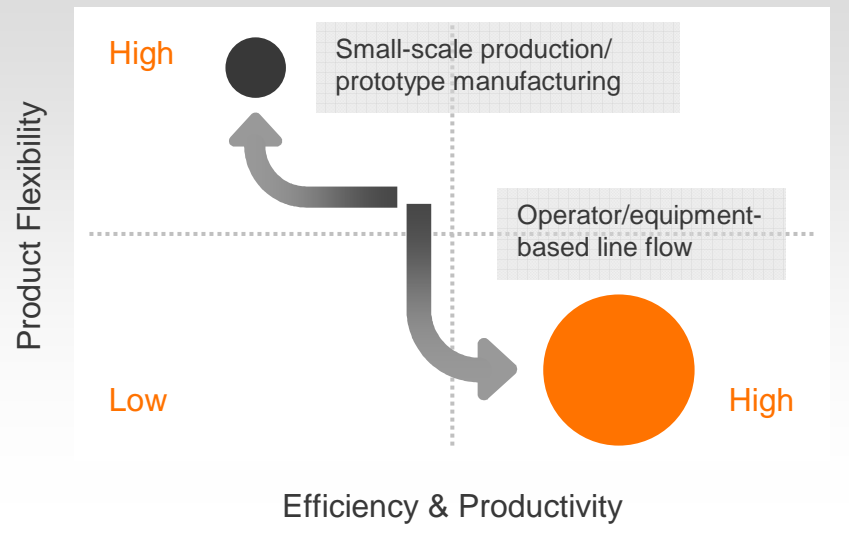
Examples:

Our Manufacturing Process:

Information & Material flow



Our Manufacturing Concept:



Manufacturing footprint



- Delivery centre sites
- Licensees sites (not Wärtsilä owned)
- Global R&D sites
- Under construction



Sustainability plays a central role in our business

Wärtsilä's Stakeholders

Continuous improvement and reporting

Economic responsibility

Profitable, competitive and efficient business operations

Creation of financial added value to direct stakeholders

Greater well-being in local communications

Environmental responsibility

Sustainable use of natural resources

Prevention of pollution

Environmentally sound products and services

Certified environmental management systems

Social responsibility

Responsible corporate citizenship

Well-being at work and personnel development

Safe working environment

Product safety

Values

Energy

Excellence

Excitement

Principles

Operating principles

Corporate policies

Corporate manual

Wärtsilä's sustainable development programme

Wärtsilä's Vision, Mission, Strategy and Goals

Global 100: Most Sustainable Corporations in the World

- Wärtsilä is, for the first time, included in the list of the 100 most sustainable companies in the world.
- The companies included in the Global 100 were considered to have managed their environmental, social and governance risks and opportunities best among their industry peers.
 - The Global 100 Most Sustainable Corporations in the World is a project which was initiated by Corporate Knights Inc, in co-operation with a research firm Innovest Strategic Value Advisors Inc. Launched in 2005, the annual Global 100 is announced each year at the World Economic Forum in Davos.

MOST SUSTAINABLE CORPORATIONS



GLOBAL 100

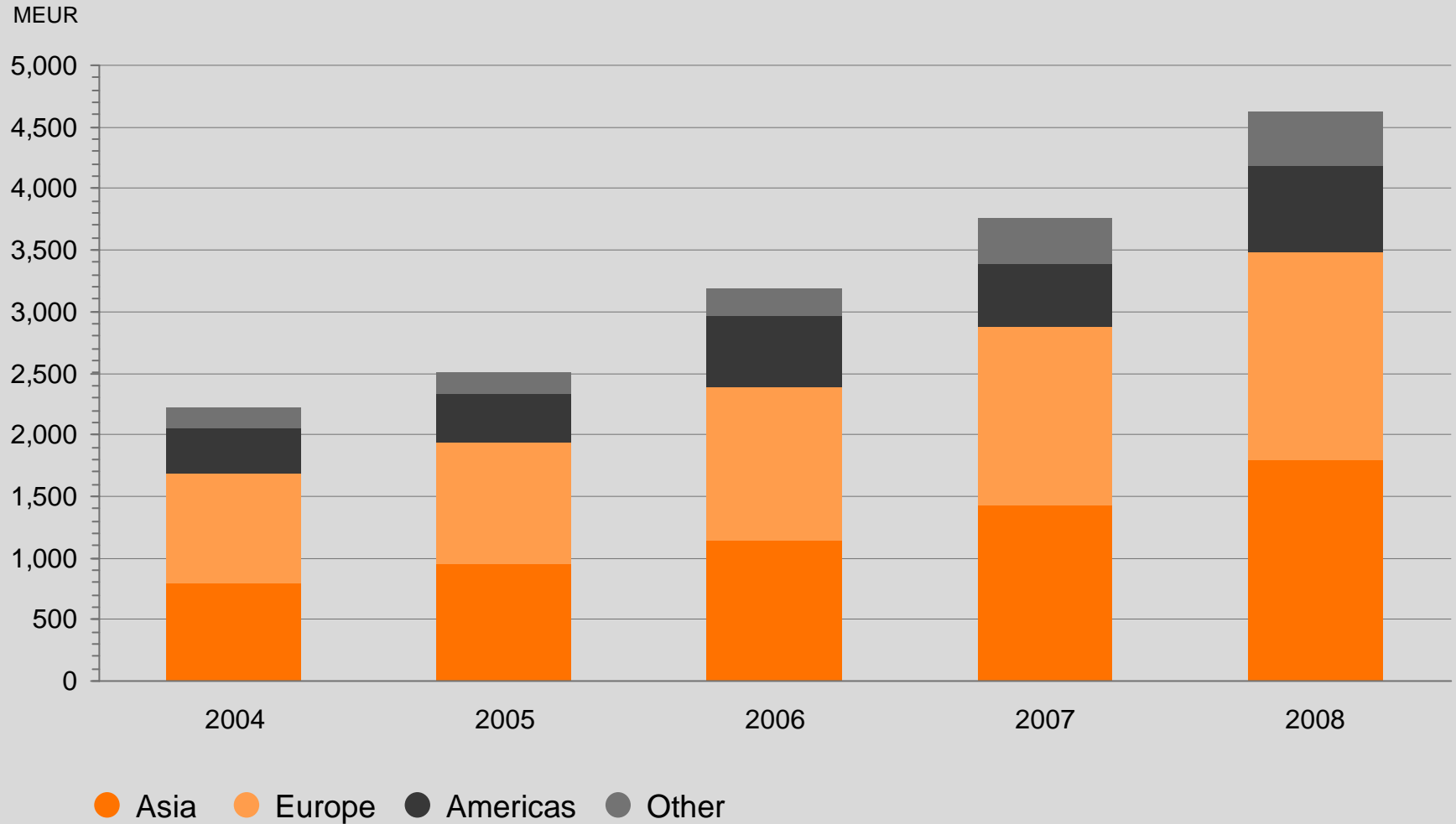
Financial highlights

MEUR	2008	2007	2006	2005
Order intake	5 573	5 663	4 621	3 491
Order book at the end of the period ^{*)}	6 883	6 308	4 439	2 906
Net sales	4 612	3 763	3 190	2 639
Operating result	525	380	263	225
% of net sales	11.4	10.1	8.2	8.5
Profit before taxes	516	372	255	212
Earnings/share, EUR	3.88 ¹⁾	2.74	2.03	1.80
Cash flow from operating activities	278	431	302	76
Gross capital expenditure	366	231	193	231

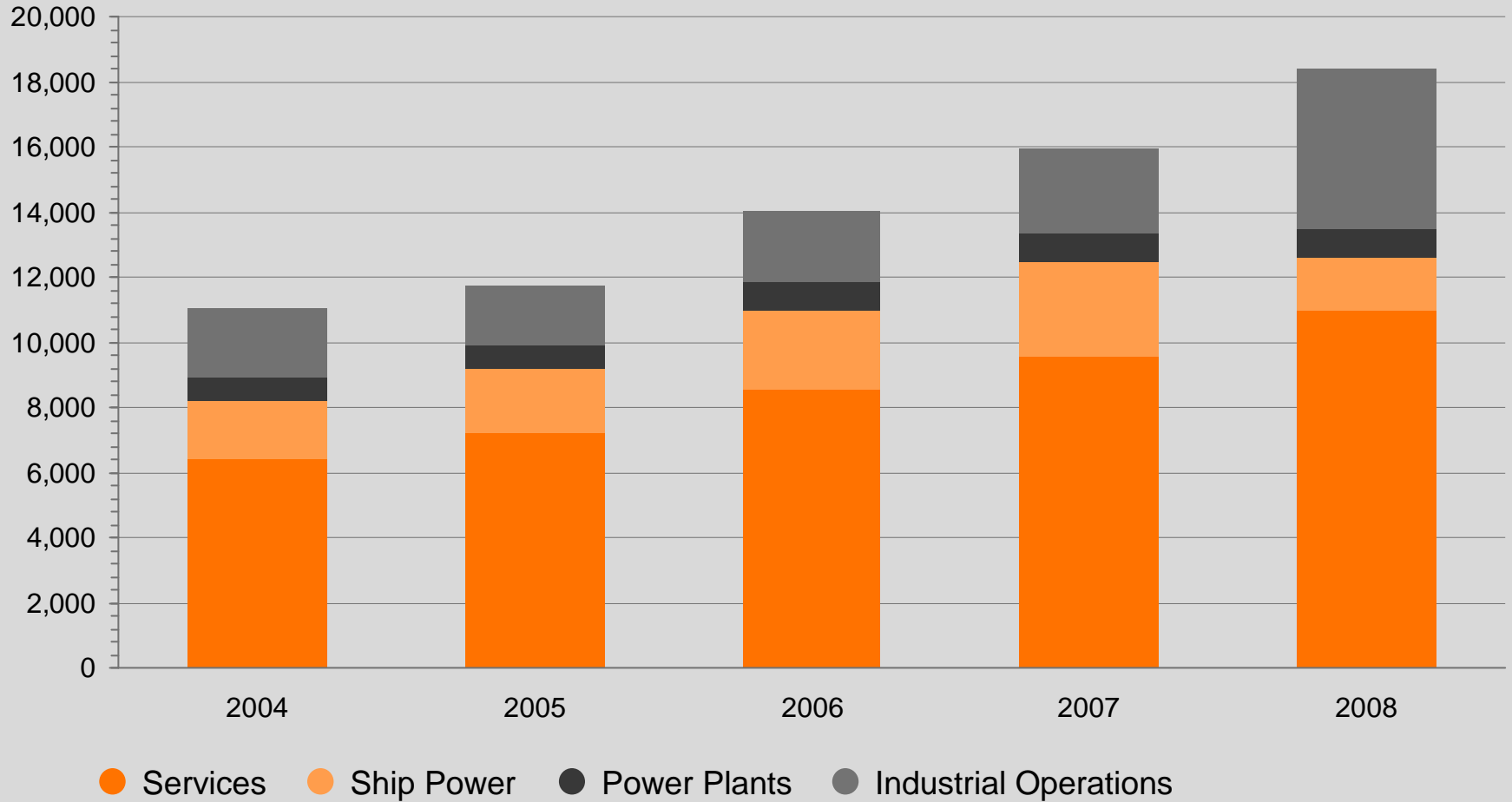
1) 3.96 euros before the effect of the combination of Wärtsilä's share series.

*) Cancellations amounting to EUR 333 million and the order book of Bio Power amounting to EUR 116 million have been eliminated from the order book. Additions relating to acquisitions and other adjustments amounted to EUR 158 million.

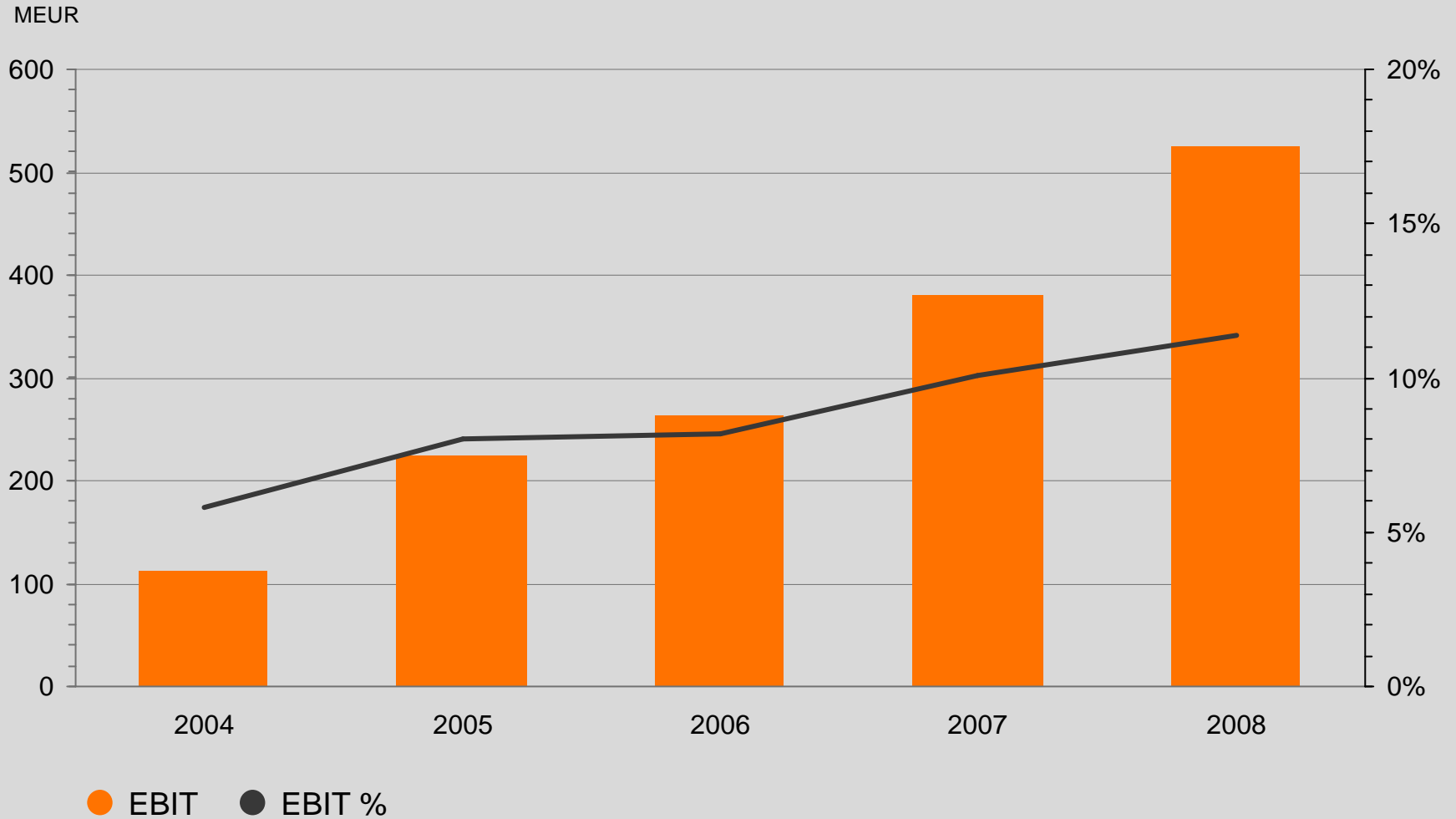
Net sales by market area



Personnel development



Improved profitability



Prospects for 2009



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



WÄRTSILÄ