

WÄRTSILÄ CORPORATION

INTERIM REPORT JANUARY-MARCH 2008

OLE JOHANSSON, PRESIDENT & CEO

25 APRIL 2008

This is Wärtsilä

SHIP
POWER

POWER
PLANTS

SERVICES

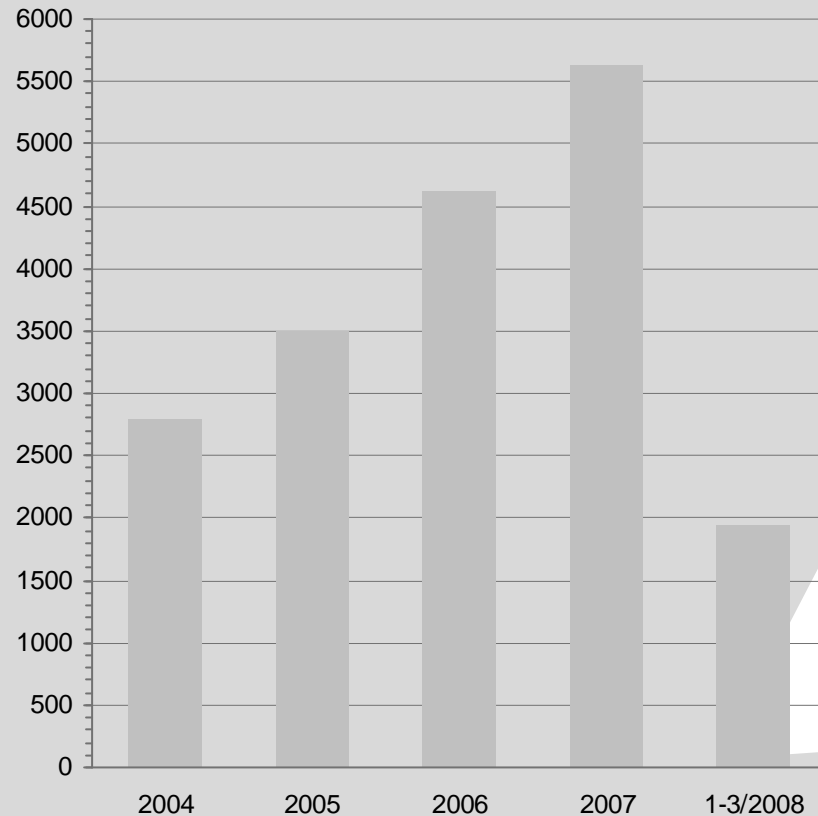
Highlights



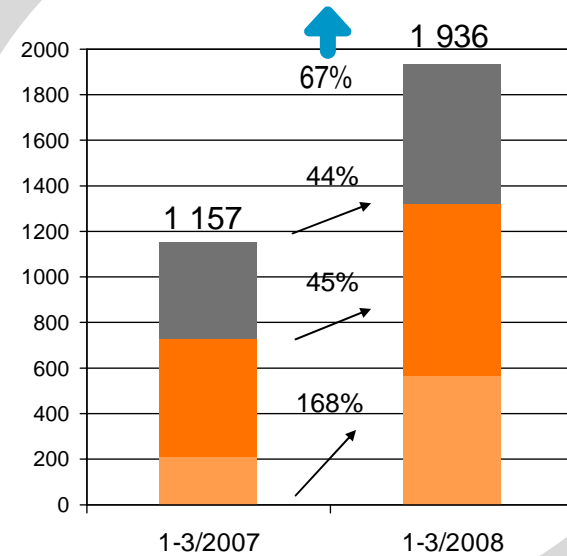
- Demand continued strong
- Order intake +67%
- Net sales +12%
- Operating result (EBIT) +28%,
9.6% of net sales
- Strong cash flow

First quarter order intake all time high

MEUR

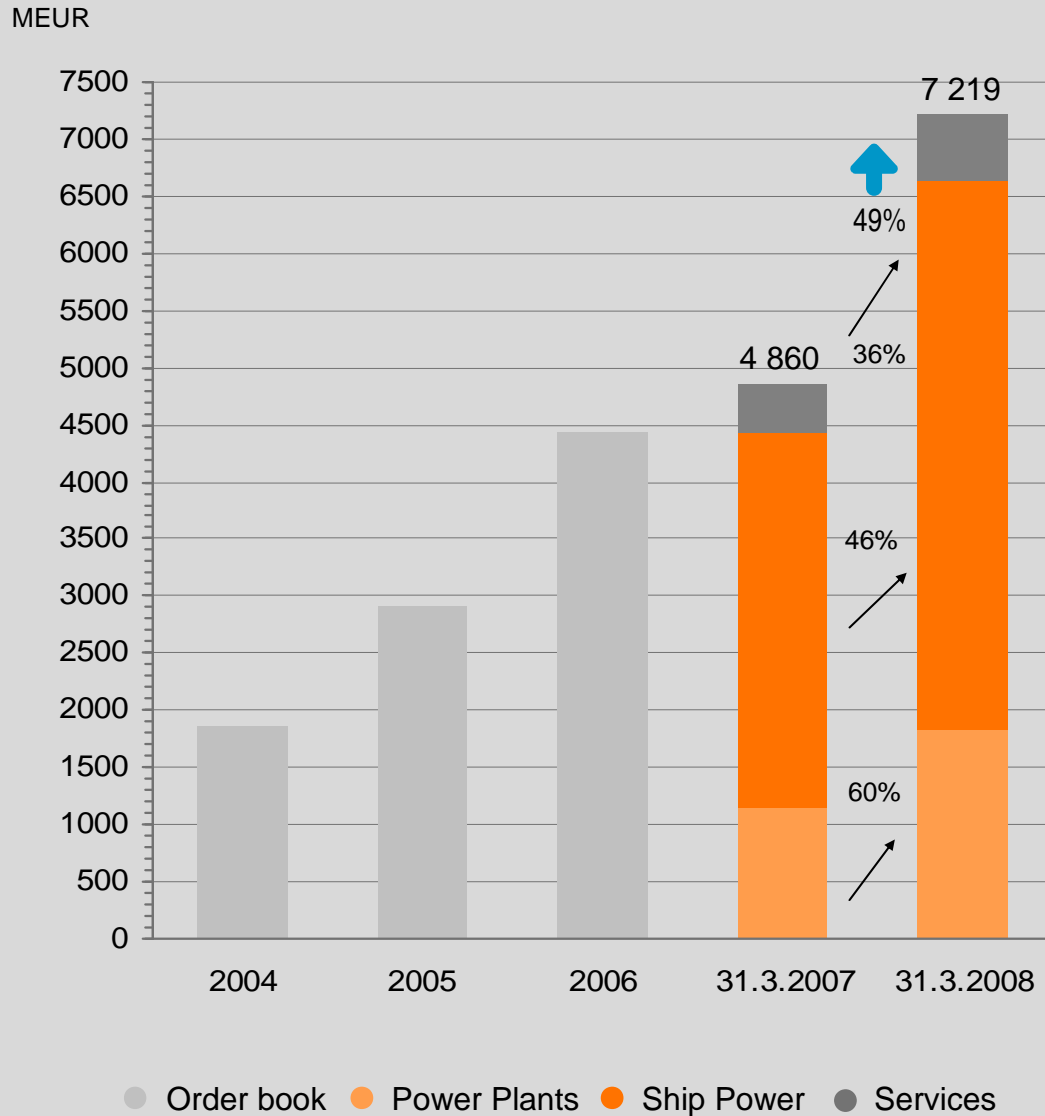


First quarter development

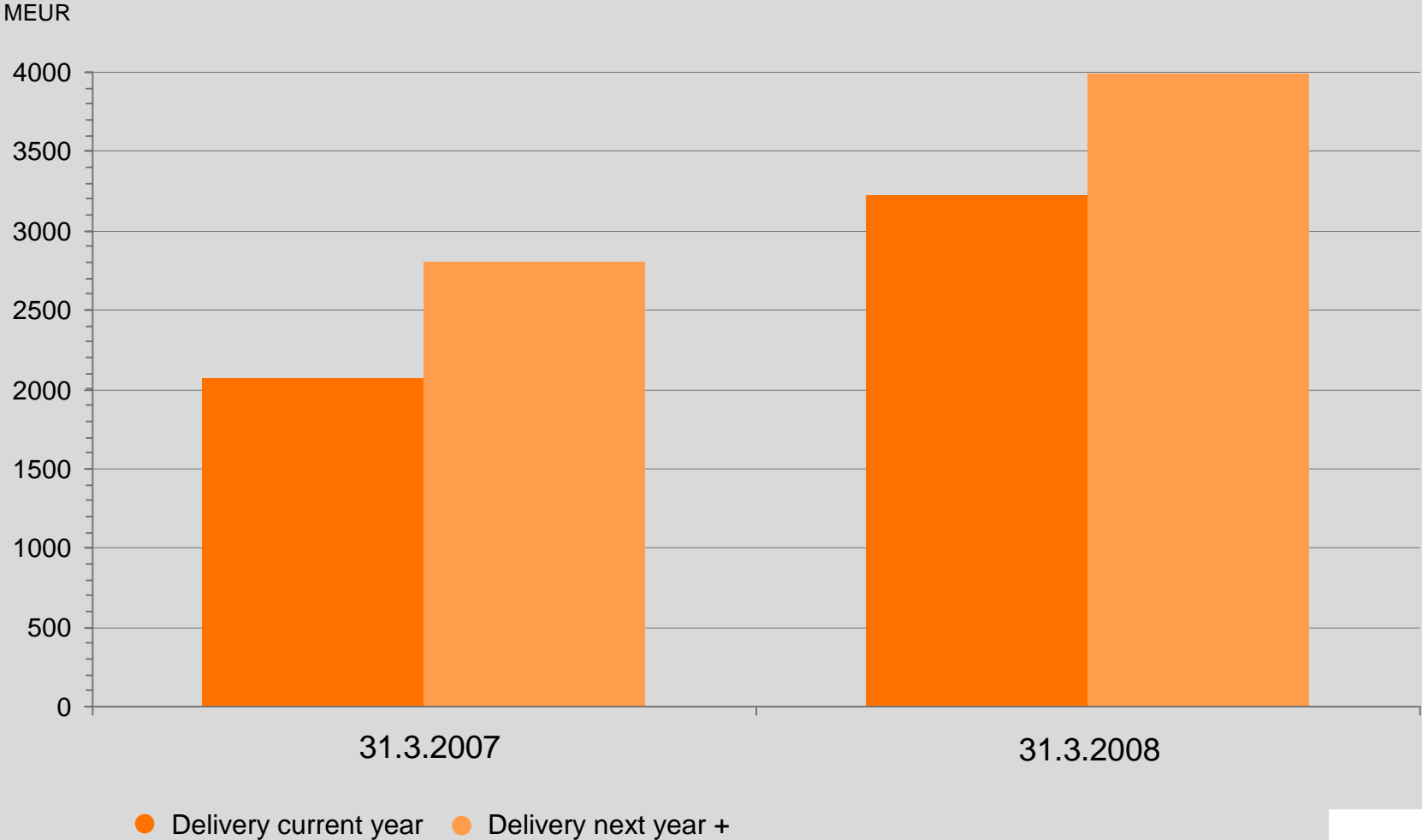


● Order intake ● Power Plants ● Ship Power ● Services

Order book exceeding EUR 7 billion

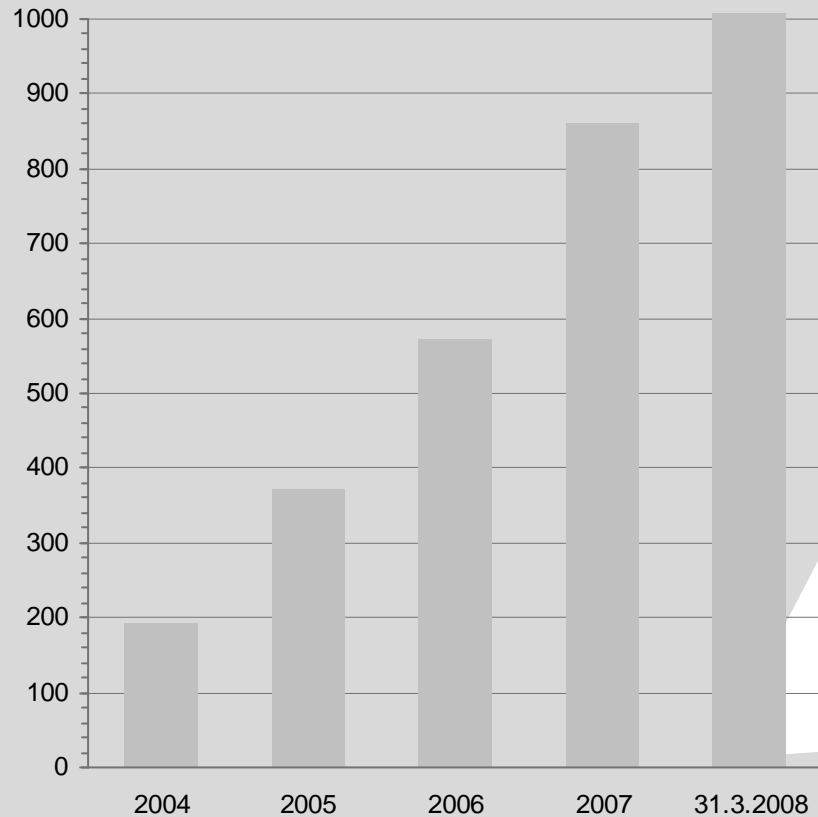


Approx. 45% of order book due for delivery 2008

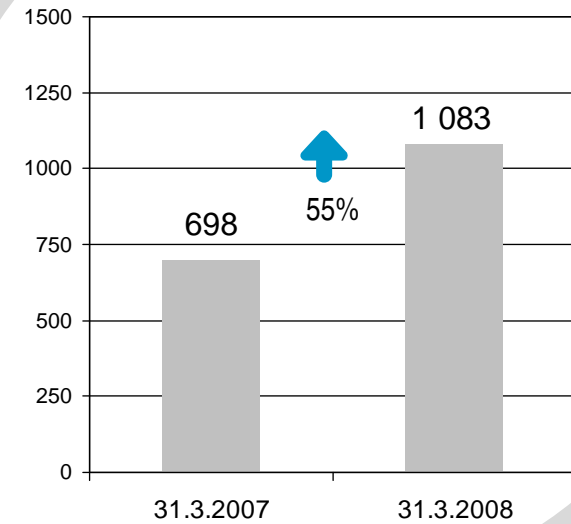


Advances received reflect order book strength

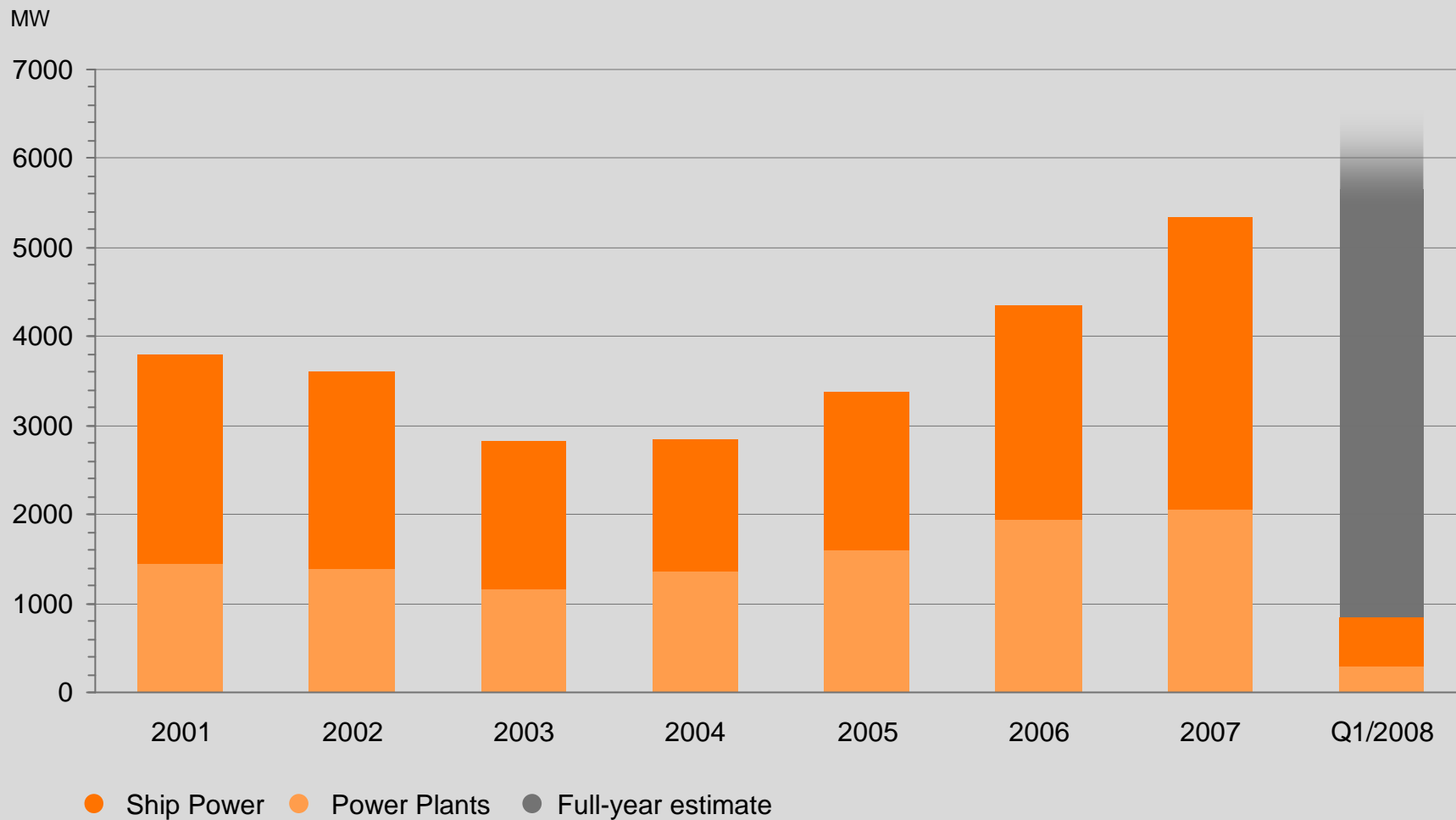
MEUR



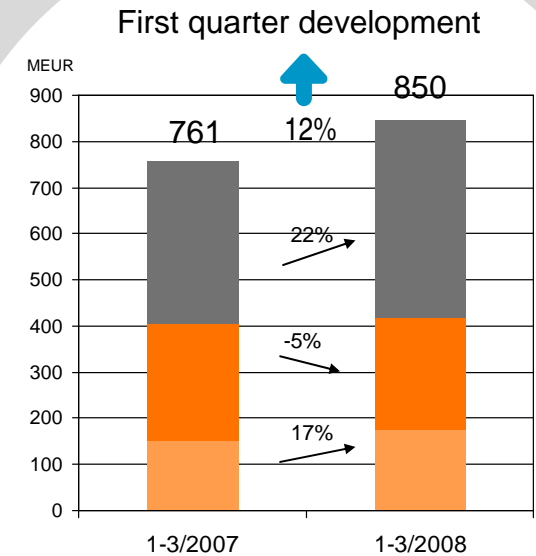
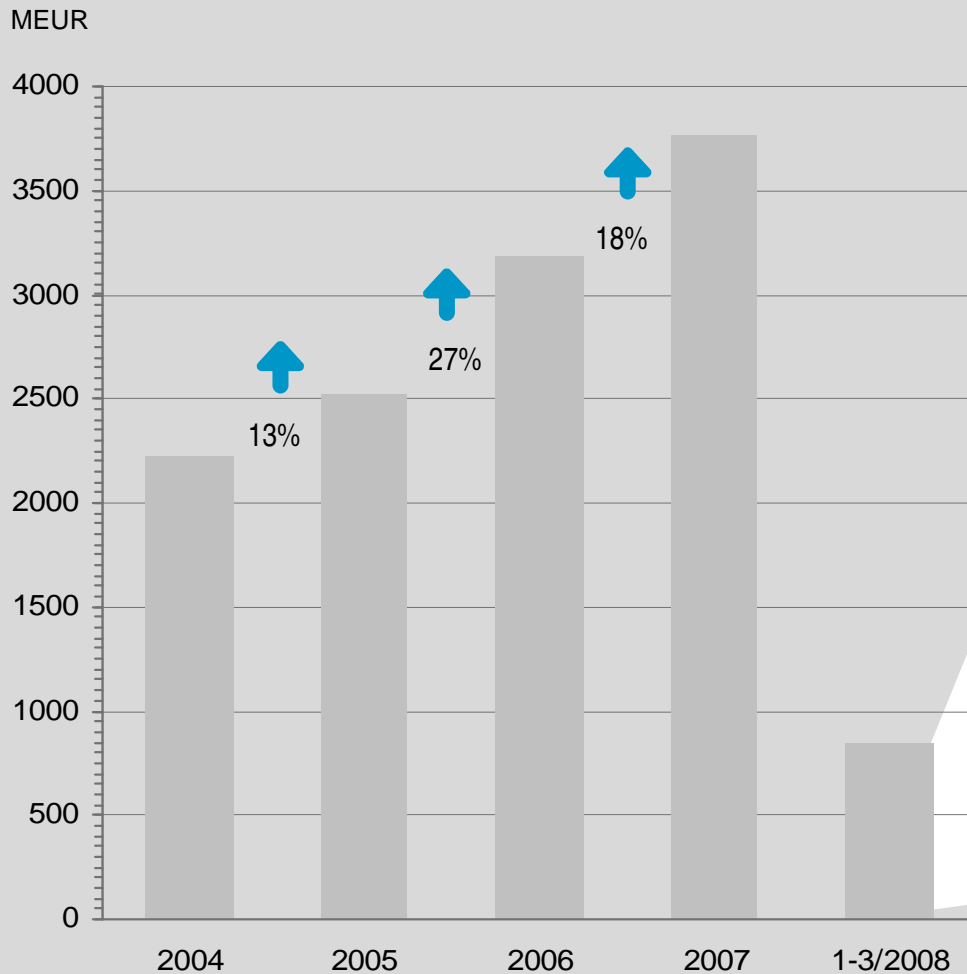
Advances received at end of Q1



Delivered engine megawatts from own factories



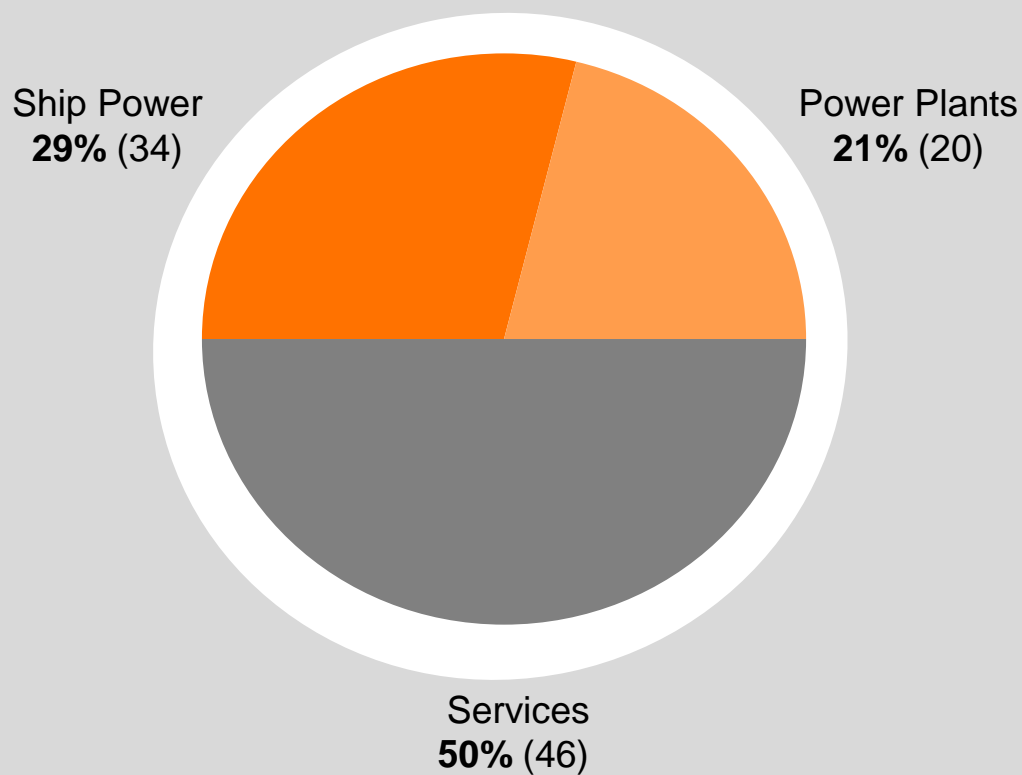
Net sales developed according to plan



● Net sales ● Power Plants ● Ship Power ● Services

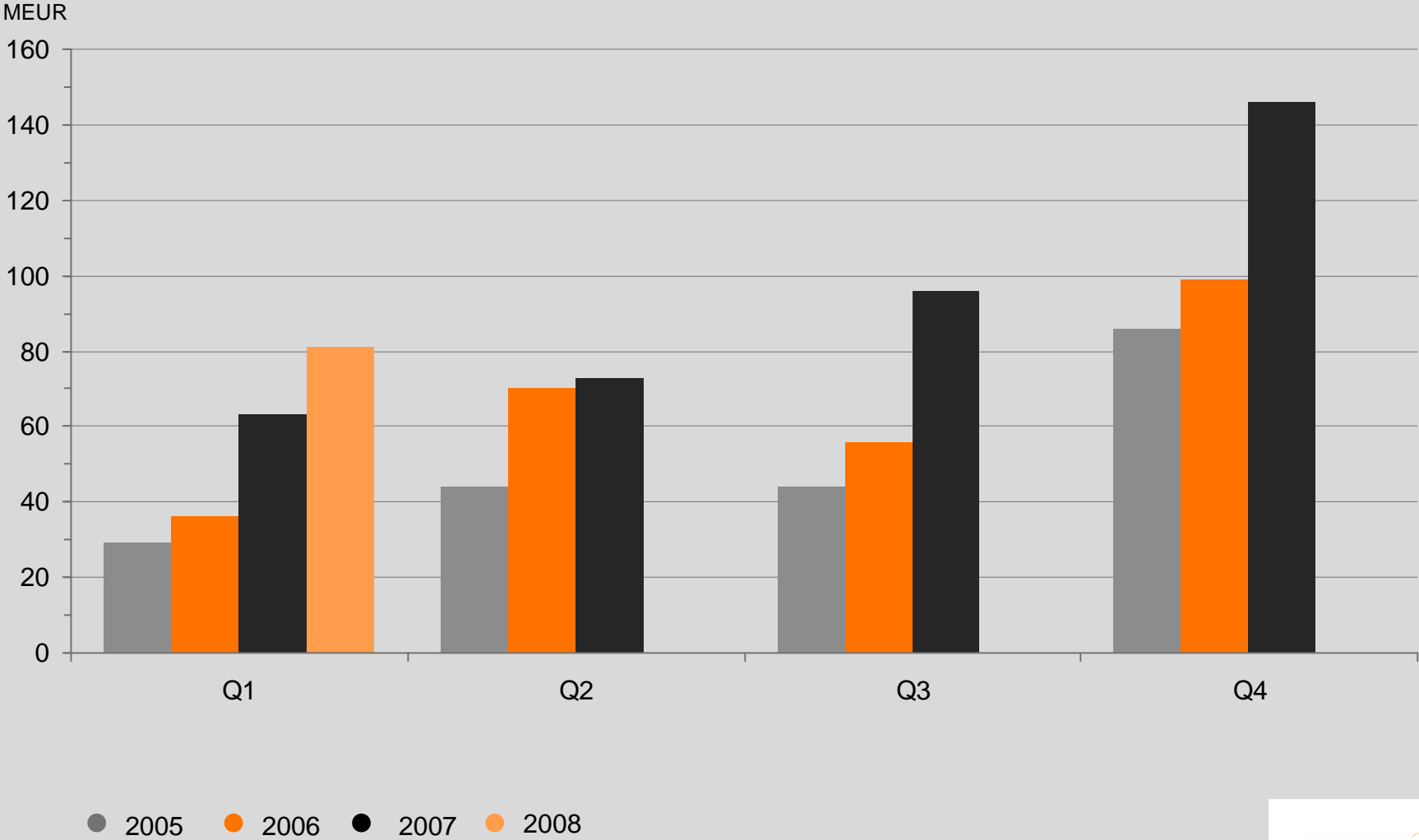
Services constitute a considerable share of net sales

Net sales by business 1-3/2008

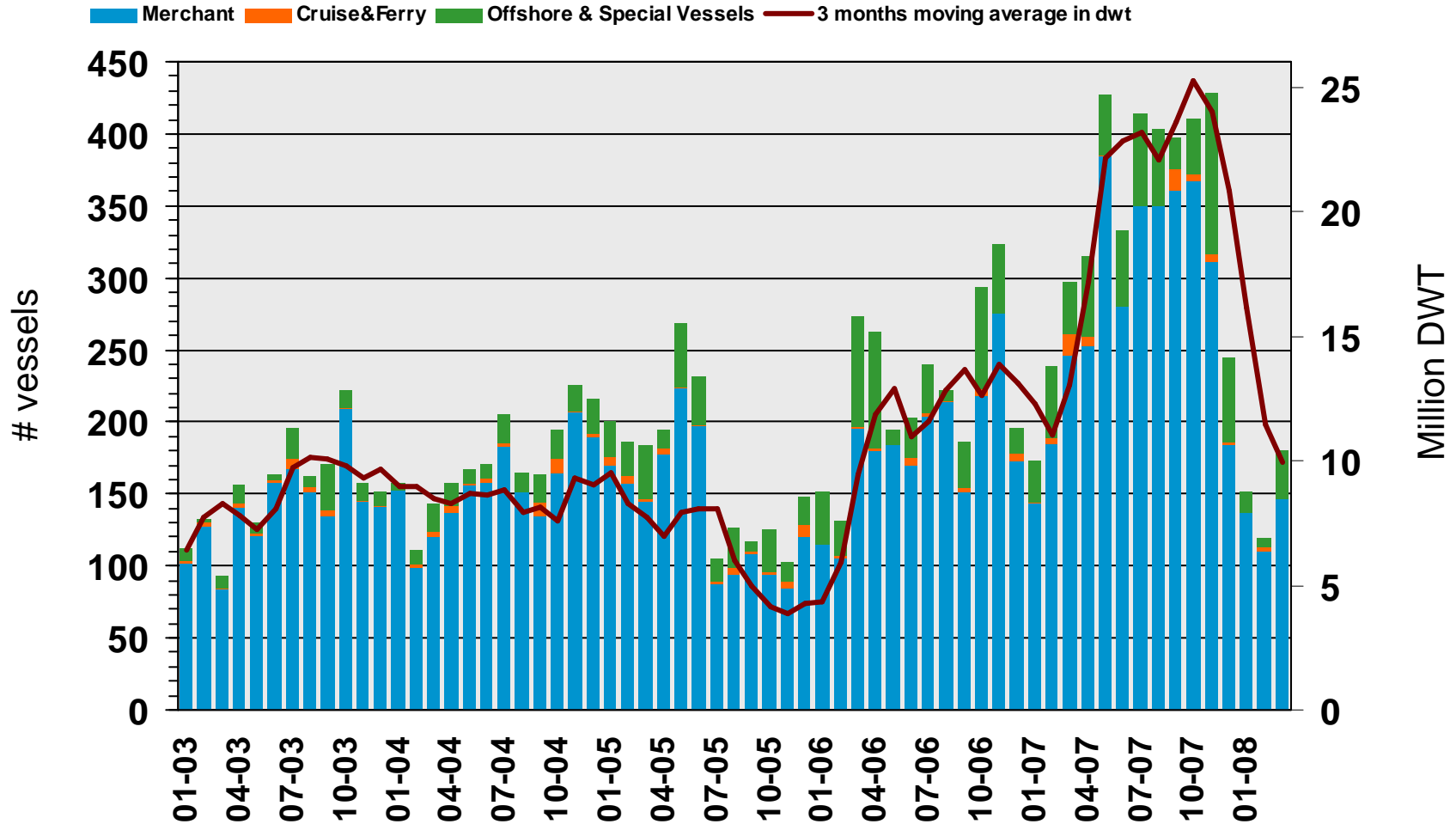


EBIT develops positively

Quarterly profitability fluctuations remain

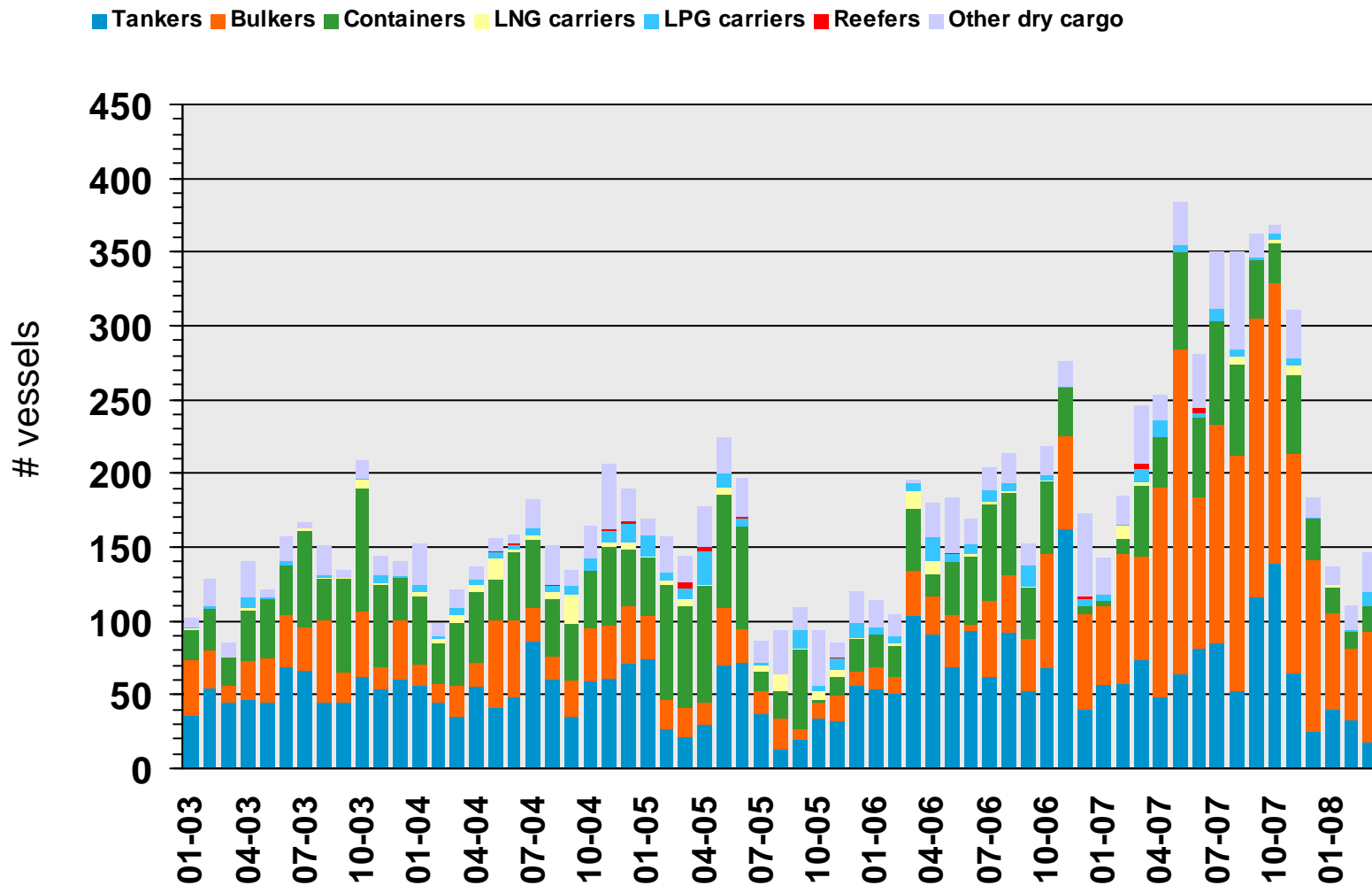


Ship Power market - vessel order development



Source data: Clarson Research Services

Ship Power market - merchant vessel order development

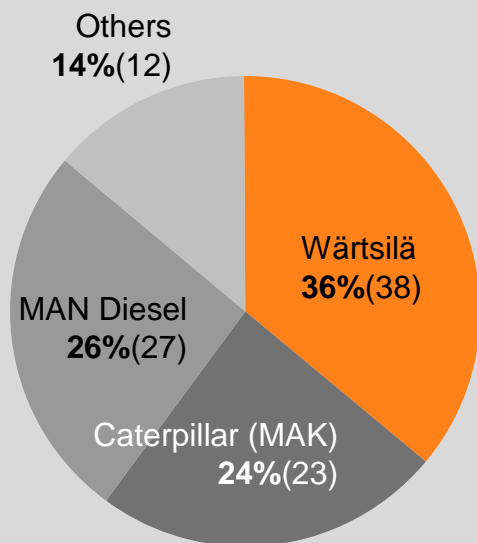


Source data: Clarson Research Services

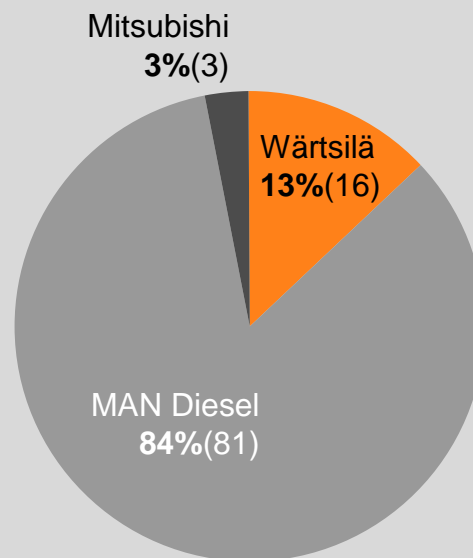
Ship Power - market development

Market position of Wärtsilä's marine engines Q1/2008

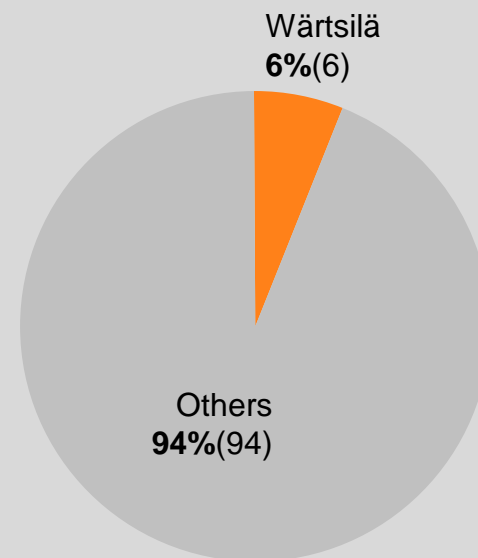
Medium-speed main engines



Low-speed main engines

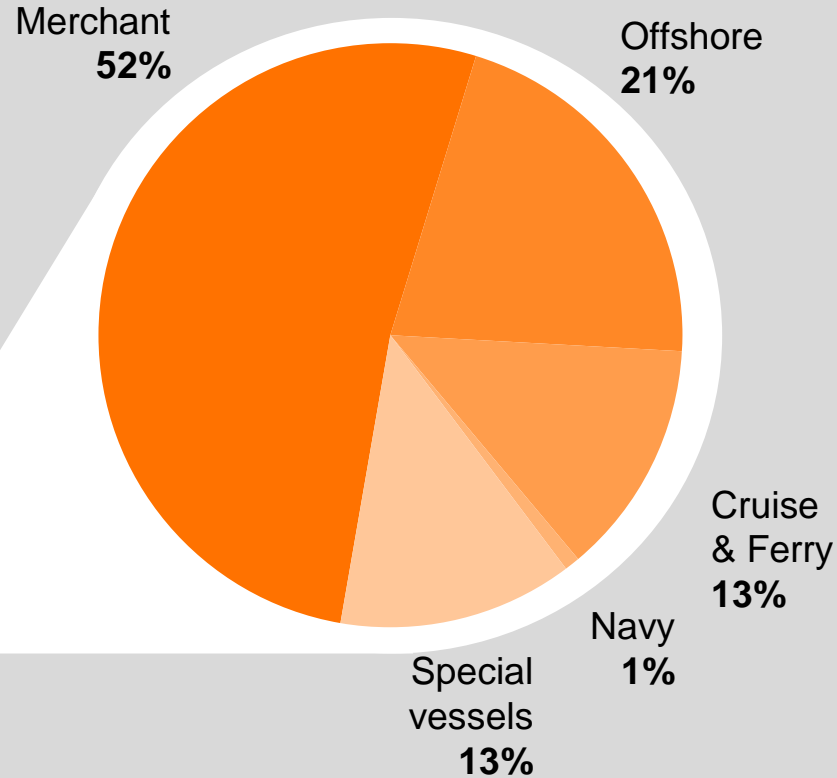
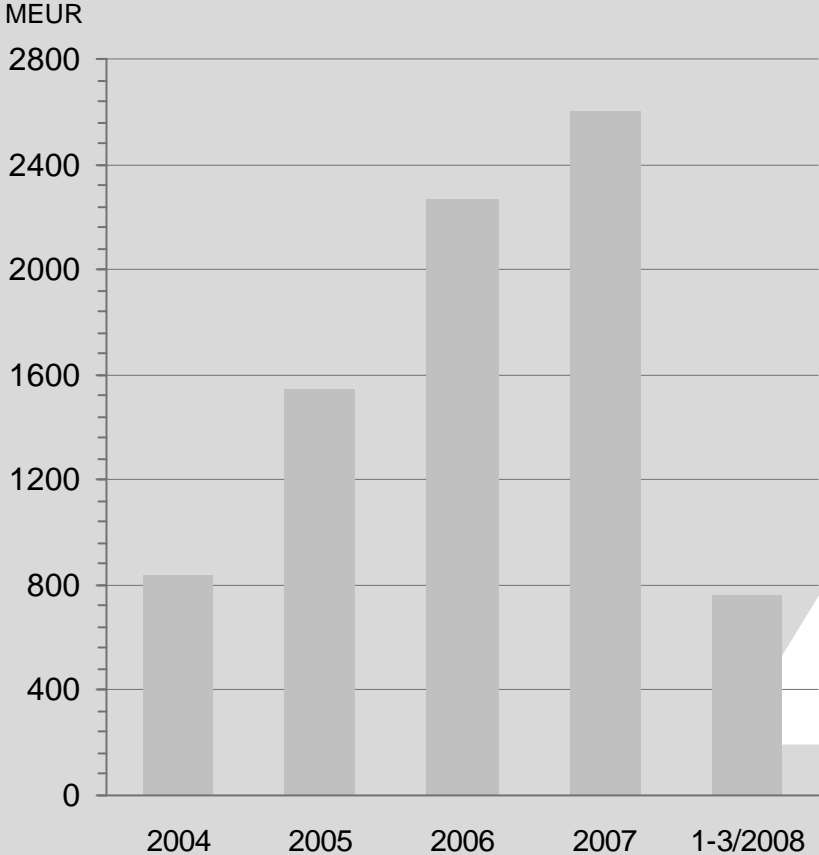


Auxiliary engines

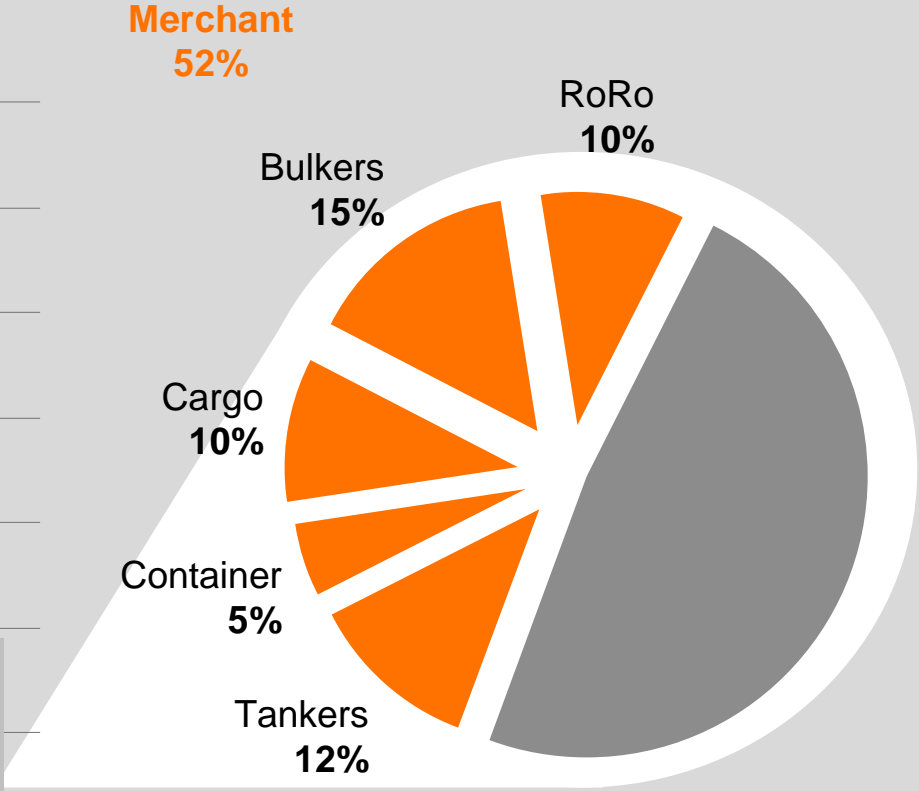
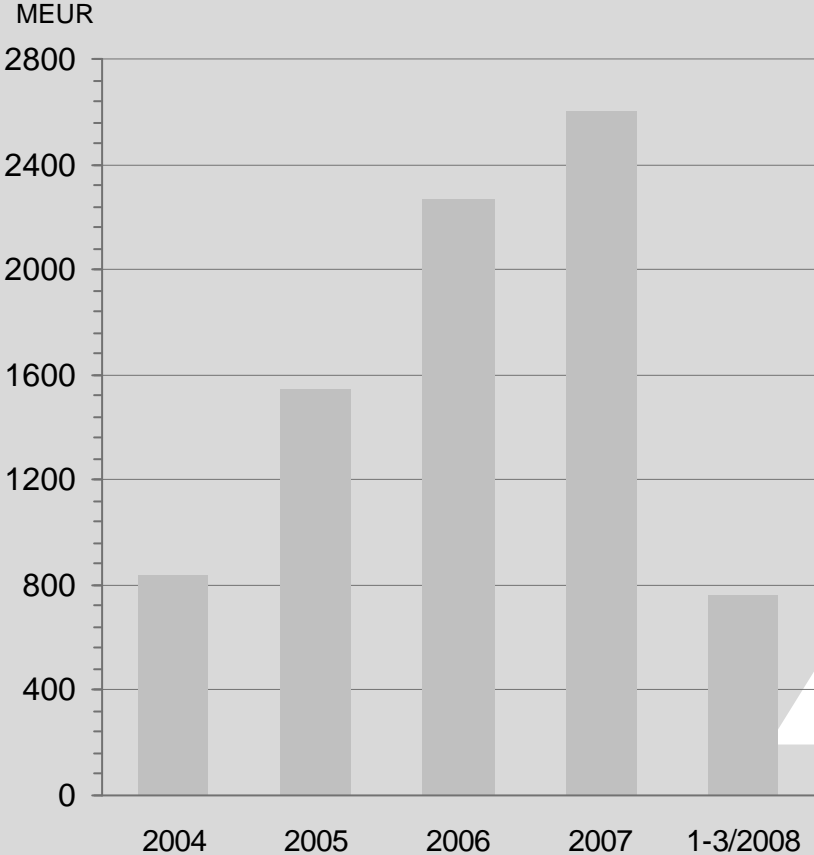


Wärtsilä's own calculation is based on Marine Market Database. Market shares based on installed power, numbers in brackets are from the end of the previous quarter.

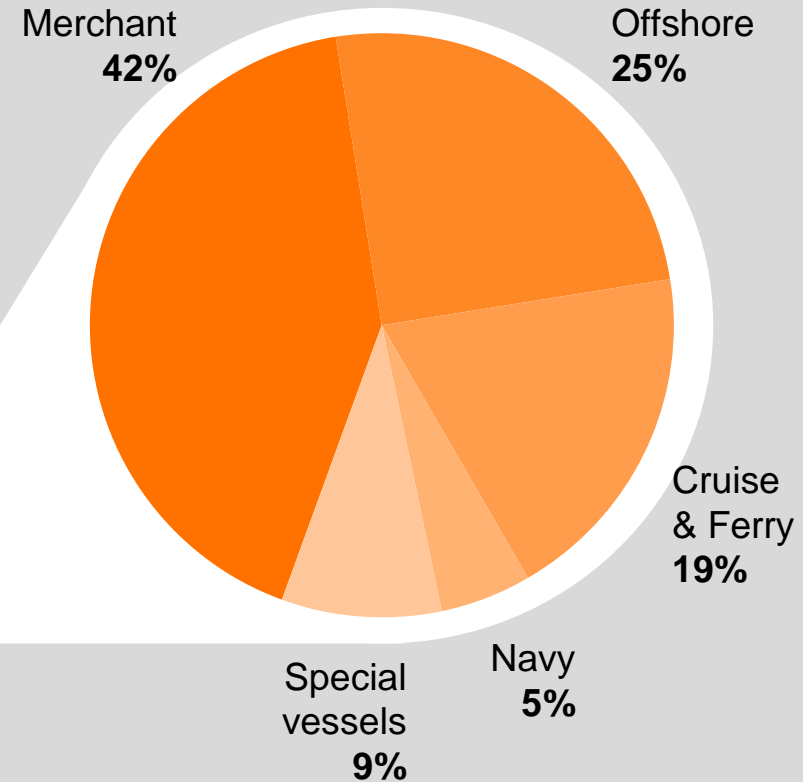
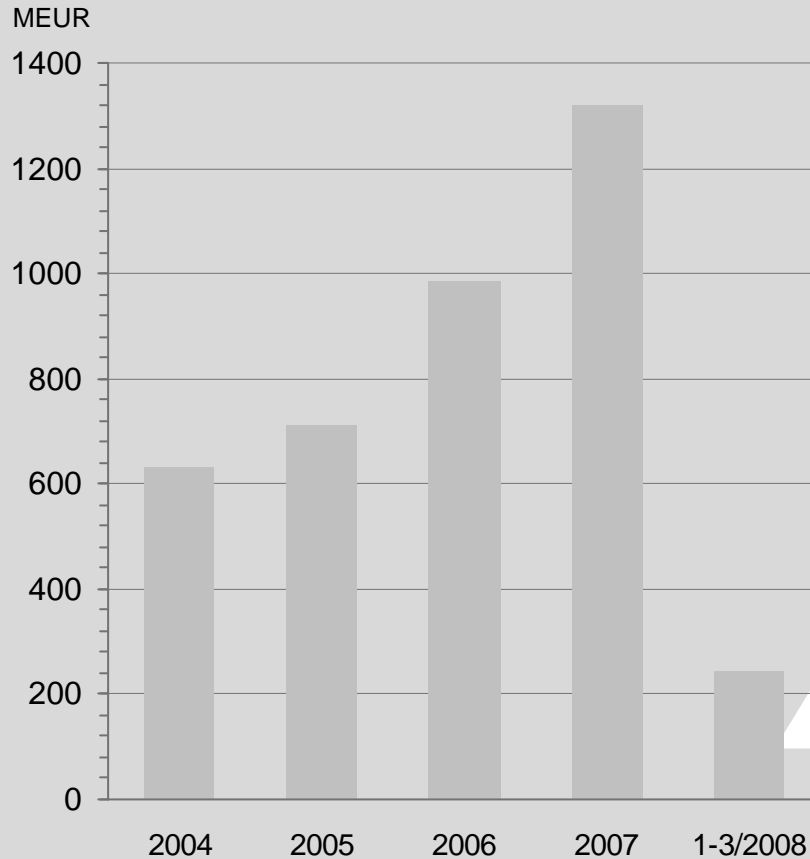
Ship Power order intake - activity continued at high levels



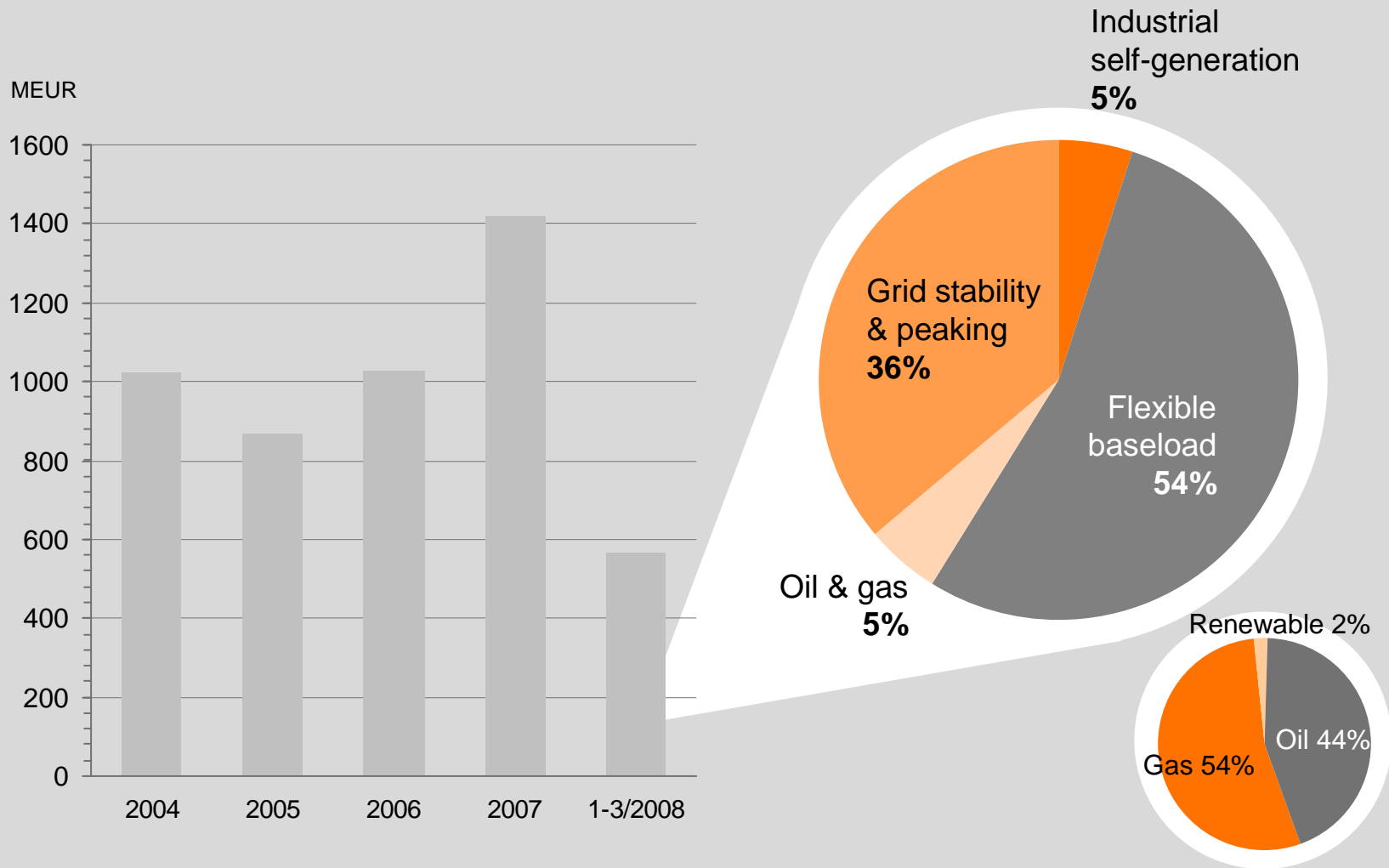
Ship Power order intake - Merchant segment 1-3/2008



Ship Power - net sales 1-3/2008

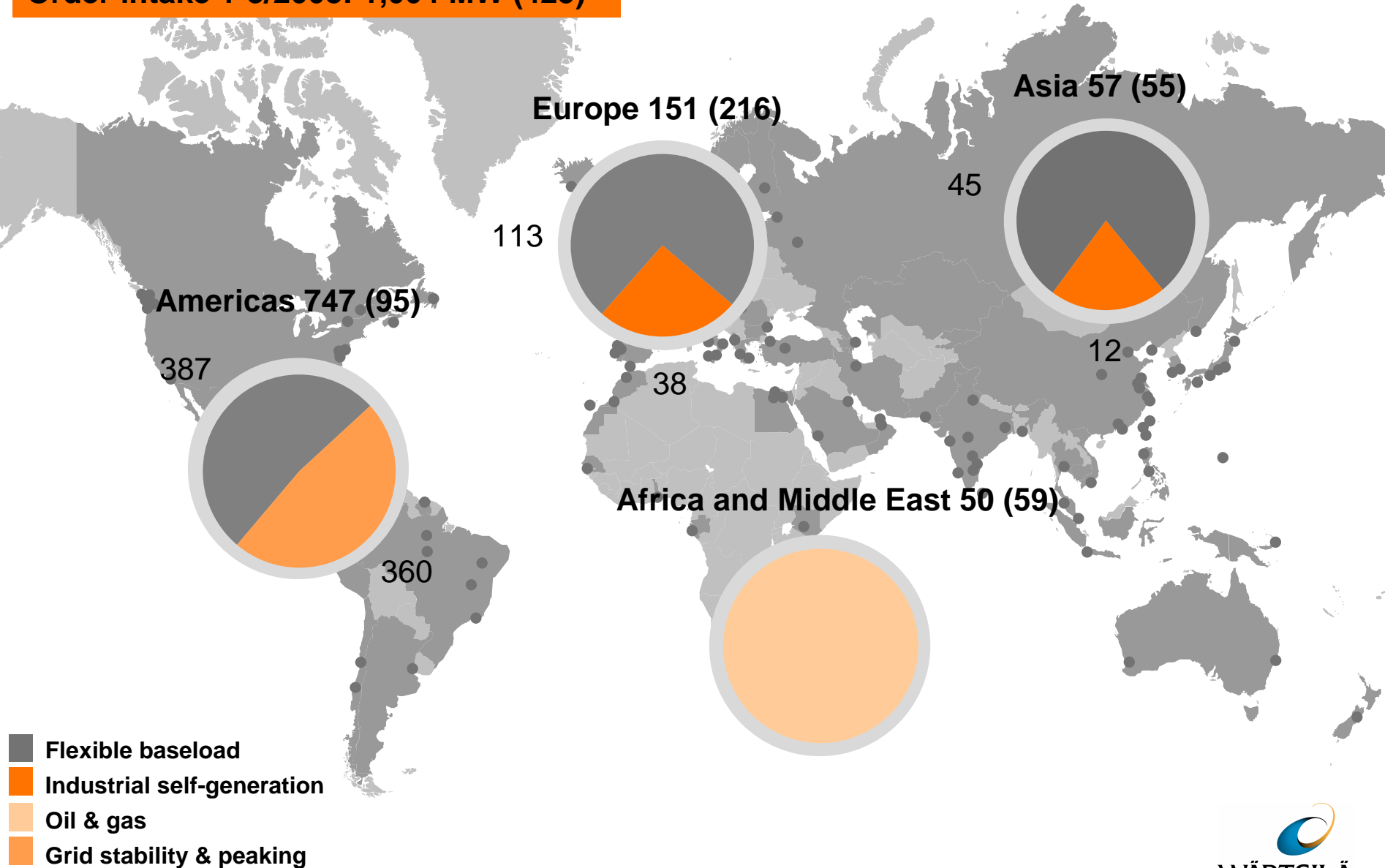


Power Plants order intake - high demand in all segments

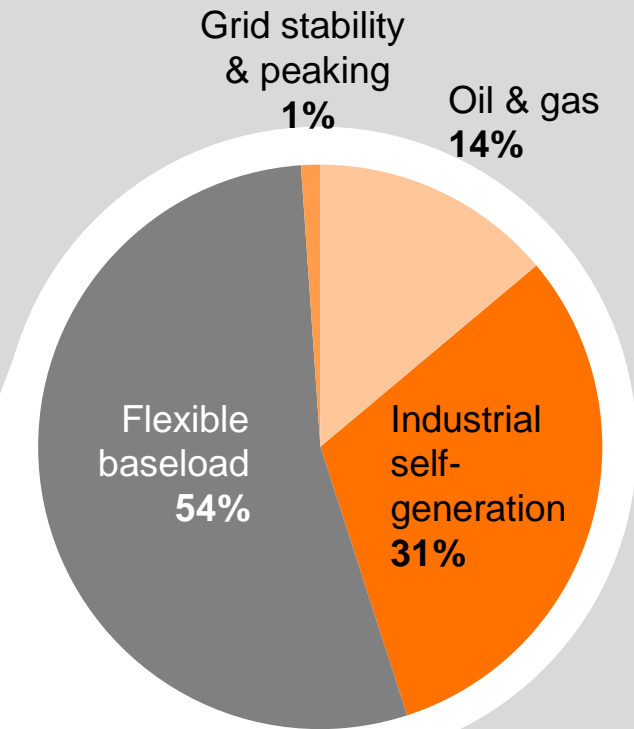
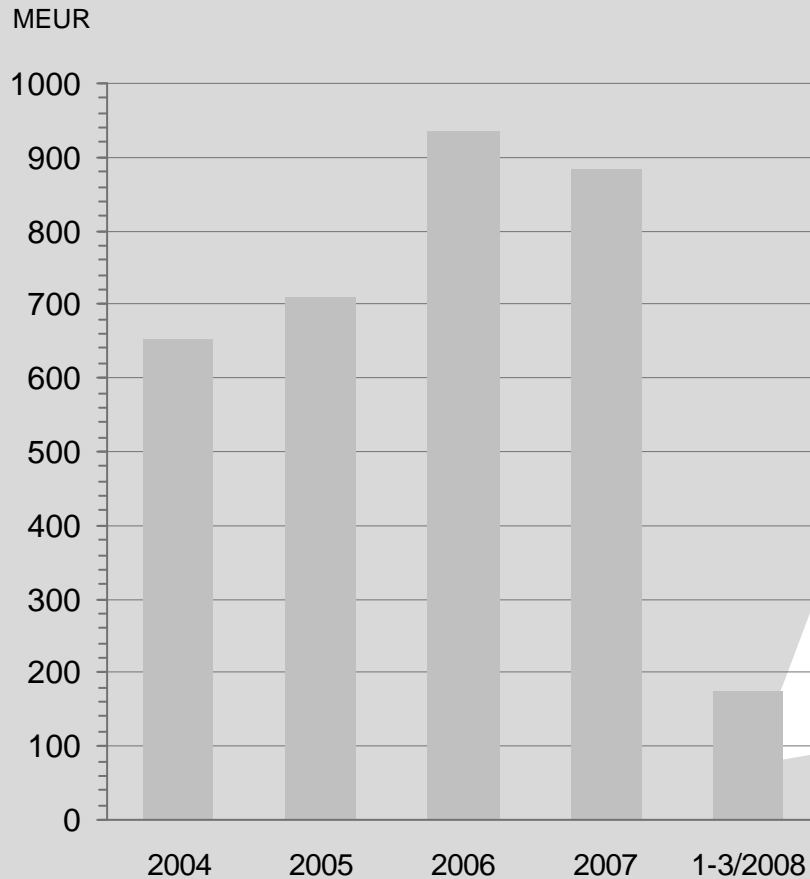


Power Plants - order intake by region

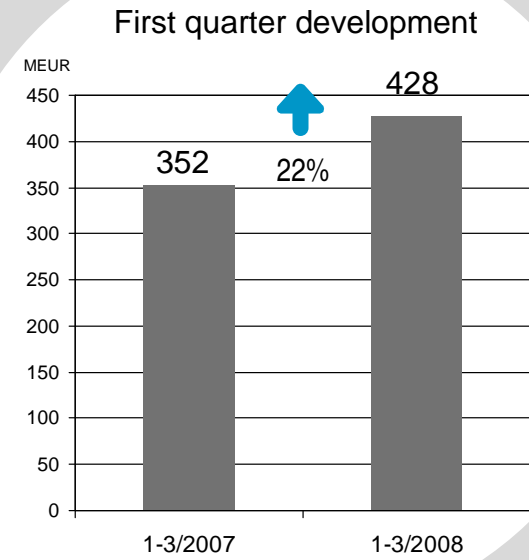
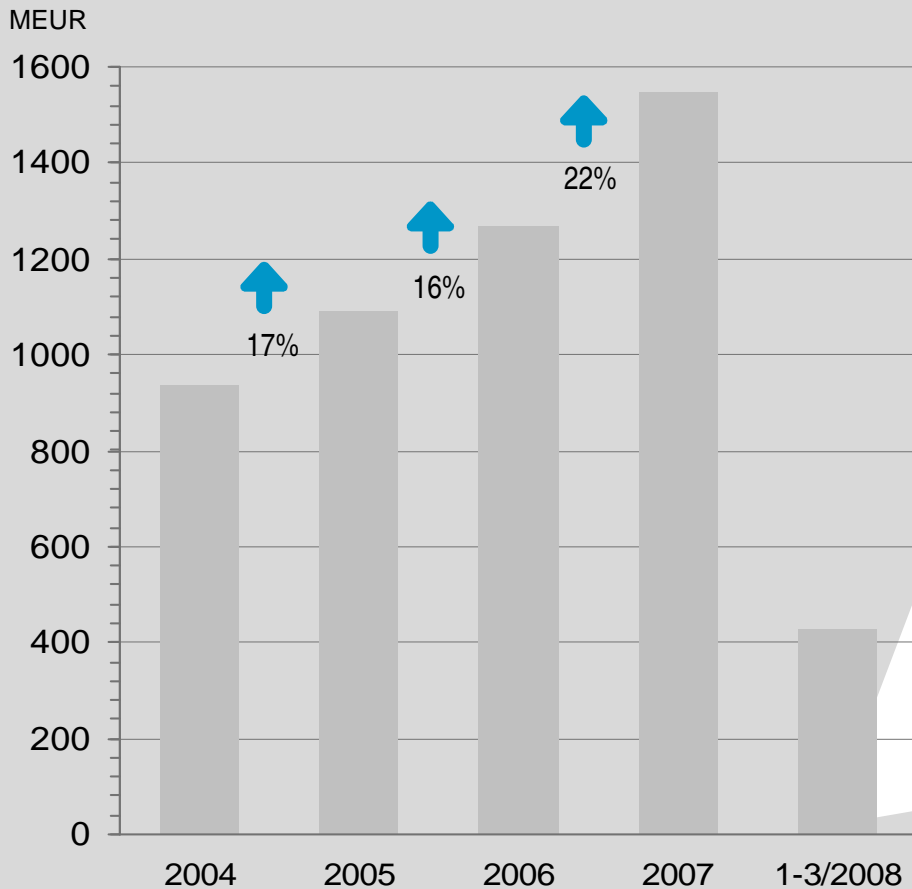
Order intake 1-3/2008: 1,004 MW (425)



Power Plants - net sales 1-3/2008



Services - strong growth continued



Added capabilities support growth

Wärtsilä Services becomes the most valued business partner...



... by understanding **Customers' needs** and assembling the appropriate solution to solve them.

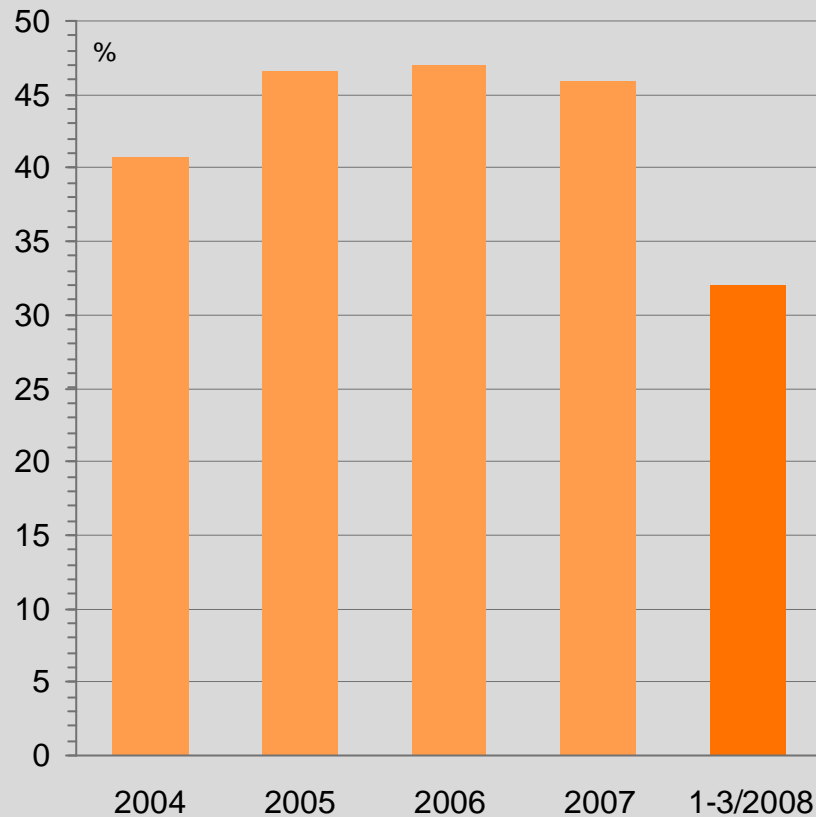
Strong cash flow



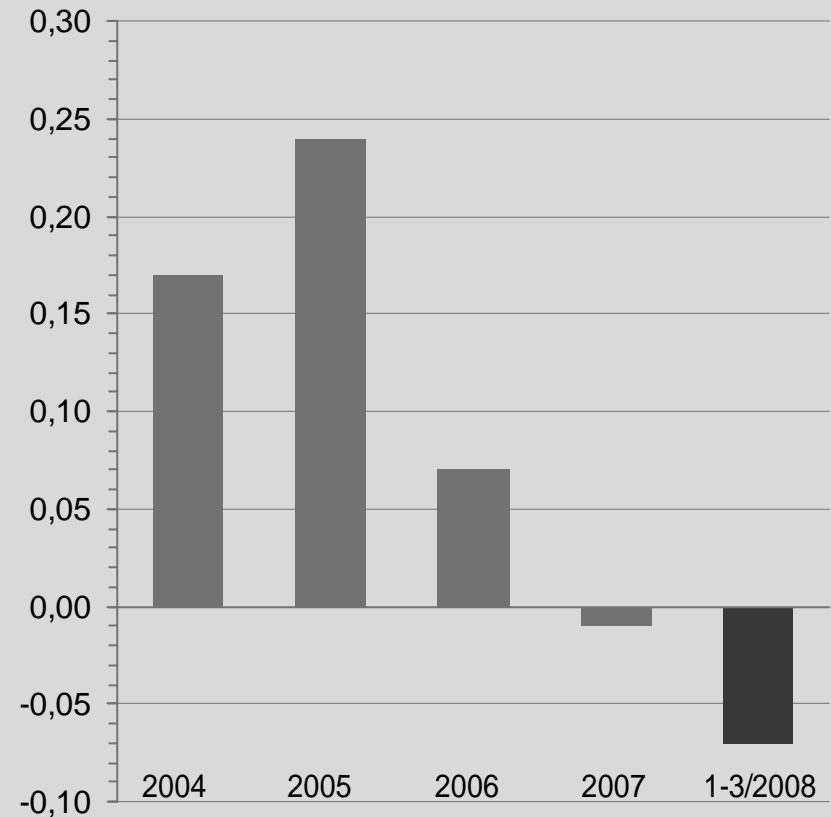
<u>MEUR</u>	<u>1-3/08</u>	<u>1-3/07</u>	<u>2007</u>
Cash flow from operating activities	75	79	431
Cash flow from investing activities	-35	-38	-214
Cash flow from financing activities	100	-72	-95
Liquid funds at the end of period	432	148	296

Financial position

Solvency



Gearing



Convertible subordinated debentures treated as equity



- An active Ship Power market is foreseen for at least the second quarter 2008, during the third quarter it is expected that a slowdown will be seen within the Merchant segment
- Power Plant market situation remains good, continued high ordering activity in all segments for at least the next two quarters. No signs of a slowdown
- Services business activity will continue strong

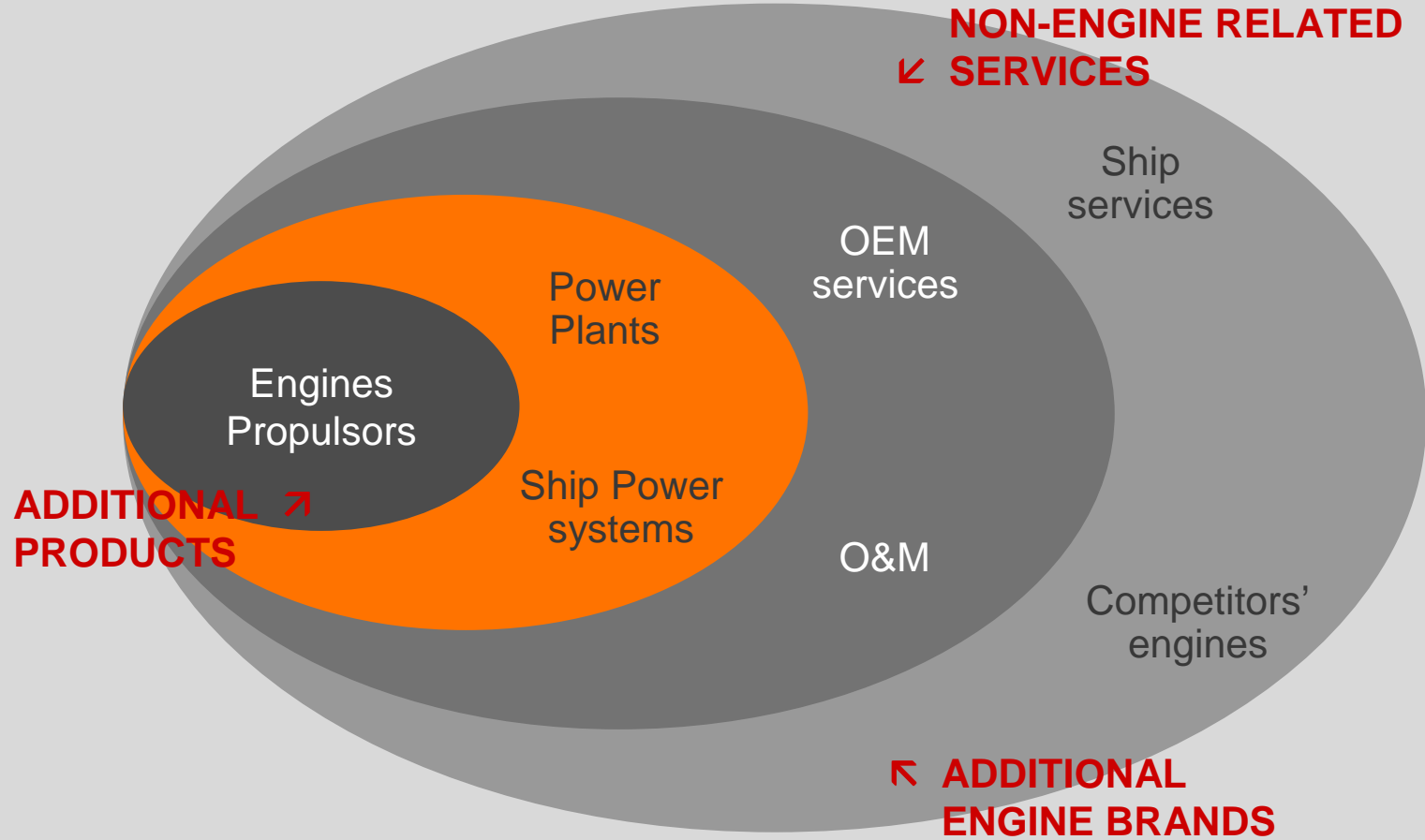
Wärtsilä's prospects 2008 reiterated



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

Looking ahead

... we are seeking growth beyond the organic growth





WÄRTSILÄ