

WÄRTSILÄ CORPORATION

2007 RESULT PRESENTATION

OLE JOHANSSON, PRESIDENT & CEO

5 FEBRUARY 2008

Highlights



- Strong growth in 2007 order intake. Solid demand continues through first part of 2008
- Net sales grew by 18 percent to EUR 3,763 million. Accelerating growth in 2008
- Operating profit up by 45% to EUR 379 million. Operating margin 10.1% (8.2). Profitability improving in 2008

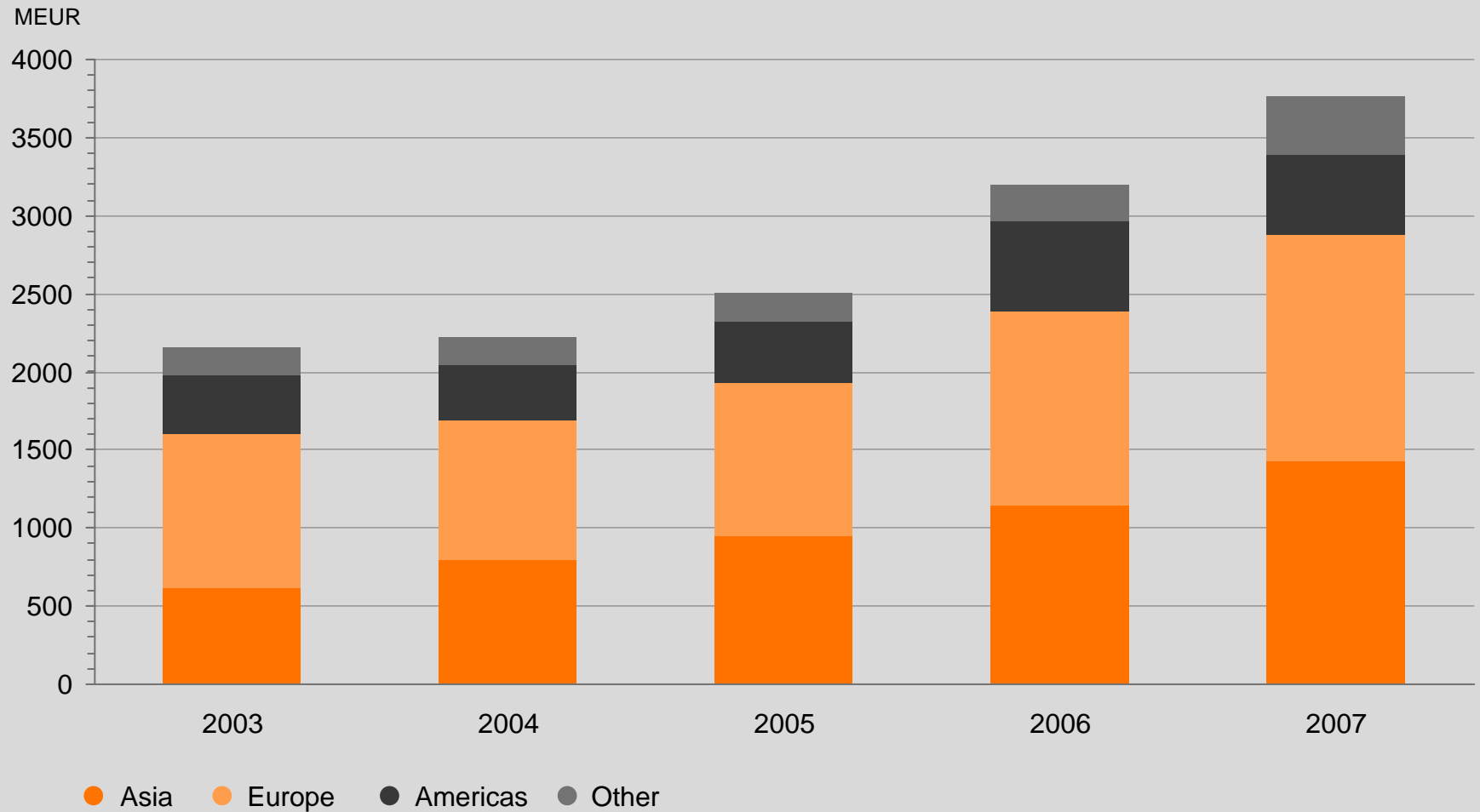
Key figures

MEUR	Q4/07	Q4/06	2007	2006
Order intake	1 594	1 318	5 633	4 621
Order book 31.12.			6 308	4 439
Net sales	1 272	986	3 763	3 190
Operating result	146	99	379	262
% of net sales	11.5	10.1	10.1	8.2
Profit before taxes	145	92 ¹	372	255 ²
Earnings/share, EUR	1.05	0.61 ¹	2.74	2.03 ²
Cash flow from operating activities			431	302
Gross capital expenditure			231	193

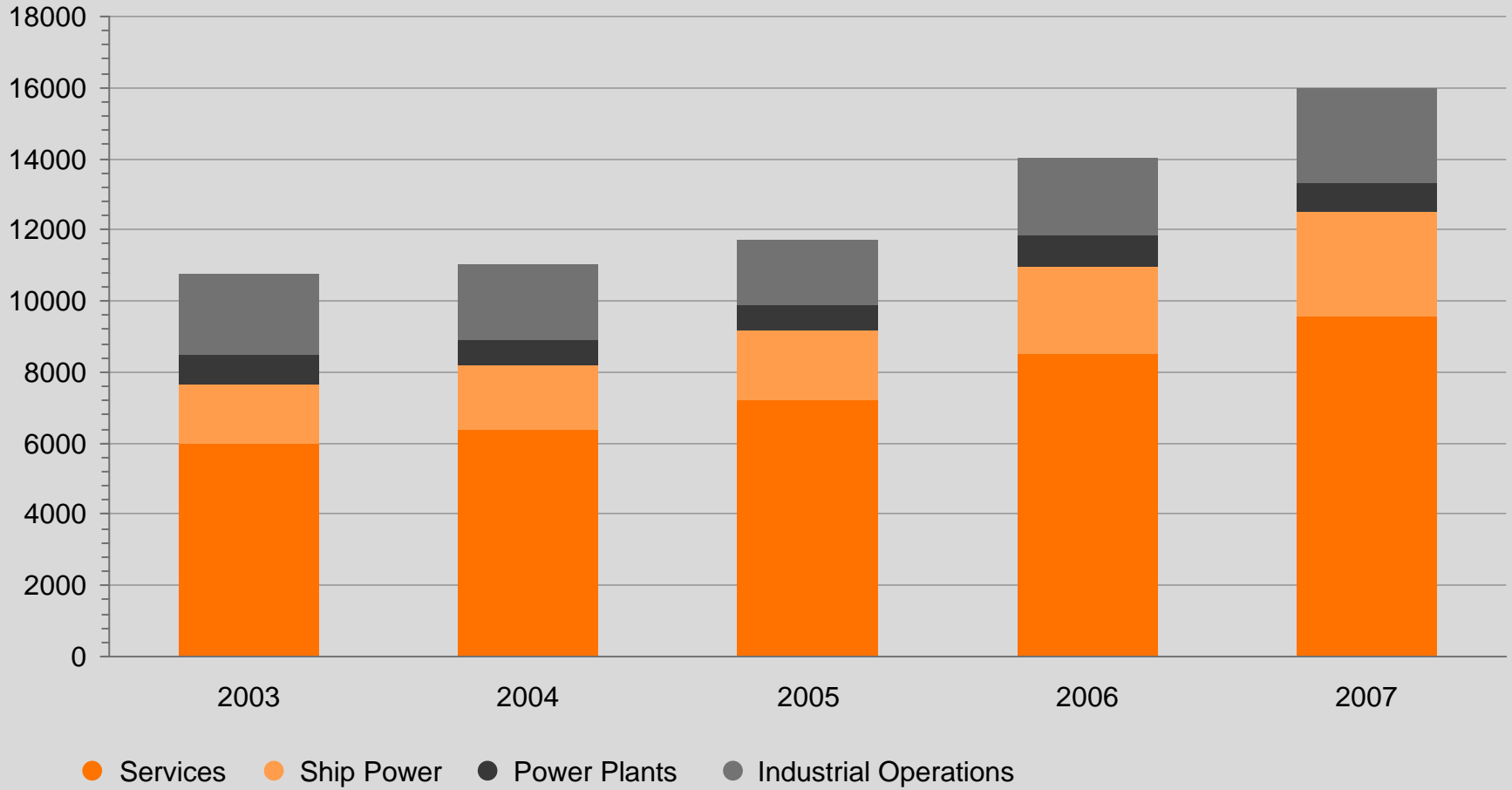
1 For comparability reasons the 10-12/2006 figure does not include Wärtsilä's share of Ovako's profit after taxes, EUR 49 million.

2 For comparability reasons the 2006 figure does not include Wärtsilä's share of Ovako's profit after taxes, EUR 67 million nor the capital gain of EUR 124 million from the sale of Assa Abloy B shares.

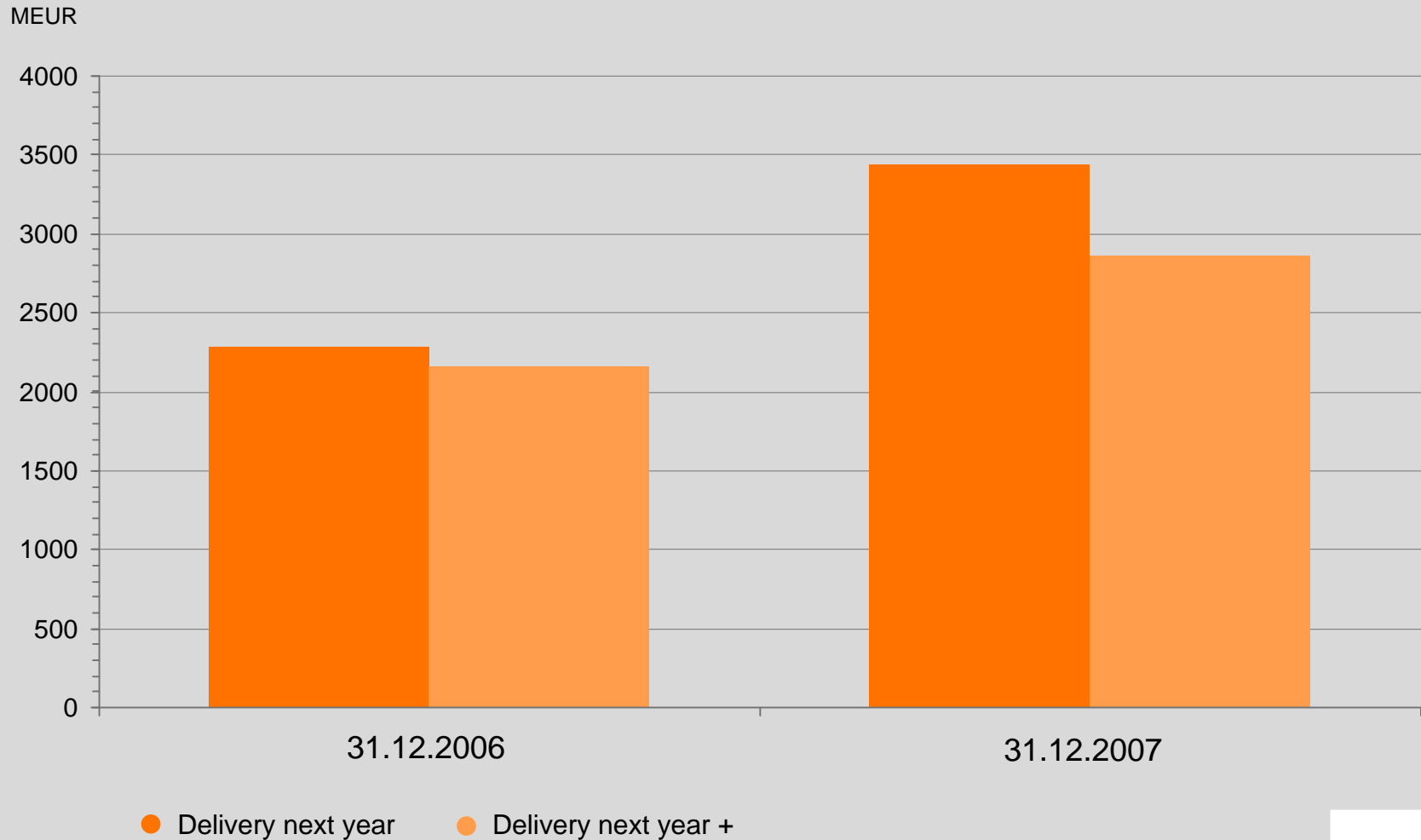
Net sales by market area



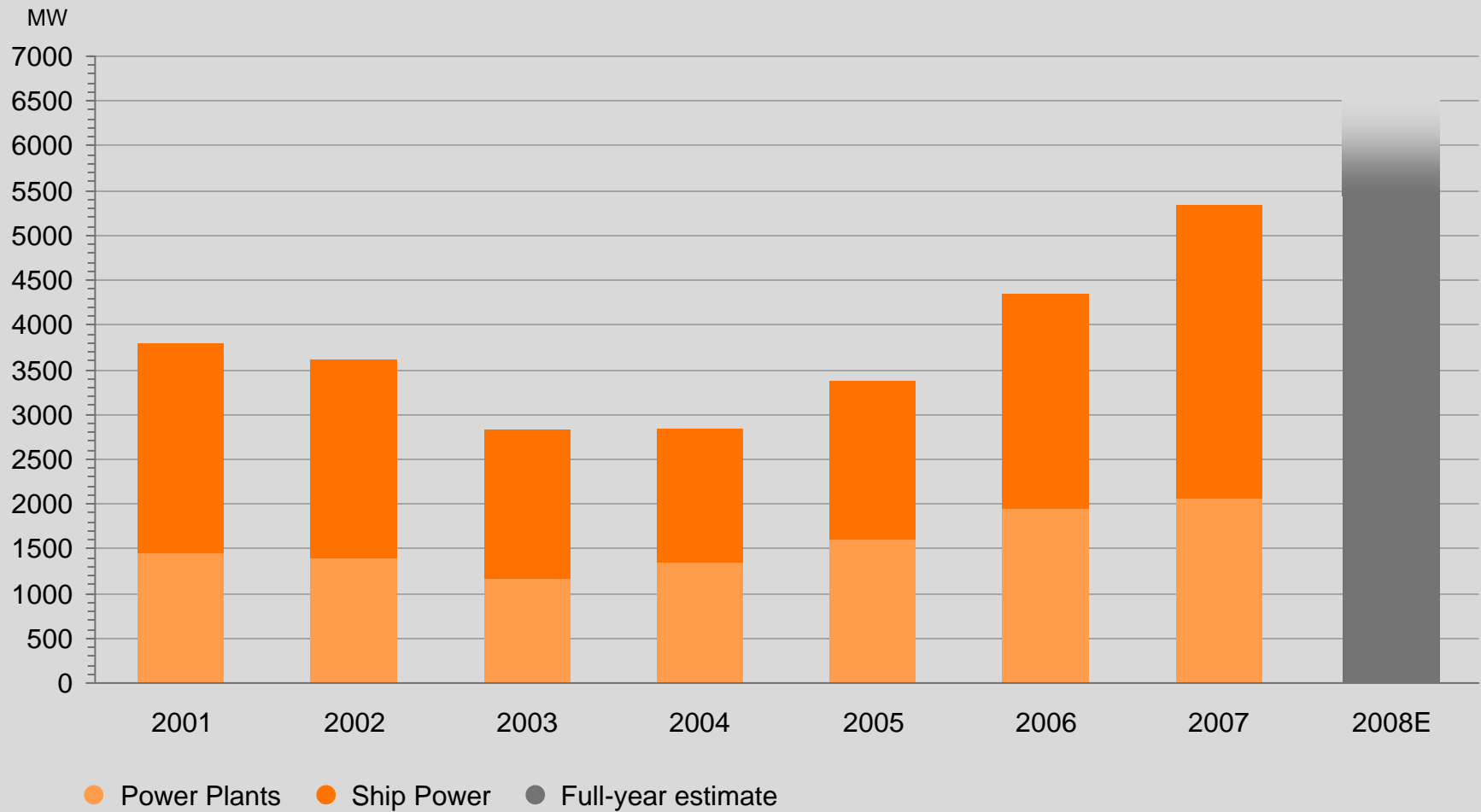
Personnel development



Order book distribution

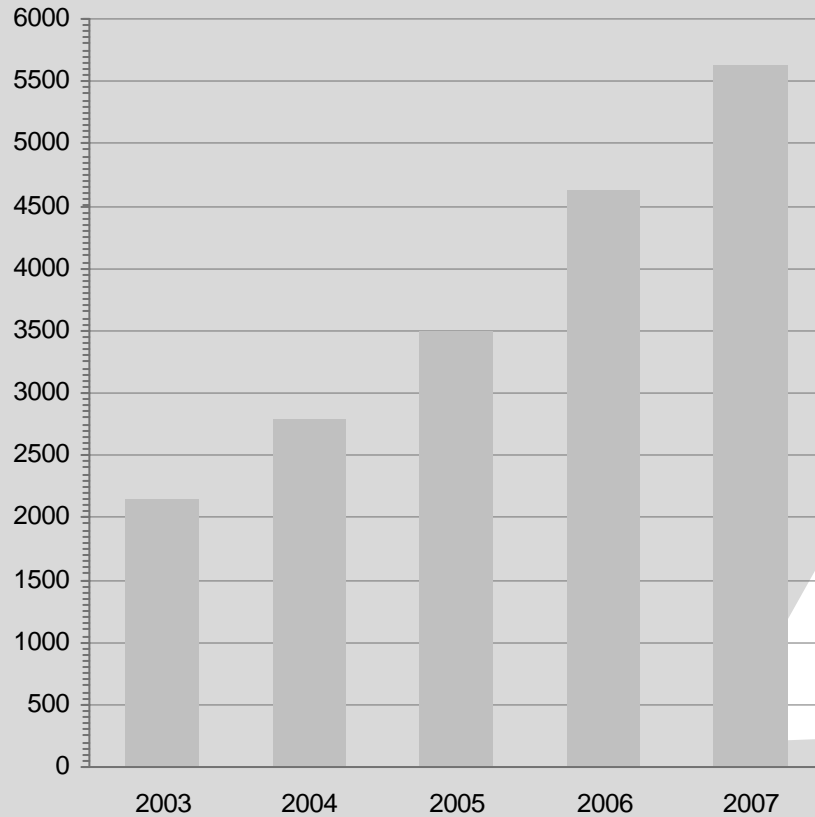


Delivered engine megawatts from own factories

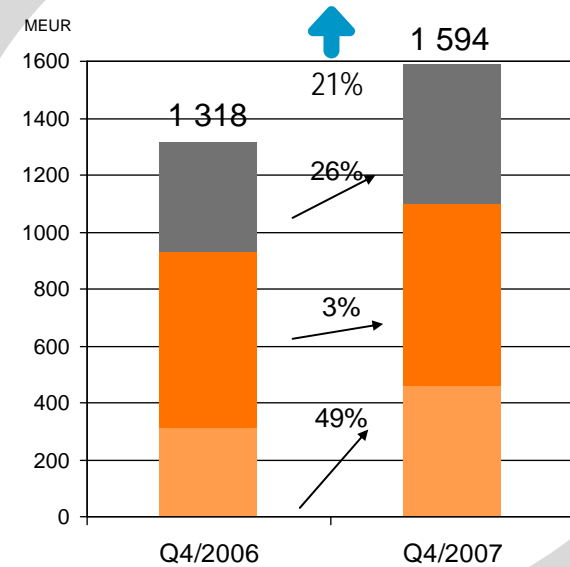


Order intake continued strong

MEUR

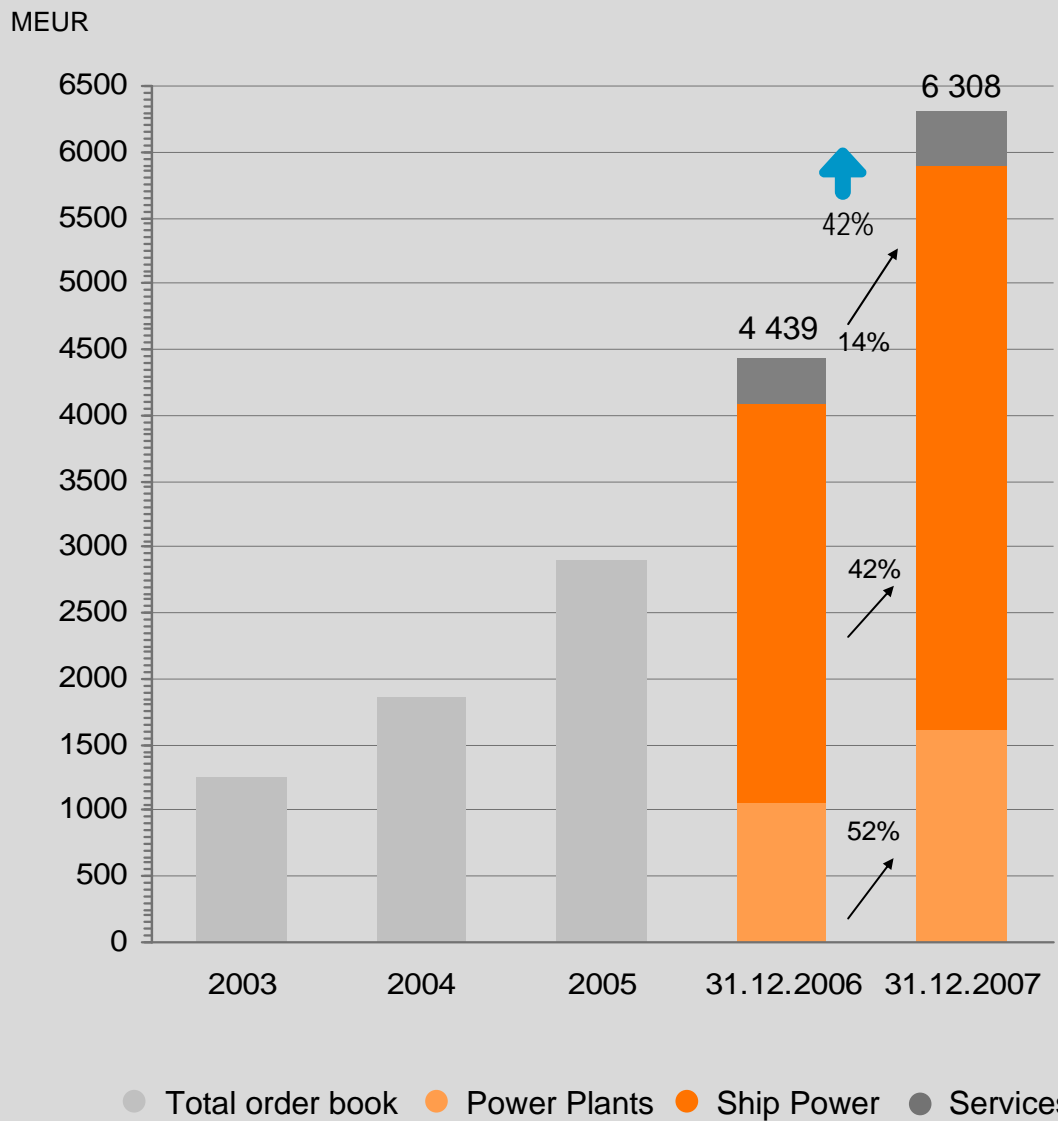


Fourth quarter development

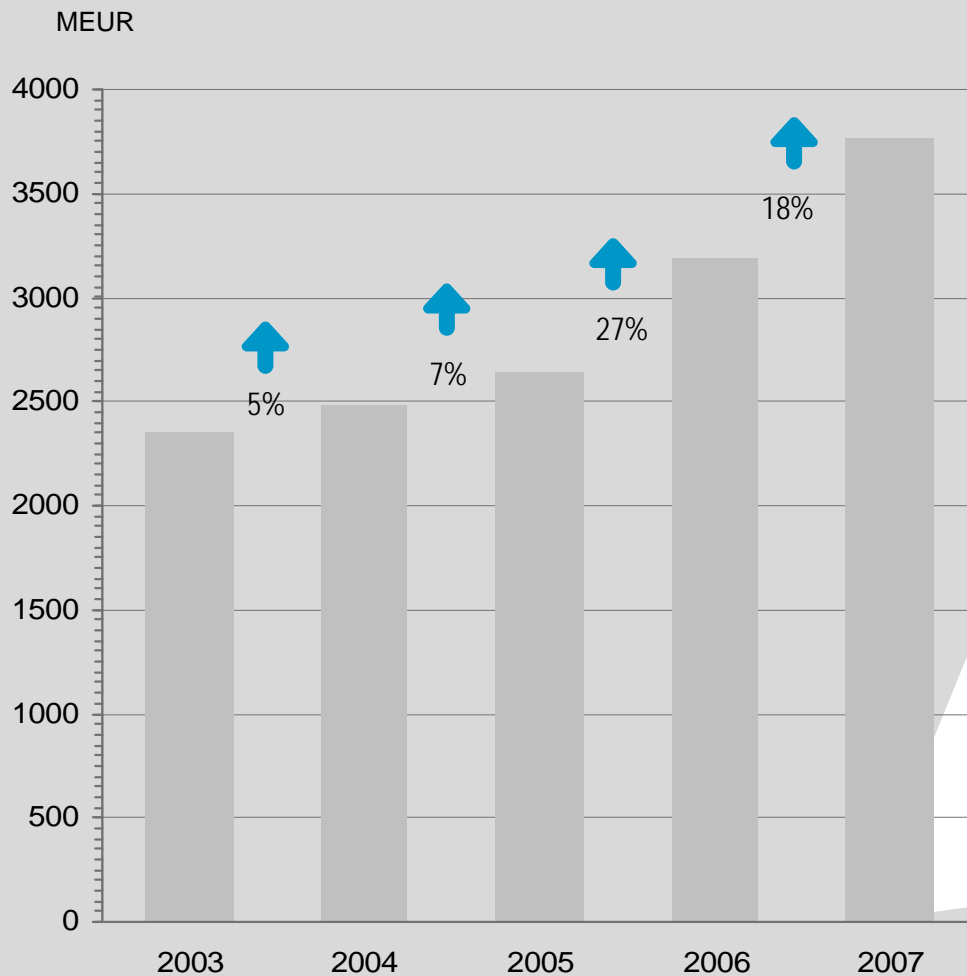


● Total order intake ● Power Plants ● Ship Power ● Services

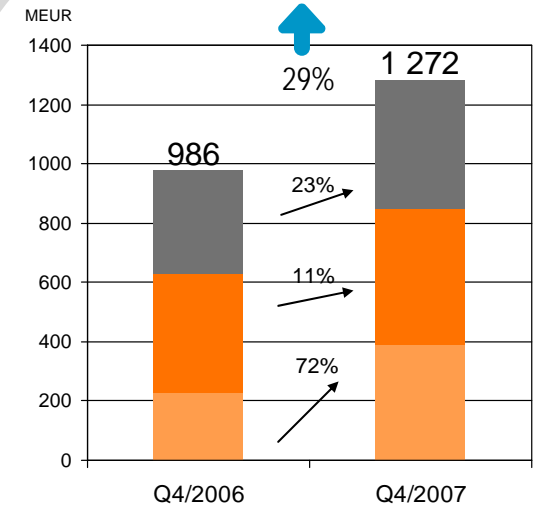
Order book growing



Strong development in net sales

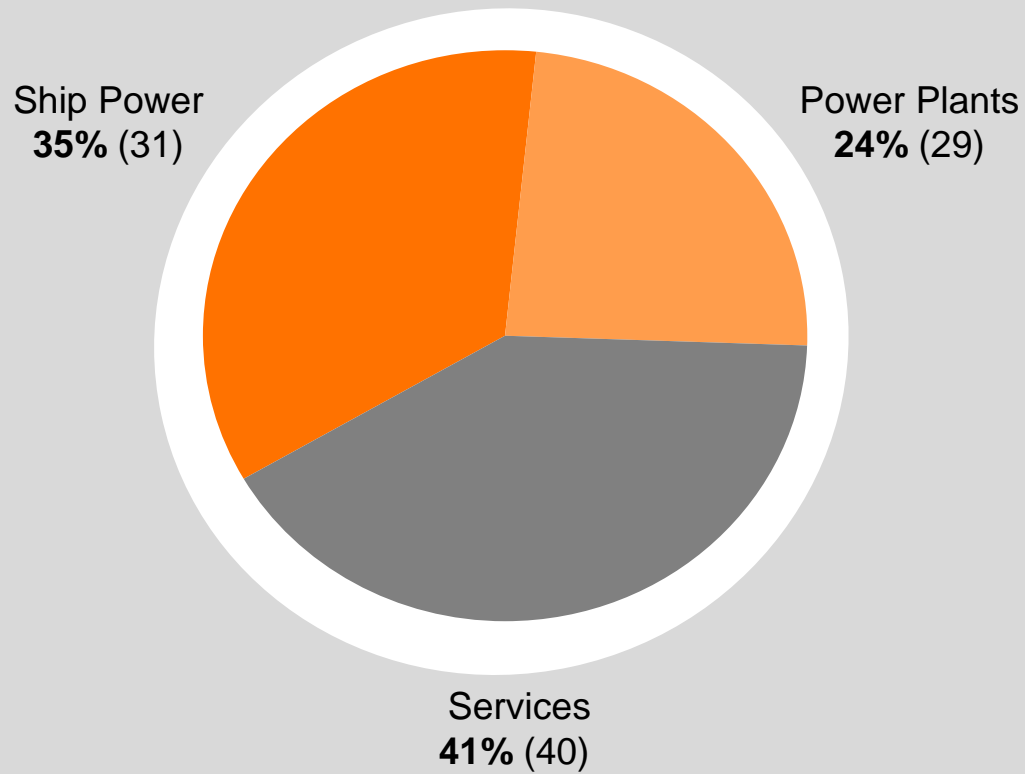


Fourth quarter development

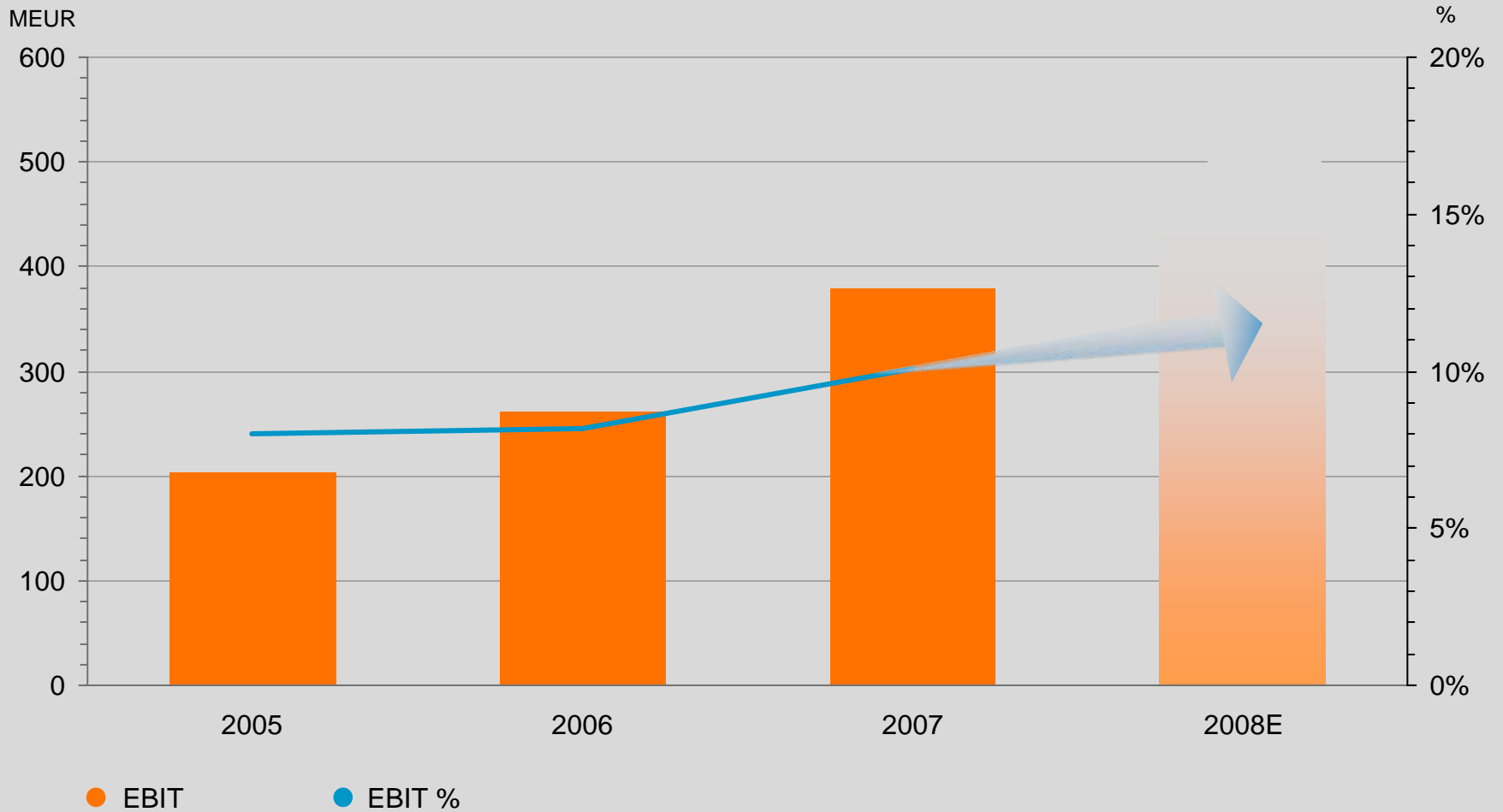


● Total net sales ● Power Plants ● Ship Power ● Services

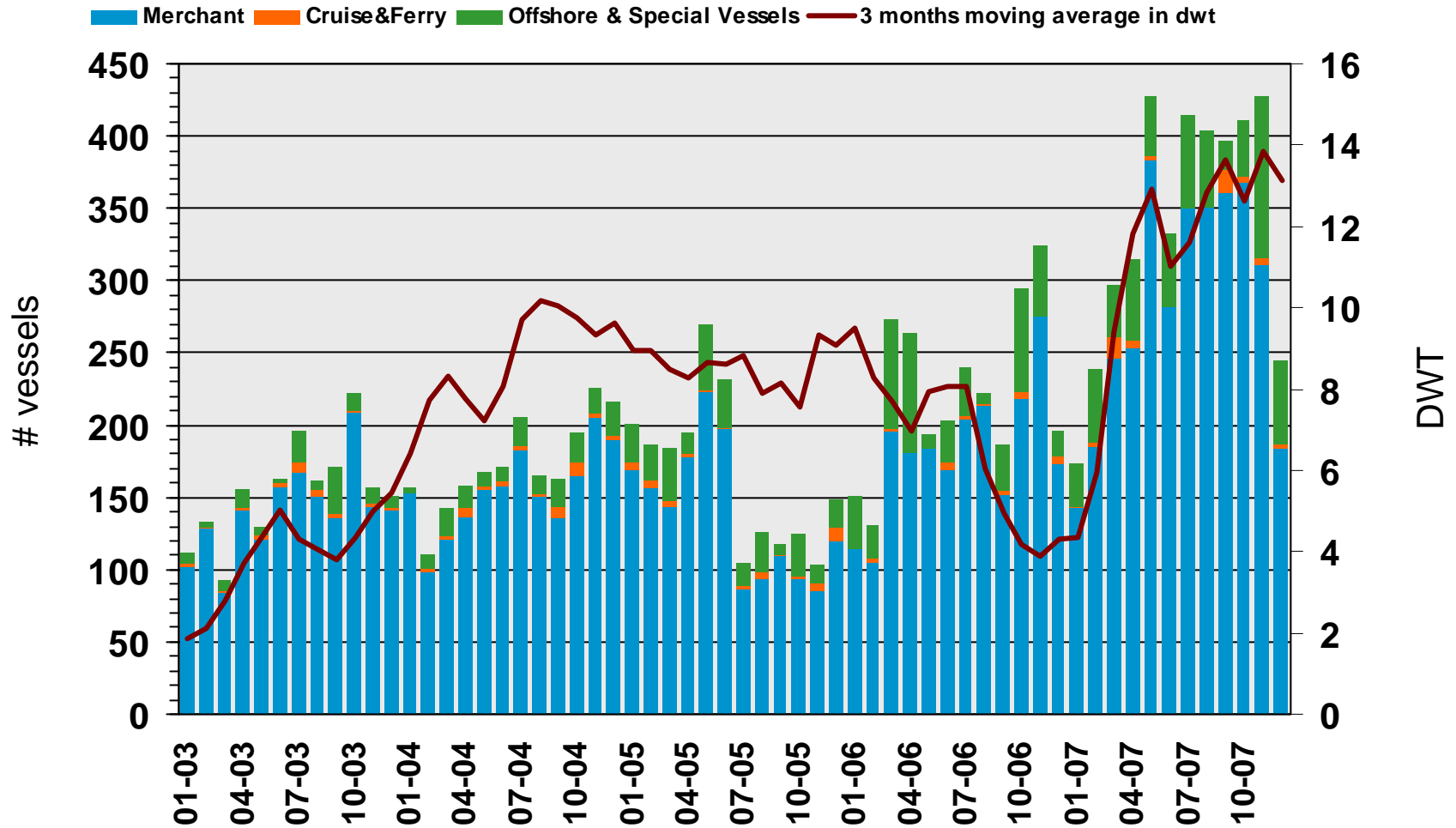
Net sales by business 2007



Improved profitability

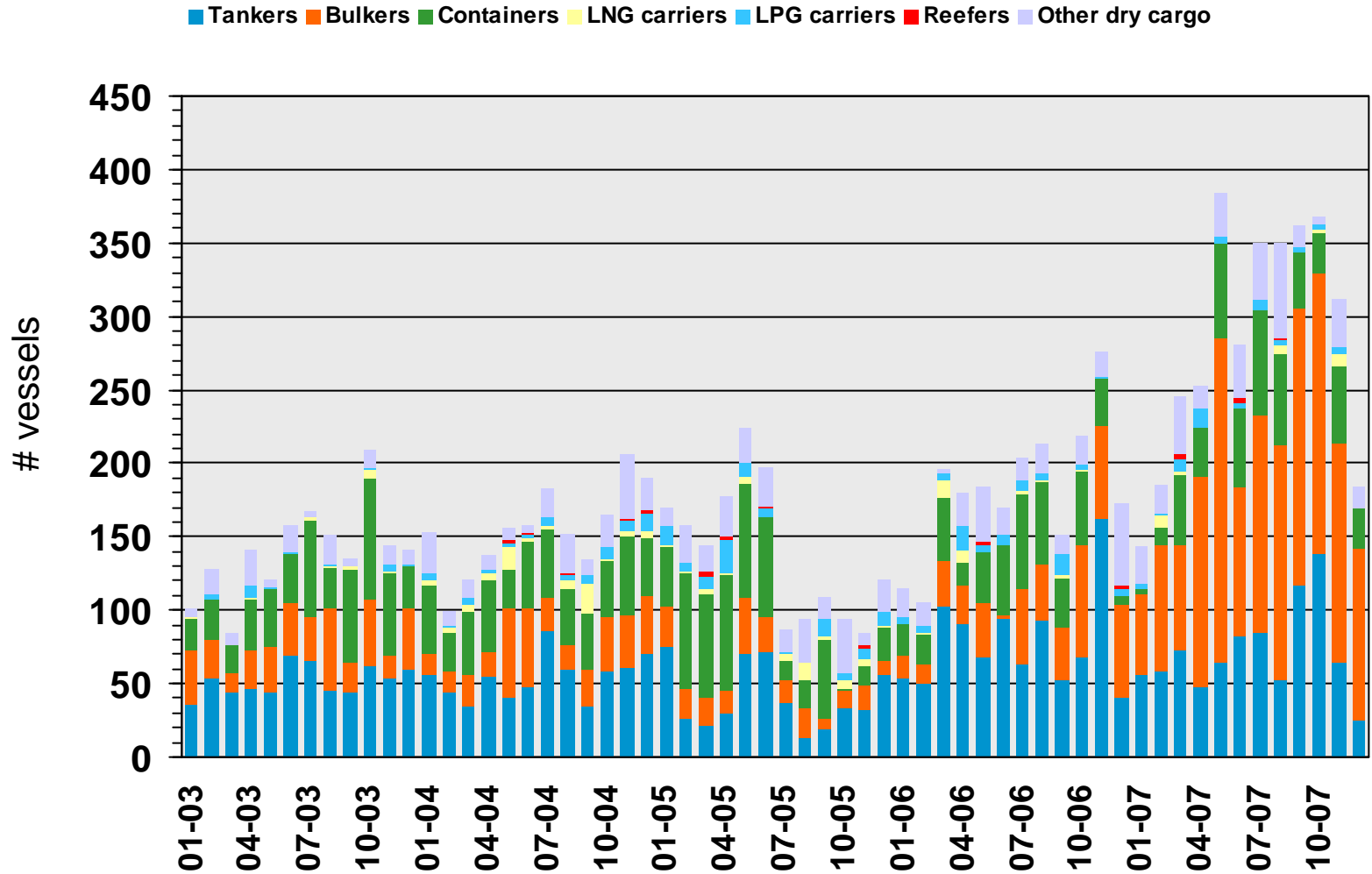


Ship Power market - vessel order development



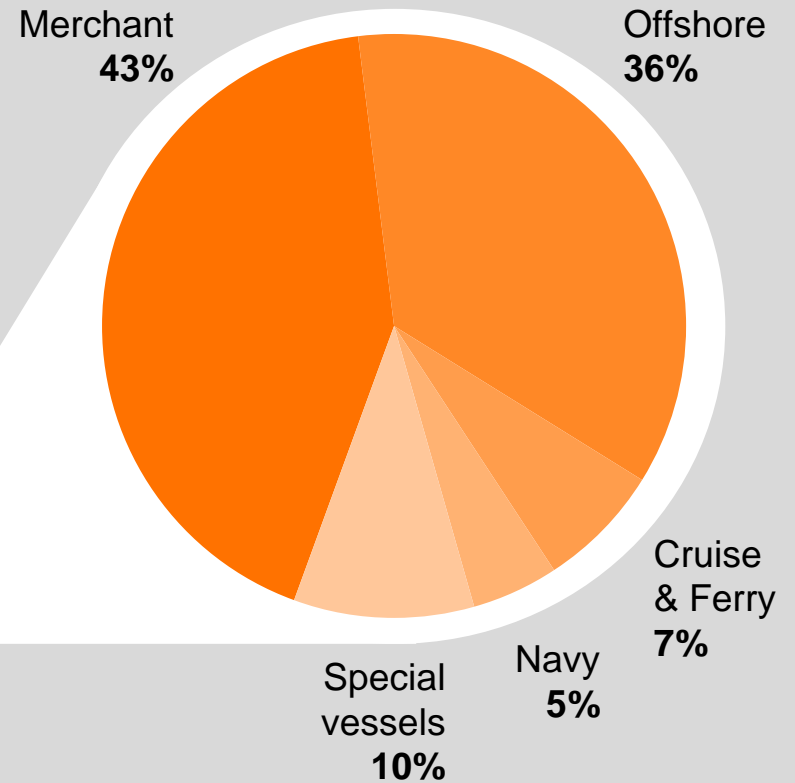
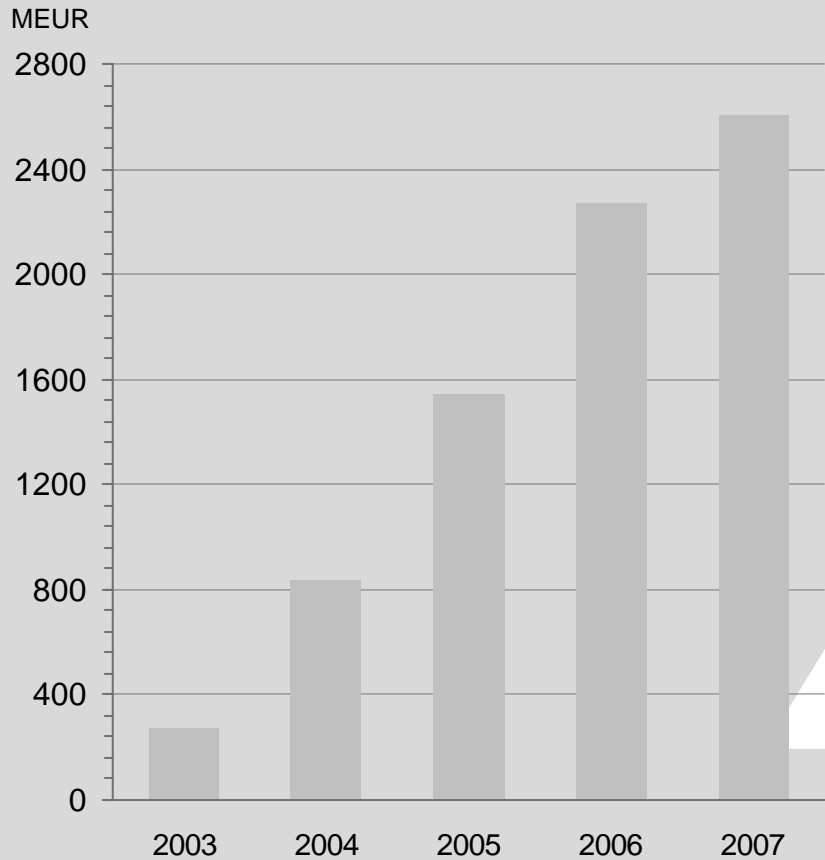
Source data: Clarkson Research Services

Ship Power market - merchant vessel order development



Source data: Clarkson Research Services

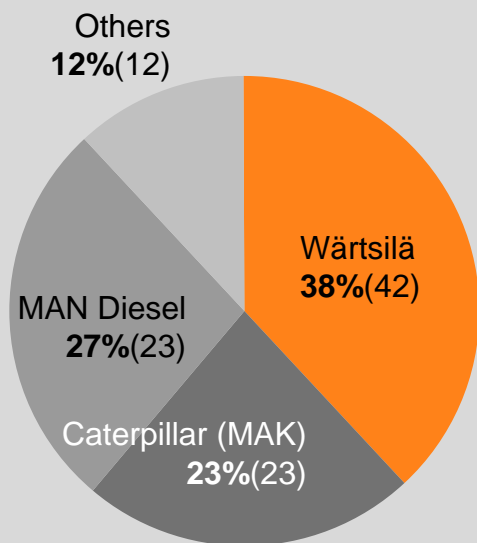
Ship Power - order intake 2007



Ship Power - market development

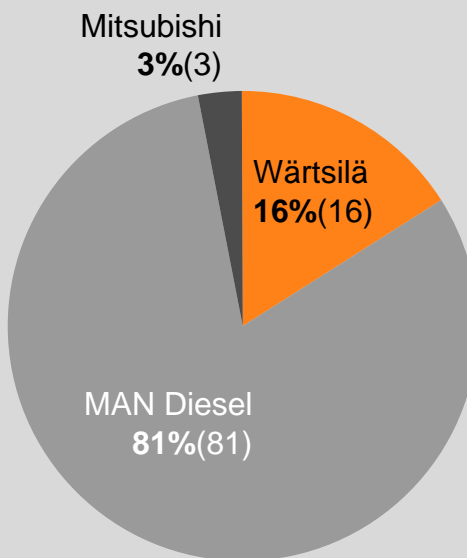
Market position of Wärtsilä's marine engines Q4/2007

Medium-speed main engines



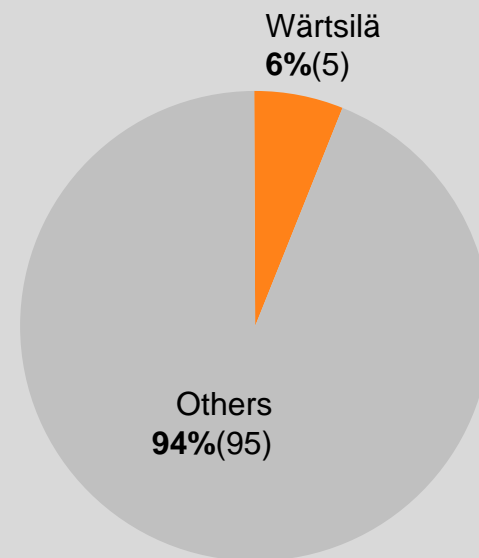
Total market volume last 12 months:
8 800 MW (8 700)

Low-speed main engines



Total market volume last 12 months:
38 100 MW (34 100)

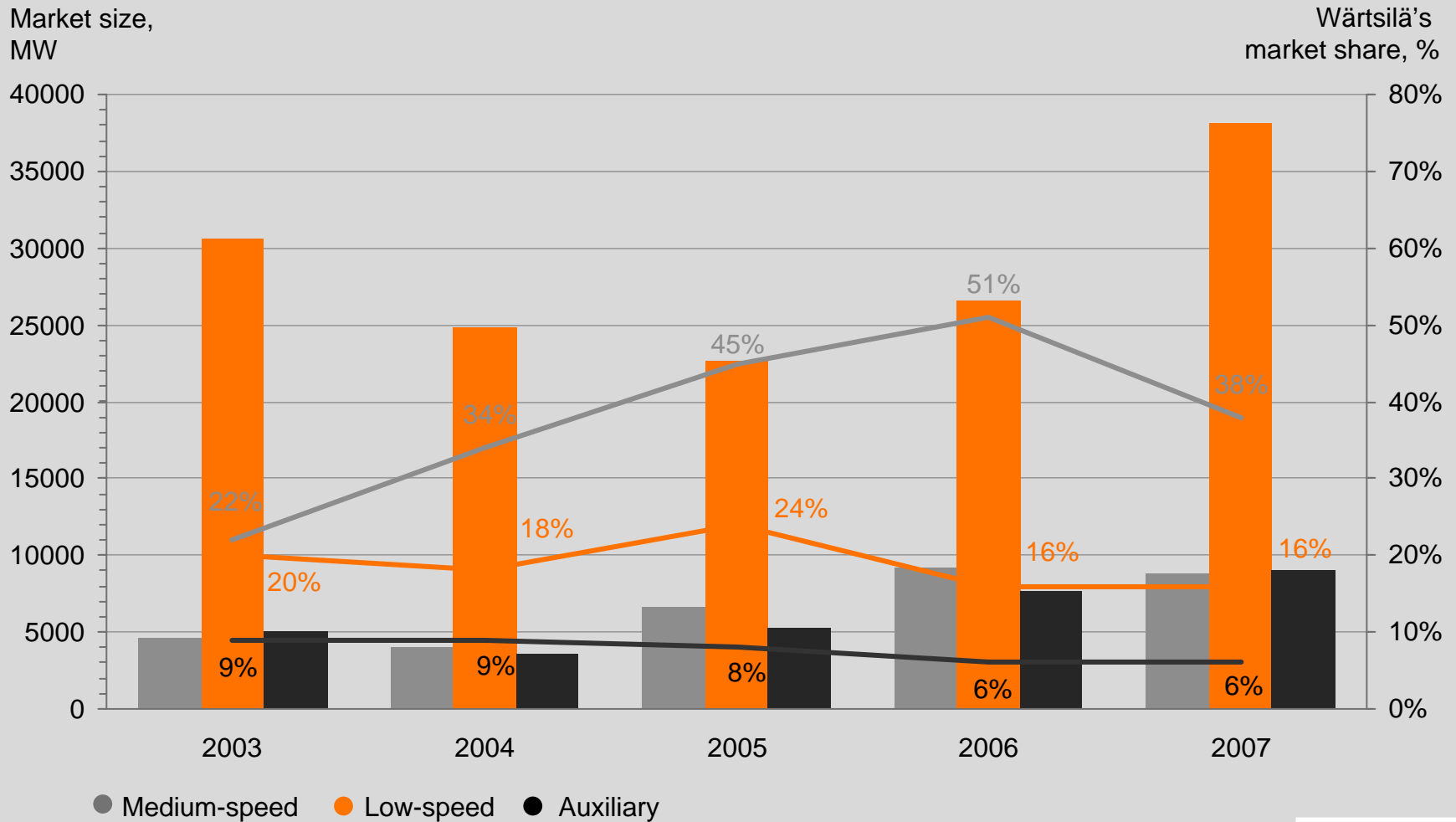
Auxiliary engines



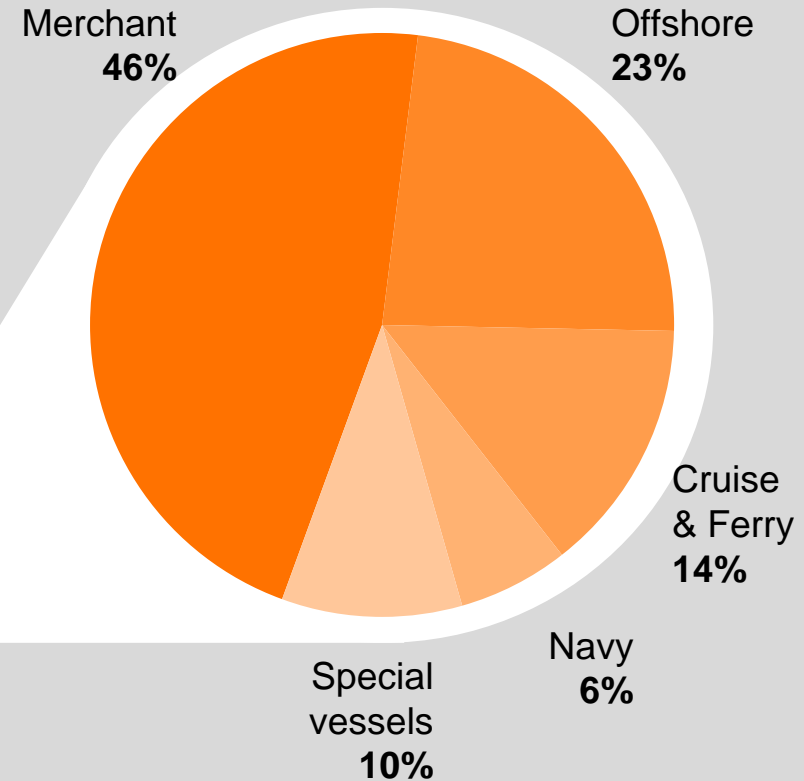
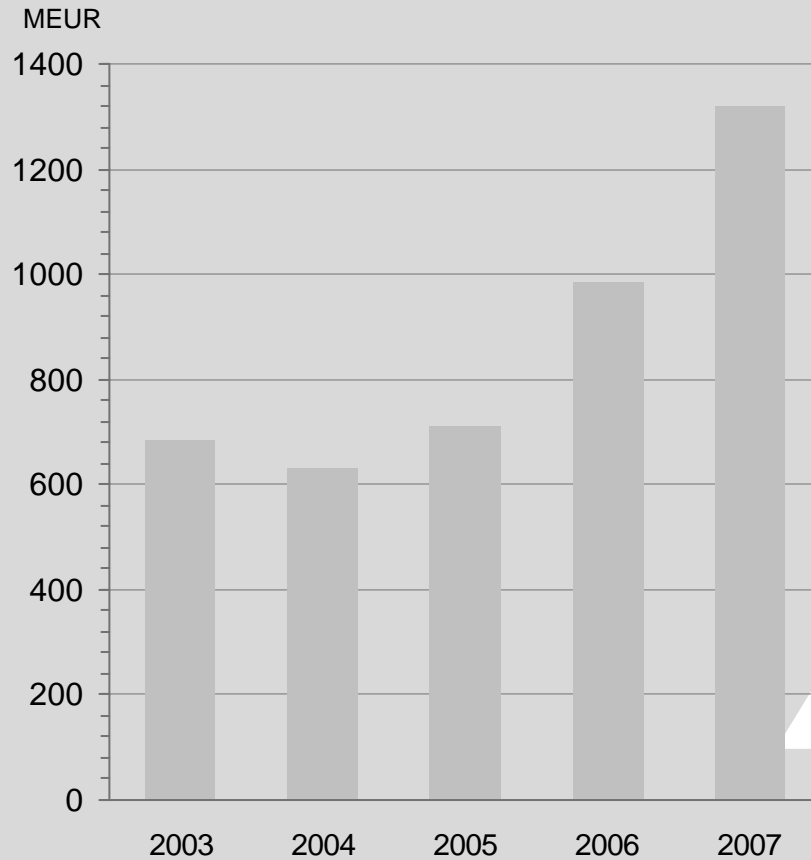
Total market volume last 12 months:
9 000 MW (8 200)

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. The total market is based on the volume of the last 12 months. Numbers in brackets reflect the volume of the last 12 months at the end of the previous quarter.

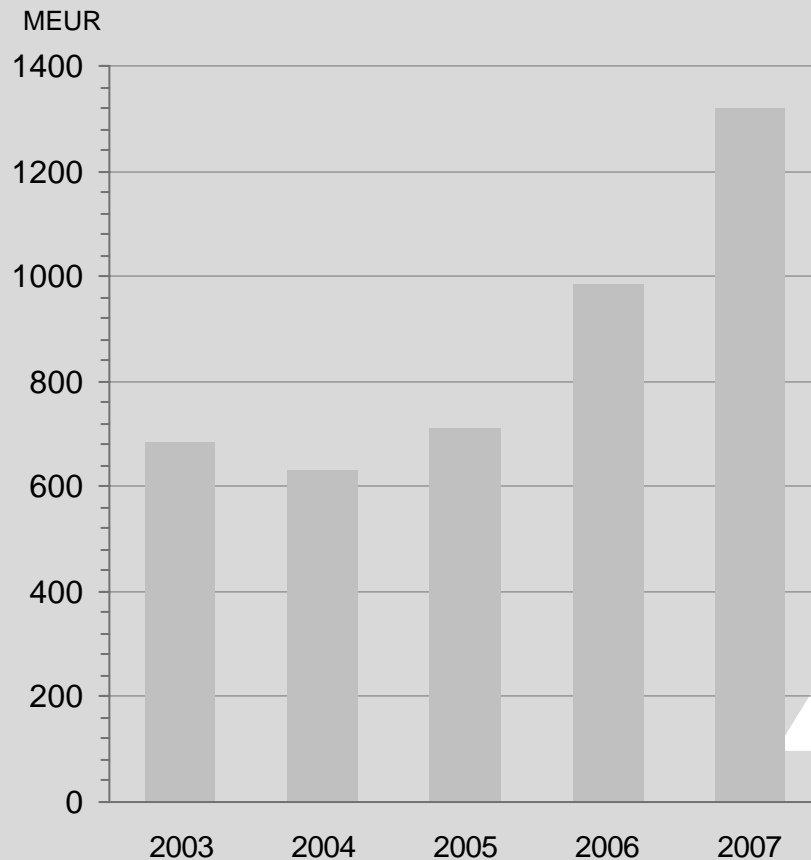
Ship Power - market size & Wärtsilä's market share development



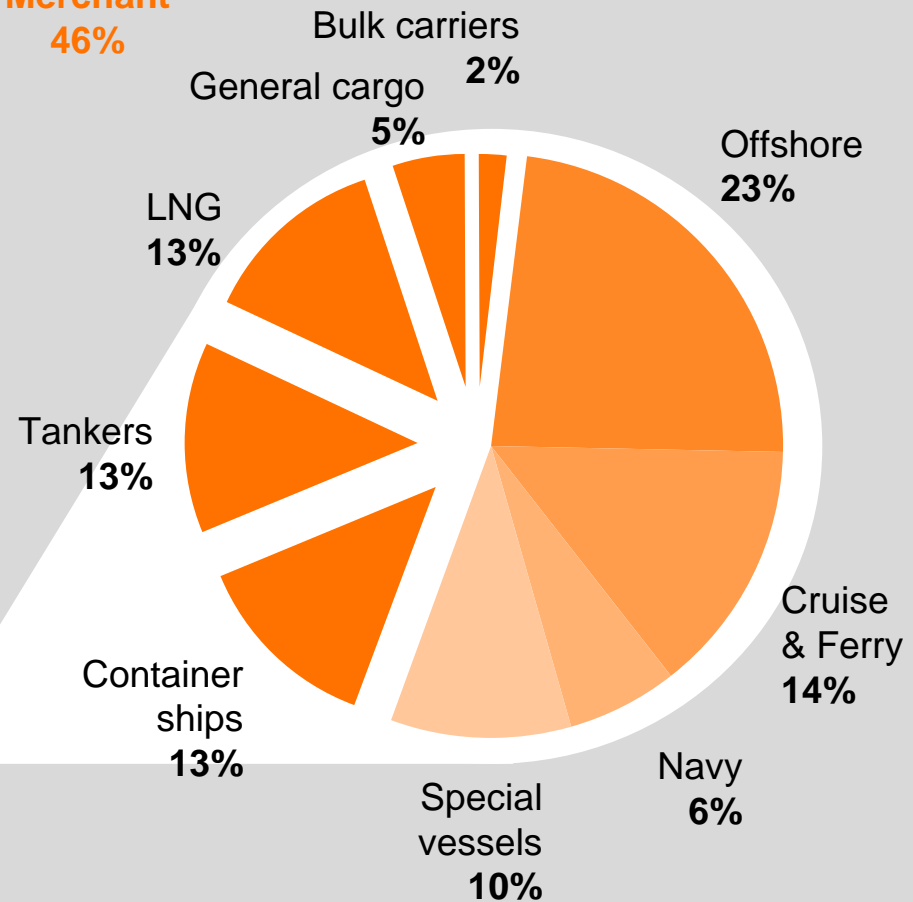
Ship Power - net sales 2007



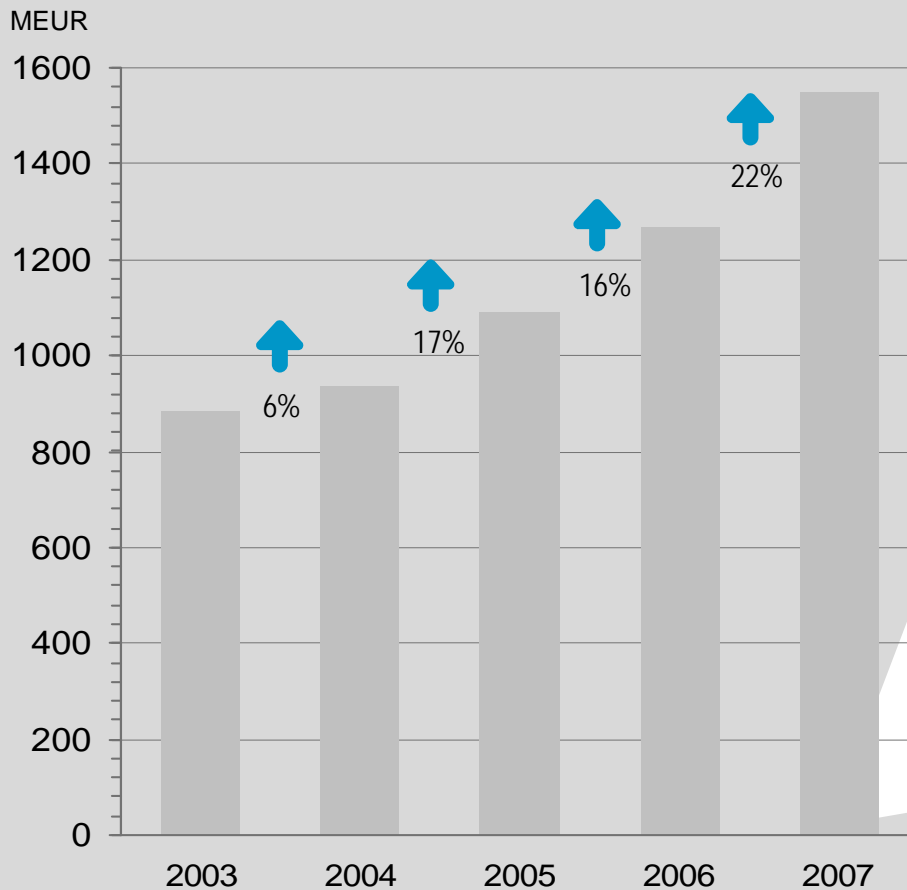
Ship Power - net sales 2007



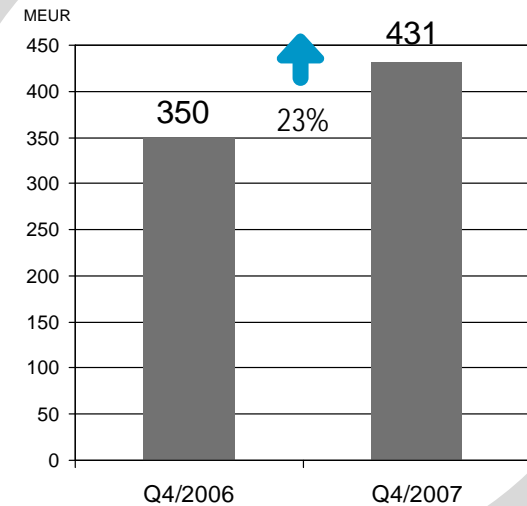
Merchant 46%



Services - solid growth continued



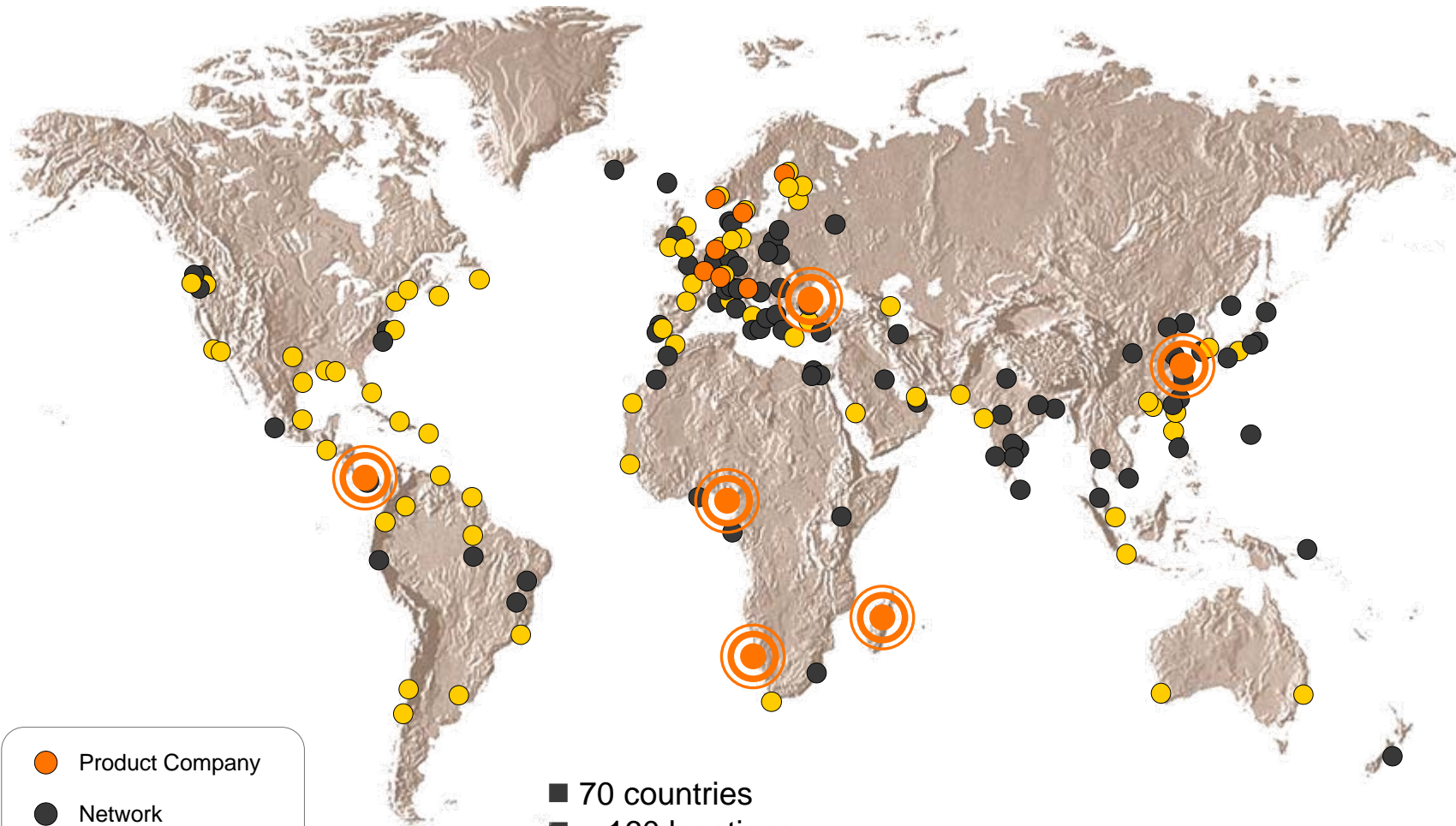
Fourth quarter development



Continuously expanding capabilities



Continuously expanding the own network



● Product Company

● Network

● Workshop

◎ Newest locations

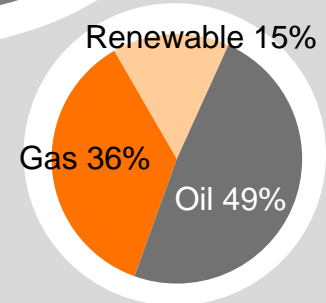
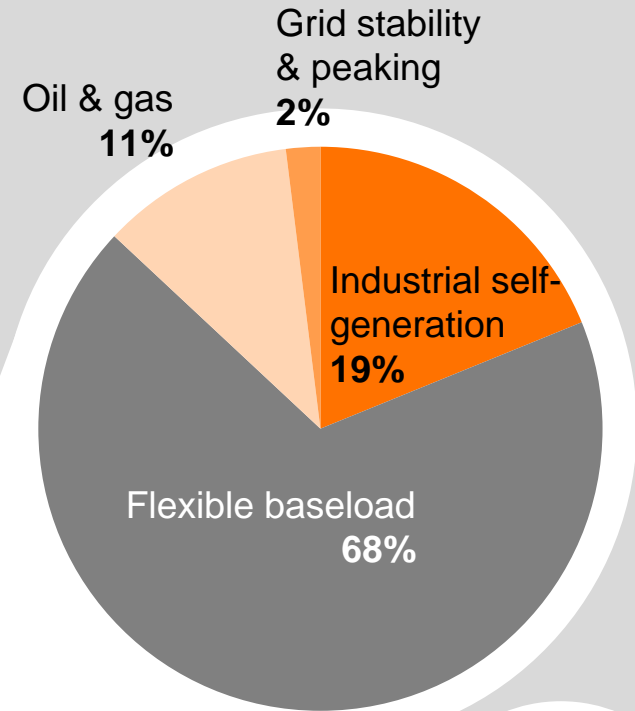
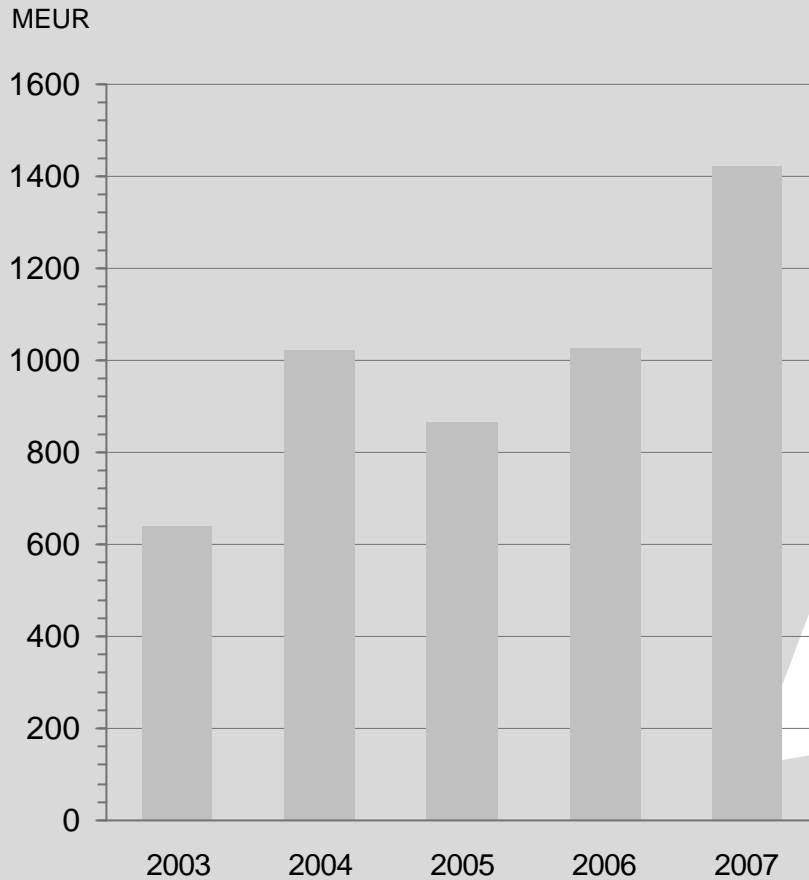
■ 70 countries

■ > 160 locations

■ > 9 300 people

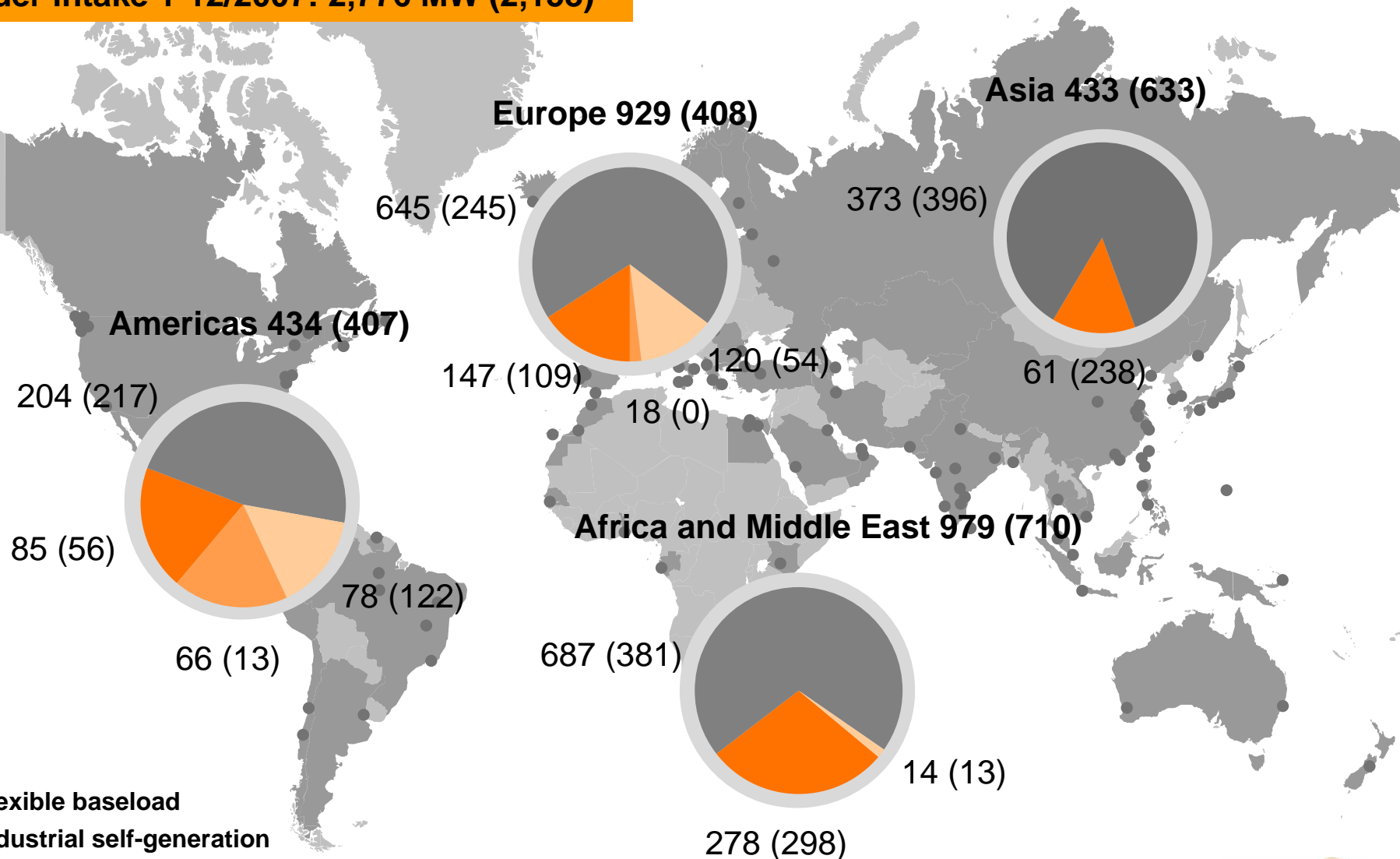
■ ~ 6 000 field service forces

Power Plants - order intake 2007



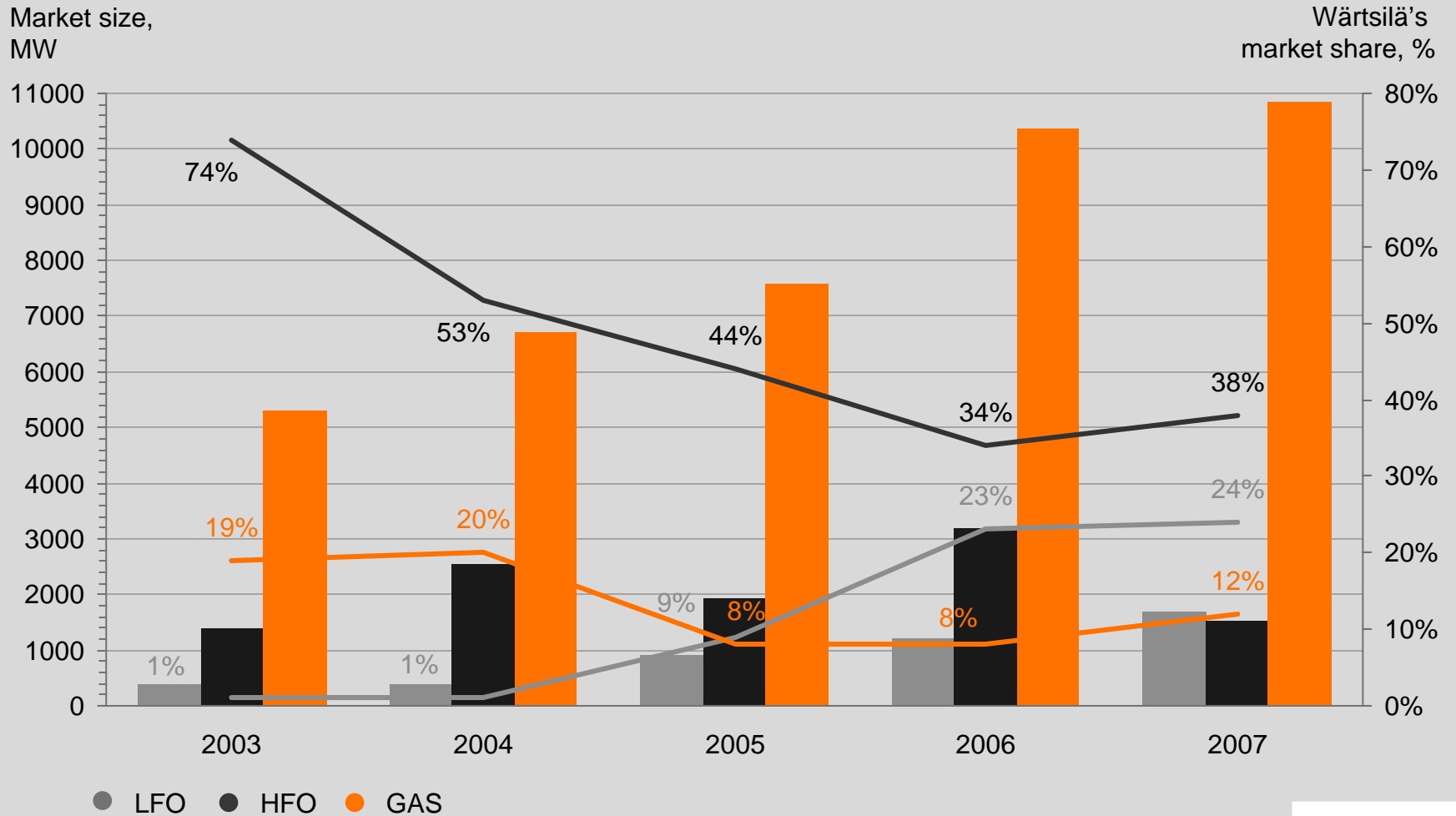
Power Plants - order intake by region

Order intake 1-12/2007: 2,776 MW (2,158)

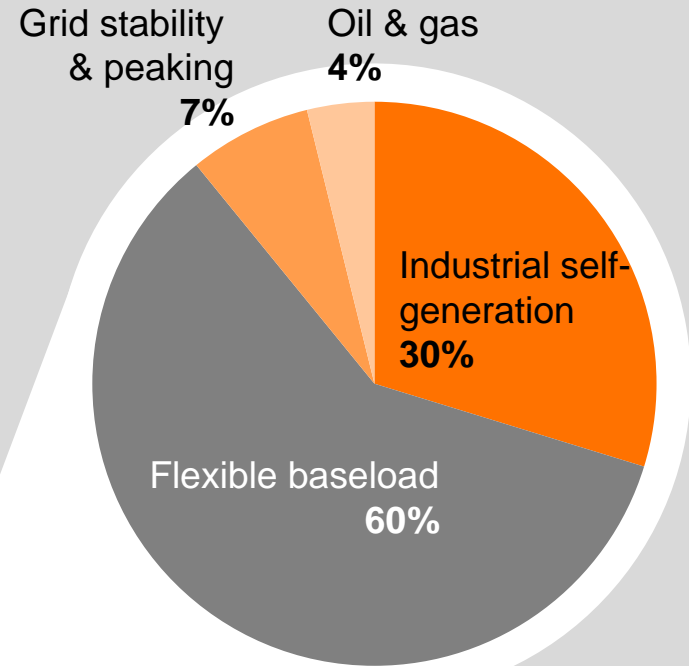
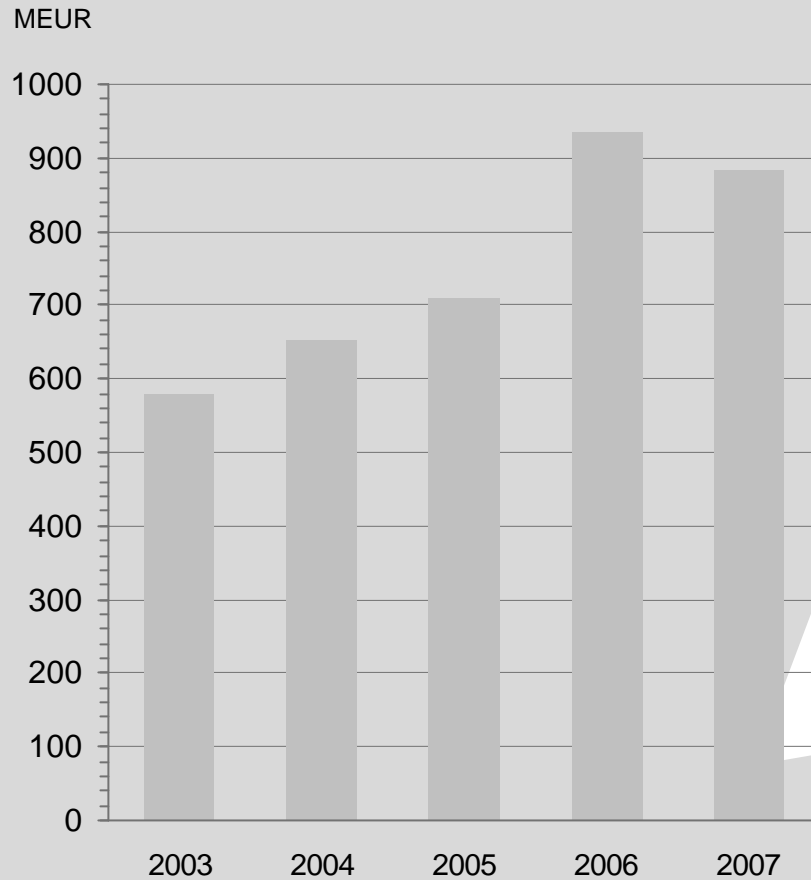


- Flexible baseload
- Industrial self-generation
- Oil & gas
- Grid stability & peaking

Power Plants - market size & Wärtsilä's market share development



Power Plants - net sales 2007



Cash flow



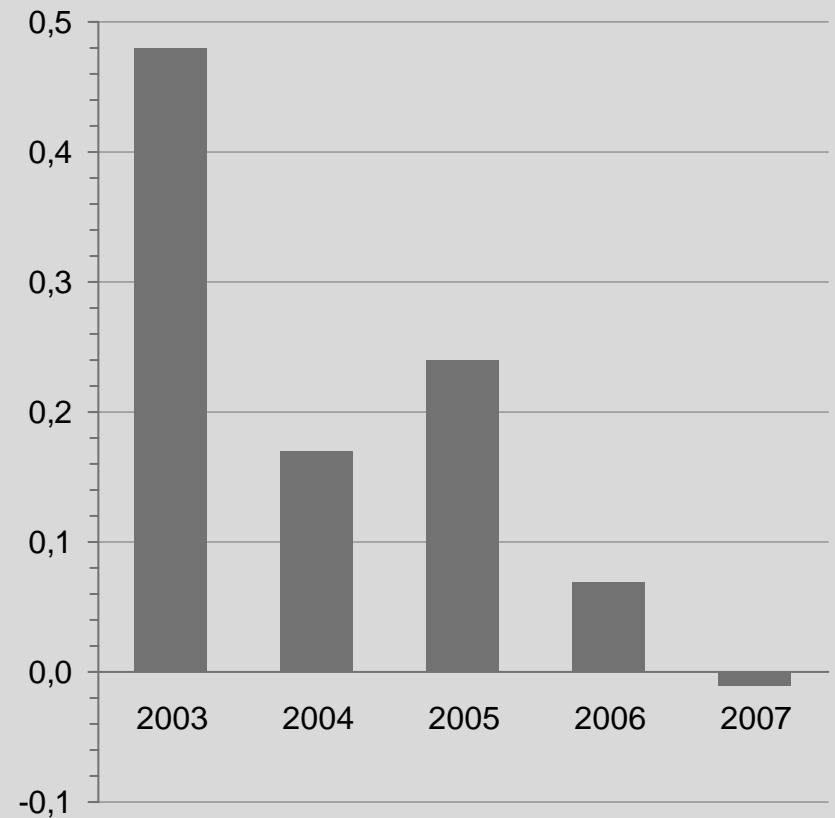
<u>MEUR</u>	<u>2007</u>	<u>2006</u>
Cash flow from operating activities	431	302
Cash flow from investing activities	-214	148
Cash flow from financing activities	-95	-387
Liquid funds at the end of period	296	179

Financial position

Solvency

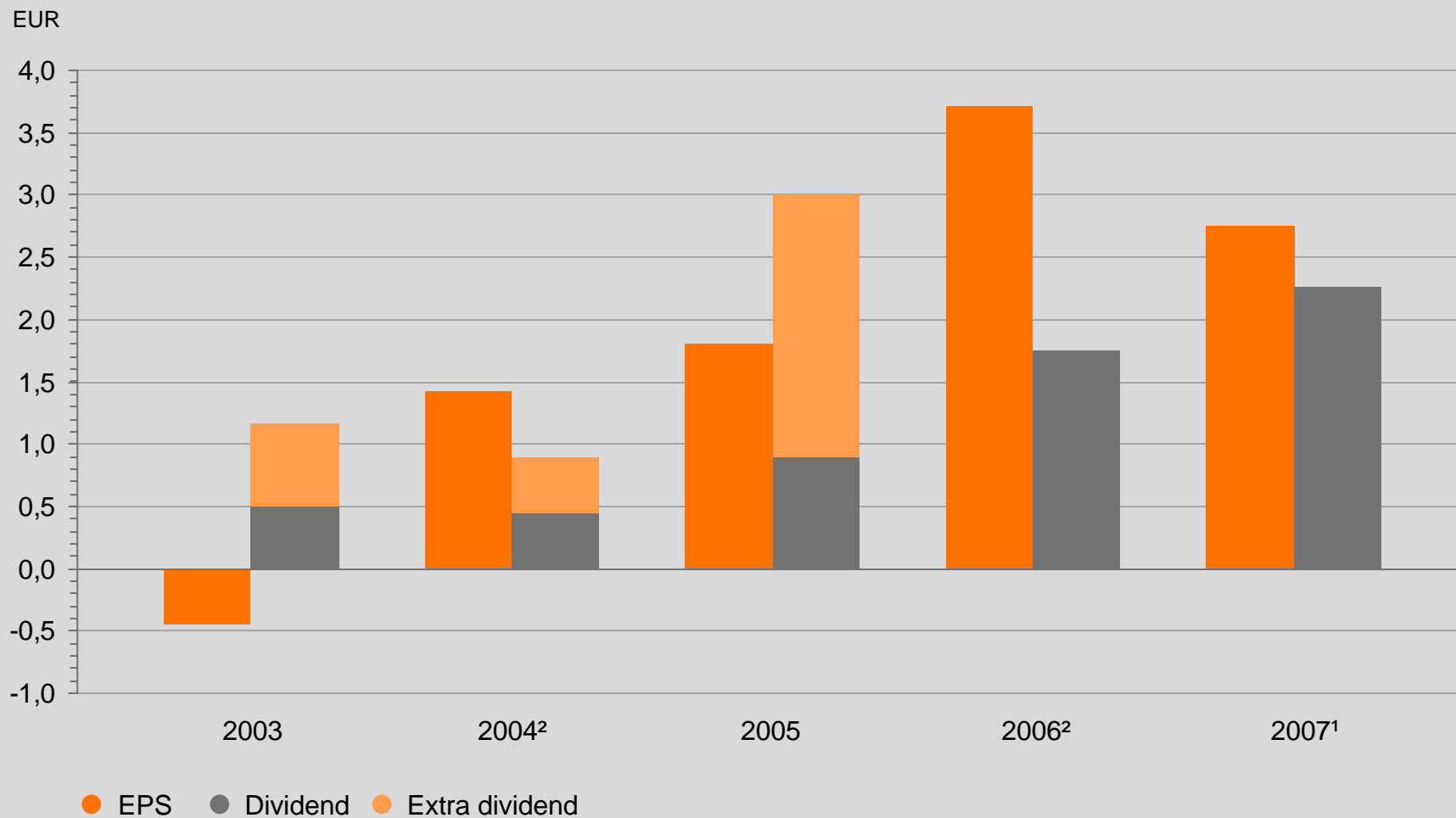


Gearing



NOTE: 2003 according to FAS, 2004-> IFRS
Convertible subordinated debentures treated as equity

EPS and dividend/share



¹ Dividend 2007 - Proposal of the Board

² Includes one-off capital gains; Assa Abloy & Ovako



Market activity to continue solid during the first half of 2008

- In Ship Power some slowdown might be seen at the end of the spring
- Activity in the Power Plant market to continue very strong
- Wärtsilä continues to work at capacity

Wärtsilä's prospects



- Based on the strong order book, Wärtsilä's net sales are expected to grow by about 25% in 2008
- Profitability will exceed 11%
- Wärtsilä's profitability varies considerably from one quarter to another. This pattern will repeat itself during the current year. The first quarter is likely to be the weakest and the last quarter the best.



WÄRTSILÄ