

WÄRTSILÄ CORPORATION

2009 RESULT PRESENTATION

OLE JOHANSSON, PRESIDENT & CEO

28 JANUARY 2010

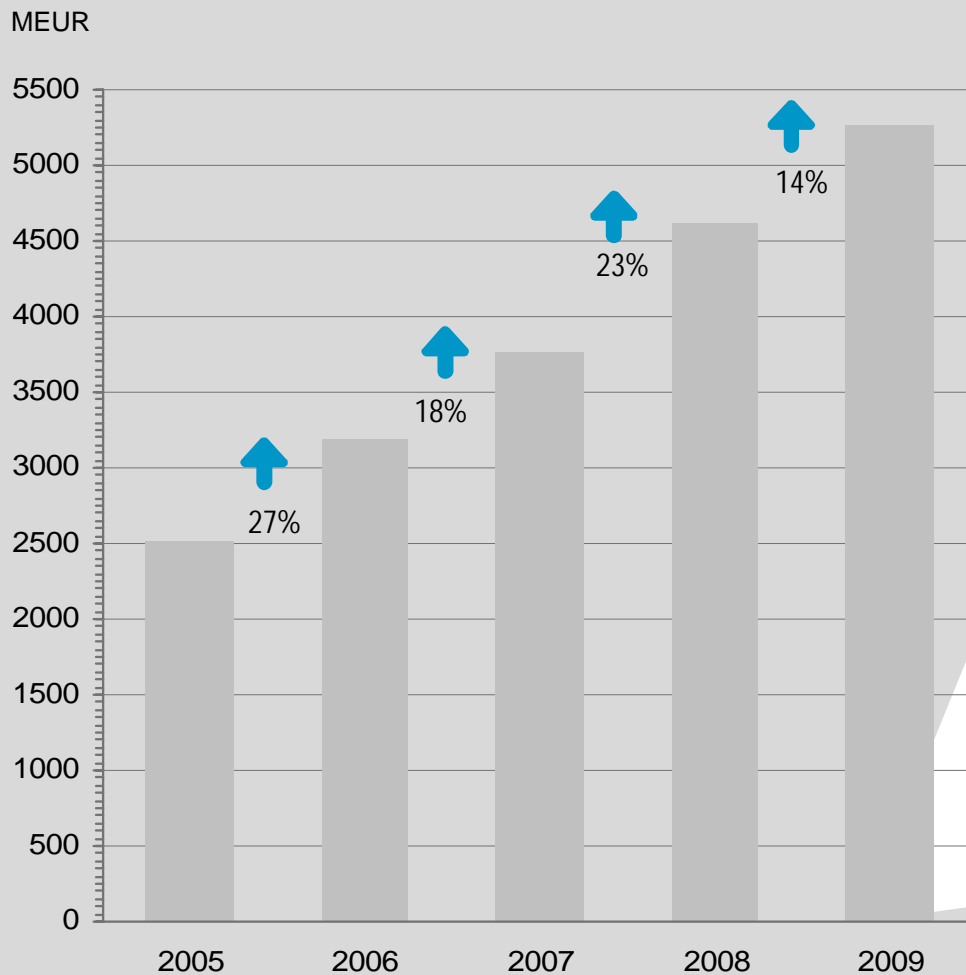
2009 – all time high net sales and operating income, strong cash flow



- Net sales +14%, EUR 5,260 million
- Operating income (before non-recurring items) at all time high, EUR 638 million, 12,1% of net sales
- Order intake EUR 3,291 million (-41%). Measures initiated to reduce capacity
- EPS EUR 4.30* euros (3.88)
- Dividend proposal 1.75 euros per share (1.50)

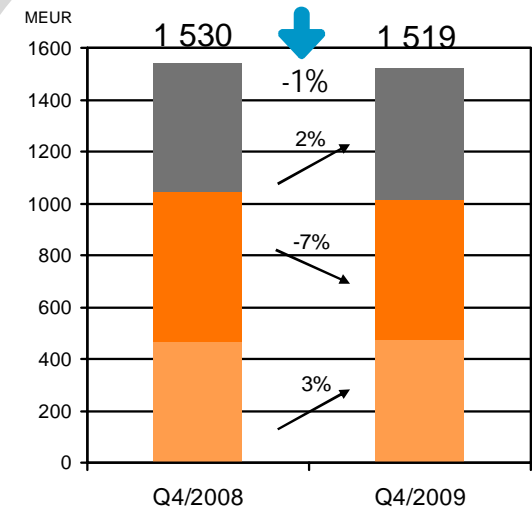
* Earnings/share excluding nonrecurring items (EPS including nonrecurring items 3.94 euros)

Strong sales growth

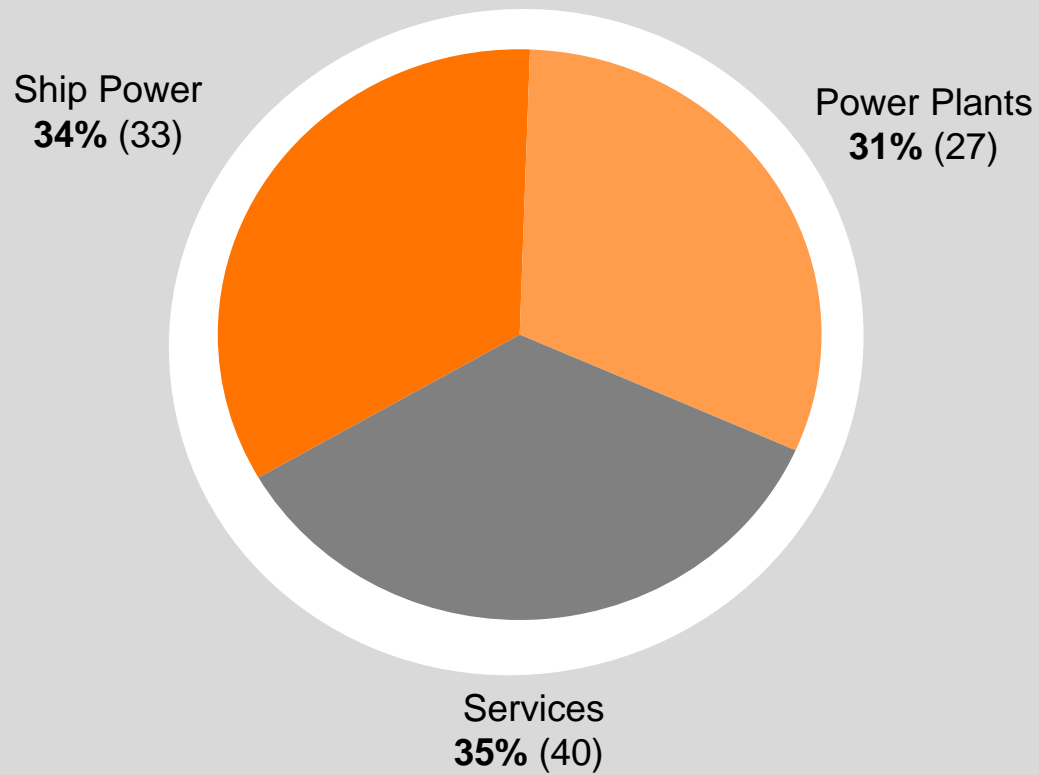


● Net sales ● Power Plants ● Ship Power ● Services

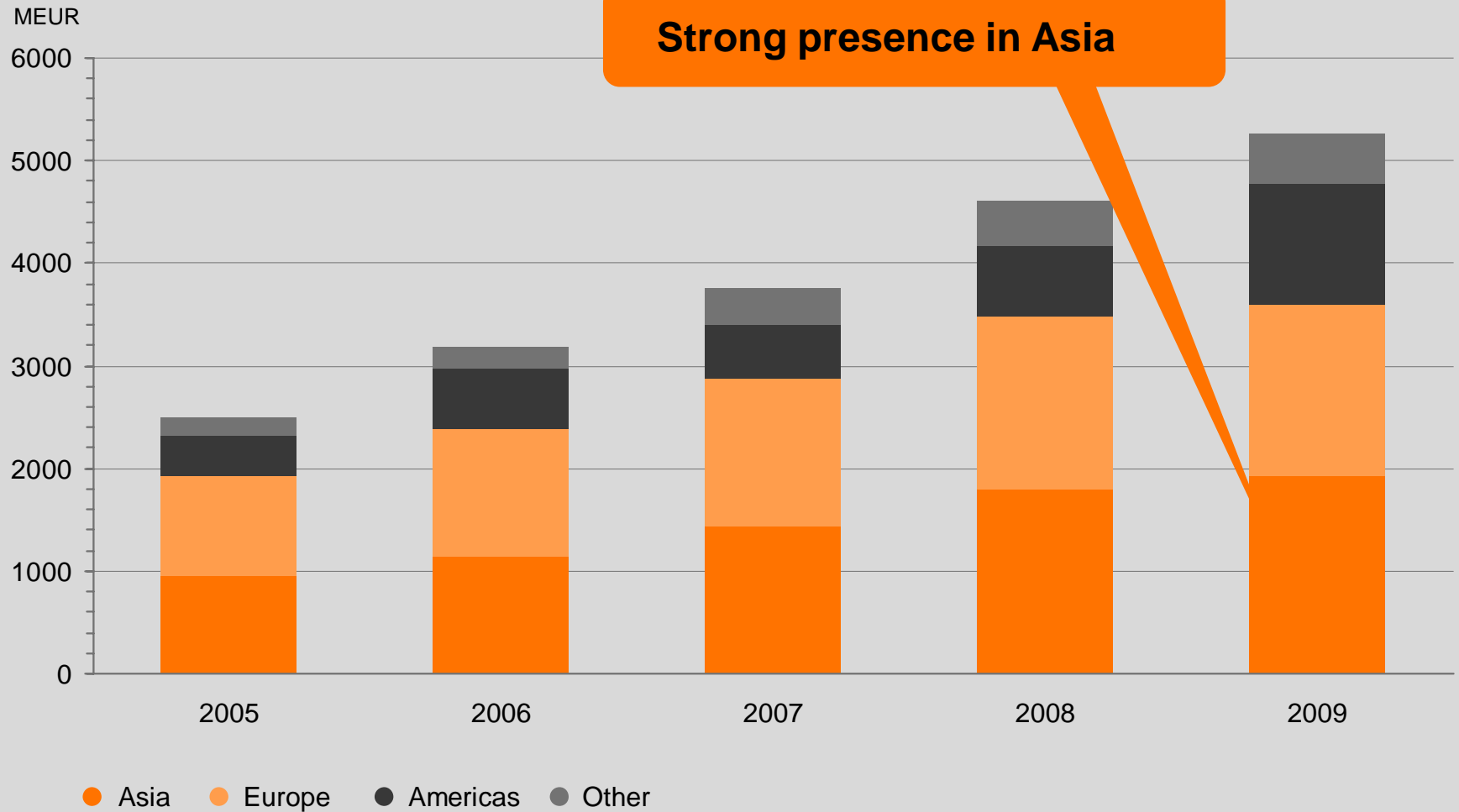
Fourth quarter development



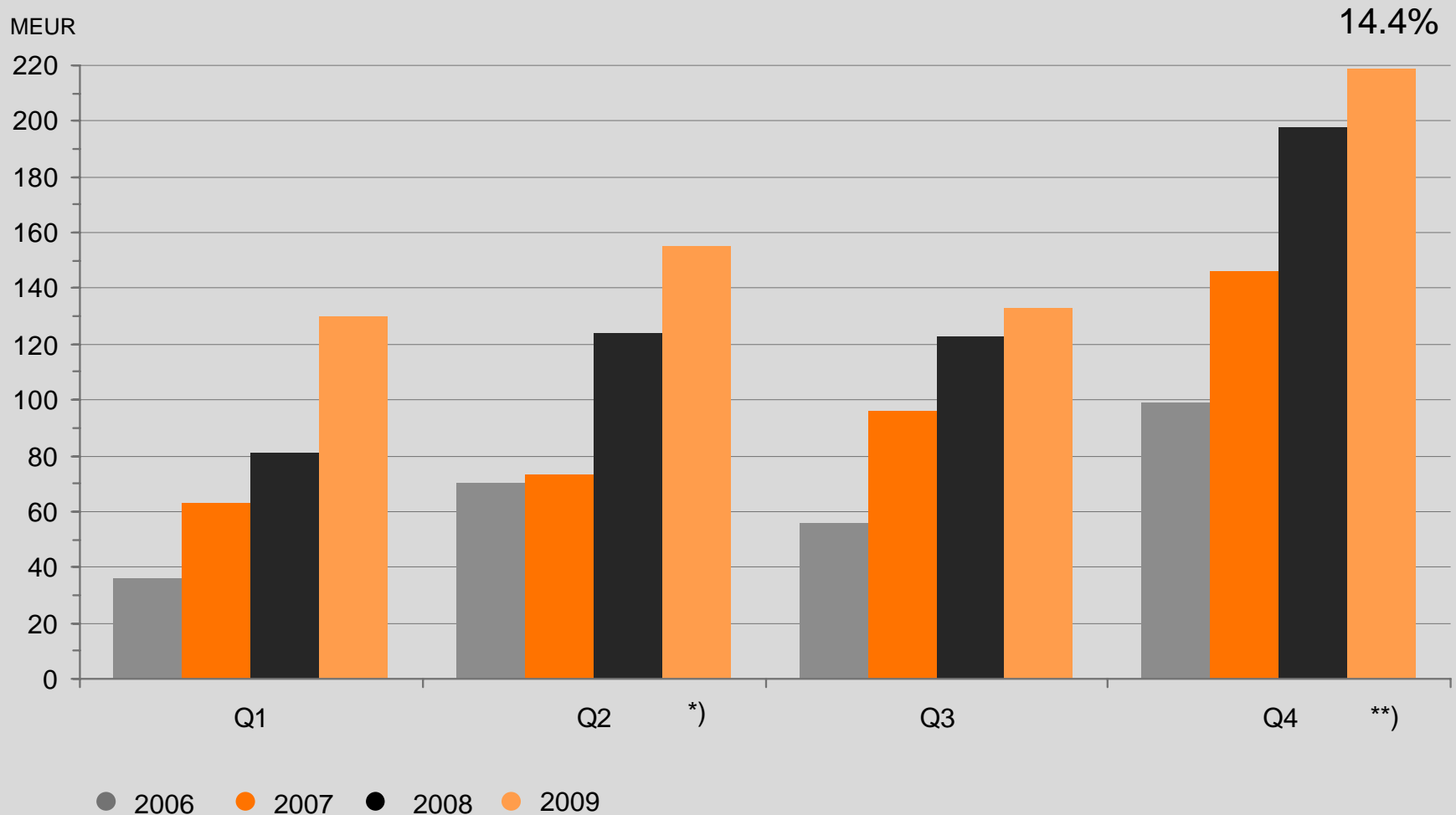
Net sales by business 2009



Net sales by market area



Operating profit at all time high

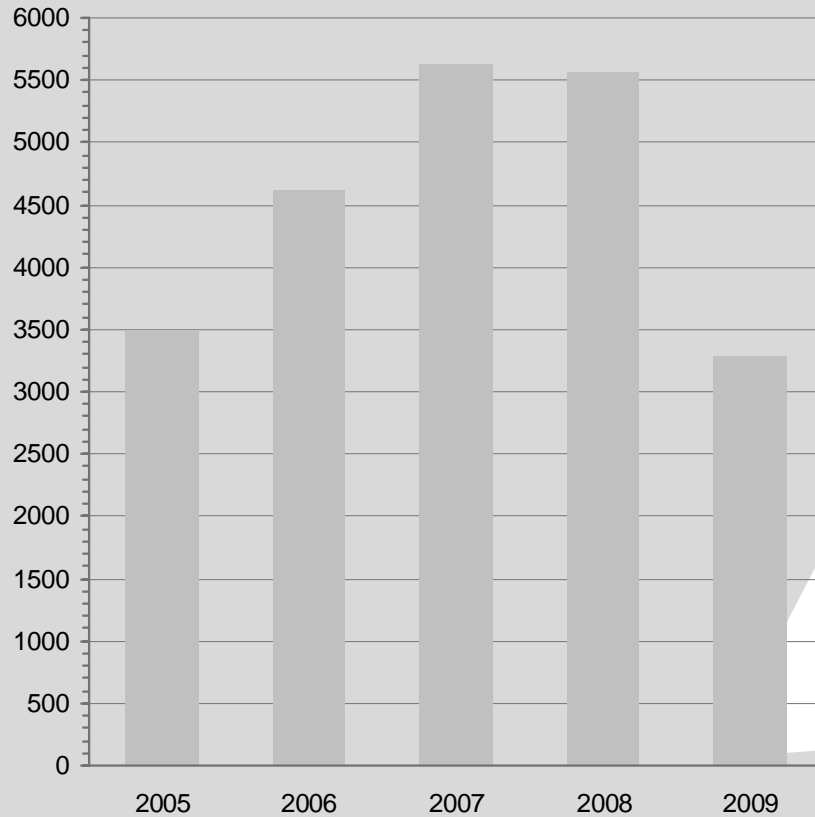


*) Operating result before EUR 6 million nonrecurring restructuring items

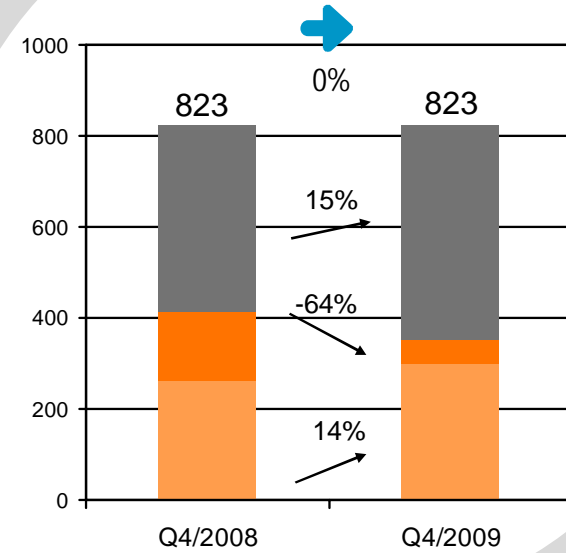
***) Operating result before EUR 40 million nonrecurring items

Order intake

MEUR

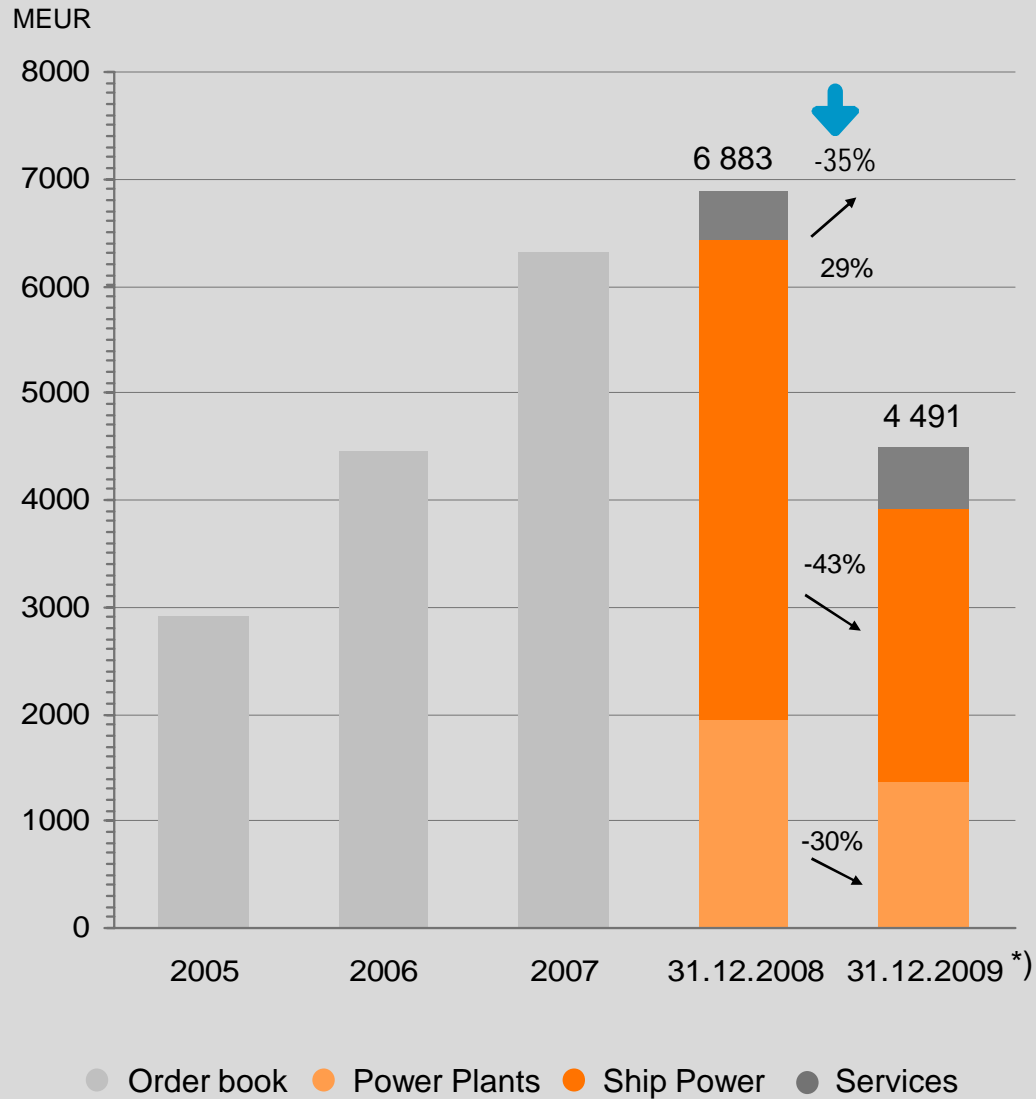


Fourth quarter development



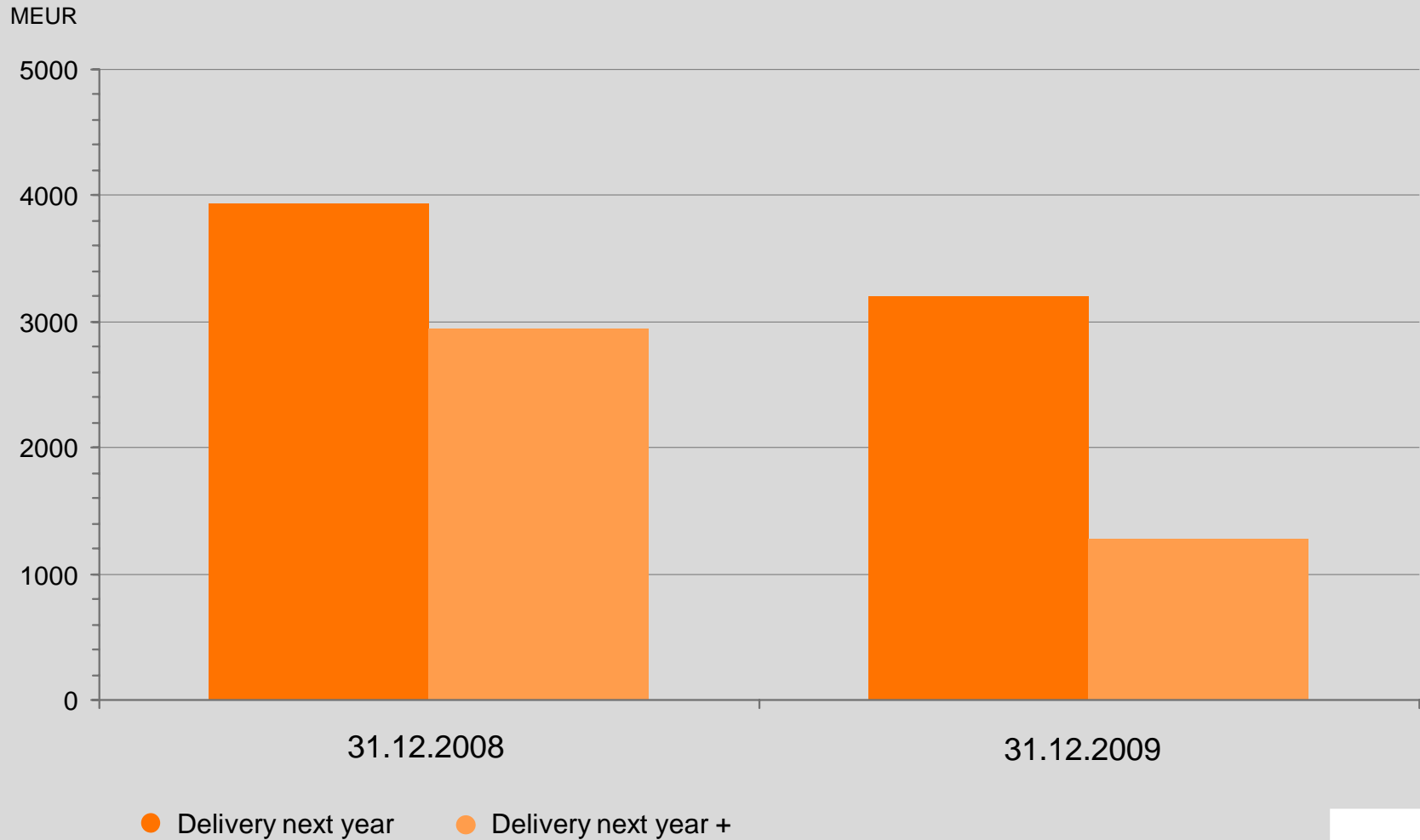
● Order intake ● Power Plants ● Ship Power ● Services

Order book

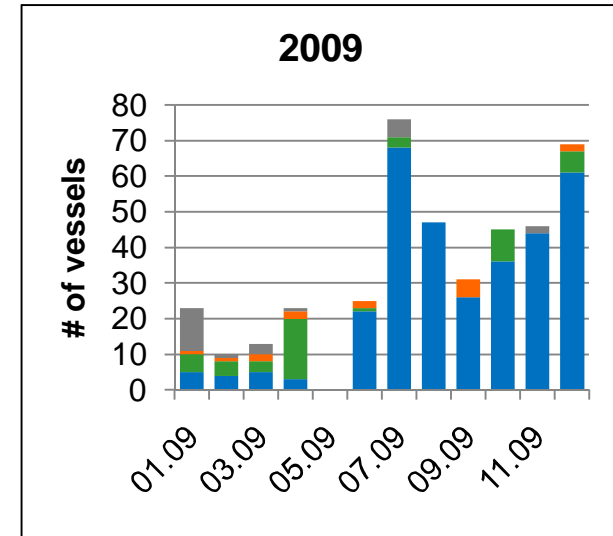
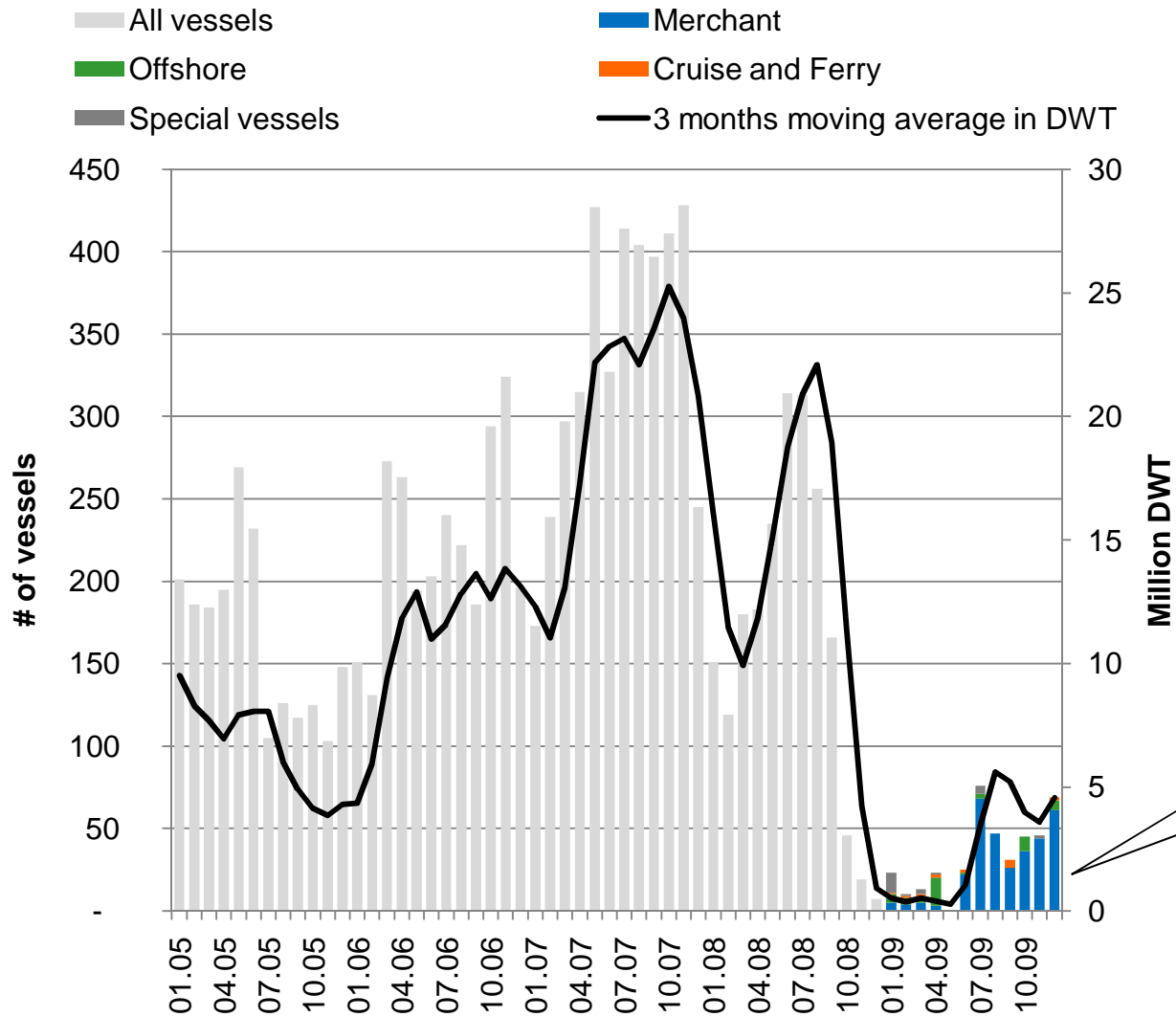


^{*)} Cancellations amounting to EUR 410 million have been deducted from the order book during the review period. Wärtsilä sees a cancellation risk of approximately EUR 500 million.

Order book distribution



Ship Power market - contracting activity still low



Source: Clarkson Research Services

Ship Power short term prospect areas



Merchant:

- Multi purpose vessels
- Gas carriers
- Tankers and special product carriers

Offshore:

- Drilling and production applications – rigs, drillships and FPSOs
- Anchor handling vessels

Cruise & Ferry:

- Several cruise, passenger cargo and ferry projects

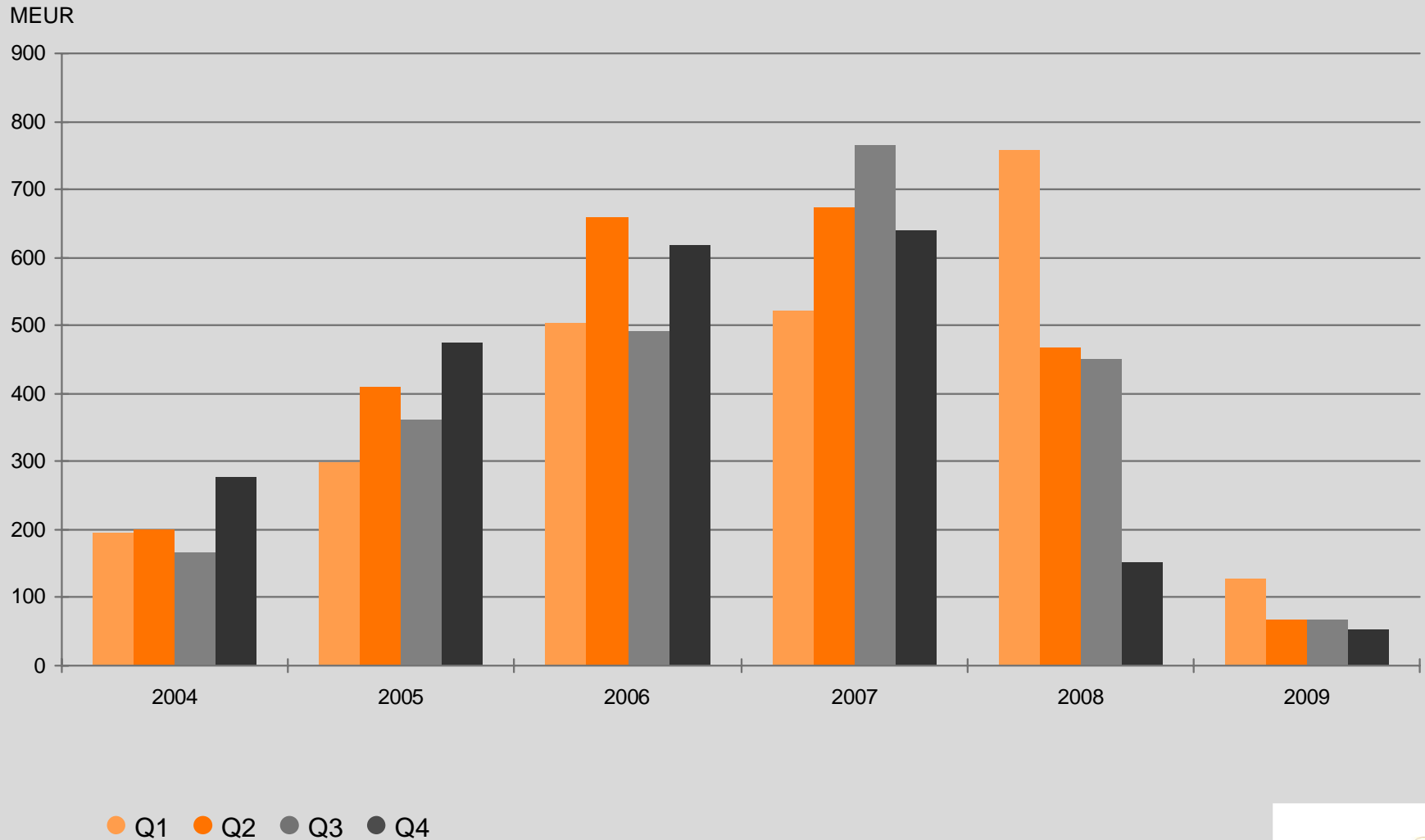
Navy:

- Steady flow of smaller orders

Special vessels:

- Ice breakers
- Research vessels

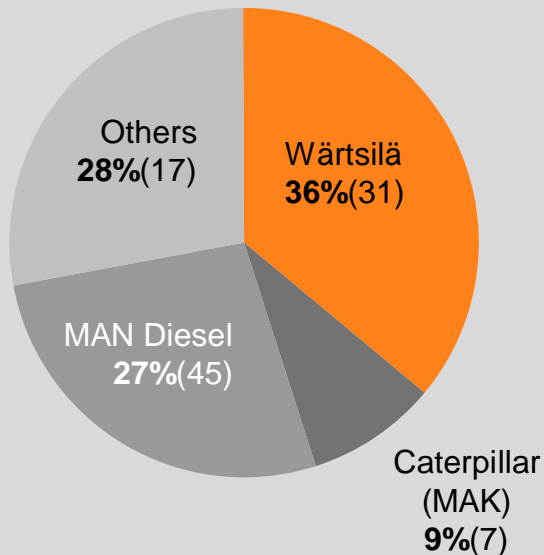
Ship Power quarterly order intake



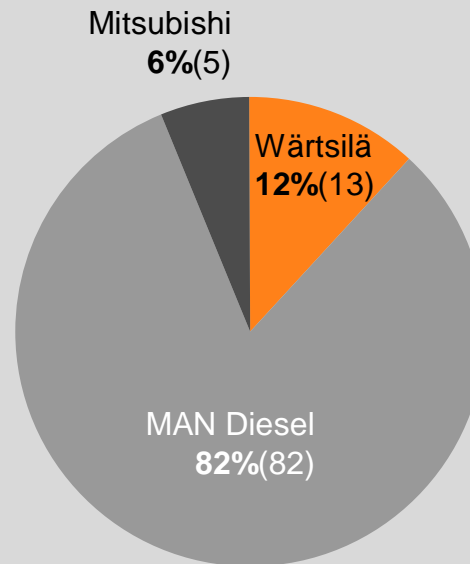
Ship Power - market development

Market position of Wärtsilä's marine engines 2009

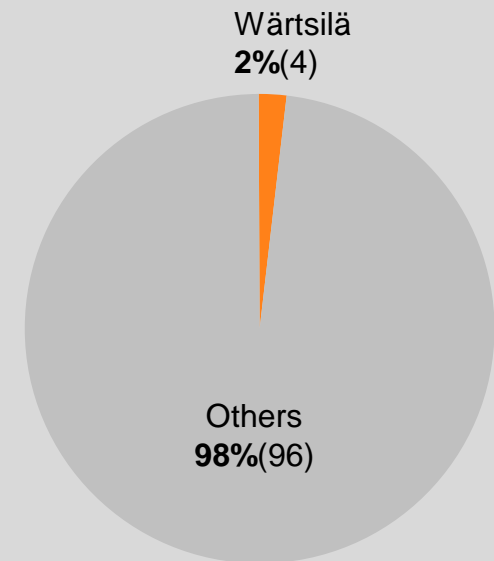
Medium-speed main engines



Low-speed main engines



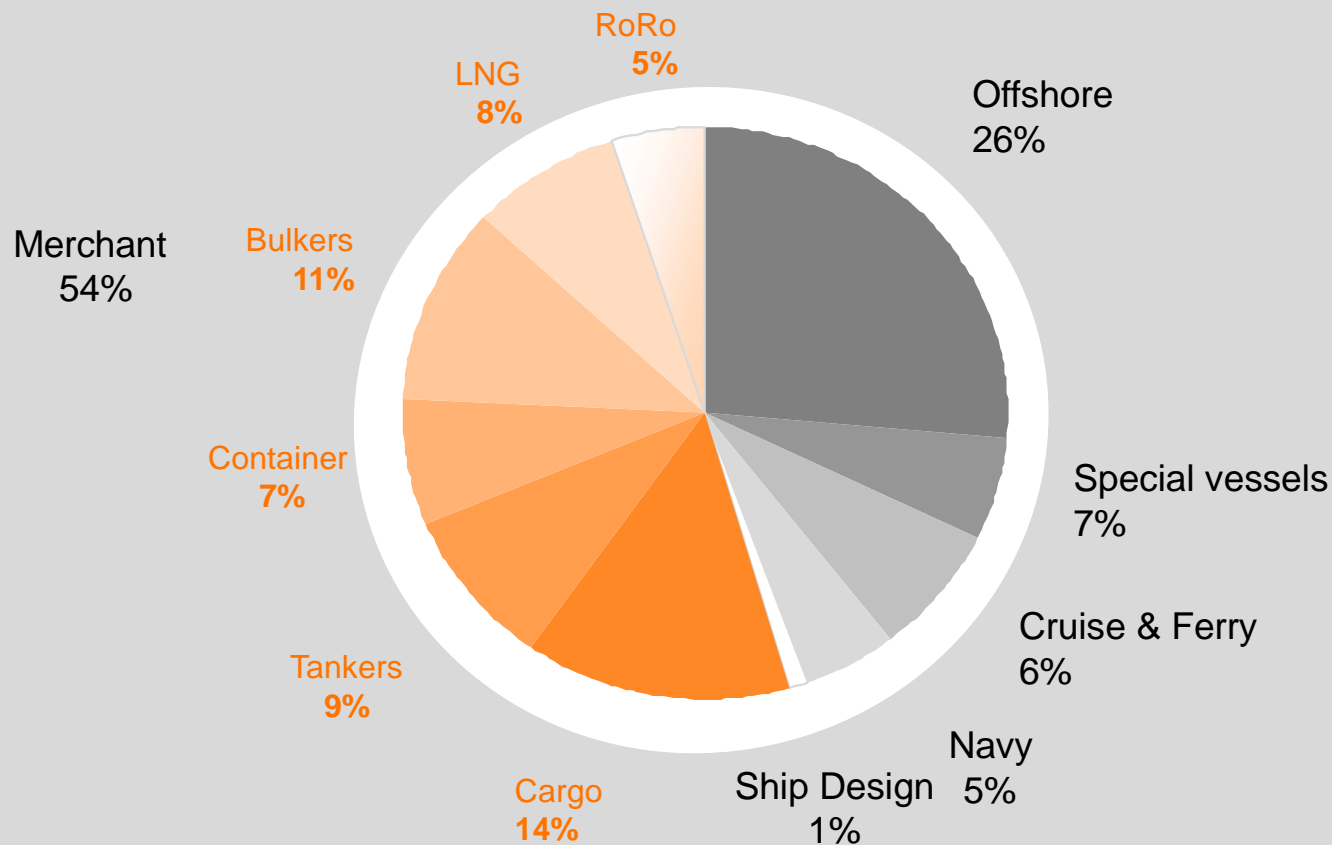
Auxiliary engines



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 book December 31, 2009

All vessel segments represented

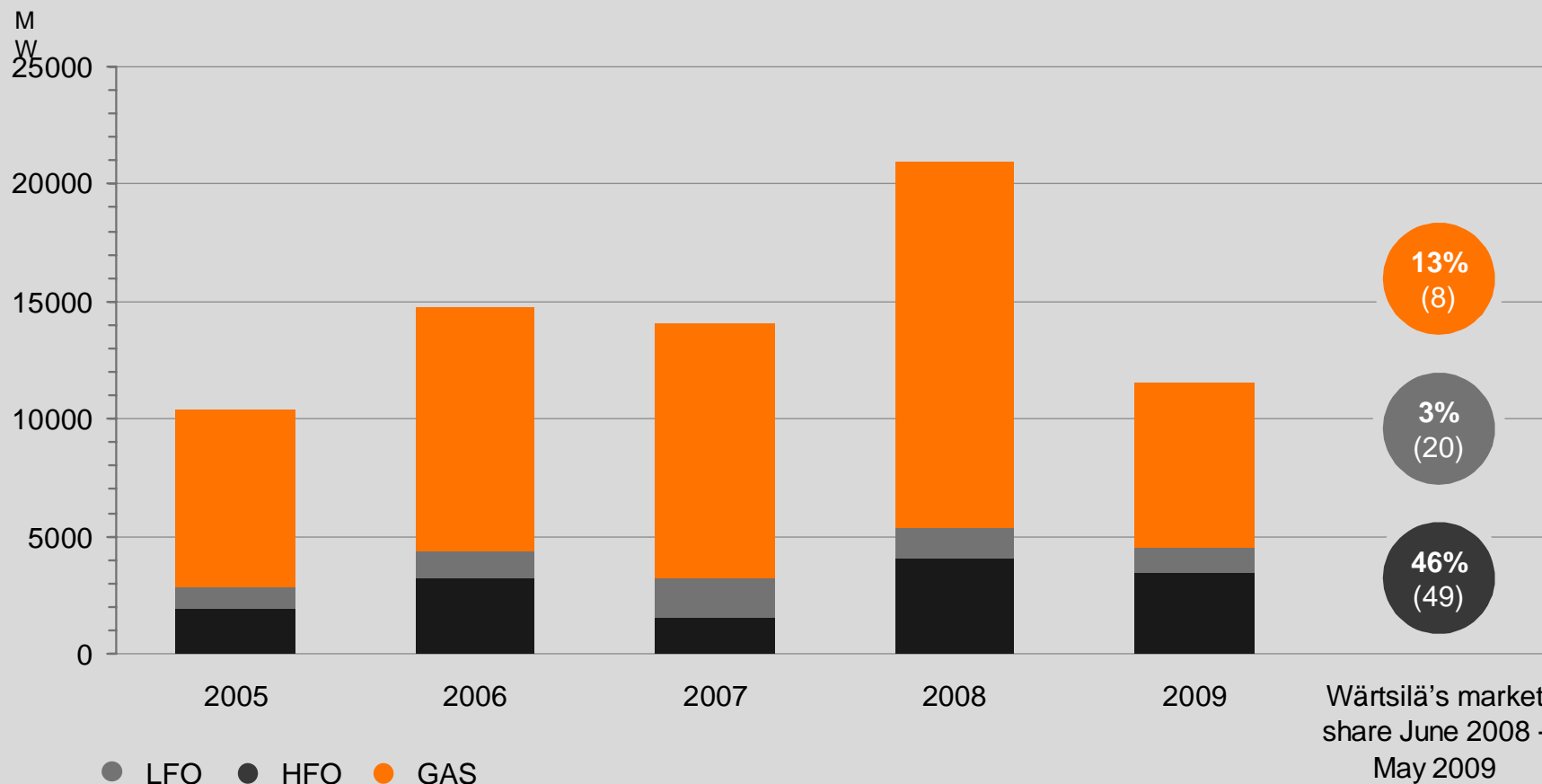


EUR 2,553 million in total (4,486)

Power Plant markets

Market development and market shares

Target markets per fuel 2005 - 2009

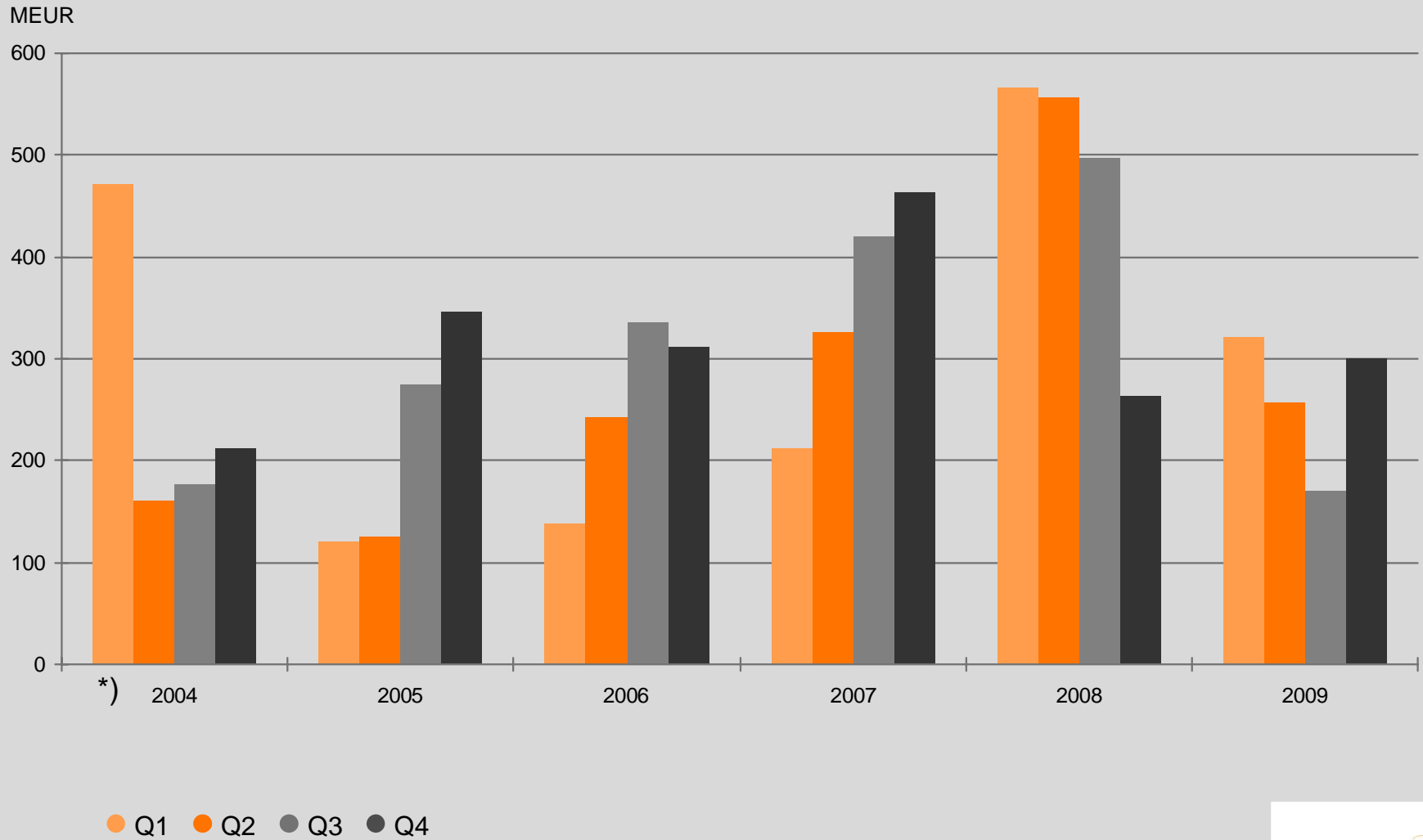


Note I: Wärtsilä's gas power plant target markets have changed after the review period 2005, when Wärtsilä stopped manufacturing and selling high speed engines (power range < 3.5 MW)

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

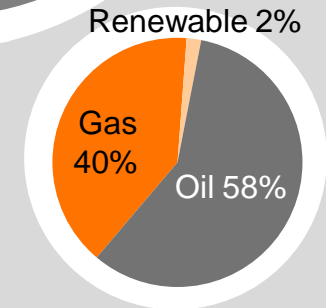
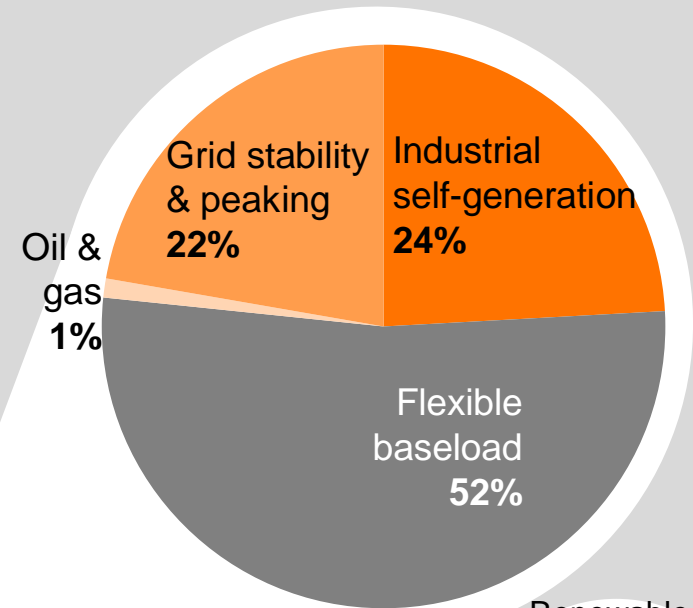
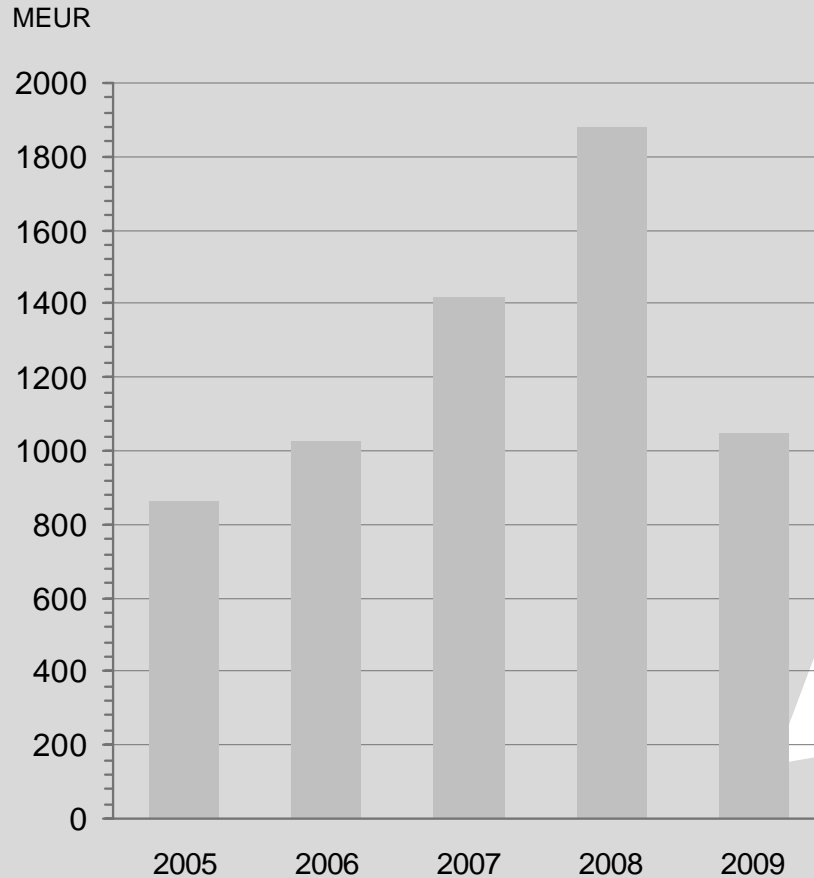
Source: Diesel & Gas Turbine Worldwide, June 2008-May 2009

Power Plants quarterly order intake



*) 2004 Iraq-orders

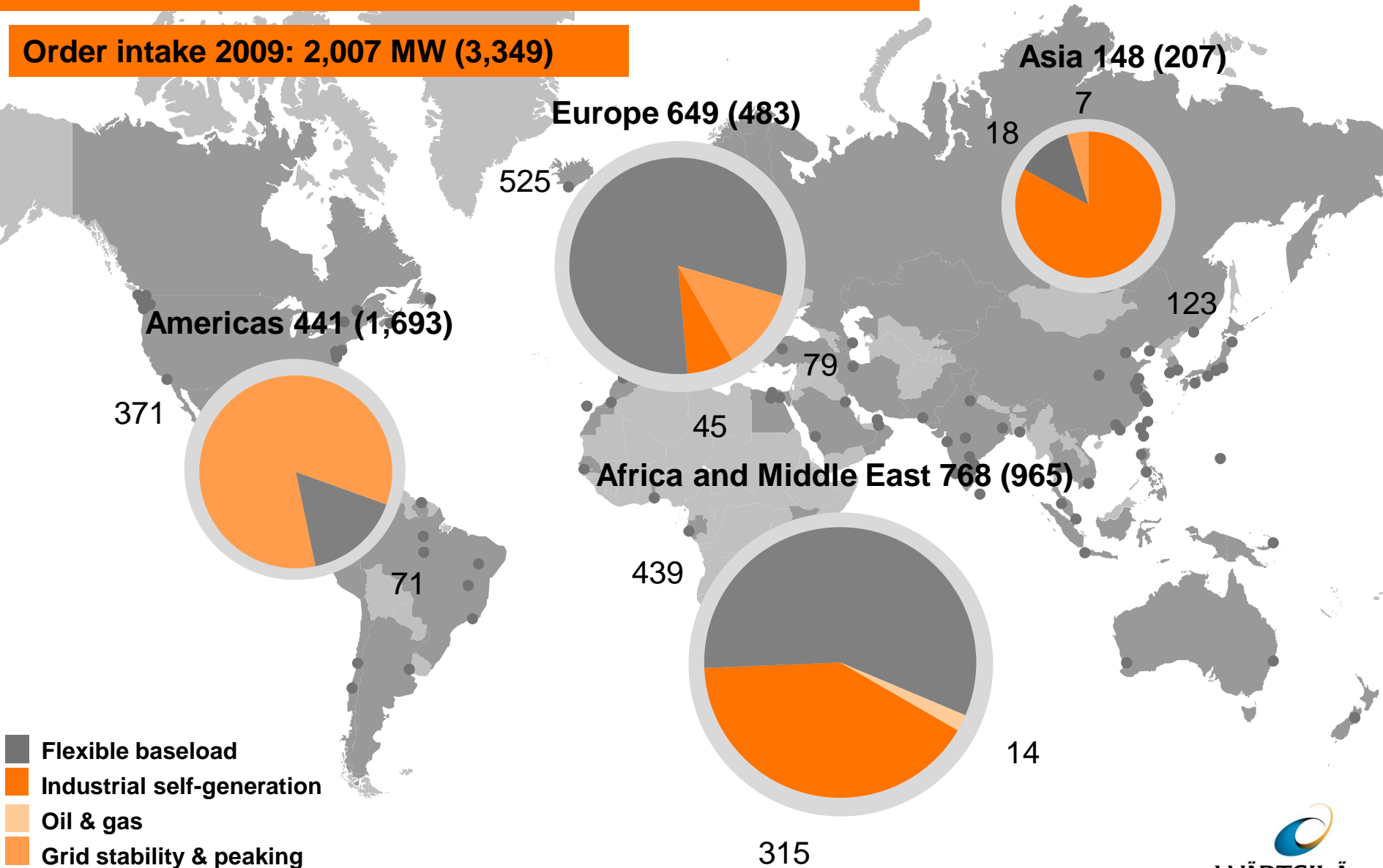
Power Plants order intake by application 2009



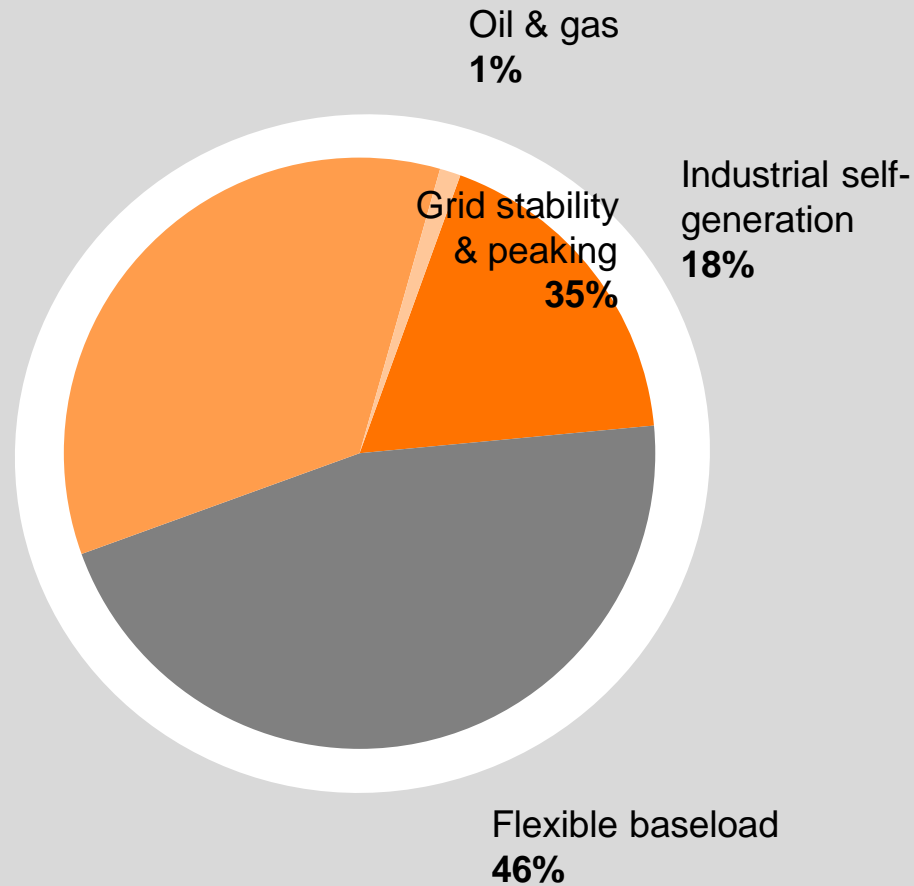
Power Plants order intake

Africa and Middle East still strongest region

Order intake 2009: 2,007 MW (3,349)

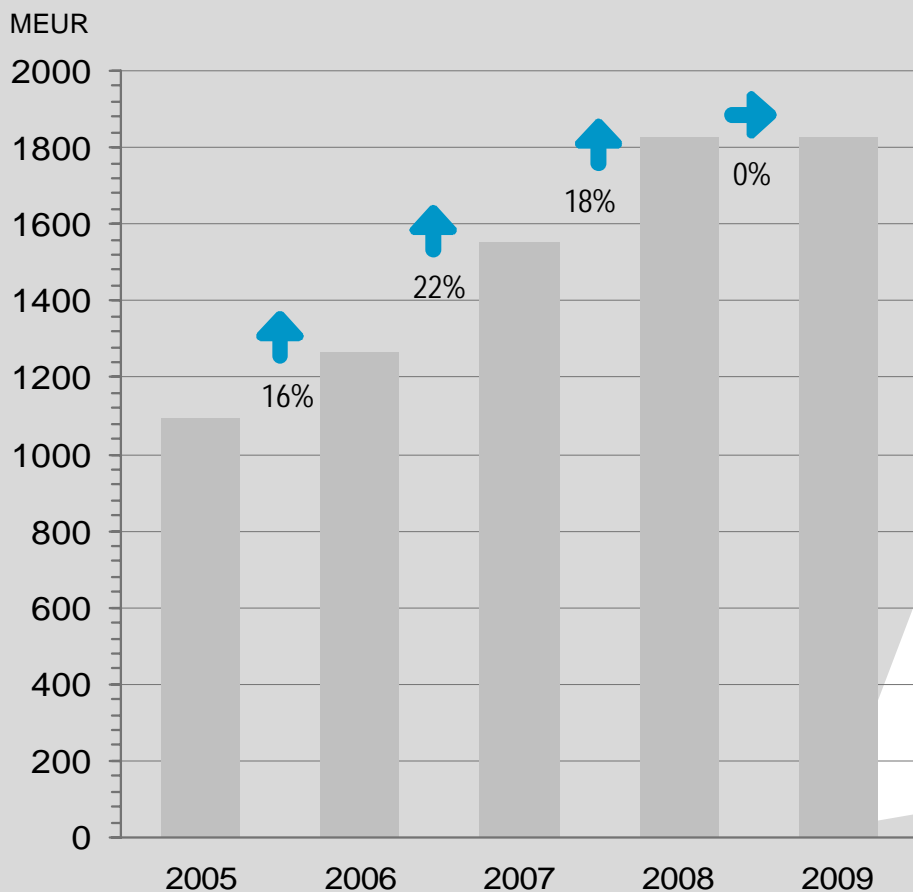


Power Plants order book December 31, 2009

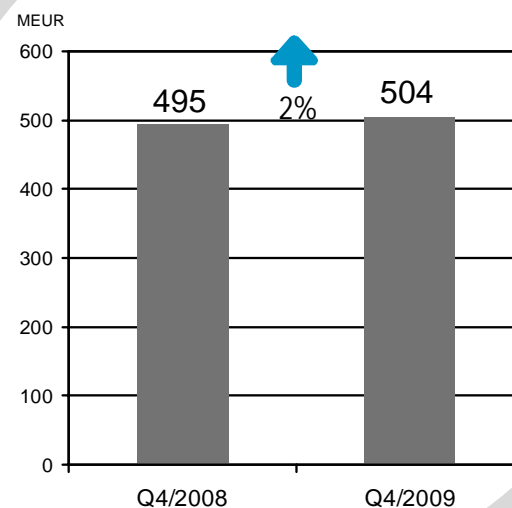


Services net sales

Stable at a high level

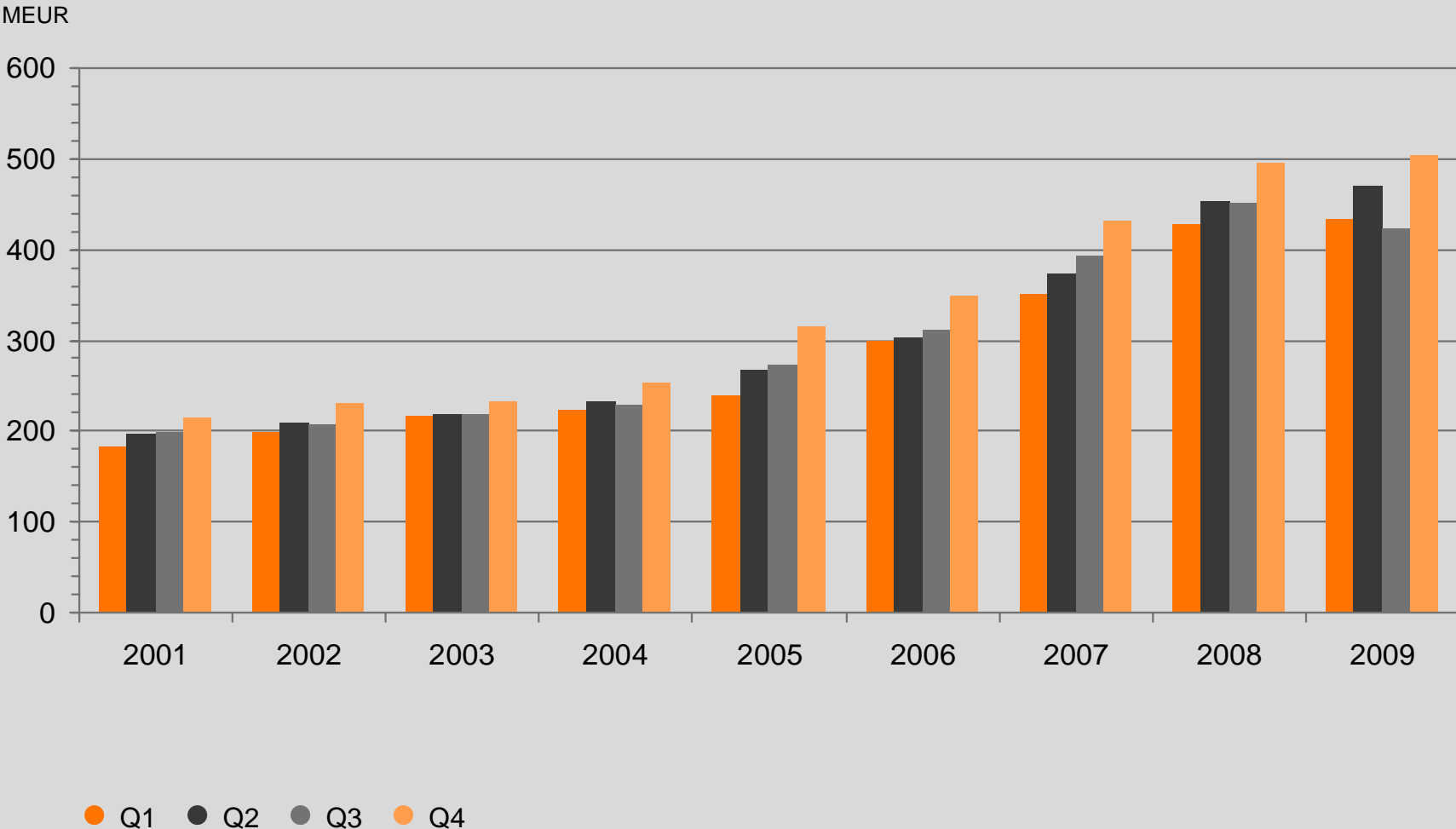


Fourth quarter development

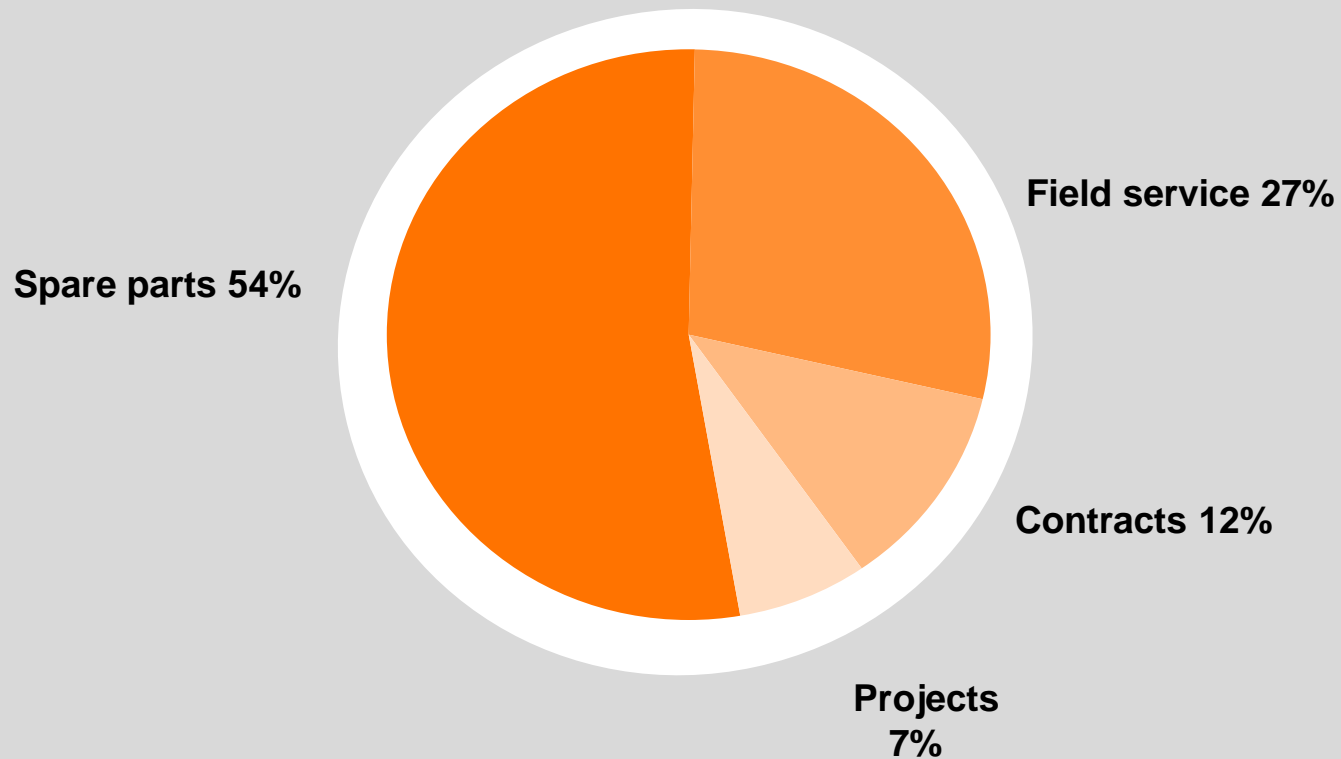


Services – Net sales per quarter

All time high quarter

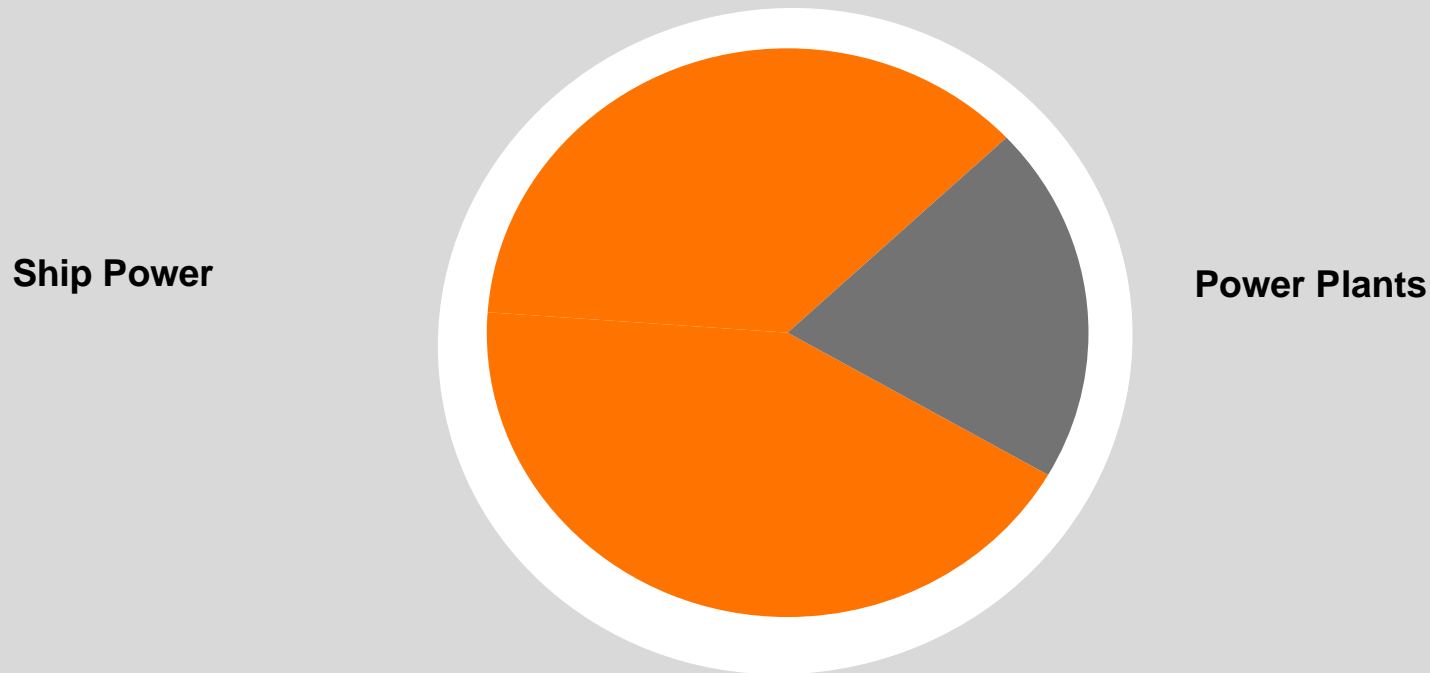


Services net sales distribution December 31, 2009



Services installed engine base December 31, 2009

Total installed base
166,127 MW



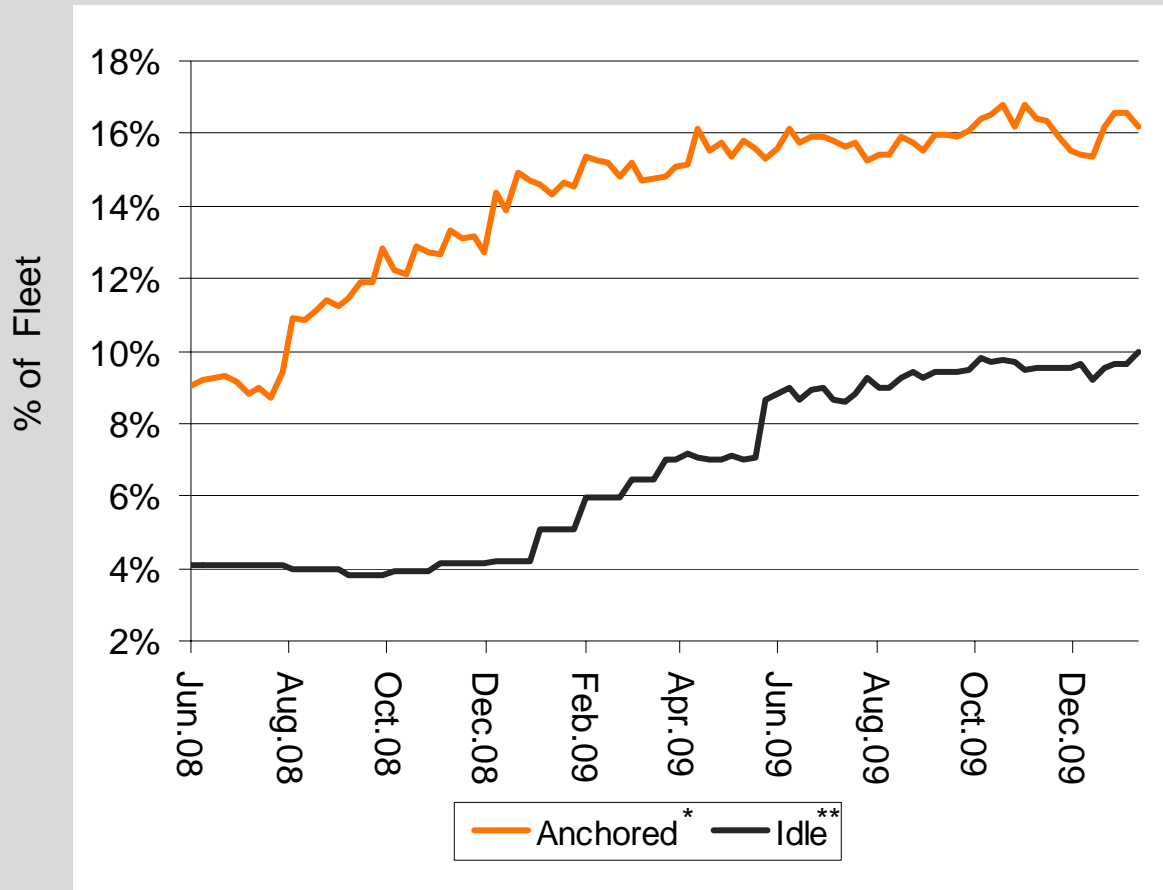
Ship Power

Power Plants

In addition to Engine Services, Wärtsilä's Services portfolio includes:
Electrical & Automation Services, Propulsion Services, Boiler Services, O&M and Training Services

Services

The amount of laid up vessels has stabilised



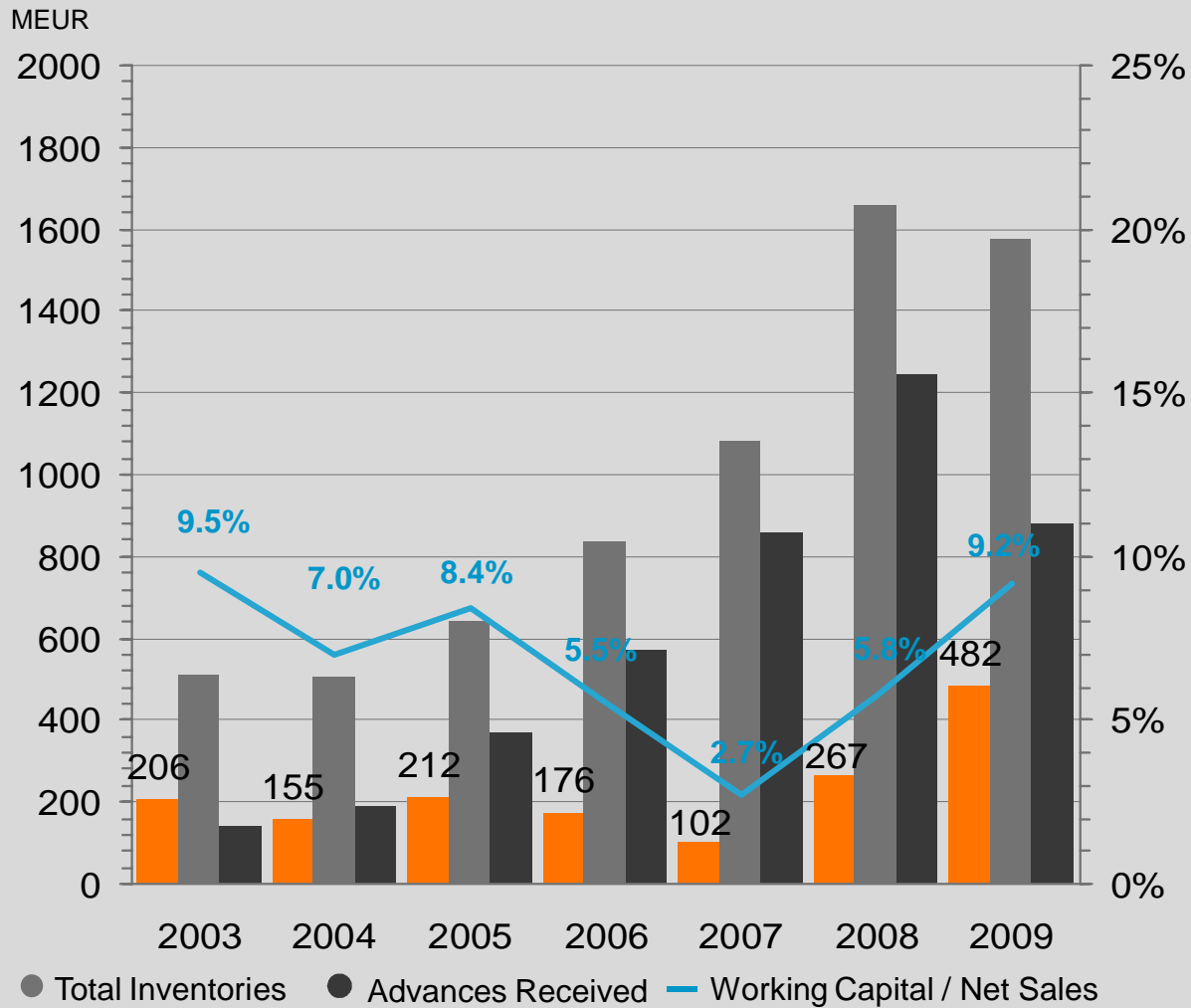
* Anchored (reported navigation status at anchor). Source Bloomberg (AISLive). More than 25 000 vessels (>299 GT) covered.

** Idle (no movement for 19 days for containerships, others 35 days). Source Lloyd's MIU. Around 15 000 vessels (>299 GT) covered.

Strong cash flow

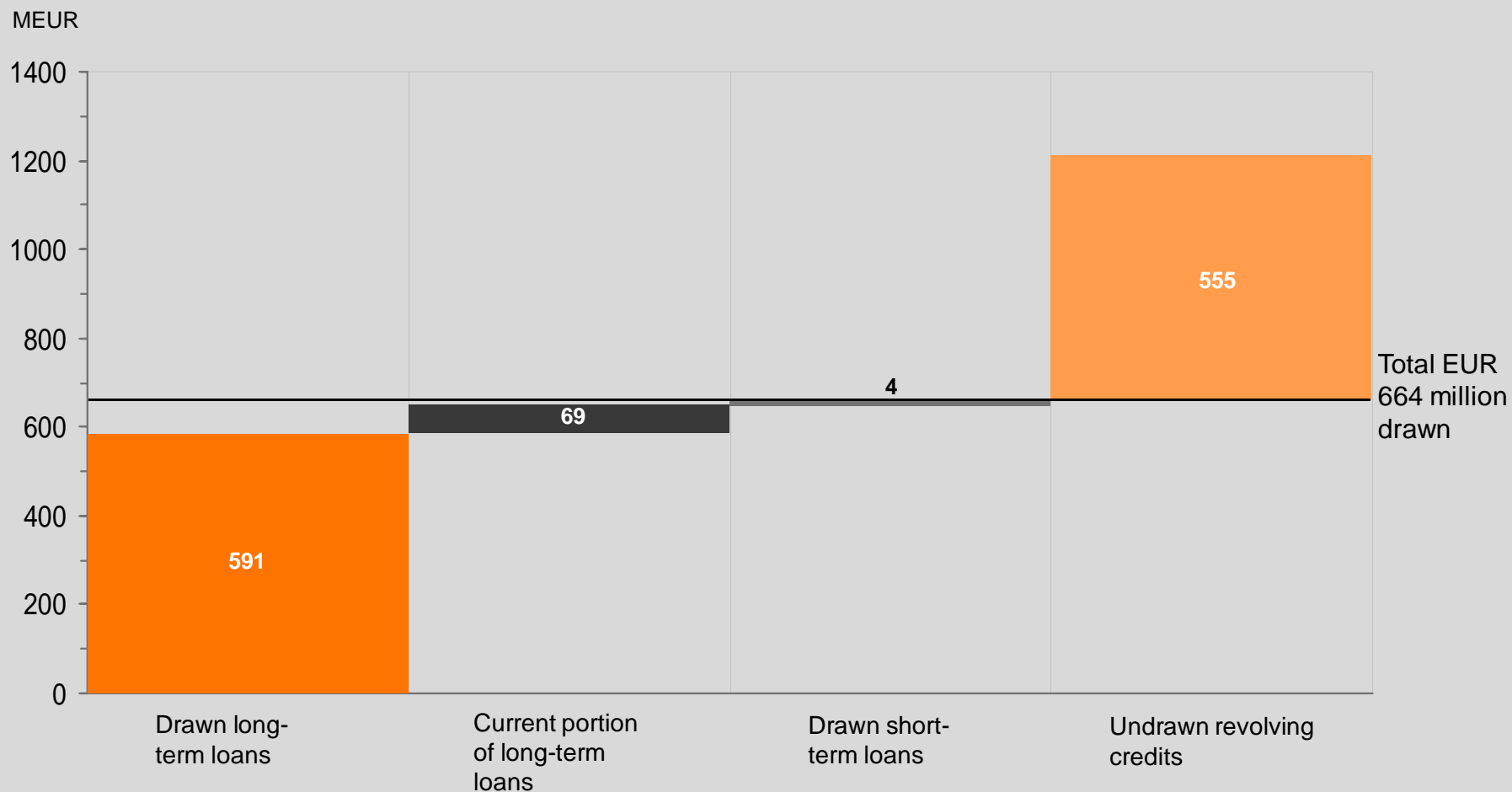
MEUR	10-12/09	10-12/08	1-12/09	1-12/08
Cash flow before changes in working capital & financial items and taxes	251	234	743	626
Changes in working capital	25	-187	-179	-250
Financial items and taxes	-68	-24	-215	-99
Cash flow from operating activities	207	23	349	278
Cash flow from investing activities	-50	-110	-163	-329
Cash flow from financing activities	-176	138	-140	-26
Liquid funds at the end of period	244	197	244	197

Working capital development



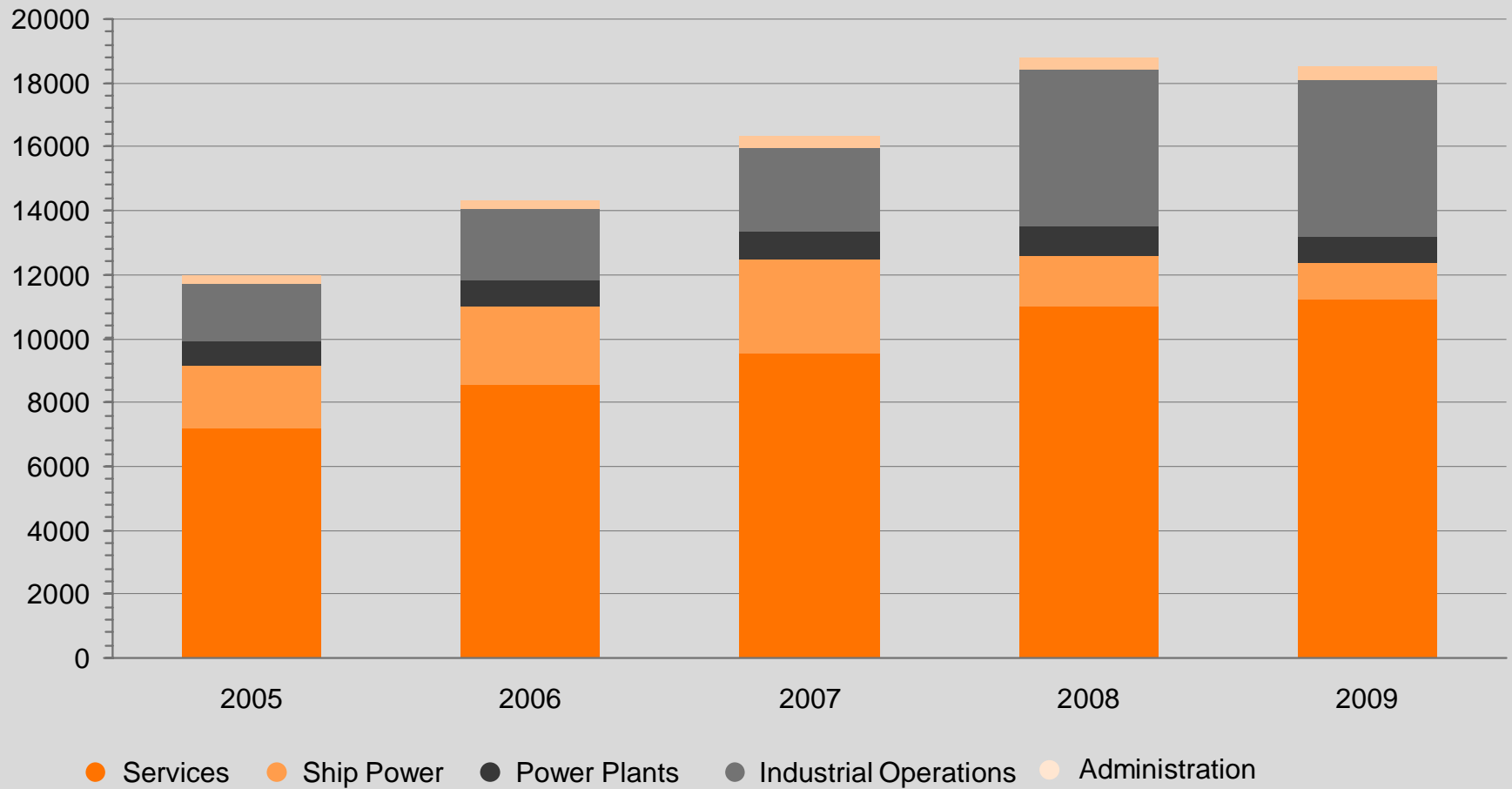
All figures relate to the Power Businesses

Committed loans December 31, 2009



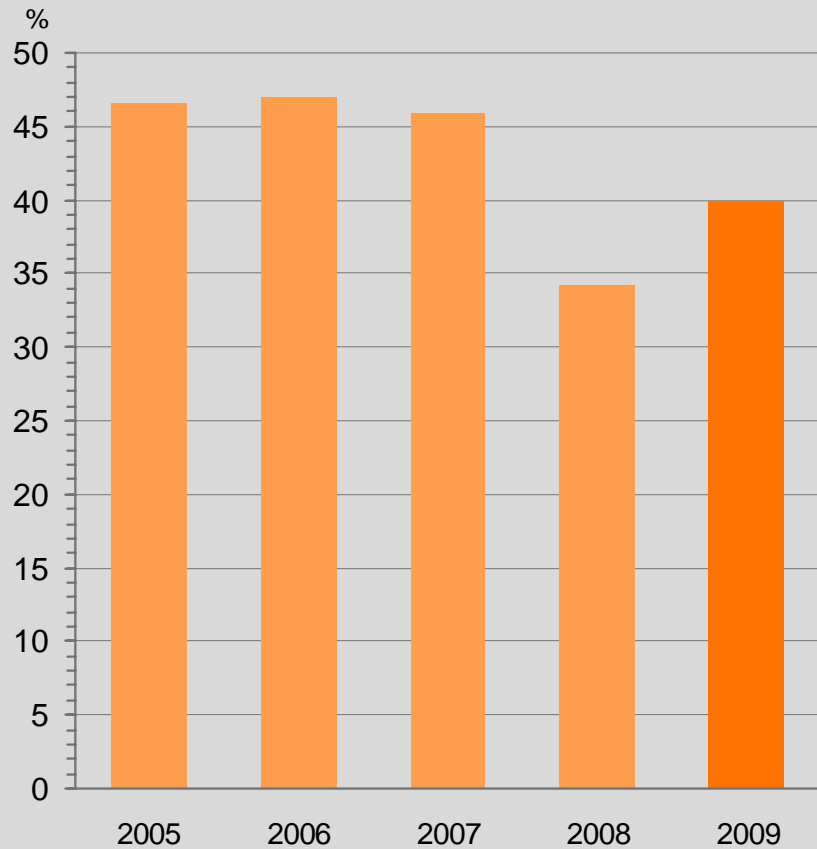
At the end of the reporting period no revolving credits were drawn. In addition there are Finnish Commercial Paper Programs of EUR 700 million (uncommitted).

Personnel development

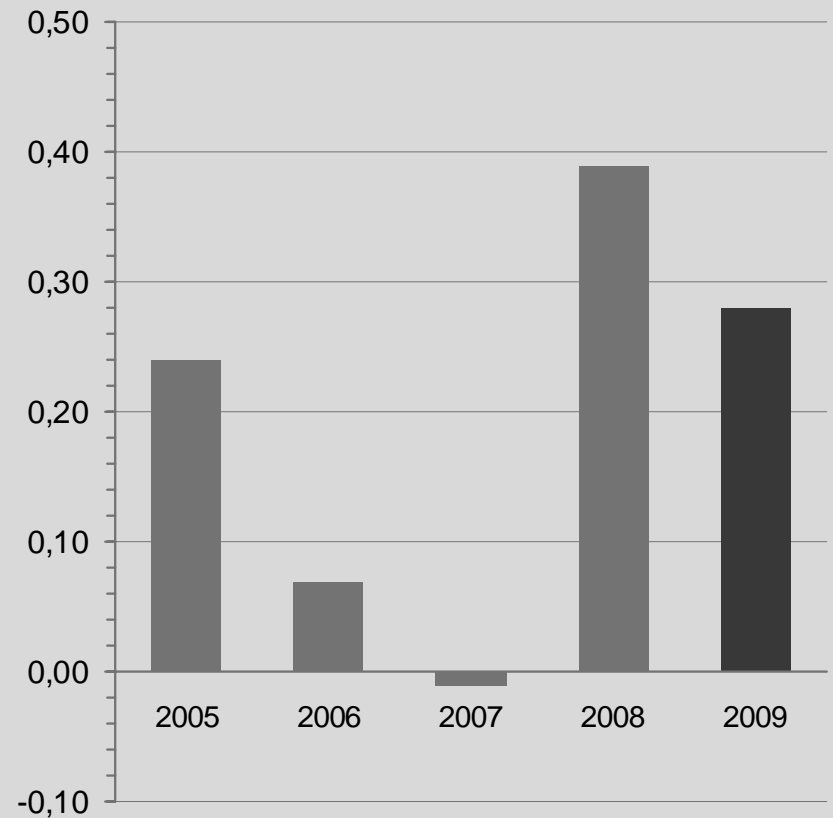


Financial position

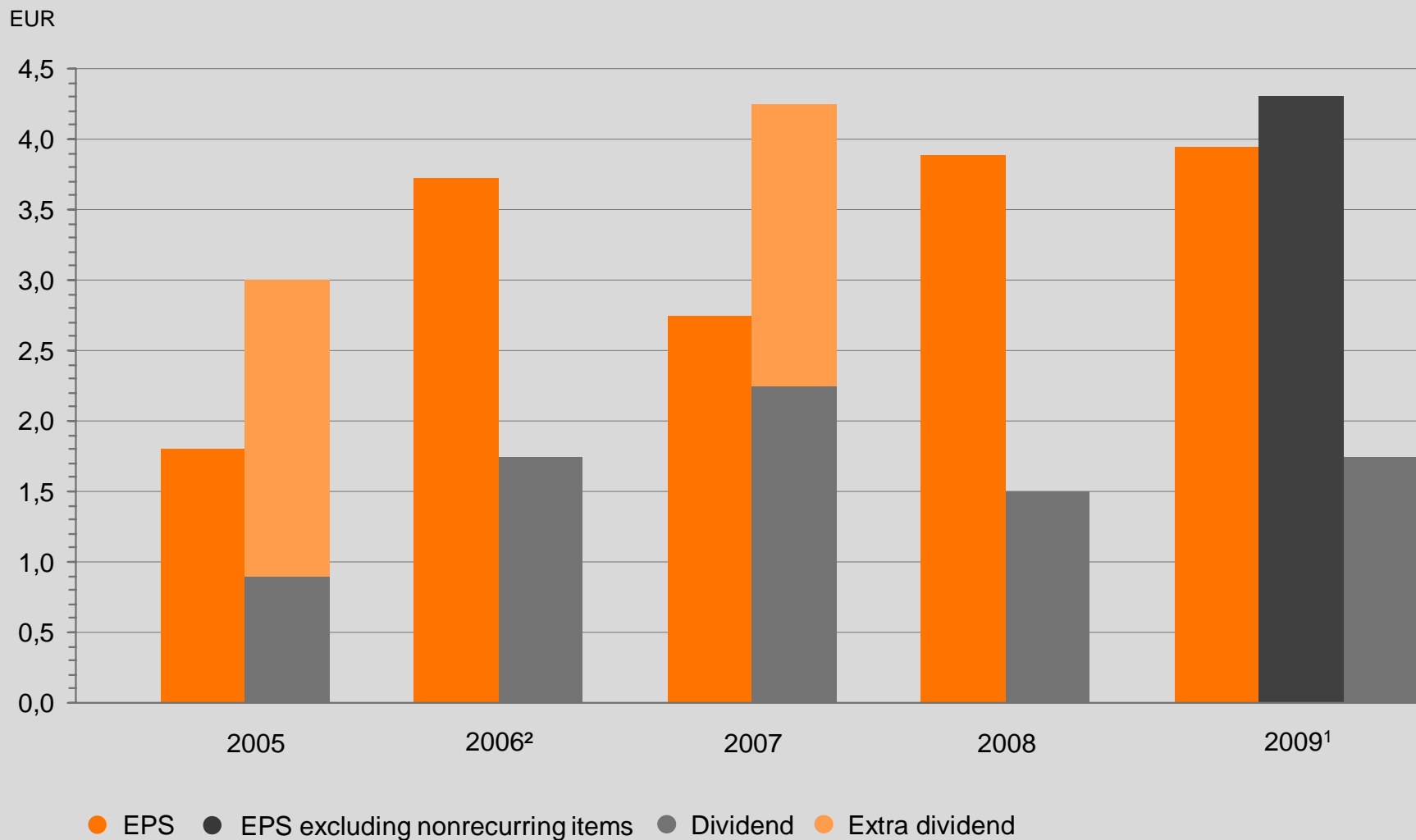
Solvency



Gearing



EPS and dividend/share



¹ Dividend 2009 - Proposal of the Board

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



- Ship Power: Order intake is estimated to be moderately better in 2010 than in 2009. Overcapacity and prevailing conditions will lead to more intense competition and price pressure.
- Power Plants: Order intake estimated to improve in 2010 provided that the financing sector recovery continues favourably
- Services: Stable development continues



- Ship Power
 - Slippage of ship yard delivery schedules
 - Cancellation risk approximately EUR 500 million (EUR 650 million at end of Q3/09)
- Power Plants
 - The impact from the financial crisis mainly seen in timing of bigger projects
- Services
 - Possible reduction of maintenance and service demand due to larger scale lay-ups of ships

Manufacturing capacity adjustments announced



- Plans to adjust to the fundamental changes in the market by reducing manufacturing capacity
- Plans to move the majority of propeller production and W20-generating set production to China, close to the main marine markets.
- Aims at reducing approximately 1,400 jobs globally
- By taking these measures, Wärtsilä is looking for cost savings of approximately EUR 80-90 million. The effect of the savings will start to materialise gradually during 2010, and will take full effect in the first half of 2011.

Prospects for 2010



Due to low demand in the shipbuilding sector we expect net sales to decline by 10-20 percent in 2010. As a result a of stable service business, good demand for power plants and proper adaption of capacity, our operational profitability (EBIT% before nonrecurring items) should be between 9-10%, well within the upper end of our long-term target range.

Wärtsilä's electronic Annual Report 2009 will be published during week 6 on our website. For more information please see the IR calendar at www.wartsila.com.



WÄRTSILÄ

IR Contact:

Joséphine Mickwitz

Director, Investor Relations

Tel. +358 (0)10 7095216

E-mail:

josephine.mickwitz@wartsila.com

WARTSILA.COM