

Capital 2008 MarketsDay

18 NOVEMBER, HELSINKI, FINLAND

STRATEGIC ROADMAP

OLE JOHANSSON, PRESIDENT & CEO



- Orderbook for 2008 solid
- Service growth continues
- Power plants market active



- Economic uncertainty continues
- Ship orders down
- Power Plants financing?

+/- High level of activity and capacity constraints continue



Guidance for 2008 reiterated



- Orderbook for 2009 approx. 3,800 MEUR
- Service continues to grow by 10-15%
- Supplier capacity in place
- Raw material and component prices peaked



- Financial constraints may trigger cancellations and/or postponements
- Supplier strength requires monitoring
- Slower economic activity may affect shipping and marine services



2009 net sales estimated to grow 10-20%

Balanced portfolio for continued growth

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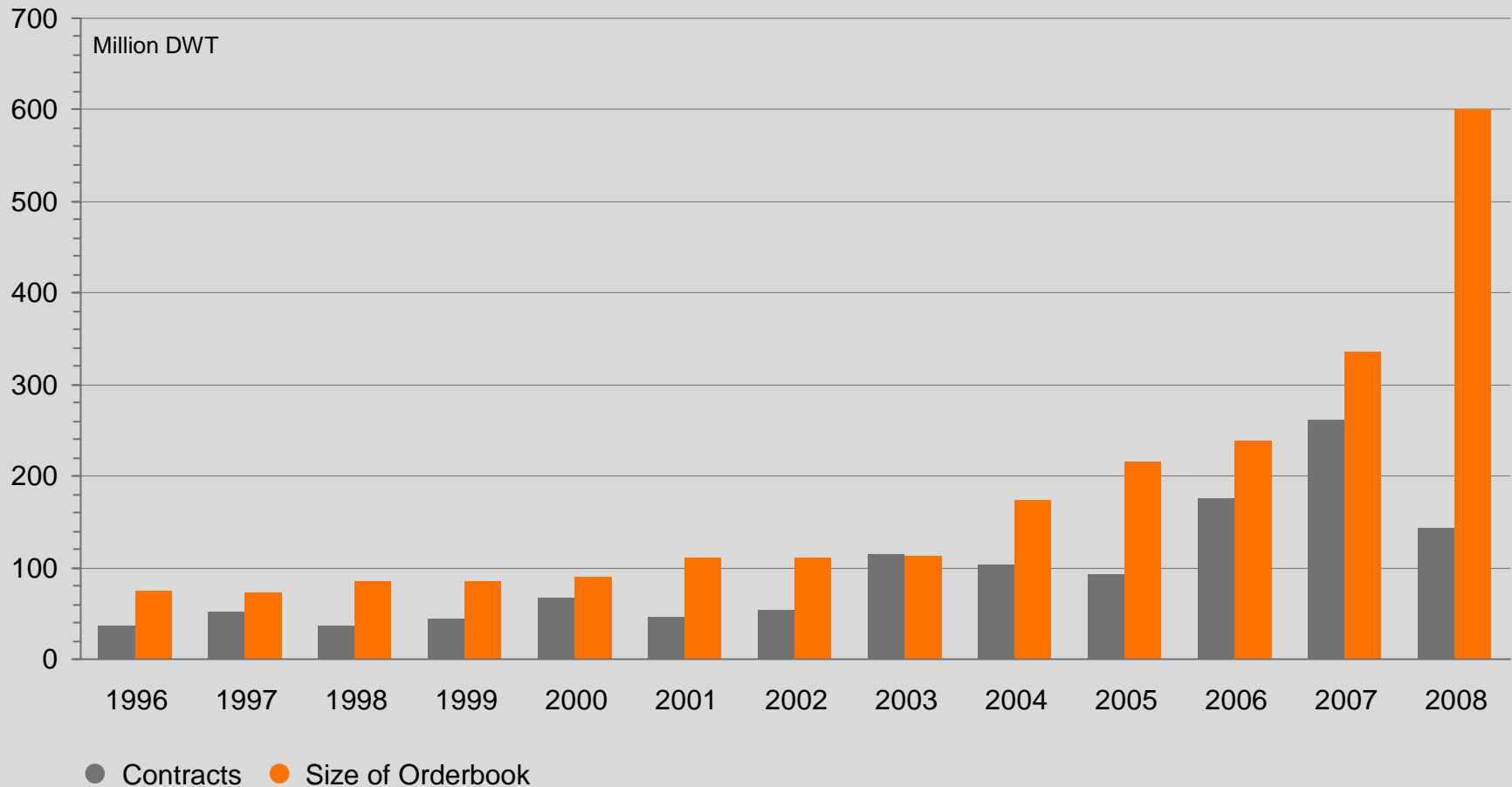


SHIP
POWER

POWER
PLANTS

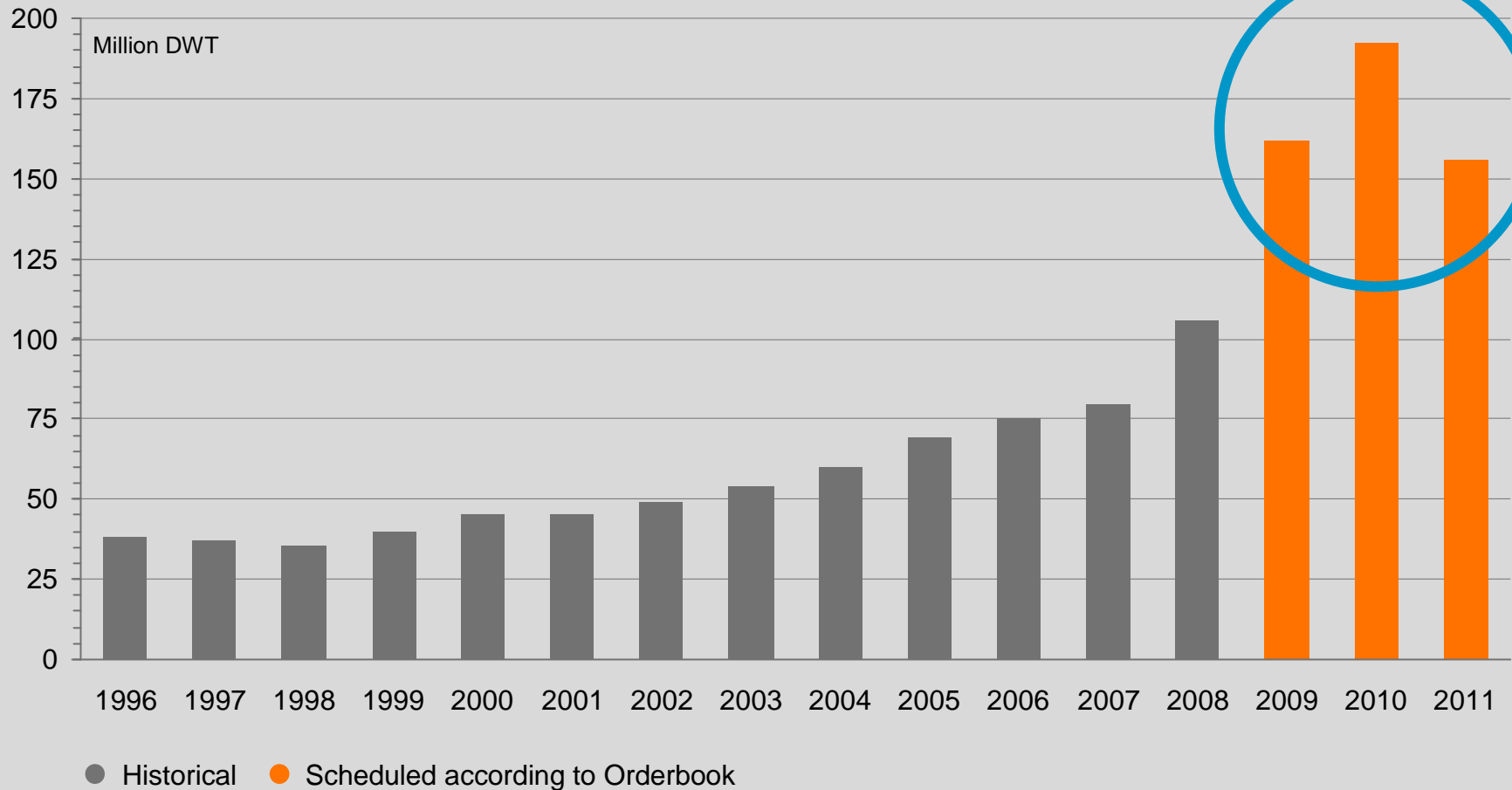
SERVICES

Orderbook and Contracting



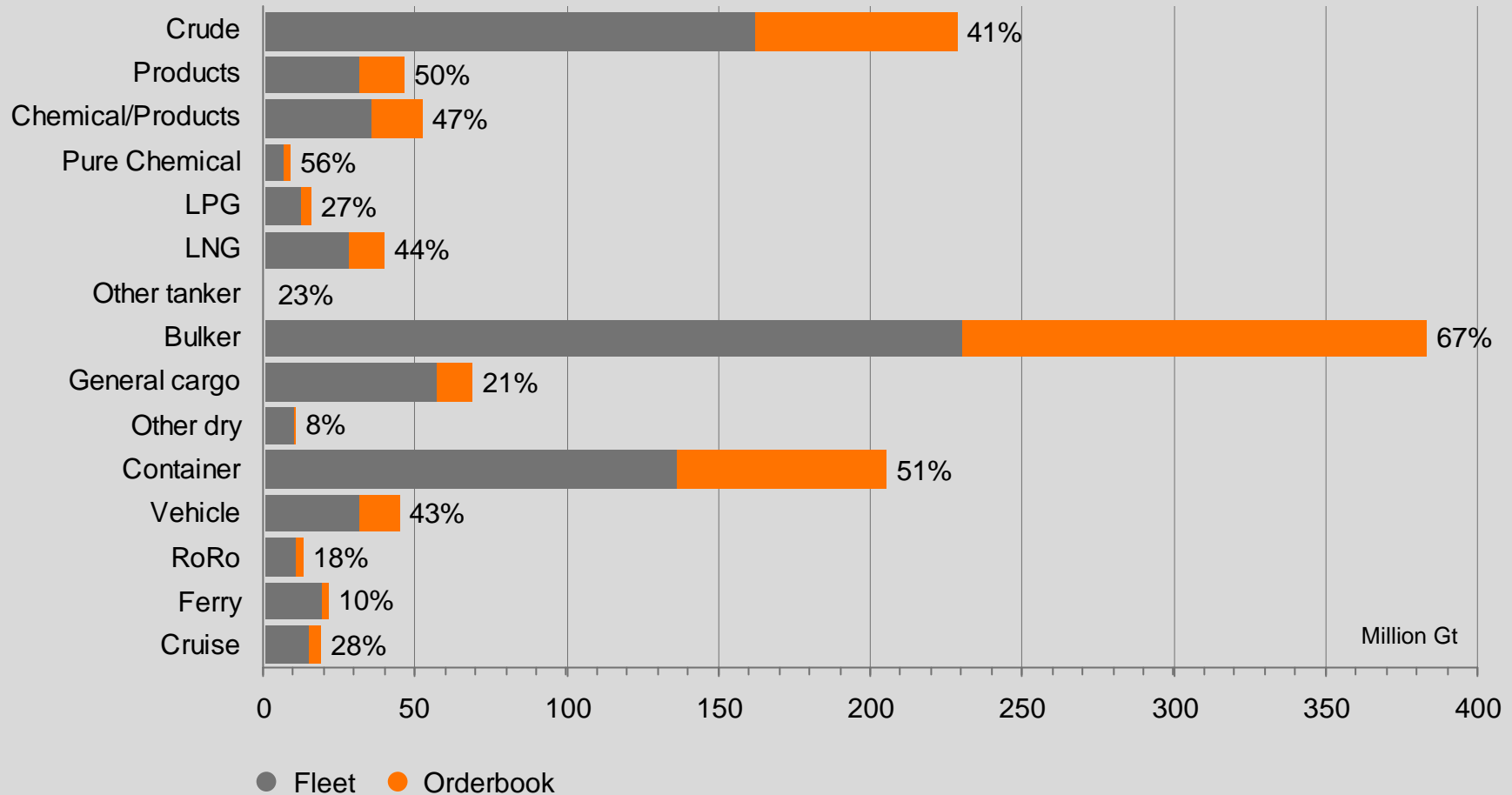
Source: Clarkson Research Services

Deliveries



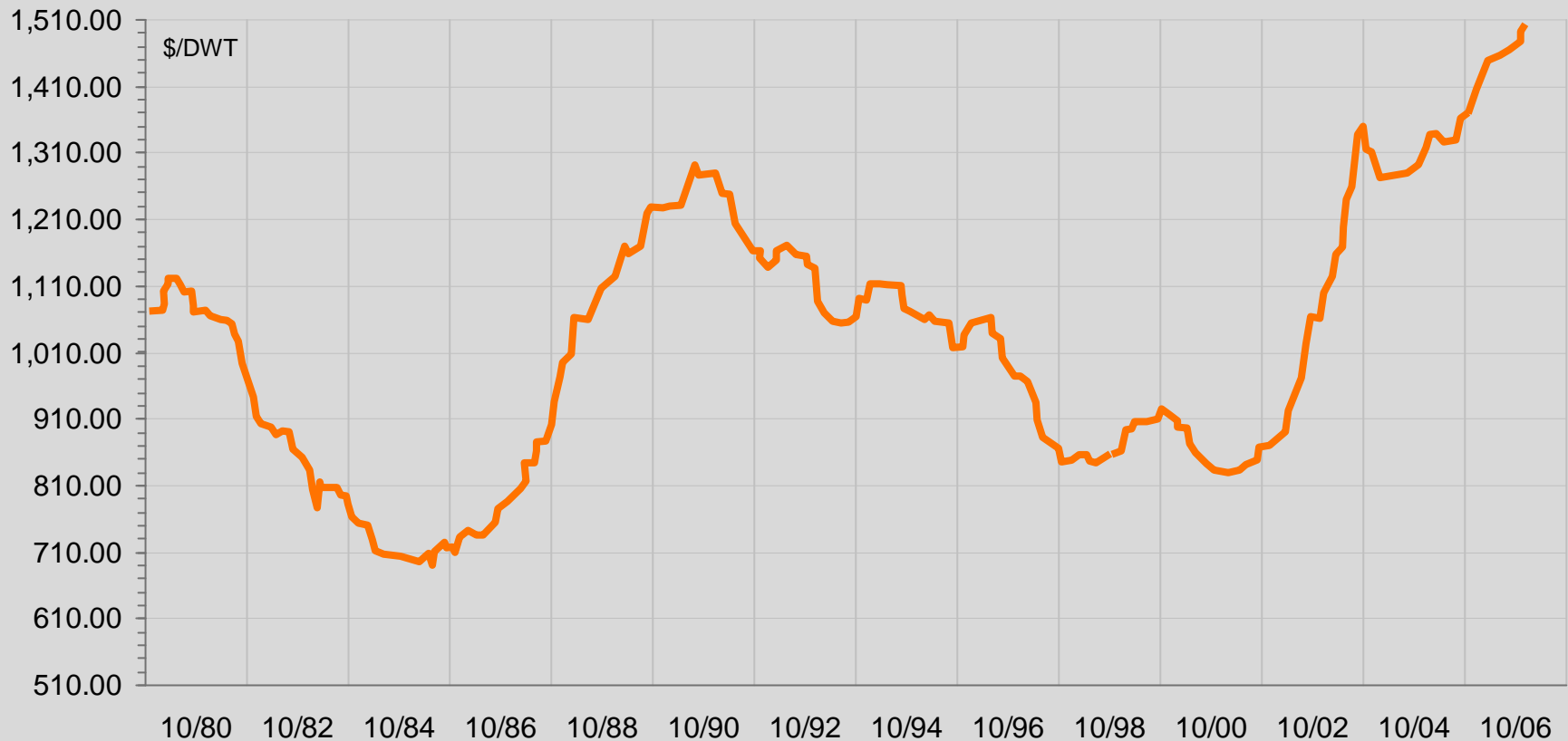
Source: Clarkson Research Services

Orderbook and share of fleet, MGt



Source: SAI, The Institute of Shipping Analysis

Average Newbuilding Prices \$/DWT



Source: Clarkson Research Services

A highly diversified customer base



Strong product portfolio



A true lifecycle service provider: from pre-design and sales to delivery, commissioning and after-sales services



Strong on total efficiency:
energy, operational, environmental and safety efficiency



Wärtsilä Ship Power's offering covers all key segments

Merchant



Offshore



Cruise
and Ferry



Navy



Special
Vessels





Engines



Propulsion



Seals & bearings



Automation



Power distribution



Power drives

Merchant

Offshore

Cruise & Ferry

Navy

Special vessels

Wärtsilä components

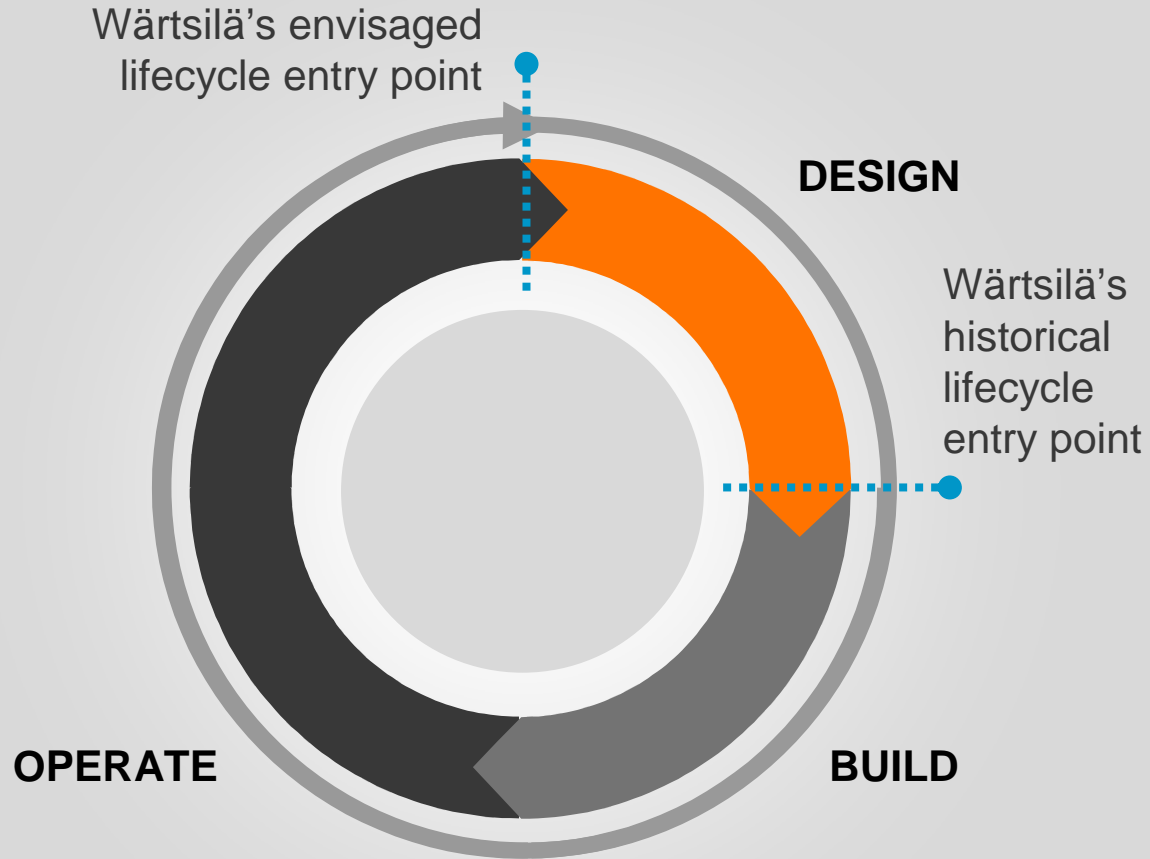
Segment specific

- Concepts
- Applications
- Project execution models
- System integration capabilities
- Engineering services
- Third party supplies

R&D

- Ship design
- Product engineering
- Strategic purchasing



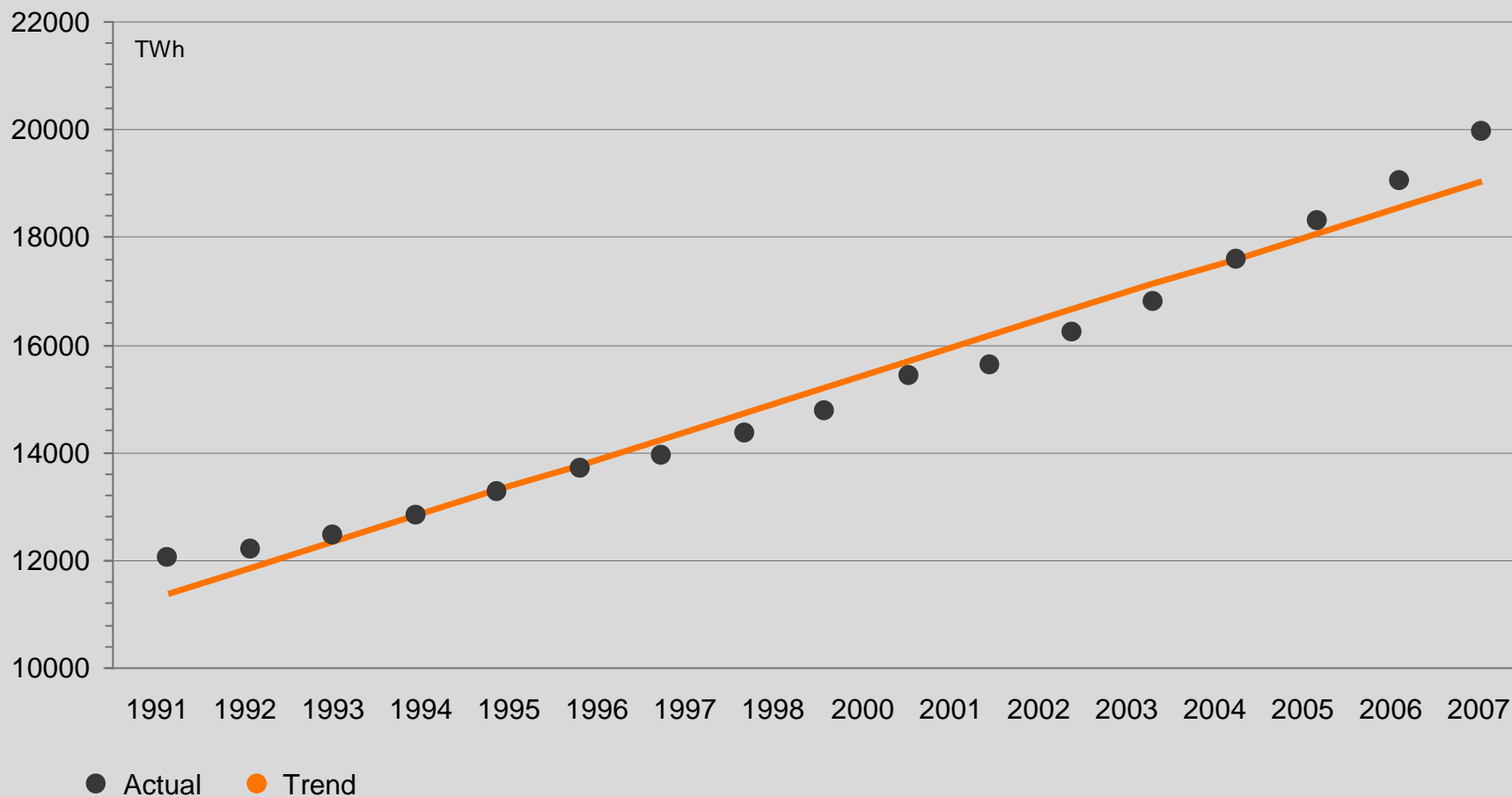


Environmental awareness and regulations call for:

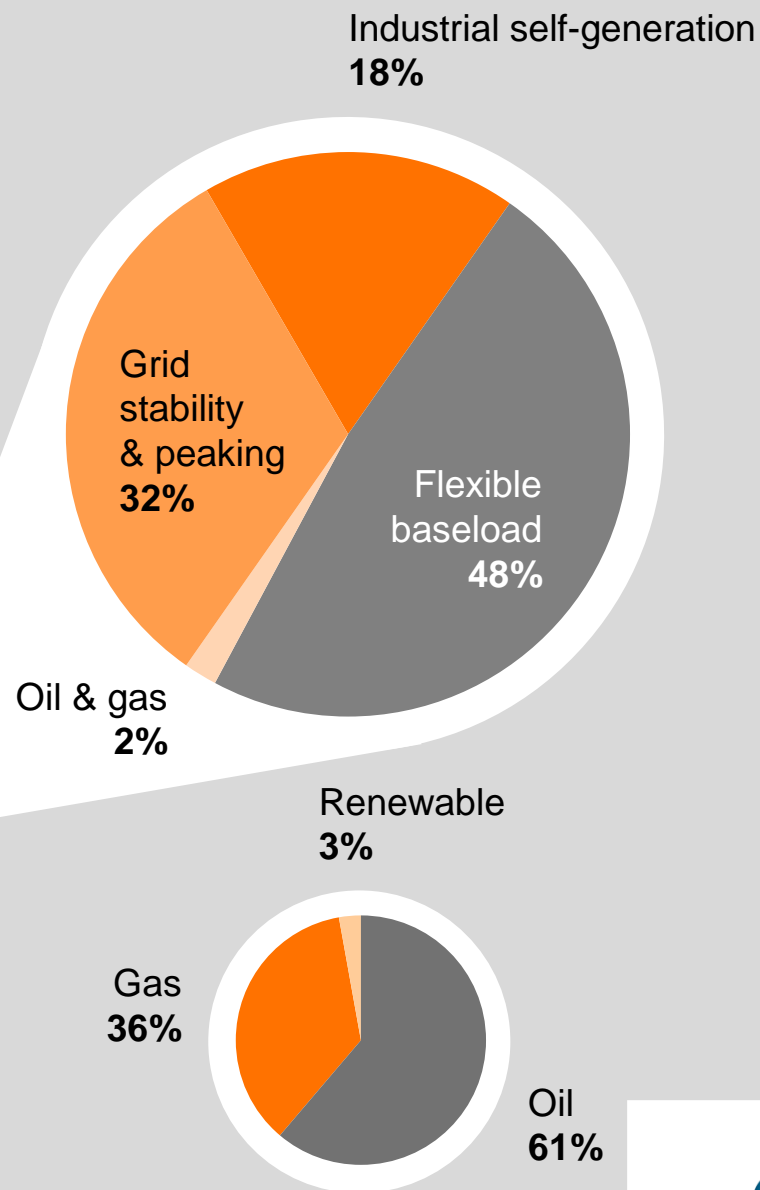
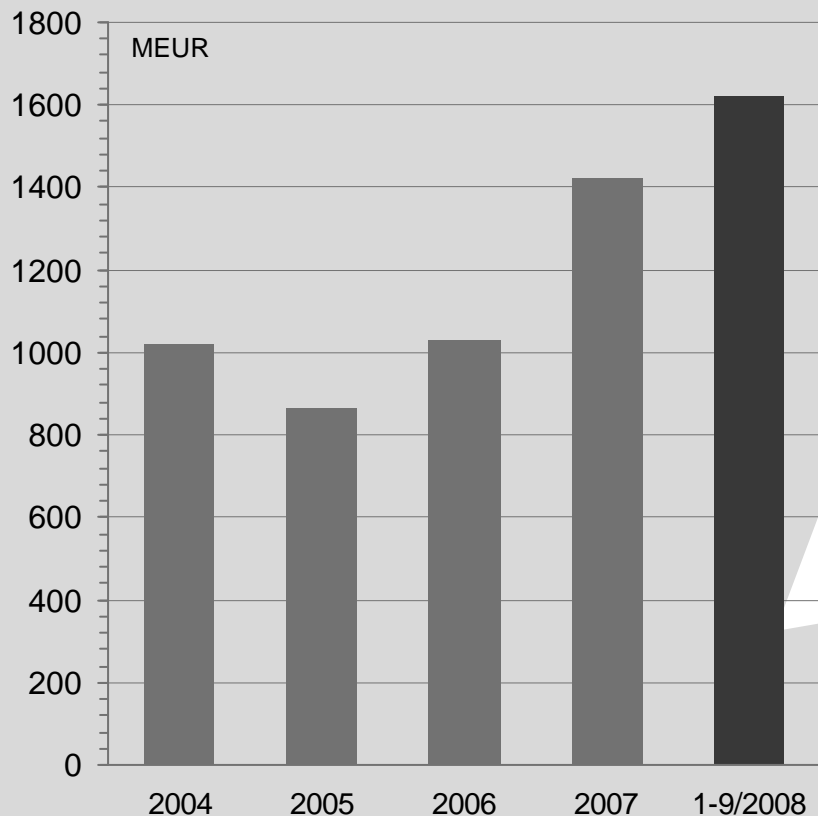
- Solutions to reduce emissions (SO_x, NO_x, CO₂ and PM)
- Alternatives to HFO: gas, biofuels, fuel cells
- Flexibility in fuel usage: dual fuel
- Solutions to maximize efficiency of components
- Optimization of vessel design



World Electricity Generation



Power Plants order intake by application



Electricity demand and economic growth correlate almost 1:1



- Domestic consumption should continue to grow



- Industrial sector demand may decrease

+/- Population growth, rising living standards and substitution should keep electricity demand growing

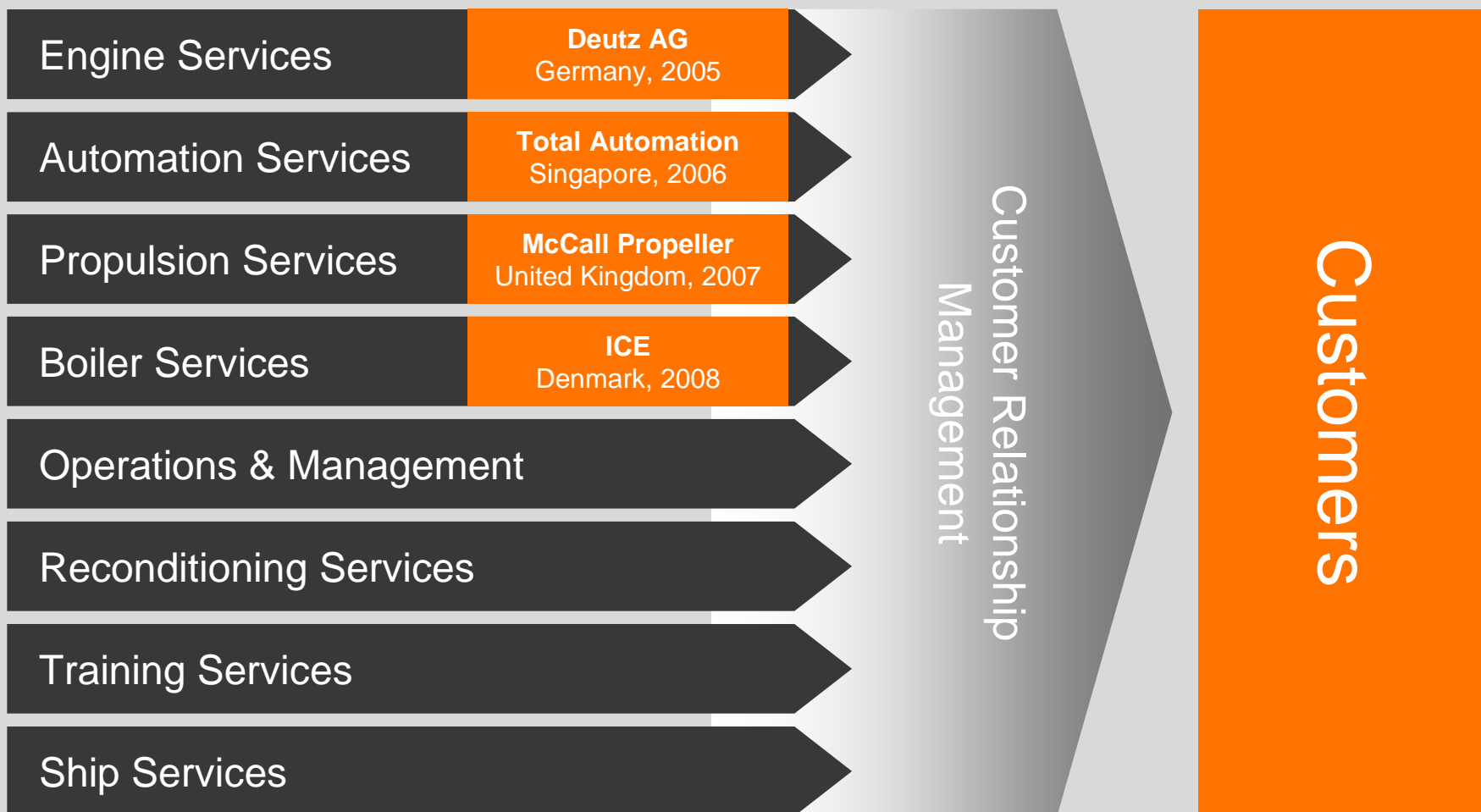


- Flexibility of
 - Fuels
 - Plants sizing, modularity
 - Operation mode
 - Delivery scope incl. EPC
 - Operation & Maintenance support
- High product efficiency and reliability
- Global presence and experience from developing world



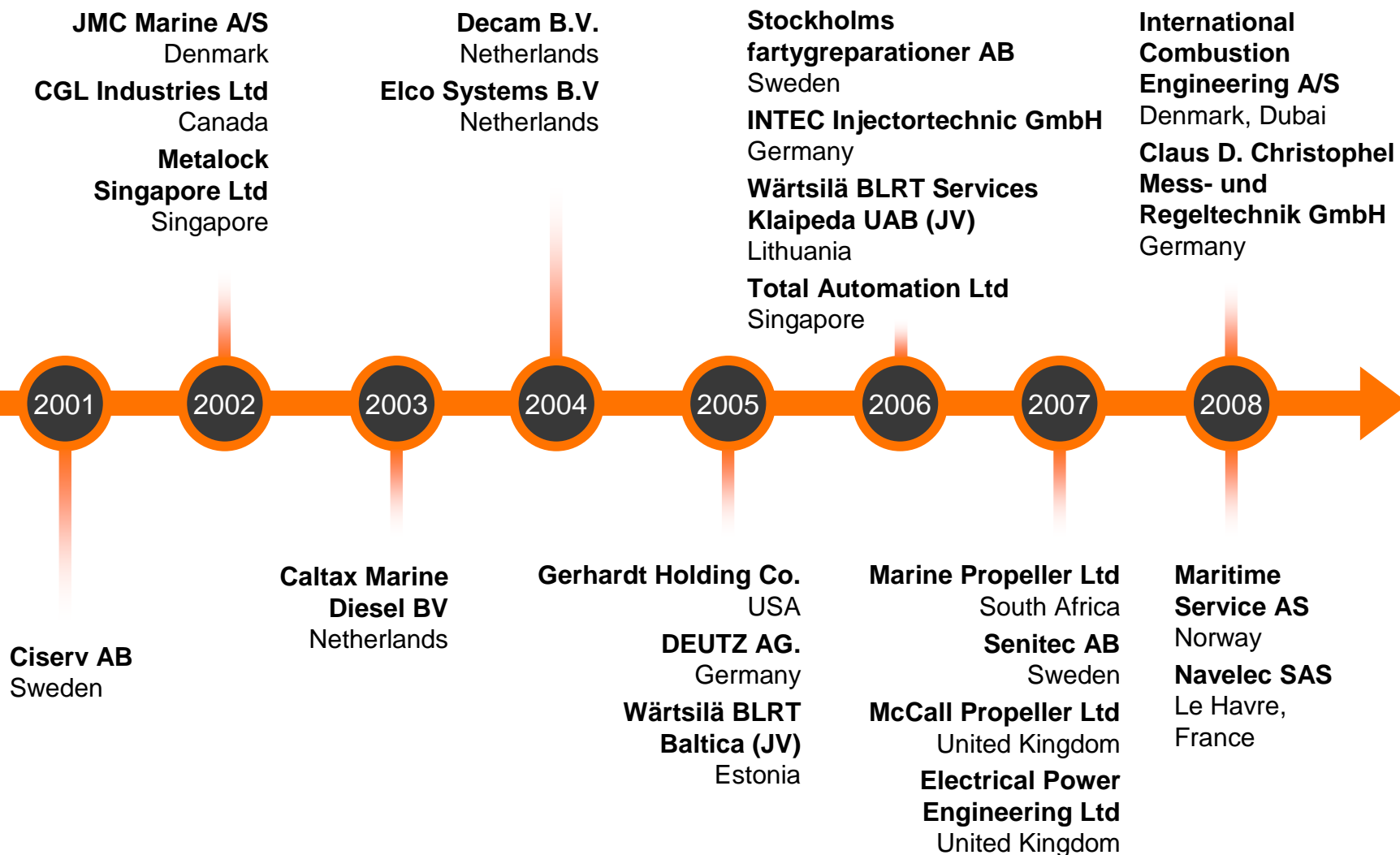
Value to customer's business

We become the most valued business partner...



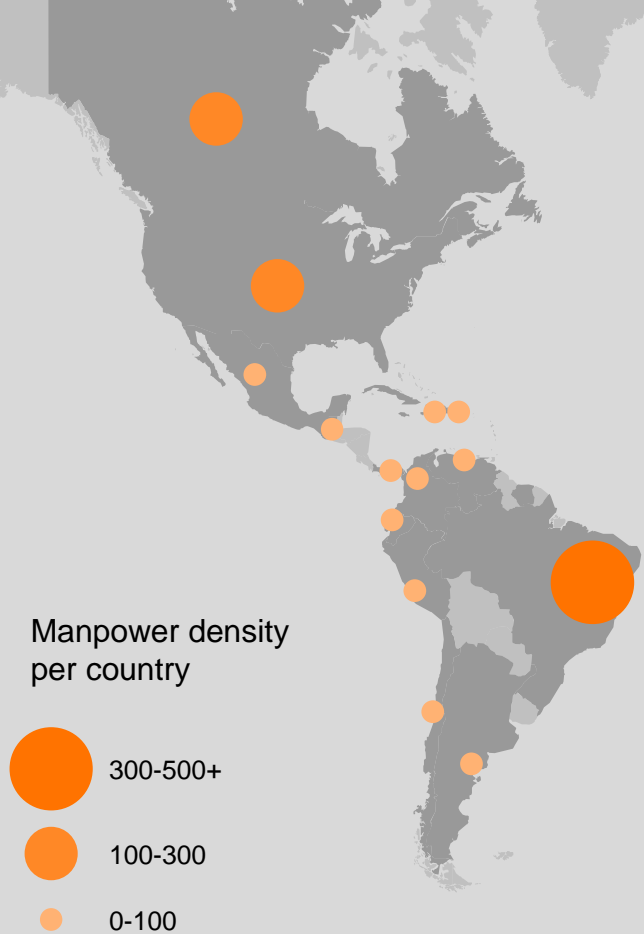
... by understanding **Customers' needs** and assembling the appropriate solution to solve them.

Acquisitions & Joint Ventures



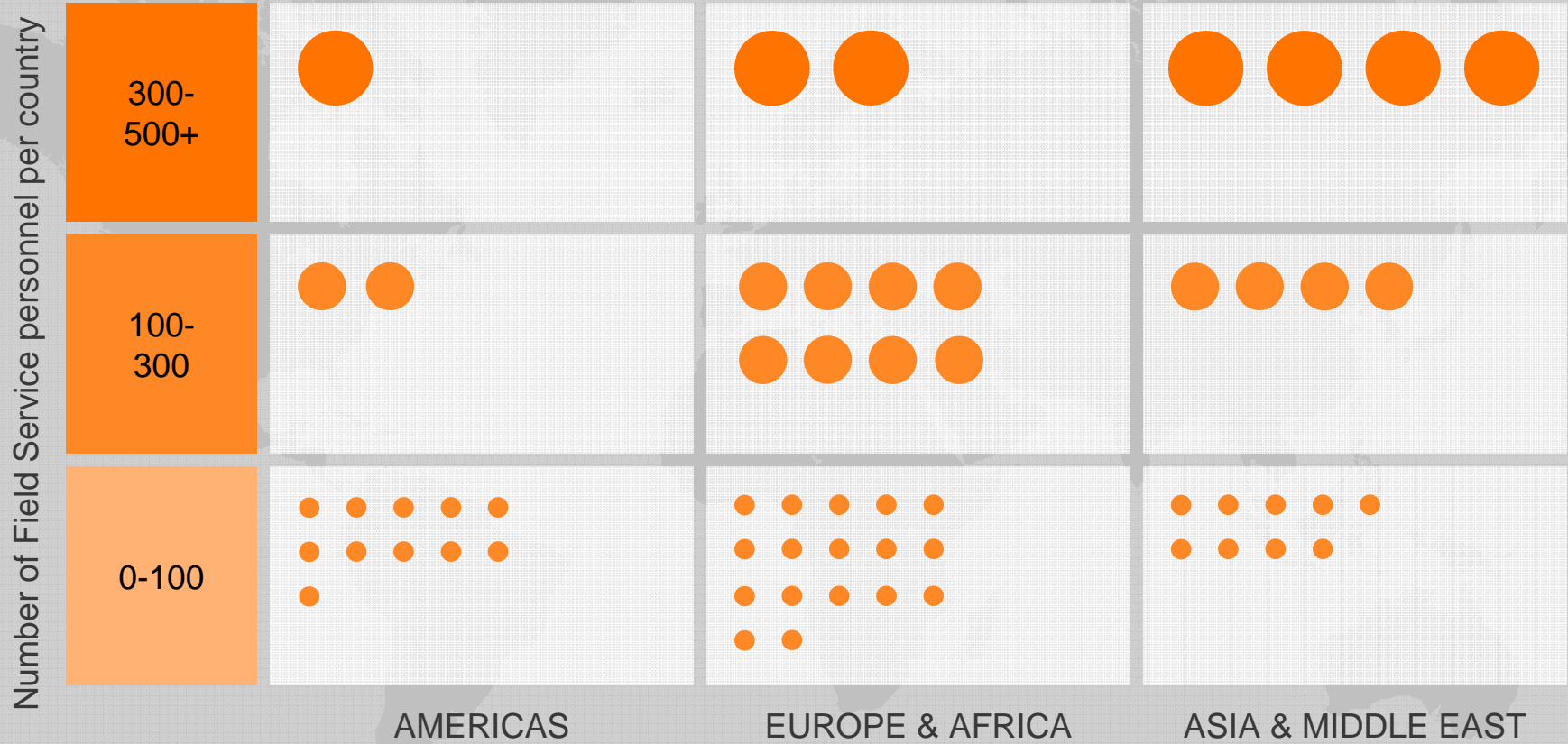
We are continuously developing our Services network

70 countries • > 160 locations • > 10'000 people • > 7'000 field service forces



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SHIP
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PLANTS

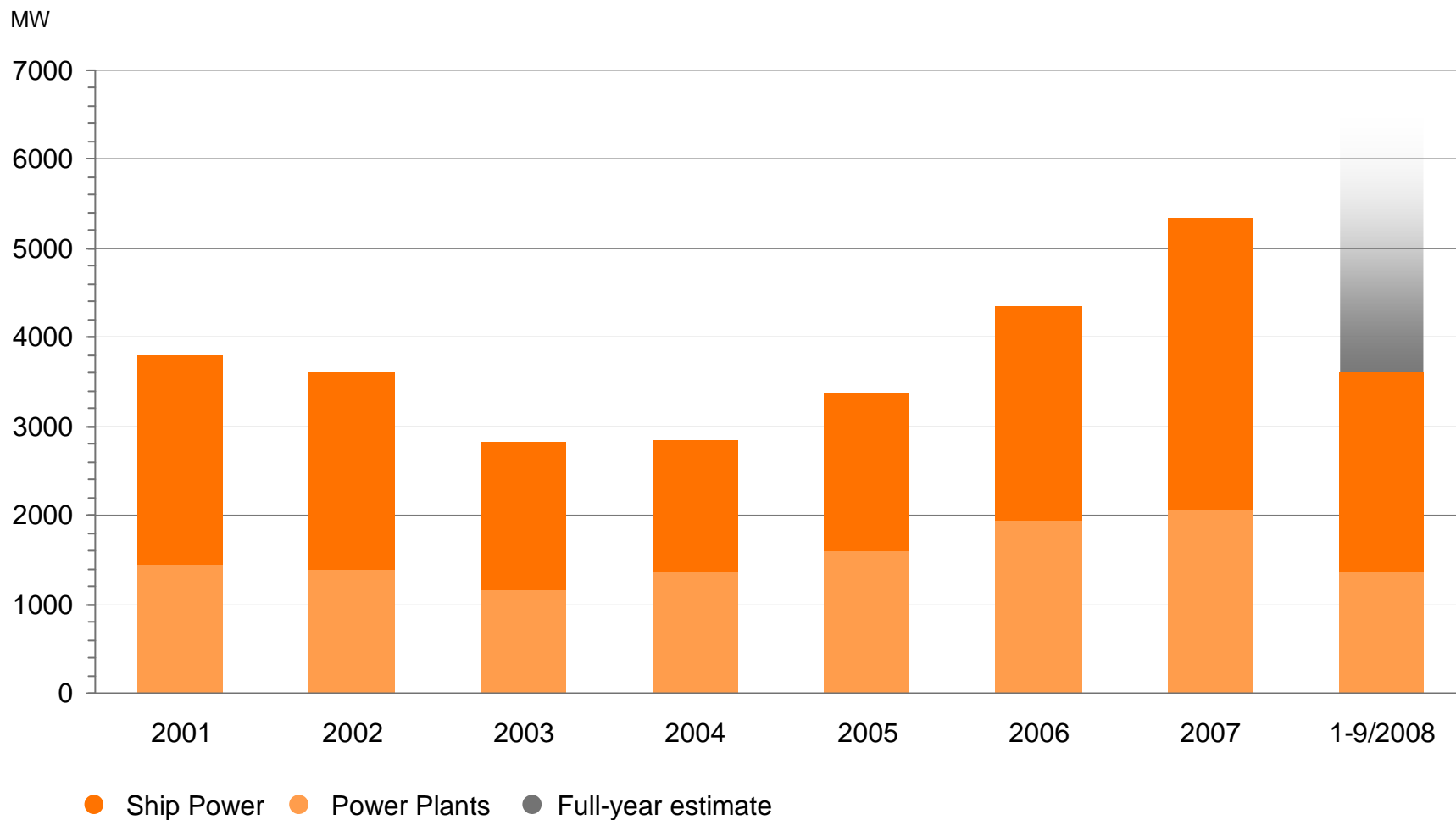
SERVICES

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."

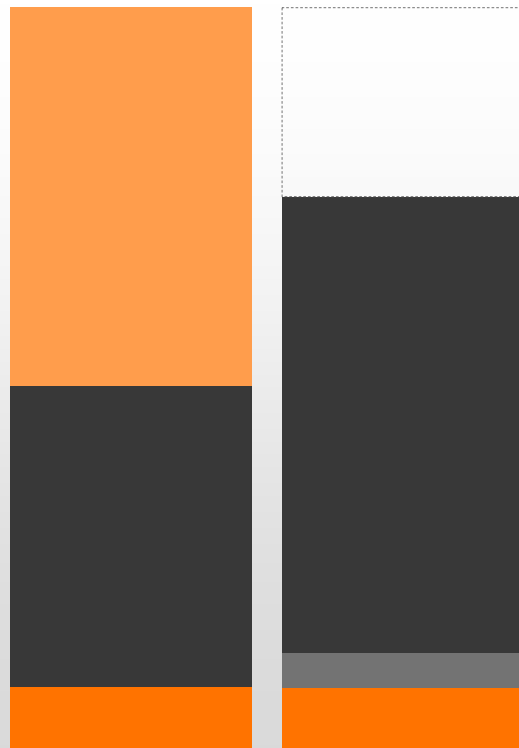


Delivered engine megawatts from own factories



Capacity utilization alternative - What if?

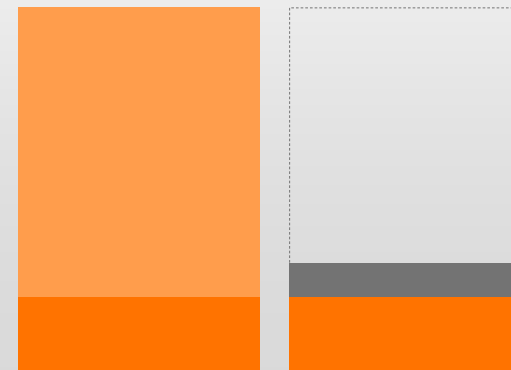
Engine, %



As-is

Could-Be

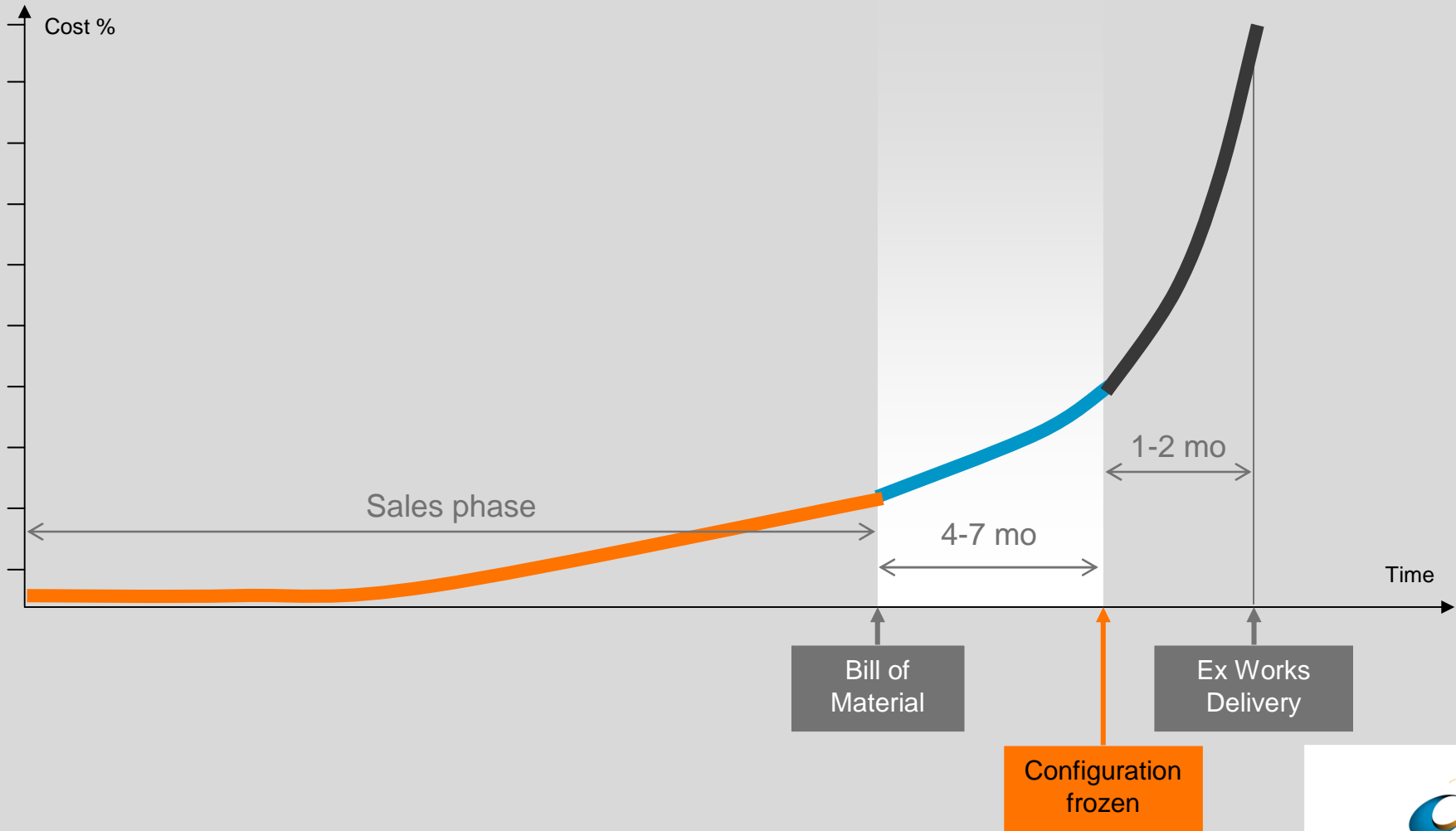
Propulsion, %



As-is

Could-Be

● Services ● Retrofit ● Power Plants ● Ship Power ○ Lost





- Performance requirements increase
- Complexity of installations increase
- Uncertainty about fuel price supports engine solutions
- Quality services in high demand



Competition adding engine and propeller capacity

- Hyundai
- MAN
- Rolls Royce

Services competition increasing

- Himsen / Goltens
- MAN investments



WÄRTSILÄ