WÄRTSILÄ'S INTERIM REPORT JANUARY-MARCH 2010

WÄRTSILÄ

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The figures in this interim report are unaudited.

REVIEW PERIOD JANUARY-MARCH 2010 IN BRIEF

MEUR	1-3/2010	1-3/2009	Change	2009
Order intake	881	958	-8%	3 291
Order book 31 March	4 330*)	6 477	-33%	4 491
Net sales	922	1 241	-26%	5 260
Operating result (EBIT) before nonrecurring restructuring items	94	130	-28%	638
% of net sales	10.2%	10.5%		12.1%
Nonrecurring items	44			
Operating result	49			592
% of net sales	5.3%			11.2%
Profit before taxes	49	123		558
Earnings/share, EUR	0.68 1)	0.89		4.30 2)
Cash flow from operating activities	181	23		349
Interest-bearing net debt at the end of the period	410	613		414
Gross capital expenditure	15	24		152

*) Cancellations amounting to EUR 82 million have been eliminated from the order book during the first quarter.
1) Earnings/share excluding nonrecurring items (EPS including nonrecurring items total EUR 0.33)
2) Earnings/share excluding nonrecurring items (EPS including nonrecurring items total EUR 3.94)

MARKET DEVELOPMENT

SHIP POWER

Markets show small signs of recovery

Ordering volumes for the first two months of 2010 remained similar to those at the end of last year, while March marked a slight pick-up, showing the highest number of orders, 95 vessels, since late 2008. Currently the markets are characterised by relatively small players placing orders for only a few ships at a time. New building prices are at 2004 levels, and have clearly attracted some well-positioned owners to place orders. From Wärtsilä's point of view, the most interesting developments have occurred in more specialised tonnage. Recovery has started in cruise and ferry as well as in fishing, salvage and different kinds of construction vessels. The offshore market is also active and orders are expected to materialise later during this year.

Korea was the biggest shipbuilding nation during the period, capturing approximately half of the orders, calculated in number of vessels. China was the second biggest, Japan and Europe being far behind. In terms of tonnage, Korea dominated even more clearly.

Ship Power market shares

Wärtsilä's share of the market in medium speed main engines was 35% (36% at the end of the previous quarter) and the market share in low speed engines was 11% (12). In auxiliary engines, Wärtsilä's share was 1% (2). Due to the very low contracting volumes, market shares are still very sensitive to individual orders.

POWER PLANTS

The market situation in the Power Plants business remained solid and market activity continued to be at a good level. The closing of large projects is still a lengthy process.

SERVICES

During the review period, our marine customers continued to suffer from the global recession. The focus continued to be on repairs rather than on maintenance. Investments were targeted mainly on upgrades and retrofits, with the main purpose being to reduce operating costs. This trend is expected to continue. By the end of the period the number of idled vessels decreased somewhat for the first time since the economic crisis started, and vessel scrapping levels remained stable compared to the previous quarter. Power Plants customers continue to run their installations at high levels with a stable demand for services.

ORDER INTAKE

The order intake for the review period totalled EUR 881 million (958), a decrease of 8%. In relation to the previous quarter Wärtsilä's total order intake grew 7% (EUR 823 million in the fourth quarter of 2009).

Ship Power order intake for the first three months totalled EUR 90 million (127), down 29%. Compared to the previous quarter order intake was up 66%. Order intake was clearly dominated by the Cruise&Ferry segment which represented 46% of total orders. The share of various kinds of special vessels was 19%, while Merchant and Offshore represented 15% and 12% respectively of total orders.

The order intake for Power Plants in the first quarter totalled EUR 267 million (321), which was 17% less than for the corresponding period last year. During the first quarter, the largest oil-fired power plant orders were received from Africa. The largest gas-fired power plant orders came from Africa, Turkey and India. Compared to the previous quarter, the Power Plants business order intake fell 11% (EUR 300 million in the fourth quarter of 2009).

Order intake for the Services business totalled EUR 522 million (507) in the first quarter, a growth of 3% compared to the corresponding period of 2009. Compared to the fourth quarter 2009 order intake increased by 11% (EUR 470 million in the fourth quarter of 2009). Several maintenance contracts were signed or renewed, in both the Power Plants and Ship Power businesses. Wärtsilä signed a five-year maintenance agreement with Finnish Neste Oil for eight of their vessels.

ORDER BOOK

The total order book at the end of the review period stood at EUR 4,330 (6,477). The Ship Power order book stood at EUR 2,242 (4,127). During the period, cancellations of EUR 82 million materialised and were deducted from the order book. Cancellations were mainly concentrated within the Merchant and Offshore segments. Wärtsilä estimates the remaining cancellation risk in the order book to be approximately EUR 400 million (EUR 500 at the end of the previous quarter)
The Power Plants order book stood at EUR 1,392 million (1,829). The Services order book totalled EUR 696 million (521).

Order intake by business

MEUR	1-3/2010	1-3/2009	Change	1-12/2009
Ship Power	90	127	-29%	317
Power Plants	267	321	-17%	1 048
Services	522	507	3%	1 917
Order intake, total	881	958	-8%	3 291

Order intake Power Plants

MW	1-3/2010	1-3/2009	Change	1-12/2009
Oil	79	344	-77%	1 172
Gas	360	243	48%	800
Renewable fuels	19	0	100%	35

Order book by business

MEUR	31 Mar. 2010	31 Mar. 2009	Change	31 Dec.2009
Ship Power	2 242*)	4 127	-46%	2 553
Power Plants	1 392	1 829	-24%	1 362
Services	696	521	34%	576
Order book, total	4 330	6 477	-33%	4 491

*) Cancellations amounting to EUR 82 million have been eliminated from the order book during the first quarter.

NET SALES

Wärtsilä's net sales for January-March 2010 totalled EUR 922 million (1,241). Ship Power's net sales decreased by 26% and totalled EUR 278 million (373). Net sales for Power Plants totalled EUR 237 million (431), a decrease of 45%. Timing of deliveries and the stevedore strike in Finnish harbours in March impacted Power Plants' net sales negatively. The Power Plants business is characterised by big individual projects and the timing of deliveries lead to fluctuations between quarters.
Net sales from the Services business totalled EUR 409 million (434), a decrease of 6%. The decrease was mainly due to marine customers' investment deferrals and cost control. Postponement of maintenance, slow steaming, scrapping, as well as seasonal fluctuations impacted first quarter Services sales.

Ship Power net sales accounted for 30%, Power Plants for 26% and Services net sales for 44% of total net sales.

Net sales by business

MEUR	1-3/2010	1-3/2009	Change	1-12/2009
Ship Power	278	373	-26%	1 767
Power Plants	237	431	-45%	1 645
Services	409	434	-6%	1 830
Net sales, total	922	1 241	-26%	5 260

FINANCIAL RESULTS

The operating result before nonrecurring expenses totalled EUR 94 million (130) for January-March 2010, which is 10.2% of net sales (10.5). Including the nonrecurring items relating to the previously announced restructuring programme, the operating result was EUR 49 million or 5.3% of net sales.
Financial items amounted to EUR 0 million (-7). Net interest totalled EUR -3 million (-6). Financial items for the period include gains from closed hedges. Profit before taxes amounted to EUR 49 million (123). Taxes in the reporting period amounted to EUR -14 million (-34). Earnings per share were EUR 0.33 (0.89).

BALANCE SHEET, FINANCING AND CASH FLOW

Cash flow from operating activities for January-March 2010 totalled EUR 181 million (23). Advances received at the end of the period totalled EUR 835 million (EUR 879 million at the end of the previous quarter). Liquid reserves at the end of the period amounted to EUR 252 million (149). Net interest-bearing loan capital totalled EUR 410 million (613). Dividends totalling EUR 173 million were paid during the first quarter.

Wärtsilä had interest bearing loans totalling EUR 682 million (774) at the end of March 2010. The existing funding programmes include long-term loans of EUR 611 million, unutilised Committed Revolving Credit

Facilities totalling EUR 570 million and Finnish Commercial Paper programmes totalling EUR 700 million. The total amount of short-term debt maturing within the next 12 months is EUR 71 million.

The solvency ratio was 36.4% (32.1) and gearing was 0.31 (0.55).

HOLDINGS

Wärtsilä owns 7,270,350 B shares in Assa Abloy, or 2.0% of the total. This holding has been booked in the balance sheet at its market value at the end of the reporting period, EUR 106 million.

CAPITAL EXPENDITURE

Gross capital expenditure in the review period totalled EUR 15 million (24), which comprised EUR 1 million (2) in acquisitions and investments in securities, and EUR 14 million (22) in production and information technology investments. Depreciation amounted to EUR 30 million (30).

Maintenance capital expenditure for 2010 will be in line with or below depreciation. Wärtsilä continues to pursue its strategy to expand the Services offering and network, and any acquisition opportunities in this market may affect total capital expenditure for the year.

RESTRUCTURING PROGRAMMES

In January, Wärtsilä announced its plans to adjust its manufacturing footprint to the fundamental changes in the market. Wärtsilä plans to move the majority of its propeller production and W20 generating set production to China, close to the main marine markets. The current propeller manufacturing in Drunen, and the component manufacturing DTS in Zwolle, both in The Netherlands, are planned to be closed. The Wärtsilä 20 generating set production in Vaasa Finland is planned to be closed and moved to China in order to stay competitive in this market. Wärtsilä plans to reduce approximately 1,400 jobs globally within this programme during 2010.

Wärtsilä is looking for annual 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. The total nonrecurring costs related to the restructuring will be approximately EUR 140 million, out of which EUR 40 million non-cash write-offs were recognised in 2009 and EUR 100 million will be recognised in 2010. During the review period EUR 44 million was recognised.

Consultation processes have been initiated in several locations and are proceeding according to plan. The first consultation processes are expected to be concluded during the second quarter of 2010, after which execution of the plans will start.

With the aim to streamline processes, decrease overlaps and improve the cost efficiency of Wärtsilä's operations, all global staff functions will be evaluated during the first part of 2010.

The adjustment programme announced in May 2009 to reduce 400-450 jobs in Ship Power is proceeding according to plan and the majority of the savings have materialised. The annual savings of EUR 30 million will take full effect by the end of 2010.

PERSONNEL

Wärtsilä had 18,410 (18,844) employees at the end of March 2010. Personnel on average for January - March 2010 totalled 18,481 (18,821). Ship Power employed 1,048 (1,283) people. The number of personnel in Ship Power has decreased as a result of the restructuring measures initiated in May 2009. Power Plants employed 853 (817) people, Services 11,357 (11,172) and Wärtsilä Industrial Operations 4,697 (5,133) people. New O&M contracts in Services have required new recruitments.

Of Wärtsilä's total employees, 18% (19) were located in Finland, 8% (9) in the Netherlands and 31% (30) in the rest of Europe. The personnel employed in Asia represented 30% (30), out of which 7% (7) were in China, in India 6% (6), in Singapore 5% (6), and in the rest of the Asia 13% (12).

Within the restructuring programme announced in January 2010, Wärtsilä plans to reduce approximately 1,400 jobs globally within the Group during 2010. Of these reductions 570 are planned to be in the Netherlands. The remaining reductions will impact various divisions, functions and countries, and will be clarified during the first half of this year.

MANUFACTURING

During the review period Wärtsilä received the first order for its new Wärtsilä RT-flex35 two-stroke engine. The Wärtsilä licensee, Yichang Marine Diesel Engine Co., has signed a contract with Ningbo Donghai Shipping Co. Ltd. to deliver five Wärtsilä RT-flex35 engines for a series of five chemical tankers. The Wärtsilä RT-flex35 is designed to provide optimal power and speed combinations for a number of ship types, including handy size bulk carriers, product tankers, general cargo ships, reefer ships, feeder container ships, and small LPG carriers.

RESEARCH & DEVELOPMENT

During the first quarter 2010, Wärtsilä and Hitachi Zosen signed an agreement to develop and market fuel cell based power solutions for distributed power generation applications in Japan.

Wärtsilä and Samsung Heavy Industries (SHI) signed a co-operation agreement to develop gas-fuelled merchant vessels. The intention is to jointly develop next-generation ships with efficient and competitive propulsion machinery concepts that meet or exceed the demands of future environmental regulations.

During the review period Wärtsilä released a new product known as Wärtsilä NOR. Wärtsilä NOR is a NOx reducer based on the Selective Catalytic Reduction technology, which is a proven means for the effective reduction of NOx emissions.

In March Wärtsilä signed an agreement with the Raytheon Group. The agreement extends the scope of Wärtsilä's offering of integrated system solutions to include navigation systems. The co-operation agreement gives Wärtsilä the ability to combine its engine and propulsion controls, alarm and monitoring systems, and the navigation systems into seamless integrated packages.

SUSTAINABLE DEVELOPMENT

The global quest for sustainable and environmentally sound development is an important demand driver for Wärtsilä. Increased environmental concerns and more stringent regulations, both globally and locally are creating pressure on the marine industry to constantly investigate new ways of reducing the environmental impact of ships. Greenhouse gas emissions reduction also continues to drive change in the energy sector. Wärtsilä is well positioned to reduce sea transport emissions and greenhouse gas emissions, thanks to its various technologies and specialised services.

During the review period Wärtsilä's share was included in two new sustainability indexes: The ECPI Global Carbon Equity Index, and the OMX GES Sustainability Nordic index. Wärtsilä was also rated a PRIME company by Oekom Research.

SHARES AND SHAREHOLDERS

SHARES ON HELSINKI EXCHANGES

31 March 2010	Number of shares	Number of votes	Number of shares traded 1-3/2010
WRT1V	98 620 565	98 620 565	32 765 731

1 Jan. -31 March 2010	High	Low	Average 1)	Close
Share price	38.26	28.19	33.79	37.50

1) Trade-weighted average price.

	31 Mar. 2010	31 Mar. 2009
Market capitalisation, EUR million	3 698	1 567
Foreign shareholders	46.4%	43.9%

DECISIONS TAKEN BY THE ANNUAL GENERAL MEETING

Wärtsilä's Annual General Meeting held on 4 March 2010 approved the financial statements and discharged the members of the Board of Directors and the company's President & CEO from liability for the financial year 2009. The Meeting approved the Board of Directors' proposal to pay a dividend of EUR 1.75 per share. The dividend was paid on 16 March 2010.

The Annual General Meeting decided to change the eighth article of the Articles of Association so that the latest time to publish the notice to the general meeting will be three weeks, yet by latest nine (9) days before the record date of the general meeting. The change is due to a change in the Finnish Limited Liability Companies Act.

The Annual General Meeting decided to change the fourth article of the Articles of Association so that the maximum number of members of the Board of Directors was increased to ten and that the Board of Directors consists of 5-10 members.

The Annual General Meeting decided that the Board of Directors shall have nine members. The following were elected to the Board: Ms Maarit Aarni-Sirviö, Mr Kaj-Gustaf Bergh, Mr Alexander Ehrnrooth, Mr Paul Ehrnrooth, Mr Ole Johansson, Mr Antti Lagerroos, Mr Bertel Langenskiöld, Mr Mikael Lilius and Mr Matti Vuoria.

The firm of public auditors KPMG Oy Ab were appointed as the company's auditors.

The Annual General Meeting authorised the Board to resolve on donations of EUR 1,500,000 at the maximum to be made to universities during 2010. The primary recipient of the donations would be Aalto University.

Organisation of the Board of Directors

The Board of Directors of Wärtsilä Corporation elected Antti Lagerroos as its chairman and Matti Vuoria as the deputy chairman. The Board decided to establish an Audit Committee, a Nomination Committee and a Compensation Committee. The Board appointed from among its members the following members to the Committees:

Audit Committee:

Chairman Antti Lagerroos, Maarit Aarni-Sirviö, Alexander Ehrnrooth, Bertel Langenskiöld

Nomination Committee:
Chairman Antti Lagerroos, Kaj-Gustaf Bergh, Paul Ehrnrooth, Matti Vuoria

Compensation Committee:
Chairman Antti Lagerroos, Bertel Langenskiöld, Mikael Lilius, Matti Vuoria

RISKS AND BUSINESS UNCERTAINTIES
Due to the uncertainty in the shipping industry, the main risks in Ship Power remain the slippage of ship yard delivery schedules and it seems probable that some orders will be rescheduled or cancelled. As a result, Wärtsilä sees a cancellation risk of approximately EUR 400 million (EUR 500 at the end of the previous quarter).

In the Power Plants business, the impact from the financial crisis can mainly be seen in the timing of larger projects.

For Services, the biggest risk continues to be the uncertainty in the marine markets and a potential further deterioration of the shipping industry leading to a larger scale lay-up of ships.

The current market situation has impacted the entire supply chain during 2009, and Wärtsilä is continuously monitoring its supplier base. The risk level has not significantly changed during the year.

The annual report for 2009 contains a thorough description of Wärtsilä's risks and risk management.

MARKET OUTLOOK
Although not yet visible in ordering activity, market activity picked up in the shipbuilding industry during the first quarter of 2010. The activity level increased especially in specialised tonnage and in the offshore area, and this development is expected to continue during the year. Despite many recent bulk carrier and some tanker orders, the market for merchant vessels is expected to remain slow for up to the end of 2011. These recent orders can be seen as single orders placed as a result of attractive prices rather than any market trend.

Even though markets have bottomed out, the current overcapacity and prevailing conditions will maintain ordering volumes at low levels and lead to more intense competition and price pressure among shipbuilding suppliers. Wärtsilä Ship Power estimates order intake in 2010 to be moderately better than in 2009.

In 2010, the power generation market is expected to recover gradually, along with the improvements in the financial sector. The recovery is expected to happen at varying pace in different regions and countries, with emerging markets expected to be in the forefront of the recovery. The flexible baseload and grid stability & peaking customer segments are expected to recover first. Wärtsilä Power Plants estimates order intake to improve in 2010.

Uncertainty will continue in 2010 with regards to larger service projects, as many customers are still adapting to the economic crisis. Services development is expected to remain steady. Though the size of the active fleet remains stable, the scrapping of older tonnage and its replacement with new tonnage, which is still under warranty and has lower maintenance needs, may impact Services. Power plant installations continue to be run at high operating levels. Environmental compliance and economic considerations have been the main drivers of this business, and will remain so in the foreseeable future. Wärtsilä is continuously developing its portfolio in these areas. Customers are increasingly looking for remote management and optimisation of their assets, as this allows them to simultaneously reduce both their costs and environmental footprint. Wärtsilä also sees an increased interest in maintenance partnerships, which reduce the fixed costs for our marine, offshore and power plant customers.

WÄRTSILÄ'S PROSPECTS FOR 2010 REITERATED

Due to the weakness of the shipbuilding sector we expect net sales to decline by 10-20 percent in 2010. As a result of a stable service business, good demand for power plants and proper adaptation 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 INTERIM REPORT JANUARY – MARCH 2010

This interim financial report is prepared in accordance with IAS 34 (Interim Financial Reporting) using the same accounting policies and methods of computation as in the annual financial statements for 2009. All figures in the accounts have been rounded and consequently the sum of individual figures can deviate from the presented sum figure.

Use of estimates

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the valuation of the reported assets and liabilities and other information, such as contingent liabilities and the recognition of income and expenses in the income statement. Although the estimates are based on the management's best knowledge of current events and actions, actual results may differ from the estimates.

Of the amended International Financial Reporting Standards (IFRS) and interpretations mandatory as of 1 January 2010 the following are applicable on the Group reporting:

- Revised IFRS 3 Business Combinations
- Amendment to IAS 27 Consolidated and Separate Financial Statements
- Amendment to IAS 39 Financial Instruments: Recognition and Measurement: Eligible Hedged Items
- IFRIC 18 Transfers of Assets from Customers
- Amendments to IFRIC 9 Reassessment of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement – Embedded Derivatives

The adaption of the revised standards and interpretations does not have any material effect on the interim report.

This interim report is unaudited.

CONDENSED INCOME STATEMENT

MEUR	1-3/2010	1-3/2009	2009
Net sales	922	1 241	5 260
Other income	7	5	50
Expenses	-851	-1 087	-4 559
Depreciation and impairment	-30	-30	-165
Share of profit of associates and joint ventures	2	1	6
Operating result	49	130	592
Financial income and expenses		-7	-34
Profit before taxes	49	123	558
Income taxes	-14	-34	-161
Profit for the financial period	35	89	396
Attributable to:			
Owners of the parent	32	87	389
Non-controlling interest	2	1	8
Total	35	89	396
Earnings per share attributable to equity holders of the parent company:			
Earnings per share, EUR (basic and diluted)	0.33	0.89	3.94

STATEMENT OF COMPREHENSIVE INCOME

Profit for the financial period	35	89	396
Other comprehensive income after tax:			
Exchange differences on translating foreign operations	13	8	18
Investments available for sale	10	-9	34
Cash flow hedges	-9		20
Share of other comprehensive income of associates and joint ventures			1
Other comprehensive income for the period	13	-1	73
Total comprehensive income for the period	48	87	469
Total comprehensive income attributable to:			
Owners of the parent	45	86	460
Non-controlling interest	3	2	9
	48	87	469

CONDENSED BALANCE SHEET

MEUR	31 Mar. 2010	31 Mar. 2009	31 Dec. 2009
Non-current assets			
Intangible assets	782	796	779
Property, plant and equipment	456	452	457
Equity in associates and joint ventures	61	52	56
Investments available for sale	166	96	151
Deferred tax receivables	97	77	88
Other receivables	30	26	15
	1 593	1 500	1 548
Current assets			
Inventories	1 633	1 784	1 577
Other receivables	1 169	1 349	1 287
Cash and cash equivalents	252	149	244
	3 054	3 282	3 108
Assets	4 647	4 782	4 655

Shareholders' equity			
Share capital	336	336	336
Other shareholders' equity	1 033	785	1 160
Total equity attributable to equity holders of the parent	1 369	1 121	1 496
Minority interest	19	17	16
Total shareholders' equity	1 388	1 138	1 512
Non-current liabilities			
Interest-bearing debt	611	607	591
Deferred tax liabilities	95	80	93
Other liabilities	192	341	258
	898	1 029	941
Current liabilities			
Interest-bearing debt	71	167	73
Other liabilities	2 290	2 448	2 129
	2 361	2 615	2 202
Total liabilities	3 259	3 644	3 143
Shareholders' equity and liabilities	4 647	4 782	4 655

CONDENSED CASH FLOW STATEMENT

MEUR	1-3/2010	1-3/2009	2009
Cash flow from operating activities:			
Profit before taxes	49	123	558
Depreciation and impairment	30	30	165
Financial income and expenses		7	34
Selling profit and loss of fixed assets and other adjustments	3	-1	-7
Share of profit of associates and joint ventures	-2	-1	-6
Changes in working capital	166	-90	-179
Cash flow from operating activities before financial items and taxes	246	69	564
Net financial items and income taxes	-65	-46	-215
Cash flow from operating activities	181	23	349
Cash flow from investing activities:			
Investments in shares and acquisitions	-1	-2	-16
Net investments in tangible and intangible assets	-13	-22	-133
Proceeds from sale of shares		-23	-21
Cash flow from other investing activities	4	1	7
Cash flow from investing activities	-11	-46	-163
Cash flow from financing activities:			
New long-term loans	25	162	263
Amortization and other changes in long-term loans	-12	2	-106
Changes in short term loans and other financing activities	-9	-43	-141
Dividends paid	-173	-149	-156
Cash flow from financing activities	-168	-27	-140
Change in cash and cash equivalents, increase (+) / decrease (-)	2	-50	47
Cash and cash equivalents at beginning of period	244	197	197
Exchange rate changes	6	2	
Cash and cash equivalents at end of period	252	149	244

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

MEUR	Total equity attributable to equity holders of the parent					Minority interest	Total equity
	Share capital	Share issue premium	Translation differences	Fair value and other reserves	Retained earnings		
Shareholders' equity on 1 January 2010	336	61	-6	99	1 006	16	1 512
Dividends					-173		-173
Total comprehensive income for the period			12	1	33	3	48
Shareholders' equity on 31 March 2010	336	61	6	100	866	19	1 388
Shareholders' equity on 1 January 2009	336	61	-27	50	764	15	1 199
Dividends					-148	-1	-149
Total comprehensive income for the period			10	-13	87	3	87
Shareholders' equity on 31 March 2009	336	61	-17	37	703	17	1 138

GEOGRAPHICAL DISTRIBUTION OF NET SALES

MEUR	Europe	Asia	Americas	Other	Group
Net sales 1-3/2010	279	342	199	101	922
Net sales 1-3/2009	347	491	290	113	1 241

INTANGIBLE ASSETS AND PROPERTY, PLANT & EQUIPMENT

MEUR	1-3/2010	1-3/2009	2009
Intangible assets			
Book value at 1 January	779	793	793
Changes in exchange rates	10	13	26
Acquisitions		2	12
Additions	5	2	24
Depreciation and impairment	-11	-14	-62
Disposals and intra-balance sheet transfer			-14
Book value at end of period	782	796	779
Property, plant and equipment			
Book value at 1 January	457	446	446
Changes in exchange rates	7	3	3
Acquisitions			1
Additions	10	20	112
Depreciation and impairment	-18	-16	-103
Disposals and intra-balance sheet transfer	-1	-1	-2
Book value at end of period	456	452	457

GROSS CAPITAL EXPENDITURE

MEUR	1-3/2010	1-3/2009	2009
Investments in securities and acquisitions	1	2	16
Intangible assets and property, plant and equipment	14	22	136
Group	15	24	152

Wärtsilä centralises warehousing and logistics of spare parts by investing in a new distribution centre in the Netherlands. The investments to the new distribution centre amounted to EUR 1 million during the review period and commitments related to the investment were EUR 30 million at the end of the review period.

INTEREST-BEARING LOAN CAPITAL

MEUR	31 Mar. 2010	31 Mar. 2009	31 Dec. 2009
Long-term liabilities	611	607	591
Current liabilities	71	167	73
Loan receivables	-20	-12	-6
Cash and bank balances	-252	-149	-244
Net	410	613	414

FINANCIAL RATIOS

	1-3/2010	1-3/2009	2009
Earnings per share, EUR (basic and diluted)	0.33	0.89	3.94
Equity per share, EUR	13.88	11.36	15.17
Solvency ratio, %	36.4	32.1	40.0
Gearing	0.31	0.55	0.28

PERSONNEL

	1-3/2010	1-3/2009	2009
On average	18 481	18 821	18 830
At end of period	18 410	18 844	18 541

CONTINGENT LIABILITIES

MEUR	31 Mar. 2010	31 Mar. 2009	31 Dec. 2009
Mortgages	56	56	56
Chattel mortgages	12	10	10
Total	68	66	66
Guarantees and contingent liabilities			
on behalf of Group companies	723	688	678
on behalf of associated companies	8		8
Nominal amount of rents according			
to leasing contracts	81	70	77
Total	812	757	763

NOMINAL VALUES OF DERIVATIVE INSTRUMENTS

MEUR	Total amount	of which closed
Interest rate swaps	70	
Foreign exchange forward contracts	1 407	410
Currency options, purchased	63	7
Currency options, written	7	7

CONDENSED INCOME STATEMENT, QUARTERLY

MEUR	1-3/2010	10-12/2009	7-9/2009	4-6/2009	1-3/2009
Net sales	922	1 519	1 167	1 333	1 241
Other income	7	11	20	13	5
Expenses	-851	-1 280	-1 026	-1 167	-1 087
Depreciation and impairment	-30	-73	-31	-30	-30
Share of profit of associates and joint ventures	2	1	3	1	1
Operating result	49	179	133	149	130
Financial income and expenses		-9	-9	-9	-7
Profit before taxes	49	170	125	141	123
Income taxes	-14	-51	-38	-39	-34
Profit for the financial period	35	119	87	102	89
Attributable to:					
Owners of the parent	32	115	86	100	87
Non-controlling interest	2	4	1	2	1
Total	35	119	87	102	89
Earnings per share attributable to equity holders of the parent company:					
Earnings per share, EUR	0.33	1.17	0.87	1.01	0.89

CALCULATION OF FINANCIAL RATIOS

Earnings per share (EPS)

$$\frac{\text{Profit for the period attributable to equity holders of the parent company}}{\text{Adjusted number of shares over the period}}$$

Equity per share

$$\frac{\text{Equity attributable to equity holders of the parent company}}{\text{Adjusted number of shares at the end of the period}}$$

Solvency ratio

$$\frac{\text{Shareholders' equity}}{\text{Balance sheet total - advances received}} \times 100$$

Gearing

$$\frac{\text{Interest-bearing liabilities - cash and bank balances}}{\text{Shareholders' equity}}$$

22 April 2010
Wärtsilä Corporation
Board of Directors