WÄRTSILÄ'S INTERIM REPORT

JANUARY–MARCH 2011

INTERIM REPORT JANUARY–MARCH 2011

This interim report is unaudited. All share related financial ratios and their comparison figures have been calculated based on the new amount of shares.

REVIEW PERIOD JANUARY-MARCH 2011 IN BRIEF

MEUR	1-3/2011	1-3/2010	Change	2010
Order intake	979	881	11%	4 005
Order book 31 March	3 669	4 330	-15%	3 795
Net sales	1 083	922	18%	4 553
Operating result	113	94	21%	487
% of net sales	10.4%	10.2%		10.7%
Profit before taxes	107	49		548
Earnings/share, EUR	0.38	0.34		1.68
Cash flow from operating activities	133	181		663
Net interest-bearing debt at the end of the period	-17	410		-165
Gross capital expenditure	19	15		98

The operating result and earnings per share in the table above are shown excluding nonrecurring items. Wärtsilä recognised EUR 2 million (44) of nonrecurring items related to restructuring during the review period.

MARKET DEVELOPMENT

SHIP POWER

Offshore and special vessel markets most active

During the first months of the year overall vessel ordering activity was at a lower level than at the end of 2010. There was a slowdown in bulk carrier orders. However, in the container segment a few owners have placed some significant orders. As expected, activity continued at a good level in the offshore and the more specialised tonnage markets. In the offshore market, the demand for drill ships and platform supply vessels has been active and rising oil prices are expected to drive that demand further.

During the review period, China and Korea continued to be the most important shipbuilding countries – in number of vessels China was slightly bigger whereas in terms of dead weight tonnage (DWT) Korea was slightly ahead. The Chinese owners continued to place a high share of all new orders with the support of Chinese funding. Growing shipbuilding nations, such as Brazil, were also active and secured an increasing share of the orders.

Ship Power market shares

Wärtsilä’s share of the market in medium speed main engines remained at 42% (42% at the end of the previous quarter) and its market share in low speed main engines decreased to 11% (13). In auxiliary engines, Wärtsilä’s share was 3% (4).

POWER PLANTS

Good demand from emerging markets

Market activity continued at a good level during the first quarter of 2011. The demand was active for small and medium size natural gas based projects while some larger investments were delayed. Industrial output increased in most emerging markets, driving demand from independent power producers (IPP's), utilities and industrial customers. The financial crisis led to the postponement of investments for power generation in 2009 and 2010, and this is now creating demand in several markets.

Power Plants market position

In 2010, the overall market for gas and liquid fuel based power generation was approximately 57,000 MW. This includes all prime mover units of over 5 MW. Wärtsilä's share represented 5.6% of the market. This makes Wärtsilä the fourth largest supplier of gas and liquid fuel based power plants. With its unique value proposition, Wärtsilä is continuously strengthening its position in the gas based power plant market by capturing market share from other technologies.

SERVICES

The service market is showing signs of growth. The number of idle vessels was on a lower level than during the previous year. However, the average speed of the fleet has continued to decrease and the number of anchored vessels was still at a high level. Power Plants customers continued to have a stable demand for services. Both Ship Power and Power Plants customers are looking to ensure cost effective and energy efficient operations and high reliability. This is evident in the interest in various operation, maintenance and technical service agreements.

ORDER INTAKE

The order intake for the review period totalled EUR 979 million (881), an increase of 11%. In relation to the previous quarter Wärtsilä's total order intake decreased 2% (EUR 1,003 million in the fourth quarter of 2010). The book-to-bill ratio for the first quarter was 0.90 (0.96).

Ship Power's order intake for the first three months totalled EUR 173 million (90), up 92%. Compared to the previous quarter, order intake was down 3% (EUR 178 million in the fourth quarter of 2010). During the first quarter, Wärtsilä received a significant order for a ferry from the Finnish ship owner Viking Line. The vessel will be the largest passenger vessel ever to operate on LNG. Merchant segment orders represented 29% of the total orders during the first quarter. The offshore segment continued to be active with a 27% share of total orders, followed by Cruise & Ferry and Special vessels with 16% and 15% respectively. The Navy segment represented a 7% share and Ship Design 6% share of the total.

In January 2011, the company signed a turnkey contract with Containerships Ltd Oy of Finland for retrofitting a Wärtsilä fresh water scrubber in order to reduce sulphur emissions. This is Wärtsilä's first commercial marine scrubber project for a main engine and the company is the first manufacturer to have been awarded the IMO certificate for a marine scrubber by the classification societies Det Norske Veritas and Germanischer Lloyd.

The order intake for Power Plants in the first quarter totalled EUR 253 million (267), which was 5% less than for the corresponding period last year. Compared to the previous quarter, the Power Plants order intake decreased 20% (EUR 317 million in the fourth quarter of 2010). During the first quarter, Wärtsilä received several orders from Turkey, including an order for a 135 MW power plant with seven Wärtsilä 18V50SG natural gas fuelled engines. The plant is scheduled for completion in autumn 2011, and will supply power to the national grid. Other important orders were received from St Barthelemy, India and Brazil. In the Power Plants business, the timing of projects results in swings between quarters.

The order intake for the Services business totalled EUR 551 million (522) in the first quarter, a growth of 6% compared to the corresponding period in 2010. Compared to the fourth quarter 2010, the order intake increased by 8% (EUR 510 million in the fourth quarter of 2010).

During the review period Wärtsilä signed its largest ever long-term marine maintenance support agreement. The contract with Royal Caribbean Cruises Ltd covers 29 vessels with an aggregated output of approximately 1,400 MW. The maintenance support agreement contains a wide range of services, including maintenance planning, spare parts logistics optimisation, development and testing of engine components, fuel consumption optimisation, as well as an advisory service for overhauls and workshop services.

Order intake by business

MEUR	1-3/2011	1-3/2010	Change	1-12/2010
Ship Power	173	90	92%	657
Power Plants	253	267	-5%	1 413
Services	551	522	6%	1 931
Order intake, total	979	881	11%	4 005

Order intake Power Plants

MW	1-3/2011	1-3/2010	Change	1-12/2010
Oil	260	97	168%	1 797
Gas	422	360	17%	1 377

ORDER BOOK

The total order book at the end of the review period stood at EUR 3,669 million (4,330), a decrease of 15%. The Ship Power order book stood at EUR 1,699 million (2,242), which is 24% lower than at the same date last year. At the end of the review period, the Power Plants order book amounted to EUR 1,204 million (1,392), a decrease of 14%. The Services order book totalled EUR 766 million (696) at the end of the review period, representing an increase of 10%.

Order book by business

MEUR	31 Mar. 2011	31 Mar. 2010	Change	31 Dec. 2010
Ship Power	1 699	2 242	-24%	1 825
Power Plants	1 204	1 392	-14%	1 299
Services	766	696	10%	671
Order book, total	3 669	4 330	-15%	3 795

NET SALES

Wärtsilä's net sales for January-March 2011 increased by 18% and totalled EUR 1,083 million (922). Ship Power's net sales increased by 6% and totalled EUR 294 million (278). Net sales for Power Plants totalled EUR 349 million (237), an increase of 47%. Net sales from the Services business totalled EUR 439 million (409), an increase of 7%. Of the total net sales, Ship Power accounted for 27%, Power Plants for 32% and Services for 41%.

Of Wärtsilä's net sales for January-March 2011, approximately 74% was EUR denominated, 9% USD denominated, with the remainder being split between several currencies.

Net sales by business

MEUR	1-3/2011	1-3/2010	Change	1-12/2010
Ship Power	294	278	6%	1 201
Power Plants	349	237	47%	1 525
Services	439	409	7%	1 823
Net sales, total	1 083	922	18%	4 553

FINANCIAL RESULTS

The operating result before nonrecurring expenses totalled EUR 113 million (94) for January-March 2011, which is 10.4% of net sales (10.2). Including nonrecurring expenses, the operating result was EUR 111 million or 10.2% of net sales. Wärtsilä recognised EUR 2 million (44) of nonrecurring expenses related to the restructuring measures during the review period January-March 2011.

Financial items amounted to EUR -4 million (0). Net interest totalled EUR -2 million (-3). Dividends received totalled EUR 1 million (2). Profit before taxes amounted to EUR 107 million (49). Taxes in the reporting period amounted to EUR 31 million (14). Earnings per share after non-recurring expenses were EUR 0.38 (0.16) and equity per share was 7.32 euro (6.94).

BALANCE SHEET, FINANCING AND CASH FLOW

Cash flow from operating activities for January-March 2011 totalled EUR 133 million (181). Net working capital at the end of the period totalled EUR 142 million (332). Advances received at the end of the period totalled EUR 620 million (EUR 616 million at the end of the previous quarter). Liquid reserves at the end of the period amounted to EUR 619 million (252). Net interest-bearing loan capital totalled EUR -17 million (410). Dividends totalling EUR 271 million were paid during the first quarter.

Wärtsilä had interest bearing debt totalling EUR 618 million (682) at the end of March 2011. The existing funding programmes include long-term loans of EUR 553 million, unutilised Committed Revolving Credit Facilities totalling EUR 550 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 65 million.

The solvency ratio was 37.5% (36.4) and gearing was 0.00 (0.31).

CAPITAL EXPENDITURE

Gross capital expenditure in the review period totalled EUR 19 million (15), which comprised EUR 5 million (1) in acquisitions and investments in securities, and EUR 14 million (14) in intangible assets and property, plant and equipment. Depreciation amounted to EUR 29 million (30).

Maintenance capital expenditure for 2011 will be in line with or slightly above depreciation. Possible acquisition opportunities may affect capital expenditure for the year.

RESTRUCTURING PROGRAMMES

Following the global financial crisis, Wärtsilä began the process of adapting its activities through various restructuring measures with the aim of reducing approximately 1,800 persons. To date the number of personnel has been reduced by approximately 1,500.

When fully implemented, it is estimated that the reductions will decrease costs by approximately EUR 130 million. Of these cost savings, about EUR 60 million had materialised by the end of 2010. The remainder of the savings will gradually materialise during 2011. Wärtsilä anticipates that the majority of these cost savings will be permanent. The total nonrecurring costs related to the restructuring will be approximately EUR 150 million, out of which EUR 115 million has been recognised by the end of 2010. During the review period, Wärtsilä recognised EUR 2 million (44) of nonrecurring items related to the restructuring measures. The remainder of the costs will be recognised during 2011.

PERSONNEL

Wärtsilä had 17,526 (18,410) employees at the end of March 2011. The average number of personnel for January-March 2011 totalled 17,544 (18,481). Ship Power employed 943 (1,048) people. Power Plants employed 799 (853) people, Services 11,024 (11,357) and Wärtsilä Industrial Operations 3,990 (4,697) people.

Of Wärtsilä's total employees, 19% (18) was located in Finland, 6% (8) in the Netherlands and 30% (31) in the rest of Europe. The personnel employed in Asia represented 32% (30), out of which 7% (7) were in China, in India 6% (6), in Singapore 5% (5), and in the rest of Asia 15% (13).

MANUFACTURING

The set up for manufacturing controllable pitch propellers at the joint venture, Wärtsilä CME Zhenjiang Propeller Co. Ltd. in Zhenjiang, China, is proceeding according to plan. The majority of the equipment needed will be relocated from the Wärtsilä factory in Drunen. The inauguration of the new factory and the first deliveries are planned for the second quarter of 2011.

The activities in Wärtsilä's joint venture with Transmashholding in Russia are also proceeding according to plan. The joint venture is preparing to manufacture modern and multipurpose diesel engines to be used in shunter locomotives and for various marine and power applications.

RESEARCH & DEVELOPMENT

As part of Wärtsilä's strategy to strengthen the company's leading position in gas engine technology, the company has initiated a major project to further develop its low speed engine portfolio to include gas engines, alongside its leading portfolio of medium speed gas and dual fuel engines. Natural gas is currently the alternative fuel offering the biggest potential in reducing emissions while at the same time being commercially viable.

NEW PRODUCT LAUNCHES

Wärtsilä and Aker Solutions have signed an agreement to jointly develop a new and environmentally sound concept for offshore wind farm installation vessels. Wärtsilä will provide the ship design, electrical power generation, propulsion machinery and high-end automation, whilst Aker Solutions will supply the jacking system. Wärtsilä, together with Aker Solutions, will also offer a 24/7 global support service for maintenance, repairs, and component supply to the vessels. The Wärtsilä engines to be used will be dual fuel engines and able to operate on liquefied natural gas (LNG).

SUSTAINABLE DEVELOPMENT

Wärtsilä is well positioned to reduce the use of natural resources and emissions, thanks to its various technologies and specialised services. Wärtsilä's R&D efforts continue to focus on the development of advanced environmental technologies and solutions. The company is committed to supporting the UN Global Compact and its principles with respect to human rights, labour, the environment and anti-corruption. Wärtsilä's share is included in several sustainability indexes.

In April, Wärtsilä entered into co-operation with Crisis Management Initiative, an independent Finnish non-profit organisation led by Nobel Peace Prize laureate Martti Ahtisaari. As lead partner, Wärtsilä supports the activities of CMI in conflict resolving and sustainable peace building through partnership programmes in selected areas across the globe.

CHANGES IN MANAGEMENT

Wärtsilä's Board of Directors has appointed Mr Björn Rosengren M.Sc. (Tech.), born 1959, as the new President and CEO of Wärtsilä Corporation, with effect from 1 September 2011. Mr Rosengren will succeed Mr Ole Johansson, who will, at that time, exercise his right to retire at the age of 60.

SHARES AND SHAREHOLDERS

The shares issued in the free share issue approved by Wärtsilä Corporation's Annual General Meeting on 3 March 2011 were entered in the share register on 8 March 2011. The total amount of Wärtsilä shares increased to 197,241,130, as shareholders were issued one new share for each old share. The new shares became subject to public trading as of 9 March 2011.

The figures in the table below have been adjusted to reflect the increased number of shares.

SHARES ON THE HELSINKI EXCHANGE

31 March 2011	Number of shares	Number of votes	Number of shares traded 1-3/2011
WRT1V	197 241 130	197 241 130	43 265 553

1 Jan. -31 March 2011	High	Low	Average 1)	Close
Share price	29.55	23.94	27.02	27.55

1) Trade-weighted average price

	31 Mar. 2011	31 Mar. 2010
Market capitalisation, EUR million	5 433	3 698
Foreign shareholders	49.4%	46.4%

FLAGGING NOTIFICATIONS

During the review period, Wärtsilä was informed of the following changes in ownership:
On 5 January 2011, BlackRock, Inc. increased its holding in Wärtsilä Corporation. Following the transaction BlackRock, Inc owned 4,941,593 shares or 5.01% of Wärtsilä's share capital and total votes.

DECISIONS TAKEN BY THE ANNUAL GENERAL MEETING

Wärtsilä's Annual General Meeting held on 3 March 2011 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 2010. The Meeting approved the Board of Directors' proposal to pay a dividend of EUR 1.75 per share and an extra dividend of EUR 1.00 per share, totalling EUR 2.75 per share. The dividend was paid on 15 March 2011.

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 Lars Josefsson, Mr Bertel Langenskiöld, Mr Mikael Lilius, Mr Markus Rauramo and Mr Matti Vuoria.

The firm of public auditors KPMG Oy Ab were appointed as the company's auditors for the year 2011.

Free share issue

The Annual General Meeting decided to approve the free share issue in accordance with the proposal of the Board of Directors. The free share issue was implemented by applying the pre-emptive right of the shareholders so that for each old share one new share was issued. Thereby a total of 98,620,565 new shares were issued. The new shares were registered in the trade register on 8 March 2011.

Organisation of the Board of Directors

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

Audit Committee:

Chairman Markus Rauramo, Maarit Aarni-Sirviö, Alexander Ehrnrooth, Bertel Langenskiöld

Nomination Committee:

Chairman Mikael Lilius, Kaj-Gustaf Bergh, Lars Josefsson, Matti Vuoria

Compensation Committee:

Chairman Mikael Lilius, Paul Ehrnrooth, Matti Vuoria

RISKS AND BUSINESS UNCERTAINTIES

The overall risks from the financial crisis continue to decrease within Ship Power. However, some risk of rescheduling and slippages in terms of delivery times still remains. The impact of rising oil prices on the global economy and trade poses a risk for the shipping sector.

In the Power Plants business, larger projects in certain regions may still be facing timing issues. The turmoil in the Middle East and North Africa has increased the risk of postponement of new power plant investments in the region.

The annual report for 2010 contains a thorough description of Wärtsilä's risks and risk management.

MARKET OUTLOOK

In the marine market, the merchant segment is expected to be slow in 2011, as the market is still suffering from overcapacity and sluggish earnings development. The ordering activity for bulk carriers is expected to continue to slow down. However, the outlook for certain sub-segments, like containers and LNG carriers, is improving. The Offshore and Special vessel segments have remained lively and this is expected to continue. There is rising interest and activity in natural gas applications. Wärtsilä Ship Power reiterates its view of continued price pressure within its markets, and its expectation of moderately better order intake in 2011 compared to the previous year.

Recovery in the power generation market is expected to continue in 2011. The growing emerging markets will continue to invest in new power generation capacity, which will increase demand - especially in the flexible baseload segment. The ramp down of older coal based generation will increase the demand for gas based generation in the medium to long term. This is supported by the production of shale gas in the US, and the expectation that natural gas prices will remain competitive. Wärtsilä Power Plants estimates its order intake to remain at a good level in 2011.

The Services market is expected to follow the global economy to growth this year. The largest growth potential comes from Asia and the Americas. Power Plants customers continue to have a stable demand for services and there are good prospects for new contracts especially in Asia. In Europe, marine customers are still focusing on cost savings while in Asia the markets are normalising. The outlook is also good for the offshore services market. The competition for services projects and maintenance work in the marine market will remain tight. However, Wärtsilä Services is well positioned thanks to its diversified customer base and broad geographical presence, as well as the wide range of services offered. We expect a sustainable recovery in the marine service market in 2011.

WÄRTSILÄ'S PROSPECTS FOR 2011 REITERATED

Wärtsilä expects its net sales for 2011 to grow by 3-5% and operational profitability (EBIT% before nonrecurring items) to be around 11%.

WÄRTSILÄ INTERIM REPORT JANUARY – MARCH 2011

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 2010. 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.

IFRS amendments

Of the amended International Financial Reporting Standards (IFRS) and interpretations mandatory as of 1 January 2011 the following are applicable on the Group reporting:

- Amendment to IAS 32 Financial instruments: Presentation - Classification of Rights Issues
- Revised IAS 24 Related Party Disclosures

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

This interim report is unaudited. All share related financial ratios and their comparison figures have been calculated based on the new amount of shares.

CONDENSED INCOME STATEMENT

MEUR	1-3/2011	1-3/2010	2010
Net sales	1 083	922	4 553
Other operating income	10	7	52
Expenses	-956	-851	-4 082
Depreciation, amortisation and impairment	-29	-30	-116
Share of result of associates and joint ventures	3	2	5
Operating result	111	49	412
Financial income and expenses	-4		-13
Net income from financial assets available for sale			149
Profit before taxes	107	49	548
Income taxes	-31	-14	-151
Profit for the financial period	76	35	397
Attributable to:			
Owners of the parent	74	32	389
Non-controlling interests	2	2	11
Total	76	35	397
Earnings per share attributable to equity holders of the parent company:			
Earnings per share, EUR (basic and diluted)	0.38	0.16	1.96

STATEMENT OF COMPREHENSIVE INCOME

Profit for the financial period	76	35	397
Other comprehensive income after tax:			
Exchange differences on translating foreign operations	-9	13	17
Financial assets available for sale			
fair valuation	6	10	30
transferred to statement of income			-110
Cash flow hedges	4	-9	-9
Share of other comprehensive income of associates and joint ventures			1
Other comprehensive income	1	13	-71
Total comprehensive income for the period	77	48	326
Total comprehensive income attributable to:			
Owners of the parent	77	45	313
Non-controlling interests	1	3	13
	77	48	326

CONDENSED STATEMENT OF FINANCIAL POSITION

MEUR	31 Mar. 2011	31 Mar. 2010	31 Dec. 2010
Non-current assets			
Intangible assets	771	782	780
Property, plant and equipment	440	456	466
Investments in associates and joint ventures	70	61	65
Financial assets available for sale	26	166	18
Deferred tax receivables	118	97	122
Other receivables	32	30	32
	1 458	1 593	1 483
Current assets			
Inventories	1 239	1 633	1 244
Other receivables	1 218	1 169	1 192
Cash and cash equivalents	619	252	776
	3 075	3 054	3 213
Total assets	4 533	4 647	4 696

Equity			
Share capital	336	336	336
Other equity	1 107	1 033	1 302
Total equity attributable to equity holders of the parent	1 443	1 369	1 638
Non-controlling interests	24	19	26
Total equity	1 467	1 388	1 664
Non-current liabilities			
Interest-bearing debt	553	611	572
Deferred tax liabilities	66	95	70
Other liabilities	180	192	189
	799	898	831
Current liabilities			
Interest-bearing debt	65	71	56
Other liabilities	2 201	2 290	2 145
	2 266	2 361	2 201
Total liabilities	3 066	3 259	3 032
Total equity and liabilities	4 533	4 647	4 696

CONDENSED CASH FLOW STATEMENT

MEUR	1-3/2011	1-3/2010	2010
Cash flow from operating activities:			
Profit for the financial period	76	35	397
Depreciation, amortisation and impairment	29	30	116
Financial income and expenses	4		13
Selling profit and loss of fixed assets and other changes	-1	3	-147
Share of result of associates and joint ventures	-3	-2	-5
Income taxes	31	14	151
Changes in working capital	30	166	370
Cash flow from operating activities before financial items and taxes	166	246	896
Financial items and paid taxes	-34	-65	-233
Cash flow from operating activities	133	181	663
Cash flow from investing activities:			
Investments in shares and acquisitions	-5	-1	-6
Net investments in property, plant and equipment and intangible assets	-14	-13	-83
Proceeds from sale of financial assets available for sale	2		173
Cash flow from other investing activities	1	4	-5
Cash flow from investing activities	-16	-11	79
Cash flow from financing activities:			
Proceeds from non-current borrowings		25	37
Repayments and other changes in non-current loans	2	-12	-76
Changes in current loans and other changes	2	-9	-2
Dividends paid	-274	-173	-175
Cash flow from financing activities	-270	-168	-216
Change in cash and cash equivalents, increase (+) / decrease (-)	-153	2	525
Cash and cash equivalents at beginning of period	776	244	244
Exchange rate changes	-5	6	7
Cash and cash equivalents at end of period	619	252	776

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MEUR	Total equity attributable to equity holders of the parent					Non-controlling interests	Total equity
	Share capital	Share issue premium	Translation differences	Fair value and other reserves	Retained earnings		
Equity on 1 January 2011	336	61	8	12	1 221	26	1 664
Dividends					-271	-2	-273
Total comprehensive income for the period			-7	10	74	1	77
Equity on 31 Mar. 2011	336	61	0	22	1 023	24	1 467
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
Equity on 31 Mar. 2010	336	61	6	100	866	19	1 388

GEOGRAPHICAL AREAS

MEUR	Europe	Asia	Americas	Other	Total
Net sales 1-3/2011	385	369	226	102	1 083
Net sales 1-3/2010	279	342	199	101	922

INTANGIBLE ASSETS AND PROPERTY, PLANT & EQUIPMENT

MEUR	1-3/2011	1-3/2010	2010
Intangible assets			
Book value at 1 January	780	779	779
Changes in exchange rates	-5	10	20
Additions	7	5	17
Amortisation and impairment	-11	-11	-42
Disposals and intra-balance sheet transfer			6
Book value at end of period	771	782	780
Property, plant and equipment			
Book value at 1 January	466	457	457
Changes in exchange rates	-6	7	14
Additions	8	10	75
Depreciation and impairment	-18	-18	-73
Disposals and intra-balance sheet transfer	-8	-1	-6
Book value at end of period	440	456	466

GROSS CAPITAL EXPENDITURE

MEUR	1-3/2011	1-3/2010	2010
Investments in securities and acquisitions	5	1	6
Intangible assets and property, plant and equipment	14	14	92
Total	19	15	98

INTEREST-BEARING LOAN CAPITAL

MEUR	1-3/2011	1-3/2010	2010
Non-current liabilities	553	611	572
Current liabilities	65	71	56
Loan receivables	-17	-20	-17
Cash and cash equivalents	-619	-252	-776
Net	-17	410	-165

FINANCIAL RATIOS

	1-3/2011	1-3/2010	2010
Earnings per share, EUR (basic and diluted)	0.38	0.16	1.96
Equity per share, EUR	7.32	6.94	7.59
Solvency ratio, %	37.5	36.4	40.8
Gearing	0.00	0.31	-0.09

PERSONNEL

	1-3/2011	1-3/2010	2010
On average	17 544	18 481	18 000
At end of period	17 526	18 410	17 528

CONTINGENT LIABILITIES

MEUR	1-3/2011	1-3/2010	2010
Mortgages	57	56	59
Chattel mortgages	17	12	18
Total	74	68	77
Guarantees and contingent liabilities			
on behalf of Group companies	601	723	623
on behalf of associated companies	9	8	9
Nominal amount of rents according			
to leasing contracts	70	81	74
Total	679	812	706

NOMINAL VALUES OF DERIVATIVE INSTRUMENTS

MEUR	Total amount	of which closed
Interest rate swaps	20	
Foreign exchange forward contracts	1 007	135
Currency options, purchased	12	

CONDENSED INCOME STATEMENT, QUARTERLY

MEUR	1-3/2011	10-12/2010	7-9/2010	4-6/2010	1-3/2010
Net sales	1 083	1 462	1 039	1 131	922
Other operating income	10	21	13	11	7
Expenses	-956	-1 313	-910	-1 007	-851
Depreciation, amortisation and impairment	-29	-29	-29	-28	-30
Share of result of associates and joint ventures	3	2	2		2
Operating result	111	143	114	105	49
Financial income and expenses	-4	-10	-6	4	
Net income from financial assets available for sale		117	32		
Profit before taxes	107	251	140	109	49
Income taxes	-31	-71	-35	-31	-14
Profit for the financial period	76	179	104	79	35
Attributable to:					
Owners of the parent	74	176	101	76	32
Non-controlling interests	2	4	3	3	2
Total	76	179	104	79	35
Earnings per share attributable to equity holders of the parent company:					
Earnings per share, EUR	0.38	0.89	0.51	0.39	0.16

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

$$\frac{\text{Equity}}{\text{Total equity and liabilities - advances received}} \times 100$$

Gearing

$$\frac{\text{Interest-bearing liabilities - cash and cash equivalents}}{\text{Equity}}$$

19 April 2011
Wärtsilä Corporation
Board of Directors

WARTSILA.COM