WÄRTSILÄ CORPORATION
INTERIM REPORT
JANUARY-MARCH 2013

WÄRTSILÄ

Strong growth in order intake

This interim report is unaudited.

Highlights of the review period January-March 2013

- Order intake increased 22% to EUR 1,352 million (1,109)
- Net sales decreased 12% to EUR 882 million (1,005)
- Book-to-bill 1.53 (1.10)
- Operating result EUR 70 million, or 8.0% of net sales (EUR 102 million or 10.1%)
- EBITA EUR 79 million or 8.9% of net sales (EUR 109 million or 10.9%)
- Earnings per share 0.37 euro (0.33)
- Cash flow from operating activities EUR 84 million (28)
- Order book at the end of the period increased by 13% to EUR 4,998 million (4,409)

Björn Rosengren, President and CEO

"The beginning of 2013 developed according to our expectations. Order intake grew by 22%, thanks to good development in both Power Plants and Ship Power, especially in the offshore segment. First quarter net sales and profitability were impacted by the anticipated low level of deliveries, mainly due to timing of projects. Interest in natural gas based power generation continued and Power Plants received significant orders from Jordan and USA. In Ship Power, the offshore and specialised vessel markets remained robust. Strategically important orders were received for exhaust gas cleaning systems, and for comprehensive solutions packages from the offshore industry. There is continued interest in service agreements in the marine industry, as evidenced by the maintenance agreement signed for 'Viking Grace', the largest passenger ferry ever to operate on liquefied natural gas. Supported by our solid order book and the stable Services business, our prospects for 2013 remain unchanged."

Wärtsilä's prospects for 2013 unchanged

Wärtsilä expects its net sales for 2013 to grow by 0-10% and its operational profitability (EBIT% before non-recurring items) to be around 11%.

Key figures

MEUR	1-3/2013	Restated 1-3/2012	Change	Restated 2012
Order intake	1 352	1 109	22%	4 940
Order book at the end of the period	4 998	4 409	13%	4 492
Net sales	882	1 005	-12%	4 725
Operating result (EBITA)[1]	79	109		552
% of net sales	8.9	10.9		11.7
Operating result (EBIT)[2]	70	102	-31%	517
% of net sales	8.0	10.1		10.9
Profit before taxes	96	93		453
Earnings/share, EUR	0.37	0.33		1.72
Cash flow from operating activities	84	28		153
Net interest-bearing debt at the end of the period	668	615		567
Gross capital expenditure	25	413		513
Gearing	0.42	0.41		0.32

[1] EBITA is shown excluding non-recurring items of EUR 1 million (7) and intangible asset amortisation of EUR 8 million (8) related to acquisitions.

[2] EBIT is shown excluding non-recurring items.

Market development

Power Plants

Good activity in gas based power generation markets

Power plant market activity was at a good level in the first quarter of 2013, and the amount of quoted MWs was higher than in the fourth quarter of 2012. Quotation activity remained focused on natural gas based generation. Supported by their economic growth, the emerging markets continued to invest in new power generation capacity. However, the volatility in the macro economy continues to delay investment decisions in the power generation markets overall.

Power Plants market share

During 2012, global orders for natural gas and liquid fuel based power generation (including all prime mover units of over five MW) totalled 75.4 GW, a decrease of 25% compared to 2011 (100.8). Wärtsilä's share represents 4.2% of the market (3.3%).

Ship Power

Activity in offshore and specialised vessels remained robust

During the first quarter of 2013, 286 contracts for new vessels were registered. This represents an increase in contracting activity of approximately 40% compared to the corresponding period in 2012. Competitive new building prices have attracted some investments in merchant vessels. The gas carrier market (LNG carriers and LPG carriers) continued to be active, with a total of 26 contracts registered during the first quarter of 2013. Moreover, contracting of offshore and specialised vessels remained robust.

China and South Korea captured 38% and 39% respectively of the contracts confirmed during the first quarter of 2013 in terms of compensated gross tonnage (CGT), while Japan secured 13%. 53 orders were placed outside of these top three shipbuilding countries during the first quarter.

Ship Power market shares

Wärtsilä's share of the medium-speed main engine market increased slightly to 48% (47% at the end of the previous quarter). The market share in low-speed engines decreased to 15% (18). In the auxiliary engine market, Wärtsilä's share remained at 4% (4).

Services

Good development in the Americas

Service market activity was somewhat slower during the first quarter of 2013. Overall marine service market activity was satisfactory, although slightly lower than the high level of demand in the fourth quarter of 2012. Europe continued to be the most challenging marine market, while the USA in particular developed favourably. The demand from IPP and utility customers for power plant related services remained at a good level, while demand from industrial customers was somewhat lower.

Order intake

Wärtsilä’s order intake for the first quarter increased by 22% to EUR 1,352 million (1,109). In relation to the previous quarter, Wärtsilä’s order intake remained stable (EUR 1,357 million in the fourth quarter of 2012). The book-to-bill ratio for the first quarter was 1.53 (1.10).

The order intake for Power Plants in the first quarter totalled EUR 406 million (309), which was 31% more than for the corresponding period last year. Compared to the previous quarter, order intake decreased by 14% (EUR 471 million in the fourth quarter of 2012). During the first quarter, Wärtsilä received a EUR 184 million turnkey order from Jordan and a 220 MW order from Oregon, USA. The ability to deliver power plants in a wide range of plant sizes for many types of applications demonstrates the strengths of Wärtsilä’s Smart Power Generation concept.

The first quarter order intake for Ship Power totalled EUR 443 million (276), an increase of 60% over the corresponding period last year. Compared to the previous quarter, order intake increased by 31% (EUR 339 million in the fourth quarter of 2012). Activity was highest in the offshore and specialised tonnage segments. Wärtsilä’s offshore related orders included an order to supply a series of pumps to be installed on a new floating storage unit being built by Samsung Heavy Industries in South Korea for

Statoil, as well as an order for a comprehensive solutions package, including ship design, the main power generation system, propulsion, and the electrical and automation systems, for four multi-purpose platform support vessels. Wärtsilä also received an order to supply exhaust gas cleaning systems to four new Container RoRo vessels being built for Ignazio Messina & Co. The Offshore segment represented 50% of the first quarter order intake, while the Merchant segment's share was 23%, and Cruise & Ferry accounted for 10%. The Special Vessels segment's share of the order intake was 9% and the Navy segment's 8%.

Order intake for the Services business totalled EUR 504 million (523) in the first quarter, a decrease of 4% compared to the corresponding period last year. Compared to the previous quarter, order intake decreased by 7% (EUR 543 million in the fourth quarter of 2012). During the first quarter, Wärtsilä signed a five year maintenance agreement with Finnish ship owner Viking Line for maintaining and servicing the recently launched 'Viking Grace', the largest passenger ferry ever to operate on liquefied natural gas.

Order intake by business

MEUR	1-3/2013	1-3/2012	Change	2012
Power Plants	406	309	31%	1 515
Ship Power	443	276	60%	1 453
Services	504	523	-4%	1 961
Order intake, total	1 352	1 109	22%	4 940

Order intake Power Plants

MW	1-3/2013	1-3/2012	Change	2012
Oil	138	302	-54%	796
Gas	622	302	106%	2 323
Renewable fuels		5		27
Order intake, total	760	608	25%	3 146

Order intake in joint ventures

Order intake in the Wärtsilä Hyundai Engine Company Ltd joint venture company in South Korea, and the Wärtsilä Qiyao Diesel Company Ltd joint venture company in China, producing auxiliary engines, totalled EUR 25 million (54) during the review period January-March 2013. Wärtsilä's share of ownership in these companies is 50%, and the results will be reported as a share of the result of associates and joint ventures.

Order book

The total order book at the end of the review period stood at EUR 4,998 million (4,409), an increase of 13%. At the end of the review period, the Power Plants order book amounted to EUR 1,787 million (1,578), an increase of 13%. The Ship Power order book stood at EUR 2,342 million (2,060), which is 14% higher than at the same date last year. The Services order book increased by 13% to EUR 869 million (771).

Order book by business

MEUR	31.3.2013	31.3.2012	Change	31.12.2012
Power Plants	1 787	1 578	13%	1 561
Ship Power	2 342	2 060	14%	2 127
Services	869	771	13%	804
Order book, total	4 998	4 409	13%	4 492

Net sales

Wärtsilä's net sales for January-March 2013 decreased by 12%, totalling EUR 882 million (1,005). Net sales for Power Plants totalled EUR 202 million (272), a decrease of 26%. Ship Power's net sales increased by 3% and totalled EUR 245 million (238). Net sales from the Services business totalled EUR 434 million (492), a decrease of 12%. This sales decline relates mainly to the timing of larger projects. Of the total net sales, Power Plants accounted for 23%, Ship Power for 28% and Services for 49%.

Of Wärtsilä's net sales for January-March 2013, approximately 59% was EUR denominated, 19% USD denominated, with the remainder being split between several currencies.

Net sales by business

MEUR	1-3/2013	1-3/2012	Change	2012
Power Plants	202	272	-26%	1 498
Ship Power	245	238	3%	1 301
Services	434	492	-12%	1 908
Other	2	3	-42%	17
Net sales, total	882	1 005	-12%	4 725

Operating result and profitability

The first quarter operating result (EBIT) before non-recurring items was EUR 70 million (102), or 8.0% of net sales (10.1). Including non-recurring items, the operating result was EUR 69 million (94) or 7.8% of net sales (9.4). The operating result (EBITA) excluding non-recurring items and intangible asset amortisation related to acquisitions was EUR 79 (109), or 8.9% of net sales (10.9). Wärtsilä recognised EUR 1 million of non-recurring items (7) during the review period January-March 2013.

During the first quarter, Wärtsilä sold its holding of 1,987,940 shares in Sato Oyj, for approximately EUR 27 million. Wärtsilä recorded a capital gain of approximately EUR 25 million on this sale. The tax on the capital gain is approximately EUR 6 million.

Financial items amounted to EUR 1 million (-1). Net interest totalled EUR -3 million (-4). Dividends received totalled EUR 0 million (1). Profit before taxes amounted to EUR 96 million (93). Taxes in the reporting period amounted to EUR 23 million (27), implying an effective tax rate of 24%. Earnings per share were 0.37 euro (0.33) and equity per share was 8.13 euro (7.58).

Balance sheet, financing and cash flow

Wärtsilä's first quarter cash flow from operating activities amounted to EUR 84 million (28). The net working capital at the end of the period totalled EUR 446 million (240), the increase being mainly due to the timing of projects. Advances received at the end of the period totalled EUR 810 million (651). Cash and cash equivalents at the end of the period amounted to EUR 205 million (242). Dividends totalling EUR 197 million were paid during the first quarter.

Wärtsilä had interest-bearing debt totalling EUR 890 million at the end of March 2013. The total amount of short-term debt maturing within the next 12 months was EUR 312 million, including EUR 197 million of Finnish Commercial Papers. Net interest-bearing debt totalled EUR 668 million.

The funding programmes at the end of March 2013 included long-term loans of EUR 578 million and unutilised Committed Revolving Credit Facilities totalling EUR 579 million. The funding programmes also included Finnish Commercial Paper programmes totalling EUR 700 million.

The solvency ratio was 39.0% (36.6) and gearing was 0.42 (0.41). Key figures for the corresponding period 2012 have been restated due to changes in pension accounting (IAS 19 Employee benefits). The impact is described in the IFRS amendments section.

Capital expenditure

Gross capital expenditure in the review period totalled EUR 25 million (413), comprising EUR 4 million (393) in acquisitions and investments in securities, and EUR 20 million (20) in intangible assets and property, plant and equipment. Depreciation, amortisations and impairment for the review period amounted to EUR 32 million (33).

Maintenance capital expenditure for 2013 will be in line with depreciation.

Personnel

Wärtsilä had 18,674 (19,073) employees at the end of March 2013. On average, the number of personnel for January-March 2013 totalled 18,680 (17,862). Power Plants employed 1,019 (887) people. Ship Power employed 3,529 (2,177) people, Services 10,959 (11,313), and PowerTech 2,410 (3,863) people. The increase in the number of Ship Power employees relates mainly to changes in the organisational set up within Ship Power and PowerTech, which became effective in 2012.

Of Wärtsilä's total number of employees, 19% (19) were located in Finland and 36% (37) elsewhere in Europe. Personnel employed in Asia represented 32% (32) of the total.

Strategic projects, acquisitions, joint ventures and expansion of the network

In February, Wärtsilä opened a new services workshop in Niterói, Rio de Janeiro, Brazil. The new facilities will strengthen Wärtsilä's presence in Brazil and enable Wärtsilä to support its customers by offering a wide range of workshop services with rapid response times. The workshop will replace the company's current premises in São Cristóvão, Rio de Janeiro. It will feature, among other things, a laboratory for automation and electronic fuel injection, as well as a dedicated marine thruster facility.

In March, Wärtsilä announced the set up of a new fully-owned manufacturing facility in Brazil to meet the increasing market demand, particularly in the offshore market. The manufacturing premises will be based on a multi-product factory concept for the assembly and testing of Wärtsilä's generating sets and propulsion products. In the initial phase, activities will focus on medium sized, medium-speed generating sets and steerable thrusters, with the possibility to flexibly expand the product range to respond to market needs. The value of Wärtsilä's investment is approximately EUR 20 million and the facility is scheduled to be fully operational by mid 2014.

During the first quarter, Wärtsilä TMH Diesel Engine Company LLC, a joint venture owned 50/50 by Wärtsilä and Transmashholding, received its first order to supply 12 Wärtsilä 20L generating sets for railway shunter locomotives. The engines will be installed in a series of new TEM 18B diesel shunter locomotives being built by BMZ Bryansk, a subsidiary of Transmashholding.

Research and development, product launches

Wärtsilä has launched a unique product, the Wärtsilä GasReformer, which uses steam reforming technology to convert associated gas to a quality that can be used as fuel in Wärtsilä's range of gas fuelled engines. Traditionally such gases would be flared and wasted.

Progress with regards to type approvals for ballast water management systems continues. All testing of the AQUARIUS UV (ultraviolet) system has been completed, and type approval was received in December 2012. IMO Basic Approval was granted to the AQUARIUS EC (electro-chlorination) based system in October 2012, and the type approval is expected during the second quarter of 2013.

Wärtsilä has currently the widest portfolio of exhaust gas cleaning systems for the removal of SO_X, and the most extensive reference list on the market. The portfolio consists of open-loop, closed-loop and hybrid exhaust gas cleaning systems. Wärtsilä has to date a total of 57 exhaust gas cleaning systems delivered or on order, for a total of 29 vessels.

In February, Wärtsilä and the Nordic Investment Bank signed a 10-year loan agreement totalling EUR 50 million for research and development financing. With this loan, Wärtsilä will further develop its medium-speed engine technology in terms of efficiency, reliability and environmental performance, as well as in reducing lifecycle costs.

In March, Wärtsilä launched an R&D initiative together with Aalto University in Finland. The Wärtsilä Innovation Node brings together business experts, students and researchers. It will be used in cooperation projects for automatic control engineering, industrial design, and combustion engine technology, among others.

Manufacturing

The temporary lay-offs at Delivery Centre Vaasa, announced in November 2012, were called off in February due to an improved production volume situation, which came earlier than anticipated. The temporary lay-offs had been implemented through shortened working weeks since mid December 2012. The planned two-week lay-off period during the spring has also been cancelled and production is back to normal.

Sustainable development

Wärtsilä is well positioned to reduce emissions and the use of natural resources, 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 indices.

Changes in management

Mr Marco Wirén (47), M.Sc. (Econ.), has been appointed Chief Financial Officer, Executive Vice President and a member of the Board of Management of Wärtsilä Corporation, effective 1 August 2013. He succeeds Mr Raimo Lind, who will reach his contractual retirement age and retire thereafter.

Shares and shareholders

During January-March 2013, the volume of trades on the Nasdaq OMX exchange was 22,159,469 shares, equivalent to a turnover of EUR 789 million. Wärtsilä's shares are also traded on alternative exchanges, such as Chi-X, Turquoise and BATS. The total trading volume on these alternative exchanges was 12,714,488 shares.

Shares on the Nasdaq OMX Helsinki Stock Exchange

31.3.2013	Number of shares and votes	Number of shares traded 1-3/2013
WRT1V	197 241 130	22 159 469

1.1. - 31.3.2013	High	Low	Average [1]	Close
Share price	37.92	33.47	35.60	35.05

[1] Trade-weighted average price

	31.3.2013	31.3.2012
Market capitalisation, EUR million	6 913	5 578
Foreign shareholders, %	51.8	47.9

Flagging notifications

During the review period January-March 2013, Wärtsilä was informed of the following changes in ownership:

On 7 February, Wärtsilä was informed that Fiskars Corporation and Investor AB had completed the legal combination into a joint venture in accordance with a release published on 24 April 2012. The total ownership for the joint company, Avlis AB, and its wholly owned subsidiary, Avlis Invest AB (formerly Instoria AB), is 42,948,325 or 21.77% of Wärtsilä's share capital and votes. Fiskars owns 59.7% of Avlis AB and Investor 40.3%.

Decisions taken by the Annual General Meeting

Wärtsilä's Annual General Meeting held on 7 March 2013 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 2012. The Meeting approved the Board of Directors' proposal to pay a dividend of EUR 1.00 per share. The dividend was paid on 19 March 2013.

The Annual General Meeting decided that the Board of Directors has nine members. The following were elected to the Board: Ms Maarit Aarni-Sirviö, Mr Kaj-Gustaf Bergh, Mr Sune Carlsson, Mr Alexander Ehrnrooth, Mr Paul Ehrnrooth, Mr Mikael Lilius, Ms Gunilla Nordström, Mr Markus Rauramo and Mr Matti Vuoria.

The firm of public auditors KPMG Oy Ab was appointed as the company's auditor for the year 2013.

Authorisation to repurchase and distribute the Company's own shares

The Board of Directors was authorised to resolve to repurchase a maximum of 19,000,000 of the Company's own shares. The authorisation to repurchase the Company's own shares shall be valid until the close of the next Annual General Meeting, however no longer than for 18 months from the authorisation.

The Board of Directors was authorised to resolve to distribute a maximum of 19,000,000 of the Company's own shares. The authorisation for the Board of Directors to distribute the Company's own shares shall be valid for three years from the authorisation of the shareholders' meeting and it cancels the authorisation given by the General Meeting on 8 March 2012. The Board of Directors is authorised to resolve to whom and in which order the own shares will be distributed. The Board of Directors is authorised to decide on the distribution of the Company's own shares otherwise than in proportion to the existing pre-emptive right of the shareholders to purchase the Company's own shares.

Organisation of the Board of Directors

The Board of Directors of Wärtsilä Corporation elected Mikael Lilius as its chairman and Kaj-Gustaf Bergh 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

Nomination Committee:

Chairman Mikael Lilius, Kaj-Gustaf Bergh, Matti Vuoria

Remuneration Committee:

Chairman Mikael Lilius, Paul Ehrnrooth, Matti Vuoria

Risks and business uncertainties

In the Power Plants business, uncertainty in the financial markets may impact the timing of bigger projects.

The business environment for the shipping and shipbuilding industry remains challenging and concerns over the global economy continue to cause uncertainty. In addition, financing remains under pressure, especially for new merchant tonnage, as banks are cautious to finance projects without charter commitments.

Continued risks in the financial markets may have a negative impact on Services' order intake. The challenging conditions in several marine market segments are also seen as a potential risk.

The annual report 2012 contains a more specific description of Wärtsilä's risks and risk management.

Market outlook

The general macroeconomic uncertainty and the slow global growth projections are expected to continue to impact the global power generation markets. It is expected that the overall market for natural gas and liquid fuel based power generation in 2013 will be similar to 2012. In 2013 ordering activity is expected to remain focused on the emerging markets, which continue to invest in new power generation capacity. In the OECD countries, there is still pent-up power sector demand, mainly driven by CO_2 neutral generation and the ramp down of older, mainly coal-based generation.

Our outlook for the shipping and shipbuilding markets in 2013 is cautious, although market conditions are expected to be better than in 2012. Despite the recent pick up in orders, financing and overcapacity related issues are still visible in the traditional merchant markets. The orders placed in these markets focus more on fuel-efficient design and technology. Current emission regulations create interesting opportunities for environmental solutions. The contracting mix is expected to be in line with that seen in 2012, favouring contracting in the offshore and specialised vessel segments. The outlook for gas demand remains healthy, and the attractiveness of LNG as a fuel is supported by its low carbon intensity, global trade, and pricing.

The overall service market outlook remains stable despite the slower start in 2013 compared to 2012. A continued increase in the medium-speed engine and propulsion installed base helps to balance the market environment in regions such as Europe, where the market is expected to remain challenging - especially on the marine side. The outlook for the Middle East and Asia continues to be slightly more positive, supported by interest in power plant related service projects. The outlook is also good in the Americas, where there is a mix of marine and power customers. The outlook for offshore services remains positive.

Wärtsilä's prospects for 2013 unchanged

Wärtsilä expects its net sales for 2013 to grow by 0-10% and its operational profitability (EBIT% before non-recurring items) to be around 11%.

Wärtsilä Interim Report January-March 2013

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 2012, except for the IFRS amendments stated below. 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 statement of income. 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 2013 the following are applicable on the Group reporting:

- Amendment to *IAS 19 Employee benefits*: The amendment eliminates the possibility to use the corridor approach in recognising the actuarial gains and losses from defined benefit plans. In the corridor approach the actuarial gains and losses had to be recognised only when they exceeded by more than 10% the greater of the present value of the defined benefit obligation and the fair value of the plan assets. The excess was recognised in the statement of income over the expected average remaining working lives of employees participating in the plan.

The revised IAS 19 standard requires the actuarial gains and losses to be recognised immediately in the statement of other comprehensive income. This change in accounting principles leads to faster recognition of actuarial gains and losses than the corridor approach. As a result of the change the Group now determines the net interest expense on the net defined benefit plan by applying the discount rate used to measure the defined benefit obligation. Previously the Group applied a long-term rate of expected return on the plan assets. The Group reports the service cost in employee benefit expenses and the net interest in financial expenses.

The amendments to IAS 19 have been applied retrospectively. The impact on comparison figures presented in the condensed statement of financial position, condensed statement of income and statement of other comprehensive income in this interim report are shown in the table below. The impact on the equity in the opening balance 2012 was EUR -33 million. Pension obligations increased by EUR 43 million and working capital reduced by EUR 43 million. The impact on profit for the period was EUR 0 million.

MEUR	2012
Impact on Consolidated statement of income	
Decrease in employee benefit expenses	2
Impact on operating result	2
Increase in financial expenses	-1
Increase in deferred tax expenses	-0
Impact on profit for the reporting period	0

MEUR	2012
Impact on Equity	
Reported total equity 1.1.	1 666
Restatement impact on 1.1.	-33
Restated total equity 1.1.	1 633
Reported total equity 31.12.	1 824
Restatement impact on 1.1.	-33
Restatement impact on the statement of income 2012	0
Restatement impact on other comprehensive income 2012	-1
Restated total equity 31.12.	1 791

MEUR	2012
Impact on deferred tax assets and liabilities	
Reported deferred tax assets 1.1.	119
Reported deferred tax liabilities 1.1.	69
Restatement impact on 1.1.	10
Restated deferred tax assets 1.1.	127
Restated deferred tax liabilities 1.1.	67
Reported deferred tax assets 31.12.	104
Reported deferred tax liabilities 31.12.	98
Restatement impact on 1.1.	10

Restatement impact on the statement of income 2012	-0
Restatement impact on other comprehensive income 2012	1
Restated deferred tax assets 31.12.	112
Restated deferred tax liabilities 31.12.	95

MEUR	2012
Impact on non-current other receivables and liabilities	
Reported other receivables 1.1.	34
Reported other liabilities 1.1.	212
Restatement impact on 1.1.	43
Restated other receivables 1.1.	23
Restated other liabilities 1.1.	244
Reported other receivables 31.12.	34
Reported other liabilities 31.12.	194
Restatement impact on 1.1.	43
Restatement impact on the statement of income 2012	-0
Restatement impact on other comprehensive income 2012	2
Restated other receivables 31.12.	24
Restated other liabilities 31.12.	228

- *IFRS 13 Fair value Measurement*: The standard defines fair value. It sets out in a single standard a framework for measuring fair value and requirement for disclosures about fair value measurements. The standard does not introduce any new requirements to measure at fair value. It provides guidance for fair value measurement when other standards require or permit that.

The adaption of the revised standards and interpretations have an effect on the interim report.

This interim report is unaudited.

Condensed statement of income

MEUR	Q1/2013	Restated Q1/2012	Restated 2012
Net sales	882	1 005	4 725
Other operating income	7	10	68
Expenses	-793	-889	-4 180
Depreciation, amortisation and impairment	-32	-33	-139
Share of result of associates and joint ventures	5	1	9
Operating result	69	94	483
Financial income and expenses	1	-1	-31
Net income from available-for-sale financial assets	25		1
Profit before taxes	96	93	453
Income taxes	-23	-27	-109
Profit for the reporting period	73	66	344
Attributable to:			
Equity holders of the parent company	72	65	339
Non-controlling interests	1	1	5
	73	66	344
Earnings per share attributable to equity holders of the parent company:			
Earnings per share (basic and diluted), EUR	0.37	0.33	1.72

Statement of other comprehensive income

MEUR	Q1/2013	Restated Q1/2012	Restated 2012
Profit for the reporting period	73	66	344
Other comprehensive income, net of taxes:			
Items that will not be reclassified to the statement of income:			
Actuarial gains (losses) on defined benefit plan	8		-2
Tax on items that will not be reclassified to the statement of income	-3		1
Total items that will not be reclassified to the statement of income	5		-1
Items that may be reclassified subsequently to the statement of income:			
Exchange rate differences on translating foreign operations	-6	7	-14
Available-for-sale financial assets			
measured at fair value	1	2	3
transferred to the statement of income	-25		-1
Cash flow hedges	-22	7	18
Tax on items that may be reclassified to the statement of income	12	-1	-4
Total items that may be reclassified to the statement of income	-41	16	1
Other comprehensive income for the reporting period, net of taxes	-35	16	
Total comprehensive income for the reporting period	37	82	344
Total comprehensive income attributable to:			
Equity holders of the parent company	36	81	339
Non-controlling interests	1	1	5
	37	82	344

Condensed statement of financial position

MEUR	31.3.2013	Restated 31.3.2012	Restated 31.12.2012	Restated 1.1.2012
Non-current assets				
Intangible assets	1 253	1 245	1 259	826
Property, plant and equipment	451	479	470	472
Investments in associates and joint ventures	95	88	90	87
Available-for-sale financial assets	23	41	44	39
Deferred tax assets	122	129	112	127
Other receivables	20	22	24	23
	1 964	2 003	2 000	1 574
Current assets				
Inventories	1 487	1 336	1 322	1 222
Other receivables	1 334	1 223	1 489	1 209
Cash and cash equivalents	205	242	225	592
	3 026	2 801	3 036	3 023
Total assets	4 990	4 804	5 036	4 597
Equity				
Share capital	336	336	336	336
Other equity	1 268	1 158	1 430	1 268
Total equity attributable to equity holders of the parent company	1 604	1 494	1 766	1 604
Non-controlling interests	25	27	26	30
Total equity	1 629	1 521	1 791	1 633
Non-current liabilities				
Interest-bearing debt	578	522	545	485
Deferred tax liabilities	92	99	95	67
Other liabilities	235	265	228	244
	905	885	868	795
Current liabilities				
Interest-bearing debt	312	337	249	167
Other liabilities	2 144	2 061	2 128	2 001
	2 456	2 398	2 377	2 169
Total liabilities	3 361	3 283	3 245	2 964
Total equity and liabilities	4 990	4 804	5 036	4 597

Condensed statement of cash flows

MEUR	Q1/2013	Restated Q1/2012	Restated 2012
Cash flow from operating activities:			
Profit for the reporting period	73	66	344
Depreciation, amortisation and impairment	32	33	139
Financial income and expenses	-1	1	31
Selling profit and loss of fixed assets and other changes	-26	-1	-16
Share of result of associates and joint ventures	-5	-1	-9
Income taxes	23	27	109
Changes in working capital	14	-65	-278
Cash flow from operating activities before financial items and taxes	111	60	320
Financial items and paid taxes	-27	-32	-167
Cash flow from operating activities	84	28	153
Cash flow from investing activities:			
Investments in shares and acquisitions	-4	-393	-402
Net investments in property, plant and equipment and intangible assets	-20	-20	-99
Proceeds from sale of available-for-sale financial assets and shares in associated companies	27	5	26
Cash flow from other investing activities	1	2	4
Cash flow from investing activities	3	-405	-471
Cash flow from financing activities:			
Proceeds from non-current borrowings	50	54	158
Repayments and other changes in non-current loans	-23	-14	-92
Changes in current loans and other changes	63	169	73
Dividends paid	-199	-181	-186
Cash flow from financing activities	-109	28	-47
Change in cash and cash equivalents, increase (+) / decrease (-)	-21	-349	-365
Cash and cash equivalents at the beginning of the reporting period	225	592	592
Exchange rate changes	1	-1	-2
Cash and cash equivalents at the end of the reporting period	205	242	225

Consolidated statement of changes in equity

	Total equity attributable to equity holders of the parent company						Non-controlling interests	Total equity
MEUR	Share capital	Share premium	Translation difference	Fair value reserve	Actuarial gains and losses	Retained earnings		
Equity on 1 January 2013, restated	336	61	-12	21	-34	1 393	26	1 791
Dividends paid						-197	-2	-199
Total comprehensive income for the reporting period			-7	-35	5	72	1	37
Equity on 31 March 2013	336	61	-19	-13	-29	1 268	25	1 629
Equity on 31 December 2011	336	61	2	5		1 233	30	1 666
Change in accounting policy (IAS19)					-33			-33
Equity on 1 January 2012, restated	336	61	2	5	-33	1 233	30	1 633
Dividends paid						-178	-3	-180
Total comprehensive income for the reporting period			-3	12		60		68
Equity on 31 March 2012, restated	336	61	-1	17	-33	1 115	27	1 521

Net sales by geographical areas

MEUR	Q1/2013	Q1/2012	2012
Europe	241	279	1 202
Asia	345	402	2 009
The Americas	213	204	994
Other	84	121	520
Total	882	1 005	4 725

Intangible assets and property, plant & equipment

MEUR	Q1/2013	Q1/2012	2012
Intangible assets			
Carrying amount on 1 January	1 259	826	826
Changes in exchange rates	-15	2	24
Acquisitions		422	426
Additions	13	8	41
Amortisation and impairment	-15	-15	-61
Disposals and reclassifications	11	2	5
Carrying amount at the end of the reporting period	1 253	1 245	1 259
Property, plant and equipment			
Carrying amount on 1 January	470	472	472
Changes in exchange rates	2	-1	1
Acquisitions		19	19
Additions	7	12	70
Depreciation and impairment	-17	-18	-78
Disposals and reclassifications	-11	-5	-14
Carrying amount at the end of the reporting period	451	479	470

Gross capital expenditure

MEUR	Q1/2013	Q1/2012	2012
Investments in securities and acquisitions	4	393	402
Intangible assets and property, plant and equipment	20	20	111
Total	25	413	513

Net interest-bearing debt

MEUR	Q1/2013	Q1/2012	2012
Non-current liabilities	578	522	545
Current liabilities	312	337	249
Loan receivables	-16	-2	-2
Cash and cash equivalents	-205	-242	-225
Total	668	615	567

Financial ratios

	Q1/2013	Restated Q1/2012	Restated 2012
Earnings per share (basic and diluted), EUR	0.37	0.33	1.72
Equity per share, EUR	8.13	7.58	8.95
Solvency ratio, %	39.0	36.6	41.3
Gearing	0.42	0.41	0.32

Personnel

	Q1/2013	Q1/2012	2012
On average	18 680	17 862	18 930
At the end of the reporting period	18 674	19 073	18 887

Contingent liabilities

MEUR	Q1/2013	Q1/2012	2012
Mortgages	28	43	28
Chattel mortgages and other pledges	26	62	34
Total	54	105	62
Guarantees and contingent liabilities			
on behalf of Group companies	570	453	433
on behalf of associated companies	8	9	9
Nominal amount of rents according to leasing contracts			
payable within one year	22	21	23
payable between one and five years	43	35	44
payable later	9	10	10
Total	652	528	518

Nominal values of derivative instruments

MEUR	Total amount	of which closed
Interest rate swaps	20	
Foreign exchange forward contracts	1 281	299
Currency options, purchased	155	
Currency options, written	74	
Total	1 530	299

Fair values

Fair value measurements at the end of the reporting period:

MEUR	Carrying amounts of the statement of financial position items	Fair value
Financial assets		
Available-for-sale financial assets		
level 1	2	2
level 3	21	21
Interest-bearing investments, non-current (level 2)	13	13
Other receivables, non-current (level 2)	5	5
Derivatives (level 2)	7	7
Financial liabilities		
Interest-bearing debt, non-current (level 2)	578	591
Derivatives (level 2)	20	20

Condensed statement of income, quarterly

MEUR	1–3/2013	Restated 10–12/2012	Restated 7–9/2012	Restated 4–6/2012	Restated 1–3/2012	10–12/2011
Net sales	882	1 533	1 087	1 099	1 005	1 238
Other operating income	7	12	11	35	10	13
Expenses	-793	-1 343	-958	-990	-889	-1 086
Depreciation, amortisation and impairment	-32	-38	-33	-35	-33	-29
Share of result of associates and joint ventures	5	7	3	-1	1	2
Operating result	69	171	110	108	94	138
Financial income and expenses	1	-9	-11	-11	-1	-6
Net income from available-for-sale financial assets	25			1		
Profit before taxes	96	162	99	98	93	131
Income taxes	-23	-37	-23	-22	-27	-39
Profit for the reporting period	73	124	77	77	66	92
Attributable to:						
Equity holders of the parent company	72	123	75	76	65	89
Non-controlling interests	1	1	2	1	1	3
	73	124	77	77	66	92
Earnings per share attributable to equity holders of the parent company:						
Earnings per share (basic and diluted), EUR	0.37	0.62	0.38	0.38	0.33	0.45

Calculation of financial ratios

Earnings per share (EPS)

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

Equity per share

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

Solvency ratio

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

Gearing

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

Working capital (WCAP)

(Inventories + trade receivables + income tax receivables + other non-interest-bearing receivables) – (trade payables + advances received + pension obligations + provisions + income tax liabilities + other non-interest-bearing liabilities)

EBITA

Operating result – non-recurring items – intangible asset amortisation related to acquisitions

17 April 2013
Wärtsilä Corporation
Board of Directors