

WÄRTSILÄ CORPORATION

INTERIM REPORT JANUARY-MARCH 2012

BJÖRN ROSENGREN, PRESIDENT & CEO

20 APRIL 2012

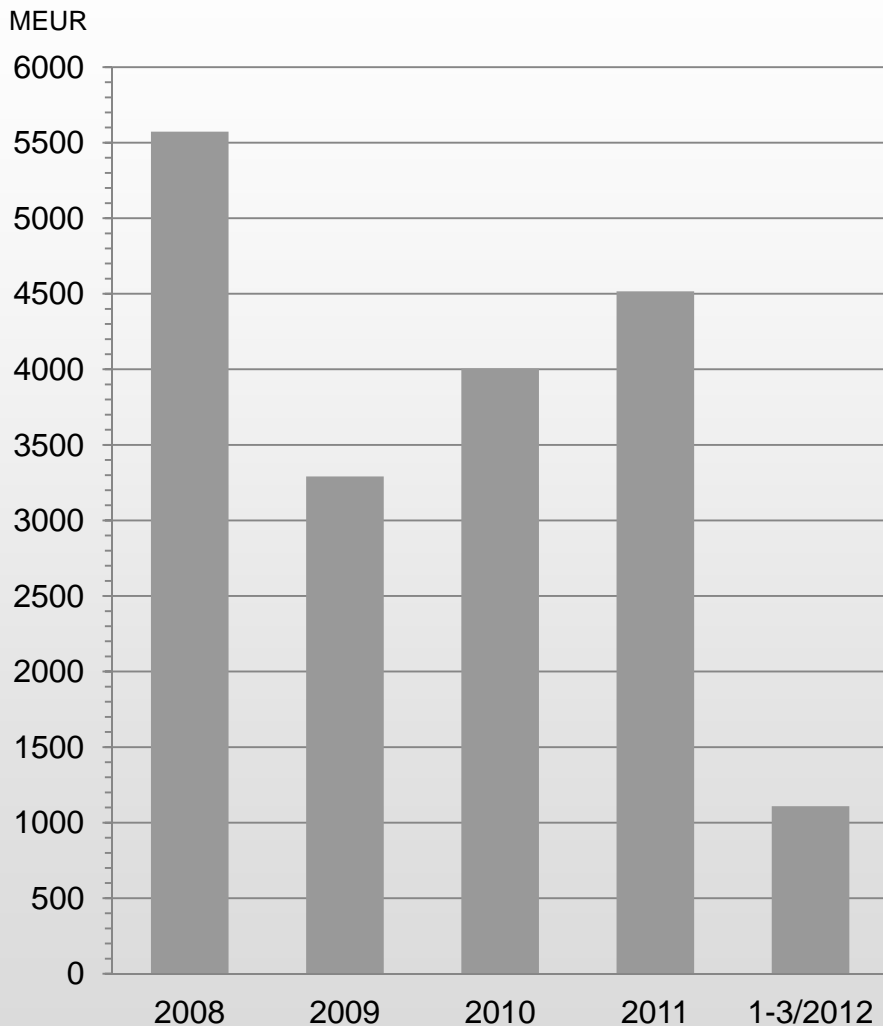




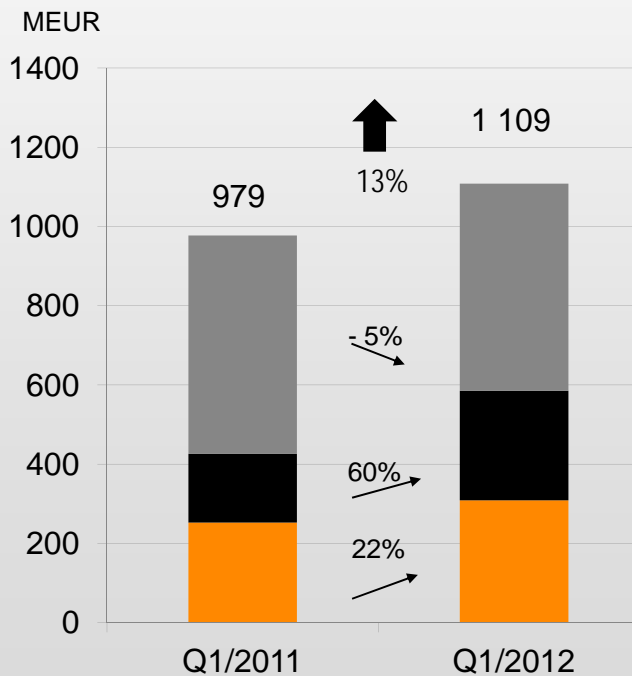
- Order intake EUR 1,109 million, +13%
- Net sales EUR 1,005 million, -7%
- EBIT EUR 102 million,
10.1% of net sales
- EBITA EUR 109 million,
10.9% of net sales
- EPS EUR 0.33 (0.38)
- The acquisition of Hamworthy became effective on 31 January 2012

EBIT is shown excluding non-recurring items.

EBITA is shown excluding non-recurring items and intangible asset amortisation related to acquisitions.

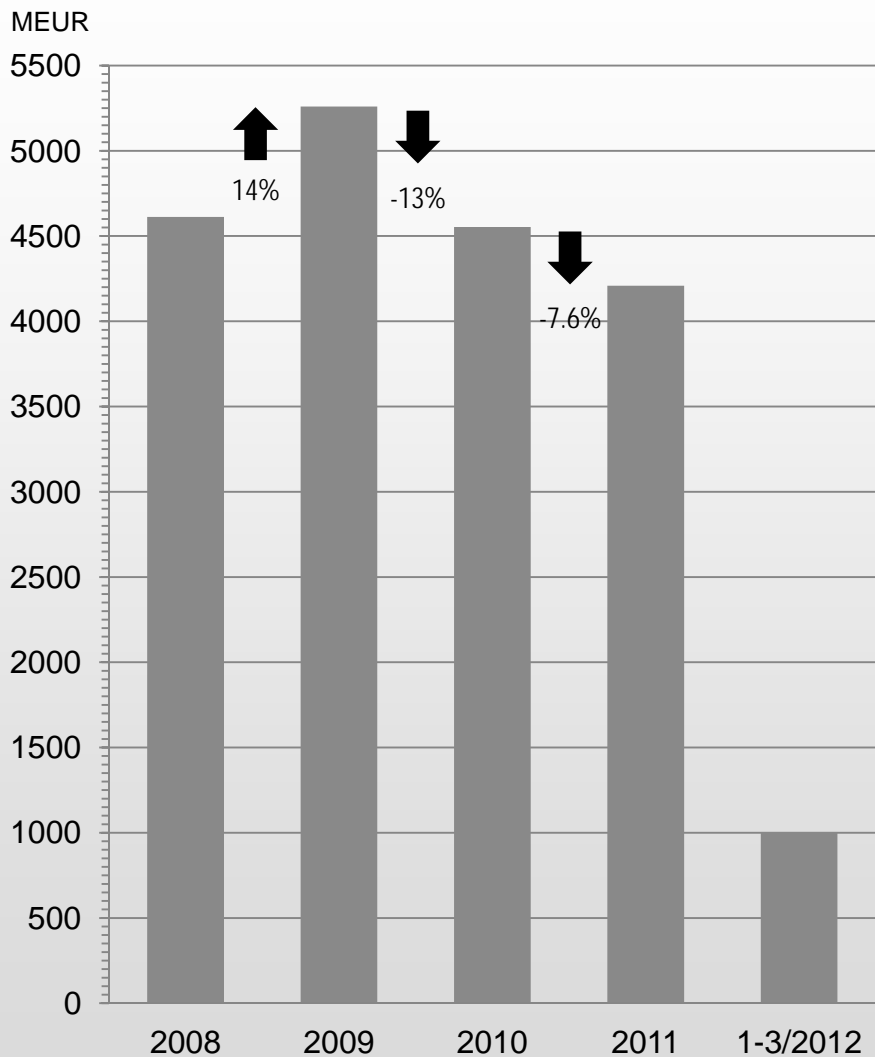


First quarter development

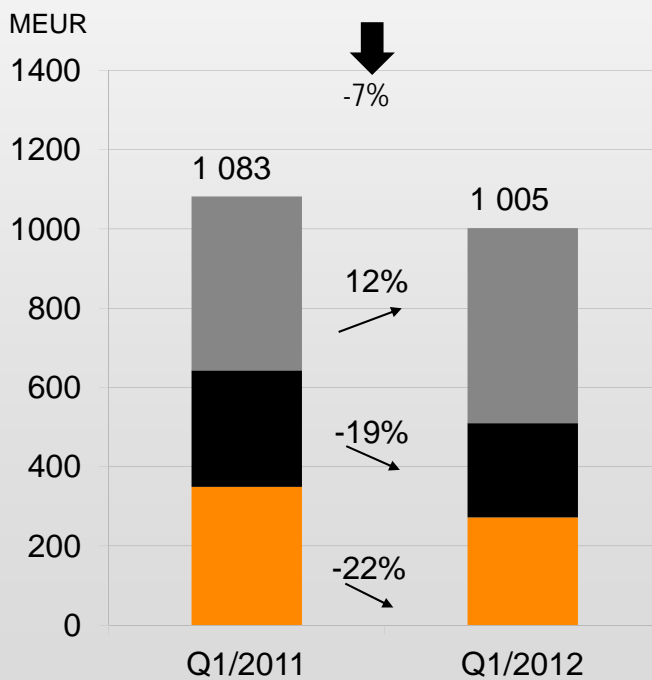


● Power Plants ● Ship Power ● Services

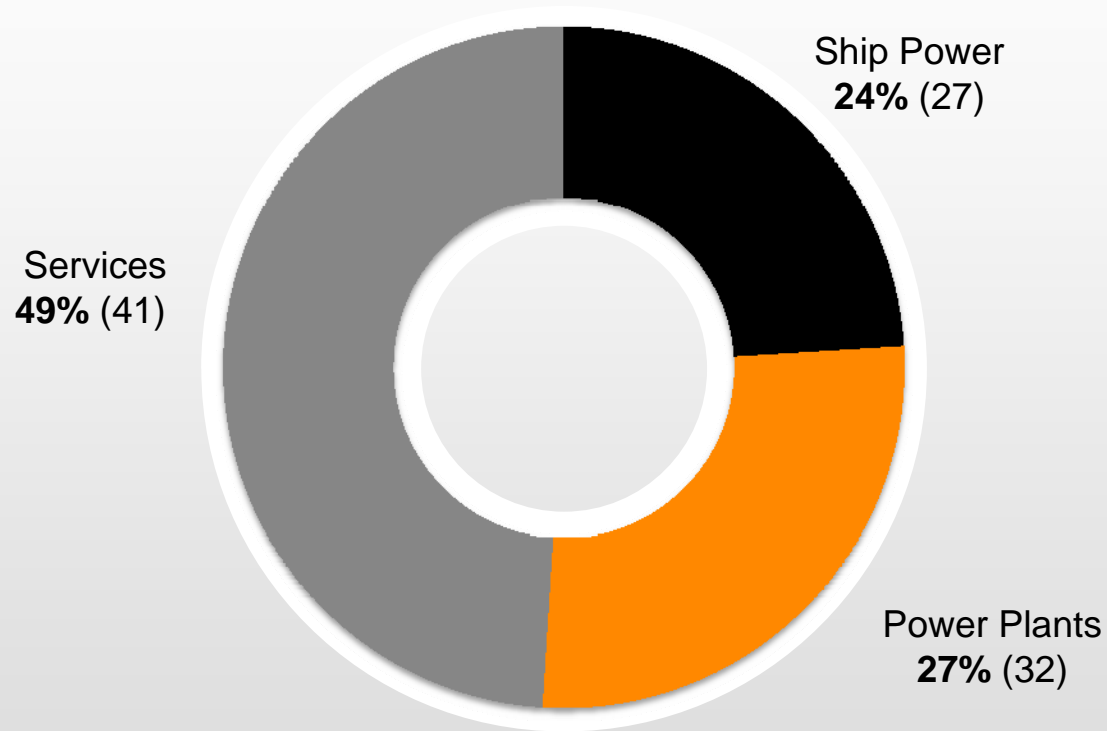
Net sales in line with our expectations



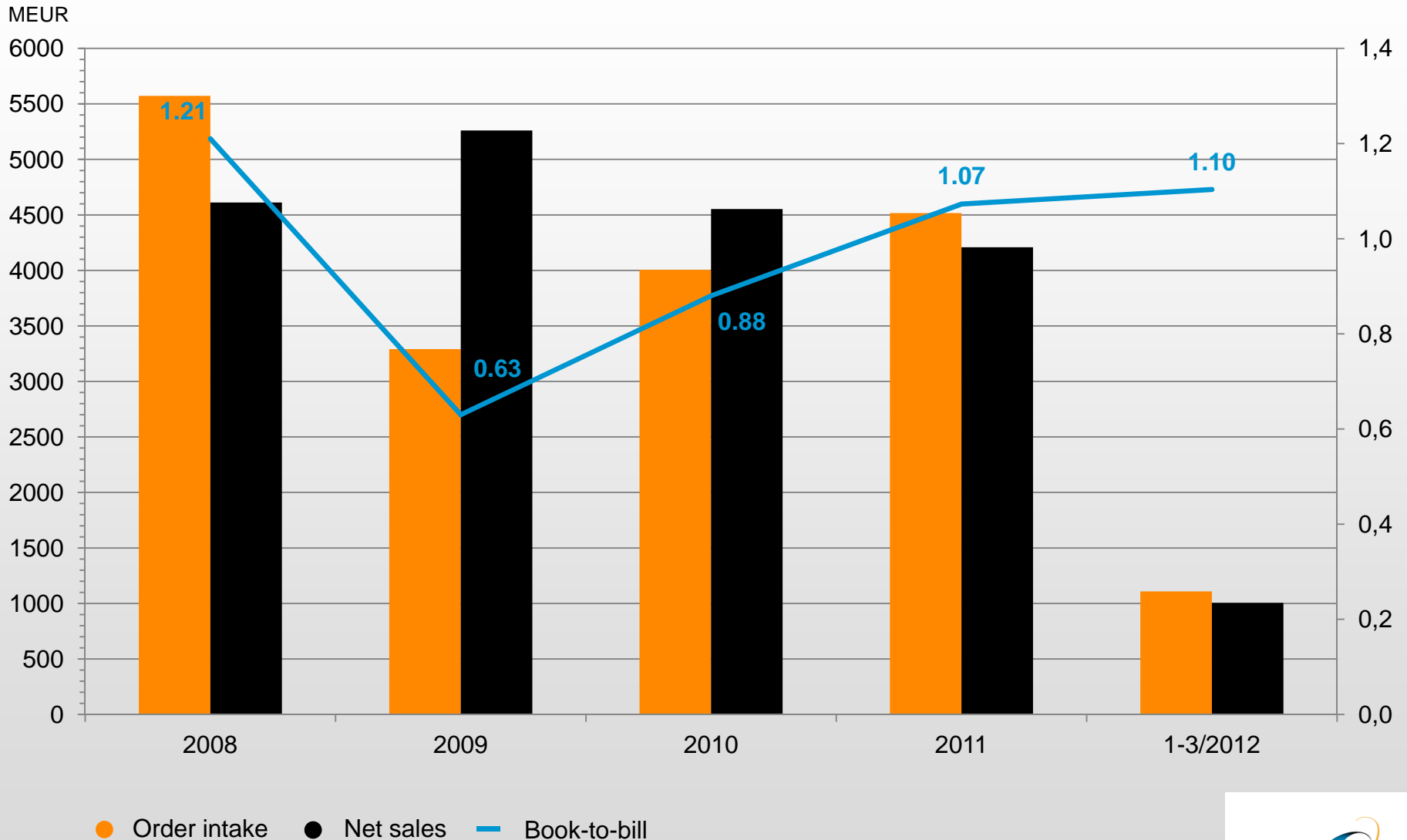
First quarter development

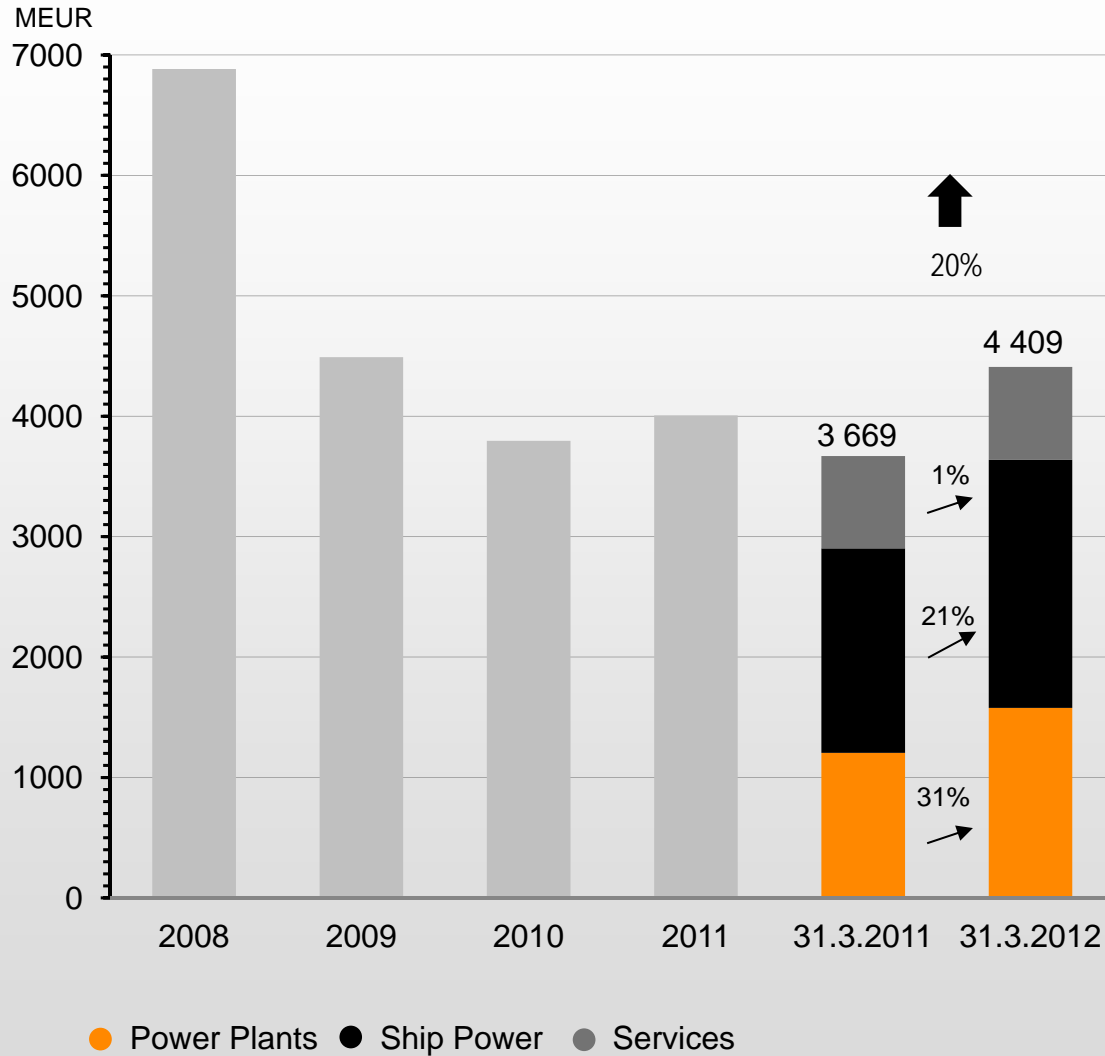


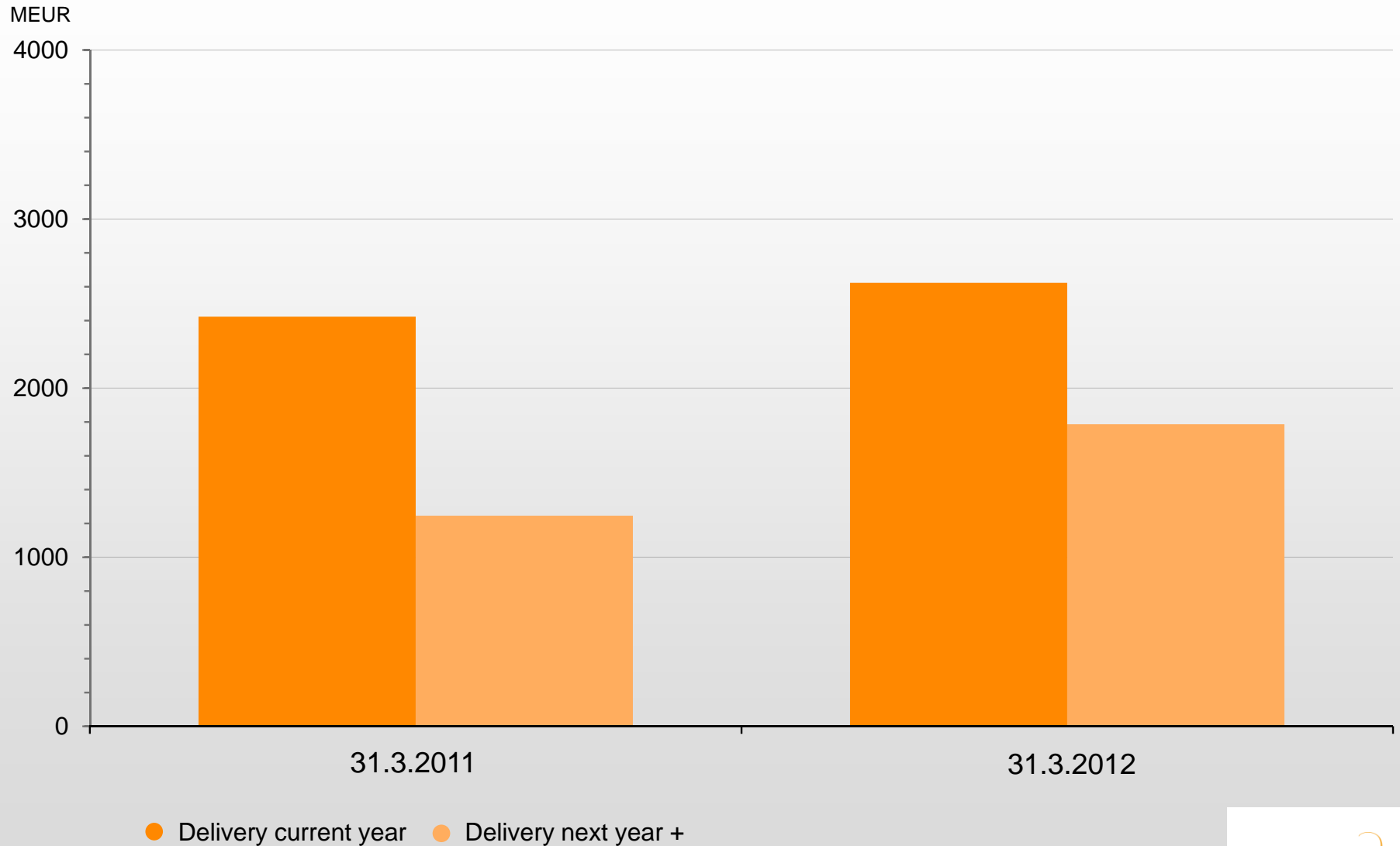
● Power Plants ● Ship Power ● Services

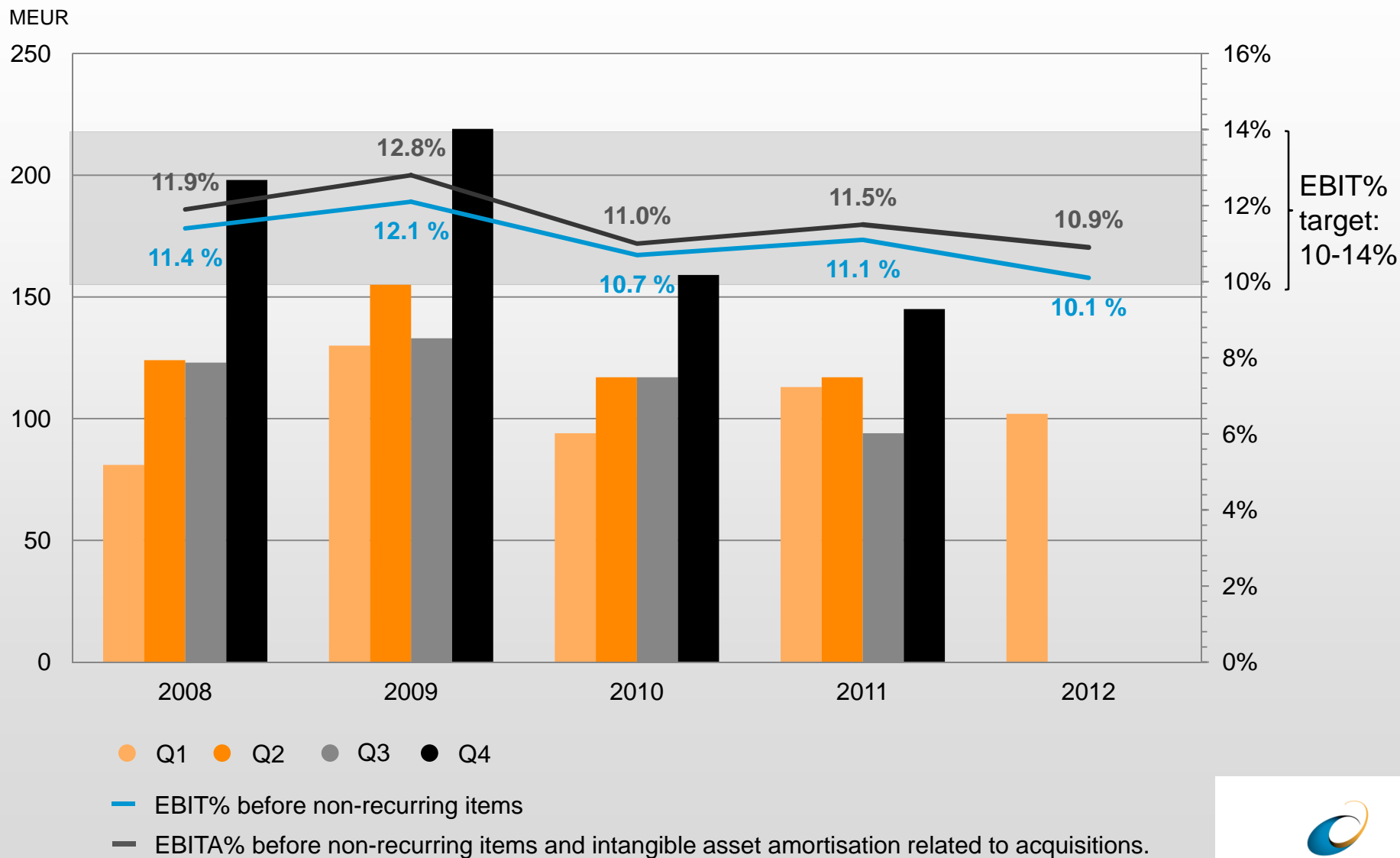


Book-to-bill ratio remains above one





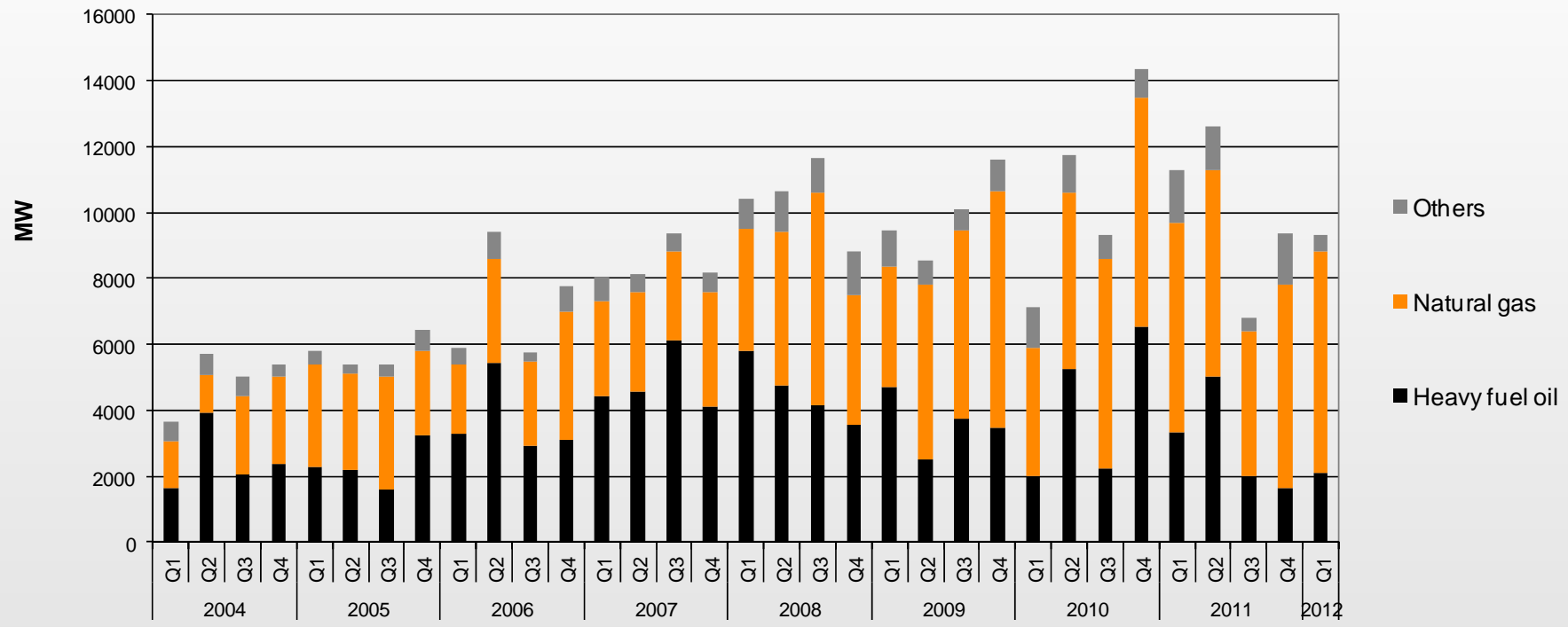




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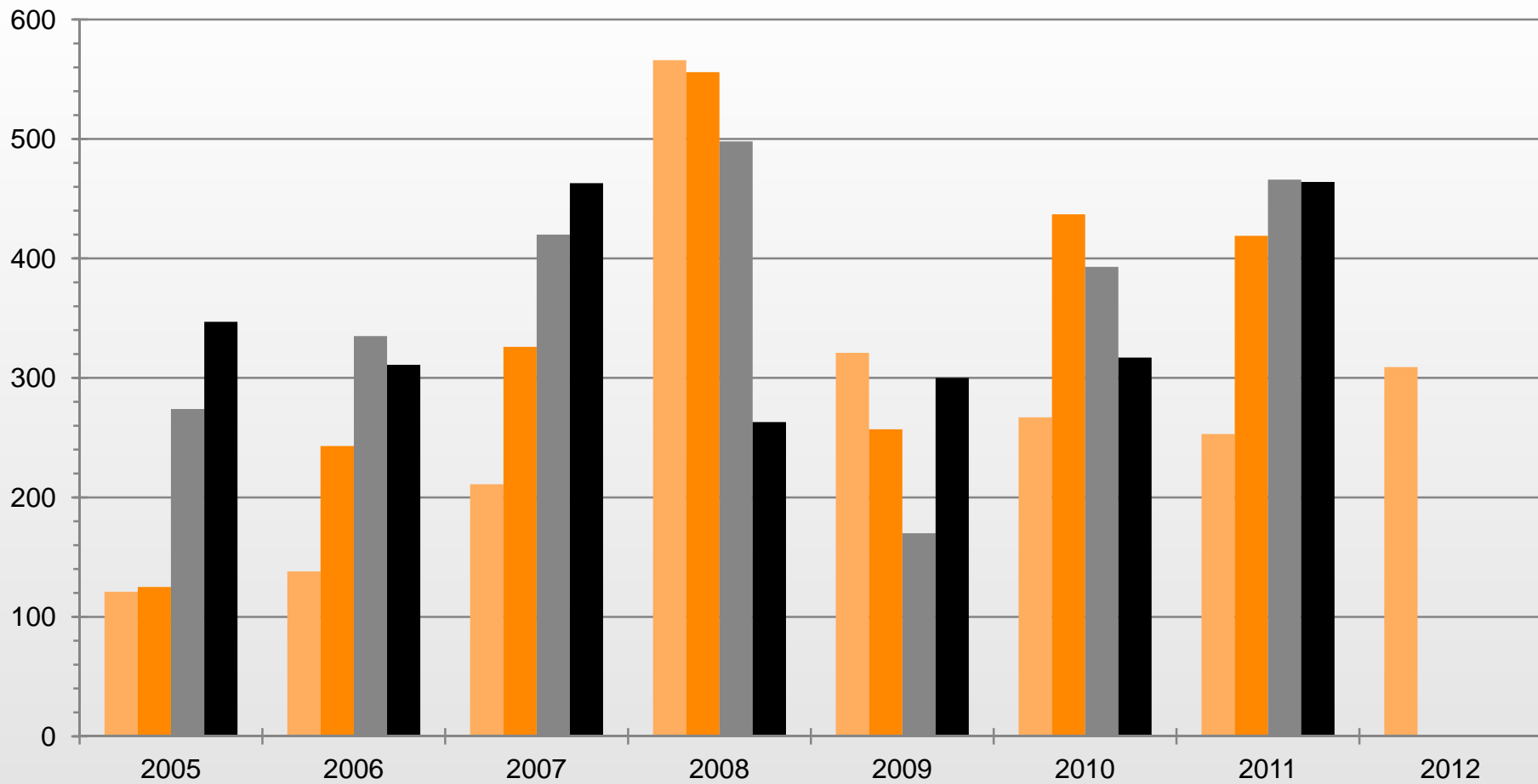
Power Plants
order intake
increased by 22%

Quoted MW per Fuel Type



Share of natural gas is consistently increasing

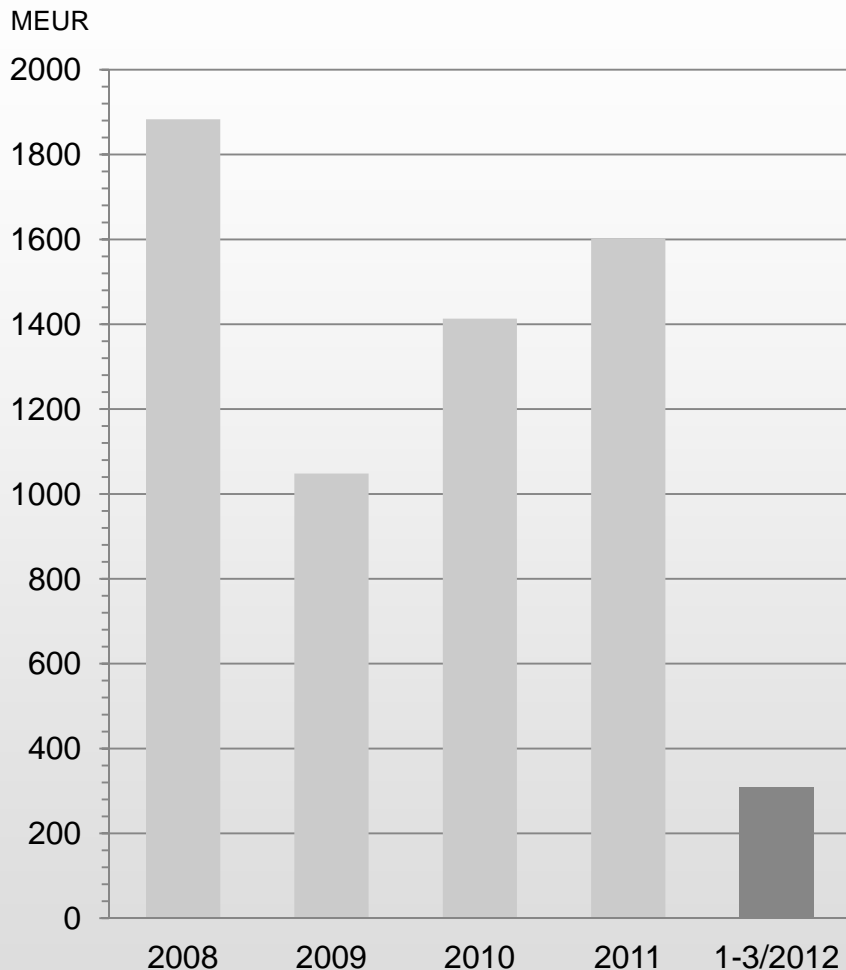
MEUR



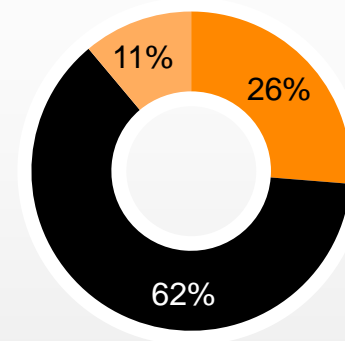
● Q1 ● Q2 ● Q3 ● Q4



Order intake by application

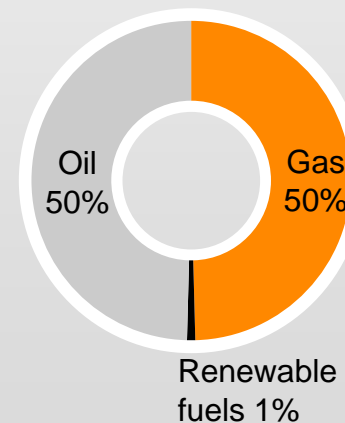


First quarter development
Total EUR 309 million (253)



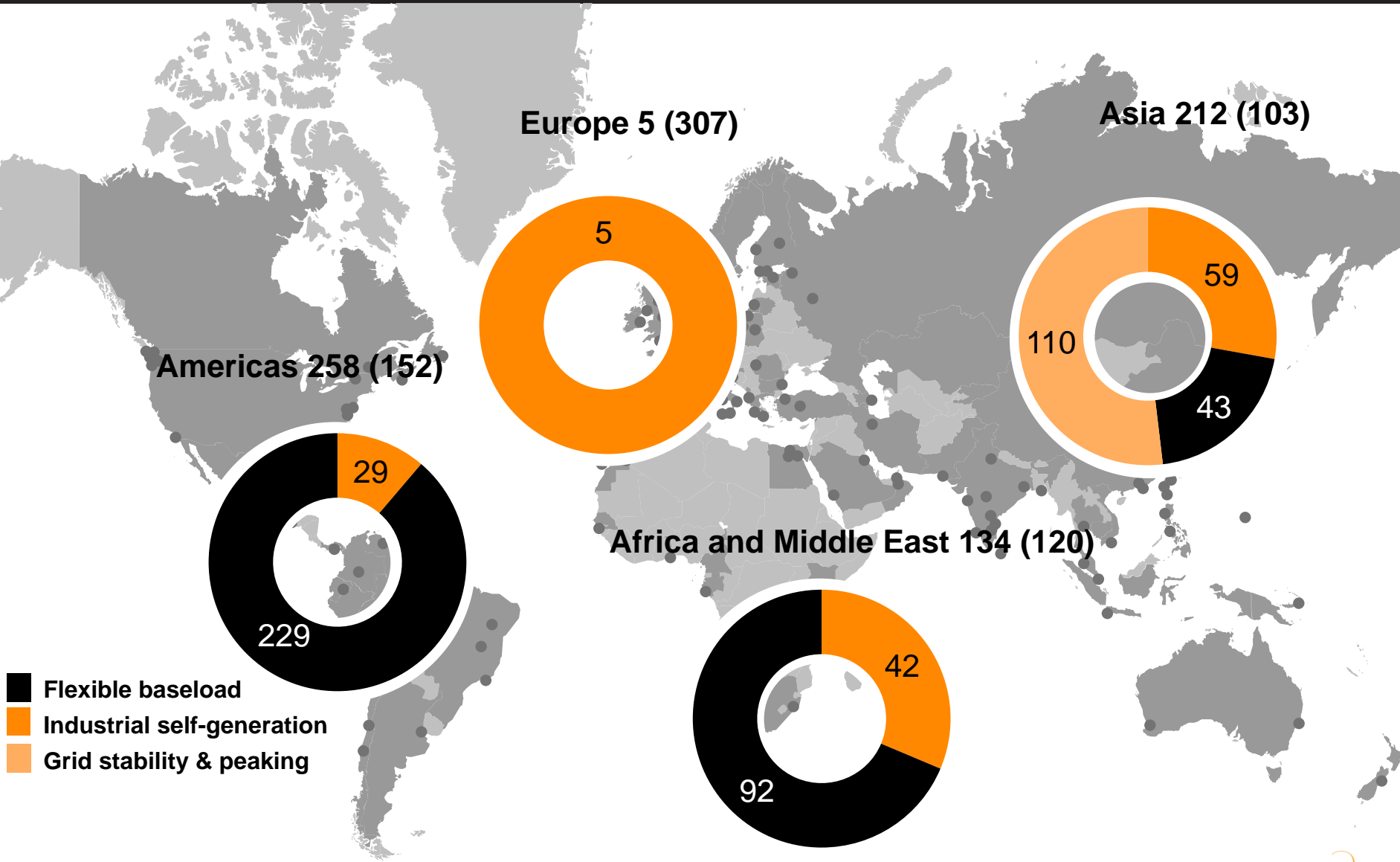
- Industrial self-generation
- Flexible baseload
- Grid stability & peaking

Q1/2012 order intake by fuel in MW





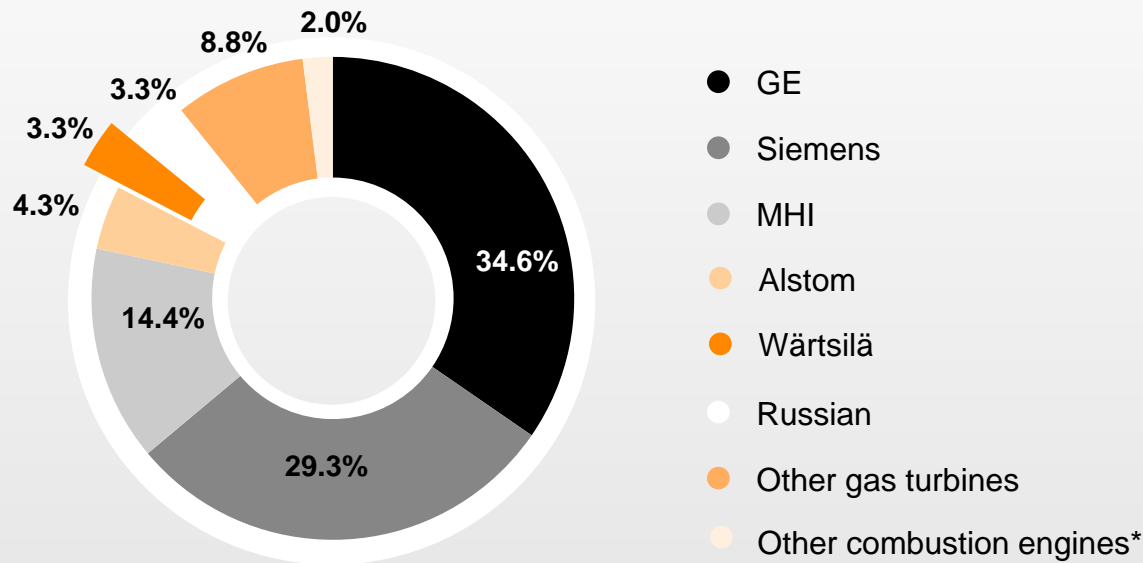
- Order received to supply the engineering and generating equipment for a power plant to be installed in Alaska, USA
- Order placed by Matanuska Electric Association, a co-operative utility
- The value of the order is USD 106 million
- Scope of supply includes 10 dual-fuel generating sets to be operated primarily on natural gas
- The equipment meets the State of Alaska requirements regarding air quality



- Flexible baseload
- Industrial self-generation
- Grid stability & peaking

Order intake 1-3/2012: 608 MW (682)

2011
Total market 100.8 GW



Market data includes all prime mover units over 5 MW and estimated output of steam turbines for combined cycles.

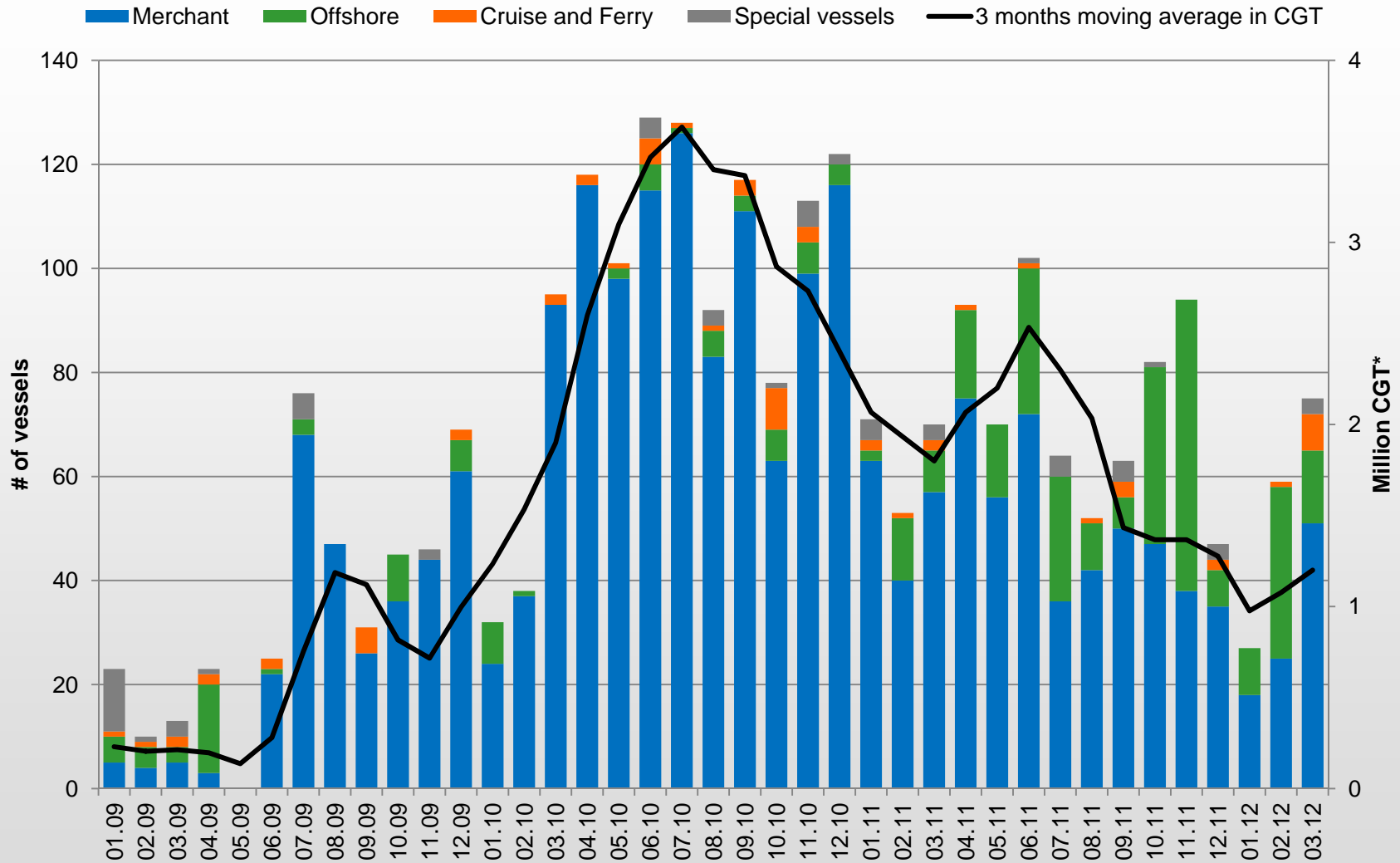
The data is gathered from the McCoy Power Report.

In engine technology, Wärtsilä has a leading position.

* Other combustion engines figures based partly on Wärtsilä's own estimate.

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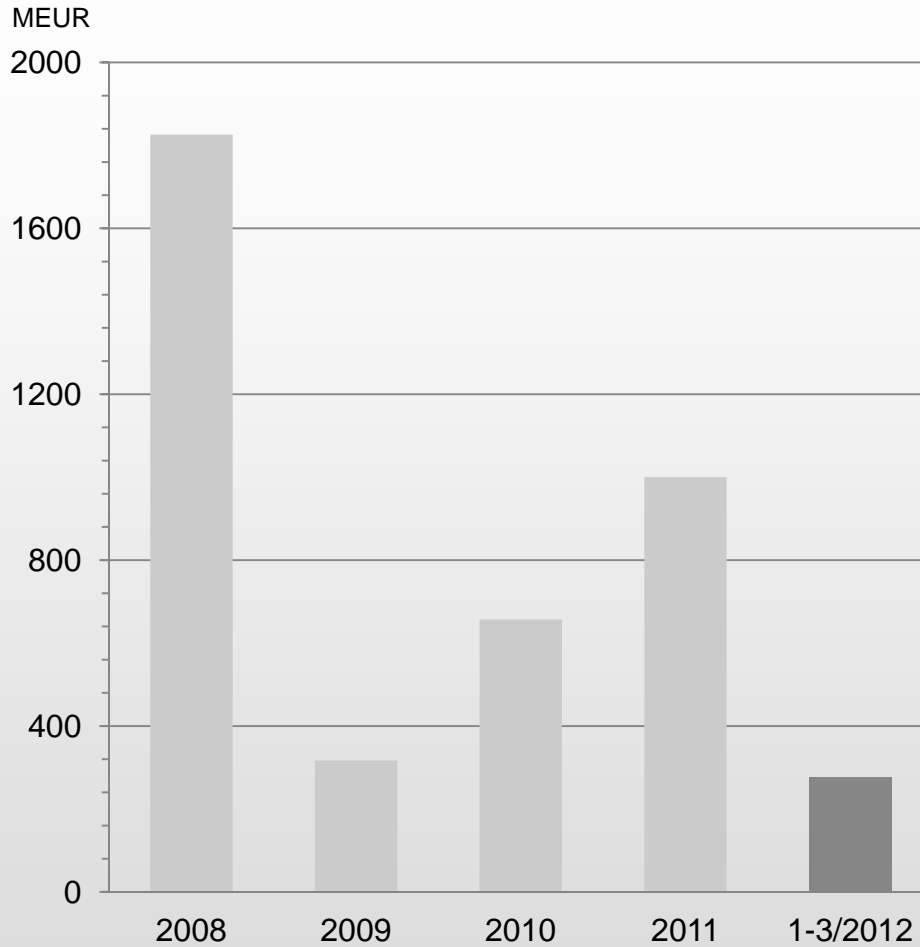
Ship Power order
intake increased
by 60%



Source: Clarkson Research Services

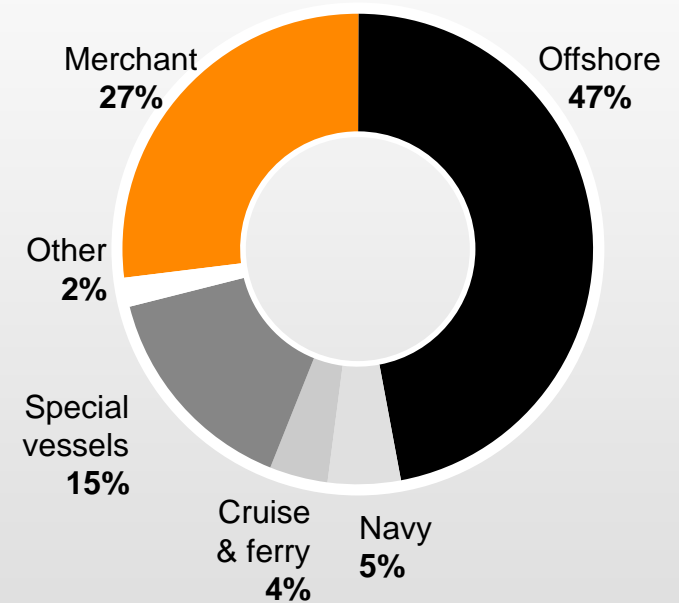
* CGT= gross tonnage compensated with workload





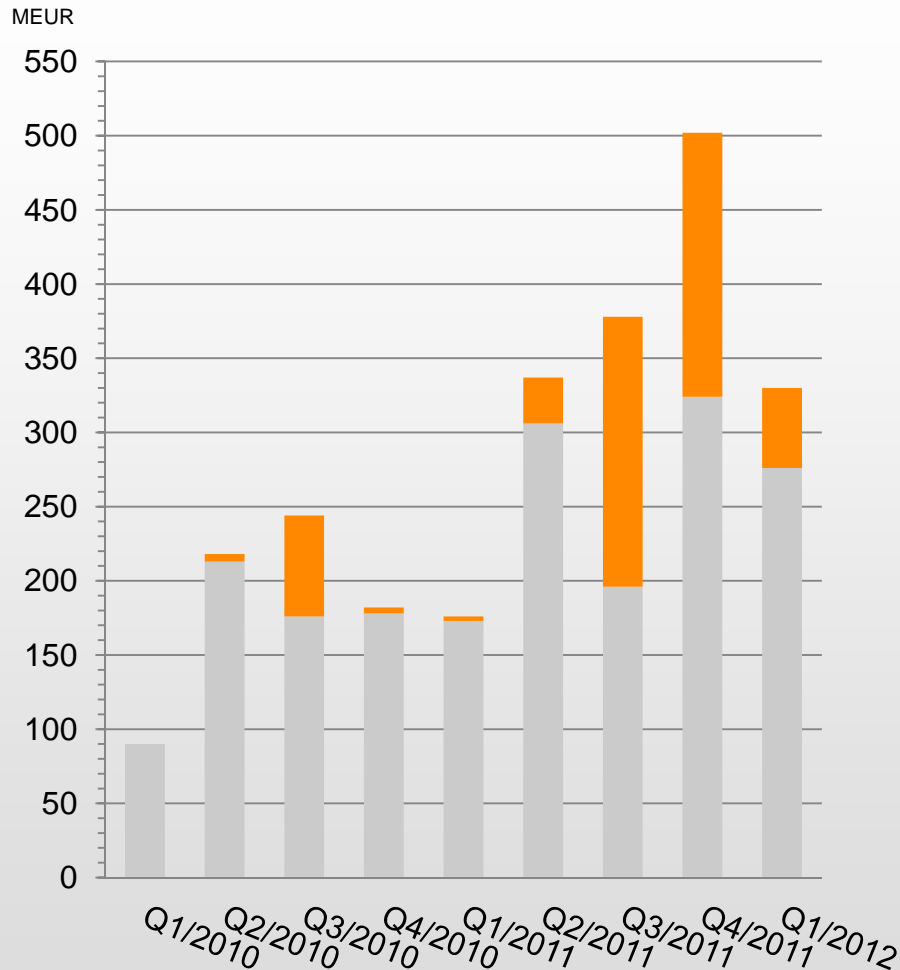
First quarter development

Total EUR 276 million (173)





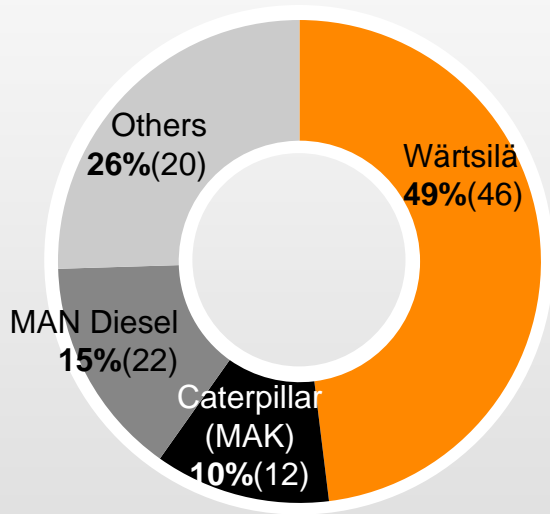
- Repeat order for two gas fuelled offshore support vessels from Harvey Gulf International
- Scope of delivery includes an integrated system with dual-fuel machinery, an electrical and automation package, complete propulsion equipment, and the LNG fuel storage and gas conditioning system
- LNG fuelled vessels offer compelling operational savings and significant environmental benefits
- The order further demonstrates that the move to LNG as a marine fuel has begun also in the U.S.



- Order intake in the South Korean joint venture producing dual-fuel engines and the Chinese joint venture producing auxiliary engines totalled EUR 54 million (3) during the review period January-March 2011
- Wärtsilä's share of ownership in these companies is 50%, profits will be reported as a share of result in associates and joint ventures

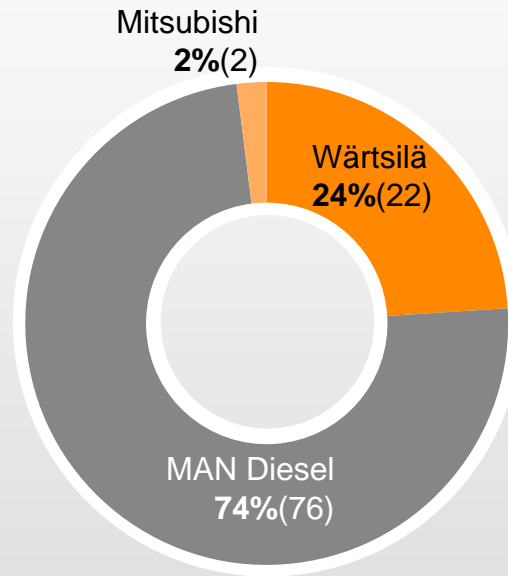
- Joint venture order intake
(Wärtsilä Hyundai Engine Company Ltd and Wärtsilä Qiyao Diesel Company Ltd)
- Ship Power order intake

Medium-speed main engines



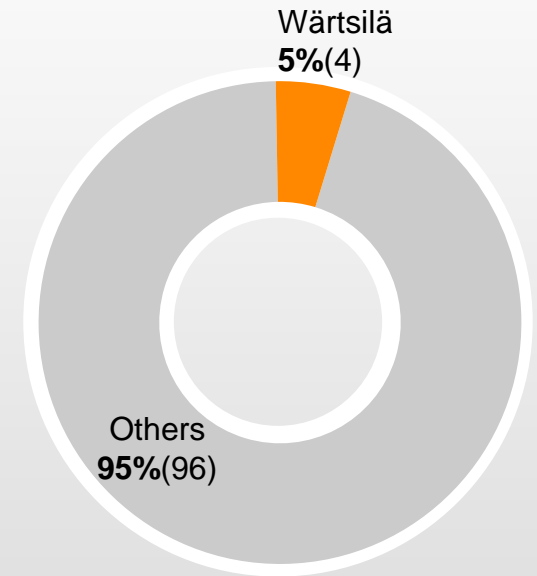
Total market volume last 12 months:
5,495 MW (2,977)

Low-speed main engines



Total market volume last 12 months:
13,520 MW (15,758)

Auxiliary engines

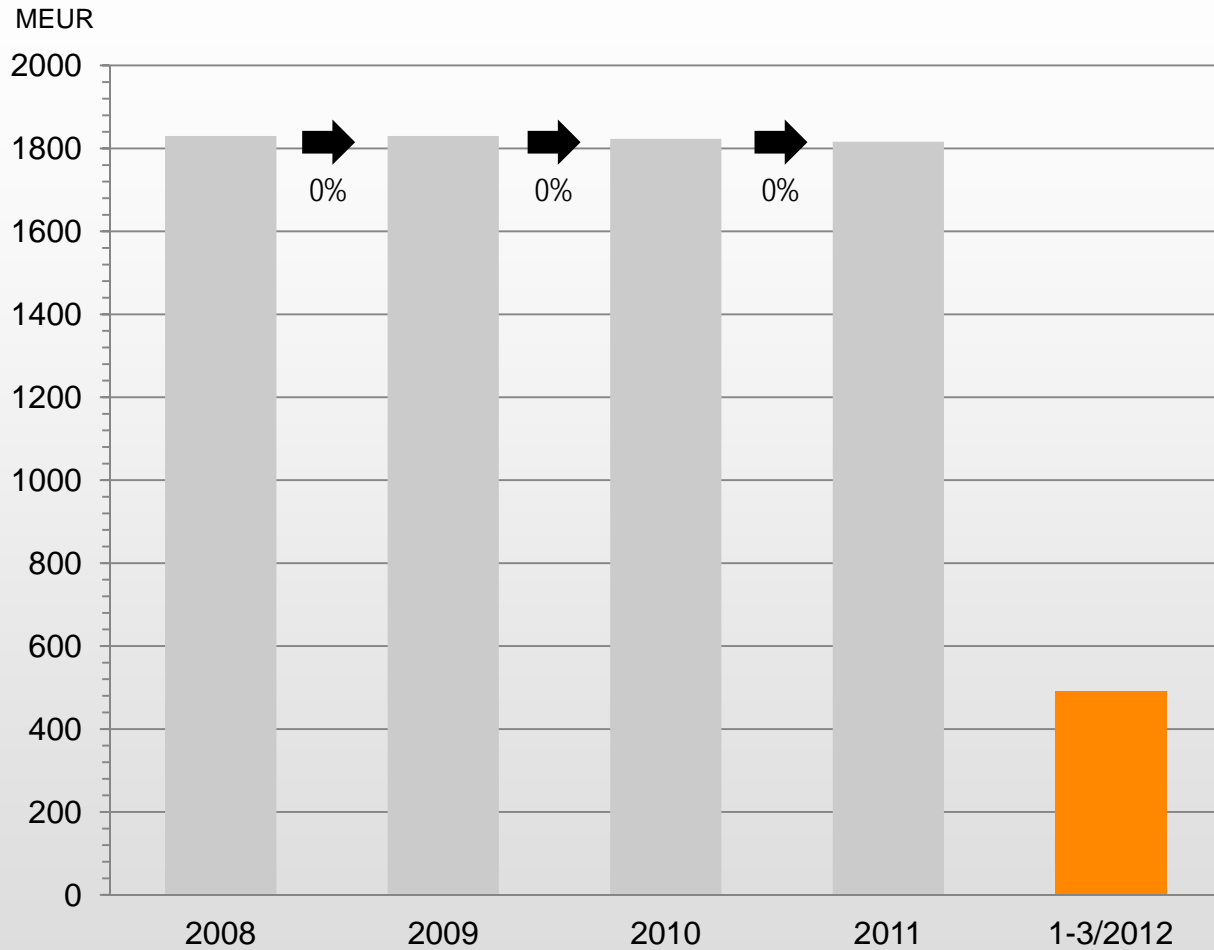


Total market volume last 12 months:
3,793 MW (3,949)

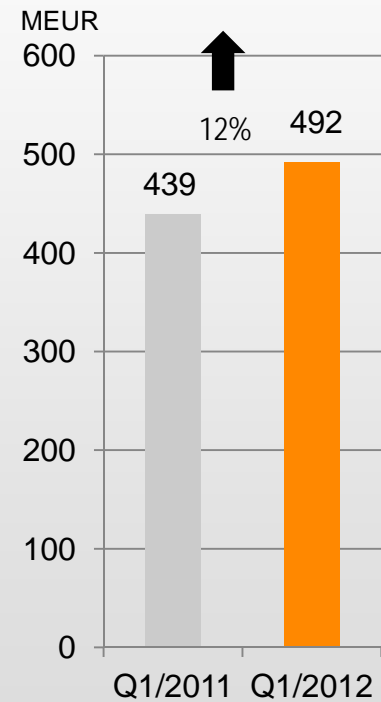
Wärtsilä's market shares are calculated on a 12 months rolling basis, numbers in brackets are from the end of the previous quarter. Wärtsilä's own calculation is based on Marine Market Database.

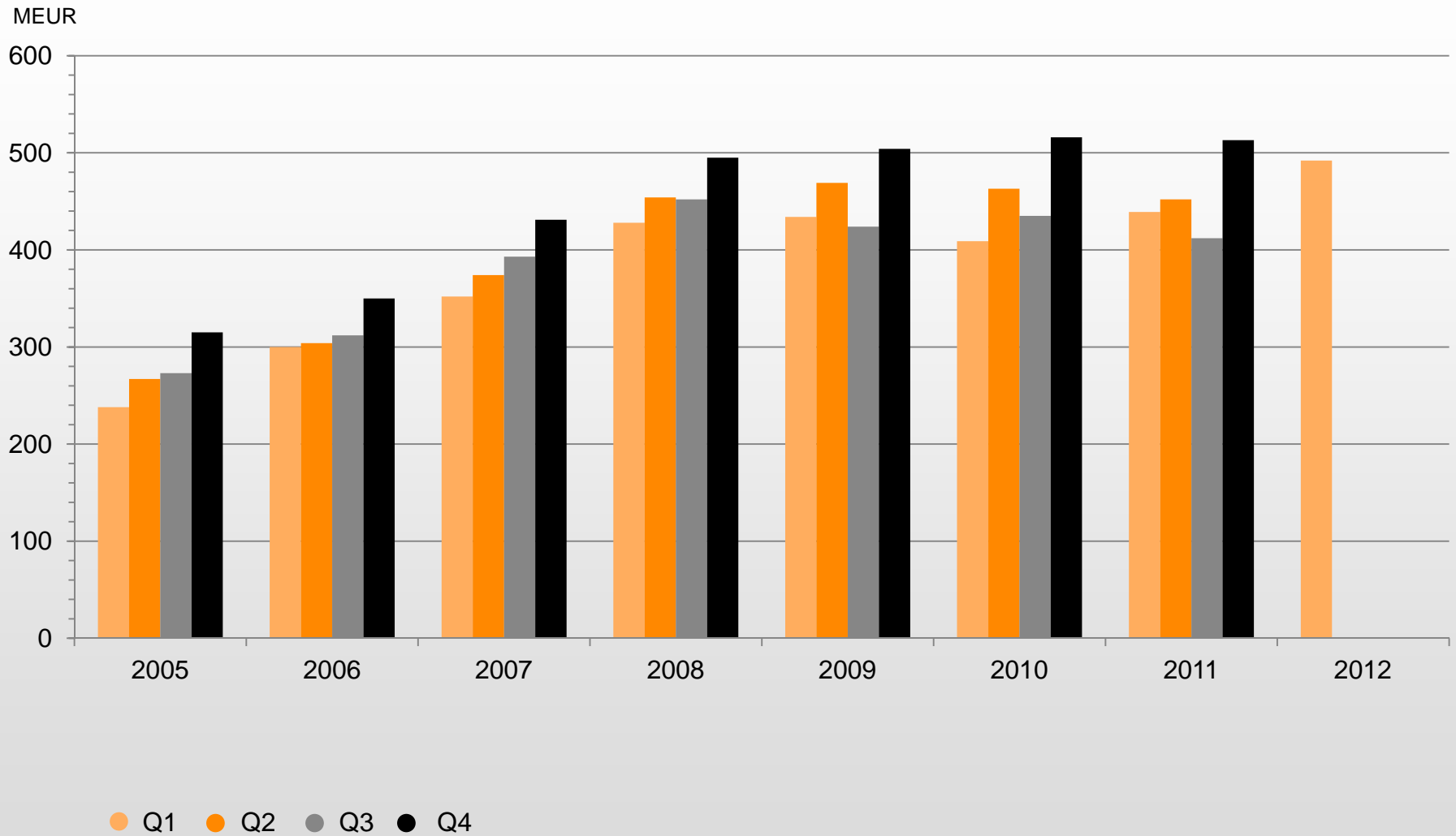
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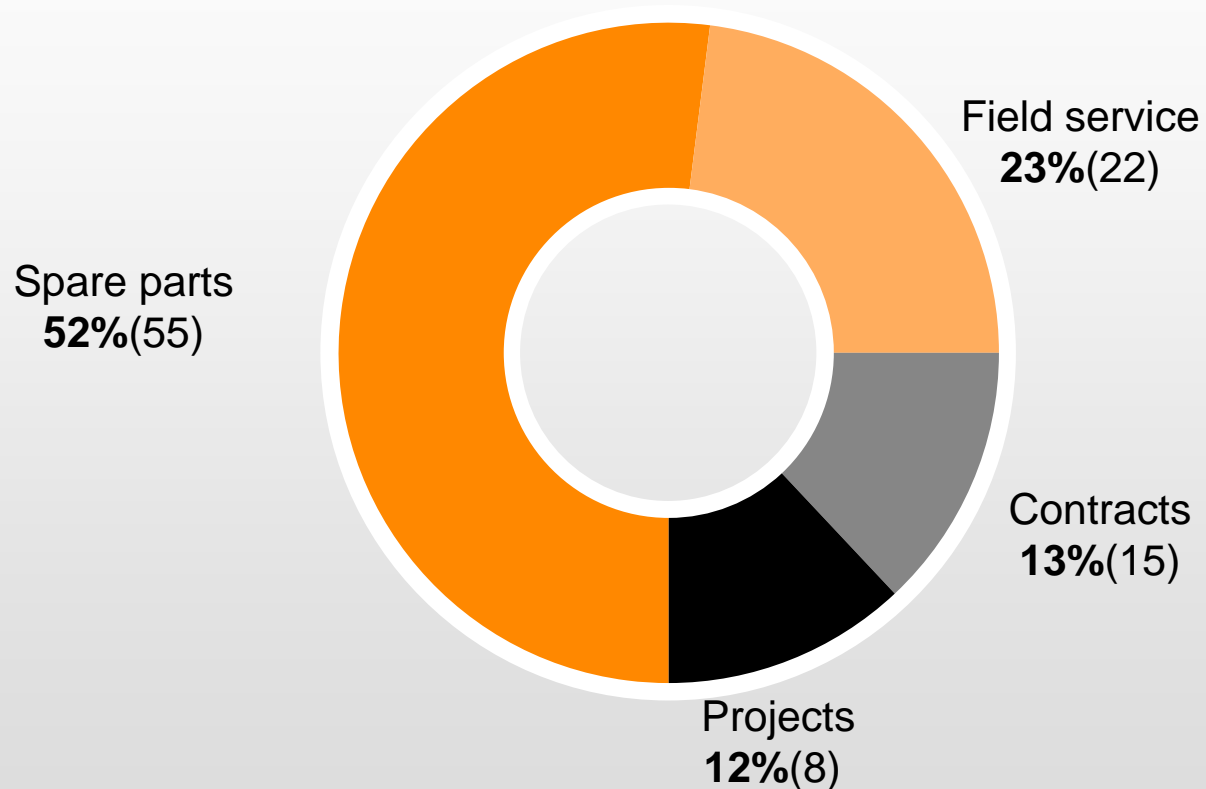
**Services' net
sales increased
by 12%**



First quarter development





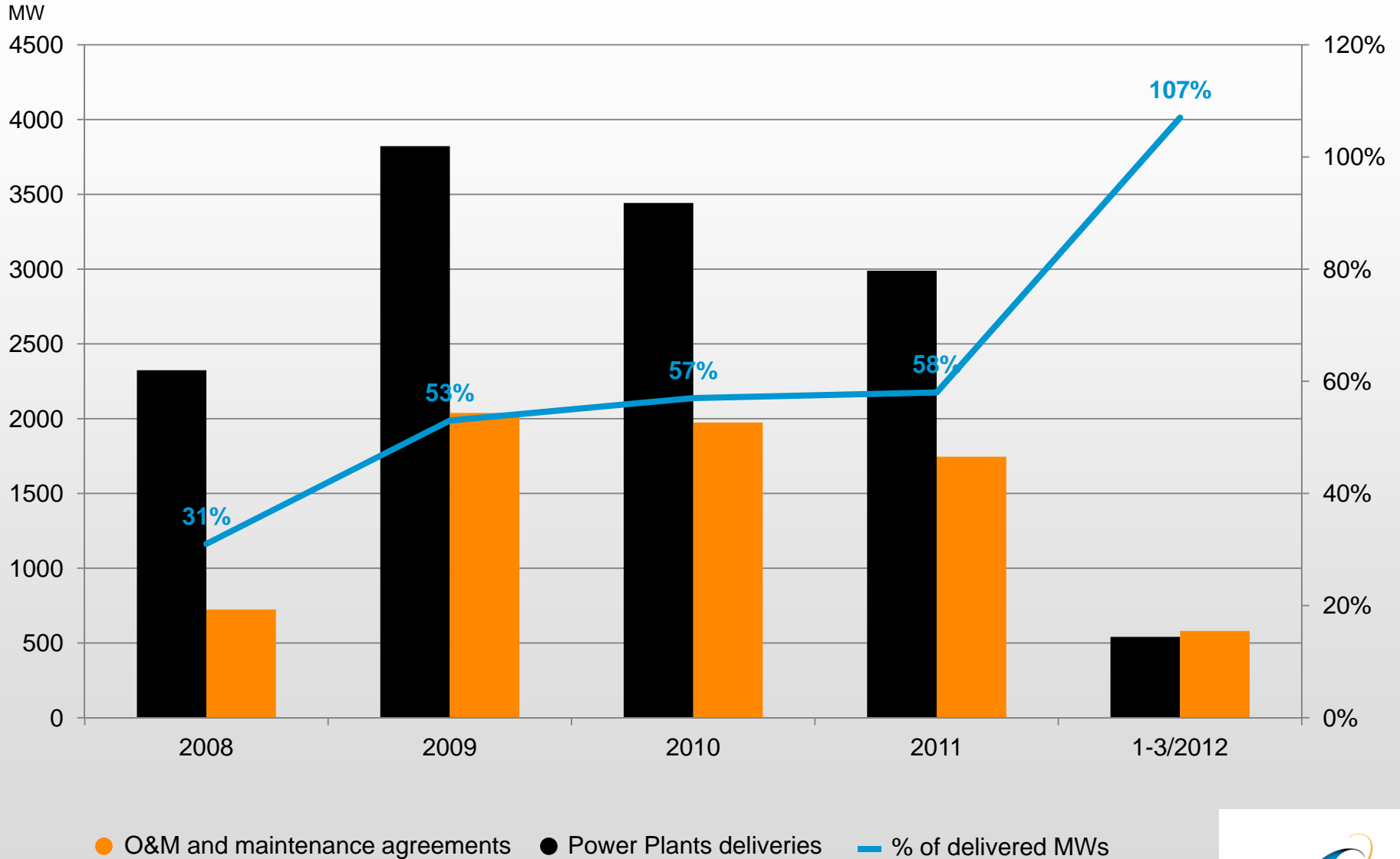


Total EUR 492 million (439)

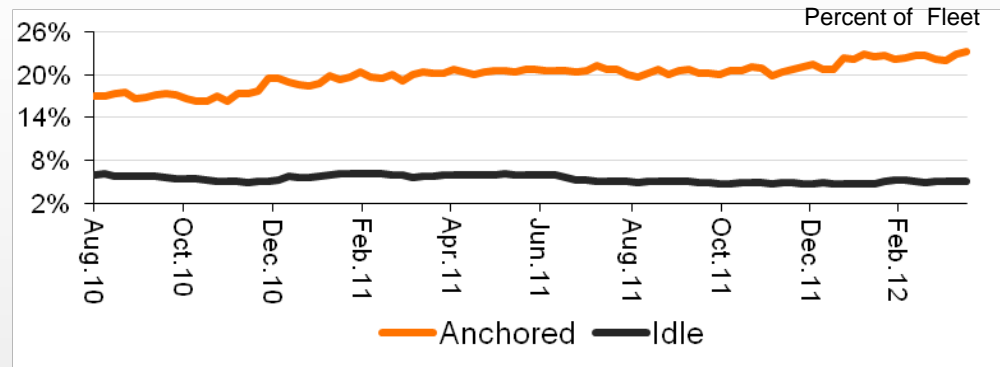


- A three-year O&M agreement signed for the 380 MW Suape II power plant in Brazil, the biggest plant ever built by Wärtsilä:
 - On-site operation and maintenance optimises the availability of the plant
- One of the most comprehensive service agreements yet for the cruise industry signed with US-based Prestige Cruise Holdings, Inc:
 - Five-year agreement covering six vessels, a total of 27 Wärtsilä engines
 - Facilitates the projection of costs and minimises downtime during routine maintenance and overhauls
- These contracts signify our commitment to deliver lifecycle value to our customers

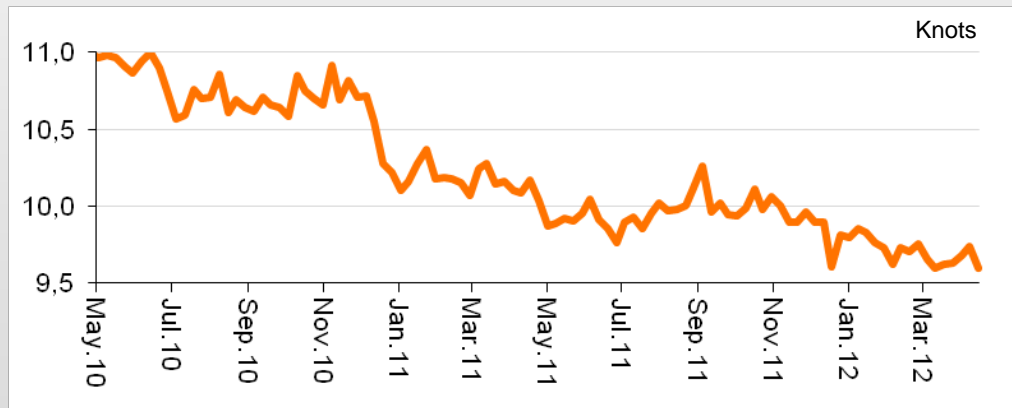
Development of Power Plants service agreements



Anchored* & Idle** Vessels



Fleet Average Speed***

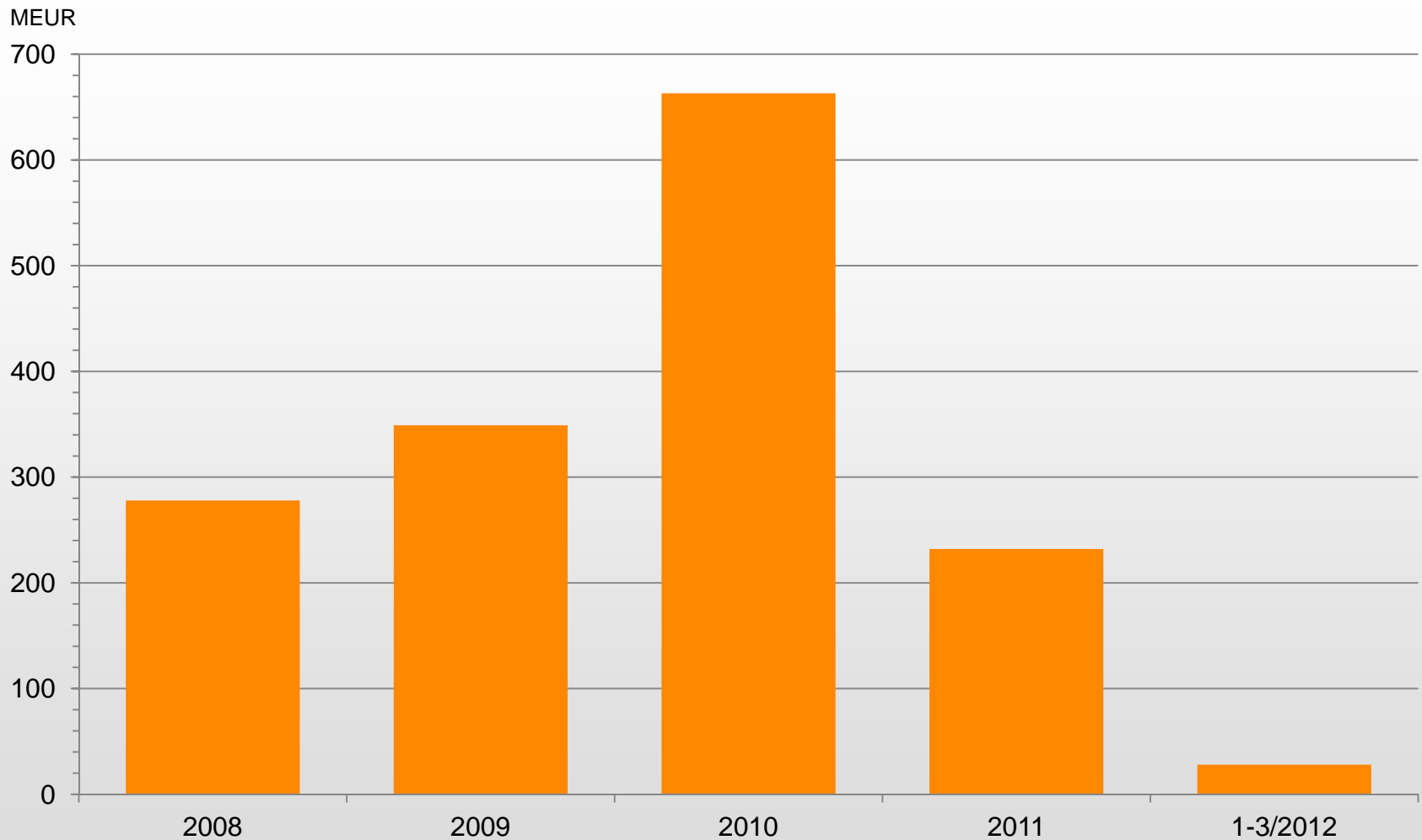


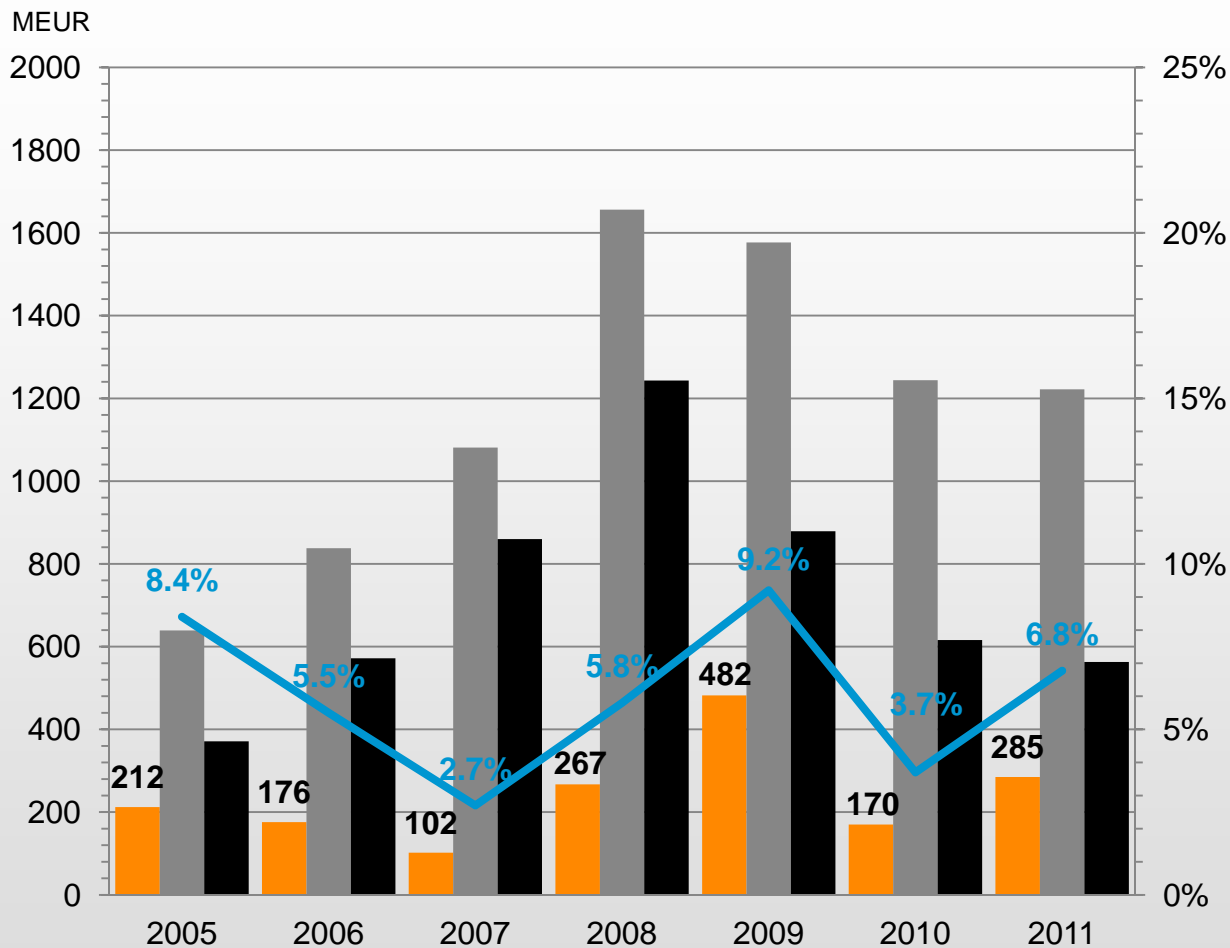
* Source Bloomberg (AISLive). More than 25 000 vessels (>299 GT) covered.

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

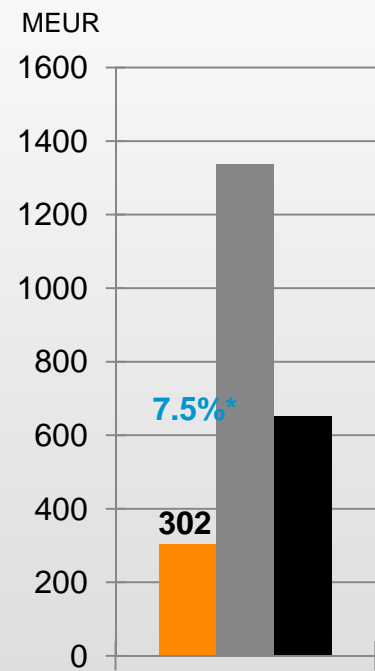
*** Source Bloomberg

Cash flow from operating activities



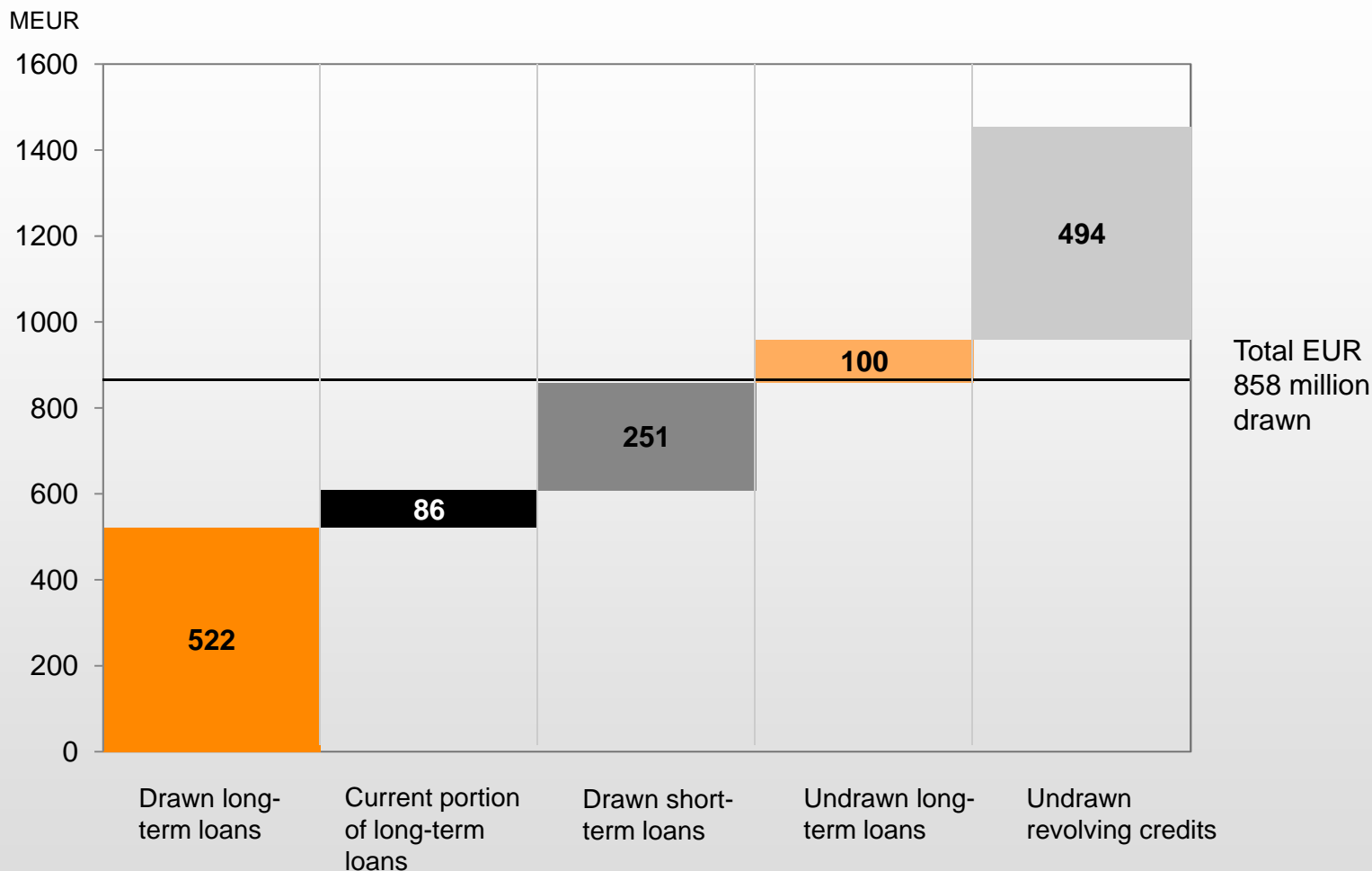


31 March 2012



* Working Capital / Annualised Net Sales

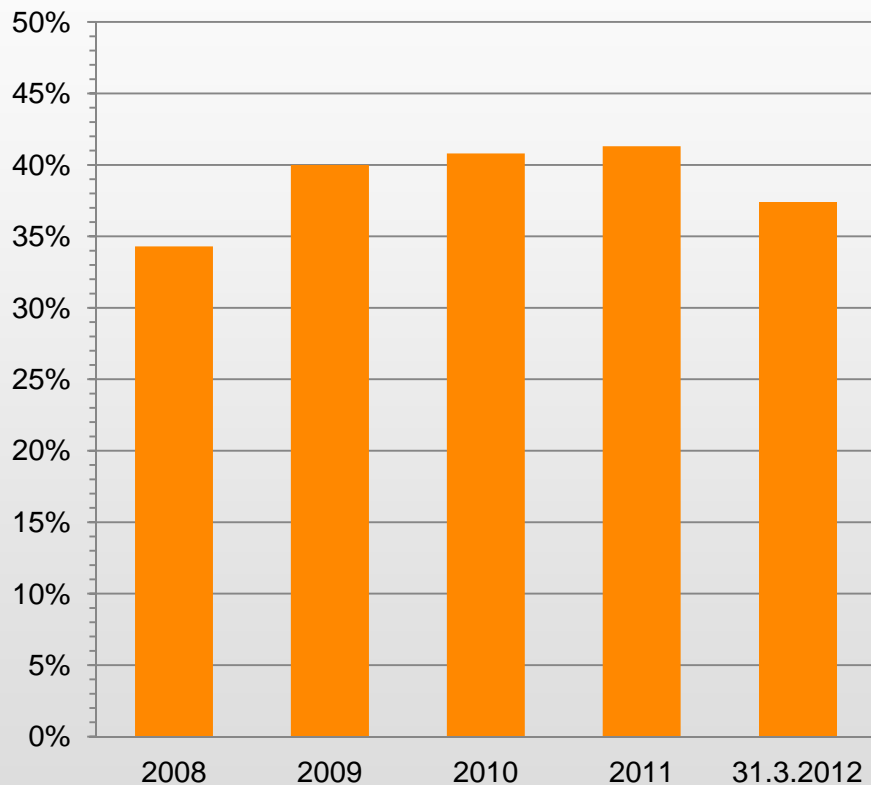
● Net Working Capital ● Total Inventories ● Advances Received — Net Working Capital / Net sales



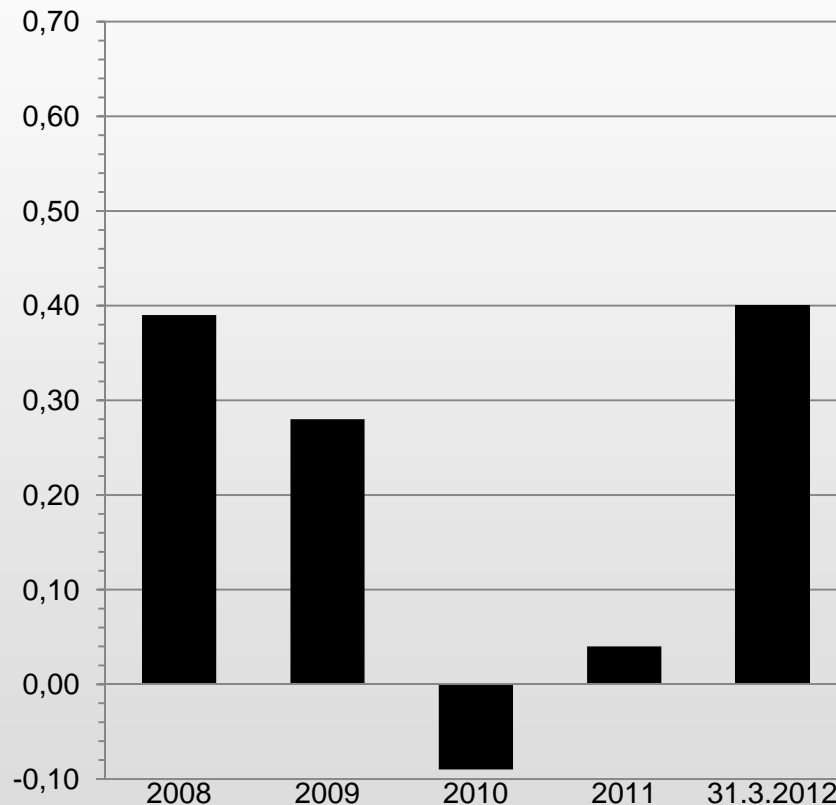
At the end of the reporting period, drawn revolving credits amounted to 0 euro. Drawn short-term loans include EUR 239 million Finnish Commercial Papers.

The total amount of Finnish Commercial Paper Programs was EUR 700 million (uncommitted).

Solvency



Gearing





- **Power Plants:** The power generation market is expected to remain on a good level in 2012.
- **Ship Power:** The overall outlook for vessel contracting activity during 2012 remains largely unchanged, with full year contracting expected to be at a similar level or slightly lower than in 2011.
- **Services:** The merchant marine segments are still expected to be under pressure, as overcapacity in the market continues to impact the potential for services in this area. The power plant service market is expected to develop steadily.

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Wärtsilä expects its net sales for 2012 to grow by 5-10% and its operational profitability (EBIT% before non-recurring items) to be 10-11%.



WÄRTSILÄ

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