

WÄRTSILÄ CORPORATION

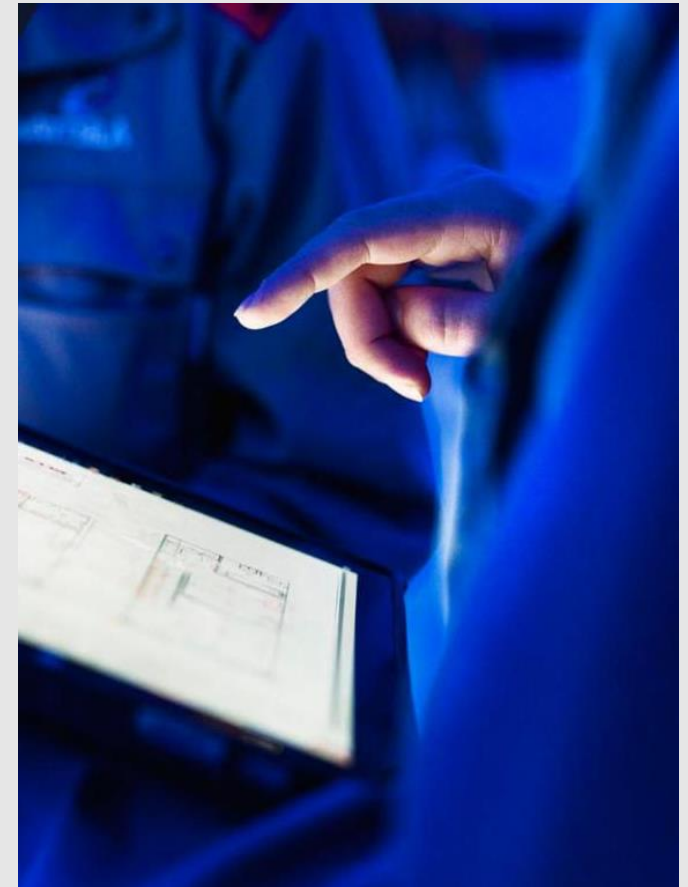
INTERIM REPORT JANUARY-SEPTEMBER 2017

25 October 2017

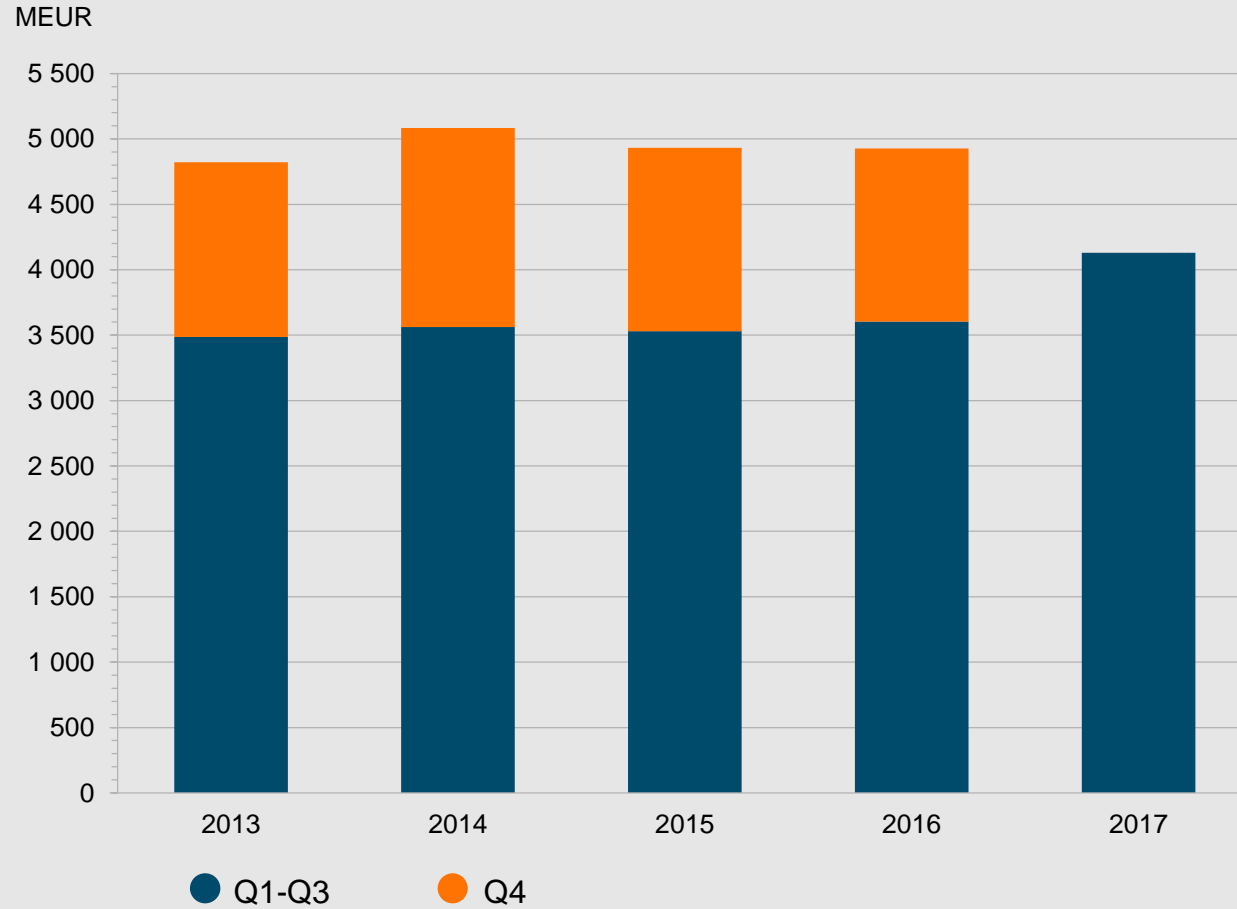
Jaakko Eskola, President & CEO

Highlights Q3/2017

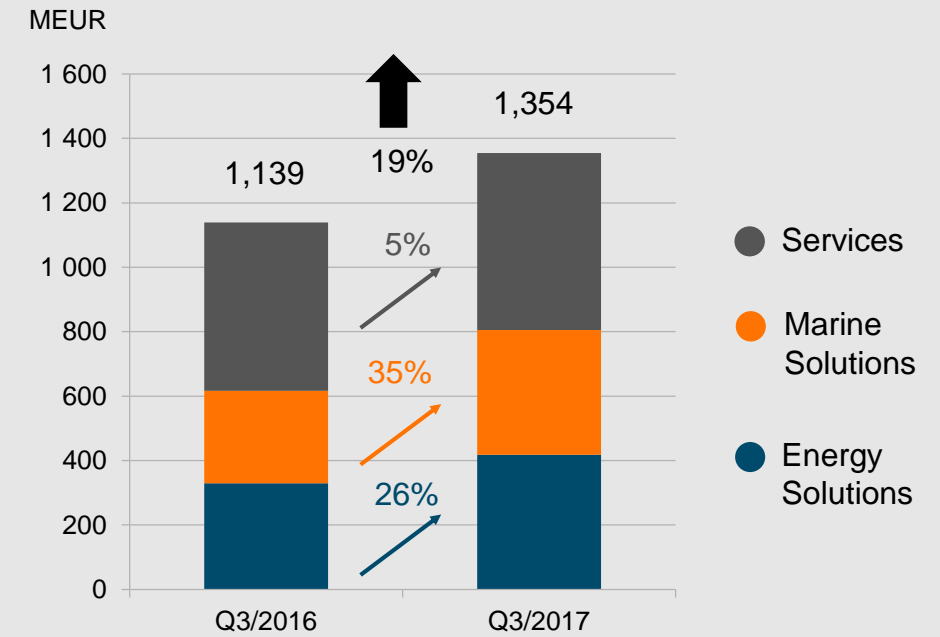
- Order intake EUR 1,354 million, +19%
- Net sales EUR 1,178 million, +9%
- Book-to-bill 1.15 (1.06)
- Comparable operating result EUR 135 million (123), 11.4% of net sales (11.4)
- Earnings per share EUR 0.43 (0.43)
- Cash flow from operating activities EUR 150 million (189)
- Order book at the end of the period EUR 5,075 million (5,024)



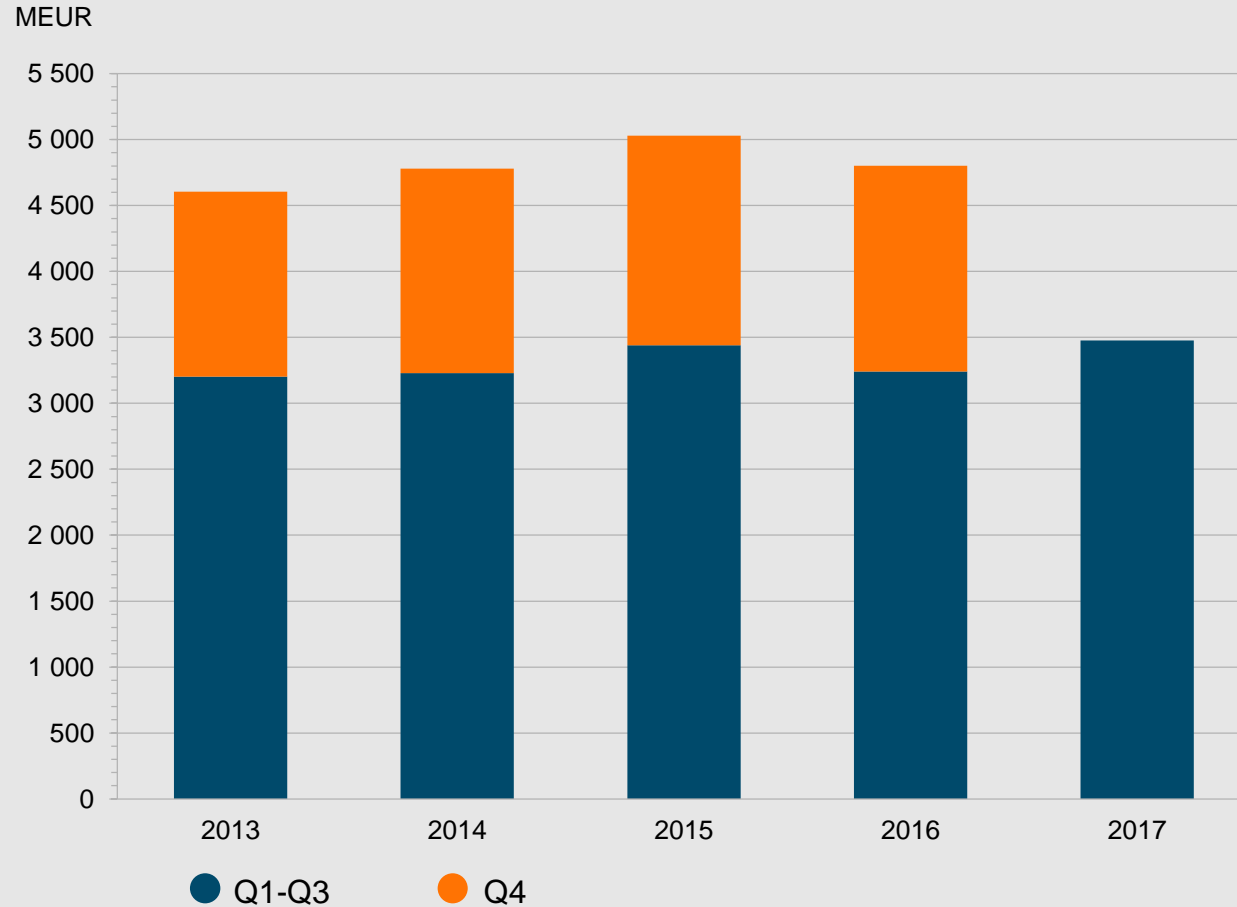
Strong development in order intake



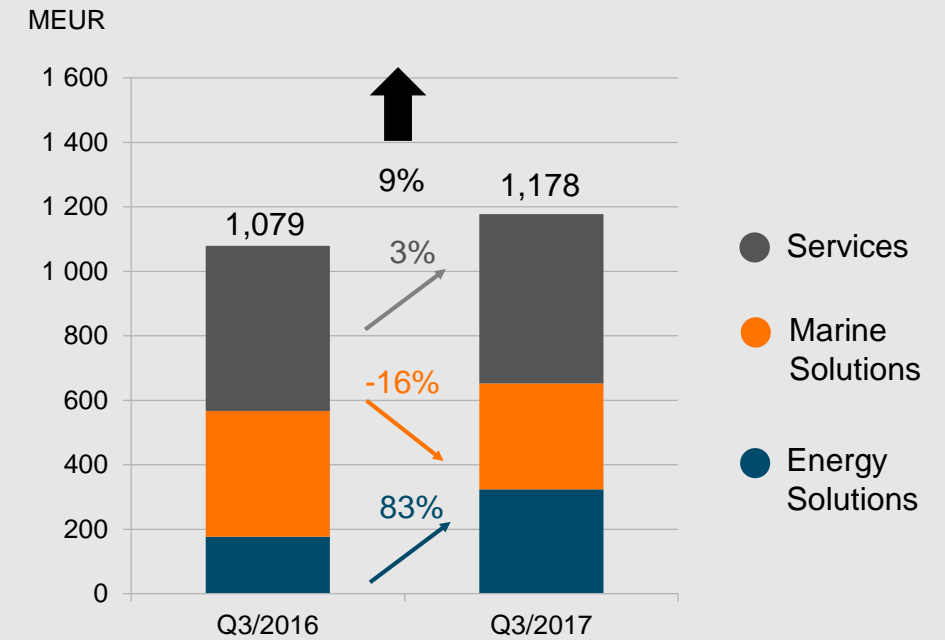
Third quarter development



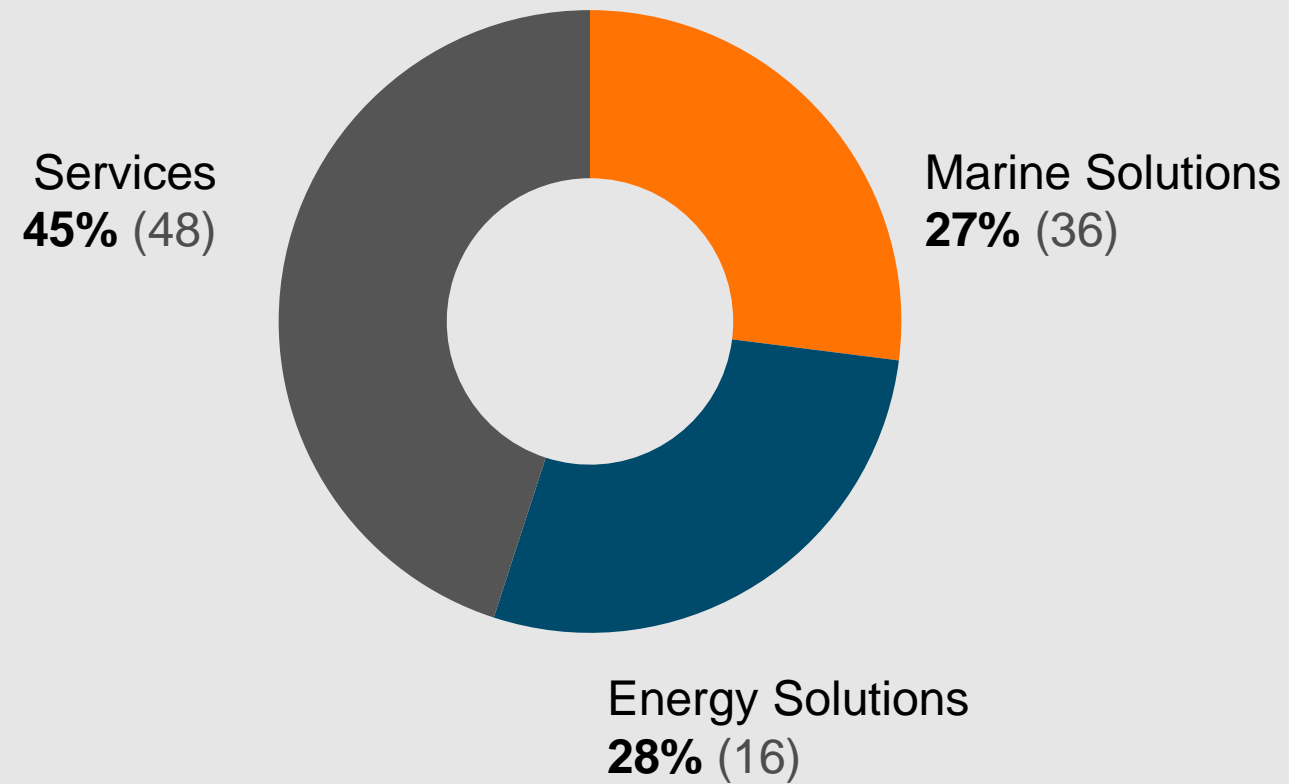
Net sales supported by power plant deliveries



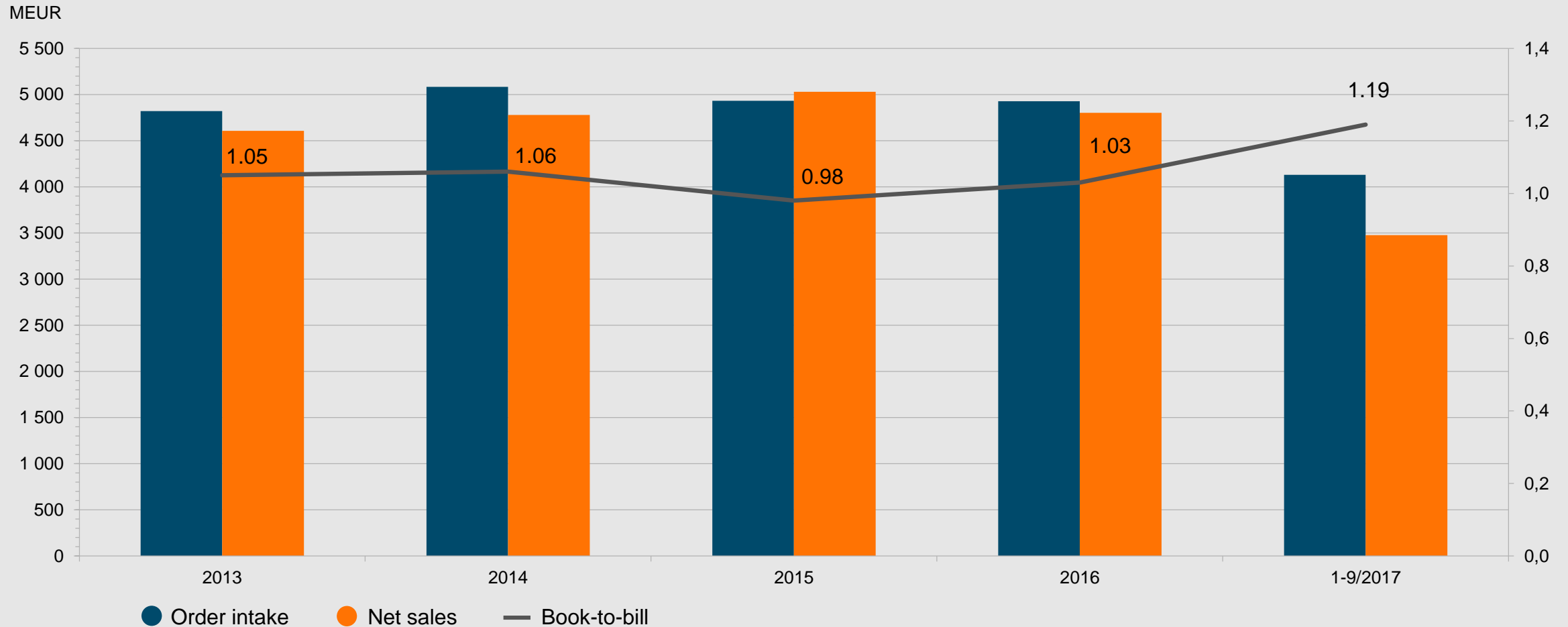
Third quarter development



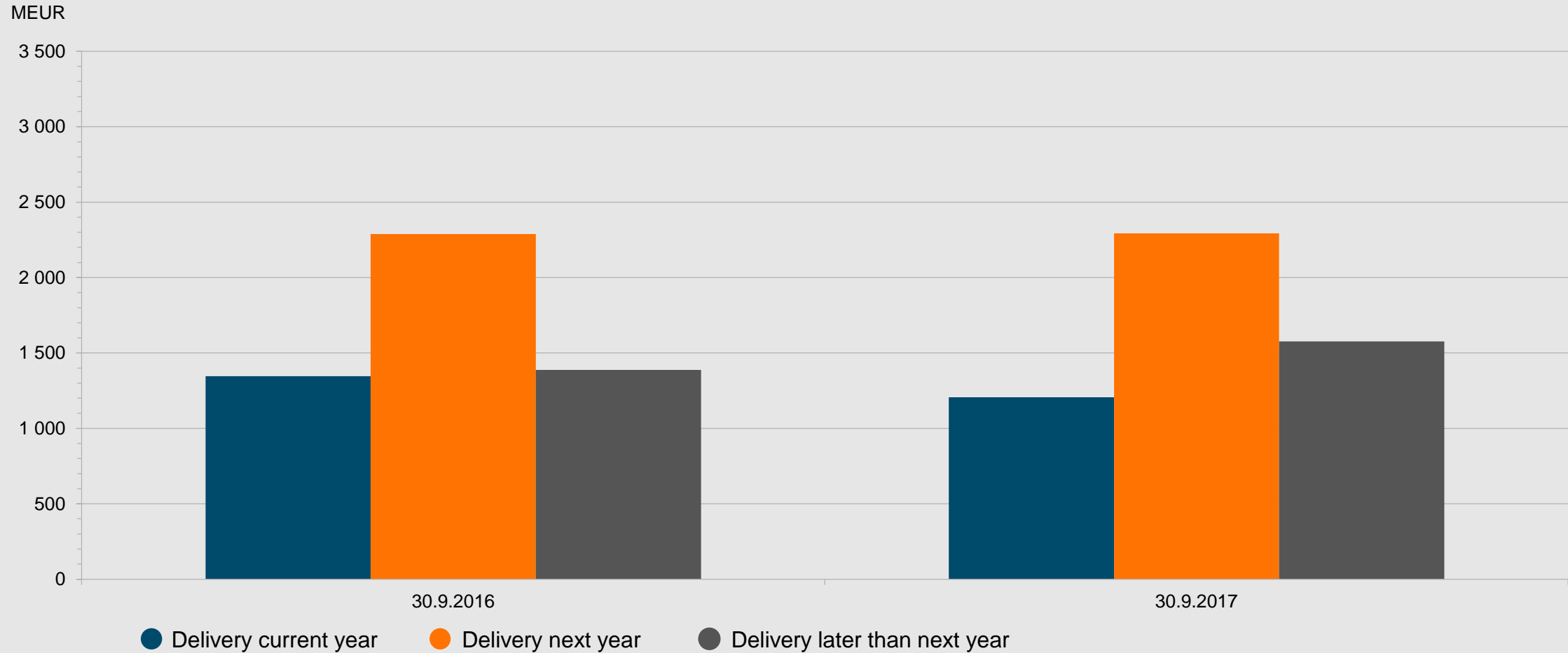
Net sales by business 1-9/2017



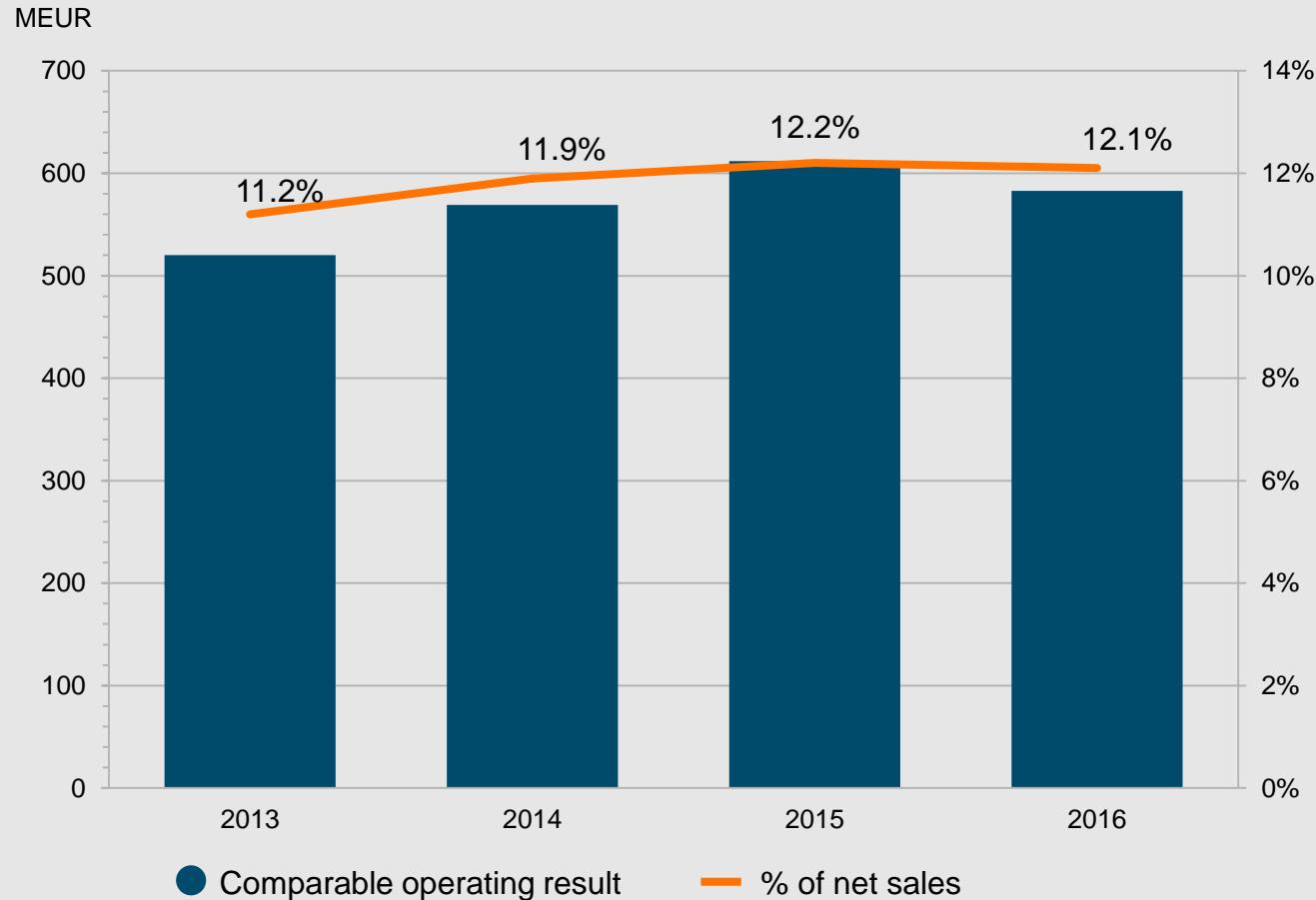
Book-to-bill



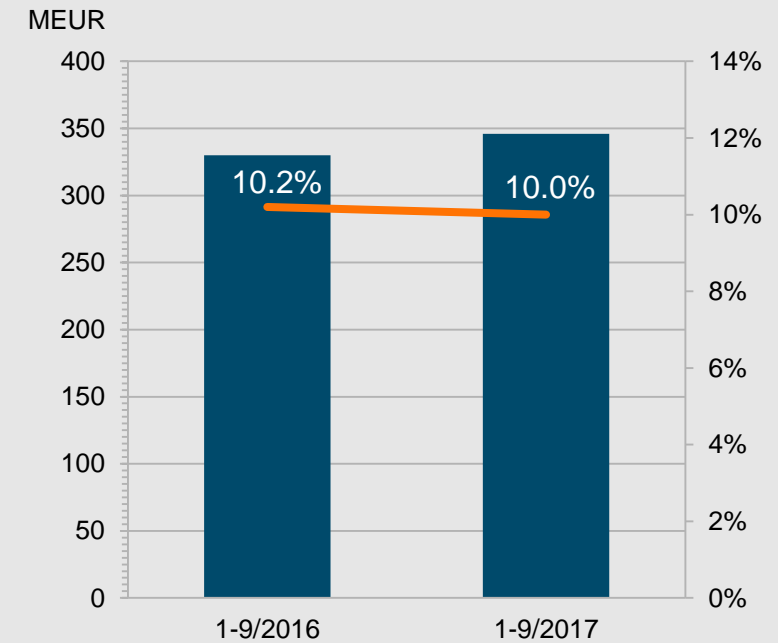
Order book distribution



Operating result supported by changes in timing of deliveries



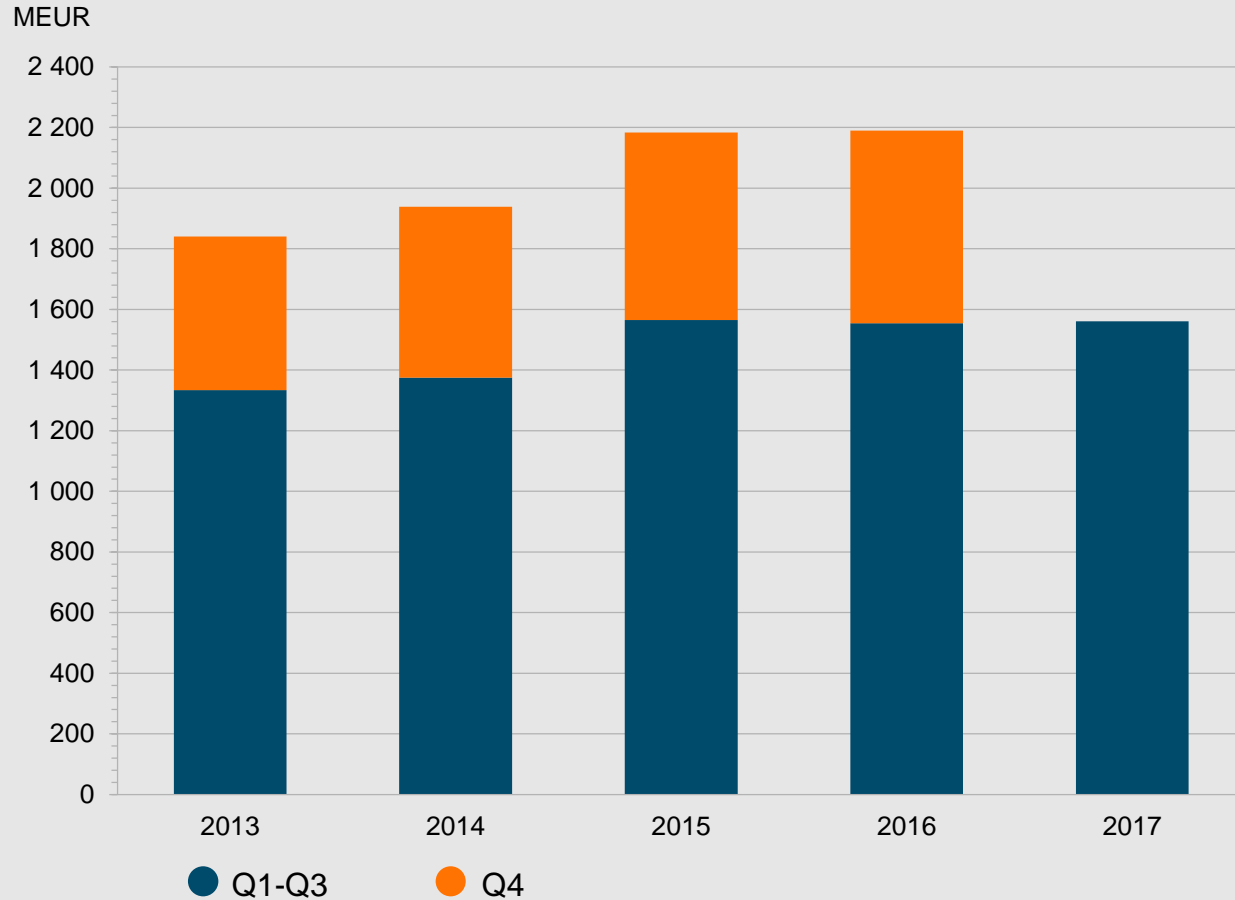
Review period development



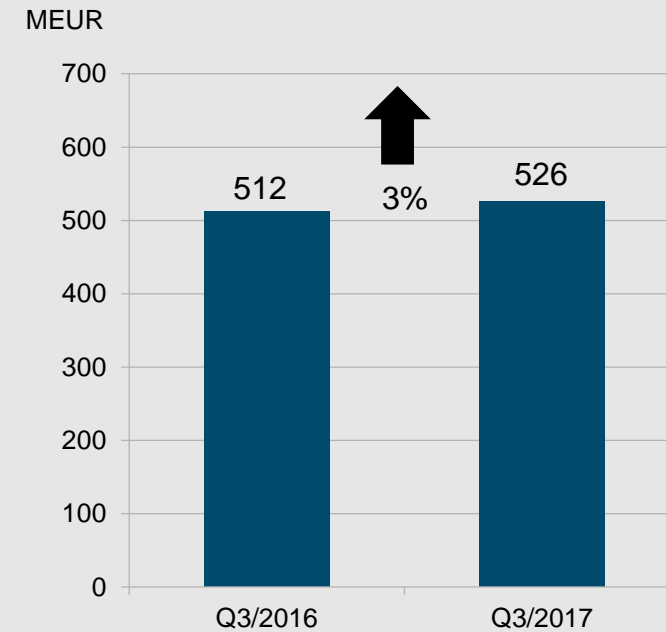
Items affecting comparability included costs related to restructuring programmes of EUR 4 million (2) in the third quarter of 2017 and EUR 19 million (29) during the review period January-September. Figures for 2013 include both discontinued and continuing operations.



Services' sales affected by challenges in offshore and low volumes from service projects

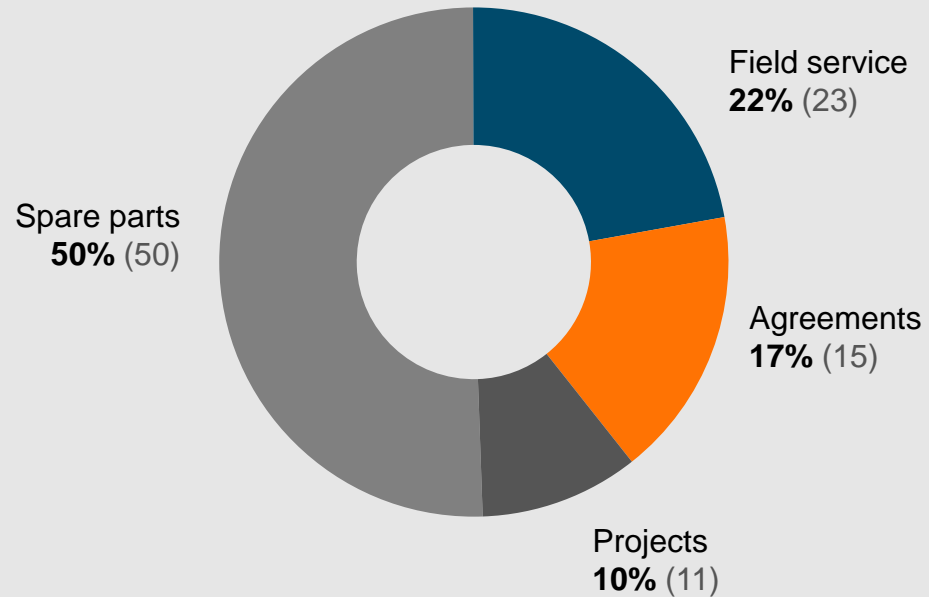


Third quarter development

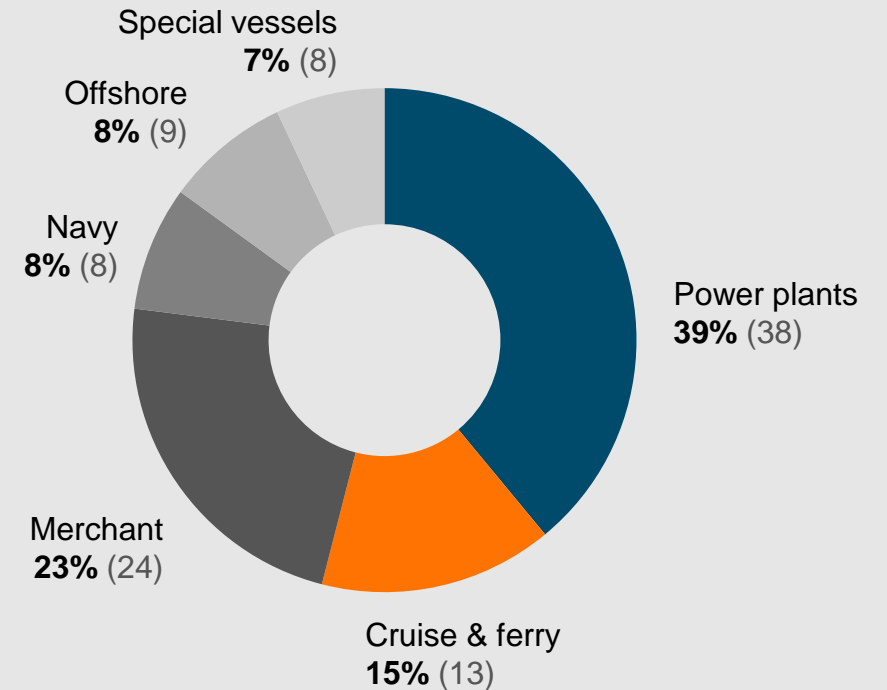


Net sales distribution 1-9/2017

By product area

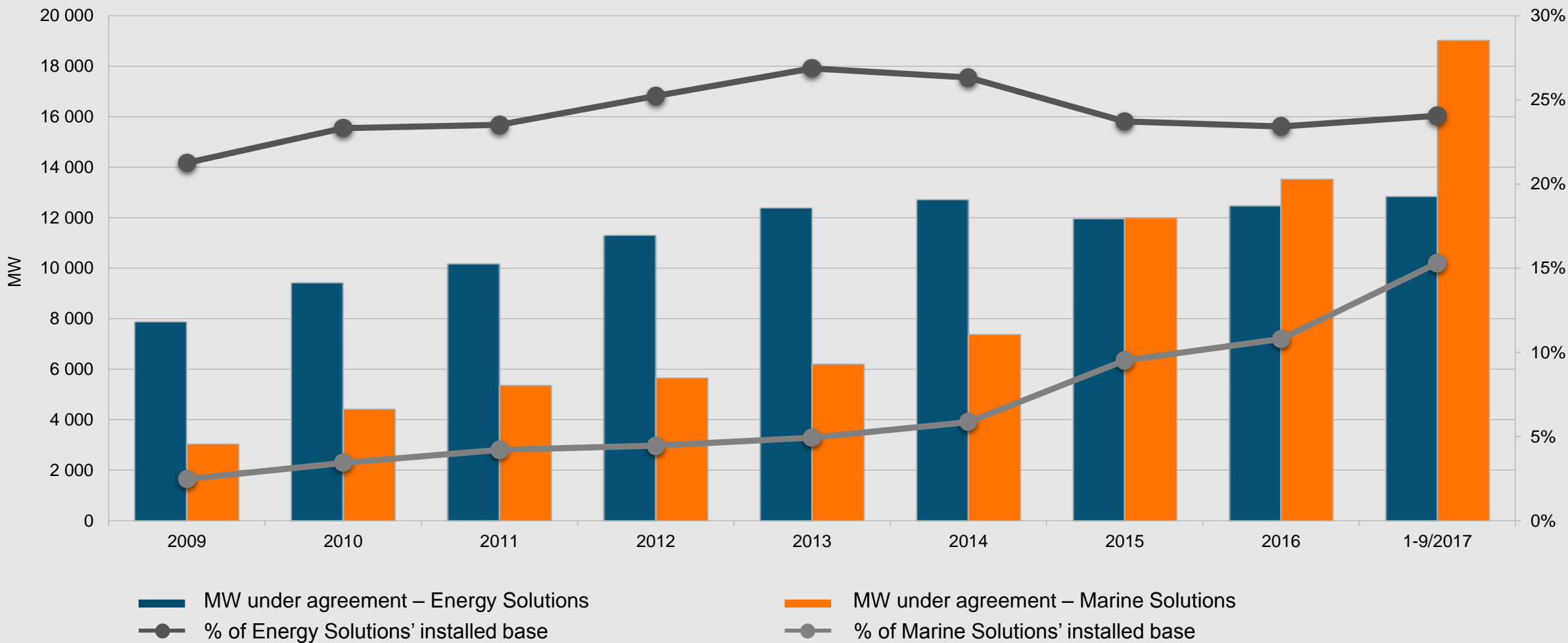


By segment



Total EUR 1,561 million (1,554)

Installed base covered by service agreements



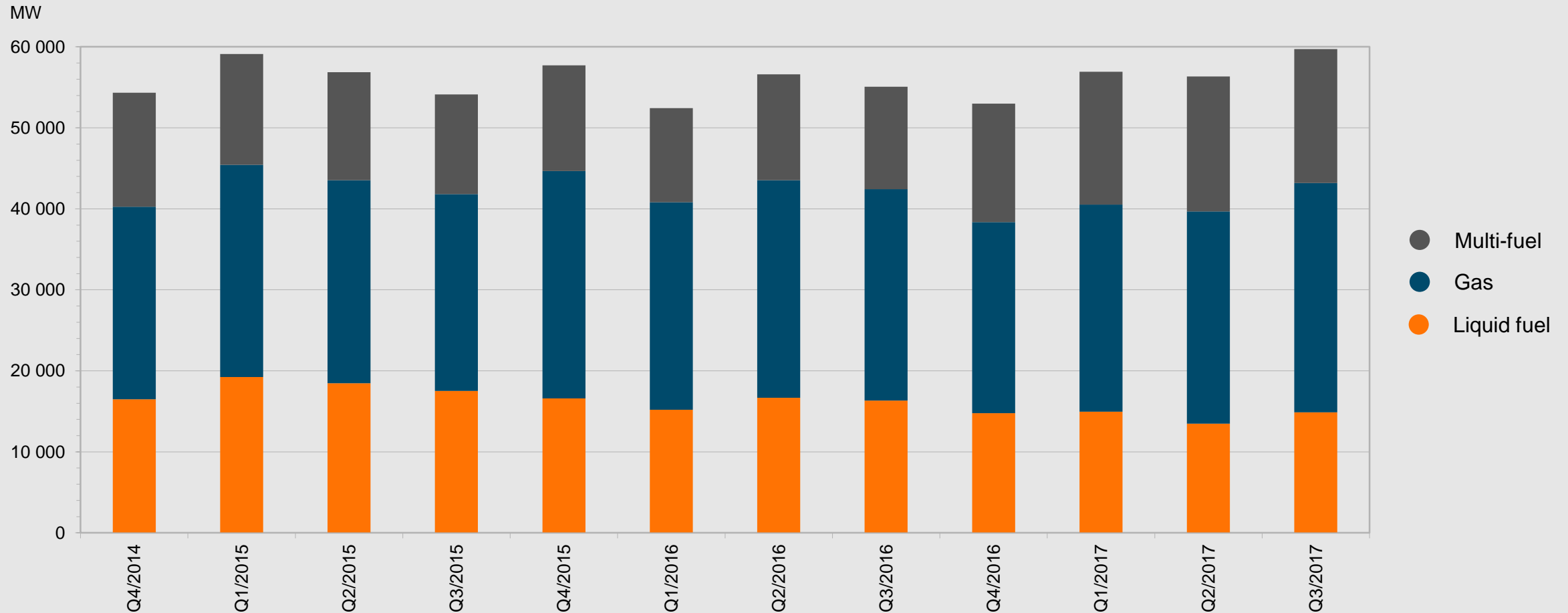
Ensuring certainty of operations and predictability of GasLog's LNG carriers

- A service agreement covering eight LNG carriers expands the cooperation between Wärtsilä and GasLog
- Wärtsilä's digital services allows for remote troubleshooting and tuning of engines as well as software updates
- Applying real-time installation data enables striving for optimum lifecycle utilisation



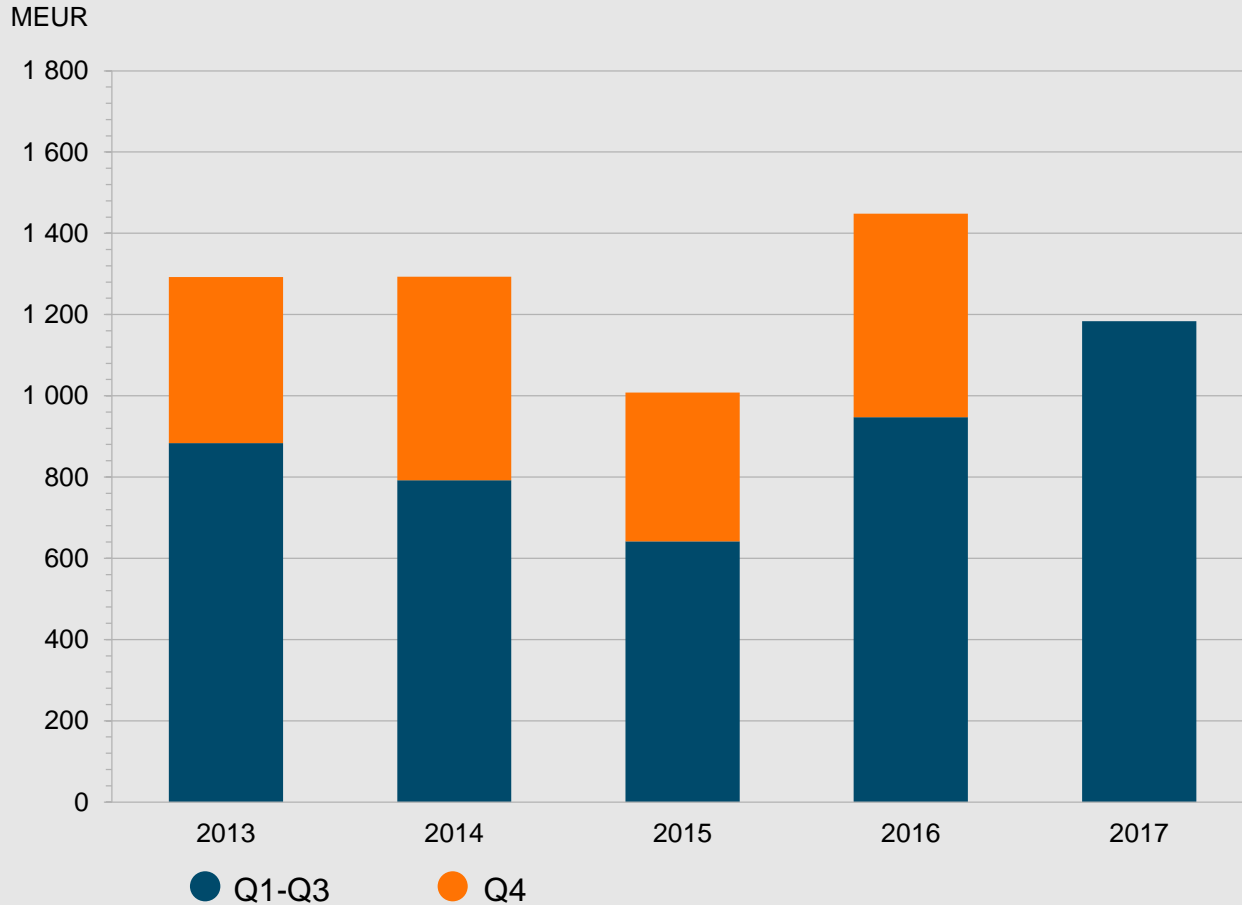


Quotation activity by fuel type



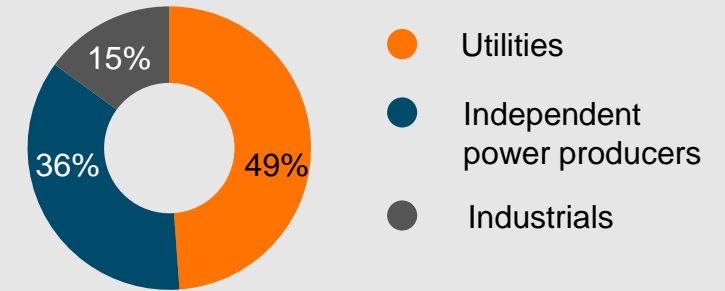
Calculated on a 12 months rolling basis

Energy Solutions' order intake developing well



Review period development

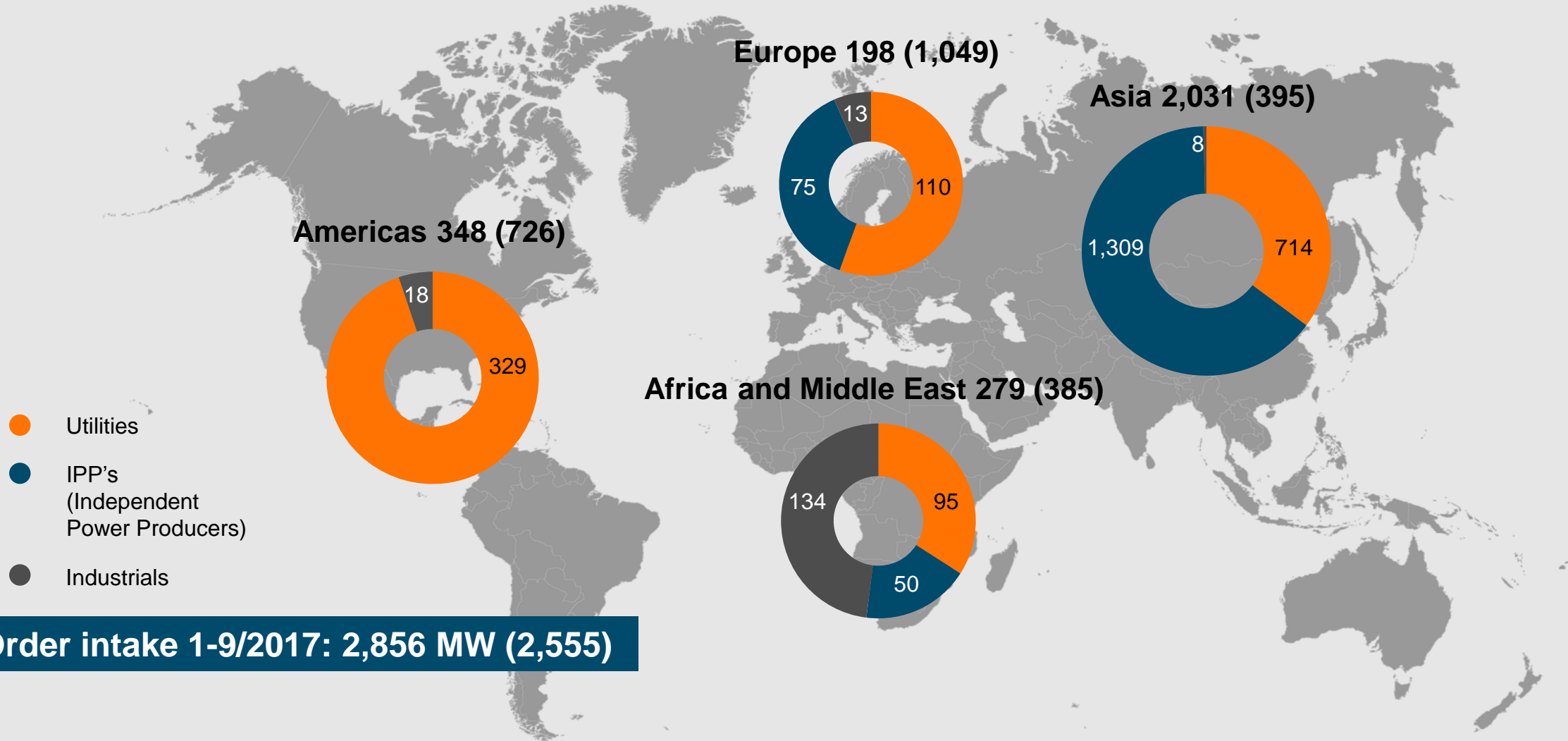
Total EUR 1,184 million (947)



Review period order intake by fuel in MW



Order intake globally



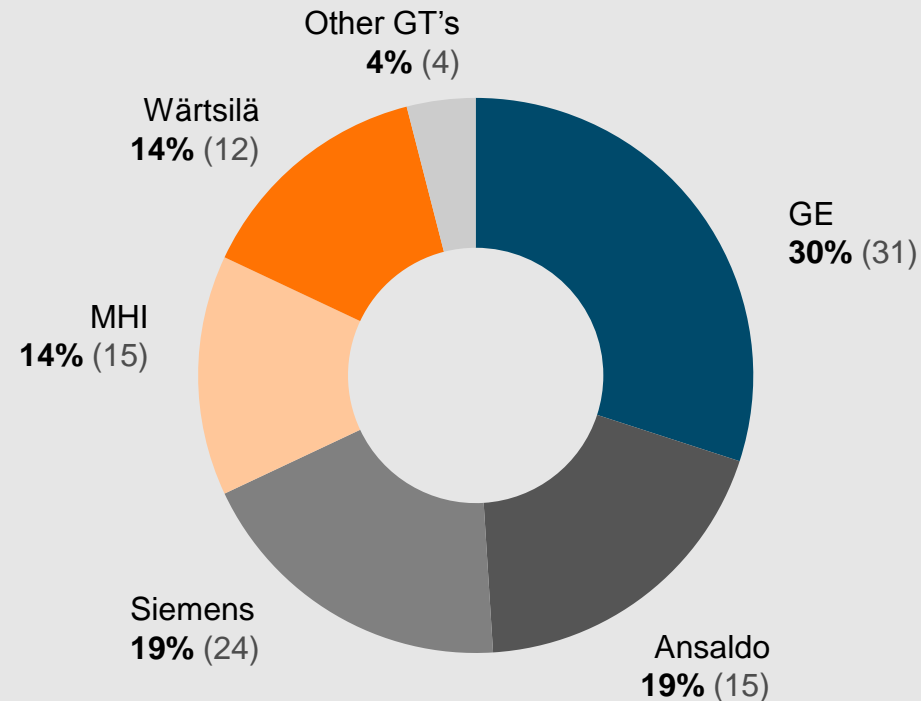
Order intake 1-9/2017: 2,856 MW (2,555)

Contributing to the development of sustainable societies

- Wärtsilä will supply its third LNG receiving terminal to be located in Hamina, Finland
- The port of Hamina will be the first LNG receiving terminal in Finland connected to Finnish gas grid, offering security of supply to gas customers
- The LNG terminal is scheduled to be operational in August 2020



Market for gas and liquid fuel power plants, <500 MW

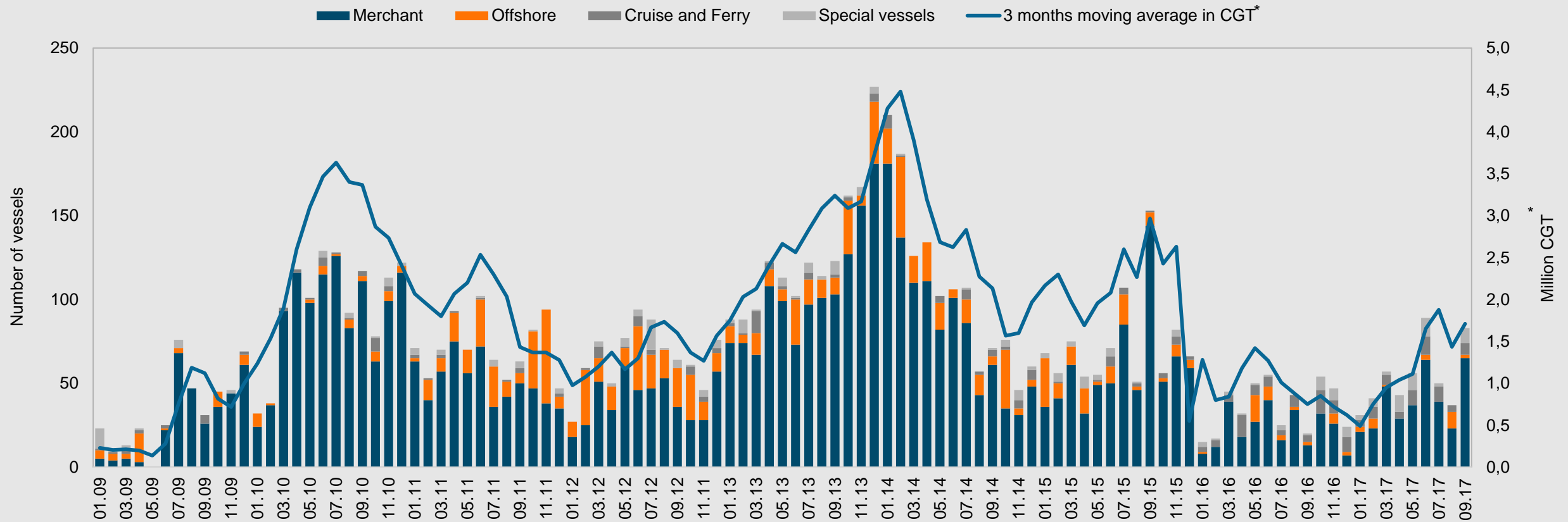


<500 MW market volume last 12 months: 24.8 GW (28.4)
Total market volume last 12 months: 54.6 GW (58.0)

Market shares are calculated on a 12 months rolling basis, numbers in brackets are from the end of the previous period. Market data includes all Wärtsilä power plants and other manufacturers' gas and liquid fuelled gas turbine based power plants with prime movers above 5 MW, as well as estimated output of steam turbines for combined cycles. The data is gathered from the McCoy Power Report. Other combustion engines not included. In engine technology Wärtsilä has a leading position.



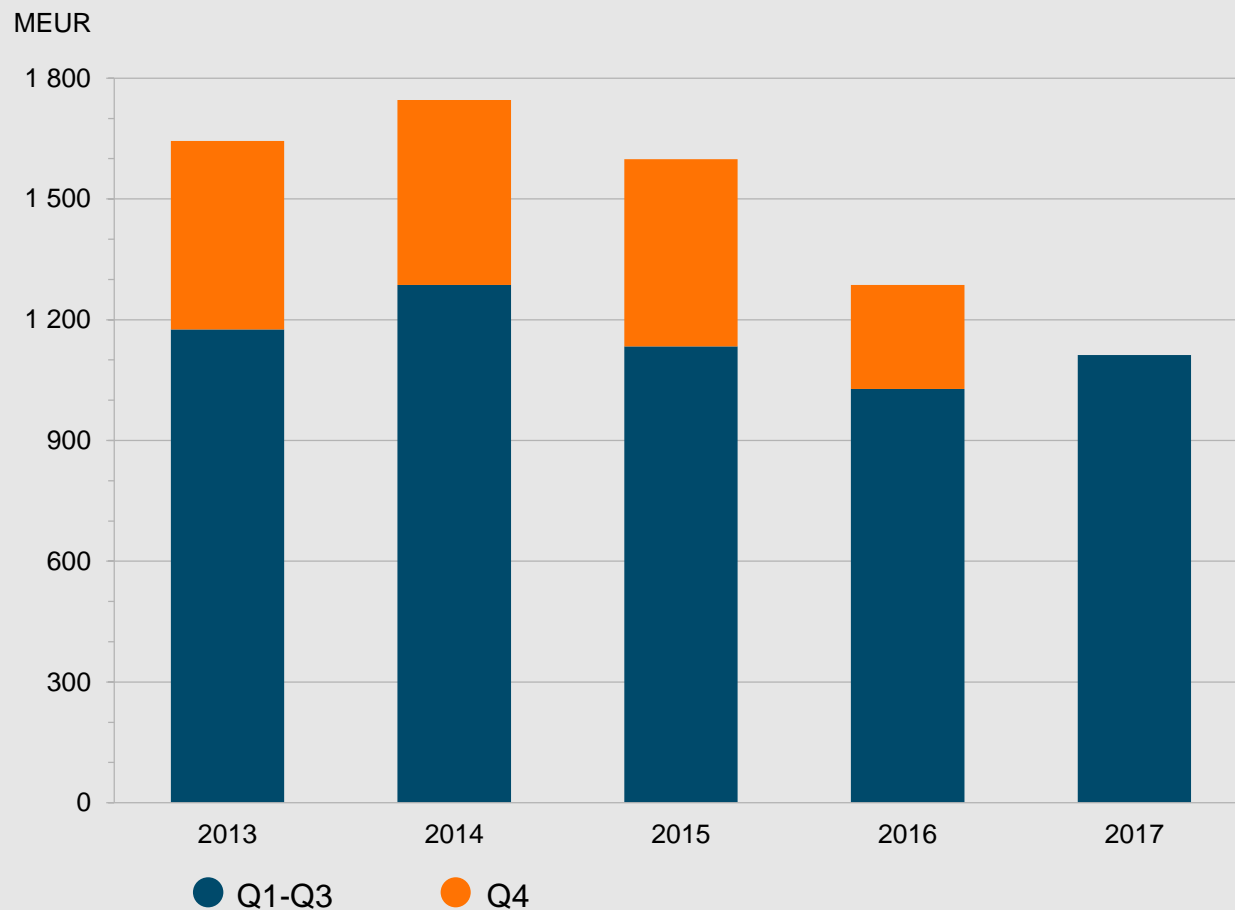
Improving market conditions supported vessel contracting



Source: Clarkson Research Services, figures exclude late contracting

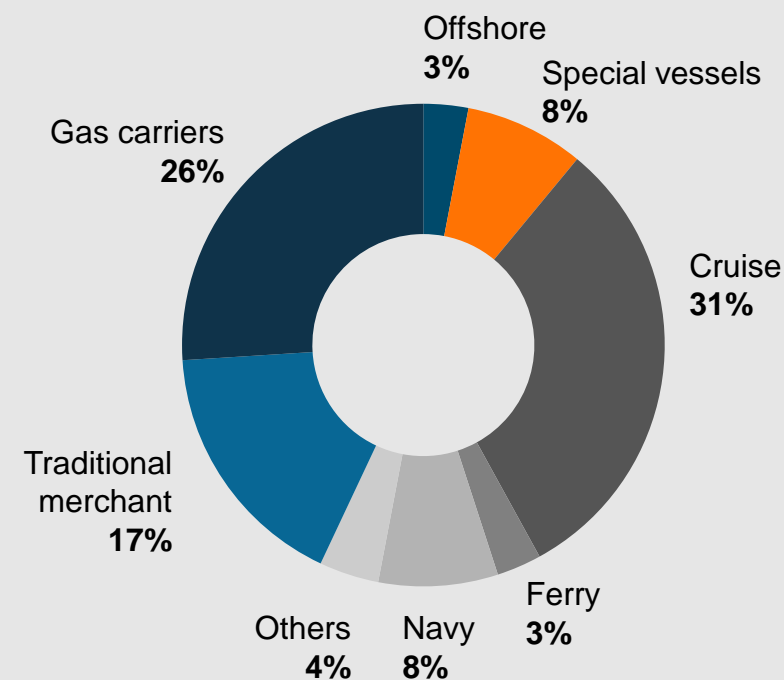
* CGT= gross tonnage compensated with workload

Marine Solutions' order intake supported by favourable contracting mix



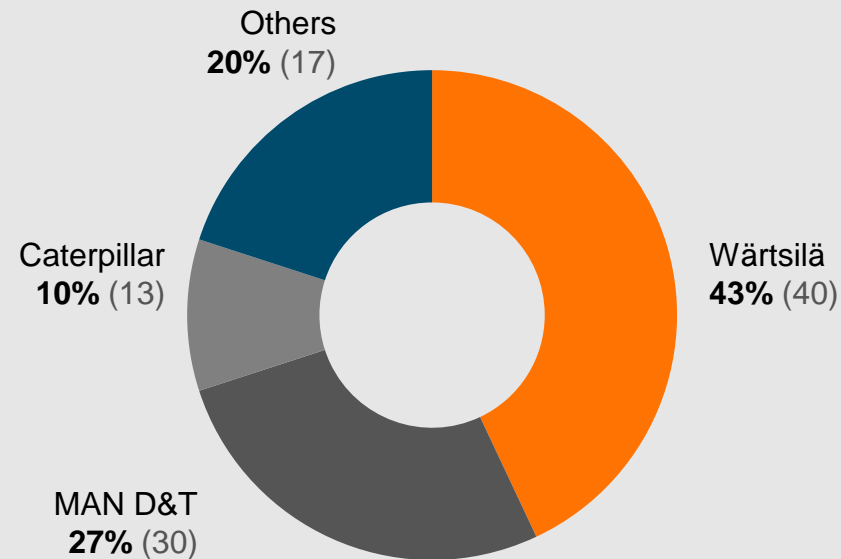
Review period development

Total EUR 1,112 million (1,028)



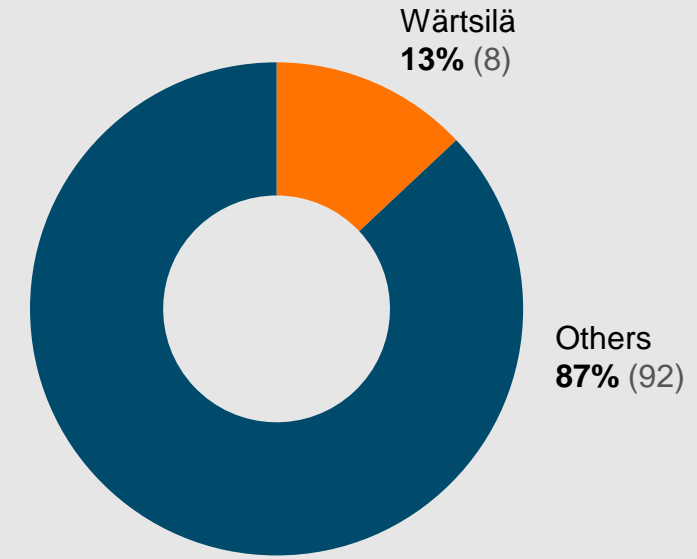
Market position of Wärtsilä's marine engines

Medium-speed main engines



Total market volume last 12 months:
2,982 MW (3,065)

Auxiliary engines



Total market volume last 12 months:
1,932 MW (1,680)

Wärtsilä's market shares are calculated on a 12 months rolling basis, numbers in brackets are from the end of the previous period. The calculation is based on Wärtsilä's own data portal.

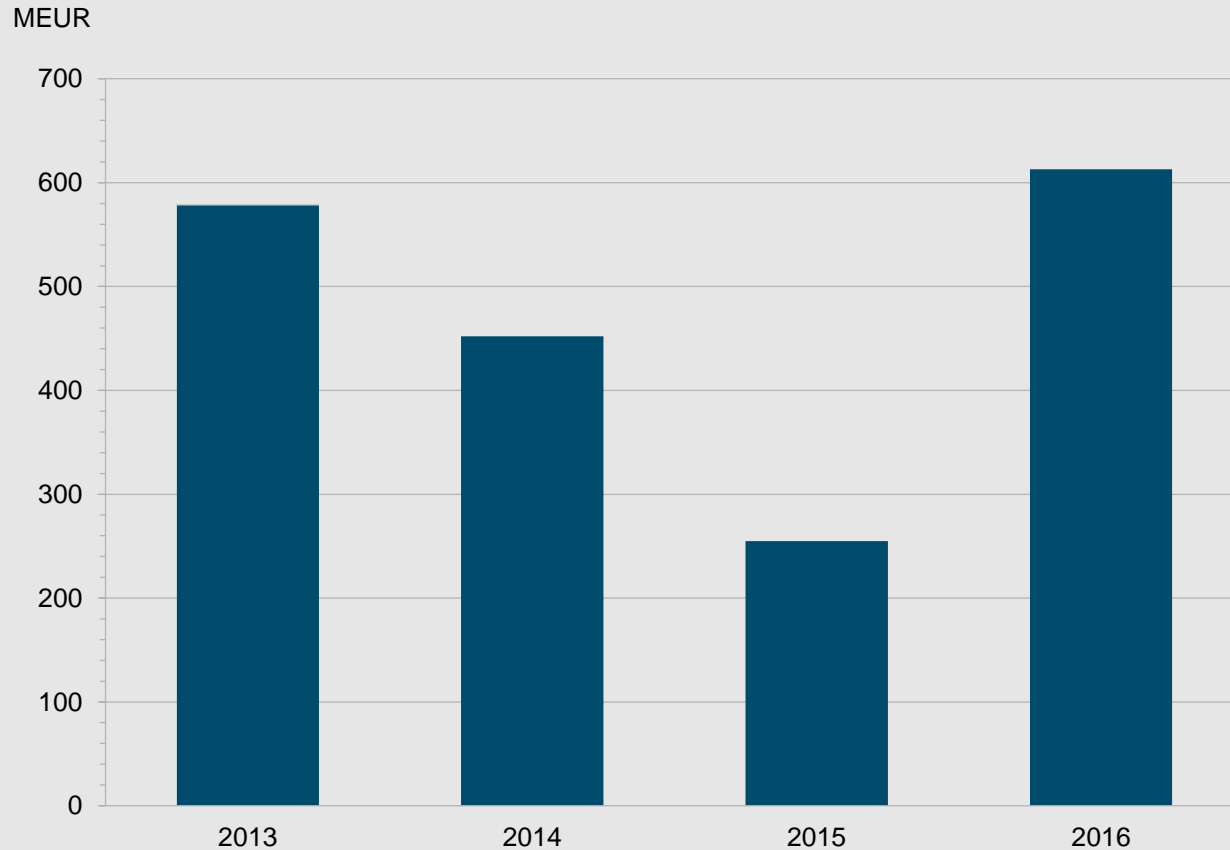
Developing technologies that enable a Smart Marine future

- Efficient and reliable remote control and monitoring capabilities are central to the enablement of intelligent shipping
- Wärtsilä recently successfully tested the remote control of ship operations using standard bandwidth onboard satellite communication
- Wärtsilä's capabilities in intelligent vessel navigation will be enhanced by the acquisition of Guidance Marine

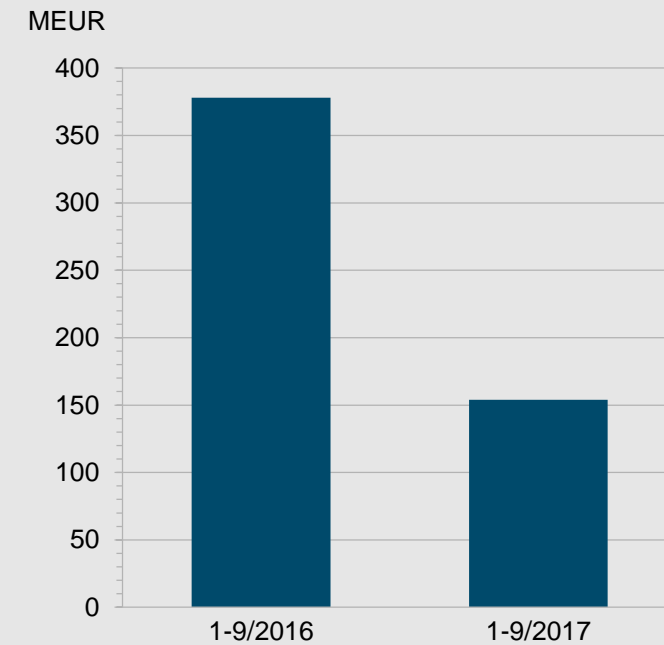




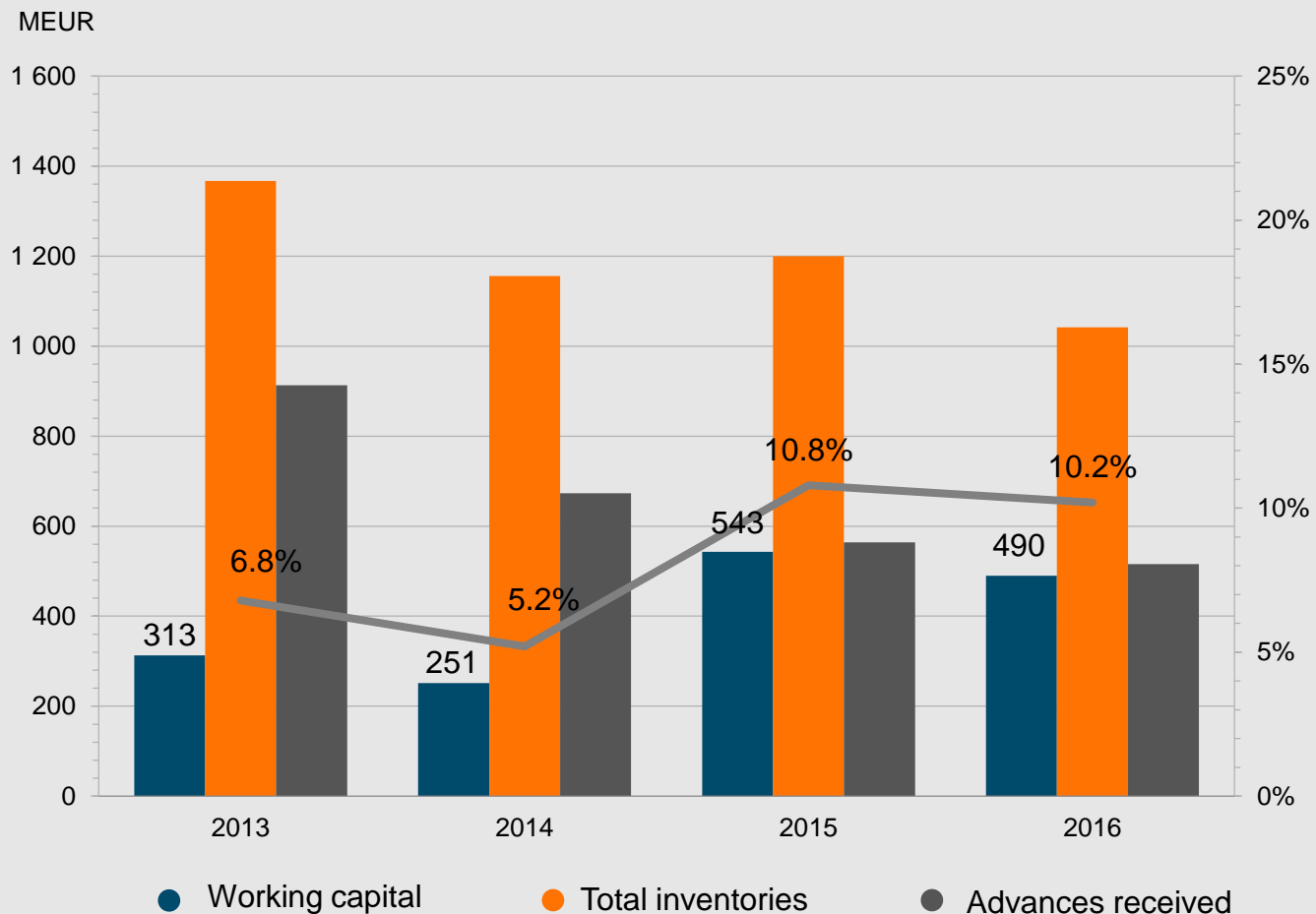
Cash flow from operating activities affected by increased receivables



Review period development

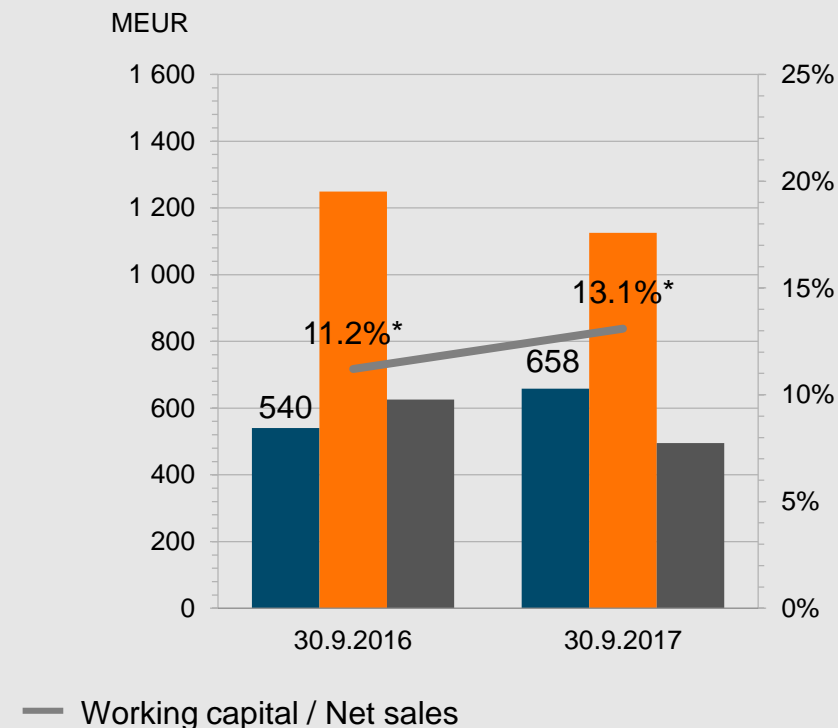


Working capital

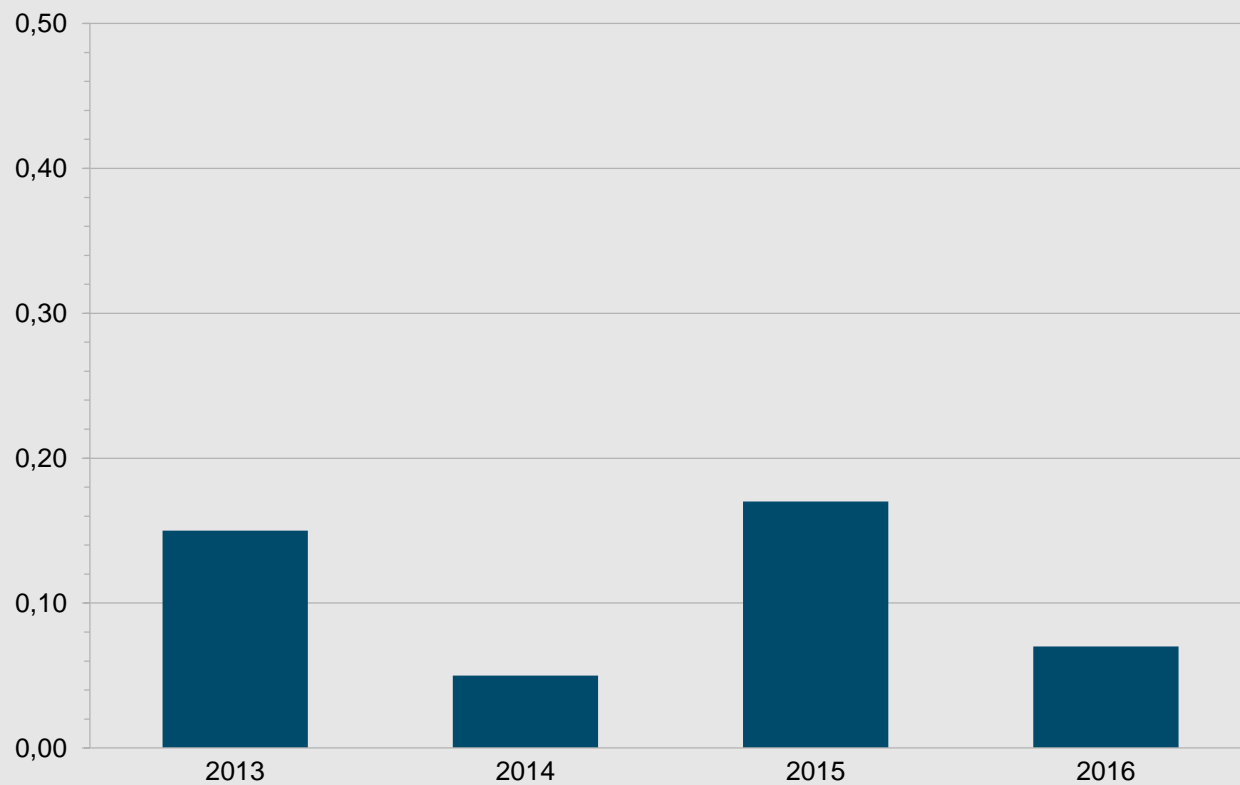


*Working capital / 12 months rolling net sales

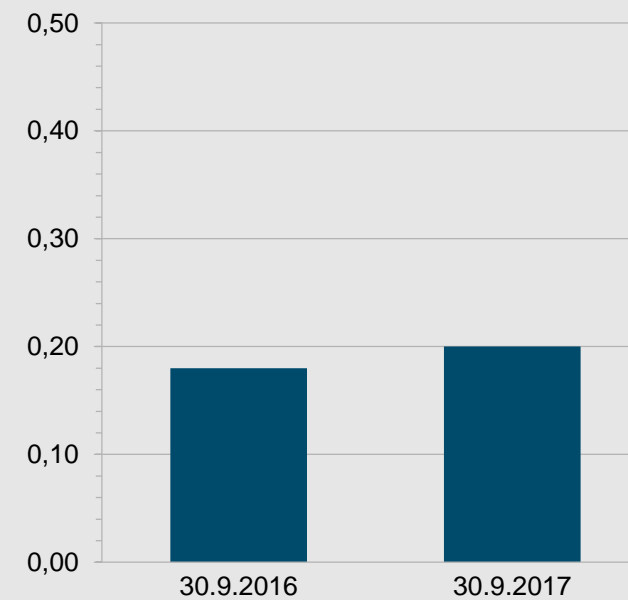
Review period development



Gearing



Review period development



Prospects for 2017 unchanged

The overall development in 2017 is expected to be relatively unchanged from the previous year. Demand by business area is anticipated to develop as follows:

- Solid in Services with growth opportunities
- Good in Energy Solutions
- Solid in Marine Solutions



THANK YOU

Further information:
Natalia Valtasaari
Director, Investor & Media Relations
Tel. +358 (0) 10 709 5637
E-mail: natalia.valtasaari@wartsila.com