

WÄRTSILÄ CORPORATION

SPOTLIGHT ON FINLAND SEMINAR

VESA RIIHIMÄKI

PRESIDENT, POWER PLANTS & EVP, WÄRTSILÄ

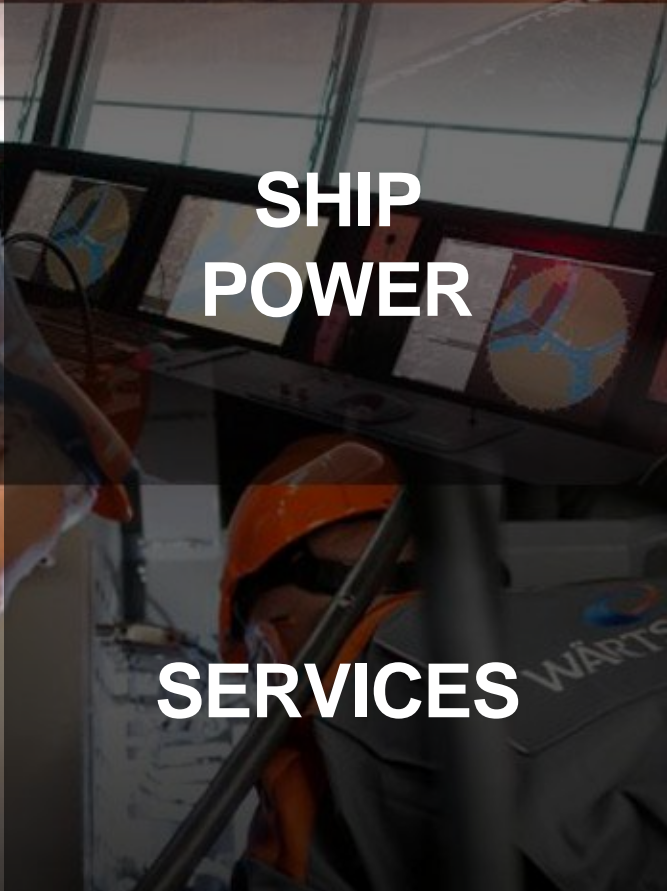
25 SEPTEMBER 2013



Wärtsilä's business areas



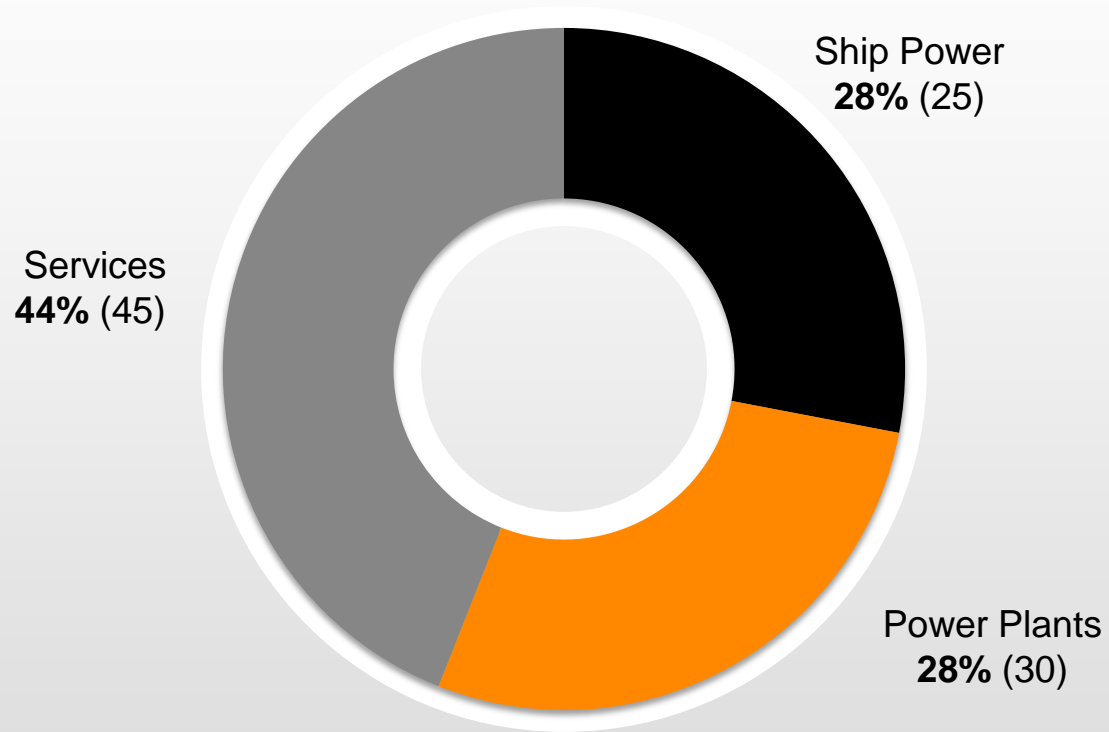
**POWER
PLANTS**



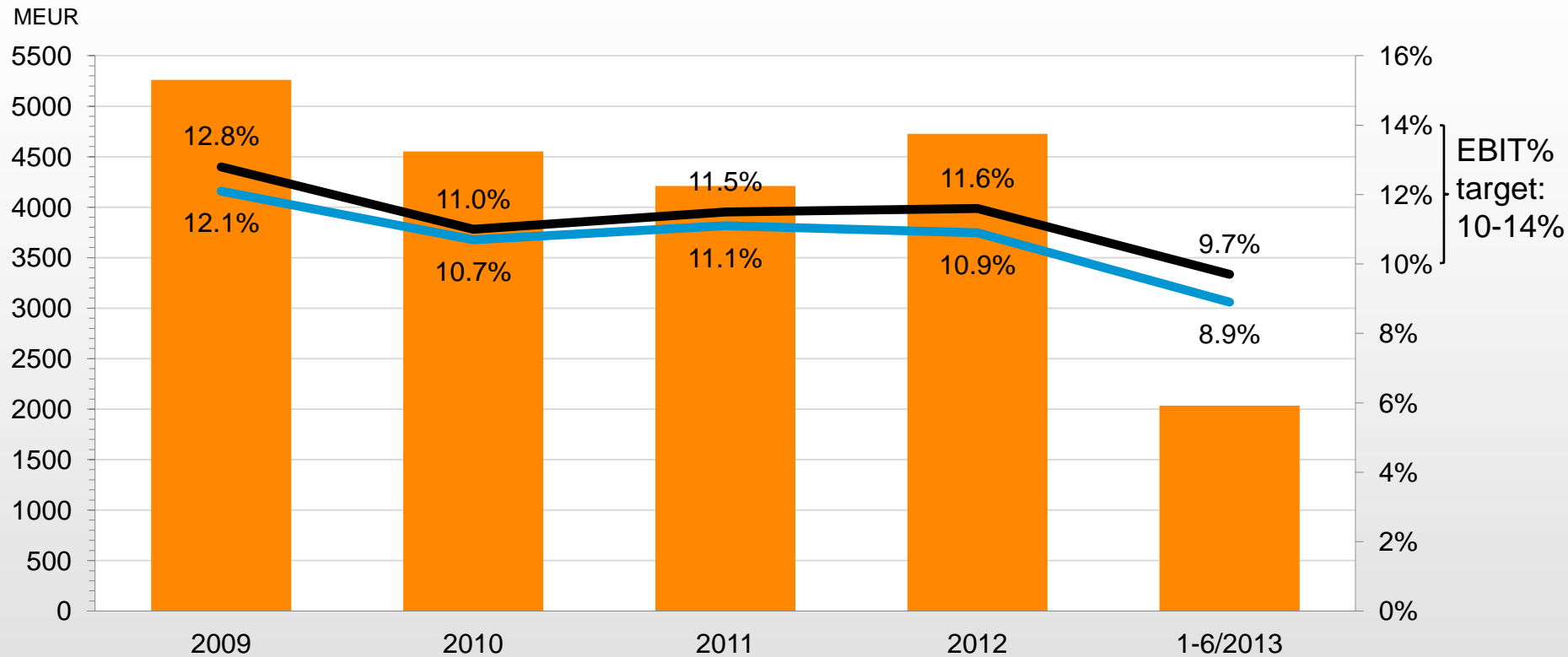
**SHIP
POWER**

SERVICES

Net sales by business 1-6/2013



Net sales and profitability



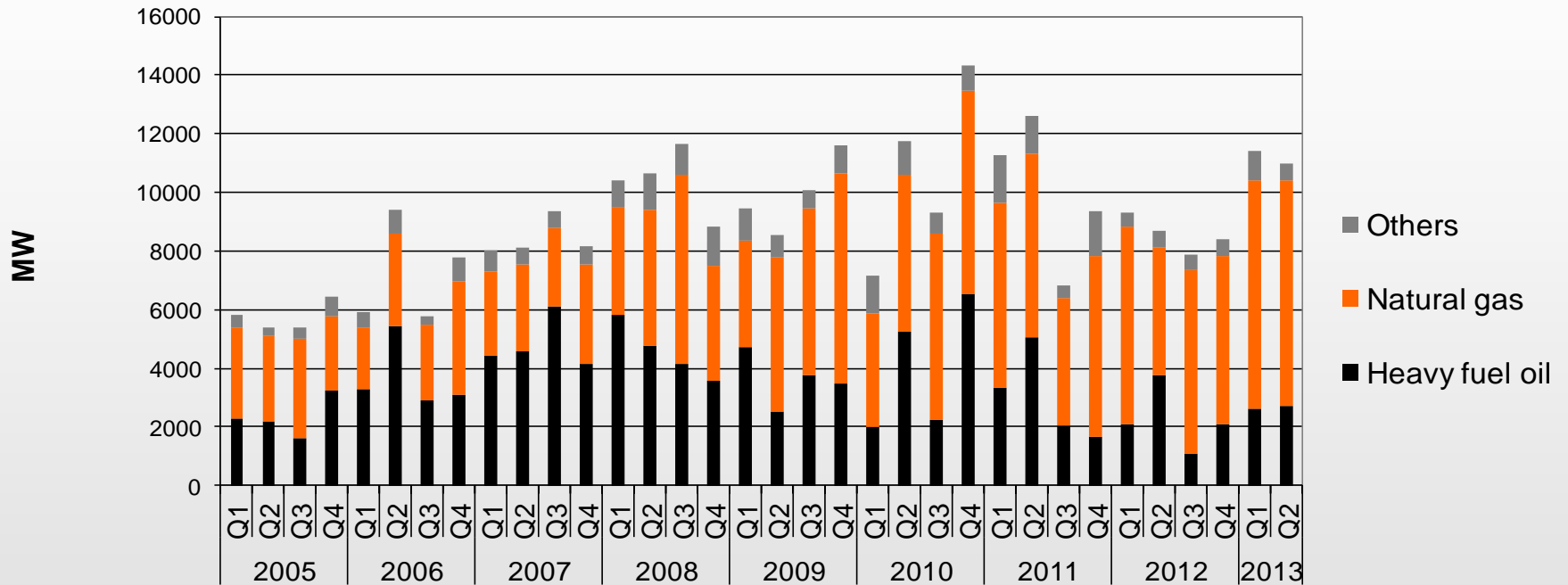
- Net sales
- EBITA% (operating result before nonrecurring items and intangible asset amortisation related to acquisitions)
- EBIT% (operating result before nonrecurring items)

Power Plants



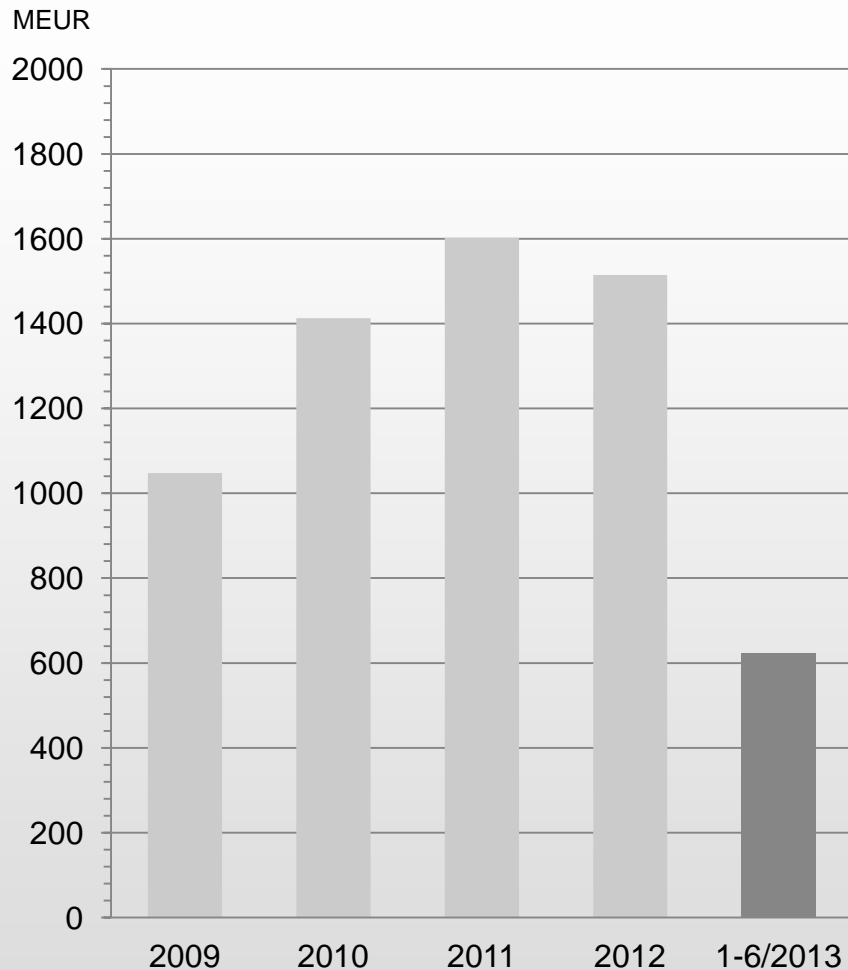
We provide superior value to our customers with our flexible, efficient and environmentally advanced energy solutions, which enable a transition to a more sustainable and modern energy infrastructure.

Power Plants – quoted MW per fuel type

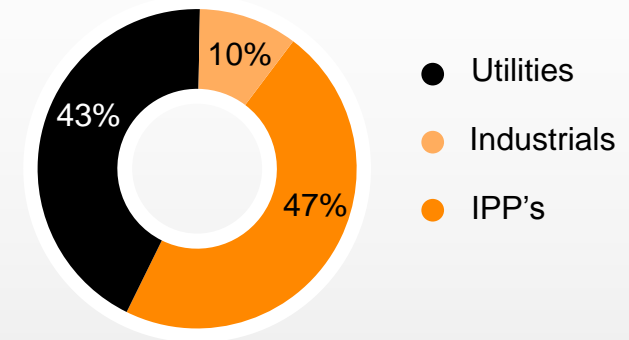


Share of natural gas is consistently increasing.

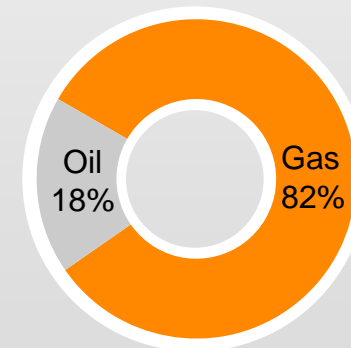
Power Plants order intake by customer segment



Review period development
Total EUR 623 million (591)

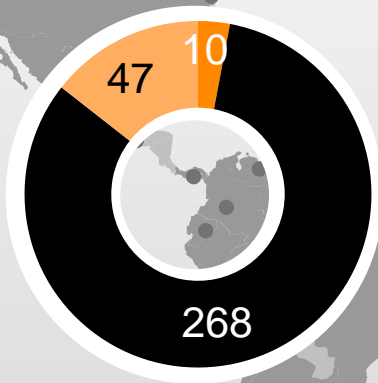


Review period order intake by fuel in MW

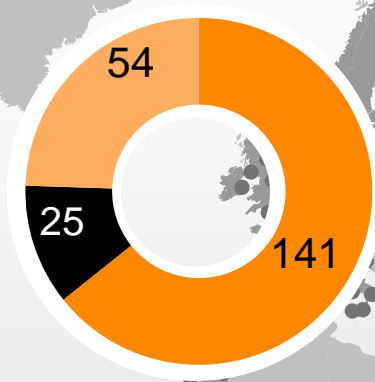


Power Plants - global order intake

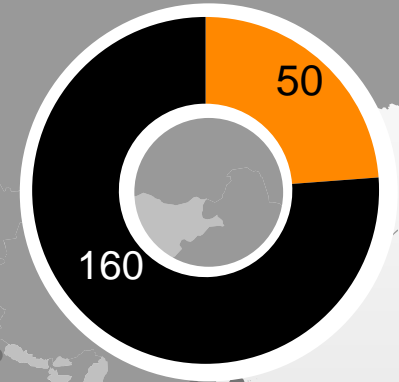
Americas 324 (425)



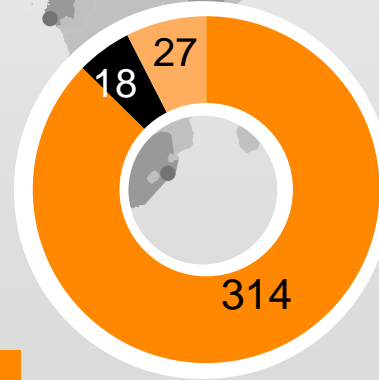
Europe 220 (19)



Asia 210 (771)

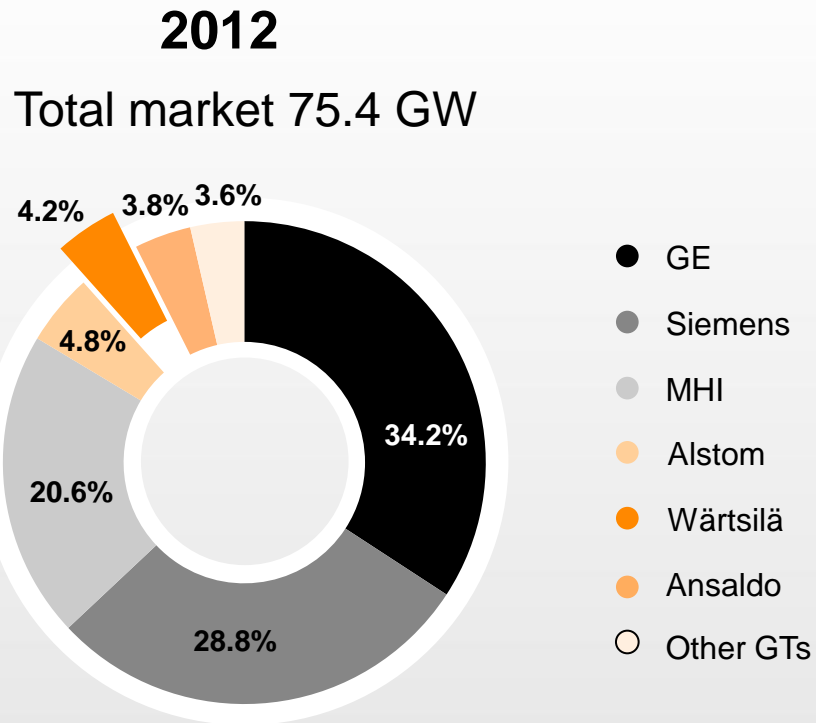


Africa and Middle East 359 (186)



Order intake 1-6/2013: 1,113 MW (1,401)

Market for gas and liquid based power plants



Includes all Wärtsilä power plants and other manufacturers' gas and liquid fuelled power plants with prime movers above 5MW, as well as estimated output of steam turbines for combined cycles.

The data is gathered from the McCoy Power Report.

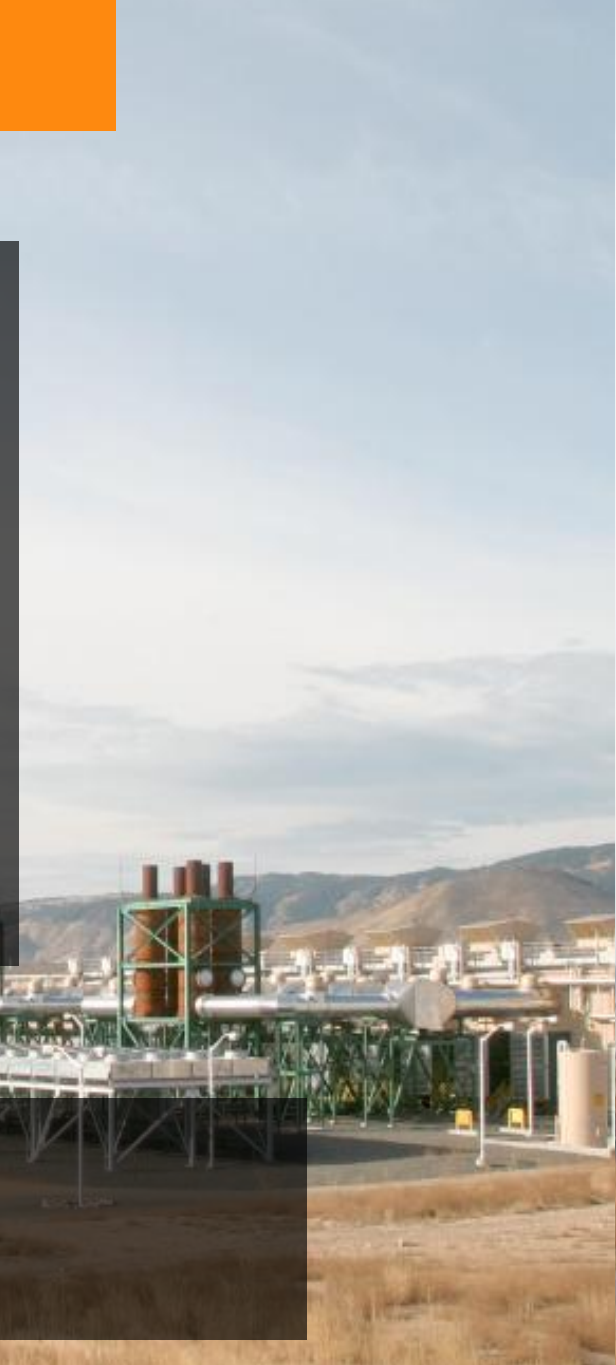
Other combustion engines not included. In engine technology Wärtsilä has a leading position.

Power Plants market trends and drivers

- GDP growth, electrification and increasing standard of living drive the growth of electricity demand
- Demand for sustainability and focus on climate change
- Rapid growth of intermittent renewable generation
- Escalating daily, weekly and seasonal demand fluctuation increases the need for flexibility
- Increasing role of gas, especially as a balancing fuel
- Ageing installed capacity drives investments in new technologies



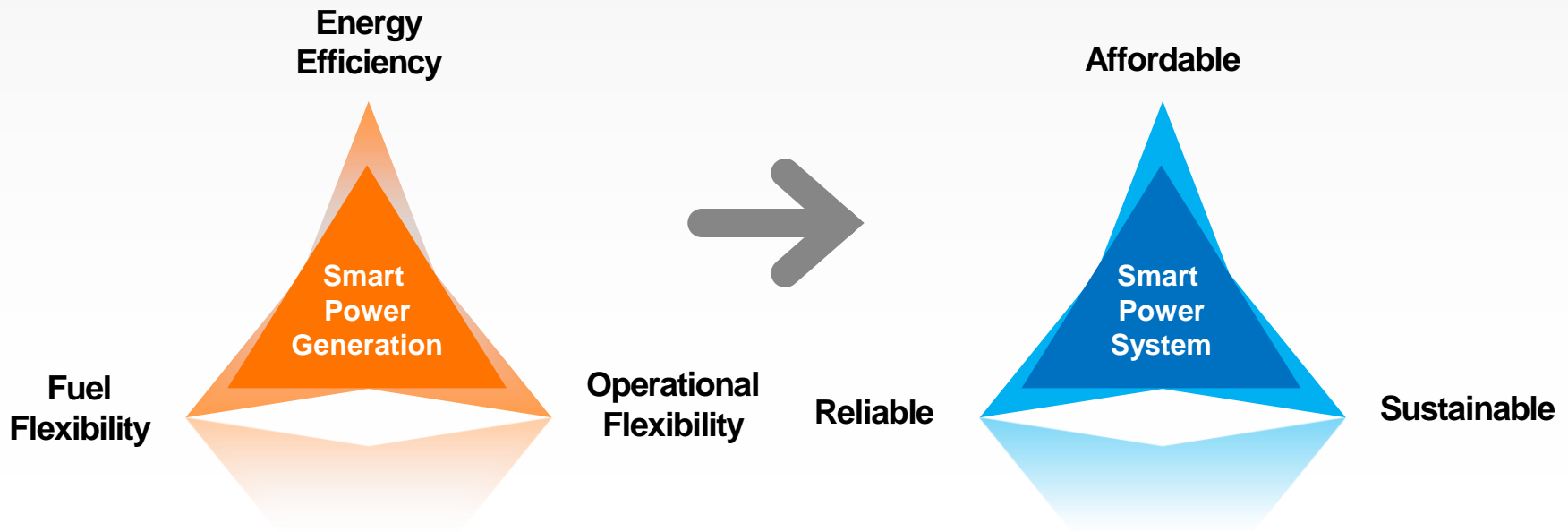
The world needs affordable, clean, flexible and reliable power.



Smart Power Generation

A unique all-in-one combination of valuable features that....

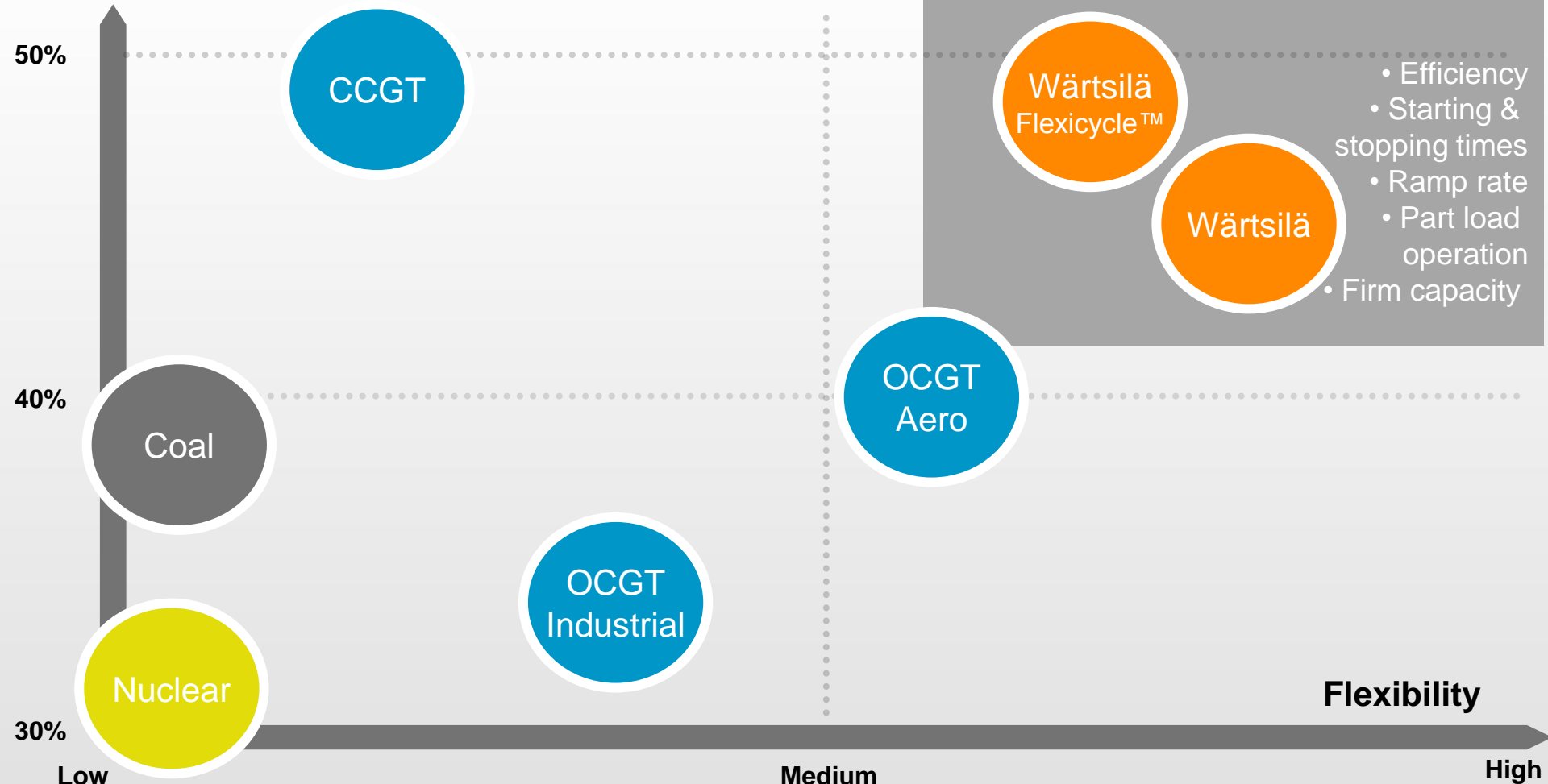
...enables the transition to a modern and sustainable power system!



Smart Power Generation is a new concept which enables an existing power system to operate at maximum efficiency by effectively absorbing current and future system load variations, providing significant savings.

Operational flexibility and electrical efficiency

Electrical efficiency



FUTURE POWER PLANTS:

- Efficiency
- Starting & stopping times
- Ramp rate
- Part load operation
- Firm capacity

● Nuclear Power Plants

● Steam Power Plants

● Gas Turbine Plants
Open Cycle (OC)
Combined Cycle (CC)

● Combustion
Engine Plants



Smart Power Generation meets varying demand

Dynamic and flexible solutions for system balancing

Portland General Electric Company, Oregon, USA

- Operational flexibility enables quick response to variable input levels of renewable power
- Order size 220 MW

Back up generation for changes in electricity supply

Olkiluoto, Finland

- Fast starting capability with sufficient power and excellent reliability
- Order size 9 x Wärtsilä 32 engines

Efficient and economical peaking plants

South Texas Electric Cooperative, USA

- Quick start-up, superior load following and low water consumption
- Order size 225 MW

Efficient gas based generation in the utility markets

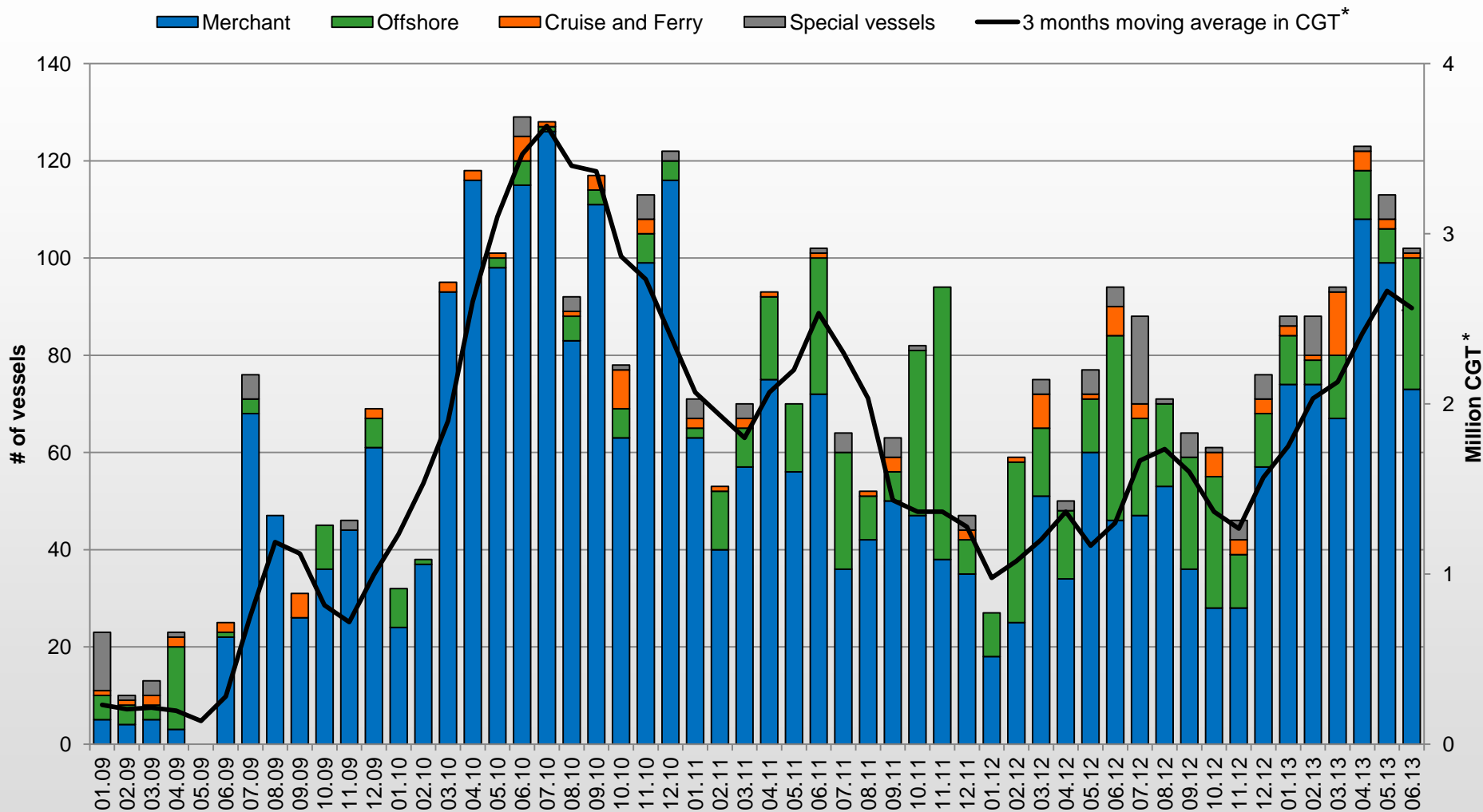
Azerenerji, Azerbaijan

- Utility scale fast track project
- Largest and most efficient gas engines in the market
- Order size 38 MW

We are passionate about optimising lifecycle value by offering what our customers need. We deliver on this promise through the only true total offering of marine products, integrated solutions and services in the industry – worldwide.

We help our customers find the shorter route to robust growth and bigger profits by focusing on operational efficiency, environmental excellence, fuel flexibility and services.

Vessel order development

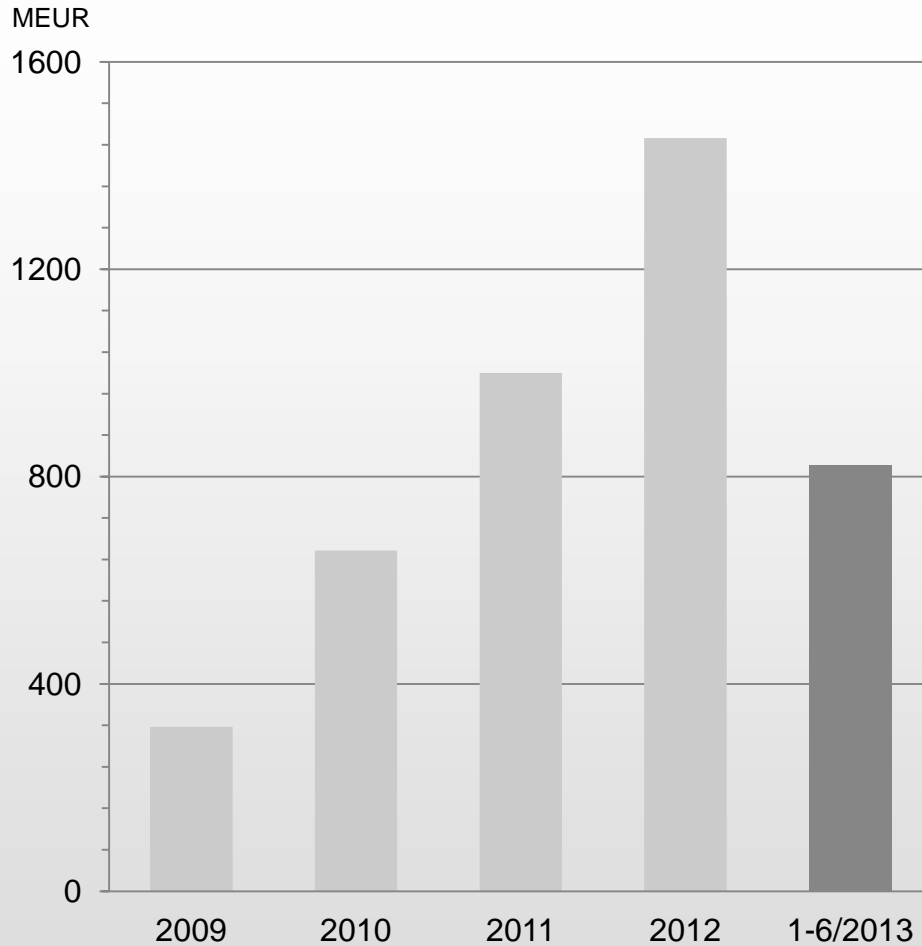


Source: Clarkson Research Services

* CGT= gross tonnage compensated with workload

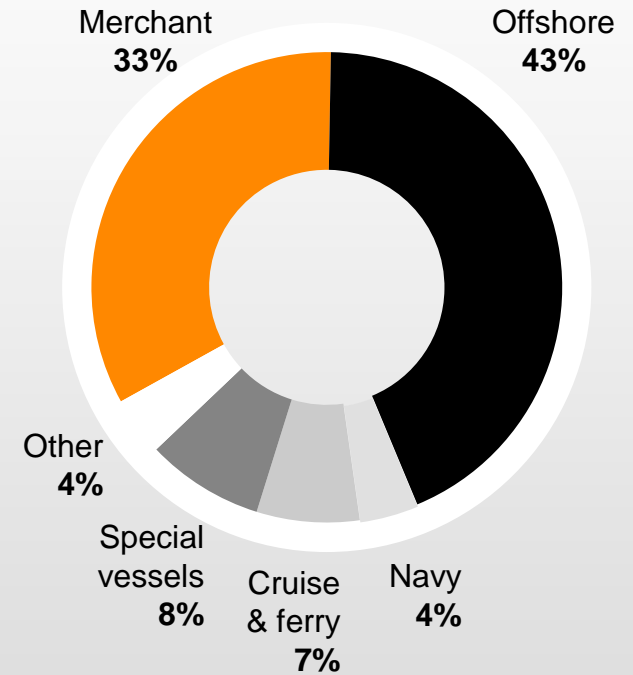


Ship Power order intake by segment



Review period development

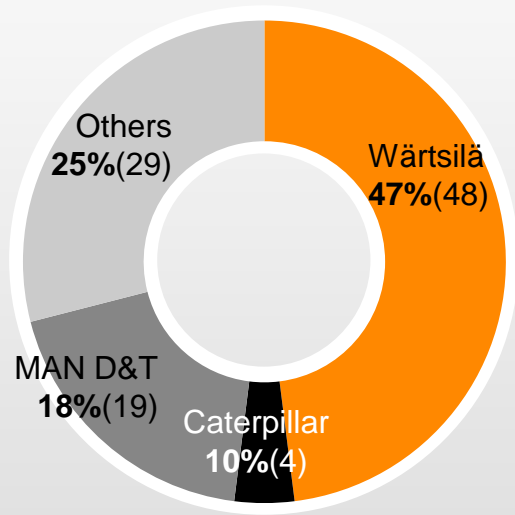
Total EUR 822 million (723)



Ship Power market

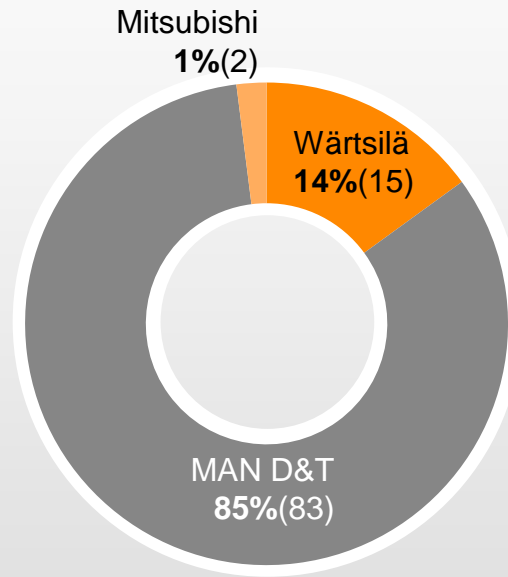
Market position of Wärtsilä's marine engines

Medium-speed main engines



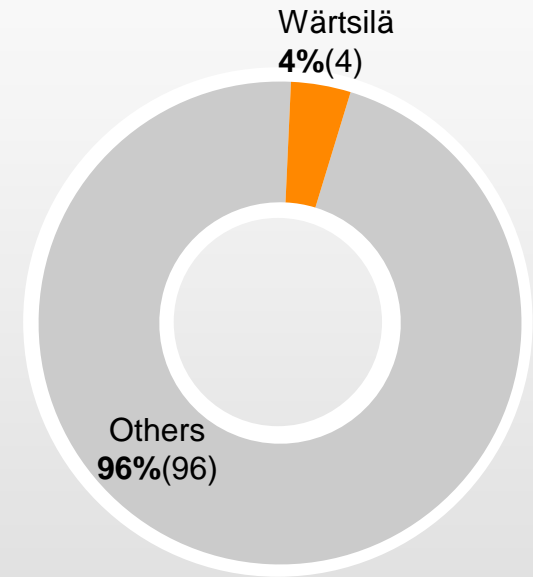
Total market volume last 12 months:
4,850 MW (4,691)

Low-speed main engines



Total market volume last 12 months:
13,214 MW (9,569)

Auxiliary engines



Total market volume last 12 months:
3,800 MW (3,728)

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

Ship Power market trends and drivers

- Development of the global economy drives marine trade and transportation growth
- Development of oil & gas prices stimulates investments in exploration and production of offshore oil & gas
- Environmental regulations drive demand for environmental solutions and gas as a marine fuel
- Increasing focus on energy efficiency and environmental performance

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The development of efficient vessels, environmental solutions and gas technology will be our priority in meeting the evolving needs of our customers.

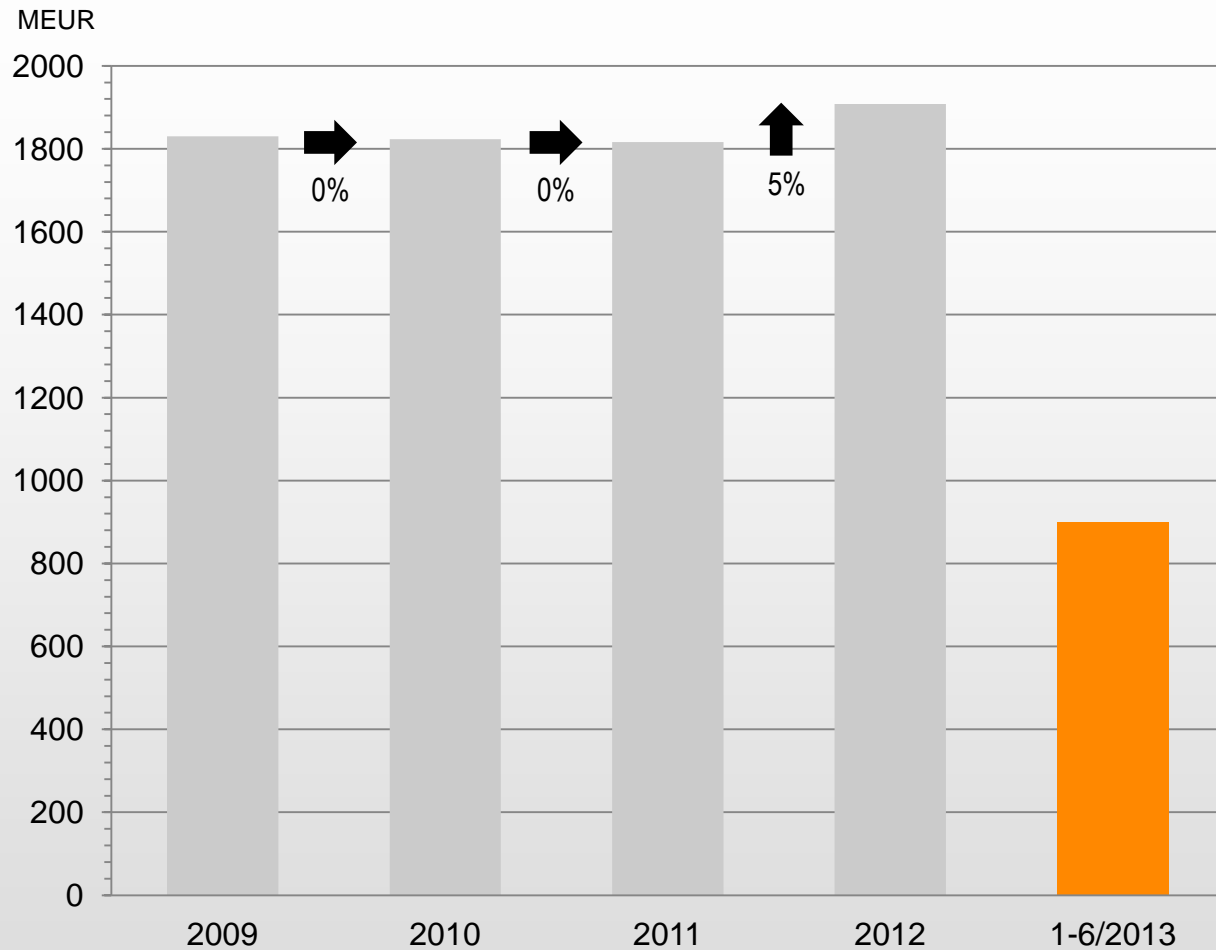




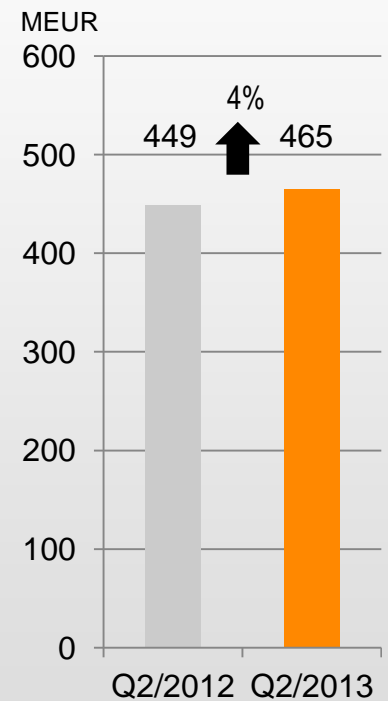
Installed base
181,200 MW

70 countries, 160 locations, 11,000 service professionals
Widest range of offering and expertise

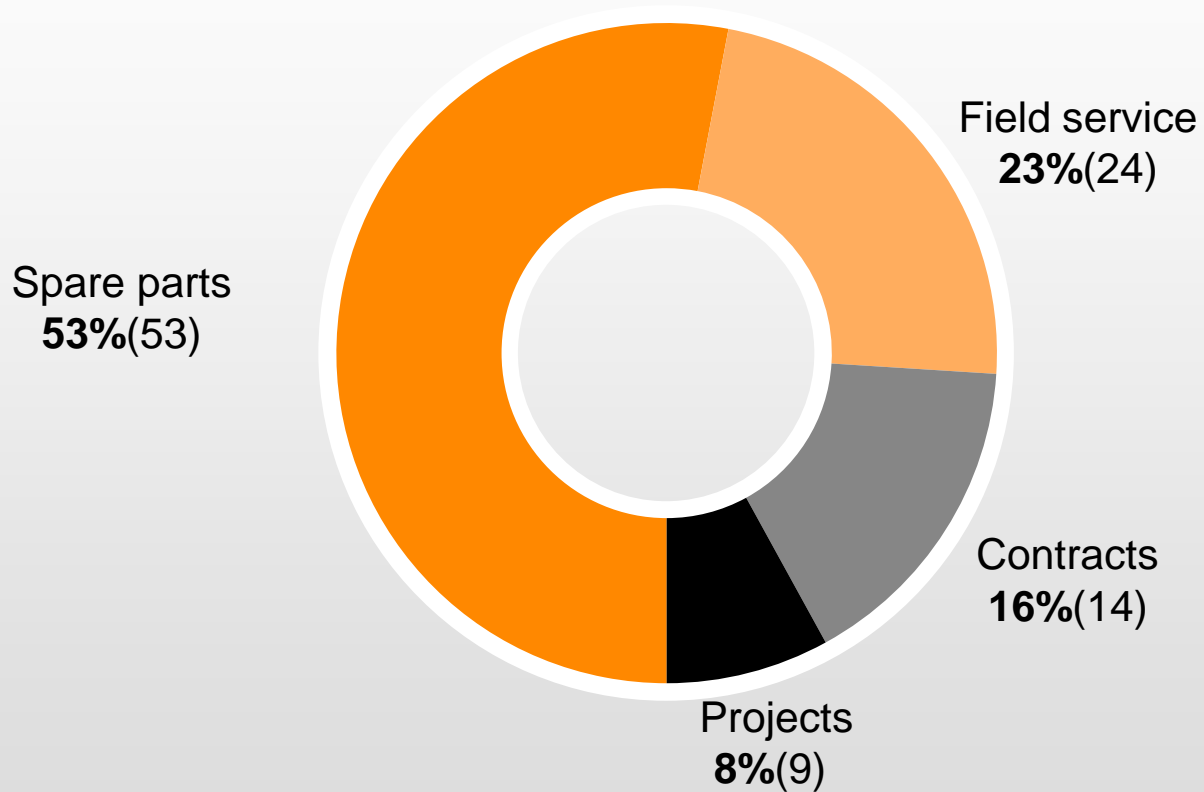
Services net sales development



Second quarter development

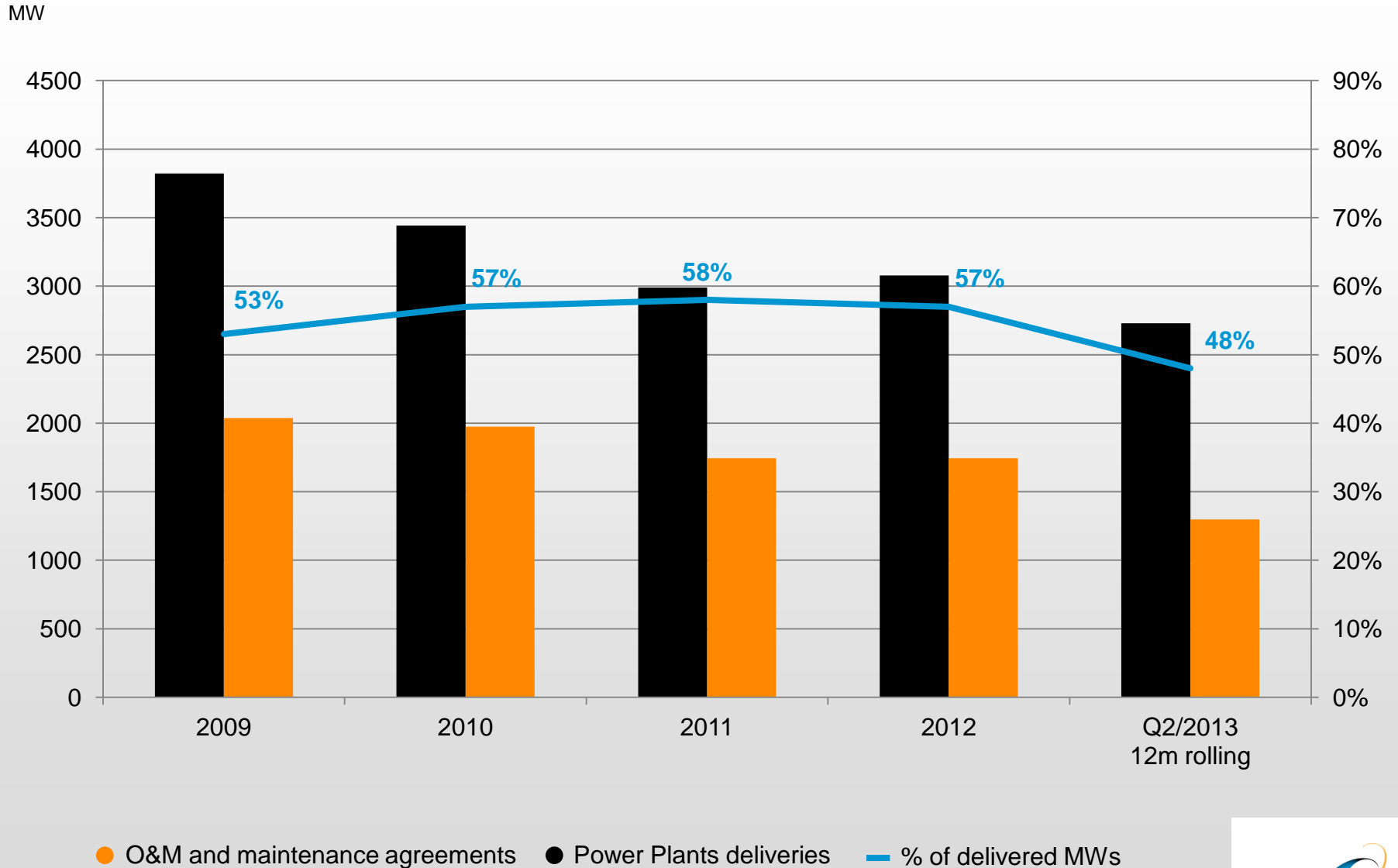


Services net sales distribution 1-6/2013



Total EUR 899 million (942)

Development of Power Plants service agreements



Services market trend and drivers

- Development of installed base and fleet utilisation
- Increased focus on total cost of ownership and lifecycle efficiency
- Changes in environmental regulations
- Growth of gas as a fuel in shipping and in power generation
- Outsourcing of operations and maintenance in service markets
- Accelerating technological development and cost pressure increases demand for expertise



- **Power Plants:** The overall market for natural gas and liquid fuel based power generation in 2013 is expected to be similar to that of 2012.
- **Ship Power:** The outlook for the shipping and ship building market in 2013 is cautious, although market conditions are expected to be better than in 2012. The contracting mix is expected to be largely in line with that seen in 2012, favouring contracting in the offshore and specialised vessel segments.
- **Services:** The overall service market outlook remains stable.

Prospects for 2013 unchanged

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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

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